

NOTICE

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

2022-05-30

**NOTICE OF THE 11TH COUNCIL MEETING OF 2021/2022
FINANCIAL YEAR OF THE COUNCIL OF BREEDE VALLEY MUNICIPALITY
MONDAY, 2022-05-30 AT 10:00**

TO The Speaker, Alderman J.F. Van Zyl [Chairperson]
The Executive Mayor, Alderman A. Steyn (Ms)
The Deputy Executive Mayor, Cllr J.J. Von Willingh

COUNCILLORS		
V.A. Bedworth	N.Nel	
W.M. Blom	C.T. Nyithana	
M.N. Bushwana	J. Pieters	
G.L. Daames	A. Pietersen	
Alderman R. Farao	O. Raiehoko	
M.A. Goedeman	P.C. Ramokhabi	
E.N. Isaacs	Alderman M. Sampson	
Alderman C. Ismail	T.P. Sibozo	
J.R. Jack	S.S.T. Steenberg	
R.T. Johnson	M. Swartz	
I.J. Joseph	H.C. Titus	
D. Judge	E. Van der Westhuizen	
J.P. Kritzinger	F. Vaughan	
S.K. Madlolo	L. Willemse	
Z.M. Mangali	M.T. Williams	
T. S. Manuel	C.F. Wilskut	
P.H. Marais	N.J. Wulschleger	
S.J. Mei	L.R. Yayi	
Alderman W.R. Meiring		
J.M. Mokgosi		

Notice is hereby given in terms of Section 29, read with Section 18(2) of the *Local Government: Municipal Structures Act, 117 of 1998*, as amended, that the **11th COUNCIL MEETING** of the **2021/2022 FINANCIAL YEAR** of the **COUNCIL** of **BREEDE VALLEY MUNICIPALITY** will be held at **CWDM, COUNCIL CHAMBERS, 51 TRAPPE STREET, WORCESTER** and by means of a virtual platform on **MONDAY, 2022-05-30 at 10:00** to consider the items on the Agenda.


SPEAKER
ALDERMAN J.F. VAN ZYL



BREED VALLEY
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1. OPENING AND WELCOME

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

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

Item 6 of Schedule 7 of the Municipal Structures Amendment Act 3 of 2021 states:

A councillor must –

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

2.2 APPLICATIONS FOR LEAVE OF ABSENCE

In terms of the Rules of Order for Internal Arrangement By-Law 2012 (as amended).

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

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

In terms of the Rules of Order for Internal Arrangement By-Law 2012 (as amended).

*“A deputation seeking an interview with Council must give the Municipal Manager **6 (six) days** written notice of its intention and furnish details of the representations to be made and the source of the deputation. The Municipal Manager must submit a request by a deputation for an interview with Council to the Speaker, who may decide to grant or refuse an interview and under what conditions*

3.2 BIRTHDAYS OF COUNCILLORS

Ald. J.F. Van Zyl	4 June 2022
Cllr M.N. Bushwana	21 June 2022
Cllr S.K. Madlolo	7 July 2022
Cllr A. Pietersen	9 July 2022
Cllr J.R. Jack	25 July 2022

3.3 LONG SERVICE AWARDS: EMPLOYEES

LONG SERVICE AWARDS FOR MAY 2022

NUMBER	NAME AND SURNAME	POST TITLE AS AT DATE OF LONG SERVICE AWARD	LONG SERVICE YEARS
1	Patrick Fredericks	Process Controller: Waste Water Treatment	10
2	George Zonisele Stuurman	General Assistant: Roads & Stormwater	10
3	Lynn Viljoen	Senior Administrative Officer	10
4	Jesse James Heyn	Call Centre Operator	15
5	Sweetness Mandla	Cleaner	15
6	Ntuthuzelo Sin- Connery Zenzile	General Worker: Littering & Illegal dumping	15

3.4 STATEMENTS BY THE SPEAKER

3.5 STATEMENTS BY THE EXECUTIVE MAYOR

4. CONFIRMATION OF MINUTES

4.1 In terms of the Rules of Order for Internal Arrangement By-Law 2012 (as amended).

- Minutes of the proceedings of meetings must be compiled in printed form and be confirmed by the Council at the next meeting and signed by the Speaker.
- The minutes shall be taken as read, for the purpose of confirmation, if a copy thereof was sent to each Councillor within forty-eight hours before the next meeting, subject to the provisions of sub-Clause (4).
- No motion or discussion shall be allowed on the minutes, except in connection with the correctness thereof.

- (d) The minutes formulated and screened during meetings, shall constitute a resolution for purposes of implementation of decisions.

4.2 Council Meeting held on 26 April 2022 (Copy enclosed)

RECOMMENDATION

That in respect of

**CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING
discussed by Council at the Council Meeting held on 30 May 2022:**

1. As the Minutes of the Council Meeting held on 26 April 2022 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 26 April 2022 be taken as read and confirmed.
-

5. REPORT BY THE EXECUTIVE MAYOR ON DECISIONS TAKEN BY THE EXECUTIVE MAYOR, THE EXECUTIVE MAYOR TOGETHER WITH THE DEPUTY EXECUTIVE MAYOR AND THE MAYORAL COMMITTEE

5.1 The Deputy Executive Mayor: Cllr J.J. Von Willingh

Mayco Meeting held on 19 April 2022

5.1.1 SAFETY PLAN FOR THE BREEDE VALLEY MUNICIPALITY

RESOLVED

EX18/2022

That in respect of –

SAFETY PLAN FOR THE BREEDE VALLEY MUNICIPALITY

discussed by Mayco at the Mayco meeting held on 19 April 2022:

1. That the Committee takes note of the proposed Safety Plan as encapsulated in “Annexure A – Breede Valley Municipal Safety Plan”
 2. That Committee recommends that Council considers and approves the Safety Plan encapsulated in Annexure A.
-

5.2 MMC1: Alderman W.R. Meiring

Mayco Meeting held on 19 April 2022

**5.2.1 QUARTERLY SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT
FOR THE 3rd QUARTER OF THE 2021/22 FINANCIAL YEAR****RESOLVED****EX14/2022**

In respect of

**QUARTERLY SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR
THE 3rd QUARTER OF THE 2021/22 FINANCIAL YEAR**

discussed by Mayco at the Mayco meeting held on 19 April 2022:

1. **Recommends that the approved SCM quarterly implementation report for the 3rd quarter of the 2021/22 financial year, be noted by Council.**

**5.2.2 REPORT TO FINANCE COMMITTEE ON DEVIATIONS FOR THE MONTH OF:
MARCH 2022****RESOLVED****EX15/2022**

In respect of

**REPORT TO FINANCE COMMITTEE ON DEVIATIONS FOR THE MONTH OF
MARCH 2022**

discussed by Mayco at the Mayco meeting held on 19 April 2022:

1. **Recommends that the deviations from the procurement processes, approved in terms of the delegated authority for the month of March 2022, be noted by Council.**

**5.2.3 PROPOSED AMENDMENT TO BID BV 787/2019: COMPILATION AND
MAINTENANCE OF GENERAL AND SUPPLEMENTARY VALUATION ROLLS
FOR THE PERIOD ENDING 30 JUNE 2022, IN COMPLIANCE WITH THE
LEGISLATIVE REQUIREMENTS OF SECTION 116(3) OF THE MFMA****RESOLVED****EX16/2022**

In respect of

PROPOSED AMENDMENT TO BID BV 787/2019: COMPILATION AND

MAINTENANCE OF GENERAL AND SUPPLEMENTARY VALUATION ROLLS FOR THE PERIOD ENDING 30 JUNE 2022, IN COMPLIANCE WITH THE LEGISLATIVE REQUIREMENTS OF SECTION 116(3) OF THE MFMA

Discussed by Mayco at the Mayco Meeting held on 19 April 2022:

1. Recommends that cognisance be taken of the reasons for the proposed amendment of Contract of HCB VALUATIONS AND SERVICES (PTY) LTD (BV 787/2019 for the services of Compilation and maintenance of general and supplementary valuation rolls contract ending 30 June 2022, enabling provisions of Section 116(3) of the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003), and that the amendments of the contract be consented to.

5.2.4 VARIOUS POLICIES**RESOLVED****EX17/2022**

That in respect of the

VARIOUS POLICIES

discussed by Mayco at the Mayco meeting held on 19 April 2022:

- That Council approves the Enterprise Risk Management Policy.
- That Council approves the Enterprise Risk Management Strategy.
- That Council approves the Fraud and Corruption Prevention Policy.
- That Council approves the Fraud and Corruption Prevention Strategy and Response Plan.
- That Council approves the Whistle Blowing Policy.
- Code of Ethics Policy.
- Risk, fraud and corruption management committee terms of reference
- The policies will be workshopped by Council.

5.3 MMC 2: Cllr. P.C. Ramokhabi

Mayco Meeting held on 19 April 2022

**5.3.1 DRAFT: RENTAL MAINTENANCE MANAGEMENT PROGRAMME/PLAN:
BREEDE VALLEY MUNICIPALITY****RESOLVED****EX19/2022**

That in respect of

DRAFT: RENTAL MAINTENANCE MANAGEMENT PROGRAMME/PLAN: BREEDE VALLEY MUNICIPALITY

discussed by Mayco at the Mayco meeting held on 19 April 2022:

1. That the Section 80 and Mayco Committee take note of the rental maintenance management Programme/plan.
2. That the final rental maintenance management Programme / Plan be submitted to Council for approval.

5.4 MMC 3: Cllr. N. Nel

5.5 MMC 4: Cllr. E. Van der Westhuizen

5.6 MMC 5: Cllr J.R. Jack

5.7 MMC 6: Cllr. V.A. Bedworth

5.8 MMC 7: Cllr. J.P. Kritzinger

5.9 MMC 8: Cllr F. Vaughan

Mayco Meeting held on 19 April 2022

5.9.1 IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF ERF 9048 WORCESTER, WERDA STREET SITUATED ADJACENT TO ERF 9047 AND 9049, WORCESTER

RESOLVED

EX20/2022

1. That the direct alienation of a Erf 9048, Worcester (adjacent to Erf 9047 and 9049), ±135m² in extent, for purpose allowed under Residential Zone I, to the owners of the adjoining erven, at an amount of Thirty Thousand Rand (R30 000.00) (VAT Excluded), be approved in principle;
2. That each Purchaser will be liable to pay an amount of Fifteen Thousand Rand (R 15 000.00) (VAT Excluded) towards the purchase price in item 1 above.

3. that Council take cognisance of the fact that the direct alienation is only approved as Erf 9048, Worcester is classified as a non-viable property;
4. that Erf 9048, Worcester be consolidated with the adjoining properties of the Applicants, being Erf 9047 and 9049, Worcester respectively;
5. Should one of the Purchasers be unable to proceed with the purchase of their respective portion of Erf 9048, the other purchaser be given the opportunity to purchase Erf 9048 in its entirety;
6. that the alienation of Erf 9048, Worcester be subject to obtaining consolidation approvals as well as comply with the relevant internal departments (Directorates) comments and the right be reserved to supplement such internal comments;
7. that a reversion condition be included in the Deed of Sale and Council's pre-emptive right be registered in the title deed that the disposed property will only be utilized for the purpose stipulated in item 1 above;
8. that all costs pertaining to the transaction be borne by the Purchasers equally, which may include survey, rezoning, consolidation and costs of transfer;
9. that a suspensive condition in respect of the consolidated properties be included stipulating that the subject erf be subject to approval in terms of land use planning legislation;
10. that the following of a public participation process, be approved;
11. that the above-mentioned approval in principle be subject to a public participation process being followed due to the non-viability of the property in that an item will only be tabled in Council again should any representations/comments be received;
12. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and
13. that the Municipal Manager be authorized to sign all documents relating to the alienation and transfer of Erf 9048, Worcester and all necessary documents relating thereto.

5.9.2 THE QUARTERLY PERFORMANCE REPORT FOR THE THIRD QUARTER (1 JANUARY 2022 – 31 MARCH 2022

That in respect of -

The Quarterly Performance Report for the Third Quarter (1 January 2022 – 31 March 2022)

discussed by the Mayco at the Mayco meeting held on 19 April 2022:

1. That the Executive Mayoral Committee takes note of the Quarter 3 SDBIP Performance Report and the Top-Layer KPI Report for the period 1 January 2022 – 31 March 2022: and
2. That the Executive Mayoral Committee refers the item and annexures to Council for notification purposes.

5.9.3 PERFORMANCE AGREEMENT OF THE DIRECTOR PUBLIC SERVICES FOR THE PERIOD 7 MARCH 2022 – 30 JUNE 2022

RESOLVED

EX22/2022

That in respect of –

The signed Performance Agreement entered with the Director: Public Services (for the period 7 March 2022 – 30 June 2022)

discussed by Mayco at the Mayco meeting held on 19 April 2022

1. That the Executive Mayoral Committee takes note of the signed Performance Agreement of the Director: Public Services for the period 7 March 2022 – 30 June 2022;
2. That the Performance Agreement, mentioned in recommendation 1, be referred to Council for notification; and
3. That the Performance Agreement, mentioned in recommendation 1, be publicised as legislatively prescribed after serving before Council.

6. COLLABORATOR OUTSTANDING RESOLUTIONS REPORT**6.1 OUTSTANDING COUNCIL RESOLUTIONS PER DIRECTORATE AS EXTRACTED ON
23 MAY 2022****1. COMMUNITY SERVICES**

Council		Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment
172625	SUBMISSION OF BY-LAW RELATING TO THE MANAGEMENT AND CONTROL OF FLATS (rental housing units) OWNED OR ADMINISTERED BY THE BREEDE VALLEY MUNICIPALITY	RESOLVED C41/2015 That in respect of the SUBMISSION OF BY-LAW RELATING TO THE MANAGEMENT AND CONTROL OF FLATS (rental housing units) OWNED OR ADMINISTERED BY THE BREEDE VALLEY MUNICIPALITY discussed by Council at the Council meeting held on 25 of June 2015: 1. That Council approved the draft By-Law relating to the Management and Control of flats (rental housing units) owned or administer by the Breede Valley Municipality; 2. That the administration advertises said draft By-Law for public comments; 3. That all comments be collated submitted to Council for final approval and promulgation in the Provincial Gazette. 4. That the draft By-Law be workshopped with all the Councillors.	2015-06-25	GMAYEKI	95	The item will be submitted to the councillor in order to amend the recommendation as follows; 1. Human Settlements Plan must be completed first, and all related policy be updated. 2. Council must approve the policy after this process. Covid-19 and the lockdown have delayed the submission. A new report we will be submitted Council when the normal business resume.
767107	AVIAN PARK (439) HOUSING PROJECT: OCCUPIERS AND TRANSFER OF SUBSIDIES TO TRANSHEX HOUSING PROJECT AND PROPOSED ALIENATION OF TWENTY-FIVE (25)	RESOLVED C85/2018 That in respect of – AVIAN PARK (439) HOUSING PROJECT: OCCUPIERS AND TRANSFER OF SUBSIDIES TO TRANSHEX HOUSING PROJECT AND PROPOSED ALIENATION OF TWENTY-FIVE (25) ERVEN IN AVIAN	2018-10-30	HPOTGIETER	90	23/05/2022: Transfers still in process.

	<p>ERVEN IN AVIAN PARK FOR RESIDENTIAL PURPOSES</p>	<p>PARK FOR RESIDENTIAL PURPOSES as discussed by Council at the Council meeting held on 30 October 2018 council decide:</p> <p>1. That Council take cognizance of the negotiations with the respective effected stakeholders;</p> <p>2. That Council resolve in respect of the occupants or owners as follows:</p> <p>2.4 Legitimate owners of the Volstruis- and Dikkop Street units to have their approved subsidies transferred to the Transhex Housing Development;</p> <p>2.5 Occupants of the Volstruis- and Dikkop Street Houses agreed to cancel the initial mediation agreement and a new agreement be concluded stipulating that they will remain in the aforementioned houses;</p> <p>2.6 Worcester West Informal Occupants cancelled the mediation agreement and application for a subsidy at the Transhex Housing Development project will be processed.</p> <p>3. That Council resolve that the alienation of the respective erven as set out in Annexure G by means of a competitive process in the open market solely for housing / residential purposes be approved in principle; subject to the following conditions:</p> <p>3.1 that the Municipal Manager be mandated to decide on the final erven to be disposed of prior to the competitive process being followed;</p> <p>3.2 that the administration be mandated to administer the process of disposal of the properties;</p> <p>3.3 that the municipality will complete the outstanding</p>				
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		<p>engineering services (i.e. roads, stormwater and electricity) and the erven thereafter be alienated at the market related value, which will serve as the residual value;</p> <p>3.4 that a reversion condition be included in the Deed of Sale as well as the Title Deed that the disposed properties be utilised for residential purposes only and should the Purchaser fail to erect a building within two (2) years from date of registration and not use the property as specified, the erf will revert back to the Municipality free of charge;</p> <p>3.5 that the Purchaser will be responsible for the payment of all municipal services including rates and taxes in respect of the property following transfer of the property;</p> <p>3.6 that the costs pertaining to the transaction, e.g. transfer costs be paid by the purchaser;</p> <p>3.7 that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement such internal comments</p> <p>4. that the following of a public participation process, be approved and should no objections / comments be received, then the item would not be referred back to Council;</p> <p>5. That provision be made in the February 2019 adjustment budget for the provision of roads, stormwater and electrical reticulation to the amount of approximately One Million Rand (R1,000,000.00);</p> <p>6. that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provisions Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003); and</p>				
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		7. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the respective municipal properties.				
913138	DEVOLUTION OF 34 WESTERN CAPE HUMAN SETTLEMENTS RENTAL UNITS: ROUX PARK WORCESTER TO BREDE VALLEY MUNICIPALITY	<p>RECOMMENDATION C44/2021</p> <p>That in respect of DEVOLUTION OF 34 WESTERN CAPE HUMAN SETTLEMENTS RENTAL UNITS: ROUX PARK WORCESTER TO BREDE VALLEY MUNICIPALITY as discussed by Council at the Council Meeting held on 28 April 2021:</p> <p>1. That Council approve and accept the devolution of the units indicated above and that the Western Cape Department of Human Settlements be informed of the decision.</p> <p>2. That the Municipal Manager be authorised to negotiate and finalize the terms of the proposed Deed of Alienation</p> <p>3. That it be noted that an amount of R3.4m will be transferred by the Department to BVM as a once-off contribution in respect of upgrading and maintenance of the 34 units.</p>	2021-04-28	GMAYEKI	99	the Deed of Alienation has been completed and signed by the MM. The transfer and registration of the property into the BVM is currently underway. The handing over meeting is scheduled for 29 April 2022
1099838	SAFETY PLAN FOR THE BREDE VALLEY MUNICIPALITY	<p>RESOLVED C52/2022</p> <p>That in respect of –</p> <p>SAFETY PLAN FOR THE BREDE VALLEY MUNICIPALITY</p> <p>discussed by Council at the Council meeting held on 26 April 2022:</p> <p>1. That the Council takes note of the proposed Safety Plan as encapsulated in "Annexure A – Brede Valley Municipal Safety Plan"</p> <p>2. That Council considers and approves the draft Safety Plan encapsulated in</p>	2022-04-26	DAPOLLIS		

		Annexure A which is to be workshopped with Council and relevant roleplayers / stakeholders before final approval;				
1099839	DRAFT: RENTAL MAINTENANCE MANAGEMENT PROGRAMME/PLAN: BREDE VALLEY MUNICIPALITY	<p>RESOLVED C53/2022</p> <p>That in respect of</p> <p>DRAFT: RENTAL MAINTENANCE MANAGEMENT PROGRAMME/PLAN: BREDE VALLEY MUNICIPALITY</p> <p>discussed by Council at the Council Meeting held on 26 April 2022:</p> <p>1. That Council approve the draft rental maintenance management Programme / Plan and that it be workshopped with Council.</p>	2022-04-26	GMAYEKI		

2. STRATEGIC SUPPORT SERVICES

Council	Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment
685303	<p>IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF A PORTION OF ERF 1 WORCESTER, LOUIS LANGE STREET SITUATED ADJACENT TO ERF 5899, WORCESTER</p> <p>RESOLVED C59/2019</p> <p>In respect of</p> <p>IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF A PORTION OF ERF 1 WORCESTER, LOUIS LANGE STREET SITUATED ADJACENT TO ERF 5899, WORCESTER</p> <p>As discussed by Council at the Council Meeting held on 23 July 2019:</p> <p>That the direct alienation of a portion of Erf 1 Worcester (adjacent to Erf 5899), ±115m² in extent, for business purposes, to the owner of the adjoining erf, Mr. Tait, at an amount of One Hundred and Thirty Rand (R130.00) per square metre (VAT exclusive) at the total purchase price of approximately Fifteen Thousand Rand (R15 000.00) be approved in principle;</p>	2019-07-23	HPOTGIETER	95	23/05/2022: Diagrams for vesting transfer still awaited.

		<p>1. that Council take cognisance of the fact that the direct alienation is only approved as the subject portion, a portion of Erf 1, Worcester is classified as a non-viable property;</p> <p>2. that the subject portion, a portion of Erf 1, Worcester be consolidated with the adjoining property of the Applicant, being Erf 5899, Worcester;</p> <p>3. that the alienation of the subject portion, a portion of Erf 1, Worcester be subject to obtaining the necessary closure, rezoning and consolidation approvals as well as comply with the relevant internal departments (Directorates) comments and the right be reserved to supplement such internal comments;</p> <p>4. that a reversion condition be included in the Deed of Sale and Council's pre-emptive right be registered in the title deed that the disposed property will only be utilized for the purpose stipulated in item 1 above;</p> <p>5. that all costs pertaining to the transaction be borne by the Purchaser, which may include survey, rezoning, consolidation and costs of transfer;</p> <p>6. that a suspensive condition in respect of the consolidated properties be included stipulating that the subject erven be subject to approval in terms of land use planning legislation;</p> <p>7. that the following of a public participation process, be approved;</p> <p>8. that the above-mentioned approval in principle be subject to a public participation process being followed due to the non-viability of the property and that an item will only be tabled in Council again should any representations/comments be received;</p> <p>9. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal</p>				
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		<p>services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and</p> <p>10. that the Municipal Manager be authorized to sign all documents relating to the alienation and transfer of the subject property, being a portion of Erf 1, Worcester and all necessary documents relating thereto.</p>				
728886	<p>IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF FARM 319, PORTION 64 WORCESTER, TWEE FONTEINEN SITUATED ADJACENT TO FARM 319 PORTION 43, WORCESTER.</p>	<p>RESOLVED C87/2019</p> <p>That in respect of –</p> <p>IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF FARM 319, PORTION 64 WORCESTER, TWEE FONTEINEN SITUATED ADJACENT TO FARM 319 PORTION 43, WORCESTER</p> <p>Discussed by Council at the Council meeting held on 29 October 2019 council decide:</p> <p>1. That the direct alienation of Farm 319 Portion 64 Worcester (adjacent to Farm 319 Portion 43), ±4300m² in extent, for the purpose of building a lined dam for irrigation, to the owner of the adjoining erf, De Wet Cellar (Pty) Ltd, at the total purchase price of approximately Thirty-Four Thousand Rand (R34 000.00) be approved in principle;</p> <p>2. that Council take cognisance of the fact that the direct alienation is only approved as Farm 319 Portion 64, Worcester is classified as a non-viable property;</p> <p>3. that Farm 319 Portion 64, Worcester be consolidated with the adjoining property of the Applicant, being Farm 319 Portion 43, Worcester;</p> <p>4. that the alienation of Farm 319 Portion 64, Worcester be subject to obtaining the necessary rezoning and consolidation approvals as well as comply with the relevant internal departments (Directorates) comments and the right be reserved to supplement such internal comments;</p> <p>5. that a reversion condition be included in the Deed of Sale and</p>	2019-10-29	HPOTGIETER	95	23/05/2022: Transfer still in process.

		<p>Council's pre-emptive right be registered in the title deed that the disposed property will only be utilized for the purpose stipulated in item 1 above;</p> <p>6. that all costs pertaining to the transaction be borne by the Purchaser, which may include survey, rezoning, consolidation and costs of transfer;</p> <p>7. that a suspensive condition in respect of the consolidated properties be included stipulating that the subject erven be subject to approval in terms of land use planning legislation;</p> <p>8. that the following of a public participation process, be approved;</p> <p>9. that the above-mentioned approval in principle be subject to a public participation process being followed due to the non-viability of the property in that an item will only be tabled in Council again should any representations/comments be received;</p> <p>10. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and</p> <p>11. that the Municipal Manager be authorized to sign all documents relating to the alienation and transfer of the subject portion of Farm 319 Portion 64 Worcester and all necessary documents relating thereto.</p>				
886395	IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF MUNICIPAL PROPERTY: ERF 5595, SITUATED AT 1 PHILLY MAPUTANE STREET, DE DOORNS	<p>RESOLVED C20/2021</p> <p>That in respect of –</p> <p>IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF MUNICIPAL PROPERTY: ERF 5595, SITUATED AT 1 PHILLY MAPUTANE STREET, DE DOORNS</p> <p>as discussed by Council at the Council meeting held on 23 February 2021 Council decide:</p> <p>1. that the disposal of erf 5595, De</p>	2021-02-23	HPOTGIETER	90	23/05/2022: Regulation 68 (Deeds Registry Act) still in process.

