

NOTICE

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

Date distributed: 28/11/2023

**NOTICE OF THE 4th COUNCIL MEETING OF 2023/2024
FINANCIAL YEAR OF THE COUNCIL OF BREEDE VALLEY MUNICIPALITY
MONDAY, 2023-12-04 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. Ralehoko |
| 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 | M. Jacobs |
| Z.M. Mangali | M.T. Williams |
| T. S. Manuel | C.F. Wilskut |
| P.H. Marais | N.J. Wullschleger |
| 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 **4th COUNCIL MEETING** of the **2023/2024 FINANCIAL YEAR** of the **COUNCIL** of **BREEDE VALLEY MUNICIPALITY** will be held at **CAPE WINELANDS DISTRICT MUNICIPALITY, TRAPPE STREET WORCESTER** on **MONDAY, 2023-12-04** at **10:00** to consider the items on the agenda.



SPEAKER: ALDERMAN J.F. VAN ZYL



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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

| | |
|------------------------|------------------|
| Cllr S. S. T Steenberg | 14 November 2023 |
| Ald W. R. Meiring | 21 November 2023 |
| Cllr M. Swartz | 20 December 2023 |
| Cllr Z. M Mangali | 22 December 2023 |
| Cllr H. C Titus | 26 December 2023 |
| Cllr R. T Johnson | 27 December 2023 |

3.3 STATEMENTS BY THE SPEAKER**3.4 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).

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

4.2 Council Meeting held on 31 October 2023**RECOMMENDATION**

That in respect of

CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING

discussed by Council at the Council Meeting held on 04 December 2023:

-
1. As the Minutes of the Council Meeting held on 31 October 2023 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 31 October 2023 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

5.2 MMC1: Alderman W.R. Meiring.

5.3 MMC 2: Cllr. P.C. Ramokhabi

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

6. COLLABORATOR OUTSTANDING RESOLUTIONS REPORT
COMMUNITY SERVICES

| <i>Council</i> | <i>Resolution</i> | <i>Meeting Date</i> | <i>Allocate To</i> | <i>% Compl.</i> | <i>Feedback Comment</i> |
|----------------|--|---------------------|--------------------|-----------------|--|
| 172625 | <p>SUBMISSION OF BY-LAW RELATING TO THE MANAGEMENT AND CONTROL OF FLATS (rental housing units) OWNED OR ADMINISTERED BY THE BREEDE VALLEY MUNICIPALITY</p> <p>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:</p> <p>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;</p> <p>2. That the administration advertises said draft By-Law for public comments;</p> <p>3. That all comments be collated submitted to Council for final approval and promulgation in the Provincial Gazette.</p> <p>4. That the draft By-Law be workshopped with all the Councillors.</p> | 2015-06-25 | GMAYEKI | 95 | The draft bylaw has been amended to reflect the most recent legislative changes. The modified draft paper is circulating throughout internal departments for comments before being submitted for debate at the next workshop. The workshop date has not been set, however, the consultation period for internal departments will close on August 31, 2023. |

MUNICIPAL MANAGER

| <i>Council</i> | <i>Resolution</i> | <i>Meeting Date</i> | <i>Allocate To</i> | <i>% Compl.</i> | <i>Feedback Comment</i> |
|----------------|---|---------------------|--------------------|-----------------|---|
| 1395544 | <p>RECRUITMENT AND SELECTION OF THE DIRECTOR: PLANNING, DEVELOPMENT AND INTEGRATED SERVICES</p> <p>RESOLVED That in respect of RECRUITMENT AND SELECTION OF THE DIRECTOR: PLANNING, DEVELOPMENT AND INTEGRATED SERVICES discussed by the Council at the Council meeting held on 22</p> | 2023-08-22 | DCTHOMAS | 40 | The post has been advertised and shortlisting will be done on Friday 13 of October 2023 |

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|--|--|--|--|--|--|--|
| | | <p>August 2023, resolution number C86/2023:</p> <ol style="list-style-type: none"> 1. That Council affirms that the position of the Director: Planning, Development and Integrated Services is on the council approved final staff establishment which will be implemented on 1 September 2023; 2. that the newly created post of the Director: Planning, Development and Integrated Services will be vacant on 1 September 2023; 3. that in terms of Regulation 7(2)(a) of the Regulations on the Appointment and Conditions of Employment of Senior Managers (herein after referred to as "The Regulations") Gazetted on 17 January 2014 (Gazette No. 37245) Council grant approval that the budgeted post of the Director: Planning, Development and Integrated Services be filled; 4. that the contract of employment of the Director: Planning, Development and Integrated Services will be on a permanent basis as per the Local Government: Municipal Systems Amendment Act, 2022, subsection 57(7); 5. that the Municipal Manager must ensure compliance with the Local Government: Municipal Staff Regulations (No. 890 of 2021), Chapter 2; 6. that the Municipal Manager must ensure that the post of the Director: Planning, Development and Integrated Services is advertised in a newspaper circulating nationally and in this province within fourteen (14) days from Council resolving to fill the vacancy, but only after 1 September 2023; 7. that the services of a competent and experienced recruitment agency be used | | | | |
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| | | <p>during the recruitment process, subject thereto that the advertising, recruitment, selection procedure and competency testing complies with the Regulations;</p> <p>8. that Council appoint the following members to the selection panel, for the recruitment and selection of the Director: Planning, Development and Integrated Services:</p> <p>a. The Municipal Manager who is the Chairperson;</p> <p>b. Alderman Wouter Meiring; and</p> <p>c. Mr Henry Prins (Cape Winelands District Municipality: Municipal Manager) who has expertise and experience in the area of the advertised post;</p> <p>9. that the selection panel submit a report and recommendation on the selection process to the Council on the suitable candidates who comply with the relevant competency requirements of the post in order of preference.</p> | | | | |
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STRATEGIC SUPPORT SERVICES

| Council | Resolution | Meeting Date | Allocate To | % Compl. | Feedback Comment |
|---------|--|--------------|-------------|----------|---|
| 1352782 | <p>2023 CUSTOMER SERVICE CHARTER</p> <p>RESOLVED: That in respect of - The 2023 Customer Service Charter tabled before Council at the Council meeting held on 30 May 2023 with resolution number C37/2023:</p> <p>1. That Council, having noted the content of the 2023 Customer Service Charter, provides in principle approval thereof subject to the following conditions:</p> <p>a. The Customer Service Charter be referred to a Council Workshop to be held on 8 June 2023;</p> <p>b. The Customer Service Charter be made public in terms of section 21 of the</p> | 2023-05-30 | CMALGAS | 75 | All recommendations implemented apart from recommendation (d). Emanating from the Council Workshop, certain recommendations were made linked to the refinement of the final product before resubmission to Council. Resubmission is prioritised to occur within Q1 of the 2023/2024 financial period. |

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| | | MSA; c. That such public comments (if any) be tabled at Council for consideration; and d. The Customer Service Charter be resubmitted to Council for final consideration and approval. | | | | |
| 1352783 | 2022/2023 COMMUNICATION STRATEGY | RESOLVED: That in respect of - The 2022/2023 Communication Strategy tabled before Council at the Council meeting held on 30 May 2023 with resolution number C38/2023: 1. That Council, having noted the content of the 2022/23 Communications Strategy, provides in principle approval thereof subject to the following conditions: a. The strategy be referred to a Council Workshop to be held on 8 June 2023 ; b. The strategy be made public in terms of section 21 of the MSA and submitted to the relevant stakeholders (i.e. relevant National & Provincial Government Departments as well as the Cape Winelands District Municipality) for input; c. That such public comments (if any) be tabled at Council for consideration; and d. The strategy be resubmitted to Council for final consideration and approval. | 2023-05-30 | CMALGAS | 75 | The Communication Strategy served before Council on 30 May 2023 and was workshopped with Council on 8 June 2023. The Strategy has also been circulated to the public for input. Upon receipt and consideration of the latter, the Strategy will be resubmitted to Council. |
| 1364219 | BREDE VALLEY MUNICIPALITY INVESTMENT INCENTIVE POLICY | RESOLVED: That in respect of the BREDE VALLEY MUNICIPALITY INVESTMENT INCENTIVE POLICY Discussed by Council in the Council meeting held on 20 June 2023, resolution number C61/2023; the following recommendation is proposed: | 2023-06-20 | CJANUARY2 | 25 | As per the Council resolution a series on internal consultation session is planned for the current financial year |

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| | | <p>1. To present the initial discussion document "Draft BVM Investment Incentive Policy" to Council for notification that an internal administrative committee must be established to develop an Investment Incentive Policy for BVM.</p> <p>2. That council task the municipal manager to establish an intra-municipal administrative committee of senior officials and internal specialists under the Director of Strategic Support Services chairmanship to draft the Investment Incentive Policy and table it to the council within four months.</p> <p>3. At the minimum, the following key sections and departments, being the CFO, the Director of Engineering, the Director of Community Services, the Director of Public Services, the Senior Managers of Financial Planning, SCM, Electricity, Income, Planning and Public Services must serve on the committee and actively provide specialist detailed inputs in writing to the draft policy within the deadlines as set out by the committee chairperson and actively attend all meetings of the committee.</p> | | | | |
| 1395543 | STAFF ESTABLISHMENT REVIEW AND PROPOSED CHANGES FOR IMPLEMENTATION ON 1 SEPTEMBER 2023 | <p>RESOLVED</p> <p>That in respect of -</p> <p>STAFF ESTABLISHMENT REVIEW AND PROPOSED CHANGES FOR IMPLEMENTATION ON 1 SEPTEMBER 2023</p> <p>as discussed by Council at the Council Meeting held on 22 August 2023, resolution number C85/2023:</p> <p>1. That Council approves the</p> | 2023-08-22 | GCOOK | 95 | Staff Establishment to be forwarded to Council on 4 December 2023. |

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| | | <p>Macro Staff Establishment as per page 1 and 2 of Annexure A for implementation from 1 September 2023; and</p> <p>2. That the Micro Staff Establishment together with the MEC's input thereon if any be tabled in Council for consideration on or before 31 October 2023.</p> | | | | |
| 1431465 | <p>STAFF ESTABLISHMENT REVIEW AND PROPOSED CHANGES FOR IMPLEMENTATION ON 1 JANUARY 2024</p> | <p>RESOLVED That in respect of - STAFF ESTABLISHMENT REVIEW AND PROPOSED CHANGES FOR IMPLEMENTATION ON 1 JANUARY 2024 as discussed by the Council at the Council Meeting held on 31 October 2023, resolution number C91/2023:</p> <p>1. That Council in principle approve the draft Staff Establishment as per Annexure A, provided that it will be workshopped by Council and referred back to the council meeting in November 2023 for approval.</p> | 2023-10-31 | NM MONYELA | 90 | Workshop conducted on 21 November 2023 and staff establishment will be tabled before council in December 2023. |

7. CONSIDERATION OF AGENDA ITEMS**7.1 ADDITIONAL / AMENDMENT ALLOCATIONS - ADJUSTMENTS BUDGET
2023/2024 – 04 DECEMBER 2023****File No. /s:** 3/2/2/22**Responsible Official:** A Crotz**Directorate:** Financial Services**Portfolio:** Financial Services

Purpose:

To submit an Adjustments budget for the 2023/24 financial year as a result of amendments / adjustments to allocations from Provincial Government and Cape Winelands District Municipality during the 2023/24 financial year.

