

# NOTICE

Ref no.2/1/4/4/2  
2023-05-30

**NOTICE OF THE 9<sup>th</sup> COUNCIL MEETING OF 2022/2023  
FINANCIAL YEAR OF THE COUNCIL OF BREEDE VALLEY MUNICIPALITY  
TUESDAY, 2023-05-30 AT 10:00**

**TO**

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

**COUNCILLORS**

V.A. Bedworth	N. Nel
W.M. Blom	C.T. Nyithana
M.N. Bushwana	J. Pieters
G.L. Daames	A. Pietersen
Alderman R. Farao	O. 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 **9<sup>th</sup> COUNCIL MEETING** of the **2022/2023 FINANCIAL YEAR** of the **COUNCIL** of **BREEDE VALLEY MUNICIPALITY** will be held at **CAPE WINELANDS DISTRICT MUNICIPALITY, TRAPPE STREET WORCESTER** on **TUESDAY, 2023-05-30** at **10:00** to consider the items on the agenda.



**SPEAKER: ALDERMAN J.F. VAN ZYL**



**BREEDE VALLEY**  
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

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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.
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## 3. COMMUNICATION

### 3.1 INTERVIEWS OR PRESENTATIONS BY DEPUTATIONS

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

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

**3.2 BIRTHDAYS OF COUNCILLORS**

Ald. J.F. Van Zyl

4 June 2023

**3.3 STATEMENTS BY THE SPEAKER****3.4 STATEMENTS BY THE EXECUTIVE MAYOR**

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**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 24 April 2023****RECOMMENDATION**

That in respect of

**CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING**

discussed by Council at the Council Meeting held on 30 May 2023:

1. As the Minutes of the Council Meeting held on 24 April 2023 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 24 April 2023 be taken as read and confirmed.
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**5. REPORT BY THE EXECUTIVE MAYOR ON DECISIONS TAKEN BY THE EXECUTIVE MAYOR, THE EXECUTIVE MAYOR TOGETHER WITH THE DEPUTY EXECUTIVE MAYOR AND THE MAYORAL COMMITTEE**

**5.1 The Deputy Executive Mayor: Cllr J.J. von Willingh**

**MAYCO MEETING HELD ON 16 MAY 2023**

**5.1.1 RESOLVED:**

That in respect of

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

discussed by Mayco at the Mayco meeting held on 16 May 2023 with resolution number **EX9/2023:**

That Council approves the: -

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

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

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**5.2 MMC1: Alderman W.R. Meiring**

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**MAYCO MEETING HELD ON 16 MAY 2023**

**5.2.1 RESOLVED:**

That in respect of the

**PRESUMED STRATEGIC AND RISK MANAGEMENT REPORT FOR THE 2023-2-24 FINANCIAL YEAR**

Discussed by Mayco at the Mayco meeting held on 16 May 2023 with resolution number **EX5/2023**

1. That Council takes note of the outcome of the Strategic Risk identification and assessment process, the result of which is captured in the BVM Strategic Risk Management Report for the period 2023-2024.

2. That Council approves the Strategic Risk Management Report for the financial period 2023-2024:

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**5.2.2 RESOLVED:**

That in respect of the

**VARIOUS POLICIES**

discussed by Mayco at the Mayco meeting held on 16 May 2023 with resolution number **EX6/2023**:

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

**5.2.3 RESOLVED:**

That in respect of

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

discussed by Mayco at the Mayco meeting held on 16 May 2023 with resolution number **EX7/2023**:

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

**5.3 MMC 2: Cllr. P.C. Ramokhabi**

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**5.4 MMC 3: Cllr. N. Nel**

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**5.5 MMC 4: Cllr. E. Van der Westhuizen****MAYCO MEETING HELD ON 16 MAY 2023****5.5.1 RESOLVED:**

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That in respect of

**ACCEPTANCE BY COUNCIL OF THE WATER SERVICES DEVELOPMENT PLAN  
AND WATER & SEWER MASTER PLANS.**

discussed by Mayco at the Mayco meeting held on 16 May 2023 with resolution number  
**EX11/2023:**

The Water Services Development Plan 2023 to 2028 and the Water & Sewer Master  
Plans be accepted as the Water Services Development Plan and Water & Sewer Master  
Plans for the Breede Valley Municipality.