		<p>Doorns for purposes permitted under Institutional Zone I be approved in principle by means of a competitive bidding process in the open market at the market related value as determined by HCB Property Valuations in the amount of R95 000.00 (Ninety-Five Thousand Rand), VAT Excluded, VAT Excluded;</p> <p>2. should the Purchaser be a registered social care organization/institution the purchase price be fixed at a minimum of 50% of the fair market value;</p> <p>3. that all costs pertaining to the transaction be borne by the Purchaser, e.g. transfer costs, survey, rezoning, provision of services and a direct access road;</p> <p>4. that the development of the erf be completed within two (2) years of registration and be included in the Deed of Sale;</p> <p>5. that the following of a public participation process, be approved;</p> <p>6. that an item will only be resubmitted to Council should any representations/objections be received;</p> <p>7. that the administration be mandated to administer the process of disposal of the municipal property following the public participation process;</p> <p>8. that a reversion condition be included in the Deed of Sale and that Council's pre-emptive right be registered in the title deed that the disposed property will only be utilised for the purpose stipulated in item 1 above;</p> <p>9. that the Purchaser be responsible for the payment of all municipal services including rates and taxes in respect of the property following transfer of the property;</p> <p>10. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;</p>				
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		<p>11. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and the community value as well as the economic value in exchange for the asset was weighed against the market related purchase price; and</p> <p>12. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the subject property.</p>				
886398	IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF THE REMAINDER OF ERF 5940, SITUATED AT CHURCH STREET, WORCESTER	<p>RESOLVED C22/2021</p> <p>That in respect of –</p> <p>IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF THE REMAINDER OF ERF 5940, SITUATED AT CHURCH STREET, WORCESTER</p> <p>as discussed by Council at the Council meeting held on 23 February 2021 council decide:</p> <p>1. That, the disposal of the remainder of erf 5940 Worcester currently permitted under Transport Zone I be approved in principle by means of a competitive bidding process in the open market at the market related value as determined by HCB Property Valuations as HCB Property Valuations determined the market related value of the property in the amount of R300 000.00 (Three Hundred Thousand Rand), VAT Excluded.</p> <p>2. that the Purchaser be permitted to apply for the rezoning of the municipal property, provided that the application follows proper Town Planning procedures;</p> <p>3. that all costs pertaining to the transaction be borne by the Purchaser, e.g. transfer costs, survey, rezoning, provision of services and a direct access road;</p> <p>4. that the development of the erf be completed within two (2) years</p>	2021-02-23	HPOTGIETER	90	23/05/2022: Transfer still in process.

		<p>of registration and be included in the Deed of Sale;</p> <p>5. that the following of a public participation process, be approved;</p> <p>6. that an item will only be resubmitted to Council should any representations/objections be received;</p> <p>7. that the administration be mandated to administer the process of disposal of the municipal property following the public participation process;</p> <p>8. that a reversion condition be included in the Deed of Sale and that Council's pre-emptive right be registered in the title deed that the disposed property will only be utilised for the purpose stipulated in item 1 above;</p> <p>9. that the Purchaser will be responsible for the payment of all municipal services including rates and taxes in respect of the property following transfer of the property;</p> <p>10. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;</p> <p>11. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and the community value as well as the economic value in exchange for the asset was weighed against the market related purchase price; and</p> <p>12. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the respective municipal properties.</p>				
886399	IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF A PORTION OF ERF 1 (ALSO KNOWN AS	<p>RESOLVED C23/2021</p> <p>That in respect of –</p> <p>IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF A PORTION OF ERF 1 (ALSO KNOWN AS</p>	2021-02-23	HPOTGIETER	90	23/05/2022: Transfer still in process.

	<p>YSSEL STREET THOROUGHFARE), SITUATED AT YSSEL STREET, WORCESTER</p>	<p>YSSEL STREET THOROUGHFARE) SITUATED AT YSSEL STREET, WORCESTER as discussed by Council at the Council meeting held on 23 February 2021 Council decide:</p> <ol style="list-style-type: none"> 1. That the disposal of a portion of erf 1 (also known as Yssel Street thoroughfare), Worcester for purposes permitted under Residential Zone I be approved in principle by means of a competitive bidding process in the open market at the market related value as determined by HCB Property Valuations in the amount of R105 500.00 (One hundred and Five Thousand Five Hundred Rand), VAT Excluded; 2. that the erf be offered to first time homeowners with the means to purchase and develop the property; 3. that all costs pertaining to the transaction be borne by the Purchaser, e.g. transfer costs, survey, rezoning, provision of services and a direct access road; 4. that the development of the erf be completed within two (2) years of registration and be included in the Deed of Sale; 5. that a suspensive condition in respect of the subdivision of the property be included in the Deed of Sale stipulating that the disposal of the property be made subject to approval of the subdivision (Town Planning) processes in terms of land use planning legislation; 6. that the following of a public participation process, be approved; 7. that an item will only be resubmitted to Council should any representations/objections be received; 8. that the administration be mandated to administer the process of disposal of the municipal property following the public participation process; 9. that a reversion condition be included in the Deed of Sale and that Council's pre-emptive right be 				
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		<p>registered in the title deed that the disposed property will only be utilised for the purpose stipulated in item 1 above;</p> <p>10. that the Purchaser will be responsible for the payment of all municipal services including rates and taxes in respect of the property following transfer of the property;</p> <p>11. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;</p> <p>12. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and the community value as well as the economic value in exchange for the asset was weighed against the market related purchase price; and</p> <p>13. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the subject property.</p>				
913139	IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF A PORTION OF REMAINDER OF FARM 576 RHOODE HOOGE OUTSPAN, WORCESTER	<p>RESOLVED C45/2021</p> <p>That in respect of –</p> <p>IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF A PORTION OF REMAINDER OF FARM 576 (RHOODE HOOGE OUTSPAN), WORCESTER</p> <p>as discussed by Council at the Council meeting held on 28 April 2021 Council decide:</p> <p>1. That the disposal of a portion of remainder of Farm 576 (Rhoode Hoogte Outspan), Worcester, ±15.2400ha in extent for purposes permitted under Agricultural Zone I be approved in principle by means of a competitive process in the open market at least at a fair market price as determined by HCB Valuers in the amount of Seventy-Five Thousand Rand (R75 000.00);</p> <p>2. That the prospective purchaser</p>	2021-04-28	HPOTGIETER	75	23/05/2022: Further site inspection conducted on 13/05/2022. Internal action to be taken prior to resubmitting item.

		<p>be liable for all costs related to the disposal, e.g. rehabilitation- and transfer costs, EIA if required, registration of a right of way and the installation of municipal services;</p> <p>3. that the following of a public participation process, be approved;</p> <p>4. that an item will only be resubmitted to Council should any representations/comments be received;</p> <p>5. that the administration be mandated to administer the process of disposal of the municipal properties following the public participation process;</p> <p>6. that a reversion clause be included in the Deed of Sale as well as the Title Deed that the disposed property be utilized for Agricultural Zone I Purposes only and should the Purchaser not use the property as specified, the erf will revert back to the Municipality free of charge;</p> <p>7. that the Purchaser will be responsible for the payment of all municipal services including rates and taxes in respect of the property following transfer of the property;</p> <p>8. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;</p> <p>9. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003); and</p> <p>10. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the municipal property.</p>				
977287	IN-PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION AND	<p>RESOLVED C85/2021</p> <p>That in respect of –</p> <p>IN-PRINCIPLE, APPROVAL FOR THE DIRECT ALIENATION AND</p>	2021-09-28	HPOTGIETER	70	23/05/2022: Town Planning procedures in process.

	TRANSFER OF A PORTION OF ERF 4014 AND A PORTION OF ERF 4015, SITUATED ON THE R43 VILLIERSDORP ROAD, WORCESTER, TO CAPE WINELANDS DISTRICT MUNICIPALITY	<p>TRANSFER OF A PORTION OF ERF 4014 AND A PORTION OF ERF 4015, SITUATED ON THE R43 VILLIERSDORP ROAD, WORCESTER, TO CAPE WINELANDS DISTRICT MUNICIPALITY</p> <p>as discussed by Council at the Special Council meeting held on 28 September 2021, Council decide:</p> <ol style="list-style-type: none"> 1. That the capital asset to be transferred is not needed for the provision of the minimum level of basic municipal services and is considered to be surplus to the requirements of the municipality; 2. That the direct alienation and transfer of the property being a portion of Erf 4014 and a portion of Erf 4015, situated on the R43 Villiersdorp Road, Worcester ±47.23 ha in extent, at the market-related value of R1 890 000.00 (One Million Eight Hundred And Ninety Thousand Rand), alternatively R40 000.00 (Forty Thousand Rand) per hectare, for the primary purpose of establishing a Regional Landfill Site or for alternative utilisation identified and approved by Breede Valley Municipality to the Cape Winelands District Municipality, be approved in principle; 3. that the transfer of the property be subject to obtaining the necessary rezoning and subdivision approvals as well as compliance with the relevant internal departments (Directorates) comments with the right to supplement same; 4. that all costs pertaining to the transaction be borne by the Cape Winelands District Municipality; and 5. that the Municipal Manager be authorized to sign all documents relating to the alienation and transfer of the property and all necessary documents relating to it. 				
1065283	IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF A PORTION OF ELIZABETH	<p>RESOLVED C26/2022</p> <p>That in respect of –</p> <p>IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF A PORTION OF ELIZABETH STREET, RAWSONVILLE</p>	2022-02-24	HPOTGIETER	80	23/05/2022: Public participation process followed. Resubmission item served at sec 80 committee meeting on 17/05/2022. Item will be

	<p>STREET, RAWSONVILLE</p>	<p>as discussed by Council at the Council Meeting held on 23 February 2022:</p> <p>That the direct alienation of a portion of Elizabeth Street, Rawsonville (adjacent to Erven 536 and 537), ±221.57m² in extent, for formal parking purposes, to the owner of the adjoining erven, at an amount of One Hundred and Ten Thousand Rand (R110 000.00), be approved in principle;</p> <p>1. that Council take cognisance of the fact that the direct alienation is only approved as the subject portion of Elizabeth Street, Rawsonville is classified as a non-viable property;</p> <p>2. that the purchaser make provision for a pedestrian thoroughfare from Elizabeth Street to Van Riebeeck Street, Rawsonville;</p> <p>3. that the subject portion of Elizabeth Street, Rawsonville be consolidated with the adjoining property of the Applicant, being Erf 537, Rawsonville;</p> <p>4. that the alienation of the subject portion of Elizabeth Street, Rawsonville be subject to obtaining the necessary closure, rezoning, consolidation and deproclamation approvals within two (2) years, as well as comply with the relevant internal departments (Directorates) comments and the right be reserved to supplement such internal comments;</p> <p>5. that a reversion condition be included in the Deed of Sale and Council's pre-emptive right be registered in the title deed that the disposed property will only be utilized for the purpose stipulated in item 1 above;</p> <p>6. that all costs pertaining to the transaction be borne by the Purchaser, which may include survey, rezoning, consolidation and costs of transfer;</p> <p>7. that a suspensive condition in respect of the consolidated properties be included stipulating that the subject erven be subject to</p>			<p>tabled at 30/05/2022 Council meeting for resolution.</p>
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		<p>approval in terms of land use planning legislation;</p> <p>8. that the following of a public participation process, be approved;</p> <p>9. that the above-mentioned in principle approval be subject to a public participation process being followed due to the non-viability of the property and that an item will only be tabled in Council again should any representations/comments be received;</p> <p>10. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and</p> <p>11. that the Municipal Manager be authorized to sign all documents relating to the alienation and transfer of the subject portion of Elizabeth Street, Rawsonville and all necessary documents relating thereto.</p>				
1086624	APPLICATION FOR THE ESTABLISHMENT OF A SPECIAL RATING AREA: FAIRWAY HEIGHTS	<p>RESOLVED C42/2022</p> <p>That in respect of – APPLICATION FOR THE ESTABLISHMENT OF A SPECIAL RATING AREA: FAIRWAY HEIGHTS as discussed by Council at the Council meeting held on 31 March 2022:</p> <p>1. That Council condone non-compliance with the 90-day period as required in terms of section 8(1) of the Municipal Special Rating Area By-law.</p> <p>2. That the area as depicted on the map which includes Victory Way, Hickory Way, Wedgewood, Fairway Heights Drive, Classic Close, St. Andrews Close and Master's Way, be determined a Special Rating Area to be called Fairway Heights Special Rating Area;</p> <p>3. That the additional rates for residential properties in terms of Section 22(1)(b) of the Local Government: Municipal Property Rates Act for inclusion in the</p>	2022-03-31	HPOTGIETER	50	23/05/2022: Implementation of additional rate due in new FY, i.e. from July 2022.

		2022/2023 budget be applied as follows: 3.1 R0.001502 excluding VAT; 3.2 R0.001727 including VAT;				
1099841	IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF ERF 9048 WORCESTER, WERDA STREET SITUATED ADJACENT TO ERF 9047 AND 9049, WORCESTER	<p>RESOLVED C55/2022</p> <p>That in respect of –</p> <p>IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF ERF 9048 WORCESTER, WERDA STREET SITUATED ADJACENT TO ERF 9047 AND 9049, WORCESTER</p> <p>discussed by Council at the Council Meeting held on 26 April 2022:</p> <ol style="list-style-type: none"> 1. That the direct alienation of a Erf 9048, Worcester (adjacent to Erf 9047 and 9049), ±135m² in extent, for purpose allowed under Residential Zone I, to the owners of the adjoining erven, at an amount of Thirty Thousand Rand (R30 000.00) (VAT Excluded), be approved in principle; 1. That each Purchaser will be liable to pay an amount of Fifteen Thousand Rand (R 15 000.00) (VAT Excluded) towards the purchase price in item 1 above. 2. that Council take cognisance of the fact that the direct alienation is only approved as Erf 9048, Worcester is classified as a non-viable property; 3. that Erf 9048, Worcester be consolidated with the adjoining properties of the Applicants, being Erf 9047 and 9049, Worcester respectively; 4. Should one of the Purchasers be unable to proceed with the purchase of their respective portion of Erf 9048, the other purchaser be given the opportunity to purchase Erf 9048 in its entirety; 5. that the alienation of Erf 9048, Worcester be subject to obtaining consolidation approvals as well as comply with the relevant internal departments (Directorates) comments and the right be 	2022-04-26	HPOTGIETER	25	23/05/2022: Resolution duly conveyed: Meeting was had with respective owners / applicants.

		<p>reserved to supplement such internal comments;</p> <p>6. that a reversion condition be included in the Deed of Sale and Council's pre-emptive right be registered in the title deed that the disposed property will only be utilized for the purpose stipulated in item 1 above;</p> <p>7. that all costs pertaining to the transaction be borne by the Purchasers equally, which may include survey, rezoning, consolidation and costs of transfer;</p> <p>8. that a suspensive condition in respect of the consolidated properties be included stipulating that the subject erf be subject to approval in terms of land use planning legislation;</p> <p>9. that the following of a public participation process, be approved;</p> <p>10. that the above-mentioned approval in principle be subject to a public participation process being followed due to the non-viability of the property in that an item will only be tabled in Council again should any representations/comments be received;</p> <p>11. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and</p> <p>12. that the Municipal Manager be authorized to sign all documents relating to the alienation and transfer of Erf 9048, Worcester and all necessary documents relating thereto.</p>				
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3. PUBLIC SERVICES

None

4. ENGINEERING SERVICES

None

5. FINANCIAL SERVICES

Council		Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment
1086589	2022/23 DRAFT BUDGET MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK	<p>RESOLVED C34/2022</p> <p>In respect of 2022/23 DRAFT BUDGET MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK discussed by Council at the Council Meeting of 31 March 2022:</p> <p>1. Council approves the tabling of the draft annual budget tables and annual budget supporting tables as prescribed by the Municipal Budget and Reporting Regulations, as set out in Annexure A.</p> <p>2. Council approves the tabling of the Quality Certificate to the draft budget signed by the Accounting Officer, as per Annexure B.</p> <p>3. Council approves the tabling of revised budget related policies as per Annexure C.</p> <p>4. Council approves the tabling of the draft tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D;</p> <p>5. The above tabled draft budget and tariffs may be amended after the public participation process and the workshop of council is held.</p>	2022-03-31	ACROTZ		

6. MUNICIPAL MANAGER

Council		Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment
1099837	VARIOUS POLICIES	<p>RESOLVED C51/2022</p> <p>That in respect of the</p> <p>VARIOUS POLICIES</p> <p>discussed by Council at the Council meeting held on 26 April 2022:</p> <ul style="list-style-type: none"> • That Council approves the Enterprise Risk Management Policy. • That Council approves the Enterprise Risk Management Strategy. • That Council approves the Fraud and Corruption Prevention Policy. • That Council approves the Fraud and Corruption Prevention Strategy and Response Plan. • That Council approves the Whistle Blowing Policy. • Code of Ethics Policy. • Risk, fraud and corruption management committee terms of reference • The policies be workshopped with Council 	2022-04-26	ECLOETE		

7. CONSIDERATION OF AGENDA ITEMS**7.1 FINAL 5th GENERATION INTEGRATED DEVELOPMENT PLAN (2022 - 2027)****File No./s:**10/3/8**Responsible Official:** C. Malgas**Directorate:** Strategic Support Services**Portfolio:** IDP/PMS/SDBIP

1. PURPOSE

To table the Final 5th Generation Integrated Development Plan (2022 - 2027) - hereafter referred to as the Final 5th Generation IDP - as prepared in line with the applicable legislative prescripts, prioritised needs of the Breede Valley community, and in accordance with municipal resource availability (financial and non-financial).

2. BACKGROUND

Section 25 of the Municipal Systems Act, Act 32 of 2000 states that (amongst others):

- 1) *Each municipal council must, within a prescribed period after the first of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which-*
 - a) *links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;*
 - b) *aligns the resources and capacity of the municipality with the implementation of the plan;*
 - c) *forms the policy framework and general basis on which annual budgets must be based;*
 - d) *complies with the provisions of this Chapter; and*
 - e) *is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.*
- 2) *An integrated development plan adopted by a municipal council in terms of subsection (1) may be amended in terms of section 34 and remain in force until an integrated development plan is adopted by the next elected council.*

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

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

To give effect to these legislative requirements, the Draft 5th Generation IDP and supporting correspondence has been published on the municipal website and applicable social media platforms, in order to grant all sectors and members of society an opportunity to submit representations thereon. In addition, the municipality rolled-out public participation sessions (throughout all 21 wards) to engage stakeholders on the Draft 5th Generation IDP and 2022/23 Budget. All inputs received on these statutory documents, were considered and incorporated as far practically possible. In addition, the municipality (where applicable) considered and incorporated the recommendations made by the Provincial Government during their assessment of the Draft 5th Generation IDP and 2022/23 Budget. No further public input, comments or representations were received.

A copy of the Final 5th Generation IDP is attached as Annexure “A”.

3. FINANCIAL IMPLICATIONS

The Medium-Term Revenue and Expenditure Framework (MTREF) will be aligned to the final reviewed and approved IDP.

4. APPLICABLE LEGISLATION

Municipal Systems Act, Act 32 of 2000

Municipal Finance Management Act, Act 56 of 2003

Local Government: Municipal Planning and Performance Management Regulations, 2001

COMMENT OF DIRECTORATES / DEPARTMENTS CONCERNED

Municipal Manager: Supported

Director: Strategic Support Services: Supported

Director: Financial Services: Supported

Director: Engineering Services: Supported

Director: Community Services: Supported

Director: Public Services: Supported

Senior Legal Manager: Supported

RECOMMENDATION

That in respect of –

The Final 5th Generation Integrated Development Plan (2022 - 2027)

discussed by Council at the Council meeting held on 30 May 2022:

1. That Council approves the Final 5th Generation IDP and endorse that it be published in terms of section 21 of the MSA.

To Action

C. Malgas

7.2 2022/23 FINAL BUDGET MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

File No. /s: 3/2/22

Responsible Official: A Crotz

Directorate: Financial Services

Portfolio: Financial Services

1. Purpose

The purpose of this submission is to present the 2022/23 MTREF Final Budget.

2. Legal Framework

Section 16 of the Municipal Finance Management Act states:

“Annual budgets

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

Contents of annual budgets and supporting documents

17. (1) An annual budget of a municipality must be a schedule in the prescribed format —
 - (a) setting out realistically anticipated revenue for the budget year from each revenue source;
 - (b) Appropriating expenditure for the budget year under the different votes of the municipality;
 - (c) Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;
 - (d) Setting out —

- (i) Estimated revenue and expenditure by vote for the current year; and
- (ii) Actual revenue and expenditure by vote for the financial year preceding the current year; and
- (e) A statement containing any other information required by section 215(3) of the Constitution or as may be prescribed”

3. Financial Implications

The financial implications of the 2022/23 MTREF Final Budget is captured in the Budget Report.

4. Annexures

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

Quality Certificate (**Annexure B**)

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

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

Municipal Tariffs (**Annexure D**)

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

Demand Management Plan (**Annexure F**)

FINAL MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK 2022/2023 – 2024/2025



BREEDE VALLEY
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

30 MAY 2022

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7. Measurable performance objectives and indicators
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Abbreviations and Acronyms

AMR Automated Meter Reading

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

RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short-term investments.

DORA – Division of Revenue Act. The annual piece of legislation that indicate the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognized classification system that facilitates comparisons between municipalities.

IDP – Integrated Development Plan. The main strategic planning document of a Municipality.

KPI – Key Performance Indicators. Measures of service output and/or outcome.

LM – Breede Valley Municipality.

MFMA - Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

mSCOA – Municipal Standard Chart of Accounts

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property.

TMA – Total Municipal Account

SDBIP – Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

Vote – One of the main segments into which a budget is divided, usually at department level.

PART 1 – Annual Budget

1. Mayor's Report

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

This budget serves the purpose of outlining future service delivery objectives by reflecting on the past financial years in planning for anticipated future developments / realizations. The current reality that we are facing has to date had devastating effects on our communities and those in surrounding municipalities through the loss income, work and lives. This COVID 19 Pandemic changed the way in which we conduct our daily lives and how we interact with each other, posing new and unprecedented challenges to us demanding solutions in order for us to survive and progress to our vision of a *'A unique and caring Valley of service excellence, opportunity and growth'*.

Breede Valley Municipality will continue to address service delivery backlogs and will prioritise where needed to ensure the most urgent matters are catered for. We will continue striving for improvement on all levels to ensure that this municipality better the quality of life for the people within Breede Valley municipal area.

2. Resolutions

It is recommended to council that in respect of the 2022/23 MTREF, and outer financial years that council approves the 2022/23 MTREF budget in terms of section 24 of the Municipal Finance Management Act.

3. Executive Summary

3.1 Legislative Background

Section 16 of the Municipal Finance Management Act states:

“Annual budgets

16. (1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

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

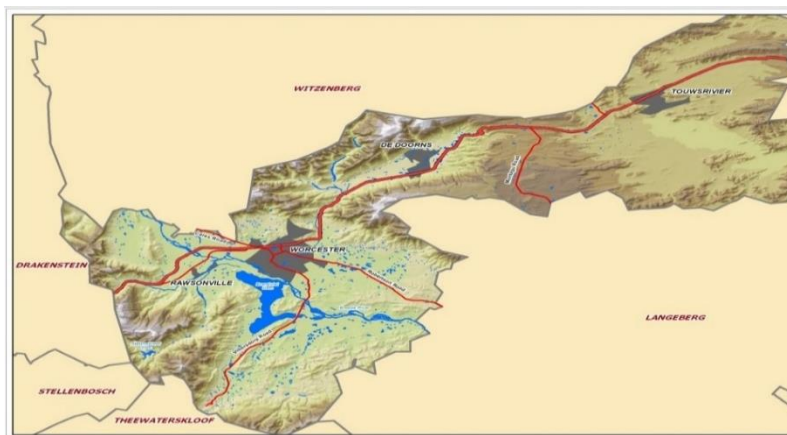
Contents of annual budgets and supporting documents

17. (1) An annual budget of a municipality must be a schedule in the prescribed format —

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

3.2 Municipal General Overview

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



Strategic Framework, Pillars and Objectives of the Municipality



Breede Valley Municipality developed five strategic pillars that are underpinned by, which underpin six strategic objectives. The strategic objectives have been developed to address the challenges identified during the IDP development process and are linked to service areas and predetermined objectives.