Background:

In terms of the MFMA (Section 28) the approved budget may be revised through an adjustments budget.

A. Section 28(2) further provides that, An Adjustments budget -

- Must adjust the revenue and expenditure estimates downwards if there is a material under-collection of revenue during the year;
- May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmed already budgeted for;
- May, within the prescribed framework, authorize unforeseen and unavoidable expenditure recommended by the Mayor;
- May authorize the utilization of projected savings in one vote towards spending under another vote;

- May authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
- May correct any errors in the annual budget, and
- May provide for any other expenditure within a prescribed framework.

Municipal Budget and Reporting Regulations further provides that;

B. Timeframes for tabling of adjustment budgets

- An adjustment budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the Municipal Council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year;
- Only one adjustment budget referred to in sub regulations (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a Municipality in a National or Provincial adjustments budget, in which case sub regulation (3) applies. If a National or provincial adjustment budget allocates or transfer additional revenue to a Municipality, the Mayor of the Municipality must, at the next available council meeting, but within 60 days of the approval of the relevant National or Provincial adjustment budget, table an adjustment budget referred to in section 28(2) (b) of the Act in the Municipal council to appropriate these additional.

Financial Implications:

Financial implications are contained in the detail in this report.

Applicable Legislation / Council Policy:

1. The MFMA Section 28, 30 and 16(3)
2. Municipal Budget and Reporting Regulations
3. Council Budget related Policies

ADJUSTMENTS BUDGET SCHEDULE B REPORT 2023/234



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04 DECEMBER 2023

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SECTION A – Part 1

1. 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 recognised 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.

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.

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 |

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|-------|--|
| 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 |

2. Mayors Report

The allocations made to the Breede Valley Municipality were further amended from the allocations as published and approved with the compilation of the 2023/24 Original Budget. Provincial Government and Cape Winelands District Municipality (CWDM) had the following amendments to the allocations of Breede Valley Municipality:

- Municipal Infrastructure Grant: (R2 716 000.00)
- Expanded Public Works Programme Integrated Grant for Municipalities: (R283 000.00)
- Municipal Service Delivery and Capacity-building Grant: R500 000.00
- Cape Winelands District Municipality (CWDM): R126 000.00

All conditional grants / funds allocated and transferred to the Breede Valley Municipality has specific conditions in terms of the timeframes and the type of spending to be incurred by the municipality during the 2023/24 financial year.

We as a municipality will continuously strive to successfully implement all projects, especially the projects funded from external sources such as grants. These projects add great value given the challenging economic environment faced by municipalities to ultimately deliver better services within the Breede Valley Municipality.

3. Resolutions

That council approves the following:

- (a) To approve the adjustments budget as tabled in terms of section 28 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
- (b) The recommendations with regard to resolutions are contained at the end of this report and have been prepared and presented according to the budget regulations.

4. Executive Summary

The 2023/24 budget of Breede Valley Municipality is adjusted to accommodate the amendments from Provincial Government and Cape Winelands District Municipality.

The additional / amended allocations relate to the following grants:

| NAME OF GRANT | Amount |
|--|------------------------|
| Municipal Infrastructure Grant: De Doorns Water Purification Works: Augmentation of DAF Unit (MIG funding) | (R2 716 000.00) |
| Expanded Public Works Programme Integrated Grant for Municipalities: Personnel and Labour | (R283 000.00) |
| Municipal Service Delivery and Capacity-building Grant: Replacement of Water Meters | R500 000.00 |

| | |
|--|---------------------------|
| <p>Cape Winelands District Municipality: Community Safety</p> | <p>R126 000.00</p> |
|--|---------------------------|

The 2023/24 Adjustments Budget was compiled in accordance with section 28 of the Municipal Finance Management Act and regulation 23 of the Municipal Budget and Reporting Regulations.

In compiling the 2023/24 Adjustments Budget, the importance of credibility, sustainability, responsiveness and affordability remains integral in striving to achieve the desired outcome of effective and efficient service delivery.

1. Adjustments Budget Tables – Please refer to Annexure A

B1 Consolidated Adjustments Budget Summary

The table above is a budget summary and provides a concise overview of Breede Valley Municipality’s budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality’s commitment to eliminating basic service delivery backlogs.

B2 Consolidated Adjustments Budget Financial Performance by Standard Classification

Table B2 above is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The GFS standard classification divides the municipal services into 15 functional areas.

Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table B4.

B3 Consolidated Adjustments Budget Financial Performance by Municipal Vote

Table B3 above is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure Breede Valley Municipality. This means it is possible to present the operating surplus or deficit of a vote.

B4 Consolidated Adjustments Budget Financial Performance (Revenue and Expenditure)

Table B4 above is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.

B5 Consolidated Adjustments Budget Capital Expenditure Vote and Funding

Table B5 is a breakdown of the capital programmed in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by

standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments

B6 Consolidated Adjustments Budget Financial Position

Table B6 is consistent with international standards of good financial management practice and assist stakeholders in understanding the impact of the budget on the statement of financial position (balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

B7 Consolidated Adjustments Budget Cash Flows

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

B8 Consolidated Cash Backed Reserves/Accumulated Surplus Reconciliation

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

B9 Consolidated Asset Management

Table B9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

B10 Consolidated Basic Service Delivery Measurement

Table B10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

SECTION A – Part 2**1. Adjustments to Budget Inputs and assumptions**

The 2023/24 Adjustments Budget was compiled in line with Chapter 4 Municipal Finance Management Act and Chapter 2 Part 4 of the Municipal Budget and Reporting Regulations.

The 2023/24 Adjustments Budget remain consistent with the Long-Term Financial Plan to ensure continued synergy between long term planning and implementation planning.

The operational budget is adjusted in order to accommodate the amendments to allocations mentioned in this report. Please refer to table B4 and SB8 for all related amendments

2. Adjustments to Budget Funding

Budget funding in terms of operating and capital expenditure is set out on table B4.

3. Adjustments to Expenditure on Allocations and Grant

Detailed particulars of budgeted allocations and grants can be found on SB8.

Please refer to table SB8

4. Adjustment to Allocations or Grants made by the Municipality

None.

5. Adjustment to Councillor Allowances and Employees

The changes to councillor allowances and employee related cost is provided on table B4.

6. Adjustment to Service Delivery and Budget

The monthly targets for revenue, expenditure and cash flows are provided in B10 - Section B Supporting Tables.

7. Adjustment to Capital Spending Detail

Information/detail regarding capital projects by vote is provided in Section B – Capital Budget, read with B5, B5B, SB16, SB17, SB18a, SB18b, SB18e and SB19.

8. Other Supporting Documents

- National treasury electronic revised budget report, SB1-SB20 as **Annexure A**
- Signed quality certificate as **Annexure B**
- Provincial Gazette No 8835, 6 October 2023 **Annexure C**
- Cape Winelands District Municipality Allocation Letter **Annexure D**
- Government Gazette No. 49550 of 24 October 2023) **Annexure E**

Comment of Directorates / Departments concerned:

| | |
|---------------------------------------|--------------------------|
| Municipal Manager: | Recommendation Supported |
| Director: Strategic Support Services: | Recommendation Supported |
| Director: Financial Services: | Recommendation Supported |
| Director: Engineering Services: | Recommendation Supported |
| Director: Community Services: | Recommendation Supported |

RECOMMENDATION:

That in respect of

Adjustments budget for 2023/24 – December 2023

Discussed by Council at the Council meeting held on 04 December 2023:

1. Council resolves that the Adjustment Budget of Breede Valley Municipality for the financial year 2023/24 be adjusted and approved with amendments as set out in the following.
 - a. Municipal Budget tables B1- B10
 - b. Municipal Budget supporting documentation SB1 - SB19

7.2 SUBMISSION AND TABLING OF THE ANNUAL REPORT PERTAINING TO THE 2022/23 FINANCIAL YEAR

File No./s:3/15/1

Responsible Official: C. Malgas

Directorate: SSS

Portfolio: IDP/SDBIP/PMS

1. PURPOSE

To table the Annual Report for the 2022/23 financial year, as prescribed by sections 121 and 127 of the Municipal Finance Management Act 56 of 2003 (hereafter referred to as the MFMA), to Council; with specific reference to the following:

- 1) That Council takes note of the 2022/23 Annual Report (draft);
- 2) That Council instruct the accounting officer to-
 - (a) in accordance with section 21A of the Municipal Systems Act:
 - (i) make public the annual report; and
 - (ii) invite the local community to submit representations in connection with the annual report;
 - (b) submit the Annual Report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province;
- 3) That Council refer the 2022/23 Annual Report (draft) to MPAC for the purpose of compiling an Oversight Report as prescribed by section 129 of the MFMA; and
- 4) That Council takes note that the Oversight Report and 2022/23 Annual Report (final) will (after closure of the public input period and conclusion of the MPAC oversight process) be submitted to Council for adoption and approval respectively.