STRATEGIC PILLARS	
OPPORTUNITY	Breede Valley Municipality strives to provide an opportunity for every resident to have access to all basic services and to live in a safe, caring and well-managed municipal environment.

SAFETY	Breede Valley Municipality aims to partner with the community, other government departments and community organisations to provide a safe environment in which communities, especially women and children, can thrive in pursuit of good community values.
CARING	Breede Valley Municipality will provide care to all vulnerable groups and encourage social investment with a focus on youth development and opportunities for the youth to play a meaningful role in developing a better and caring Breede Valley community.
INCLUSIVE	Breede Valley plans, in consultation with all residents and partners, to create and stimulate social cohesion, to restore hope and to break down social divisions.
WELL-RUN MUNICIPALITY	Breede Valley Municipality continues to build on being a well-run municipality, with strong and committed administration upholding the principles of good governance, maintaining a good credit rating, providing basic services to all and improving our solid productivity rating.

STRATEGIC OBJECTIVES

Section 24 of the Municipal Systems Act states:

- (1) The planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of cooperative government contained in Section 41 of the Constitution.*
- (2) Municipalities must participate in national and provincial development programmes as required in Section 153(b) of the Constitution.”*

STRATEGIC OBJECTIVES	
SO 1	To provide and maintain basic services and ensure social upliftment of the Breede Valley community
SO 2	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism
SO 3	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people
SO 4	To provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government

SO 5	To ensure a healthy and productive workforce and an effective and efficient work environment
SO 6	To assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices

3.3 Budget Principles and Criteria

The 2022/23 MTREF was compiled based on the following principles and criteria taken into account, the impact of the COVID 19 pandemic and on the economy:

Credibility

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

Sustainability

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

Responsiveness

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

Affordability

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

The 2022/2023 budget is compiled in line with chapter 4 of the Municipal Finance Management Act, MFMA Budget Circulars and other relevant circulars and / or guidelines from National Treasury and Provincial Treasury. The budget strives to be consistent with the financial norms and ratios as per the MFMA Circular 71 to ensure sound and sustainable management of financial affairs of the municipality. The budget is also consistent with the Long-Term Financial Plan to ensure synergy between long term planning and implementation of planning. Other important principles include addressing the need of access to basic services and the efficient capacitation of the municipality, which is in many instances a challenge given limited financial resources.

The main challenges experienced with the compilation of the 2022/23 MTREF are as follow:

- COVID 19 Pandemic
- Amendments to mSCOA;
- Effect of electricity supply (ESKOM) on the revenue generation
- Consumers exploring alternative energy sources and using less municipal electricity

- Direct effect of the current state of the economy on larger municipalities relying on progressive economic activity
- Vandalism to strategic infrastructure assets
- Ageing infrastructure and increasing service delivery backlogs
- Increasing cost of bulk purchases versus the electricity tariff increases, resulting in pressure to maintain a balance between sustainability, growth and affordability of services

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

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

MFMA circular 70 highlighted examples of non-priority spending that need to be addressed by municipalities. Breede Valley Municipality remains committed to the elimination of these non-priority items from the 2015/16 MTREF and applying zero percent increases on related items where elimination or a decrease in the 2021/22 MTREF budget is not possible.

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

The capital budget for 2022/23 aims to address the service delivery needs within the municipal area, given the available resources internally and externally. The main source of funding are external loans, conditional grant allocations from National and Provincial government departments, followed by either internal funding.

3.4 Rebates

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

3.4.1 Rebates: Unemployed and Indigent

Household Income	Rates	Sewer	Refuse	Rental
R0 - R4 500	50%	50%	50%	100%
Max. Valuation	R 270 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilolitre			

3.4.2 Rebates: Pensioner

Household Income	Rates	Sewer	Refuse	Rental
Government Pension & Disability / Pensioners 60 years and older R0 - R4 500	100%	100%	100%	100%
Max Valuation	R 270 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilolitre			

3.4.3 Rebates: Pensioner 70 years and older

Pensioners falling in this category are eligible for an additional R180 000.00 rebate on the calculation of their property rates bill. This overall rebate is capped at R270 000.00

3.4.4 Special Rating Area (SRA)

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

3.5 Budget Overview

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

COVID 19 Pandemic – Impact on the Budget

The COVID 19 pandemic had a major influence on the planning and budgeting process for the Medium-Term Revenue and Expenditure Framework for the current financial year and will continue to do so in the 2022/23 MTREF. The current reality brought high levels of uncertainty relating to projection of the anticipated financial performance and position of the municipality in ensuring that the budget to be approved by Council adheres the requirements of credibility and sustainability.

The current situation forces us to remain prudent and continue with applying resources in a well-balanced manner.

The pandemic also brought about a reduction in the collection rate which is largely contributed by the suspension of economic activity. Given the various levels of restrictions and activities allowed within each respective level, many households, businesses, and other rate payers were negatively affected which influenced their ability to settle the municipal accounts. This results in

business closing and workers losing employment, having an adverse effect on the municipality's cash position and contributes to increases in the debt portfolio and indigent portfolio.

Municipal spending of discretionary nature remains at the bare minimum to continue honouring non-discretionary commitments. The utilization of both financial and non-financial resources are being monitored to promote the effective and efficient utilization of these resources. This requires the municipality to continuously adapt and re-design where needed in order to continue implementing its constitutional mandate.

3.5.1 Operating Revenue

The table below reflects the operating revenue in relation to the current year and 2022/23 MTREF.

WC025 Breede Valley - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	135 728	145 107	155 977	154 348	168 061	168 061	168 061	175 223	185 765	196 942
Service charges - electricity revenue	2	389 167	416 707	431 937	522 613	487 765	487 765	487 765	536 542	568 735	602 860
Service charges - water revenue	2	70 217	91 484	93 942	79 712	94 000	94 000	94 000	98 700	103 636	108 818
Service charges - sanitation revenue	2	67 133	73 688	76 021	76 112	76 112	76 112	76 112	79 917	83 914	88 110
Service charges - refuse revenue	2	38 310	40 166	42 155	44 197	44 197	44 197	44 197	46 407	48 727	51 164
Rental of facilities and equipment		24 456	10 671	22 936	5 845	5 845	5 845	5 845	6 489	6 815	7 157
Interest earned - external investments		13 134	12 001	9 718	10 686	10 686	10 686	10 686	10 686	11 221	11 782
Interest earned - outstanding debtors		6 198	8 133	8 344	6 770	6 770	6 770	6 770	9 970	10 311	10 663
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		37 240	51 034	30 304	230 513	230 513	230 513	230 513	230 513	242 038	254 141
Licences and permits		2 952	2 211	2 017	3 949	3 949	3 949	3 949	4 056	4 259	4 472
Agency services		8 507	7 543	9 416	8 987	8 987	8 987	8 987	9 436	9 908	10 403
Transfers and subsidies		133 233	141 850	168 007	147 172	157 480	157 480	157 480	171 058	174 789	183 822
Other revenue	2	11 560	11 618	15 716	9 786	9 786	9 786	9 786	10 078	10 586	11 119
Gains		3 073	-	3 919	1 399	1 399	1 399	1 399	1 399	1 483	1 572
Total Revenue (excluding capital transfers and contributions)		940 908	1 012 212	1 070 409	1 302 088	1 305 548	1 305 548	1 305 548	1 390 473	1 462 183	1 543 022
Expenditure By Type											
Employee related costs	2	278 623	297 258	319 700	344 581	343 870	343 870	343 870	350 795	365 485	382 454
Remuneration of councillors		17 675	18 413	18 421	20 356	19 049	19 049	19 049	19 549	20 333	21 250
Debt impairment	3	62 896	90 509	77 130	198 257	198 257	198 257	198 257	198 257	209 752	222 026
Depreciation & asset impairment	2	88 009	87 496	88 561	100 988	100 988	100 988	100 988	100 988	106 265	112 035
Finance charges		24 682	23 643	22 351	23 653	23 653	23 653	23 653	38 001	44 980	51 267
Bulk purchases	2	287 305	318 842	337 524	388 335	388 335	388 335	388 335	422 897	460 535	506 588
Other materials	8	27 296	26 904	26 067	39 907	39 908	39 908	39 908	39 422	40 811	42 395
Contracted services		72 243	64 401	73 166	89 923	116 080	116 080	116 080	104 978	100 271	101 603
Transfers and subsidies		19 661	6 938	4 452	4 365	7 218	7 218	7 218	6 872	4 258	4 483
Other expenditure	4, 5	72 678	76 388	100 150	73 045	81 076	81 076	81 076	70 227	73 929	77 933
Losses		21	402	3 485	3 766	3 766	3 766	3 766	3 766	3 991	4 229
Total Expenditure		951 089	1 011 192	1 071 008	1 287 175	1 322 198	1 322 198	1 322 198	1 355 751	1 430 608	1 526 262
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		164 210	146 877	52 583	57 360	57 789	57 789	57 789	70 138	99 614	82 052
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	500	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		1 528	185	300	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812

Please refer to Annexure A

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

The figures represented in this section are the accrued amounts and not actual cash receipts; in other words, the amounts billed for property rates; service charges and interest as it become due.

Property Rates: Budgeted revenue is based on the current performance realised during the 2021/22 financial year and anticipated revenue based on the current valuation roll.

Service Charges: The 2022/23 projected revenue for service charges is based on the current performance and anticipated trends over the MTREF.

Interest on External Investments: This budget is informed by the municipality's current investment portfolio, and the anticipated return on investments to be made over the MTREF.

Fines: Fines are projected in accordance with the anticipated issues for the 2022/23 MTREF. The municipality will have a new service provider on site that is expected to issue traffic fines of a significant value. This is reflective in the budgeted allocation for this revenue source. However, it should be noted that these issues will be impaired to a large extend which is the main reason for the high Debt Impairment budget under the Operational Expenditure section of this report.

Transfers Recognised – Operational: This revenue item is based on the operational transfers (conditional and unconditional) as per the 2022/23 budget year allocations. It should be noted that R120 000.00 is funded received in respect of the maintenance of fire equipment, that is not part of the gazetted allocations from National and Provincial Government.

3.5.2 Operating Expenditure

The table below reflects the operating expenditure in relation to the current year and 2022/23 MTREF.

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
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Service charges - refuse revenue	2	38 310	40 166	42 155	44 197	44 197	44 197	44 197	46 407	48 727	51 164
Rental of facilities and equipment		24 456	10 671	22 936	5 845	5 845	5 845	5 845	6 489	6 815	7 157
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Interest earned - outstanding debtors		6 198	8 133	8 344	6 770	6 770	6 770	6 770	9 970	10 311	10 663
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		37 240	51 034	30 304	230 513	230 513	230 513	230 513	230 513	242 038	254 141
Licences and permits		2 952	2 211	2 017	3 949	3 949	3 949	3 949	4 056	4 259	4 472
Agency services		8 507	7 543	9 416	8 987	8 987	8 987	8 987	9 436	9 908	10 403
Transfers and subsidies		133 233	141 850	168 007	147 172	157 480	157 480	157 480	171 058	174 789	183 822
Other revenue	2	11 560	11 618	15 716	9 786	9 786	9 786	9 786	10 078	10 586	11 119
Gains		3 073	-	3 919	1 399	1 399	1 399	1 399	1 399	1 483	1 572
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Expenditure By Type											
Employee related costs	2	278 623	297 258	319 700	344 581	343 870	343 870	343 870	350 795	365 485	382 454
Remuneration of councillors		17 675	18 413	18 421	20 356	19 049	19 049	19 049	19 549	20 333	21 250
Debt impairment	3	62 896	90 509	77 130	198 257	198 257	198 257	198 257	198 257	209 752	222 026
Depreciation & asset impairment	2	88 009	87 496	88 561	100 988	100 988	100 988	100 988	100 988	106 265	112 035
Finance charges		24 682	23 643	22 351	23 653	23 653	23 653	23 653	38 001	44 980	51 267
Bulk purchases	2	287 305	318 842	337 524	388 335	388 335	388 335	388 335	422 897	460 535	506 588
Other materials	8	27 296	26 904	26 067	39 907	39 908	39 908	39 908	39 422	40 811	42 395
Contracted services		72 243	64 401	73 166	89 923	116 080	116 080	116 080	104 978	100 271	101 603
Transfers and subsidies		19 661	6 938	4 452	4 365	7 218	7 218	7 218	6 872	4 258	4 483
Other expenditure	4, 5	72 678	76 388	100 150	73 045	81 076	81 076	81 076	70 227	73 929	77 933
Losses		21	402	3 485	3 766	3 766	3 766	3 766	3 766	3 991	4 229
Total Expenditure		951 089	1 011 192	1 071 008	1 287 175	1 322 198	1 322 198	1 322 198	1 355 751	1 430 608	1 526 262
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(10 182)	1 020	(598)	14 913	(16 649)	(16 649)	(16 649)	34 722	31 575	16 760
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	164 210	146 877	52 583	57 360	57 789	57 789	57 789	70 138	99 614	82 052
Transfers and subsidies - capital (in-kind - all)		-	-	500	-	-	-	-	-	-	-
		1 528	185	300	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812

Please refer to Annexure A.

The operational expenditure budget was adjusted in order to accommodate the projected operational expenditure to be incurred over the MTREF. These amendments/adjustments are based on the 2021/22 Adjustment Budget.

Further, additional amendments given the COVID 19 pandemic are still in place. These amendments are informed by the following principles:

- No additional positions to be funded. Current structure and funding mix to remain as is.
- No new positions
- No new temporary contracts
- EPWP workers to be used as alternative to counter staff shortages where needed
- Review of standby and overtime
- No and/or limited travel and subsistence
- Efficient and effective utilization of internal staff opposed to using external contractors
- Hiring of plant and equipment limited to extreme cases

The principles underpin the renewed approach to service delivery in these unprecedented times. The municipality established various committees to explore creative and innovative ways to add value to the respective functional areas across the municipality. The committees will address issues pertaining to:

- Costing and expenditure control, including cost containment
- Revenue recovery enhancement
- Financial aspects with focus on Ratio's
- Supporting SCM and compliance
- Prioritization of expenditures to assure essential services and impact on revenue enhancement
- Local economic development,
- Spatial planning integration

Employee related cost: Employee related cost is based on the current staff structure. Employee Related Cost budget is calculated based on the percentage increase and also takes into consideration the organogram and extend to which it is funded.

Debt Impairment: The fines and corresponding write-off will be managed within the available budgets. These amounts will be reviewed with the 2022/23 adjustments budget if needed.

Depreciation and asset impairment: Depreciation is calculated based on the useful lives of assets, which are currently being reviewed. The commission date of the majority of capital projects are more to the end of the financial year (based on past trends), resulting in new additions not having a full year's depreciation, but only a part thereof. Further, municipal assets are often used for much longer than the useful lives initially anticipated, contributing further to lower depreciation.

Finance charges: The finance charges are calculated based on the municipality's borrowing portfolio. It should also be noted that the interest portion of the repayment decreases over the term of the loan. This amount includes the finance charges in respect of the new external loan to be acquired.

Bulk Purchases: This item comprises of electricity bulk purchases and is based on the current consumption patterns in terms of usage. The increase in this expenditure item is based on the NERSA guideline consultation paper issued in terms of budgeting for the 2022/23 MTREF.

Other materials and Contracted Services: The budget for other materials is also based on the 2021/22 Mid-year Adjustments Budget. The municipality placed significant emphasis on the funding of temporary workers that will be targeting high priority areas such as area cleaning and basic service delivery aspects where a temporary need exists. Further, maintenance of rental units / flats, relocation of outside toilets for the vulnerable, ward-based projects and maintenance of chemical toilets are projects to received high priority in terms of funding. The implementation of these projects will be closely monitored given the importance and impact it will have on the beneficiaries. Significant focus is placed on reviewing the use of contractors in business operations. This is a continuous process that will be addressed over time.

Other expenditure: The amendment in other expenditure is due to the cost containment not being increased and also the conservative approach applied by the municipality, while also

attending to operational expenditure that is needed to effectively and efficiently conduct municipal operations.

Please refer to SA1 for the detail.

3.5.3 Capital budget

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

WC025 Breede Valley - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 1 - Council General		–	4	–	5	5	5	5	5	5	5
Vote 2 - Municipal Manager		–	3 333	1 065	5	50	50	50	5	5	5
Vote 3 - Strategic Support Services		–	305	370	3 155	6 803	6 803	6 803	15 575	5	5
Vote 4 - Financial Services		–	167	3 237	–	–	–	–	–	–	–
Vote 5 - Community Services		–	2 153	10 442	15 635	15 563	15 563	15 563	5	5	505
Vote 6 - Technical Services		–	109 852	93 045	–	–	–	–	–	–	–
Vote 7 - Engineering Services		–	–	–	33 600	8 800	8 800	8 800	58 400	50 500	50 706
Vote 8 - Public Services		–	–	–	50 394	46 698	46 698	46 698	178 476	117 853	113 185
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		–	115 815	108 160	102 794	77 919	77 919	77 919	252 466	168 373	164 411
Single-year expenditure to be appropriated	2										
Vote 1 - Council General		–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		4 143	2 103	1 379	–	–	–	–	30	–	–
Vote 3 - Strategic Support Services		25 349	334	928	3 200	3 250	3 250	3 250	16 940	12 884	6 807
Vote 4 - Financial Services		1 426	8	450	805	2 139	2 139	2 139	1 975	805	805
Vote 5 - Community Services		10 232	811	1 153	7 200	3 467	3 467	3 467	5 379	6 000	6 000
Vote 6 - Technical Services		224 853	76 410	12 517	–	–	–	–	–	–	–
Vote 7 - Engineering Services		–	–	–	12 220	32 907	32 907	32 907	3 330	1 590	–
Vote 8 - Public Services		–	–	–	25 011	35 096	35 096	35 096	38 430	32 309	18 000
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		266 003	79 666	16 427	48 436	76 859	76 859	76 859	66 083	53 588	31 612
Total Capital Expenditure - Vote	3.7	266 003	195 481	124 588	151 230	154 778	154 778	154 778	318 550	221 961	196 023
Capital Expenditure - Functional											
Governance and administration		30 488	838	5 425	7 005	12 268	12 268	12 268	32 645	13 709	7 632
Executive and council		15	6	37	10	55	55	55	10	10	10
Finance and administration		30 473	832	5 388	6 995	12 213	12 213	12 213	32 635	13 699	7 622
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		13 958	3 874	12 192	23 828	18 288	18 288	18 288	9 291	6 000	6 500
Community and social services		8 059	818	11 252	728	828	828	828	4 832	–	–
Sport and recreation		2 190	2 497	10	22 600	16 880	16 880	16 880	3 820	6 000	6 500
Public safety		3 709	559	930	500	500	500	500	639	–	–
Housing		–	–	–	–	80	80	80	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		40 510	69 869	72 398	51 601	36 657	36 657	36 657	56 246	65 964	43 546
Planning and development		–	5 434	1 222	–	40	40	40	1 820	–	–
Road transport		40 510	64 435	71 176	51 601	36 617	36 617	36 617	54 426	65 964	43 546
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		181 047	120 901	34 572	68 797	87 565	87 565	87 565	220 368	136 288	138 345
Energy sources		27 408	20 710	23 781	45 490	46 229	46 229	46 229	66 230	56 090	50 706
Water management		55 824	29 044	4 195	7 308	19 398	19 398	19 398	94 688	25 570	26 719
Waste water management		83 000	49 695	5 420	14 483	21 566	21 566	21 566	58 250	53 628	59 920
Waste management		14 816	21 452	1 177	1 516	373	373	373	1 200	1 000	1 000
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3.7	266 003	195 481	124 588	151 230	154 778	154 778	154 778	318 550	221 961	196 023
Funded by:											
National Government		37 488	34 373	50 125	57 260	57 260	57 260	57 260	69 094	99 614	82 052
Provincial Government		128 219	112 433	2 458	100	100	100	100	1 044	–	–
District Municipality		31	71	300	–	429	429	429	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial)		–	–	–	–	–	–	–	–	–	–
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	185	500	–	–	–	–	–	–	–
Transfers recognised - capital	4	165 738	147 062	53 383	57 360	57 789	57 789	57 789	70 138	99 614	82 052
Public contributions & donations	5	–	–	–	–	–	–	–	–	–	–
Borrowing	6	6 281	159	–	–	–	–	–	146 238	34 669	32 000
Internally generated funds		93 984	48 260	71 205	93 870	96 989	96 989	96 989	102 174	87 678	81 971
Total Capital Funding	7	266 003	195 481	124 588	151 230	154 778	154 778	154 778	318 550	221 961	196 023

Please refer to Annexure A

The municipality implemented quarterly budget engagements where performance of the capital budget & Grant funding is tracked.

Capital Projects

The list below represents the major / significant capital projects.

Description	Finance Source	Fund Desc	2022/23 MTREF (Budget Year)	2023/24 MTREF (Budget Year +1)	2024/25 MTREF (Budget Year +2)
<u>Engineering Services and Public Services</u>					
<u>Not Allocated to Wards</u>					
<u>Worcester WwTW</u>					
<u>Stettynskloof Water Supply (Worcester/Rawsonville)</u>					
Upgrading of Stettynskloof Supply Pipe Line - Phase 3 (MIG 164422)	8,0	MIG	3 421 924	0	0
Increase dam Level (Stettynskloof Dam)	1,1	Loans	2 000 000	10 000 000	20 000 000
<u>Rawsonville WwTW</u>					
Extension of WwTW (0,24 Ml/day)	1,1	Loans	27 000 000	0	0
-					
<u>Klipvlakte/ Transhex Residential Development (13 000 erven)</u>					
Electrical Reticulation	8,2	INEP	15 000 000	38 000 000	39 706 000
<u>Reservoirs</u>					
Pre-loads	8,0	MIG	18 481 271	0	0
Pre-loads	1,1	Loans	55 000 000	0	0
<u>Upgrading of Sewer Network</u>					
External Loan	1,1	Loans	15 000 000	3 000 000	0
CRR	3,0	CRR / Own Funding	0	10 000 000	10 000 000
<u>Touws River: Waste Water Treatment Works (WwTW) Augmentation</u>					
MIG	8,0	MIG	500 000	2 000 000	26 000 000
MIG Counter Funding (CRR)	3,2	CRR / Own Funding	0	0	18 000 000
WSIG	8,8	WSIG	0	17 000 000	0
<u>Touws River: Water Treatment Works (WTW) Augmentation</u>					
MIG	8,0	MIG	0	2 000 000	1 000 000

<u>Touws River : Water Network Upgrades to Affordable Housing Project</u>					
MIG	8,0	MIG	0	500 000	0
MIG Counter Funding (CRR)	3,2	CRR / Own Funding	0	175 000	0
<u>Touws River : Sewer Network Upgrades to Affordable Housing Project</u>					
MIG	8,0	MIG	0	500 000	0
MIG Counter Funding (CRR)	3,2	CRR / Own Funding	0	175 000	0
<u>Upgrading of Gravel Roads</u>					
Breed Valley: Roads	3,0	CRR / Own Funding	1 000 000	2 000 000	2 000 000
<u>Resealing of Roads</u>					
Resealing of Municipal Roads - Rawsonville	3,2	CRR / Own Funding	500 000	500 000	0
<u>Resealing of Municipal Roads - Worcester</u>					
MIG	8,0	MIG	13 353 593	26 614 000	15 346 000
CRR	3,0	CRR / Own Funding	1 000 000	3 000 000	3 000 000
<u>Resealing of Municipal Roads - De Doorns</u>					
MIG	8,0	MIG	0	1 500 000	0
<u>Resealing of Municipal Roads - Touws River</u>					
Resealing of Municipal Roads - Touws River	8,0	MIG	0	500 000	0
<u>Building of Roads</u>					
Municipal Roads (Ward 1, 2, 3, 4, 16, 17 and 18)	3,0	CRR / Own Funding	3 000 000	3 000 000	3 000 000
<u>Traffic Circles</u>					
Traffic Circles: (High and Louis Lange)	3,0	CRR / Own Funding	6 000 000	0	0
Traffic Circles: (De La Bat / Roux / Heyns Street)	3,0	CRR / Own Funding	0	5 500 000	0
<u>Networks</u>					
Pipe cracking (all wards)	3,0	CRR / Own Funding	3 000 000	3 000 000	3 000 000
<u>Electricity (8112)</u>					
Refurbishment of electrical system	3,0	CRR / Own Funding	3 500 000	1 500 000	0
Refurbishment of Touwsriver Substation and Safeguarding	1,1	Loans	0	4 000 000	4 000 000
Robertson Road Substation	1,1	Loans	5 000 000	0	0
Alternative Electricity Supply Zwelethemba	1,1	Loans	10 000 000	0	0
RMU/ Main Sub Switchgear Replacements De Doorns	1,1	Loans	0	0	3 000 000
RMU/Main Sub Switchgear replacements Touwsrivier	1,1	Loans	0	0	3 000 000
Roux Park capacity/equipment upgrade	1,1	Loans	5 000 000	0	0

Zwelethemba removal of mid-blocks	3,0	CRR / Own Funding	2 000 000	6 000 000	0
Office and Storage Space Upgrade	3,0	CRR / Own Funding	500 000	0	0
66KV Ripple Control	1,1	Loans	6 900 000	0	0
Upgrading of High Mast Lights	8,7	EEDMG	1 400 000	1 400 000	0
Upgrading of Street Lights	8,7	EEDMG	2 600 000	2 600 000	0
Refurbishment of electrical system (NERSA)					
Altona new Electrical Substation	1,1	Loans	10 000 000	0	0
Electricity - Machinery and Equipment	3,0	CRR / Own Funding	600 000	600 000	0
Civil Engineering					
Survey Equipment	3,0	CRR / Own Funding	50 000	0	0
Office Furniture	3,0	CRR / Own Funding	100 000	0	0
SOLID WASTE MANAGEMENT					
WORCESTER					
Wheeliebins	3,0	CRR / Own Funding	1 000 000	1 000 000	1 000 000
Solid Waste - Radios	3,0	CRR / Own Funding	150 000	0	0
Solid Waste - Furniture and Office Equipment	3,0	CRR / Own Funding	50 000	0	0
Ward Priorities					
Speed Humps	3,0	CRR / Own Funding	300 000	0	0
Fencing of Substations	3,0	CRR / Own Funding	200 000	0	0
Ward 1					
Rehabilitation of Bok River Pipe Line - Phase 6	8,0	MIG	0	7 000 000	0
Touws River: Bok River Solar System	8,0	MIG	500 000	0	0
Augmentation of Water treatment works (MIG Counter funding)	8,8	WSIG	2 557 000	0	0
Speed Humps x 2 - Ward 1	3,0	CRR / Own Funding	50 000	0	0
Ward 2					
New Retention Ponds - De Doorns: South of N1 (MIG Number 202347)	8,0	MIG	956 814	0	0
De Doorns Water Purification Works : Augmentation of DAF Unit (MIG funding)	8,0	MIG	7 773 398	0	0
De Doorns WWTW Reactor	8,8	WSIG	2 550 000	0	0
Ward 4					
Reseal of Municipal Roads - Ward 4	3,0	CRR / Own Funding	1 000 000	0	0
Upgrading of Open space - Kleigat	3,0	CRR / Own Funding	100 000	0	0
Speed Hump - Voortrekker Str	3,0	CRR / Own Funding	50 000	0	0
Ward 5					
Reseal of Municipal Roads (Nederburg, Meerhoff, Wyland and Boschheuvel)	3,0	CRR / Own Funding	1 500 000	0	0

Ward 6					
Reseal of Municipal Roads (Quellerie Rd, Haarlem and others)	3,0	CRR / Own Funding	3 000 000	3 000 000	3 000 000
Speed Hump - Kuhn Str, Heyns Str and Jordan Str	3,0	CRR / Own Funding	75 000	0	0
Fencing of Substation (corner of Van der Merwe- and Lyons Street)	3,0	CRR / Own Funding	50 000	0	0
Ward 7					
Drop off zone (Worcester-East School)	3,0	CRR / Own Funding	100 000	0	0
Reseal of Municipal Roads (De La Bat and others)	3,0	CRR / Own Funding	3 000 000	3 000 000	3 000 000
Fencing of Cemeteries - De Wet Str.	3,0	CRR / Own Funding	100 000	0	0
Ward 8					
Upgrading of Gravel Roads	3,0	CRR / Own Funding	3 000 000	3 000 000	0
Erosion Protection of Hex River (Zweletemba)					
Erosion Protection of Hex River : Phase 2 (300m @ R13,333.33/m)	1,1	Loans	0	0	0
Ward 10					
Reseal of Roads - Ward 10	3,0	CRR / Own Funding	1 000 000	1 000 000	1 000 000
Playparks - Ward 10	3,0	CRR / Own Funding	60 000	0	0
Ward 11					
Reseal of Roads - Ward 11	3,0	CRR / Own Funding	1 000 000	1 000 000	1 000 000
Ward 12					
Upgrading of Routes (Visually Impaired)	3,0	CRR / Own Funding	1 000 000	0	0
Reseal of Municipal Roads - Ward 12	3,0	CRR / Own Funding	5 000 000	5 000 000	5 000 000
Ward 13					
Drop-off zone - Ward 13	3,0	CRR / Own Funding	100 000	0	0
Reseal of Municipal Roads - Ward 13	3,0	CRR / Own Funding	1 000 000	1 000 000	1 000 000
Building / Upgrading of Road (Florian Park to Johnson Park)	3,0	CRR / Own Funding	250 000	0	0
Ward 14					
Building of Roads - Ward 14	3,0	CRR / Own Funding	200 000	0	0
Ward 15					
Drop off zone (Worcester Primary School)	3,0	CRR / Own Funding	100 000	0	0
Reseal of Municipal Roads - Ward 15	3,0	CRR / Own Funding	3 000 000	3 000 000	3 000 000
Playparks x 2 - Ward 15	3,0	CRR / Own Funding	100 000	0	0
Ward 16					

Speed Hump x 2 - Ward 16	3,0	CRR / Own Funding	0	50 000	0
Sidewalk - Mtwazi Road	3,0	CRR / Own Funding	0	100 000	0
Ward 17					
High Mast Light -Ward 17	3,0	CRR / Own Funding	500 000	0	0
Ward 19					
Playpark - Ward 19	3,0	CRR / Own Funding	60 000	0	0
-	-	-			
Ward 20	-	-			
Fencing of Rawsonville Graveyard	3,0	CRR / Own Funding	20 000	0	0
Ward 21	-	-			
Upgrading of gravel roads	3,0	CRR / Own Funding	3 000 000	3 000 000	3 000 000
Speed Humps - Ward 21	3,0	CRR / Own Funding	100 000	0	0
SERVICE CONNECTIONS (Depending on Public Contr)					
Sewer Connections	3,3	CRR / Own Funding	1 120 000	1 120 000	1 120 000
Electricity Connections	3,3	CRR / Own Funding	1 000 000	1 000 000	1 000 000
Water Connections	3,3	CRR / Own Funding	2 719 200	2 719 200	2 719 200
Water - Machinery and Equipment	3,0	CRR / Own Funding	500 000	500 000	0
Waste Water Treatment Works					
WWTW - Mobile Generator	3,0	CRR / Own Funding	0	800 000	800 000
Fencing and safeguarding of WWTW and pumpstations	3,0	CRR / Own Funding	0	2 000 000	2 000 000
Pump station upgrading and refurbishment	3,0	CRR / Own Funding	0	0	0
Pump station upgrading and refurbishment	1,1	Loans	2 000 000	2 000 000	2 000 000
Parks and Cemeteries					
Parks - Machinery and Equipment	3,0	CRR / Own Funding	500 000	0	0
Fencing of Cemeteries - Aan De Doorns	3,0	CRR / Own Funding	1 000 000	0	0
Water and Sewerage					
Upgrading of Offices (Fairbairn Street)	3,0	CRR / Own Funding	1 500 000	0	0
Water - Furniture and Office Equipment	3,0	CRR / Own Funding	0	30 000	0
ROADS AND STORMWATER					
Roads - Machinery and Equipment	3,0	CRR / Own Funding	500 000	200 000	200 000
Land Infill Developments					
Avian Park Industrial - Water	1,1	Loans	146 043	146 043	0
Avian Park Industrial - Sewer	1,1	Loans	438 005	438 005	0
Avian Park Industrial - Stormwater	1,1	Loans	94 928	94 928	0

Avian Park Industrial - Electricity	1,1	Loans	990 000	990 000	0
Avian Park Industrial - Sewer Pumpstation	1,1	Loans	5 000 000	14 000 000	0
Somerset Park - Water	1,1	Loans	146 043	0	0
Somerset Park - Sewer	1,1	Loans	438 005	0	0
Somerset Park - Stormwater	1,1	Loans	94 928	0	0
Somerset Park - Electricity	1,1	Loans	990 000	0	0
<u>Municipal Manager</u>					
<u>Admin -0603</u>					
Furniture and Equipment	3,0	CRR / Own Funding	5 000	5 000	5 000
<u>RISK MANAGEMENT</u>					
Risk Management - Furniture and Office Equipment	3,0	CRR / Own Funding	30 000	0	0
<u>Community Services</u>					
<u>ADMIN - 0903</u>					
Furniture & Equipment	4,0	CRR / Own Funding	5 000	5 000	5 000
<u>COMMUNITY DEVELOPMENT</u>					
Youth Café - Furniture and Office Equipment	3,0	CRR / Own Funding	200 000	0	0
<u>SWIMMING Pool: De Doorns</u>					
New Swimming Pool	3,0	CRR / Own Funding	0	0	500 000
<u>SPORT: Boland Park - 5130</u>					
Replacement of fence perimeter	3,0	CRR / Own Funding	0	3 000 000	3 000 000
<u>SPORT: Esselen Park</u>					
Replacement of fence perimeter	3,0	CRR / Own Funding	3 000 000	3 000 000	0
<u>SPORT: Zwelthemba</u>					
Replacement of fence perimeter	3,0	CRR / Own Funding	0	0	3 000 000
<u>WATERLOO LIBRARY - 4506</u>					
Waterloo Library - Airconditioners	3,0	CRR / Own Funding	48 000	0	0
Upgrade ramp	6,1	Libraries Grant	100 000	0	0
ICT Equipment	6,1	Libraries Grant	144 000	0	0
<u>TRAFFIC</u>					
<u>Buildings</u>					

Machinery and Equipment	3,0	CRR / Own Funding	358 000	0	0
Traffic - Furniture and Office Equipment	3,0	CRR / Own Funding	89 600	0	0
Traffic - Generator	3,0	CRR / Own Funding	400 000	0	0
Upgrading of Cash Office	3,0	CRR / Own Funding	250 000	0	0
Queuing System	3,0	CRR / Own Funding	150 000	0	0
<u>FIRE DEPARTMENT: ADMIN - 4203</u>					
Major Fire Engine (Pumper)	3,0	CRR / Own Funding	0	0	0
Equipment for Fire Engine	3,0	CRR / Own Funding	0	0	0
Fire Services - Radios	3,0	CRR / Own Funding	55 000	0	0
Fire Services - Furniture and Office Equipment	3,0	CRR / Own Funding	150 000	0	0
De Doorns Communication Equipment	3,0	CRR / Own Funding	350 000	0	0
Fire Services - Airconditioners	3,0	CRR / Own Funding	50 000	0	0
Fire Services - Machinery and Equipment	3,0	CRR / Own Funding	34 000	0	0
<u>FINANCIAL SERVICES</u>					
<u>Admin</u>					
Furniture and Equipment	4,0	CRR / Own Funding	25 000	5 000	5 000
<u>Financial Planning</u>					
Safeguarding of Assets	12,0	Insurance Reserve	400 000	400 000	400 000
Insurance claims	12,0	Insurance Reserve	400 000	400 000	400 000
Financial Planning - Upgrading of Buildings	3,0	CRR / Own Funding	200 000	0	0
<u>Revenue</u>					
Revenue - Upgrading of Municipal Building	3,0	CRR / Own Funding	200 000	0	0
Credit Control - Upgrading of Municipal Building -	3,0	CRR / Own Funding	100 000	0	0
Revenue - Airconditioners	3,0	CRR / Own Funding	200 000	0	0
Revenue - Machinery and Equipment	3,0	CRR / Own Funding	400 000	0	0
Revenue - Furniture and Office Equipment	3,0	CRR / Own Funding	50 000	0	0
<u>Fleet Management - 8860</u>					
Municipal Vehicles - LDV's	3,0	CRR / Own Funding	1 000 000	0	0
Municipal Vehicles - Sedans	3,0	CRR / Own Funding	1 000 000	0	0
Municipal Vehicles - Specialized	3,0	CRR / Own Funding	1 000 000	0	0
<u>COUNCIL & MAYCO</u>					
<u>MAYORAL OFFICE - 0306</u>					
Furniture and Equipment	3,0	CRR / Own Funding	5 000	5 000	5 000
<u>STRATEGIC SUPPORT SERVICES</u>					
<u>STRATEGIC SUPPORT - ADMIN - 2103</u>					

Furniture and Equipment	4,0	CRR / Own Funding	5 000	5 000	5 000
Local Economic Development					
LED - Furniture and Office Equipment	4,0	CRR / Own Funding	20 000	0	0
Zwelethemba Economic Facility	3,0	CRR / Own Funding	1 000 000	0	0
Zwelethemba Economic Facility	6,4	RSEP	800 000	0	0
Other Buildings					
Supply and Installation of Load Shedding Solution and Solar PV	3,0	CRR / Own Funding	13 420 000	12 884 000	6 807 000
WORCESTER TOWN HALL					
Airconditioner	3,0	CRR / Own Funding	3 420 000	0	0
INFORMATION TECHNOLOGY - 2114					
ICT - Computer Equipment	3,0	CRR / Own Funding	12 000 000	0	0
Fibre Links	3,0	CRR / Own Funding	1 500 000	0	0
Call Center & Telephone (PBX) System	3,0	CRR / Own Funding	150 000	0	0
Biometric system	3,0	CRR / Own Funding	150 000	0	0
Airconditioner (DR Site)	3,0	CRR / Own Funding	50 000	0	0

Kindly refer to SA36 for the detail capital budget.

In addition to the projects as per the table above, the municipality is also in the process of looking into alternative finance options for vehicles and specialised equipment.

4. Annual Budget Tables

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

- **Table A1 Budget Summary**

WC025 Breede Valley - Table A1 Budget Summary										
Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Financial Performance										
Property rates	135 728	145 107	155 977	154 348	168 061	168 061	168 061	175 223	185 765	196 942
Service charges	564 827	622 044	644 056	722 633	702 073	702 073	702 073	761 566	805 011	850 951
Investment revenue	13 134	12 001	9 718	10 686	10 686	10 686	10 686	10 686	11 221	11 782
Transfers recognised - operational	133 233	141 850	168 007	147 172	157 480	157 480	157 480	171 058	174 789	183 822
Other own revenue	93 986	91 210	92 652	267 249	267 249	267 249	267 249	271 940	285 398	299 527
Total Revenue (excluding capital transfers and contributions)	940 908	1 012 212	1 070 409	1 302 088	1 305 548	1 305 548	1 305 548	1 390 473	1 462 183	1 543 022
Employee costs	278 623	297 258	319 700	344 581	343 870	343 870	343 870	350 795	365 485	382 454
Remuneration of councillors	17 675	18 413	18 421	20 356	19 049	19 049	19 049	19 549	20 333	21 250
Depreciation & asset impairment	88 009	87 496	88 561	100 988	100 988	100 988	100 988	100 988	106 265	112 035
Finance charges	24 682	23 643	22 351	23 653	23 653	23 653	23 653	38 001	44 980	51 267
Materials and bulk purchases	314 601	345 745	363 591	428 242	428 243	428 243	428 243	462 319	501 346	548 983
Transfers and grants	19 661	6 938	4 452	4 365	7 218	7 218	7 218	6 872	4 258	4 483
Other expenditure	207 838	231 699	253 931	364 990	399 178	399 178	399 178	377 227	387 942	405 791
Total Expenditure	951 089	1 011 192	1 071 008	1 287 175	1 322 198	1 322 198	1 322 198	1 355 751	1 430 608	1 526 262
Surplus/(Deficit)	(10 182)	1 020	(598)	14 913	(16 649)	(16 649)	(16 649)	34 722	31 575	16 760
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	164 210	146 877	52 583	57 360	57 789	57 789	57 789	70 138	99 614	82 052
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	1 528	185	800	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812
Capital expenditure & funds sources										
Capital expenditure	266 003	195 481	124 588	151 230	154 778	154 778	154 778	318 550	221 961	196 023
Transfers recognised - capital	165 738	147 062	53 383	57 360	57 789	57 789	57 789	70 138	99 614	82 052
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	6 281	159	-	-	-	-	-	146 238	34 669	32 000
Internally generated funds	93 984	48 260	71 205	93 870	96 989	96 989	96 989	102 174	87 678	81 971
Total sources of capital funds	266 003	195 481	124 588	151 230	154 778	154 778	154 778	318 550	221 961	196 023
Financial position										
Total current assets	254 837	313 695	329 806	319 279	251 805	251 805	251 805	267 426	270 608	313 718
Total non current assets	2 289 752	2 410 862	2 460 414	2 499 055	2 500 236	2 500 236	2 500 236	2 682 117	2 798 135	2 882 477
Total current liabilities	170 630	190 720	181 007	154 174	154 174	154 174	154 174	154 220	173 953	201 471
Total non current liabilities	444 660	447 981	465 053	434 708	434 708	434 708	434 708	581 169	603 313	618 814
Community wealth/Equity	1 929 299	2 085 857	2 144 160	2 229 452	2 163 159	2 163 159	2 163 159	2 214 154	2 291 478	2 375 910
Cash flows										
Net cash from (used) operating	225 963	260 148	147 422	50 395	18 546	18 546	18 546	142 598	193 673	174 103
Net cash from (used) investing	(227 022)	(197 681)	(123 462)	(151 180)	(154 728)	(154 728)	(154 728)	(318 500)	(221 911)	(195 973)
Net cash from (used) financing	(9 525)	(10 615)	(11 548)	(12 941)	(12 941)	(12 941)	(12 941)	127 653	14 489	91 762
Cash/cash equivalents at the year end	94 867	146 720	174 132	86 287	40 225	40 225	40 225	101 765	88 015	157 907
Cash backing/surplus reconciliation										
Cash and investments available	110 088	162 139	190 762	86 287	40 225	40 225	40 225	101 765	88 015	157 907
Application of cash and investments	(16 328)	(5 165)	3 661	(7 420)	8 309	8 309	8 309	18 161	15 734	56 589
Balance - surplus (shortfall)	126 416	167 305	187 101	93 707	31 916	31 916	31 916	83 605	72 281	101 318
Asset management										
Asset register summary (WDV)	2 251 198	2 407 549	2 465 638	2 495 576	2 496 757	2 496 757		2 678 902	2 794 598	2 878 586
Depreciation	88 009	87 496	88 561	100 988	100 988	100 988		100 988	106 265	112 035
Renewal of Existing Assets	25 695	53 016	63 366	43 631	30 701	30 701		51 504	63 014	46 746
Repairs and Maintenance	61 942	52 933	46 518	55 398	81 985	81 985		67 715	71 899	74 463
Free services										
Cost of Free Basic Services provided	38 649	46 337	53 194	45 808	45 808	63 967	67 413	67 413	71 057	74 910
Revenue cost of free services provided	27 175	25 972	21 192	41 033	41 033	30 821	35 514	35 514	37 507	39 612
Households below minimum service level										
Water:	924	924	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

- **Table A2 Budgeted Financial Performance (Revenue and Expenditure by standard classification)**

WC025 Breede Valley - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional										
Governance and administration		308 364	301 346	226 404	213 203	227 212	227 212	241 045	254 628	270 152
Executive and council		1 044	2 449	433	112	112	112	118	124	131
Finance and administration		307 275	298 897	225 972	213 091	227 100	227 100	240 927	254 504	270 022
Internal audit		44	—	—	—	—	—	—	—	—
Community and public safety		107 604	42 087	86 047	264 651	272 391	272 391	281 225	283 208	293 875
Community and social services		15 025	11 080	13 597	10 140	12 243	12 243	12 459	10 498	10 821
Sport and recreation		3 461	3 034	1 282	2 211	3 173	3 173	9 249	3 412	3 584
Public safety		47 478	3 140	31 913	230 807	230 844	230 844	230 822	241 967	253 026
Housing		41 640	24 833	39 256	21 493	26 131	26 131	28 695	27 331	26 445
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		7 496	86 944	50 136	14 911	15 395	15 395	16 395	15 197	15 950
Planning and development		5 464	6 666	2 828	1 353	1 542	1 542	2 226	1 352	1 421
Road transport		817	79 465	44 821	13 558	13 853	13 853	14 169	13 845	14 528
Environmental protection		1 215	813	2 487	—	—	—	—	—	—
Trading services		683 181	728 897	761 204	866 683	848 239	848 239	921 945	1 008 763	1 045 098
Energy sources		403 650	434 289	457 881	552 484	517 783	517 783	565 318	621 104	653 687
Water management		109 201	108 331	119 417	102 167	117 149	117 149	126 788	130 595	137 755
Waste water management		109 615	128 062	119 912	147 556	147 985	147 985	160 679	184 270	176 585
Waste management		60 716	58 215	63 993	64 476	65 322	65 322	69 161	72 794	77 072
Other	4	—	—	—	—	100	100	—	—	—
Total Revenue - Functional	2	1 106 645	1 159 274	1 123 792	1 359 448	1 363 337	1 363 337	1 460 611	1 561 797	1 625 074
Expenditure - Functional										
Governance and administration		191 117	206 865	226 174	262 202	256 925	256 925	258 889	262 802	275 535
Executive and council		37 073	42 640	40 376	40 098	37 696	37 696	35 936	33 489	35 036
Finance and administration		150 896	160 962	182 041	218 212	215 336	215 336	218 570	224 750	235 728
Internal audit		3 148	3 263	3 757	3 891	3 893	3 893	4 382	4 563	4 772
Community and public safety		165 812	132 945	171 118	309 857	319 468	319 468	314 193	328 355	343 212
Community and social services		23 007	23 513	27 864	26 949	30 619	30 619	31 659	32 983	34 384
Sport and recreation		27 592	27 661	25 600	27 026	28 369	28 369	27 733	28 487	29 832
Public safety		85 065	58 426	94 987	225 937	225 820	225 820	226 116	239 558	252 596
Housing		29 981	23 184	22 583	29 855	34 570	34 570	28 595	27 230	26 297
Health		166	161	83	91	91	91	91	96	102
Economic and environmental services		68 538	107 096	78 767	79 306	82 545	82 545	85 887	89 328	93 764
Planning and development		15 428	15 655	17 506	18 626	18 943	18 943	20 016	20 773	21 757
Road transport		51 474	90 316	58 262	60 221	62 432	62 432	65 482	68 147	71 578
Environmental protection		1 637	1 125	2 999	459	1 171	1 171	389	408	429
Trading services		524 126	563 089	594 443	635 190	662 686	662 686	695 887	749 147	812 692
Energy sources		350 328	378 174	404 364	462 271	467 083	467 083	506 388	553 149	608 238
Water management		64 010	68 673	75 107	65 812	69 127	69 127	70 157	72 502	75 962
Waste water management		64 772	66 146	68 096	63 890	74 215	74 215	73 986	77 248	80 165
Waste management		45 015	50 096	46 876	43 218	52 261	52 261	45 356	46 249	48 327
Other	4	1 497	1 197	505	619	574	574	895	976	1 059
Total Expenditure - Functional	3	951 089	1 011 192	1 071 008	1 287 175	1 322 198	1 322 198	1 355 751	1 430 608	1 526 262
Surplus/(Deficit) for the year		155 556	148 082	52 784	72 273	41 139	41 139	104 860	131 189	98 812

- **Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

WC025 Breede Valley - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Revenue by Vote	1									
Vote 1 - Council General		358	449	433	112	112	112	118	124	131
Vote 2 - Municipal Manager		4 770	7 434	2 859	500	500	500	500	-	-
Vote 3 - Strategic Support Services		2 508	3 094	1 529	1 651	1 301	1 301	1 244	1 137	1 170
Vote 4 - Financial Services		300 915	292 360	220 708	208 487	222 465	222 465	236 559	251 010	266 382
Vote 5 - Community Services		109 909	101 230	97 399	277 467	282 755	282 755	294 602	296 630	307 963
Vote 6 - Technical Services		688 186	754 706	800 865	-	-	-	-	-	-
Vote 7 - Engineering Services		-	-	-	552 474	520 228	520 228	565 252	621 035	653 613
Vote 8 - Public Services		-	-	-	318 757	335 975	335 975	362 335	391 861	395 816
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 106 645	1 159 274	1 123 792	1 359 448	1 363 337	1 363 337	1 460 611	1 561 797	1 625 074
Expenditure by Vote to be appropriated	1									
Vote 1 - Council General		30 440	37 996	36 468	36 147	32 843	32 843	28 540	29 746	31 120
Vote 2 - Municipal Manager		9 807	11 268	11 297	9 628	10 523	10 523	14 278	10 953	11 490
Vote 3 - Strategic Support Services		56 938	59 432	68 710	71 745	67 428	67 428	70 780	74 099	78 100
Vote 4 - Financial Services		62 206	66 399	77 852	133 357	131 228	131 228	128 388	133 863	140 125
Vote 5 - Community Services		171 962	178 895	180 406	315 481	319 707	319 707	320 204	331 347	346 312
Vote 6 - Technical Services		619 737	657 201	696 274	-	-	-	-	-	-
Vote 7 - Engineering Services		-	-	-	471 099	483 648	483 648	518 086	565 322	620 962
Vote 8 - Public Services		-	-	-	249 717	276 820	276 820	275 475	285 279	298 152
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	951 089	1 011 192	1 071 008	1 287 175	1 322 198	1 322 198	1 355 751	1 430 608	1 526 262
Surplus/(Deficit) for the year	2	155 556	148 082	52 784	72 273	41 139	41 139	104 860	131 189	98 812