2. BACKGROUND

In terms of Section 121 (1) of the MFMA, every municipality must for each financial year prepare an Annual Report. Furthermore, the Council of a municipality must within nine months after the end of a financial year deal with the Annual Report of the municipality.

Section 121 (2) of the MFMA states that the purpose of the annual report is:

- a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
- b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
- c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

Section 127 (2) of the MFMA states that the Mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the Annual Report of the municipality. In addition, sub-section 5 prescribes that, immediately after the annual report has been tabled in council, the accounting officer of the municipality must:

- a) in accordance with section 21A of the MSA:
 - i. make public the annual report; and
 - ii. invite the local community to submit representations in connection with the annual report; and

- b) submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.

Section 129 (1) of the MFMA (amongst others) states that the council of a municipality must consider the annual report of the municipality, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing council's comments on the annual report.

On this premise, the 2022/23 Annual Report (draft) is attached as Annexure 1 for Council's perusal. The annexures to the 2022/23 Annual Report (final) shall include:

- **Annexure A** - Financial Statements
- **Annexure B** - Report of the Auditor-General
- **Annexure C** - Report of the Audit and Performance Audit Committee

In accordance with the provisions above, the table below summarises the key activities and timelines pertaining to the submission and finalisation of the 2022/23 Annual Report:

| Nr | Date | Activity | Description/Comment |
|-----------|---|---|---|
| 1 | Monday 4 December 2023 | <ul style="list-style-type: none"> • Tabling of 2022/23 Annual Report (draft) to Council | <ul style="list-style-type: none"> • In accordance with section 127 of the MFMA |
| 2 | Monday, 4 December 2023 | <ul style="list-style-type: none"> • Publish the 2022/23 Annual Report (draft) and call for public representations thereon | <ul style="list-style-type: none"> • On municipal website & at all municipal libraries and town offices • A notification calling for input has been published in the Standard & Breederivier Gazette (Thursday, 30 November 2023), whilst reminders will be published on the municipal social media platforms on a weekly basis from 4 – 13 December 2023 |
| | | <ul style="list-style-type: none"> • Distribute the 2022/23 Annual Report (draft) to the Provincial Treasury, Provincial Department of Local Government and Auditor-General | <ul style="list-style-type: none"> • Proof of submission (electronic e-mail) to the mentioned stakeholders |
| | | <ul style="list-style-type: none"> • Submission of the 2022/23 Annual Report (draft) to MPAC | <ul style="list-style-type: none"> • In order to commence with the oversight process contemplated in section 129 of the MFMA |
| 3 | Wednesday – Thursday & Monday 6 – 7 & 11 December 2023 | <ul style="list-style-type: none"> • MPAC engagements regarding the 2022/23 Annual Report | <ul style="list-style-type: none"> • In accordance with section 129 of the MFMA |
| 4 | Wednesday, 13 December 2023 | <ul style="list-style-type: none"> • Closing date for public representations on the 2022/23 Annual Report | <ul style="list-style-type: none"> • All input/representation on the 2022/23 Annual Report (draft) will be included in the final submission to Council |
| 5 | Thursday 14 December 2023 | <ul style="list-style-type: none"> • Tabling of the Oversight Report and 2022/23 Annual Report (final) to Council for adoption and approval respectively | <ul style="list-style-type: none"> • In accordance with section 129 of the MFMA |
| 6 | Monday 18 December 2023 | <ul style="list-style-type: none"> • Publish the documentation (as per nr 5) on the municipal website, municipal libraries and municipal offices per town, and circulate to all stakeholders mentioned in nr 2 | <ul style="list-style-type: none"> • In accordance with section 129 of the MFMA |

3. FINANCIAL IMPLICATIONS

None

4. APPLICABLE LEGISLATION

- Municipal Systems Act, 32 of 2000;
- Municipal Finance Management Act, 56 of 2003;
- MFMA Circular 11 (Annual Report Guidelines – 14 January 2005);
- MFMA Circular 32 (The Oversight Report – 15 March 2006);

5. COMMENT OF DIRECTORATES / DEPARTMENTS CONCERNED

| | |
|---|--------------------------|
| Municipal Manager: | Recommendation Supported |
| Director Strategic Support Services: | Recommendation Supported |
| Director Financial Services: | Recommendation Supported |
| Director Engineering Services: | Recommendation Supported |
| Director Community Services: | Recommendation Supported |
| Senior Manager: Legal Services: | Recommendation Supported |

RECOMMENDATION

That in respect of -

The 2022/23 Annual Report (as attached in Annexure 1), tabled to Council during the Council meeting held on 4 December 2023:

1. That Council takes note of the 2022/23 Annual Report (draft);
2. That Council instruct the accounting officer to-
 - (a) in accordance with section 21A of the Municipal Systems Act:
 - (i) make public the annual report; and
 - (ii) invite the local community to submit representations in connection with the annual report;
 - (b) submit the Annual Report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province;
3. That the 2022/23 Annual Report (draft) be referred to MPAC for the purpose of compiling an Oversight Report on the Annual Report; and
4. That the Oversight Report and 2022/23 Annual Report (final) be submitted to Council (after implementation/conclusion of recommendations 2 and 3) for adoption and approval respectively.



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7.3 2022/2023 YEAR-END PERFORMANCE EVALUATION REPORT OF THE MUNICIPAL MANAGER AND DIRECTORS

File No. /s: 3/15/1

Responsible Official: C. Malgas

Directorate: SSS

Portfolio: IDP/PMS/SDBIP

1. PURPOSE

To notify Council of the performance evaluation outcomes achieved by the Section 57 Managers (as per the Year-end Evaluation Report), as prescribed by the applicable legislative prescripts and request Council's approval of the evaluation outcomes as a reward for performance.

2. BACKGROUND

2.1 Employment Contracts & Performance Agreements:

In terms of section 57 of the Municipal Systems Act, Act 32 of 2000 (hereafter referred to as the MSA), a person to be appointed as a Municipal Manager or Director may only be appointed in that position:

- (a) in terms of a written employment contract with the municipality; and
- (b) a separate performance agreement concluded annually.

The Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, notice 805 of 2006 (hereafter referred to as the MPRMM&M), stipulates that the Employment Contract of Section 57 Managers, subject to labour legislation, specifically delineates the terms of employment such as:

- a) details of duties;
- b) remuneration;
- c) benefits; and
- d) other terms and conditions of employment

The Performance Agreements on the other hand, provides assurance to the Municipal Council of what can and should be expected from their Municipal Manager and Directors. The purpose thereof is to:

- Comply with the provisions of Sections 57(1)(b), (4A), (4B) and (5) of the Systems Act as well as the employment contract entered into between the parties;
- Specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the IDP, SDBIP and the budget of the municipality;
- Specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- Monitor and measure performance against set targeted outputs;
- Use the performance agreement as the basis for the subsequent performance evaluation to assess whether the employee has met the performance expectations applicable to his or her job;
- In the event of outstanding performance, to appropriately reward the employee; and
- Give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

The following conditions should be noted when considering the employment contract and performance agreement respectively:

| Type | Validity Period | Position | Parties | |
|-----------------------|------------------|-------------------|-------------------|-------------------|
| | | | Employer | Employee |
| Employment Contract | 5-year contract | Municipal Manager | Executive Mayor | Municipal Manager |
| | 10-year contract | Directors | Municipal Manager | Directors |
| Performance Agreement | 1-year agreement | Municipal Manager | Executive Mayor | Municipal Manager |
| | | Directors | Municipal Manager | Directors |

All compilations and revisions of the 2022/23 Performance Agreements and annexures, conducted throughout the 2022/23 financial period, has served before Council. For ease of reference, the resolutions numbers and descriptions are depicted in the table below:

| Date | Description | Comment |
|----------|---|---|
| C92/2022 | Initial Performance Agreements and Annexures (A, B & C) - Municipal Manager and Directors | Director: Public Services not applicable as the position was vacant at the time |
| C12/2023 | Amendment of the Annexure A's of each Performance Agreement - Municipal Manager and Directors | All Annexure A's were revised in accordance with the Council-approved amendments to the 2022/23 TL SDBIP, which is an inherent component of the applicable Annexure |

2.2 Monitoring & Evaluation of Performance:

Monitoring and evaluation of performance is conducted frequently, and in line with the applicable legislative prescripts. Regulation 26 (5) of the MPRMM&M states that performance must be measured against the Key Performance Area's/Indicators (KPA's/KPI's) and Core Competency Requirements, based on an 80:20 weighting respectively.

KPA's/KPI's – 80% of Performance Outcome

The KPA's/KPI's are encapsulated in the Service Delivery and Budget Implementation Plan (SDBIP) and approved by the Executive Mayor (in terms of Section 53 of the Municipal Finance Management Act and Circular 13 of the MFMA) prior to the commencement of a particular financial year. In addition, the approved SDBIP is submitted to Council for notification. The KPI's, as encapsulated in the SDBIP, are split between top-layer and departmental KPI's. These KPI's, as stated in bullet 3 of the preceding section, are incorporated into the Performance Agreement of each Section 57 Manager and serves as basis for the performance monitoring and evaluation conducted throughout a particular year in review.