• **Table A4 Budgeted Financial Performance (revenue and expenditure)**

WC025 Breede Valley - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	135 728	145 107	155 977	154 348	168 061	168 061	168 061	175 223	185 765	196 942
Service charges - electricity revenue	2	389 167	416 707	431 937	522 613	487 765	487 765	487 765	536 542	568 735	602 860
Service charges - water revenue	2	70 217	91 484	93 942	79 712	94 000	94 000	94 000	98 700	103 636	108 818
Service charges - sanitation revenue	2	67 133	73 688	76 021	76 112	76 112	76 112	76 112	79 917	83 914	88 110
Service charges - refuse revenue	2	38 310	40 166	42 155	44 197	44 197	44 197	44 197	46 407	48 727	51 164
Rental of facilities and equipment		24 456	10 671	22 936	5 845	5 845	5 845	5 845	6 489	6 815	7 157
Interest earned - external investments		13 134	12 001	9 718	10 686	10 686	10 686	10 686	11 221	11 782	
Interest earned - outstanding debtors		6 198	8 133	8 344	6 770	6 770	6 770	6 770	9 970	10 311	10 663
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		37 240	51 034	30 304	230 513	230 513	230 513	230 513	230 513	242 038	254 141
Licences and permits		2 952	2 211	2 017	3 949	3 949	3 949	3 949	4 056	4 259	4 472
Agency services		8 507	7 543	9 416	8 987	8 987	8 987	8 987	9 436	9 908	10 403
Transfers and subsidies		133 233	141 850	168 007	147 172	157 480	157 480	157 480	171 058	174 789	183 822
Other revenue	2	11 560	11 618	15 716	9 786	9 786	9 786	9 786	10 078	10 586	11 119
Gains		3 073	-	3 919	1 399	1 399	1 399	1 399	1 399	1 483	1 572
Total Revenue (excluding capital transfers and contributions)		940 908	1 012 212	1 070 409	1 302 088	1 305 548	1 305 548	1 305 548	1 390 473	1 462 183	1 543 022
Expenditure By Type											
Employee related costs	2	278 623	297 258	319 700	344 581	343 870	343 870	343 870	350 795	365 485	382 454
Remuneration of councillors		17 675	18 413	18 421	20 356	19 049	19 049	19 049	19 549	20 333	21 250
Debt impairment	3	62 896	90 509	77 130	198 257	198 257	198 257	198 257	198 257	209 752	222 026
Depreciation & asset impairment	2	88 009	87 496	88 561	100 988	100 988	100 988	100 988	100 988	106 265	112 035
Finance charges		24 682	23 643	22 351	23 653	23 653	23 653	23 653	38 001	44 980	51 267
Bulk purchases	2	287 305	318 842	337 524	388 335	388 335	388 335	388 335	422 897	460 535	506 588
Other materials	8	27 296	26 904	26 067	39 907	39 908	39 908	39 908	39 422	40 811	42 395
Contracted services		72 243	64 401	73 166	89 923	116 080	116 080	116 080	104 978	100 271	101 603
Transfers and subsidies		19 661	6 938	4 452	4 365	7 218	7 218	7 218	6 872	4 258	4 483
Other expenditure	4, 5	72 678	76 388	100 150	73 045	81 076	81 076	81 076	70 227	73 929	77 933
Losses		21	402	3 485	3 766	3 766	3 766	3 766	3 766	3 991	4 229
Total Expenditure		951 089	1 011 192	1 071 008	1 287 175	1 322 198	1 322 198	1 322 198	1 355 751	1 430 608	1 526 262
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(10 182)	1 020	(598)	14 913	(16 649)	(16 649)	(16 649)	34 722	31 575	16 760
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	164 210	146 877	52 583	57 360	57 789	57 789	57 789	70 138	99 614	82 052
Transfers and subsidies - capital (in-kind - all)		-	-	500	-	-	-	-	-	-	-
		1 528	185	300	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812

• **Table A5 Budgeted Capital Expenditure by vote, standard classification and funding**

WC025 Breede Valley - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding										
Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24
R thousand	1									
Capital expenditure - Vote										
Multi-year expenditure - to be appropriated	2									
Vote 1 - Council General		–	4	–	5	5	5	5	5	5
Vote 2 - Municipal Manager		–	3 333	1 065	5	50	50	50	5	5
Vote 3 - Strategic Support Services		–	305	370	3 155	6 803	6 803	6 803	15 575	5
Vote 4 - Financial Services		–	167	3 237	–	–	–	–	–	–
Vote 5 - Community Services		–	2 153	10 442	15 635	15 563	15 563	15 563	5	505
Vote 6 - Technical Services		–	109 852	93 045	–	–	–	–	–	–
Vote 7 - Engineering Services		–	–	–	33 600	8 800	8 800	8 800	58 400	50 500
Vote 8 - Public Services		–	–	–	50 394	46 698	46 698	46 698	178 476	117 853
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		–	115 815	108 160	102 794	77 919	77 919	77 919	252 466	168 373
Single-year expenditure - to be appropriated	2									
Vote 1 - Council General		–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		4 143	2 103	1 379	–	–	–	–	30	–
Vote 3 - Strategic Support Services		25 349	334	928	3 200	3 250	3 250	3 250	16 940	12 884
Vote 4 - Financial Services		1 426	8	450	805	2 139	2 139	2 139	1 975	805
Vote 5 - Community Services		10 232	811	1 153	7 200	3 467	3 467	3 467	5 379	6 000
Vote 6 - Technical Services		224 853	76 410	12 517	–	–	–	–	–	–
Vote 7 - Engineering Services		–	–	–	12 220	32 907	32 907	32 907	3 330	1 590
Vote 8 - Public Services		–	–	–	25 011	35 096	35 096	35 096	38 430	32 309
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		266 003	79 666	16 427	48 436	76 859	76 859	76 859	66 083	53 588
Total Capital Expenditure - Vote	3.7	266 003	195 481	124 588	151 230	154 778	154 778	154 778	318 550	221 961
Capital Expenditure - Functional										
Governance and administration		30 488	838	5 425	7 005	12 268	12 268	12 268	32 645	13 709
Executive and council		15	6	37	10	55	55	55	10	10
Finance and administration		30 473	832	5 388	6 995	12 213	12 213	12 213	32 635	13 699
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		13 958	3 874	12 192	23 828	18 288	18 288	18 288	9 291	6 000
Community and social services		8 059	818	11 252	728	828	828	828	4 832	–
Sport and recreation		2 190	2 497	10	22 600	16 880	16 880	16 880	3 820	6 000
Public safety		3 709	559	930	500	500	500	500	639	–
Housing		–	–	–	–	80	80	80	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		40 510	69 869	72 398	51 601	36 657	36 657	36 657	56 246	65 964
Planning and development		–	5 434	1 222	–	40	40	40	1 820	–
Road transport		40 510	64 435	71 176	51 601	36 617	36 617	36 617	54 426	65 964
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		181 047	120 901	34 572	68 797	87 565	87 565	87 565	220 368	136 288
Energy sources		27 408	20 710	23 781	45 490	46 229	46 229	46 229	66 230	50 706
Water management		55 824	29 044	4 195	7 308	19 398	19 398	19 398	94 688	25 570
Waste water management		83 000	49 695	5 420	14 483	21 566	21 566	21 566	58 250	53 628
Waste management		14 816	21 452	1 177	1 516	373	373	373	1 200	1 000
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3.7	266 003	195 481	124 588	151 230	154 778	154 778	154 778	318 550	221 961
Funded by:										
National Government		37 488	34 373	50 125	57 260	57 260	57 260	57 260	69 094	99 614
Provincial Government		128 219	112 433	2 458	100	100	100	100	1 044	–
District Municipality		31	71	300	–	429	429	429	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	185	500	–	–	–	–	–	–
Transfers recognised - capital	4	165 738	147 062	53 383	57 360	57 789	57 789	57 789	70 138	99 614
Public contributions & donations	5	–	–	–	–	–	–	–	–	–
Borrowing	6	6 281	159	–	–	–	–	–	146 238	34 669
Internally generated funds		93 984	48 260	71 205	93 870	96 989	96 989	96 989	102 174	87 678
Total Capital Funding	7	266 003	195 481	124 588	151 230	154 778	154 778	154 778	318 550	221 961

• **Table A6 Budgeted Financial Position**

WC025 Breede Valley - Table A6 Budgeted Financial Position											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSETS											
Current assets											
Cash		94 867	146 720	89 348	41 287	25 225	25 225	25 225	56 765	43 015	112 907
Call investment deposits	1	15 221	15 420	101 414	45 000	15 000	15 000	15 000	45 000	45 000	45 000
Consumer debtors	1	110 444	115 555	106 600	195 191	173 780	173 780	173 780	135 752	153 959	128 325
Other debtors		25 461	23 602	21 935	24 782	24 782	24 782	24 782	18 566	17 081	15 714
Current portion of long-term receivables		1 763	1 968	1 840	2 066	2 066	2 066	2 066	2 068	2 192	2 324
Inventory	2	7 081	10 432	8 668	10 953	10 953	10 953	10 953	9 274	9 361	9 448
Total current assets		254 837	313 695	329 806	319 279	251 805	251 805	251 805	267 426	270 608	313 718
Non current assets											
Long-term receivables		1 923	3 314	2 658	3 479	3 479	3 479	3 479	3 216	3 537	3 891
Investments		—	—	—	—	—	—	—	—	—	—
Investment property		44 866	47 145	63 876	47 145	47 145	47 145	47 145	47 145	47 145	47 145
Investment in Associate		—	—	—	—	—	—	—	—	—	—
Property, plant and equipment	3	2 201 899	2 319 592	2 353 160	2 408 787	2 409 968	2 409 968	2 409 968	2 592 148	2 708 483	2 793 148
Agricultural		—	—	—	—	—	—	—	—	—	—
Biological		—	—	—	—	—	—	—	—	—	—
Intangible		4 432	4 182	4 090	3 013	3 013	3 013	3 013	2 978	2 340	1 663
Other non-current assets		36 631	36 631	36 631	36 631	36 631	36 631	36 631	36 631	36 631	36 631
Total non current assets		2 289 752	2 410 862	2 460 414	2 499 055	2 500 236	2 500 236	2 500 236	2 682 117	2 798 135	2 882 477
TOTAL ASSETS		2 544 589	2 724 558	2 790 220	2 818 334	2 752 041	2 752 041	2 752 041	2 949 543	3 068 743	3 196 195
LIABILITIES											
Current liabilities											
Bank overdraft	1	—	—	—	—	—	—	—	—	—	—
Borrowing	4	16 495	17 433	18 448	14 536	14 536	14 536	14 536	20 809	24 417	28 590
Consumer deposits		4 083	4 231	4 367	4 738	4 738	4 738	4 738	4 633	4 772	4 915
Trade and other payables	4	111 594	121 889	106 664	92 096	92 096	92 096	92 096	80 518	93 608	113 740
Provisions		38 458	47 167	51 529	42 804	42 804	42 804	42 804	48 261	51 156	54 226
Total current liabilities		170 630	190 720	181 007	154 174	154 174	154 174	154 174	154 220	173 953	201 471
Non current liabilities											
Borrowing		203 881	192 180	179 139	164 603	164 603	164 603	164 603	285 883	295 009	297 222
Provisions		240 779	255 801	285 914	270 105	270 105	270 105	270 105	295 286	308 304	321 592
Total non current liabilities		444 660	447 981	465 053	434 708	434 708	434 708	434 708	581 169	603 313	618 814
TOTAL LIABILITIES		615 290	638 701	646 060	588 882	588 882	588 882	588 882	735 389	777 265	820 285
NET ASSETS	5	1 929 299	2 085 857	2 144 160	2 229 452	2 163 159	2 163 159	2 163 159	2 214 154	2 291 478	2 375 910
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1 929 299	2 085 857	2 144 160	2 175 587	2 109 294	2 109 294	2 109 294	2 160 289	2 237 613	2 322 045
Reserves	4	—	—	—	53 865	53 865	53 865	53 865	53 865	53 865	53 865
TOTAL COMMUNITY WEALTH/EQUITY	5	1 929 299	2 085 857	2 144 160	2 229 452	2 163 159	2 163 159	2 163 159	2 214 154	2 291 478	2 375 910

- **Table A7 Budgeted Cash Flows**

WC025 Breede Valley - Table A7 Budgeted Cash Flows											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	111 142	131 196	142 851	142 851	142 851	157 700	167 188	177 247
Service charges		734 584	765 479	637 405	641 866	622 647	622 647	622 647	729 917	783 047	833 330
Other revenue		–	–	202 857	40 959	40 959	40 959	40 959	47 451	56 245	58 112
Transfers and Subsidies - Operational	1	130 191	141 396	161 901	147 172	157 480	157 480	157 480	171 058	174 789	183 822
Transfers and Subsidies - Capital	1	139 510	147 062	56 927	57 360	57 789	57 789	57 789	70 138	99 614	82 052
Interest		14 983	18 674	16 052	17 456	17 456	17 456	17 456	20 656	21 531	22 445
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(753 939)	(783 656)	(1 012 988)	(959 913)	(992 083)	(992 083)	(992 083)	(1 011 634)	(1 065 354)	(1 136 452)
Finance charges		(24 682)	(23 643)	(22 675)	(21 336)	(21 336)	(21 336)	(21 336)	(35 817)	(39 131)	(41 970)
Transfers and Grants	1	(14 684)	(5 163)	(3 199)	(4 365)	(7 218)	(7 218)	(7 218)	(6 872)	(4 258)	(4 483)
NET CASH FROM/(USED) OPERATING ACTIVITIES		225 963	260 148	147 422	50 395	18 546	18 546	18 546	142 598	193 673	174 103
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		3 735	(362)	(1 744)	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		4 816	(1 824)	23	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		30 704	(199)	–	50	50	50	50	50	50	50
Payments											
Capital assets		(266 277)	(195 296)	(121 740)	(151 230)	(154 778)	(154 778)	(154 778)	(318 550)	(221 961)	(196 023)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(227 022)	(197 681)	(123 462)	(151 180)	(154 728)	(154 728)	(154 728)	(318 500)	(221 911)	(195 973)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	146 238	34 669	119 093
Increase (decrease) in consumer deposits		171	148	153	100	100	100	100	100	100	100
Payments											
Repayment of borrowing		(9 696)	(10 763)	(11 702)	(13 041)	(13 041)	(13 041)	(13 041)	(18 685)	(20 280)	(27 431)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(9 525)	(10 615)	(11 548)	(12 941)	(12 941)	(12 941)	(12 941)	127 653	14 489	91 762
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	105 451	94 867	161 720	200 013	189 348	189 348	189 348	150 013	101 765	88 015
Cash/cash equivalents at the year end:	2	94 867	146 720	174 132	86 287	40 225	40 225	40 225	101 765	88 015	157 907

- **Table A8 Cash Backed Reserves / Accumulated Surplus Reconciliation**

WC025 Breede Valley - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	94 867	146 720	174 132	86 287	40 225	40 225	40 225	101 765	88 015	157 907
Other current investments > 90 days		15 221	15 420	16 630	—	0	0	0	—	—	—
Non current assets - Investments	1	—	—	—	—	—	—	—	—	—	—
Cash and investments available:		110 088	162 139	190 762	86 287	40 225	40 225	40 225	101 765	88 015	157 907
Application of cash and investments											
Unspent conditional transfers		21 301	21 779	4 196	5 000	5 000	5 000	5 000	5 000	5 000	5 000
Unspent borrowing		—	—	—	—	—	—	—	—	—	—
Statutory requirements	2	—	—	—	—	—	—	—	—	—	—
Other working capital requirements	3	(37 629)	(26 944)	(37 971)	(72 066)	(56 337)	(56 337)	(56 337)	(46 491)	(49 236)	(8 726)
Other provisions		—	—	37 436	5 781	5 781	5 781	5 781	5 787	6 105	6 450
Long term investments committed	4	—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments	5	—	—	—	53 865	53 865	53 865	53 865	53 865	53 865	53 865
Total Application of cash and investments:		(16 328)	(5 165)	3 661	(7 420)	8 309	8 309	8 309	18 161	15 734	56 589
Surplus(shortfall)		126 416	167 305	187 101	93 707	31 916	31 916	31 916	83 605	72 281	101 318

- **Table A9 Asset Management**

Please refer to Annexure A

• **Table A10 Basic Service Delivery Measurement**

WC025 Breede Valley - Table A10 Basic service delivery measurement										
Description	Ref	-2018	-2019	-2020	-2021-O	-2021-A	-2021-F	-2022	-2023	-2024
		2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets										
Water:										
Piped water inside dwelling	1	16 701	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372
Piped water inside yard (but not in dwelling)	2	3 803	3 879	3 879	3 879	3 879	3 879	3 879	3 879	3 879
Using public tap (at least min.service level)	4	4 989	6 949	6 949	6 949	6 949	6 949	6 949	6 949	6 949
Other water supply (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	4	25 493	30 200	30 200	30 200	30 200	30 200	30 200	30 200	30 200
Using public tap (< min.service level)	3	924	924	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply	4	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	4	924	924	–	–	–	–	–	–	–
Total number of households	5	26 417	31 124	30 200	30 200	30 200	30 200	30 200	30 200	30 200
Sanitation/sewerage:										
Flush toilet (connected to sewerage)	5	23 834	18 555	18 555	18 555	18 555	18 555	18 555	18 555	18 555
Flush toilet (with septic tank)	5	100	2 687	2 687	2 687	2 687	2 687	2 687	2 687	2 687
Chemical toilet	5	4 415	4 263	4 263	4 263	4 263	4 263	4 263	4 263	4 263
Pit toilet (ventilated)	5	–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)	5	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	5	28 349	25 504	25 504	25 504	25 504	25 504	25 504	25 504	25 504
Bucket toilet	5	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	5	–	–	–	–	–	–	–	–	–
No toilet provisions	5	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	5	–	–	–	–	–	–	–	–	–
Total number of households	5	28 349	25 504	25 504	25 504	25 504	25 504	25 504	25 504	25 504
Energy:										
Electricity (at least min.service level)	5	4 674	2 977	2 977	2 977	2 977	2 977	2 977	2 977	2 977
Electricity - prepaid (min.service level)	5	20 929	21 137	21 160	21 160	21 160	21 160	21 170	21 180	21 180
Minimum Service Level and Above sub-total	5	25 603	24 114	24 137	24 137	24 137	24 137	24 147	24 157	24 157
Electricity (< min.service level)	5	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	5	–	–	–	–	–	–	–	–	–
Other energy sources	5	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	5	–	–	–	–	–	–	–	–	–
Total number of households	5	25 603	24 114	24 137	24 137	24 137	24 137	24 147	24 157	24 157
Refuse:										
Removed at least once a week	5	34 804	48 995	48 995	48 995	48 995	48 995	48 995	48 995	48 995
Minimum Service Level and Above sub-total	5	34 804	48 995	48 995	48 995	48 995	48 995	48 995	48 995	48 995
Removed less frequently than once a week	5	–	–	–	–	–	–	–	–	–
Using communal refuse dump	5	–	–	–	–	–	–	–	–	–
Using own refuse dump	5	–	–	–	–	–	–	–	–	–
Other rubbish disposal	5	–	–	–	–	–	–	–	–	–
No rubbish disposal	5	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	5	–	–	–	–	–	–	–	–	–
Total number of households	5	34 804	48 995	48 995	48 995	48 995	48 995	48 995	48 995	48 995
Households receiving Free Basic Service										
Water (6 kilolitres per household per month)	7	8 530	8 997	9 556	10 500	10 500	10 500	10 500	10 500	10 500
Sanitation (free minimum level service)	7	8 530	8 997	9 556	10 500	10 500	9 850	10 500	10 500	10 500
Electricity/other energy (50kwh per household per month)	7	8 530	8 997	9 556	10 500	10 500	10 500	10 500	10 500	10 500
Refuse (removed at least once a week)	7	8 530	8 997	9 556	10 500	10 500	10 500	10 500	10 500	10 500
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)	8	9 641	11 957	14 446	9 852	9 852	21 000	22 050	23 153	24 310
Sanitation (free sanitation service to indigent households)	8	15 346	17 629	20 447	18 196	18 196	23 000	24 150	25 358	26 625
Electricity/other energy (50kwh per indigent household per month)	8	3 796	5 673	5 471	7 770	7 770	4 967	5 463	6 010	6 611
Refuse (removed once a week for indigent households)	8	9 867	11 078	12 830	9 990	9 990	15 000	15 750	16 538	17 364
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	8	–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	38 649	46 337	53 194	45 808	45 808	63 967	67 413	71 057	74 910
Highest level of free service provided per household										
Property rates (R value threshold)	9	150 000	150 000	150 000	270 000	270 000	270 000	270 000	270 000	270 000
Water (kilolitres per household per month)	9	10	10	10	10	10	10	10	10	10
Sanitation (kilolitres per household per month)	9	–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)	9	261	296	297	310	310	310	328	344	361
Electricity (kwh per household per month)	9	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	9	240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)										
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	9	–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	9	18 831	16 623	21 192	21 665	21 665	20 440	24 614	26 062	27 595
Water (in excess of 6 kilolitres per indigent household per month)	9	–	–	–	9 852	9 852	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)	9	–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)	9	–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)	9	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	6	8 344	9 349	–	9 516	9 516	10 381	10 900	11 445	12 018
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other	6	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	6	27 175	25 972	21 192	41 033	41 033	30 821	35 514	37 507	39 612

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

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

PART 2 – Supporting Documentation**5. Overview of Annual Budget Process**

Step No	ISSUE	TIMEFRAME
1	IDP/Budget Process Plan/Timetable approved by council	Aug 2021
2	IDP Meetings – inputs from Ward Councilors & Ward Committees	Oct 2021
3	First IDP/ Budget Steering Committee Meeting	Nov 2021
4	Departmental inputs on Draft allocations	Nov & Dec 2021
5	2 nd Budget Steering Committee – Consider Adjustment budget	Jan 2022
6	Draft Budget input captured and Budget balanced	March 2022
7	Draft IDP & Budget tabled in Council	March 2022
8	IDP & Budget workshop - Council	April 2022
9	Public Consultation	April 2022
10	Finalise Sector / Dept Strategy Plan / Budget - IDP	April 2022
11	Consideration of Comments received	April 2022
12	Tabling of Final MTREF	End May 2022

**Process Plan**

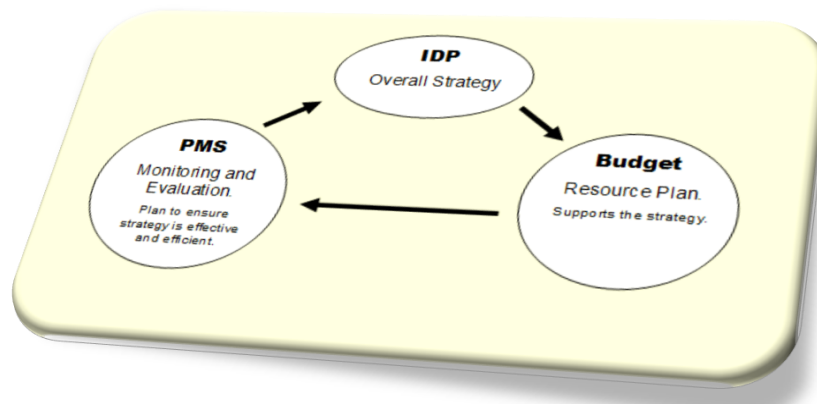
	STEP	PROCESS
1.	Planning	Schedule key dates, establish consultation forums, review previous processes
2.	Strategising	Review IDP, Determine priorities, set service delivery targets and objectives for the next three years, consult on tariffs, indigent, credit control, free basic services, etc and consult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

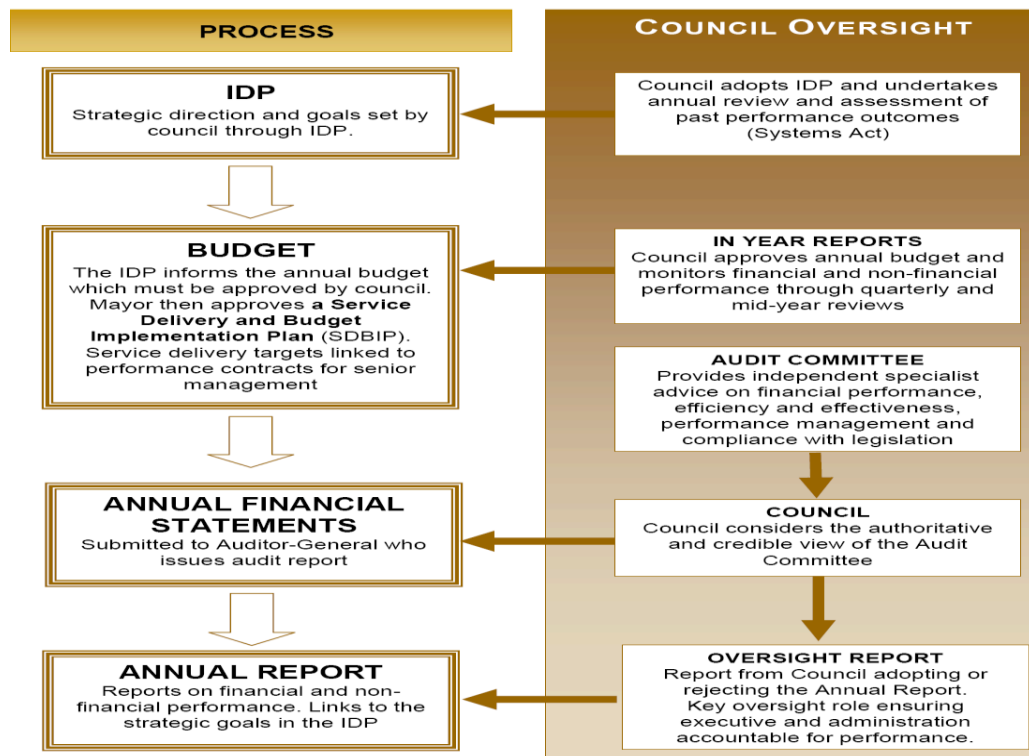
The IDP / Budget process plan was consulted with all relevant stakeholders, whom are:

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

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

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





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

WC025 Breede Valley - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)													
Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand													
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1		840 029	868 799	842 016	896 237	883 664	883 664	965 512	1 045 005	1 080 748	
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2		1 342	946	2 614	123	223	223	137	-	-	
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3		50 962	63 207	46 931	244 963	245 000	245 000	245 594	256 857	268 661	
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4		19 510	18 638	14 156	10 417	12 764	12 764	13 581	9 776	10 215	
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5		838	660	544	620	620	620	626	633	639	
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Sound financial management, viability and risk management	6		193 965	207 023	217 531	207 088	221 067	221 067	235 161	249 527	264 810	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	1 106 645	1 159 274	1 123 792	1 359 448	1 363 337	1 363 337	1 460 611	1 561 797	1 625 074
References													
1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)													

Please refer to Annexure A

MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

WC025 Breede Valley - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand													
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1		666 437	696 124	731 460	786 503	827 484	827 484	855 710	912 880	982 126	
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2		5 364	4 841	6 259	4 182	4 775	4 775	5 162	5 334	5 637	
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3		113 825	126 486	135 240	266 672	266 320	266 320	268 984	284 315	299 464	
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4		91 734	103 893	107 391	109 133	110 993	110 993	106 629	103 858	109 077	
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5		13 192	12 038	13 725	13 133	10 309	10 309	14 887	15 566	16 317	
Assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices	Sound financial management, viability and risk management	6		60 537	67 811	76 932	107 552	102 316	102 316	104 380	108 654	113 641	
Allocations to other priorities													
Total Expenditure				1	951 089	1 011 192	1 071 008	1 287 175	1 322 198	1 322 198	1 355 751	1 430 608	1 526 262
References													
1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)													
2. Balance of allocations not directly linked to an IDP strategic objective													

Please refer to Annexure A

MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

WC025 Breede Valley - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)									
Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousand									
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1		230 426	188 463	115 211	143 325	139 931	139 931
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2		–	–	–	–	–	–
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3		798	562	1 848	1 105	2 928	2 928
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4		31 908	6 280	3 842	5 995	9 595	9 595
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5		1 950	–	–	–	–	–
Assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices	Sound financial management, viability and risk management	6		921	175	3 687	805	2 324	2 324
Allocations to other priorities				3					
Total Capital Expenditure				1	266 003	195 481	124 588	151 230	154 778
References									
1. Total capital expenditure must reconcile to Budgeted Capital Expenditure									
2. Goal code must be used on Table SA36									
3. Balance of allocations not directly linked to an IDP strategic objective									

Please refer to Annexure A

7. Measurable performance objectives and indicators

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

Please refer to Annexure A

8. MBRR Table SA8 - Performance indicators and benchmarks

The following table sets out the municipality's main performance objectives and benchmarks for the 2022/23 MTREF.

WC025 Breede Valley - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Borrowing Management											
Credit Rating		Baa1.2a	Baa1.2a	Baa1.2a	Baa1.2a	Baa1.2a	Baa1.2a	Baa1.2a			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3,6%	3,4%	3,2%	2,9%	2,8%	2,8%	2,8%	4,2%	4,6%	5,2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4,3%	4,0%	3,8%	3,2%	3,2%	3,2%	3,2%	4,6%	5,1%	5,8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	58,9%	28,3%	104,5%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	305,6%	305,6%	305,6%	305,6%	530,7%	547,7%	551,8%
Liquidity											
Current Ratio	Current assets/current liabilities	1,5	1,6	1,8	2,1	1,6	1,6	1,6	1,7	1,6	1,6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,5	1,6	1,8	2,1	1,6	1,6	1,6	1,7	1,6	1,6
Liquidity Ratio	Monetary Assets/Current Liabilities	0,6	0,9	1,1	0,6	0,3	0,3	0,3	0,7	0,5	0,8
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		104,9%	99,8%	93,6%	88,2%	88,0%	88,0%	88,0%	94,8%	95,9%	96,4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14,8%	14,3%	12,4%	17,3%	15,6%	15,6%	15,6%	11,5%	12,1%	9,7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	98,0%	98,0%	98,0%	99,0%	99,0%	99,0%	99,0%	99,0%	99,0%	99,0%
Creditors to Cash and Investments		95,1%	68,2%	58,8%	100,9%	216,5%	216,5%	216,5%	74,2%	100,7%	68,9%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)	21 745 032	15 732 624		24 674 626	24 674 626	24 674 626	24 674 626	24 674 626	24 674 626	24 674 626
	% Volume (units purchased and generated less units sold)/units purchased and generated	25 502	20 655 363		19 740	19 740	19 740	19 740	19 740	19 740	19 740
		7,2%	5,41%		7,50%	7,50%	7,50%	7,50%	7,50%	7,50%	7,50%
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)	2 182 315	4 764 823		2 377 000	2 377 000	2 377 000	2 377 000	2 377 000	2 377 000	2 377 000
	% Volume (units purchased and generated less units sold)/units purchased and generated	10 434	25 941		8 079	8 079	8 079	8 079	8 079	8 079	8 079
		16,4%	31,0%		16,0%	16,0%	16,0%	16,0%	16,0%	16,0%	16,0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	29,6%	29,4%	29,9%	26,5%	26,3%	26,3%	26,3%	25,2%	25,0%	24,8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	31,5%	31,2%	31,6%	28,0%	27,8%	27,8%		26,6%	26,4%	26,2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6,6%	5,2%	4,3%	4,3%	6,3%	6,3%		4,9%	4,9%	4,8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12,0%	11,0%	10,4%	9,6%	9,5%	9,5%	9,5%	10,0%	10,3%	10,6%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	27,4	31,4	29,6	37,9	37,9	37,9	29,2	29,2	25,8	27,3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	19,0%	18,1%	15,8%	25,2%	22,9%	22,9%	22,9%	16,6%	17,4%	13,9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1,4	2,1	2,3	0,9	0,4	0,4	0,4	1,0	0,9	1,4
References											
1. Consumer debtors > 12 months old are excluded from current assets											
2. Only include if services provided by the municipality											
Calculation data											
Debtors > 90 days											
Monthly fixed operational expenditure											
Fixed operational expenditure % assumption											
Own capex											
Borrowing											
		66 115	70 877	74 290	91 792	94 309	94 309	94 309	97 202	102 594	109 188
		40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%
		100 265	48 419	71 205	93 870	96 989	96 989	96 989	248 412	122 347	113 971
		-	-	-	-	-	-	-	146 238	34 669	119 093

Please refer to Annexure A

9. Overview of Budget Related Policies

The following budget related policies are in use:

- Asset Management Policy
- Borrowing Policy
- Budget Policy

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

Please refer to annexure D for the budget related policies.

10. Overview of Budget Assumptions

The following budget assumptions were used as basis for compilation of the 2022/23 MTREF:

- Tariff increases:

Service	Percentage Increase (%)
Electricity	NERSA
Water	5.45% - 5.76%
Sewerage	5.60%
Refuse	5.44%
Rates	5.43%

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

- CPIX = Approximately 5% (MFMA budget circular)
- Employee related cost is based collective agreement
- Government Grant will be received as gazetted by National and Provincial Government.
- Electricity bulk purchases in line with NERSA.
- Minimal growth in revenue base. Mostly related to low cost housing.
- No / limited increases applied on cost containment items.
- Indigent households is anticipated be in the region of 10 000 households (formal)
- Budgeted collection rate equals to 90 percent
- Conditional grant will be fully spent
- Credit rating: Baa1.za

11. Overview of Budget Funding

Funding sources of operating expenditure budget.

This overview provides the funding for operating expenditure to be incurred in future financial years.

WC025 Breede Valley - Table A1 Budget Summary										
Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands										
Financial Performance										
Property rates	135 728	145 107	155 977	154 348	168 061	168 061	168 061	175 223	185 765	196 942
Service charges	564 827	622 044	644 056	722 633	702 073	702 073	702 073	761 566	805 011	850 951
Investment revenue	13 134	12 001	9 718	10 686	10 686	10 686	10 686	10 686	11 221	11 782
Transfers recognised - operational	133 233	141 850	168 007	147 172	157 480	157 480	157 480	171 058	174 789	183 822
Other own revenue	93 986	91 210	92 652	267 249	267 249	267 249	267 249	271 940	285 398	299 527
Total Revenue (excluding capital transfers and contributions)	940 908	1 012 212	1 070 409	1 302 088	1 305 548	1 305 548	1 305 548	1 390 473	1 462 183	1 543 022
Employee costs	278 623	297 258	319 700	344 581	343 870	343 870	343 870	350 795	365 485	382 454
Remuneration of councillors	17 675	18 413	18 421	20 356	19 049	19 049	19 049	19 549	20 333	21 250
Depreciation & asset impairment	88 009	87 496	88 561	100 988	100 988	100 988	100 988	100 988	106 265	112 035
Finance charges	24 682	23 643	22 351	23 653	23 653	23 653	23 653	38 001	44 980	51 267
Materials and bulk purchases	314 601	345 745	363 591	428 242	428 243	428 243	428 243	462 319	501 346	548 983
Transfers and grants	19 661	6 938	4 452	4 365	7 218	7 218	7 218	6 872	4 258	4 483
Other expenditure	207 838	231 699	253 931	364 990	399 178	399 178	399 178	377 227	387 942	405 791
Total Expenditure	951 089	1 011 192	1 071 008	1 287 175	1 322 198	1 322 198	1 322 198	1 355 751	1 430 608	1 526 262
Surplus/(Deficit)	(10 182)	1 020	(598)	14 913	(16 649)	(16 649)	(16 649)	34 722	31 575	16 760
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	164 210	146 877	52 583	57 360	57 789	57 789	57 789	70 138	99 614	82 052
Surplus/(Deficit) after capital transfers & contributions	155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812
Capital expenditure & funds sources										
Capital expenditure	266 003	195 481	124 588	151 230	154 778	154 778	154 778	318 550	221 961	196 023
Transfers recognised - capital	165 738	147 062	53 383	57 360	57 789	57 789	57 789	70 138	99 614	82 052
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	6 281	159	-	-	-	-	-	146 238	34 669	32 000
Internally generated funds	93 984	48 260	71 205	93 870	96 989	96 989	96 989	102 174	87 678	81 971
Total sources of capital funds	266 003	195 481	124 588	151 230	154 778	154 778	154 778	318 550	221 961	196 023
Financial position										
Total current assets	254 837	313 695	329 806	319 279	251 805	251 805	251 805	267 426	270 608	313 718
Total non current assets	2 289 752	2 410 862	2 460 414	2 499 055	2 500 236	2 500 236	2 500 236	2 682 117	2 798 135	2 882 477
Total current liabilities	170 630	190 720	181 007	154 174	154 174	154 174	154 174	154 220	173 953	201 471
Total non current liabilities	444 660	447 981	465 053	434 708	434 708	434 708	434 708	581 169	603 313	618 814
Community wealth/Equity	1 929 299	2 085 857	2 144 160	2 229 452	2 163 159	2 163 159	2 163 159	2 214 154	2 291 478	2 375 910
Cash flows										
Net cash from (used) operating	225 963	260 148	147 422	50 395	18 546	18 546	18 546	142 598	193 673	174 103
Net cash from (used) investing	(227 022)	(197 681)	(123 462)	(151 180)	(154 728)	(154 728)	(154 728)	(318 500)	(221 911)	(195 973)
Net cash from (used) financing	(9 525)	(10 615)	(11 548)	(12 941)	(12 941)	(12 941)	(12 941)	127 653	14 489	91 762
Cash/cash equivalents at the year end	94 867	146 720	174 132	86 287	40 225	40 225	40 225	101 765	88 015	157 907
Cash backing/surplus reconciliation										
Cash and investments available	110 088	162 139	190 762	86 287	40 225	40 225	40 225	101 765	88 015	157 907
Application of cash and investments	(16 328)	(5 165)	3 661	(7 420)	8 309	8 309	8 309	18 161	15 734	56 589
Balance - surplus (shortfall)	126 416	167 305	187 101	93 707	31 916	31 916	31 916	83 605	72 281	101 318
Asset management										
Asset register summary (WDV)	2 251 198	2 407 549	2 465 638	2 495 576	2 496 757	2 496 757		2 678 902	2 794 598	2 878 586
Depreciation	88 009	87 496	88 561	100 988	100 988	100 988		100 988	106 265	112 035
Renewal of Existing Assets	25 695	53 016	63 366	43 631	30 701	30 701		51 504	63 014	46 746
Repairs and Maintenance	61 942	52 933	46 518	55 398	81 985	81 985		67 715	71 899	74 463
Free services										
Cost of Free Basic Services provided	38 649	46 337	53 194	45 808	45 808	63 967	67 413	67 413	71 057	74 910
Revenue cost of free services provided	27 175	25 972	21 192	41 033	41 033	30 821	35 514	35 514	37 507	39 612
Households below minimum service level										
Water:	924	924	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Please refer to table A1 of Annexure A

Funding sources of capital expenditure budget

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

Internal funding in the form of the Capital Replacement Reserve (CRR) is cash backed and sufficient to cover the related capital expenditure projects for the budget year. The municipality remains committed in growing the CRR by making contributions to this reserve to enable better service delivery in the form of capital expenditure. Projects funded from the CRR will be closely monitored to aid implementation and where adjustments are required due to implementation challenges, funds will be directed or reprioritised as per the prerogative of management, through the guidance of the IDP and / or the municipality's financial status.

12. Expenditure on allocations and grant programmes

MBRR SA19 - Expenditure on transfers and grant programmes

Kindly refer to table SA19 of Annexure A.

13. Allocations or grants made by the municipality

MBRR SA21- Transfers and grants made by the municipality

WC025 Breede Valley - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Cash Transfers to other municipalities	1										
Operational		-	-	-	-	100	100	100	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:		-	-	-	-	100	100	100	-	-	-
Cash Transfers to Entities/Other External Mechanisms	2										
Operational		-	13	92	94	94	94	94	94	99	104
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Ems'		-	13	92	94	94	94	94	94	99	104
Cash Transfers to other Organs of State	3										
Operational		-	1 774	1 025	503	2 925	2 925	2 925	2 830	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Other Organs Of State:		-	1 774	1 025	503	2 925	2 925	2 925	2 830	-	-
Cash Transfers to Organisations											
Operational		19 661	2 673	1 689	1 933	1 867	1 867	1 867	2 113	2 232	2 355
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Organisations		19 661	2 673	1 689	1 933	1 867	1 867	1 867	2 113	2 232	2 355
Cash Transfers to Groups of Individuals											
Operational		-	2 440	1 593	1 735	2 131	2 131	2 131	1 735	1 822	1 913
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		-	2 440	1 593	1 735	2 131	2 131	2 131	1 735	1 822	1 913
TOTAL CASH TRANSFERS AND GRANTS	6	19 661	6 900	4 399	4 265	7 118	7 118	7 118	6 772	4 153	4 372
Non-Cash Transfers to other municipalities	1										
Operational		-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms	2										
Operational		-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State	3										
Operational		-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations	4										
Operational		-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Groups of Individuals	5										
Operational		-	37	53	100	100	100	100	100	105	110
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		-	37	53	100	100	100	100	100	105	110
TOTAL NON-CASH TRANSFERS AND GRANTS		-	37	53	100	100	100	100	100	105	110
TOTAL TRANSFERS AND GRANTS	6	19 661	6 938	4 452	4 365	7 218	7 218	7 218	6 872	4 258	4 483

Kindly refer to table SA21 of Annexure A.

14. Councillors and board members allowances and employee benefits

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

WC025 Breede Valley - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)								
Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	634 811	126 963	62 592	–	–	824 366
Chief Whip		1	731 221	–	44 400	–	–	775 621
Section 79 Chairperson		1	368 333	27 626	44 400	–	–	440 359
Executive Mayor		1	752 611	147 250	119 498	–	–	1 019 359
Deputy Executive Mayor		1	593 793	119 704	110 869	–	–	824 366
Executive Committee		8	4 352 470	663 477	413 400	–	–	5 429 347
Total for all other councillors		28	8 385 829	341 982	1 507 420	–	–	10 235 231
Total Councillors	8	41	15 819 068	1 427 002	2 302 579			19 548 649
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	2 041 143	83 402	178 611	–	–	2 303 156
Chief Finance Officer		1	1 380 663	301 116	211 718	–	–	1 893 497
Director: Strategic Support Services		1	1 310 941	324 326	275 285	–	–	1 910 552
Director: Community Services		1	1 315 960	277 378	300 161	–	–	1 893 499
Director: Engineering Services		1	1 521 074	1 785	370 635	–	–	1 893 494
Director: Public Services		1	1 142 319	204 995	307 068	–	–	1 654 382
List of each official with packages >= senior manager								
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
Total Senior Managers of the Municipality	8,10	6	8 712 100	1 193 002	1 643 478	–		11 548 580
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	47	24 531 168	2 620 004	3 946 057	–		31 097 229

Kindly refer to table SA23 of Annexure A.

15. Monthly targets for revenue, expenditure and cash flow

MBRR SA25 - Budgeted monthly revenue and expenditure

WC025 Breede Valley - Supporting Table SA25 Budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand																
Revenue By Source																
Property rates		12 265	14 018	14 018	14 018	17 522	19 274	19 274	14 018	14 018	10 513	12 265	14 019	175 223	185 765	196 942
Service charges - electricity revenue		39 714	43 463	43 463	43 463	50 961	54 710	54 710	43 463	43 463	35 964	39 714	43 456	536 542	568 735	602 860
Service charges - water revenue		6 797	7 868	7 868	7 868	10 010	11 082	11 082	7 868	7 868	5 726	6 797	7 865	98 700	103 636	108 818
Service charges - sanitation revenue		5 595	6 394	6 394	6 394	7 992	8 791	8 791	6 394	6 394	4 795	5 595	6 389	79 917	83 914	88 110
Service charges - refuse revenue		4 064	3 916	3 916	3 916	3 622	3 474	3 474	3 916	3 916	4 211	4 064	3 916	46 407	48 727	51 164
Rental of facilities and equipment		478	526	526	526	622	670	670	526	526	430	478	508	6 489	6 815	7 157
Interest earned - external investments		810	462	745	907	1 085	914	782	772	810	1 030	1 110	1 259	10 686	11 221	11 782
Interest earned - outstanding debtors		790	821	821	821	882	913	913	821	821	759	790	817	9 970	10 311	10 663
Dividends received		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		16 136	18 442	18 442	18 442	23 052	25 357	25 357	18 442	18 442	13 831	16 136	18 435	230 513	242 038	254 141
Licences and permits		284	325	325	325	406	447	447	325	325	244	284	322	4 056	4 259	4 472
Agency services		259	700	1 656	973	912	613	700	941	629	658	672	723	9 436	9 908	10 403
Transfers and subsidies		12 008	13 694	13 694	13 694	17 065	18 751	18 751	13 694	13 694	10 323	12 008	13 682	171 058	174 789	183 822
Other revenue		709	810	810	810	1 012	1 112	1 112	810	810	609	709	763	10 078	10 586	11 119
Gains		98	112	112	112	140	154	154	112	112	84	98	112	1 399	1 483	1 572
Total Revenue (excluding capital transfers and contributions)		100 009	111 550	112 789	112 268	135 283	146 262	146 218	112 101	111 828	89 178	100 722	112 265	1 390 473	1 462 183	1 543 022
Expenditure By Type																
Employee related costs		25 047	28 217	28 217	28 217	34 558	37 729	37 729	28 217	28 217	21 879	25 047	27 725	350 795	365 485	382 454
Remuneration of councillors		1 370	1 565	1 565	1 565	1 956	2 152	2 152	1 565	1 565	1 175	1 370	1 548	19 549	20 333	21 250
Debt impairment		13 878	15 861	15 861	15 861	19 826	21 809	21 809	15 861	15 861	11 896	13 878	15 856	198 257	209 752	222 026
Depreciation & asset impairment		7 100	8 109	8 109	8 109	10 128	11 138	11 138	8 109	8 109	6 091	7 100	7 749	100 988	106 265	112 035
Finance charges		2 661	3 041	3 041	3 041	3 801	4 181	4 181	3 041	3 041	2 281	2 661	3 027	38 001	44 980	51 267
Bulk purchases		29 603	33 832	33 832	33 832	42 290	46 519	46 519	33 832	33 832	25 374	29 603	33 631	422 897	460 535	506 588
Other materials		2 925	3 199	3 199	3 199	3 750	4 029	4 029	3 199	3 199	2 647	2 925	3 124	39 422	40 811	42 395
Contracted services		7 651	8 481	8 481	8 481	10 143	10 978	10 978	8 481	8 481	6 818	7 651	8 355	104 978	100 271	101 603
Transfers and subsidies		482	550	550	550	688	757	757	550	550	413	482	544	6 872	4 258	4 483
Other expenditure		5 094	5 685	5 685	5 685	6 871	7 473	7 473	5 685	5 685	4 496	5 094	5 302	70 227	73 929	77 933
Losses		262	298	298	298	372	409	409	298	298	225	262	335	3 766	3 991	4 229
Total Expenditure		96 072	108 838	108 838	108 838	134 382	147 173	147 173	108 838	108 838	83 294	96 072	107 396	1 355 751	1 430 608	1 526 262
Surplus/(Deficit)																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		3 937	2 712	3 951	3 430	900	(910)	(955)	3 263	2 990	5 884	4 650	4 869	34 722	31 575	16 760
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		4 910	5 611	5 611	5 611	7 014	7 715	7 715	5 611	5 611	4 209	4 910	5 609	70 138	99 614	82 052
Transfers and subsidies - capital (in-kind - all)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		8 847	8 323	9 563	9 041	7 914	6 805	6 760	8 875	8 601	10 093	9 560	10 478	104 860	131 189	98 812
Taxation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Attributable to minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	8 847	8 323	9 563	9 041	7 914	6 805	6 760	8 875	8 601	10 093	9 560	10 478	104 860	131 189	98 812
References																
1. Surplus (Deficit) must reconcile with Budgeted Financial Performance																

Please refer to table SA25 of annexure A.

16. Contracts having future budgetary implications

MBRR SA33 – Contracts having future budgetary implications

Please refer to table SA33 of annexure A.