As the KPA/KPI component contributes 80% to the overall performance outcome, various monitoring and evaluation mechanisms are implemented to verify performance. These include:

- Quarterly/mid-yearly and yearly reporting to Council on the performance realised in relation to each top-layer KPI
- Monthly monitoring and reporting on departmental KPI's (Section 57 Managers and appointed line Managers)
- Independent internal scrutiny and auditing of top-layer KPI's by Internal Audit as well as the Municipal Audit & Performance Audit Committee, coupled with report back to Management and Council which specifically elaborates on:
 - the KPI's degree of compliance with the SMART-principles (i.e. Specific, Measurable, Achievable, Relevant and Time-based); and
 - each KPI's performance status/progress
- Independent external scrutiny and auditing of top-layer KPI's by the Auditor-General, coupled with report back to Management which specifically elaborates on the Auditor-General's:
 - evaluation of the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework;
 - procedures to determine whether performance information was properly presented and whether performance was consistent with the approved performance planning documents;
 - procedures to determine whether the indicators and related targets were measurable and relevant; and
 - assessment of the reliability of the reported performance information to determine whether it was valid, accurate and complete
- Informal & formal performance evaluations conducted as follows:
 - Informal Evaluations: Quarters 1 & 3 – evaluations conducted by Section 57 Manager, with the applicable Management team

- Formal Evaluations: Quarters 2 (mid-year) & 4 (year-end) – evaluations conducted by a panel as constituted in terms of regulation 27 (4)(d) of the MPRMM&M. The outcomes of the year-end performance evaluation (quarter 4) is used to determine the overall performance score for a particular year under review. The mid-year evaluation serves as opportunity to reflect on performance progress realised within the first half of a particular financial year, primarily to institute proactive corrective measures as and where applicable. Amendment(s) made to the TL KPI’s as a result of this evaluation, will constitute a corresponding amendment of the Performance Agreements (only Annexure A thereof). The year-end evaluation is utilised to determine the final/overall performance outcome achieved by each Section 57 Manager in that particular financial year.
- Oversight exercised by the Municipal Public Accounts Committee on the 2022/23 Annual Report, inclusive of the top-layer KPI’s contained in the Annual Performance Report component (yet to be conducted).

Core Competency Requirements – 20% of Performance Outcome

Annexure A of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, notice 21 of 2014, provides a competency framework that should be portrayed by all Section 57 Managers. Consequently, Section 57 Managers are assessed, during the formal performance evaluations, on the backdrop of this competency framework. The outcome obtained during the year-end performance evaluation will contribute 20% to the overall performance outcome.

The table below, presents the performance outcomes of the Section 57 Managers as obtained at the end of the 2022/23 financial year (based on the year-end performance review)

| Employee | Operational % (80%) | Competencies % (20%) | Final Score (100%) |
|---------------|------------------------|-------------------------|-----------------------|
| Mr D McThomas | 67.40% | 19.67% | 87.07% |
| Mr R Esau | 66.60% | 19.67% | 86.27% |
| Mr R Ontong | 68.40% | 18.67% | 87.07% |
| Mr J Steyn | 67.80% | 18.00% | 85.80% |
| Mr S Swartz | 64.00% | 18.00% | 82.00% |

2.3 Payment of Performance Bonusses:

Section 57 (4B) of the MSA states that bonusses based on performance, be awarded to Section 57 Managers after the end of the financial year and only after an evaluation of performance and approval of such evaluation of the municipal council concerned. This section is underpinned by regulation 8 of the MPRMM&M, which states (amongst others) that performance bonusses be paid to the employee after:

- The annual report for the financial year under review has been tabled and adopted by the municipal council;

- an evaluation of performance in accordance with the provisions of regulation 23 (which elaborates on the purpose and of the performance agreement); and
- approval of such evaluation by the municipal council as a reward for outstanding performance

With regards to bullet 3 above, Council has (in terms of Section 59 of the MSA coupled with delegation P.1.05.1 of the Breede Valley Municipality's approved System of Delegations - Council Resolution C99/2021), delegated the authority of approving the performance evaluation to the Executive Mayor of Breede Valley Municipality. The performance outcome as per this report was approved by the Executive Mayor in line with this delegated authority.

Council should further note that to date, no performance bonuses have been paid for the 2022/23 financial year under review.

3. COMMENT

Copies of the following supporting documents are attached for Council's perusal:

- Annexure A – Extract of the Service Delivery Performance Report as per the 2022/23 Draft Annual Report
- Annexure B - The 2022/23 Section 57 Year-end Performance Evaluation Report & Supporting Documents

4. FINANCIAL IMPLICATIONS

Payment of performance bonuses to Section 57 Managers based on the performance outcome achieved in the 2022/23 financial year are subject to- and aligned with the applicable legislative prescripts, contractual agreements stipulating (amongst others) the % to be paid based on performance outcomes, approval of the performance outcomes by the Executive Mayor and Council, and the approved budget. The actual calculation and payment hereof, will be facilitated by the Salary Department, subject to compliance with all the conditions stated above and in preceding sections. The transaction's compliance with the mentioned provisions, will be audited by the Auditor-General.

5. APPLICABLE LEGISLATION/COUNCIL POLICY

- Chapter 7 of the Local Government: Municipal Systems Act 32 of 2000
- Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, Notice 805 of 2006 Local Government Municipal Systems Amendment Bill, No 7 of 2011
- Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, notice 21 of 2014

6. COMMENT OF DIRECTORATES/DEPARTMENTS CONCERNED

Municipal Manager: Recommendation Supported

Chief Audit Executive: Recommendation Supported

Senior Manager Legal Services: Recommendation Supported

RECOMMENDATION:

That in respect of-

The 2022/23 Section 57 Year-end Performance Evaluation Report of the Municipal Manager and Managers directly accountable to the Municipal Manager,

tabled before Council at the Council meeting held on 4 December 2023:

1. That Council takes note of the performance outcomes achieved by the respective Section 57 Managers (as per the 2022/23 Section 57 Year-end Performance Evaluation Report) as endorsed by the Executive Mayor.
2. That Council approves the evaluation outcomes as a reward for performance.

7.4 RECRUITMENT AND SELECTION PROCESS FOR THE APPOINTMENT OF THE DIRECTOR: DEVELOPMENT PLANNING AND INTEGRATED SERVICES

File no.: 4/1/3/1

Responsible Official: D McThomas

Directorate: SSS

Portfolio: Human Resources

1. PURPOSE

The purpose of this item is to obtain the approval of Council for the appointment of Mr Jean Joubert de Villiers as Director: Development Planning and Integrated Services on a permanent capacity, in compliance with the Regulations on the Appointment and Conditions of Employment of Senior Managers (herein after referred to as "*The Regulations*") published on 17 January 2014 (Gazette No. 37245) and sections 56, 57 and 57A of the Local Government: Municipal Systems Act, No. 32 of 2000, as amended (herein after referred to as "*the Act*").

2. BACKGROUND

Council resolved on 22 August 2023 in respect of the Director: Development Planning and Integrated Services:

"RESOLVED

C86/2023

That in respect of –

**RECRUITMENT AND SELECTION OF DIRECTOR: DEVELOPMENT PLANNING
AND INTEGRATED SERVICES**

as discussed by the council at the Council meeting held on 22 August 2023 Council decide:

-
1. *That Council affirms that the position of the Director: Planning, Development and Integrated Services is on the council approved final staff establishment which will be implemented on 1 September 2023;*
 2. *that the newly created post of the Director: Planning, Development and Integrated Services will be vacant on 1 September 2023;*
 3. *that in terms of Regulation 7(2)(a) of the Regulations on the Appointment and Conditions of Employment of Senior Managers (herein after referred to as "The Regulations") Gazetted on 17 January 2014 (Gazette No. 37245) Council grant approval that the budgeted post of the Director: Planning, Development and Integrated Services be filled;*
 4. *that the contract of employment of the Director: Planning, Development and Integrated Services will be on a permanent basis as per the Local Government: Municipal Systems Amendment Act, 2022, subsection 57(7);*
 5. *that the Municipal Manager must ensure compliance with the Local Government: Municipal Staff Regulations (No. 890 of 2021), Chapter 2;*
 6. *that the Municipal Manager must ensure that the post of the Director: Planning, Development and Integrated Services is advertised in a newspaper circulating nationally and in this province within fourteen (14) days from Council resolving to fill the vacancy, but only after 1 September 2023;*
 7. *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;*
 8. *that Council appoint the following members to the selection panel, for the recruitment and selection of the Director: Planning, Development and Integrated Services: a. The Municipal Manager who is the Chairperson; b. Alderman Wouter Meiring; and c. Mr*

Henry Prins (Cape Winelands District Municipality: Municipal Manager) who has expertise and experience in the area of the advertised post;

9. *that the selection panel submit a report and recommendation on the selection process to the Council on the suitable candidates who comply with the relevant competency requirements of the post in order of preference.*

The **Regulations** set out strict compliance requirements for the recruitment process. The table below provide an easy reference to ascertain whether certain key legislative compliance prescripts were met:

| <u>Legislative Timeline:</u> | | <u>Municipal Compliance:</u> | |
|------------------------------|--|--|-------------------|
| Regulation number | Regulation requirements | Council Action: | Complied Yes / No |
| 7(2) | (2) A vacant senior manager post may not be filled, unless - (a) approval to fill the post has been granted by the municipal council; and (b) the post has been budgeted for. | Council on 22 August 2023 approved the filling of the post and confirmed that the post has been budgeted for. | Yes |
| 10(1) | (1) The municipal manager must, within 14 days of receipt of the approval referred to in regulation 7, ensure that the vacant post is advertised. | Council approval to fill the vacant post in compliance with regulation 7 on 22 August 2023 . The municipality therefore had to advertise the post on or before 5 September 2023 . The vacancy was duly advertised on 3 September 2023 . | Yes |
| 10(2) | (2) A vacant senior manager post must be advertised in a newspaper circulating nationally and, in the | The vacant senior manager post was advertised on 3 September 2023 in the Sunday Times which is a newspaper | Yes |

| | | | |
|----------|---|---|-----|
| | province, where the municipality is located. | circulating nationally and, in the province, where the municipality is located. | |
| 10(3) | <p>3) An advertisement for a vacant senior manager post must specify the –</p> <p>(a) job title;</p> <p>(b) term of appointment;</p> <p>(c) place to be stationed;</p> <p>(d) annual total remuneration package;</p> <p>(e) competency requirements of the post, including minimum qualifications and experience required;</p> <p>(f) core functions;</p> <p>(g) need for signing of an employment contract, a performance agreement and disclosure of financial interest;</p> <p>(h) the need to undergo security vetting;</p> <p>(i) contact person;</p> <p>(j) address where applications must be sent or delivered; and</p> | The advertisement contained all the details listed in regulation 10(3). | Yes |
| 10(3)(k) | (k) closing date which must be a minimum of 14 days from the date the advertisement appears in the | The closing date was 22 September 2023 which was a minimum of 14 days from the date the advertisement appears in the | Yes |

| | | | |
|-----------|---|--|-----------------------|
| | newspaper and not more than 30 days after such date. | newspaper and not more than 30 days after such date. | |
| 11(1)&(3) | <p>(1) An application for the vacant post of a senior manager must be submitted on an official application form, attached as Annexure C, accompanied by a detailed curriculum vitae.</p> <p>(3) An application not made on the official form, as contemplated in subregulations (1) or (2) must not be considered.</p> | <p>Annexure C form was duly placed on the website for completion by all candidates and all candidates were also required in terms of the advertisement to submit a detailed curriculum vitae.</p> <p>During shortlisting: no candidates were considered whom did not complete the official form.</p> | <p>Yes</p> <p>Yes</p> |
| 12(1) | (1) A municipal council must appoint a selection panel to make recommendations for the appointment of candidates to vacant senior manager posts. | Council appointed the selection panel at its meeting on 22 August 2023 . | Yes |
| 12(4) | <p>The selection panel for the appointment of a manager directly accountable to a municipal manager must consist of at least three and not more than five members, constituted as follows:</p> <p>(a) the municipal manager, who will be the chairperson;</p> <p>(b) a member of the mayoral committee or councillor who is the portfolio head of the relevant portfolio; and</p> | <p>(a) Mr David McThomas, the Municipal Manager, was duly appointed as the Chairperson;</p> <p>(b) Alderman Meiring was appointed as member of the mayoral committee; and</p> <p>(c) Mr Henry Prins, the Municipal Manager of Cape Winelands District Municipality who has more than 10 years local government experience at a senior management level was appointed as the person who has expertise or experience in the area of the advertised post.</p> | Yes |

| | | | |
|-------|--|---|-----|
| | (c) at least one other person, who is not a councillor or a staff member of the municipality, and who has expertise or experience in the area of the advertised post. | | |
| 12(5) | A panel member must disclose any interest or relationship with shortlisted candidates during the shortlisting process. | This was done during the shortlisting process by signing declaration of confidentiality form. | Yes |
| 12(7) | (7) A panel member and staff member must sign a declaration of confidentiality as set out in Annexure D to these regulations, to avert the disclosure of information to unauthorised persons. | The panel members signed declaration of confidentiality form as prescribed by the Regulations. | Yes |
| 13(2) | (2) The shortlisting must be finalised within 30 days of the closing date of the advertisement. | The shortlisting was finalised on 13 October 2023 , thus within the 30 days of the closing date. | Yes |
| 14(1) | (1) Screening of the shortlisted candidates must take place within 21 days of the finalisation of the shortlisting by – (a) conducting the necessary reference checks; (b) contacting a candidate's current or previous employer; (c) determining the validity of a candidate's qualifications; and | The Screening of the shortlisted candidates was concluded by 25 October 2023 thus within the 21 days of the finalisation of the shortlist. The screening report does contain: (a) Reference checks; (b) contacting a candidate's current or previous employer; (c) determining the validity of a candidate's qualifications; and | Yes |

| | | | |
|-------|---|---|-----|
| | (d) verifying whether a candidate has been dismissed previously for misconduct or poor performance by another employer. | (d) verifying whether a candidate has been dismissed previously for misconduct or poor performance by another employer. | |
| 14(2) | A written report on the outcome of the screening process must be compiled by the municipal manager. | This report was compiled by the Municipal Manager in conjunction with the recruitment agency. | Yes |
| 15(1) | The selection panel must conduct interviews within 21 days of screening the candidates. | Interviews were conducted on 30 October 2023 . It was therefore conducted within the 21 days of the screening. | Yes |
| 16(1) | The candidates recommended for appointment to the post of a senior manager must undergo a competency assessment. | Competency assessment was conducted on 30 October 2023 . | Yes |

3. DISCUSSION

It is reiterated that the process for the recruitment and selection of senior managers is entirely legislated, and the relevant legislative provisions set out various peremptory requirements which cannot be deviated from.

Regulation 6 sets out the principles for the recruitment of senior managers as follows:

1. *“The recruitment, selection and appointment of senior managers must take place in accordance with the municipal systems and procedures contemplated in section 67 of the Act that are consistent with sections 54A, 56, 57A and 72 of the Act.*

2. *A senior manager post must be filled through public advertising, in accordance with the procedures contemplated in regulation 10.*

-
3. *Selection must be competence-based to enhance the quality of appointment decisions and to ensure the effective performance by municipalities of their functions.”*

The Municipal Systems Act 32 of 2000, as amended states the following:

“56. Appointment of managers directly accountable to municipal managers

(1)

(a) *A municipal council, after consultation with the municipal manager, must appoint-*

(i) *a manager directly accountable to the municipal manager; or*

(ii) *an acting manager directly accountable to the municipal manager under circumstances and for a period as prescribed.*

(b) *A person appointed in terms of paragraph (a)(i) must at least have the skills, expertise, competencies and qualifications as prescribed.*

(c) *A person appointed in terms of paragraph (a)(ii) may not be appointed to act for a period that exceeds three months: Provided that a municipal council may, in special circumstances and on good cause shown, apply in writing to the MEC for local government to extend the period of appointment contemplated in paragraph (a), for a further period that does not exceed three months.*

(2) *A decision to appoint a person referred to in subsection (1)(a)(i), 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, unless the Minister, in terms of subsection (6), has waived any of the requirements listed in subsection (1)(b).*
- (3) *If a post referred to in subsection (1)(a)(i) 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.*
- (4) *The municipal council must re-advertise the post if there is no suitable candidate who complies with the prescribed requirements.*
- (5) (a) *The municipal council must, within 14 days of the date of appointment, inform the MEC for local government of the appointment process and outcome, as may be prescribed.*
- (b) *The MEC for local government must, within 14 days of receipt of the information referred to in paragraph (a), submit a copy thereof to the Minister.*
- (6) *If a person is appointed to a post referred to in subsection (1)(a) in contravention of this Act, the MEC for local government must, within 14 days of becoming aware of such appointment, take appropriate steps to enforce compliance by the municipal council with this Act, which steps may include an application to a court for a declaratory order on the validity of the appointment or any other legal action against the municipal council.*
- (7) *A municipal council may, in special circumstances and on good cause shown, apply in writing to the Minister to waive any of the requirements listed in subsection (1)(b) if it is unable to attract suitable candidates.*

- (8) *A person appointed in a permanent capacity as a manager directly accountable to the municipal manager when this section takes effect, must be regarded as having been appointed in accordance with this section.*
- (9) *A person appointed as an acting manager directly accountable to the municipal manager when this section takes effect, must be regarded as having been appointed in accordance with this section only for the period of the acting appointment.*
- (10) *Any pending legal or disciplinary action in connection with an appointment made before this section took effect, will not be affected by this section after it took effect”.*

Regulation 8 determines that “no person may be appointed as a senior manager on a fixed term contract, on a permanent basis or on probation, to any post on the approved staff establishment of a municipality, unless he or she-

- (a) is a South African citizen or permanent resident; and
- (b) possesses the relevant competencies, qualifications, experience and knowledge set out in the regulations.

According to **Regulation 17** the resolution of a municipal council on appointment of senior managers and reporting should be as follows:

- “17. (1) *Before making a decision on an appointment, a municipal council must satisfy itself that –*
- (a) *the candidate meets the relevant competency requirements for the post;*
 - (b) *screening of the candidates has been conducted in terms of the regulation 14; and*
 - (c) *the candidate does not appear on the record of staff members dismissed for misconduct as set out in Schedule 2 to these regulations.*

- (2) *A municipal council must, subject to subregulation (1), take a decision on the appointment of a suitable candidate.*
- (3) *A municipal council must –*
- (a) inform all interviewed candidates, including applicants who were unsuccessful, of the outcome of the interview; and*
 - (b) within 14 days of the decision referred to in subregulation (2), submit a written report to the MEC for local government regarding the appointment process and outcome.*
- (4) *The report contemplated in subregulation (3) (b) must contain –*
- (a) details of the advertisement, including date of issue and the name of the newspapers in which the advert was published, and proof of the advertisement or a copy thereof;*
 - (b) a list of all applicants*
 - (c) a report contemplated in regulation 14 (2) on the screening process and the outcome thereof;*
 - (d) the municipal council's resolution approving the selection panel and the shortlisted candidates;*
 - (e) competency assessment results;*
 - (f) the minutes of the shortlisting meeting;*
 - (g) the minutes of the interviews, including scoring;*
 - (h) the recommendations of the selection panel submitted to the municipal council*
 - (i) the details of the executive committee members and recommendations, if the selection panel comprised of all members of the executive committee*
 - (j) the recommendation of the executive committee or executive mayor to the municipal council, if any;*
 - (k) the municipal council resolution approving the appointment of the successful candidate;*
 - (l) the application form, curriculum vitae, proof of qualifications and other supporting documentation of the successful candidate;*

- (m) A written confirmation by the successful candidate that he or she does not hold political office as contemplated in section 56A of the Act, as at the date of appointment*
- (n) the letter of appointment, outlining the term of contract, remuneration and conditions of employment of the senior manager; and*
- (o) any other information relevant to the appointment.*

INTERVIEW PROCESS AND COMPETENCY ASSESSMENTS

Regulation 15 determine that the selection panel must conduct interviews within 21 days of screening the candidates. The same selection panel must be maintained throughout the process. The interview was conducted on **30 October 2023**. The candidate was also subjected to a competency assessment on **30 October 2023**. The report by the recruitment service provider reflects on the interview and competency assessments.

SELECTION REPORT

It's confirmed that in compliance with Council resolution *C86/2023* the service of a competent and experienced recruitment agency was duly procured. The report of ODS Consultants, namely Mr. Roy Steele, is accordingly attached to this item.

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 and Regulations

FINANCIAL IMPLICATIONS

The financial implication for Council consists of the remuneration of the advertised vacancy as well as the cost of recruitment. The Upper Limits of Total Remuneration Package Payable to Municipal Managers and Managers Directly Accountable to the Municipal Managers, will prescribe the remuneration respectively on minimum-, mid- and maximum points. Item 2 of the Upper Limits sets out the criteria to determine at what point the remuneration will be. Council should note that the above prescribed remuneration is furthermore subject to the annual adjustments still to be confirmed by the Minister.