17. MBRR SA35 - Future financial implications of the capital budget

WC025 Breede Valley - Supporting Table SA35 Future financial implications of the capital budget								
Vote Description	Ref	2022/23 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Council General		5	5	5				
Vote 2 - Municipal Manager		35	5	5				
Vote 3 - Strategic Support Services		32 515	12 889	6 812				
Vote 4 - Financial Services		1 975	805	805				
Vote 5 - Community Services		5 384	6 005	6 505				
Vote 6 - Technical Services		-	-	-				
Vote 7 - Engineering Services		61 730	52 090	50 706				
Vote 8 - Public Services		216 906	150 162	131 185				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
Total Capital Expenditure		318 550	221 961	196 023	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Council General		28 535	29 741	31 115				
Vote 2 - Municipal Manager		14 243	10 948	11 485				
Vote 3 - Strategic Support Services		38 265	61 210	71 288				
Vote 4 - Financial Services		126 413	133 058	139 320				
Vote 5 - Community Services		314 821	325 342	339 807				
Vote 6 - Technical Services		-	-	-				
Vote 7 - Engineering Services		456 356	513 232	570 256				
Vote 8 - Public Services		58 569	135 117	166 967				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
Total future operational costs		1 037 202	1 208 647	1 330 239	-	-	-	-
Future revenue by source	3							
Property rates		175 223	185 765	196 942				
Service charges - electricity revenue		536 542	568 735	602 860				
Service charges - water revenue		98 700	103 636	108 818				
Service charges - sanitation revenue		79 917	83 914	88 110				
Service charges - refuse revenue		46 407	48 727	51 164				
Service charges - other		-	-	-				
Rental of facilities and equipment		6 489	6 815	7 157				
Interest earned - external investments		10 686	11 221	11 782				
Interest earned - outstanding debtors		9 970	10 311	10 663				
Dividends received		-	-	-				
Fines, penalties and forfeits		230 513	242 038	254 141				
Licences and permits		4 056	4 259	4 472				
Agency services		9 436	9 908	10 403				
Transfers and subsidies		171 058	174 789	183 822				
Other revenue		10 078	10 586	11 119				
Gains		1 399	1 483	1 572				
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		70 138	99 614	82 052				
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-				
Transfers and subsidies - capital (in-kind - all)		-	-	-				
List entity summary if applicable								
Total future revenue		1 460 611	1 561 797	1 625 074	-	-	-	-
Net Financial Implications		(104 860)	(131 189)	(98 812)	-	-	-	-
References								
1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))								
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))								
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)								

Please refer to table SA35 of annexure A.

18. Capital expenditure details**MBRR SA36 - Detailed capital budget per municipal vote**

Please refer to table SA36 of annexure A.

19. Legislation compliance status

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

- **In-year reporting:** Reporting to National Treasury and Provincial Treasuries are done in line with the legislated prescripts.
- **Internship programme:** This programme is fully functional within the municipality with 4 interns being employed under this programme.
- **Budget and Treasury Office:** The Budget and Treasury Office has been established in accordance with the MFMA.
- **Audit Committee:** An Audit Committee has been established and is fully functional.
- Service Delivery and Implementation Plan
- **Annual Report:** Annual report is compiled in terms of the MFMA and National Treasury requirements.
- MFMA Training
- Policies

20. Other supporting documents

Please refer to annexures E for MFMA budget circular

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

No municipal entities.

COMMENTS BY OTHER DIRECTORATES

Municipal Manager – Recommendation supported

Director Strategic Services – Recommendation supported

Director Community Services – Recommendation supported

Director Engineering Services – Recommendation supported

Director Public Services – Recommendation supported

RECOMMENDATION

That in respect of the

2022/23 Final Budget

discussed by Council at the Council Meeting held on 30 May 2022:

1. Council approves the annual budget tables and annual budget supporting tables as prescribed by the Municipal Budget and Reporting Regulations, as set out in Annexure A.
2. Council approves Quality Certificate to the final budget signed by the Accounting Officer, as per Annexure B.
3. Council approves revised budget related policies as per Annexure C.
4. Council approves the tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D

To Action:

R. Ontong

**7.3 SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR
THE PERIOD ENDED 30 APRIL 2022.
MFMA SECTION 71 Report****File No. /s:** 3/15/1**Responsible Officials:** R. Ontong**Directorate:** Financial Services**Portfolio:** Financial Services

1. Purpose

To submit to the finance committee the in-year financial management report for adoption.

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

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

- (a) Actual revenue, per revenue source;
 - (b) actual borrowings;
 - (c) actual expenditure, per vote;
 - (d) actual capital expenditure, per vote;
 - (e) the amount of any allocations received;
 - (f) actual expenditure on those allocations, excluding expenditure on
 - (i) its share of the local government equitable share; and
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
 - (g) when necessary, an explanation of-
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) any material variances from the service delivery and budget implementation plan; and
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.
- (2) The statement must include-
- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
 - (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).
- (3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

- (4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.
- (5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.
- (6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.
- (7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

3. Financial Implications

None

4. Applicable Legislation/ Council Policy

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

Comment of Directorates/ Departments concerned:

Municipal Manager: Recommendation supported

Director: Strategic Support Services: Recommendation supported

Director: Financial Services: Recommendation supported

Director: Community Services: Recommendation supported

Director: Engineering Services: Recommendation supported

Director: Public Services: Recommendation supported

DECISION BY SECTION 80 COMMITTEE:

RESOLVED

FSC5/2022

**SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE
PERIOD ENDED 30 APRIL 2022**

discussed by the Financial Services committee meeting held on 17 May 2022:
The Committee concurs with the recommendation made to Council.

DECISION BY MAYORAL COMMITTEE**RESOLVED****EX24/2022**

That in respect of

**SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE
PERIOD ENDED 30 APRIL 2022**

discussed by Mayco at the Mayco meeting held on 24 May 2022, the following
recommendation be made to Council:

1. That the committee take note of the in-year financial management report for the period ended 30 April 2022.

RECOMMENDATION

That in respect of

**SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE
PERIOD ENDED 30 APRIL 2022**

discussed by Council at the Council Meeting held on 30 May 2022:

1. That the Council take note of the in-year financial management report for the period ended 30 April 2022.

To Action

R. Ontong

7.4 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF APRIL 2022**File No./s:** 2/1/1/1**Responsible Official:** R. Ontong**Directorate:** Financial Services**Portfolio:** Supply Chain Management

1. Purpose

To report to Finance Committee on all deviations and their reasons, approved by the delegated authority in terms of paragraph 36(2) of the Supply Chain Management Policy, for the month of April 2022.

2. Background

The purpose of this report is to ensure that Council maintains oversight over the implementation of the Supply Chain Management Policy. In terms of paragraph 36(2) of the said policy, the Accounting Officer must record the reasons for any deviations in terms of paragraph 36(1)(a) of the policy and report them to Council. However, it must be noted that these deviations also serve on the **monthly Section 71** (MFMA) report/s to Mayco and **quarterly Section 52** (MFMA) report/s to Council.

Deviations approved in terms of paragraph 36(1)(a) for the month of April 2022, are attached as **Annexure A**.

3. Financial Implications

Reference can be made to the total approved amount as reflected in annexure "A"

4. Applicable Legislation / Council Policy

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

Comment of Directorates / Departments**Municipal Manager:** Noted**Director: Strategic Support Services:** Noted**Director: Financial Services:** Noted

Director: Engineering Services: Noted
Director: Community Services: Noted
Director: Public Services: Noted
Senior Manager: Legal Services: Noted

DECISION BY SECTION 80 COMMITTEE**RESOLVED****FSC6/2022****Report to the Financial Services Committee on the Deviations for the Months of April 2022**

discussed by the Financial Services Committee at the Financial Services Committee held on 17 May 2022:

The Committee concurs with the recommendation made to Council.

DECISION BY MAYORAL COMMITTEE**RESOLVED****EX25/2022**

In respect of the

Report to Mayco on the Deviations for the Months of April 2022

discussed by Mayco at the Mayco meeting held on 24 May 2022, the following recommendation be made to Council:

Recommends that the deviations from the procurement processes, approved in terms of the delegated authority for the month of April 2022, **be noted**.

RECOMMENDATION

In respect of the

Report to Council on the Deviations for the Months of April 2022

discussed by Council at the Council Meeting held on 30 May 2022:

1. Recommends that the deviations from the procurement processes, approved in terms of the delegated authority for the month of April 2022, **be noted**.

To Action

K. Moteetee

7.5 PRESUMED STRATEGIC RISK MANAGEMENT REPORT FOR THE 2022-2023 FINANCIAL YEAR**File No. /s:** 3/15/1**Responsible Official:** E Cloete**Directorate:** Municipal Manager**Portfolio:** ERM

1. Purpose

To report to Council on the outcome of the annual risk identification and assessment process which took place during 2021-2022 financial year for the Presumed Strategic Risk Register; the result of which is the BVM Presumed Strategic Risk Management Report for the period 2022-2023 Financial Year; as well as to report to the Section 80 Committee that the Risk, Fraud and Corruption Committee (RiskCom) members support and recommend to Council for the approval of the Strategic Risk Management Report for the period 2022-2023 Financial Year.

2. Background

The implementation of the Risk Management system is prescribed by legislation which the municipality must comply with.

Enterprise risk management (ERM) in business includes the methods and processes used by organizations to manage risks and seize opportunities related to the achievement of their objectives. The ERM in Breede Valley Municipality provides the framework for Risk Management, which typically involves identifying particular events or circumstances relevant to the municipality's objectives (risks and contributing factors), assessing them in terms of likelihood and impact, determining a response strategy (action plans), and monitoring progress.

The management response strategy for the specific risks identified and analyzed, fall within the following four categories as well as the appetite of 9 as approved by Council:

Avoid – Action is taken to exit the activities giving rise to risk. Risk avoidance may involve exiting a product line, declining expansion to a new geographical market, or selling a division.

Reduce – Action is taken to reduce the risk likelihood or impact, or both. This may involve any of a myriad of everyday business decisions.

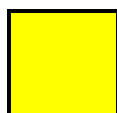
Share – Action is taken to reduce risk likelihood or impact by transferring or otherwise sharing a portion of the risk. Common risk sharing techniques include purchasing insurance products, pooling risks, engaging in hedging transactions, or outsourcing an activity.

Accept – No action is taken to affect likelihood or impact.

The Risk assessment process was conducted in consultation with the various directorates. The Risk, Fraud and Corruption Management Committee (RiskCom) supports the strategic risk management report for the period 2022-2023.

The following tables provide the risk ratings:

LIKELIHOOD	5	LOW	MEDIUM	HIGH	EXTREME	EXTREME
	4	LOW	MEDIUM	HIGH	HIGH	EXTREME
	3	LOW	MEDIUM	MEDIUM	HIGH	HIGH
	2	LOW	LOW	MEDIUM	MEDIUM	MEDIUM
	1	LOW	LOW	LOW	LOW	LOW
Risk Matrix		1	2	3	4	5
		IMPACT/ CONSEQUENCE				



Risk Appetite Level
3 X 3 = 9 Level

Potential Impact / Consequence

Rating	Continuity of Service	Safety & Environmental	Technical Complexity	Financial	Achievement of objectives
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Catastrophic (5)	Risk event will result in widespread and lengthy reduction in continuity of service delivery to customers for a period greater than 48 hours	Major environmental damage. Serious injury (permanent disability) or death of personnel or members of the Public. Major negative media coverage.	Use of unproven technology for critical systems / project components. High level of Technical Interdependencies between system components.	Disaster with potential to lead to collapse of business and is fundamental to the achievement of objectives.	Negative outcomes or missed opportunities that are of critical importance to the achievement of objectives
Major (4)	Reduction in service delivery or disruption for a period ranging between 24 & 48 hours over a significant area	Significant injury of personnel or public. Significant environmental damage. Significant negative media coverage.	Use of new technology not previously utilised by the organisation for critical systems / project components.	Critical event which can be endured but which may have a prolonged negative impact and extensive consequences.	Negative outcomes or missed opportunities that are likely to have a relatively substantial impact on the ability to meet objectives
Moderate (3)	Reduction in service delivery or disruption for a period between 8 & 24 hours over a significant area	Lower level of environmental, safety or health impacts. Negative media coverage	Use of unproven or emerging technology for critical systems / project components.	Major events, which can be managed but requires additional resources and management effort.	Negative outcomes or missed opportunities that are likely to have a relatively moderate impact on the ability to meet objectives

Minor (2)	Brief local inconvenience (work around possible). Loss of an asset with minor impact on operations	Little environmental, safety or health impacts. Limited negative media coverage.	Use of unproven or emerging technology for systems / project components.	Event, which can be managed under normal operating conditions.	Negative outcomes or missed opportunities that are likely to have a relatively low impact on the ability to meet objectives
Insignificant (1)	No or minimal impact on business or core systems	No environmental, safety or health impacts and/or negative media coverage	Use of unproven or emerging technology for non-critical systems / project components	Consequences can be readily absorbed under normal operating conditions.	Negative outcomes or missed opportunities that are likely to have a relatively negligible impact on the ability to meet objectives

Likelihood/Probability of occurrence

Rating	Level	Description
5	Almost certain	The risk is already occurring, or is likely to occur more than once within the next 12 months
4	Likely	The risk will easily occur, and is likely to occur at least once during the next 12 months.
3	Moderate	There is an above average chance of the risk occurring more than once during the next 3 years
2	Unlikely	The risk has a low likelihood of occurring during the next 3 years

1	Rare/Remote	The risk is unlikely to occur during the next 3 years
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Control Assessment

Control Adequacy		Control Effectiveness	
Rating	Title	Rating	Title
1	Adequate	1	Effective
2	Adequate but over controlled	2	Partially Effective
3	Partially Adequate	3	Ineffective
4	Inadequate		

Annexure: A copy of the BVM Presumed Strategic Risk Management Report for the 2022-2023 Financial Year.

Deliberation:Definition of Risk Management:

Risk management is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the municipality's service delivery capacity.

Risk management is a management discipline with its own techniques and principles. It is a recognised management science and has been formalized by international and national codes of practice, standards, regulations and legislation.

Risk management forms part of management's core responsibilities and is an integral part of the internal processes of the municipality.

When properly executed risk management provides reasonable, but not absolute assurance, that the municipality will be successful in achieving its goals and objectives.

Definition of Risk Identification:

Risk identification is a deliberate and systematic effort to identify and document the municipality's key risks.

The objective of risk identification is to understand what is at risk within the context of the municipality's explicit and implicit objectives and to generate a comprehensive inventory of risks based on the threats and events that might prevent, degrade, delay or enhance the achievement of the objectives.

Definition of Risk Assessment:

Risk assessment is a systematic process to quantify or qualify the level of risk associated with a specific threat or event, to enrich the risk intelligence available to the Institution.

The main purpose of risk assessment is to help the municipality to prioritise the most important risks as the municipality is not expected to have the capacity to deal with all risks in an equal manner.

Risks should be formally reviewed concurrently with changes in strategy, or at least once a year to consider new and emerging risks.

Definition of Risk Register:

Risk register is the outcome of the annual risk assessment process which is a comprehensive inventory of risks based on the threats and events that might prevent, degrade, delay or enhance the achievement of the objectives of the municipality.

i. The Executive Authority/ Council:

- The Council should take an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the Institution against significant risks.
- Responsibilities of the Executive Authority in risk management should include:

- ensuring that the Institutional strategies are aligned to the government mandate;
- obtaining assurance from management that the Institution's strategic choices were based on a rigorous assessment of risk;
- obtaining assurance that key risks inherent in the Institution's strategies were identified and assessed, and are being properly managed;
- assisting the Accounting Officer / Authority to deal with fiscal, intergovernmental, political and other risks beyond their direct control and influence; and
- insisting on the achievement of objectives, effective performance management and value for money.
- In case of a municipality or municipal entity, in addition to the responsibilities outlined in 21(2), the Executive Authority should also: (a) approve the risk management policy, strategy, and implementation plan; and
(b) approve the fraud prevention policy, strategy and implementation plan.

Council is responsible for providing oversight and direction to the Accounting Officer on the risk management related strategy and policies; which also include an interest in the effectiveness of the process of risk management within the municipality.

Risk Management Oversight (Risk, Fraud and Corruption Management Committee)

The committee's role is to review the risk management progress and maturity of the municipality, the effectiveness of risk management activities, the key risks facing the municipality and the responses to address these key risks.

ii. The Accounting Officer/ Municipal Manager:

Sections 62(1)(c)(i) and 95(c)(i) of the MFMA, requires the Accounting Officer to ensure that their municipalities and municipal entities have and maintain effective, efficient and transparent systems of risk management

The **Municipal Manager** is ultimately responsible for risk management within the municipality. This includes ensuring that the responsibility for risk management vests at all levels of management. The Municipal Manager sets the tone at the top by promoting accountability, integrity and other factors that will create a positive control environment.

iii. Management, Other Personnel, Risk Manager:

Section 78 of the Municipal Finance Management Act (Act 56 of 2003):

The extension of general responsibilities in terms of Section 78 of the MFMA to all senior managers and other officials of municipalities imply that responsibility for risk management vests at all levels of management and that it is not limited to only the accounting officer and internal audit.

Risk Management Implementers (Management)

All other levels of management, support the municipality's risk management philosophy, promote compliance with the risk appetite and manage risks within their areas of responsibility.

Management takes ownership for managing the municipality's risks within their areas of responsibility and is accountable to the Municipal Manager for designing, implementing, monitoring and integrating ERM into their day-to-day activities of the municipality. This should be done in a manner that ensures that risk management becomes a valuable strategic management tool.

Risk Management Implementers (Other Officials)

Other officials are responsible for integrating risk management into their day-to-day activities i.e. by ensuring conformance with controls and compliance to procedures.

Risk Management Support (Chief Risk Officer)

The Chief Risk Officer is the custodian of the Risk Management Strategy and Implementation Plan and the coordinator of Enterprise Risk Management activities throughout Breede Valley Municipality.

Risk Management Support (Risk Champions)

A Risk Champion would generally hold a senior position within the municipality and possess the skills, knowledge and leadership qualities required to champion an aspect of risk management.

The Risk Champion assists the Chief Risk Officer to facilitate the risk assessment process and manage risks within their area of responsibility to be within the risk appetite. Their primary responsibilities are advising on, formulating, overseeing and managing all aspects of a municipality's entire risk profile, ensuring that major risks are identified and reported upwards.

iv. Internal Auditors:

Section 165(2)(a), (b)(iv) of the Municipal Finance Management Act (Act 56 of 2003) requires that: *"(2) The internal audit unit of a municipality or municipal entity must -*
(a) prepare a risk based audit plan and an internal audit program for each financial year;
(b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:

- *(iv) risk and risk management."*

IIA Standard 2110 - Risk Management of the International Standards for the Professional Practice of Internal Auditing states:

"The internal audit activity should assist the organisation by identifying and evaluating significant exposures to risk and contributing to the improvements of risk management and control systems."

Risk Management Assurance Providers (Internal Audit)

The core role of Internal Audit in risk management is to provide an independent, objective assurance to council and the Audit Committee on the effectiveness of risk management.

Internal Audit also assists in bringing about a systematic, disciplined approach to evaluate and improve the effectiveness of the entire system of risk management and provide recommendations for improvement where necessary.

Risk Management Assurance Providers (External Audit)

External Audit (Auditor-General) provides an independent opinion on the effectiveness of Enterprise Risk Management.

v. Audit Committee:

Section 166 (2)(a)(ii) of the Municipal Finance Management Act (Act 56 of 2003) states:

"(2) An audit committee is an independent advisory body which must - (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and management staff of the municipal entity, on matters relating to - (ii) risk management."

The **Audit Committee** is an independent committee, responsible to oversee the municipality's control, governance and risk management. This committee is vital to, among other things, ensure that financial, IT and fraud risk related to financial reporting are identified and managed.

The Audit Committee's primary responsibility is providing an independent and objective view of the effectiveness of the municipality's risk management process to council and to provide recommendations to the Municipal Manager for continuous improvement and management of risks. The responsibilities of the Audit Committee with regard to risk management are formally defined in its charter.

3. Financial Implications

None

4. Applicable Legislation / Council Policy

- The Municipal Finance Management Act (Act 56 of 2003) (MFMA);
- Municipal Structures Act (Act 117 of 1998);
- Municipal Systems Act (Act 32 of 2000); and
- Public Sector Risk Management Framework (NT) published 1 April 2010.

Comment of Directorates / Departments concerned:

Municipal Manager: Supported

Director: Community Services: Supported

Director: Strategic Support Services: Supported

Director: Financial Services: Supported

Director: Engineering Services: Supported

Director: Public Services: Supported

DECISION BY SECTION 80 COMMITTEE**RESOLVED****FSC7/2022****That in respect of the****PRESUMED STRATEGIC RISK MANAGEMENT REPORT FOR THE 2022-2023
FINANCIAL YEAR****discussed by the Finance Committee meeting held on 17 May 2022:****The Committee concurs with the recommendation made to Council.****DECISION BY MAYORAL COMMITTEE****RESOLVED****EX26/2022****That in respect of the****PRESUMED STRATEGIC RISK MANAGEMENT REPORT FOR THE 2022-2023
FINANCIAL YEAR****discussed by Mayco at the Mayco meeting held on 24 May 2022, the following
recommendation be made to Council:**

1. Recommends that Council takes note of the outcome of the Strategic Risk identification and assessment process, the result of which is captured in the BVM Strategic Risk Management Report for the period 2022-2023.
2. Recommend that Council approve the Strategic Risk Management Report for the period financial period 2022-2023.

RECOMMENDATION

That in respect of the

**PRESUMED STRATEGIC RISK MANAGEMENT REPORT FOR THE 2022-2023
FINANCIAL YEAR**

discussed by Council at the Council Meeting held on 30 May 2022:

1. That Council takes note of the outcome of the Strategic Risk identification and assessment process, the result of which is captured in the BVM Strategic Risk Management Report for the period 2022-2023.
2. That Council approve the Strategic Risk Management Report for the period financial period 2022-2023.

To Action

E. Cloete

**7.6 INTEGRATED DISASTER RISK MANAGEMENT FRAMEWORK AND
DISASTER RISK MANAGEMENT PLAN REVIEW: 2022/2023****File No. /s:****Responsible Official:** T.C. Botha**Directorate:** Community Services**Portfolio:** Fire, Rescue & Disaster Management

1. Purpose

To inform Council of the requirements of Disaster Management Act read together with Section 26(g) of the Municipal Systems Act where it is required that the Municipal Disaster Management Plan must be approved for inclusion into the Municipal IDP.

2. Background

The Disaster Management Act requires that the Municipality must prepare a Disaster Management Plan within the Municipal Disaster Management Framework which must form an integral component of the Municipal Integrated Development Plan.

The Difference between the Framework and the Plan.

The purpose of Municipal Integrated Disaster Risk Management Framework (IDRMF) is provide criteria to develop, implement and, maintain a programme to mitigate, prepare for, respond to, and recover from emergencies, disasters and any other situation that may pose a threat to the normal functioning of the Breede Valley Municipality and its Communities.

The Purpose of the Municipal Disaster Risk Management Plan (DRM Plan) is to ensure the integration of disaster risk management into the strategic and operational planning and project implementation of all line functions and role players within the municipality thereby promoting a resilient municipality and ultimately resilient communities.

3. Financial Implications

The DRM Plan is written with the view strategic and operation planning must cater for the inbuilt measures of reducing risk and therefore any cost implication should be factored into the total project plan of any municipal project.

The IDRMF in terms of its response and recovery elements will attract costs which are catered for (in a small measure) in the current General Operating Expenses Vote managed by the Fire, Rescue and Disaster Management Service. However, as

experienced in past crises; the costs of response and recovery usually are greater than the current budgeted amount and virements have to be made during the budget adjustment process.

Notwithstanding this; allowance made in the Disaster Management Act, that where the Municipality has declared a local disaster; costs may be recovered via such declaration (if agreed to by the Province and National Government); or that assistance in covering costs (during recovery) may be sourced from the Provincial Government during the crises.

4. Applicable Legislation / Council Policy

Section 53(1)(a) of the Disaster Management Act, 2002 (Act 57 of 2002) requires the Breede Valley Municipality to prepare a disaster management plan for its area according to the circumstances prevailing in the area and within the ambit of its municipal disaster management framework.

Section 53(2) (a) of the Act specifies that the disaster management plan for a municipality must form an integral part of the municipality's integrated development plan (IDP).

Section 26(g) of the Municipal Systems Act, 2000 (Act 32 of 2000) lists "applicable disaster management plans" as core components of an IDP.

The Framework and Plan also supports the obligatory purpose of local government as contemplated in the Constitution of the Republic of South Act, Act 108 of 1996; specifically, Section 152. (1).

Comment of Directorates / Departments concerned:

Municipal Manager:	Supported
Director: Community Services:	Supported
Director: Strategic Services:	Noted
Director: Financial Services:	Support
Director: Engineering Services:	Item and recommendation supported
Director: Public Services:	Supported

Head: Fire, Rescue & Disaster Management:

In detailing the Disaster Risk management Framework and the Plan; the Disaster Management is a functional responsibility of all Departments but driven from a central point of coordination and communication.

For the BVM to be successful in the implementation of the Framework and objectives of the Plan it is vital that all Departments are reminded by Council and the Municipal Manager of their obligations in this regard.

Manager: IDP: Noted

DECISION BY SECTION 80 COMMITTEE:

RESOLVED:

CS17/2022

That in respect of

**INTEGRATED DISASTER RISK MANAGEMENT FRAMEWORK AND
DISASTER RISK MANAGEMENT PLAN REVIEW: 2022/2023**

discussed by the Community and Strategic Support Services Committee at the Community and Strategic Support Services Committee meeting held on 17 May 2022:

The Committee concurs with the recommendation made to Council.

DECISION BY MAYORAL COMMITTEE

RESOLVED

EX27/2022

That in respect of

**INTEGRATED DISASTER RISK MANAGEMENT FRAMEWORK AND
DISASTER RISK MANAGEMENT PLAN REVIEW: 2022/2023**

discussed by Mayco at the Mayco meeting held on 24 May 2022, the following recommendation be made to Council:

That Council approves the:-

- 1. Municipal Integrated Disaster Risk Management Framework**
- 2. Municipal Disaster Risk Management Plan;**

and that both must be for inclusion into the Municipal Integrated Development Plan.

RECOMMENDATION

That in respect of

**INTEGRATED DISASTER RISK MANAGEMENT FRAMEWORK AND
DISASTER RISK MANAGEMENT PLAN REVIEW: 2022/2023**

discussed by Council at the Council Meeting held on 30 May 2022:

That Council approves the: -

1. Municipal Integrated Disaster Risk Management Framework
2. Municipal Disaster Risk Management Plan;

and that both must be for inclusion into the Municipal Integrated Development Plan.

To Action

T. Botha

**7.7 CONSIDERATION FOR THE DIRECT ALIENATION OF A PORTION
ELIZABETH STREET, RAWSONVILLE****File no.:** 9/2/1/1/72**Responsible Official:** L Cupido**Directorate:** SSS**Portfolio:** Legal Services

1. PURPOSE

The purpose of this item is to inform Council of the written comments or representations received following the public participation process in respect of the proposed direct alienation of a portion of Elizabeth Street Rawsonville, $\pm 221,57\text{m}^2$ in extent.

2. BACKGROUND / DISCUSSION

The subject property is depicted on the locality map attached as “**Annexure A**” marked “**A**”, $221,57\text{m}^2$ in extent.

During Council meeting held on 23 February 2022 it was resolved as follows:

“RESOLVED**C26/2022*****That in respect of –******IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF A PORTION OF
ELIZABETH STREET, RAWSONVILLE***

as discussed by Council at the Council Meeting held on 23 February 2022:

- 1. That the direct alienation of a portion of Elizabeth Street, Rawsonville (adjacent to Erven 536 and 537), $\pm 221,57\text{m}^2$ in extent, for formal parking purposes, to the owner of the adjoining erven, at an amount of One Hundred and Ten Thousand Rand (R110 000.00), be approved in principle;*

2. *that Council take cognisance of the fact that the direct alienation is only approved as the subject portion of Elizabeth Street, Rawsonville is classified as a non-viable property;*
3. *that the purchaser make provision for a pedestrian thoroughfare from Elizabeth Street to Van Riebeeck Street, Rawsonville;*
4. *that the subject portion of Elizabeth Street, Rawsonville be consolidated with the adjoining property of the Applicant, being Erf 537, Rawsonville;*
5. *that the alienation of the subject portion of Elizabeth Street, Rawsonville be subject to obtaining the necessary closure, rezoning, consolidation and deproclamation approvals within two (2) years, as well as comply with the relevant internal departments (Directorates) comments and the right be reserved to supplement such internal comments;*
6. *that a reversion condition be included in the Deed of Sale and Council's pre-emptive right be registered in the title deed that the disposed property will only be utilized for the purpose stipulated in item 1 above;*
7. *that all costs pertaining to the transaction be borne by the Purchaser, which may include survey, rezoning, consolidation and costs of transfer;*
8. *that a suspensive condition in respect of the consolidated properties be included stipulating that the subject erven be subject to approval in terms of land use planning legislation;*
9. *that the following of a public participation process, be approved;*
10. *that the above-mentioned in principle approval be subject to a public participation process being followed due to the non-viability of the property and that an item will only be tabled in Council again should any representations/comments be received;*
11. *that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and*
12. *that the Municipal Manager be authorized to sign all documents relating to the alienation and transfer of the subject portion of Elizabeth Street, Rawsonville and all necessary documents relating thereto."*

PUBLIC PARTICIPATION

The necessary notice in terms of legal prescripts was published in the Worcester Standard on 17 March 2022. The closing date for comments was 19 April 2022.

The following written comments / representations was submitted to Legal Services:

1. Mrs. E Roussouw (**Annexure B**)
2. Mr. and Mrs. Camara (**Annexure C**)
3. Collective comments from property owners of Elizabeth Street (**Annexure D**)

The comments / representations are predominantly in respect of the proposed pedestrian thoroughfare, which for ease of reference is indicated below by the red dotted lines:



3. RELEVANT LEGISLATION

Local Government: Municipal Finance Management Act, No.56 of 2003

Municipal Asset Transfer Regulations, R 787 of 2008

4. FINANCIAL IMPLICATIONS

The Municipality stand to gain the market related valuation of the municipal property. More so, the Municipality will also receive rates and taxes following the transfer of the subject property.

HCB Property Valuations determined the market related value of the property in the amount of R110 000.00 (One hundred and Ten Thousand Rand), VAT Excluded.

5. ANNEXURES

1. Annexure A: Locality Map
2. Annexure B: Mrs. E Rossouw
3. Annexure C: Mr. and Mrs. Camara
4. Annexure D: Collective comments from property owners of Elizabeth Street.

COMMENTS OF DIRECTORATES / DEPARTMENTS

MUNICIPAL MANAGER: Supported

DIRECTOR ENGINEERING SERVICES: Our comments of 12 July 2021, refers. Municipal services (water and sewer) are located on within the Elizabeth road reserve.



Encroachment onto the Elizabeth road reserve may have an impact on the maintenance and operation of these services. Servitudes for the protection of these services should be registered at the cost of the applicant.

CHIEF FINANCIAL OFFICER: Item Supported

DIRECTOR COMMUNITY SERVICES: This directorate support the alienation of the property, but right of access of the pedestrians will be greatly impaired and they will have to use an alternative route to get access to the neighbourhood. This will cause more pedestrian movement in the neighbouring streets.

DIRECTOR PUBLIC SERVICES: Recommendation supported

DIRECTOR STRATEGIC SUPPORT SERVICES: Co-Author of the item

SENIOR MANAGER LEGAL SERVICES: Recommendation supported

LEGAL ADVISOR: Author of the item

CONCLUSION

It is proposed that Council consider the comments submitted during the public participation process and accordingly resolve on point three (3) of Council resolution, i.e. the provision of a pedestrian thoroughfare from Elizabeth Street to Van Riebeeck Street, Rawsonville.

RECOMMENDATION

That in respect of –

CONSIDERATION FOR THE DIRECT ALIENATION OF A PORTION ELIZABETH STREET, RAWSONVILLE.

discussed by the Community and Strategic Support Service Committee meeting held on 17 May 2022, the following recommendation be made to Council:

1. That it be noted that objections and / or representations were received during the public participation process;
2. that Council consider the objections and / or representations;
3. and that Council formulate a resolution on the direct alienation of a portion of Elizabeth Street, Rawsonville (adjacent to Erven 536 and 537), $\pm 221.57\text{m}^2$ in extent, for **formal parking purposes**, to the owner of the adjoining erven, at an amount of One Hundred and Ten Thousand Rand (R110 000.00).

DECISION BY SECTION 80 COMMITTEE**RESOLVED****CS18/2022**

That in respect of –

CONSIDERATION FOR THE DIRECT ALIENATION OF A PORTION ELIZABETH STREET, RAWSONVILLE.

discussed by the Community and Strategic Support Services Committee meeting held on 17 May 2022, the following recommendation be made to Council:

1. That the objections in respect of the proposed pedestrian thoroughfare is upheld.
2. That the direct alienation of a portion of Elizabeth Street, Rawsonville (adjacent to Erven 536 and 537), $\pm 221.57\text{m}^2$ in extent, for formal parking purposes, to the owner of the adjoining erven, at an amount of One Hundred and Ten Thousand Rand (R110 000.00), be approved;

3. that Council take cognizance of the fact that the direct alienation is only approved as the subject portion of Elizabeth Street, Rawsonville is classified as a non-viable property;
4. that the subject portion of Elizabeth Street, Rawsonville be consolidated with the adjoining property of the Applicant, being Erf 537, Rawsonville;
5. that the alienation of the subject portion of Elizabeth Street, Rawsonville be subject to obtaining the necessary closure, rezoning, consolidation and deproclamation approvals within two (2) years, as well as comply with the relevant internal departments (Directorates) comments and the right be reserved to supplement such internal comments;
6. that a reversion condition be included in the Deed of Sale and Council's pre-emptive right be registered in the title deed that the disposed property will only be utilized for the purpose stipulated in item 2 above;
7. that all costs pertaining to the transaction be borne by the Purchaser, which may include survey, rezoning, consolidation and costs of transfer;
8. that a suspensive condition in respect of the consolidated properties be included stipulating that the subject erven be subject to approval in terms of land use planning legislation;
9. that it is confirmed that Council has taken cognizance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and
10. that the Municipal Manager be authorized to sign all documents relating to the alienation and transfer of the subject portion of Elizabeth Street, Rawsonville and all necessary documents relating thereto."

DECISION BY MAYORAL COMMITTEE**RESOLVED:****EX28/2022****That in respect of –**

CONSIDERATION FOR THE DIRECT ALIENATION OF A PORTION ELIZABETH STREET, RAWSONVILLE.

discussed by Mayco at the Mayco meeting held on 24 May 2022, the following recommendation be made to Council:

1. That the objections in respect of the proposed pedestrian thoroughfare is upheld;
2. that the direct alienation of a portion of Elizabeth Street, Rawsonville (adjacent to Erven 536 and 537), $\pm 221.57\text{m}^2$ in extent, for formal parking purposes, to the owner of the adjoining erven, at an amount of One Hundred and Ten Thousand Rand (R110 000.00), be approved;
3. that Council take cognisance of the fact that the direct alienation is only approved as the subject portion of Elizabeth Street, Rawsonville is classified as a non-viable property;
4. that the subject portion of Elizabeth Street, Rawsonville be consolidated with the adjoining property of the Applicant, being Erf 537, Rawsonville;
5. that the alienation of the subject portion of Elizabeth Street, Rawsonville be subject to obtaining the necessary closure, rezoning, consolidation and deproclamation approvals within two (2) years, as well as comply with the relevant internal departments (Directorates) comments and the right be reserved to supplement such internal comments;
6. that a reversion condition be included in the Deed of Sale and Council's pre-emptive right be registered in the title deed that the disposed property will only be utilized for the purpose stipulated in item 2 above;
7. that all costs pertaining to the transaction be borne by the Purchaser, which may include survey, rezoning, consolidation and costs of transfer;
8. that a suspensive condition in respect of the consolidated properties be included stipulating that the subject erven be subject to approval in terms of land use planning legislation;
9. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal

services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and

10. that the Municipal Manager be authorized to sign all documents relating to the alienation and transfer of the subject portion of Elizabeth Street, Rawsonville and all necessary documents relating thereto.”

RECOMMENDATION

That in respect of –

CONSIDERATION FOR THE DIRECT ALIENATION OF A PORTION ELIZABETH STREET, RAWSONVILLE

discussed by Council at the Council Meeting held on 30 May 2022:

1. That the objections in respect of the proposed pedestrian thoroughfare is upheld;
2. that the direct alienation of a portion of Elizabeth Street, Rawsonville (adjacent to Erven 536 and 537), ±221.57m² in extent, for formal parking purposes, to the owner of the adjoining erven, at an amount of One Hundred and Ten Thousand Rand (R110 000.00), be approved;
3. that Council take cognisance of the fact that the direct alienation is only approved as the subject portion of Elizabeth Street, Rawsonville is classified as a non-viable property;
4. that the subject portion of Elizabeth Street, Rawsonville be consolidated with the adjoining property of the Applicant, being Erf 537, Rawsonville;
5. that the alienation of the subject portion of Elizabeth Street, Rawsonville be subject to obtaining the necessary closure, rezoning, consolidation and deproclamation approvals within two (2) years, as well as comply with the relevant internal departments (Directorates) comments and the right be reserved to supplement such internal comments;

6. that a reversion condition be included in the Deed of Sale and Council's pre-emptive right be registered in the title deed that the disposed property will only be utilized for the purpose stipulated in item 2 above;
7. that all costs pertaining to the transaction be borne by the Purchaser, which may include survey, rezoning, consolidation and costs of transfer;
8. that a suspensive condition in respect of the consolidated properties be included stipulating that the subject erven be subject to approval in terms of land use planning legislation;
9. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and
10. that the Municipal Manager be authorized to sign all documents relating to the alienation and transfer of the subject portion of Elizabeth Street, Rawsonville and all necessary documents relating thereto."

To Action

L. Cupido

7.8 GRANT FUNDING SUPPORT FROM THE DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA) FOR THE DEVELOPMENT OF INFRASTRUCTURE MASTER PLANS.

File No. /s: 11/1/B

Responsible Official: J. D. Pekeur

Directorate: Public Services

Portfolio: Water Services

1. Purpose

To obtain Council's approval that the Municipal Manager be authorized to sign all documents on behalf of Breede Valley Municipality in connection with the signed grant agreement with DBSA.

2. Background

The Western Cape Government Department of Local Government (WCGDLG) and the Development Bank of Southern Africa (DBSA) signed a Memorandum of Agreement (MOA) in March 2017. The scope of the agreement was to partner on the development of infrastructure Master plans aligned to the long term financial plans of the respective Western Cape municipalities.

Through this agreement the DBSA together with the WCGDLG would assist municipalities in the Western Cape with grant funding for Infrastructure Master plans. Breede Valley Municipality entered into a grant agreement with the DBSA (Copy of grant agreement attached as Annexure A).

DBSA will assist Breede Valley Municipality with the following Master Plans; Water and Sewer Master Plans and Water Services Development Plan.

DBSA required that council appoints the Municipal Manager to sign all related documentation and notices (including, if relevant, any disbursement request) in connection with the grant agreement.

3. Financial Implications

The anticipated value of this grant is R 3 500 000.00 (three million, five hundred thousand rand)

No financial implications for the municipality, grant shall be paid directly to the service provider appointed by the DBSA for the provision of services relating to the project for the benefit of the Municipality

4. Applicable Legislation / Council Policy

The Water Services Act (Act No 108 of 1997).

Comment of Directorates / Departments concerned

Municipal Manager: Support the item and recommendation

Director: Community Services: Support the item and recommendation

Director: Strategic Support Services: Support the item and recommendation

Senior Manager: Legal Services: Support the item and recommendation

Manager: IDP: Support the item and recommendation

Director: Financial Services: Support the item and recommendation

Director: Public Services: Support the item and recommendation.

Director: Engineering Services: Support the item and recommendation.

RECOMMENDATION

That in respect of

GRANT FUNDING SUPPORT FROM THE DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA) FOR THE DEVELOPMENT OF INFRASTRUCTURE MASTER PLANS

discussed by Council at the Council meeting held on 30 May 2022, that:

- 1. The Municipal Council take note of the grant agreement entered into between the Municipality and DBSA on 22 February 2021, and it confirmed that the Municipal Manager was duly authorised to enter into the agreement.**
- 2 The Municipal Council approves and agrees to the terms and transactions of the agreement.**

- 3 The Municipal Manager or any person delegated by him is authorized to execute the agreement and sign and / or dispatch all documents and notices (including, if relevant, any disbursement request).**

To Action

J. Pekeur

7.9 RECRUITMENT AND SELECTION OF MUNICIPAL MANAGER**File no.:** 4/1/3/1**Responsible Official:** R Esau**Directorate:** SSS**Portfolio:** Human Resources

1. PURPOSE

The purpose of this item is to inform Council of the expiration of the employment contract of the Municipal Manager, Mr David McThomas on 31 October 2022 and to recommend to Council that the process for the recruitment and selection for the Municipal Manager position commence.

2. BACKGROUND / DISCUSSION

The relevant section of the Local Government: Municipal Systems Act determines:

“57. Employment contracts for municipal managers and managers directly accountable to municipal managers

- (6) *The employment contract for a municipal manager must -*
- (a) *be for a fixed term of employment up to a maximum of five years, not exceeding a period ending one year after the election of the next council of the municipality.”*

The Supreme Court of Appeal in *Mawonga and Another v Walter Sisulu Municipality and Others* (Case no 574/2019) on 7 October 2020, held that in terms 57(6)(a) of the Local Government: Municipal Systems Act 32 of 2000 the employment contract of a municipal manager has a maximum fixed term of five years which cannot be renewed or extended. The judgement unequivocally stated that once the five years have elapsed, the position of a municipal manager

becomes vacant as contemplated in s 54A(4) and thus subject to the nationally competitive procedures prescribed in s 54A. This procedure prescribes the filling of a vacancy process. It states in the judgement's heading:

“Any renewal thereafter is null and void ab initio – this is irrespective of whether the provisions of the employment contract as municipal manager stipulated the terms of its renewal within the meaning of that expression in s 57(6)(c).”

Note that s54A(4) was inserted into the Systems Act during 2008 and thus predates the later unconstitutional amendments.

During the Council meeting held on 28 September 2021, it was resolved as follows:

“RESOLVED

C82/2021

That in respect of –

**RECRUITMENT AND SELECTION PROCESS FOR THE APPOINTMENT OF THE MUNICIPAL
MANAGER**

as discussed by Council at the Council meeting held on 28 September 2021 Council decide that:

- (1) Mr. David McThomas be appointed as Municipal Manager for a fixed term contract of employment not exceeding one (1) year after the election of the next Council of the Municipality;*
- (2) that the commencement date of the contract be 1 December 2021;*
- (3) that the Executive Mayor extends an offer of employment to Mr. David McThomas for the appointment as Municipal Manager;*
- (4) that should Mr. David McThomas not accept the offer of employment, the following most suitable candidate, Mr. Brijaj be approached for employment;*

- (5) *that the contract of employment and the all-inclusive remuneration package be negotiated and finalized by the Executive Mayor within the statutory maximum of the upper limits;*
- (6) *that it be noted that, within 14 days of the Council Decision, a written report including all necessary documents in compliance with Regulation 17(4) be submitted to the MEC for local government regarding the appointment process and outcome for notification purposes; and*
- (7) *that the Human Resources Department, as a matter of courtesy and legal requirement, inform the unsuccessful candidates formally of the outcome of the selection process, and thank them for their application and participation in the process.”*

Mr David McThomas was duly appointed in the position of Municipal Manager on a fixed term contract of employment with commencement date of 1 December 2021, terminating on 31 October 2022. The post of Municipal Manager will thus be vacant with effect from 1 November 2022.

Section 54A of the Systems Act governs the appointment of municipal managers. The applicable sub-sections stipulate:

“54A. Appointment of municipal managers and acting municipal managers

- (1) *The municipal council must appoint-*
 - (a) *a municipal manager as head of the administration of the municipal council.*
- (2) *A person appointed as municipal manager in terms of subsection (1) must at least have the skills, expertise, competencies and qualifications as prescribed.*
- (3) *A decision to appoint a person as municipal manager, and any contract concluded between the municipal council and that person in consequence of the decision, is null and void if-*

- (a) *the person appointed does not have the prescribed skills, expertise, competencies or qualifications; or*
 - (b) *the appointment was otherwise made in contravention of this Act.*
- (4) *If the post of municipal manager becomes vacant, the municipal council must-*
 - (a) *advertise the post nationally to attract a pool of candidates nationwide; and*
 - (b) *select from the pool of candidates a suitable person who complies with the prescribed requirements for appointment to the post.”*

As the post of Municipal Manager will become vacant with effect from 1 November 2022, the recruitment process of filling the vacancy must commence without delay.

Section 57(6)(a) determine that the employment contract for a municipal manager must be for a fixed term up to a maximum of five years, not exceeding a period ending one year after the election of the next council of the municipality. It is proposed that the post to be advertised be for a fixed term of five (5) years.

3. APPLICABLE LEGISLATION

1. The Constitution of the Republic of South Africa
2. Local Government: Municipal Systems Act, No. 32 of 2000 and Regulations
3. Local Government: Municipal Finance Management Act, No. 56 of 2003

4. FINANCIAL IMPLICATIONS

The position is funded. The financial implications will be the total cost to company, the advertisement costs and payment to the recruitment agency.

COMMENTS FROM DIRECTORATES

DIRECTOR: STRATEGIC SUPPORT SERVICES: Author of the item

DECISION BY MAYORAL COMMITTEE**RESOLVED****EX29/2022**

That in respect of –

RECRUITMENT AND SELECTION OF MUNICIPAL MANAGER

as discussed by Mayco at the Mayco Meeting held on 30 May 2022 recommend:

1. That Council affirm that the position of Municipal Manager will be vacant on 1 November 2022;
2. that in terms of Regulation 7(2)(a) of the Regulations on the Appointment and Conditions of Employment of Senior Managers ('The Regulations') Gazetted on 17 January 2014 (Gazette No. 37245) Council approve that the post of the Municipal Manager be filled;
3. That Council confirm in compliance with Regulation 5 that:
 - 3.1.1 the municipality requires the post to meet its strategic objectives;
 - 3.1.2 remuneration and other conditions of employment will be attached to the post in terms of the Upper Limits of Total Remuneration Package Payable to

- Municipal Managers and Managers Directly Accountable to the Municipal Managers once a suitable candidate is recommended; and
- 3.1.3 sufficient budgeted funds, including funds for the remaining period of the medium-term expenditure framework, are available for filling the post;
- 3.2 that the administration must ensure that the post of the Municipal Manager is advertised in a newspaper circulating nationally and in this province within the legislative timeframe from the date of this resolution;
- 3.3 that the services of a competent and experienced recruitment agency be used during the recruitment process, subject thereto that the advertising, recruitment, selection procedure and competency testing complies with the Regulations;
- 3.4 that Council appoint the following members on the Selection Panel for the recruitment and selection of the Municipal Manager:
- 3.4.1 The Executive Mayor who is the Chairperson;
- 3.4.2 Councillor Wouter Meiring; and
- 3.4.3 Mr Henry Prins (Cape Winelands District Municipality: Municipal Manager), who has expertise and experience in the area of the advertised post;
- 3.5 that the selection panel submit a report and recommendation on the selection process to Council on the suitable candidates who comply with the relevant competency requirements of the post in order of preference; and
- 3.6 that the appointment shall be for a fixed term of five (5) years.

RECOMMENDATION

That in respect of –

RECRUITMENT AND SELECTION OF MUNICIPAL MANAGER

as discussed by Council at the Council meeting held on 30 May 2022 Council decide:

1. That Council affirm that the position of Municipal Manager will be vacant on 1 November 2022;
2. that in terms of Regulation 7(2)(a) of the Regulations on the Appointment and Conditions of Employment of Senior Managers ('The Regulations') Gazetted on 17 January 2014 (Gazette No. 37245) Council approve that the post of the Municipal Manager be filled;
3. That Council confirm in compliance with Regulation 5 that:
 - 3.1.1 the municipality requires the post to meet its strategic objectives;
 - 3.1.2 remuneration and other conditions of employment will be attached to the post in terms of the Upper Limits of Total Remuneration Package Payable to Municipal Managers and Managers Directly Accountable to the Municipal Managers once a suitable candidate is recommended; and
 - 3.1.3 sufficient budgeted funds, including funds for the remaining period of the medium-term expenditure framework, are available for filling the post;
- 3.2 that the administration must ensure that the post of the Municipal Manager is advertised in a newspaper circulating nationally and in this province within the legislative timeframe from the date of this resolution;

- 3.3 that the services of a competent and experienced recruitment agency be used during the recruitment process, subject thereto that the advertising, recruitment, selection procedure and competency testing complies with the Regulations;
- 3.4 that Council appoint the following members on the Selection Panel for the recruitment and selection of the Municipal Manager:
 - 3.4.1 The Executive Mayor who is the Chairperson;
 - 3.4.2 Councillor Wouter Meiring; and
 - 3.4.3 Mr Henry Prins (Cape Winelands District Municipality: Municipal Manager), who has expertise and experience in the area of the advertised post;
- 3.5 that the selection panel submit a report and recommendation on the selection process to Council on the suitable candidates who comply with the relevant competency requirements of the post in order of preference; and
- 3.6 that the appointment shall be for a fixed term of five (5) years.

To Action

R. Esau

- 8. CONSIDERATION OF REPORTS, COMMUNICATIONS, PETITIONS AND APPLICATIONS DEALING WITH MATTERS OF URGENCY SUBMITTED BY THE MUNICIPAL MANAGER**
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- 9. CONSIDERATION OF MATTERS SUBMITTED BY THE CHAIRPERSON OF COUNCIL**
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- 10. CONSIDERATION OF NOTICES OF MOTION AND NOTICES OF QUESTIONS WHICH SHALL APPEAR ON THE AGENDA IN THE ORDER IN WHICH THEY HAVE BEEN RECEIVED BY THE MUNICIPAL MANAGER**
-

- 11. CONSIDERATION OF MOTIONS OF EXIGENCY**
-

- 12. CLOSURE**
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