ANNEXURES

Annexure A: Selection Report

COMMENTS OF DIRECTORATES: -

DIRECTOR STRATEGIC SUPPORT SERVICES: Co-author of the item

SENIOR MANAGER: LEGAL SERVICES: Recommendation to council supported

RECOMMENDATION

That in respect of –

RECRUITMENT AND SELECTION PROCESS FOR THE APPOINTMENT OF THE DIRECTOR: DEVELOPMENT PLANNING AND INTEGRATED SERVICES

as discussed by Council at the Council meeting held on 4 December 2023 Council decide that:

(1) Mr. Jean Joubert de Villiers be appointed as Director: Development Planning and Integrated Services in a permanent capacity;

- (2) *that the commencement date of the contract be 1 February 2023 or as soon as possible thereafter;*
- (3) *that the Municipal Manager extends an offer of employment to Mr. Jean Joubert de Villiers for the appointment as Director: Development Planning and Integrated Services;*
- (4) *that the contract of employment and the all-inclusive remuneration package on midpoint be negotiated and finalised by the Municipal Manager within the statutory limits based on the candidates' qualifications, experience, skills, competencies and competency assessment outcome;*
- (5) *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*
- (6) *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.*

7.5 APPLICATION FOR WAIVER IN TERMS OF ITEM 14 (4) OF GAZETTE NUMBER 48789 NOTICE NUMBER 3541 OF 14 JUNE 2023: UPPER LIMITS OF TOTAL REMUNERATION PACKAGES PAYABLE TO MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS

File no.: 4/1/3/1

Responsible Official: D McThomas

Directorate: SSS

Portfolio: Human Resources

1. PURPOSE

The purpose of this item is to obtain the approval of Council to:

- a) make an application to waive a requirement of the Local Government: Upper Limits of Total Remuneration packages payable to Municipal Managers and Managers directly accountable to Municipal Managers to the Minister after consultation with the MEC responsible for local government (the MEC); and
- b) grant the Executive Mayor the authority to review of new total remuneration packages of the Municipal Managers and Directors in terms of section 60(1)(b) of the Local Government: Municipal Systems Act, 2000 after consultation with the MEC and approval by the Minister.

2. BACKGROUND

1. The Breede Valley Municipality has been on Category 5 since the inception of the Upper Limit of Total Remuneration Packages Payable to Municipal Managers and Managers Directly Accountable to Municipal Managers. The following calculations were made to determine and confirm the category of Breede Valley Municipality using

the 2021/2022 audited Annual Financial Statements (AFS) taking into consideration the prescribed factors:

| FACTOR | AUDITED AFS 2021/2022 | SCORE |
|------------------------|------------------------------|--------------|
| Total Municipal Income | R903 307 244 | 53 |
| Total Population | 176 578 | 11 |
| Total Equitable Share | R131 552 000 | 7 |
| TOTAL SCORING | | 71 |

2. The Breede Valley Municipality (BVM) currently has six (6) senior manager positions, including the Municipal Manager, on the approved staff establishment. Five (5) of these positions with the exception of Director: Planning Development and Integrated Services have been filled on fixed term contracts and remunerated as follows based on the criteria determined by the Minister in terms of the Notice:

| DESIGNATION | TOTAL REMUNERATION PACKAGE |
|--|-----------------------------------|
| Municipal Manager | R1 775 773 |
| Chief Financial Officer | R1 492 337 |
| Director: Strategic Support Services | R1 492 337 |
| Director: Community Services | R1 492 337 |
| Director: Engineering Services | R1 492 337 |
| Director: Planning Development and Integrated Services | R1 492 337 |

3. The offer of remuneration took into account the competencies, qualifications, experience and knowledge of the senior managers. The salaries of divisional managers have crept into the total remuneration packages of senior managers due to annual cost of living adjustments and notch increases. The Municipality currently utilises T.A.S.K.[®] Job Evaluation System for remuneration of bargaining council employees. The divisional managers who are currently earning higher than the senior

managers are at T18 in terms of the T.A.S.K.[®] grade for a category 4 municipality as determined for remuneration of employees in the South African Local Government Bargaining Council (SALGBC).

4. The table below reflect the comparison of senior managers and divisional managers total remuneration packages.

| Total remuneration packages of senior managers | Total remuneration packages of divisional managers |
|--|---|
| Municipal Manager: R1 775 773 Directors: R1 492 337 | T18 – Notch 12: R1 772 340 T18 – Notch 8: R1 712 773 |

5. The pay difference between the Municipal Manager, Directors, and divisional heads on T.A.S.K.[®] level 18 causes further disparity and concern due to salary creep. The annual SALGBC salary increases exacerbate the disparity even more. The present situation is that T.A.S.K.[®] level 18 divisional heads now earn more than the Directors. The difference is R280 003 per annum in the case of the upper limits calculated on the maximum notch of the upper limits.
6. These facts create an untenable, unsatisfactory, and demotivating situation which is considered unfair towards the Municipal Manager and Directors. The Municipal Manager and Directors have a much broader scope of responsibility and need to provide strategic solutions to multiple and complex challenges in order for municipalities to deliver on its objectives. The remuneration offered to them should be commensurate with the scope, responsibility and complexity associated with the position.

7. The fact that a divisional head can earn more than the Director is severely detrimental to the integrity of the managerial accountability system. One cannot expect a person to shoulder the type of accountability prevalent in the local government system, whilst remunerating that person at levels below those who account to him. This cannot reasonably have been intended by the National Minister and negates the purpose of succession planning, skills development and mentoring within municipalities.

8. Financial stability and sustainability

a) As mentioned earlier, the Municipality has achieved five (5) clean audits from the Auditor-General since 2017/18, owing to the stringent financial control systems implemented under the leadership of the senior managers.

b) Below is an illustration of the consistent improved audited performance results in respect of the Municipality's financial position on the basis of National Treasury norms:

i) Liquidity-Current ratio

| NT - NORM | 2021/2022 | 2020/2021 |
|------------------|------------------|------------------|
| 1.5 - 2 : 1 | 1.6 | 1.8 |

Working capital refers to the financial resources (available cash) to support the day-to-day operations of the entity in a bid to give effect to Section 152 of the Constitution. The higher the ratio is to 1, the more liquid and solvent the municipality is and able to comply with Section 65 of the MFMA.

ii) Collection rate

| NT NORM | 2021/2022 | 2020/2021 |
|----------------|------------------|------------------|
| 95% | 94% | 95.3% |

This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

iii) Cash coverage ratio

| NT- NORM | 2021/2022 | 2020/2021 |
|-----------------|------------------|------------------|
| 1 - 3 Months | 2.3months | 2.7 months |

The ratio indicates the extent in months to which BVM has the ability to meet at least its monthly fixed operating commitments from cash and short-term investments in the highly unlikely event of not collecting any additional revenue, during that month. The ratio is adjusted and does not include Unspent Conditional Grants as this cash is not available for normal municipal day-to-day operational expenditure but rather reserved for Grant specific expenditure.

iv) Actual income vs budgeted income

| NT- NORM | 2021/2022 | 2020/2021 |
|-----------------|------------------|------------------|
| 95% | 87.9% | 93.2% |

It should be noted that the income displayed in the Statement of Financial Performance includes billed income based on prescribed accrual accounting principles, but it is however important to draw the attention of users of our statements to the fact that we've improved our budget preparation processes in respect of income modelling which is only based on realistically anticipated revenue linked to in-depth analysis of consumer profiles, resulting in a more credible, informed and scientific approach to income modelling.

v) Personnel costs to total expenditure

| NT- NORM | 2021/2022 | 2020/2021 |
|-----------|-----------|-----------|
| 25% - 40% | 35.2% | 37.3% |

The ratio is calculated and based on actual expenditure and not budgeted personnel costs. The result lying within the midrange of the NT benchmark.

3 APPLICABLE LEGISLATIONS:

1. Local Government: Municipal Systems Act, 2000

Section 72(1)(g) of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) (the Systems Act) as amended, empowers the Minister to make regulations relating to the duties, remuneration, benefits and other terms and conditions of employment of senior managers.

2. Local Government: Regulations on the Appointment and Conditions of Employment of Senior Managers, 2014

Regulation 35 of the Regulations enjoins the Minister to determine the total remuneration packages of municipal managers and managers directly to municipal managers annually by notice in the gazette before 31 March, and after consultation with the Minister for Public Service and Administration, Minister of Finance, organised local government and MECs for local government in the provinces according to different categories of municipalities.

3. Local Government: Municipal Systems Act (32/2000): Upper limits of total remuneration packages payable to Municipal Managers and Managers directly accountable to Municipal Managers (the Notice)

Item 14(4) of the Notice provides that a municipal council may, in exceptional circumstances and good cause shown, and after consultation with the MEC for local government, apply in writing to the Minister to waive any of the prescribed requirements as set out in this Notice. The Minister will consider each application on merit, based on circumstances and motivation provided by municipalities.

4. FINANCIAL IMPLICATIONS

As alluded in sub-paragraph (5) above, the pay difference between the Municipal Manager, Directors and divisional heads on T.A.S.K.[®] level 18 causes disparity and concern due to salary creep. The annual SALGBC salary increases exacerbate the disparity even more. The present situation is that T.A.S.K.[®] level 18 divisional heads now earn more than the Directors. The difference is R280 003 per annum in the case of the upper limits calculated on the maximum notch of the upper limits.

Should the Minister for Cooperative Governance and Traditional Affairs waive a requirement of the Local Government: Upper Limits of Total Remuneration packages payable to Municipal Managers and Managers directly accountable to Municipal Managers, the Executive Mayor will commence with the review of new total remuneration packages of the Municipal Managers and Directors and adequate appropriation will be made during the relevant budget processes.

5. COMMENTS OF DIRECTORATES:

CHIEF FINANCIAL OFFICER: ITEM SUPPORTED

SENIOR MANAGER: LEGAL SERVICES: RECOMMENDATION TO COUNCIL NOTED

DIRECTOR STRATEGIC SUPPORT SERVICES: CO-AUTHOR

RECOMMENDATION

That in respect of –

APPLICATION FOR WAIVER IN TERMS OF ITEM 14 (4) OF GAZETTE NUMBER 48789 NOTICE NUMBER 3541 OF 14 JUNE 2023: UPPER LIMITS OF TOTAL REMUNERATION PACKAGES PAYABLE TO MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS

Discussed by Council at the Council meeting held on 04 December 2023 Council decide that:

1. an application to waive a requirement of the Local Government: Upper Limits of Total Remuneration packages payable to Municipal Managers and Managers directly accountable to Municipal Managers should be made to the Minister after consultation with the MEC responsible for local government (the MEC);
2. the Executive Mayor should review of new total remuneration packages of the Municipal Managers and Directors in terms of section 60(1)(b) of the Local Government: Municipal Systems Act, 2000 after consultation with the MEC and approval by the Minister;
3. the Executive Mayor must provide feedback on the waiver application at a next meeting of Council.

7.6 SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 31 OCTOBER 2023. MFMA SECTION 71 Report**File No. /s:** 3/15/1**Responsible Officials:** R. Ontong**Directorate:** Financial Services**Portfolio:** Financial Services

Purpose

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

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.

Financial Implications:

None

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

RECOMMENDATION:

That in respect of

SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 31 OCTOBER 2023,

discussed by Council at the Council meeting held on 04 December 2023:

1. That Council take note of the in-year financial management report for the period ended 31 October 2023.

To Action

R. Ontong

**7.7 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF
OCTOBER 2023****File No./s:** 2/1/1/1**Responsible Official:** R. Ontong**Directorate:** Financial Services**Portfolio:** Supply Chain Management

Purpose

To report to Council 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 October 2023.

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 August 2023, are attached as **Annexure A**.

Financial Implications

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

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 |
| Senior Manager: Legal Services: | Noted |

RECOMMENDATION:

That in respect of

**REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF
OCTOBER 2023**

discussed by Council at the Council meeting held on 04 December 2023:

1. That the deviations from the procurement processes, approved in terms of the delegated authority for the month of October 2023, **be noted**.

To Action

R. Ontong

7.8 REVISION OF ATTENDANCE AND PUNCTUALITY POLICY**File No./s:** 4/1/1/1**Responsible Official:** N Monyela**Directorate:** SSS**Portfolio:** Human Resources

1. PURPOSE

The Council to consider and approve the amendments and annexure A of the Attendance and Punctuality Policy.

2. BACKGROUND AND DISCUSSION

The Local Government: Municipal Systems Act 32 of 2000, provides that a municipality should develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration consistent with the applicable legislation. The Policies of the Council are frameworks and guidelines that ensure standardise procedures and systems in line with this Act.

2.1. REVISION OF ATTENDANCE AND PUNCTUALITY POLICY

The revision and amendments of the policy emanates from the current labor challenges the Municipality is currently facing. Firstly, there is huge inconsistency of working hours within the Municipality that are not aligned to the relevant legislations. Secondly, an issue of overtime and working arrangements of the shift workers, that has been a controversial and topic of discussion on the workplace forum. A need was identified to amend and revise the Attendance and Punctuality Policy ("the Policy") to address the above-mentioned challenges.

On 6th September 2023, the Local Labour Forum ("the LLF") workshop was held, where the forum had discussions on the proposed changes and Annexure A of the Policy. On the forum meeting held on 24 November 2023, the LLF supported the revision of policy and addition of annexure A.

3. FINANCIAL AND LEGAL IMPLICATIONS**Financial Implications**

There are no financial implications for review and development of policies.

Legal Implication

- a. Basic Conditions of Employment Act.
- b. Code of Good Practices on the arrangement of working time.

ANNEXURES

Attendance and Punctuality Policy with Annexure A (Working hours)

COMMENT OF DIRECTORATES / DEPARTMENTS CONCERNED:

| | |
|--|---------------------------|
| Municipal Manager: | Supported |
| Director: Strategic Support Services: | Author of the item |
| Director: Financial Services: | Supported |
| Director: Engineering Services: | Supported |
| Director: Community Services: | Supported |

RECOMMENDATION

That in respect of -

REVISION OF ATTENDANCE AND PUNCTUALITY POLICY

as discussed by the Council at the Council Meeting held on 4 December 2023:

- a. That Council notes that the Attendance and Punctuality Policy has been subjected to a policy review process.

- b. That Council delegates the authority to the municipal manager to amend the working hours outlined in Annexure A, if necessary, for better, more efficient and economical service delivery, following consultation with organised labour.
- c. That Council approve the amendments and annexure A of Attendance and Punctuality Policy for implementation with effect from **01 February 2024**.

7.9 APPOINTMENT OF AUDIT COMMITTEE MEMBER DUE TO VACANCY**File No. /s:** 2/1/1/3/2**Responsible Official:** W du Plessis**Directorate:** Municipal Manager**Portfolio:** Internal Audit

1. Purpose

To obtain Council's approval for:

The appointment of the additional member to the Audit and Performance Audit Committee from 1 January 2024.

2. Background

In terms of Section 166 of the Municipal Finance Management Act(MFMA), Act 56 of 2003, each municipality must have an Audit and Performance Audit Committee. The Audit and Performance Audit Committee is an independent advisory body which must advise Council, the political office bearers, the accounting officer and the management staff of the municipality on matters relating to:

- internal financial control and internal audits;
- risk management;
- accounting policies;
- adequacy, reliability and accuracy of financial reporting and information;
- performance management;
- effective governance;
- compliance with the MFMA and other applicable legislation;
- performance evaluation; and
- any issues referred to it by the municipality

The Audit and Performance Audit Committee will also review the annual financial statements in order to advise Council whether its finances are managed efficiently and effectively. Furthermore, the Audit and Performance Audit Committee may respond to Council on issues raised by the Auditor-General in the audit report and carry out investigations into the financial affairs of the municipality if requested to do so by Council.

2.1 Functioning of the Audit and Performance Audit Committee

In order to execute its responsibilities effectively the Audit and Performance Audit Committee will have access to the financial records and other relevant information of the municipality.

Section 166 of the MFMA provides for a minimum requirement for the composition of an audit & performance audit committee. The Committee must have at least 3 members with appropriate experience who must be appointed by Council. The Audit and Performance Audit Committee must meet as often as is required to perform its functions, but at least four times per year. No councillor may be a member of the Audit and Performance Audit Committee.

In terms of best practice, the number and/or size of audit & performance audit committees can be increased to address the requirements, peculiarities, and needs of the municipality which will also be guided by the approved charter.

The Audit and Performance Audit Committee must according to the Municipal Planning and Performance Management Regulations, 2001 include at least one (1) performance management expert, as the Committee of Breede Valley Municipality performs a dual role as Audit and Performance Audit Committee.

2.2 Current Breede Valley Municipality Audit and Performance Audit Committee

The 3 vacancies arose in the current Audit and Performance Audit Committee which was advertised during July 2023. The applications received was discussed with the Accounting Officer and Executive Authority, and compliance with the relevant requirements have been confirmed in relation to the relevant skills, experience and committee membership required.

The appointment of the recommended three (3) successful candidates complies with the relevant legislative prescripts and possess a vast array of skills and experience applicable to audit committee functionality. The individuals have indicated their willingness to serve on the Audit and Performance Audit Committee, respectively.

In order to ensure business continuity and skills transfer the APAC Charter prescribes that there be a staggered approach to the appointment of audit committee members, and for this purpose the two (2) members were appointed from 1 September 2023 and the third member be appointed from 1 January 2024.

3. Financial Implications:

Meeting rate as determined by Council approved Audit Committee Charter.

4. Applicable Legislation / Council Policy:

Section 166 of the Municipal Finance Management Act(No. 56 of 2003)
National Treasury Internal Audit Framework 2nd Edition (March 2009)
MFMA Circular No. 65(November 2012)
Section 14 of the Local Government: Municipal Planning and Performance
Management Regulations, 2001
Audit and Performance Audit Committee (APAC) Charter

5. Comment of Directorates / Departments concerned:

| | |
|--|-------------------------------------|
| Municipal Manager: | Supported |
| Director: Community Services: | Supported |
| Director: Strategic Support Services: | Noted and Supported |
| Director: Financial Services: | Supported |
| Director: Engineering Services: | Item and recommendation supported |
| Senior Manager: Legal Services: | Recommendation to council supported |

RECOMMENDATION:

That in respect of

APPOINTMENT OF AUDIT COMMITTEE MEMBER DUE TO VACANCY

discussed by Council at the Council meeting held on 04 December 2023:

That the preferred candidate, **Mr P. Strauss** be appointed as the new Audit and Performance Audit Committee member with effect from 1 January 2024.

TO ACTION:

W. du Plessis

7.10 MINUTES & REPORT OF THE AUDIT & PERFORMANCE AUDIT COMMITTEE SUBMITTED TO COUNCIL FOR INFORMATION AND NOTIFICATION

File No. /s: 2/1/1/3/2

Responsible Official: W du Plessis

Directorate: Municipal Manager

Portfolio: Internal Audit

1. Purpose

To submit the minutes and the Midyear Report of 2023/2024 of the Audit & Performance Audit Committee to Council for information and notification.

2. Background

The Audit & Performance Audit Committee is fully functional and have met regularly as prescribed.

The Audit & Performance Audit Committee must report to Council as part of their communication to Council, as is prescribed by relevant legislation and the approved Charter.

The Chairperson of the Audit & Performance Audit Committee will report twice a year, or more frequently if required, to Council on the operations of the Internal Audit Activity and the Audit & Performance Audit Committee.

The members of the Audit & Performance Audit Committee also requested that the minutes of the committee be submitted to Council as part of their communication to Council as prescribed by legislation and the approved Audit Committee Charter.

The Audit & Performance Audit Committee minutes for the relevant quarters, together with the Midyear Report, are hereby submitted to Council as prescribed. *Attached as annexure A respectively.*

3. Financial Implications:

N/A

6. Applicable Legislation / Council Policy:Municipal Finance Management Act (Section 166)
Audit & Performance Audit Committee Charter**7. Comment of Directorates / Departments concerned:**

| | |
|--|-----------------------------------|
| Municipal Manager: | Supported |
| Director: Community Services: | Noted |
| Director: Strategic Support Services: | Noted and Supported |
| Director: Financial Services: | Supported |
| Director: Engineering Services | Item and recommendation supported |
| Senior Manager: Legal Services: | Recommendation to council noted |

RECOMMENDATION:

That in respect of

**MINUTES & REPORT OF THE AUDIT & PERFORMANCE AUDIT COMMITTEE
SUBMITTED TO COUNCIL FOR INFORMATION AND NOTIFICATION**

discussed by the Council at the Council meeting held on 04 December 2023:

Council notes the content of the Minutes and the Report of the Committee.

TO ACTION:

W. du Plessis

**7.11 COMMUNITY SERVICES: QUARTERLY REPORT ON THE TITLE DEED
RESTORATION PROGRAMME (TRP): 2023/2024 FINANCIAL YEAR****File No./s:** 12/8/3/4/6**Responsible Official:** Simphiwe Mayeki**Directorate:** Community Services **Portfolio:** Human Settlements

PURPOSE**The purpose of this item is to:**

- (1) Provide an updated quarterly report in the title deed restoration programme since the implementation, and
- (2) What are the current bottlenecks that impacts the title deed transfers.
- (3) Quarterly statistics and of the entire programme since implementation.

BACKGROUND

The National Department of Human Settlements and the Western Cape Provincial Department of Infrastructure, Branch Human Settlements, are working together with various municipalities found within their province to ensure home ownership by the rightful beneficiaries of state-subsidized properties. This program covers both pre- and post-94 housing projects. The aims of the program are to secure tenure and clear property rights; improve participation in the property market as a means of poverty alleviation; and create wealth. The goal of the programs is to ensure that the rightful occupier of state housing receives legal proof of property ownership in a prompt and affordable manner. In the Council of December 6, 2017, the Council approved the final report of the Multi-Party Council Committee for the alienation of municipally owned rental properties to current tenants. A total of one thousand (1000) properties were approved for transfer to the current occupiers, who are legal tenants. All transferable municipal rental units were identified and included in the TRP (TITLE DEED RESTORATION PROGRAMME) Breede Valley Municipality business plan. The areas approved included all the previously disadvantaged settlements (old township houses and community residential units). The program enables households to use title to raise finance and transact with their property; it ensures that the state maintains a cadastre and deed registry with integrity. It also ensures that municipalities

can effectively manage the installation and maintenance of services and amenities and maintain a rate base.

PROGRESS OF FIRST QUARTER 2023/2024 FINANCIAL YEAR: JULY TO SEPTEMBER 2023:

Table: 1: Pre-94 Title Deeds

| Suburb / Development Name | Units Total - Yield | Title deeds received to date - Transferred | Outstanding title Deed | Number of OTP Signed | Target 23/24 | Transferred in 23/24 |
|--|---------------------|--|------------------------|----------------------|--------------|----------------------|
| Touws river | 40 | 13 | 27 | 40 | 27 | 13 |
| De Doorns Sunnyside Orchard Rental Stock | 181 | 121 | 60 | 161 | 60 | 121 |
| Tuindorp | 85 | 0 | 85 | 0 | 85 | 0 |
| Hospital Hill (Eich & Keyter street) | 34 | 0 | 34 | 0 | 34 | 0 |
| Russel scheme | 114 | 0 | 114 | 0 | 114 | 0 |
| De Wet Street | 15 | 0 | 15 | 0 | 15 | 0 |
| Worcester Central (Van Huysteen, Van Zyl, etc) | 11 | 1 | 10 | 11 | 10 | 1 |
| Zwelethemba (Withuise) | 116 | 45 | 71 | 45 | 71 | 45 |
| Zwelethemba Central | 412 | 131 | 283 | 131 | 283 | 131 |
| Rawsonville De Nova | 2 | 0 | 2 | 2 | 2 | 0 |

Table 1: Presents the Pre-94 Title Deeds for first quarter of the financial year and the accumulative totals achieved, supplying a concise overview of the progress to date. The total of 31% has been achieved and at total of 69% is still outstanding.

The following area outstanding due to town establishment progress; Tuindorp, Hospital Hill, Russel Scheme and Zwelethemba Central (May, Makade, Van Staden and Fulang Avenue).

| Suburb / Development Name | Top Structures Completed | Accumulative transferred | TARGET 22/23 | OTP signed | Transferred 23/24 |
|---|--------------------------|--------------------------|--------------|------------|-------------------|
| Avian Park - 439 (Phase 1) | 439 | 421 | 18 | 18 | 421 |
| Avian Park - 34 (Phase 1) | 34 | 25 | 9 | 9 | 25 |
| Avian Park - 350 (Phase 1) | 350 | 323 | 6 | 6 | 323 |
| Avian Park - 5 (Phase 1) | 5 | 5 | 0 | 0 | 5 |
| Avian Park - 708 (Phase 1) | 649 | 540 | 168 | 168 | 540 |
| De Doorns - 1427 Services | 1400 | 1131 | 214 | 214 | 1131 |
| De Doorns – 1482 Services | 419 | 419 | 0 | 0 | 419 |
| De Doorns - (Phase 1) | 157 | 105 | 11 | 11 | 105 |
| Old Mandela Square - 331 PHP (People s Housing Process) & Finalization 688 (Phase 1: 100 units) | 331 | 271 | 60 | 60 | 271 |

| | | | | | |
|--|-----|-----|-----|-----|-----|
| Rawsonville 74 Project | 74 | 74 | 0 | 0 | 74 |
| Sunny Side Orchard 109 Project | 109 | 0 | 109 | 109 | 0 |
| Touwsriver: Steinvliet - 270 (Phase 1) | 270 | 192 | 30 | 30 | 192 |
| Worcester: 107 self-help (Phase 1) | 103 | 96 | 7 | 7 | 96 |
| Zwelethemba Ph1 - 384 (Phase 1) | 384 | 375 | 9 | 9 | 375 |
| Zwelethemba: 241 Units (Phase 2) | 241 | 189 | 52 | 52 | 189 |
| Zwelethemba cons - 550 (Phase 1) | 245 | 226 | 19 | 19 | 226 |

Table 2: Post-94 Title Deeds

Table 2: Presents the Post - 94 Title Deeds for first quarter of the financial year and the accumulative totals achieved, supplying a concise overview of the progress to date. The total of 84% has been achieved and at total of 14% is still outstanding. Has a detailed reports that comprehensively outlines the progress made in post-1994 projects. The table offer a thorough and meticulous overview of each project’s development, easing informed decision making and future planning.

Current Challenges

Pre-1994

These discrepancies are extremely difficult for title correction and make it difficult to confirm ownership. The Alienation of Land Act provides that no transaction relating to the purchase or sale of immovable property will be valid unless it is in writing and signed. Common problems that arise during property transactions, such as missing documents and unresolved disputes, lead to prolonged delays. The informal sales of these properties create

a huge discrepancy between current occupants and owners. These discrepancies are extremely difficult for title correction and make it difficult to confirm ownership. Unconfirmed ownership is the biggest contributor to unresolved estates. The potential of expanding end-user finance in the secondary housing market is curtailed, and in turn, the ability of the lender and other lenders to use the lower end of the market is severely limited. This remains a threat to the working class and retired state employees.

Post- 94 projects

There are several challenges that affects the programme and can be summaries as follows:

- (1) Town Establishment that results delays in proclamation and township register.
- (2) Delays in conveyancing as incorrect house allocation vis-à-vis deed registration.
- (3) The current Human Settlement policy, the inclusion of the pre-emptive clause in the title deeds. Delinking of the subsidy from beneficiaries and removal of sequential milestone payment on Housing Subsidy Human Settlements System Only (HSS).

Imperfect beneficiary information on the Housing Subsidy Portal (HSS) needs updating before registration can go ahead. The National Department of Human Settlements is the system's custodian, so this is beyond municipality control. The following projects are the most complicated, namely Avian Park (708) and Zwelethemba (331 and 351) housing projects. Most of the original beneficiaries cannot be traced; therefore, a complete beneficiary process must be conducted. This process requires a re-evaluation of the current occupiers and the withdrawal of the original beneficiaries.

Financial Implications:

The program is funded by the Western Cape Department of Infrastructure: Branch Human Settlements through the Human Settlements Development Grant. Two thousand Rands (R2 000.00) are distributed per title deed transaction, with half allotted for administration-related costs such as surveying and processing of contracts. Breede Valley has signed a memorandum of understanding (MOU) with the Free-Market Foundation (FMF) for the pre-1994 title deeds. The services of FMF are free to the BVM (Breede Valley Municipality).

Applicable Legislation / Council Policy:

Constitution of the Republic of South Africa, 1996

Municipal Systems Act No 32 Of 2000 (The Systems Act)

Spatial Planning and Land Use Management Act, (Act No. 16 Of 2013) (SPLUMA)

Western Cape Land Use Planning Act, 2014 (LUPA)

Breede Valley Spatial Development Framework (2012)

Breede Valley Integrated Human Settlement Plan (2012)

Housing Act, Act 107 of 1997

National Housing Code, 2009

National Environment Management Act, Act 107 of 1998 and its Regulations (EIA)

Transfer of Property Act

The Alienation of Land Act
Consumer Protection Act of 2008

Rental Housing Act of 1999 as amended.

FICA (Financial Intelligence Centre Act)

Comment of Directorates / Departments concerned:

| | |
|---|----------------------------------|
| Municipal Manager: | Supported |
| Director: Community Services: | Supported |
| Manager: Human Settlements and Housing Management: | Author and the report |
| Director: Strategic Support: | Noted |
| Senior Manager: Legal Services: | Recommendation to council noted. |
| Director: Financial Services: | Supported |
| Director: Engineering Services: | Noted |

RECOMMENDATION:

That in respect of the

**BREDE VALLEY FIRST QUARTER REPORT ON THE TITLE DEED
RESTORATION PROGRAMME (TRP): 2023/2024 FINANCIAL YEAR,**

discussed by Council at the Council meeting held on 04 December 2023.

That Council takes cognisance of the report and statistics of the Title Deed Restoration Programme.

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

9. CONSIDERATION OF MATTERS SUBMITTED BY THE CHAIRPERSON OF COUNCIL

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