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**5.6 MMC 5: Cllr J.R. Jack**

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**5.7 MMC 6: Cllr. V.A. Bedworth**

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**5.8 MMC 7: Cllr. J.P. Kritzinger**

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**5.9 MMC 8: Cllr F. Vaughan**  
**MAYCO MEETING HELD ON 16 MAY 2023**

**5.9.1 RESOLVED:**

That in respect of -

**5 YEAR ICT STRATEGY & IMPLEMENTATION PLAN (2023 – 2027)**

discussed by Mayco at the Mayco meeting held on 16 May 2023 with resolution number  
**EX8/2023:**

1. That Council approves 5 Year ICT Strategy & Implementation (2023 -2027).

**5.9.2 RESOLVED:**

That in respect of –

**CONSIDERATION TO REVIEW AND RESCIND MAYORAL COMMITTEE  
RESOLUTION EX22/2013: SELLING OF THE 35 ERVEN IN RAWSONVILLE**

and

**IN PRINCIPLE APPROVAL FOR THE PROPOSED ALIENATION OF ERVEN  
715, 718 AND 727 SITUATED IN RAWSONVILLE FOR RESIDENTIAL PURPOSES**

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discussed by Mayco at the Mayco meeting held on 16 May 2023 with resolution number **EX10/2023**, the following recommendation be made to Council:

1. That Mayoral Committee resolution EX22/2013 be reviewed and rescinded;
2. that the alienation of erven 715,718 and 727, Rawsonville as set out in Annexure A1-3 by means of a competitive process in the open market solely for Residential Zone I purposes in accordance with the market-related values per erf as determined by HCB Property Valuations depicted on the attached Annexures B, C and D respectively, be approved in principle;
3. that the following of a public participation process, be approved and that an item will only be resubmitted to the Council should any representations/comments be received;
4. that the properties be alienated to first time homeowners from the Breede Valley Municipal jurisdiction. Proof of address or another applicable document to prove residency within the municipal area will be required;
5. that only one (1) property per purchaser is sold subject to item (6) below;
6. that the properties will not be alienated to developers, except in instances where an employer with registered offices in the Breede Valley municipal area purchase more than one property on behalf of and for the benefit of their employees. However, should the latter apply, the property should be registered directly in the name of the beneficiary employees. The beneficiary employees must also comply with items 4 and 5 above;
7. that a reversion condition be included in the Deed of Sale as well as the Title Deed that the disposed of properties be utilised for Residential Zone I purposes only and should the Purchaser fail to erect a building within two (2) years from the date of registration and not use the property as specified, the erf will revert back to the Municipality free of charge;
8. that a special condition be included in the Deed of Sale which provides that:
  - 8.1 If the purchaser intent to dispose of the property within a period of two (2) years from the date of signing the Deed of Sale, the property will be offered to the Municipality for a purchase price at 5% less than the original purchase price;
  - 8.2 Should the Municipality accept the offer, the cost of the transfer shall be payable by the Purchaser; and

- 8.3 if the Municipality decline the offer, the Purchaser will be permitted to dispose of the property to any other third party.
- 9. that the purchasers will be responsible for the payment of all municipal services including rates and taxes in respect of the properties the following transfer;
- 10. that the purchasers be responsible at its cost, for the registration of any relevant servitudes over the subject property to accommodate all applicable municipal services thereon.
- 11. that the costs pertaining to the transaction, e.g. transfer costs be paid by the purchasers;
- 12. that it be noted that there is an illegal encroachment onto the subject property that must be terminated by a potential bidder and all potential bidders shall be informed of this during the competitive process in the open market.
- 13. That the Municipal Manager be mandated to make the final decision as to which of the erven will be disposed after the market was tested during the competitive bidding process.
- 14. that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provisions Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003); and
- 15. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the respective municipal properties.

**6. COLLABORATOR OUTSTANDING RESOLUTIONS REPORT**

Council	Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment
1317888	<p><b>SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2023. MFMA SECTION 71 Report</b></p> <p>RESOLVED</p> <p>That in respect of</p> <p>SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2023, as discussed by Council at the Council meeting held on 28 March 2023, the following recommendation be made to Council, resolution number C20/2023:</p>	2023-03-28	HHANSEN		

		1. That Council takes note of the in-year financial management report for the period ended 28 February 2023.				
1334105	<b>SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 31 MARCH 2023. MFMA SECTION 71 &amp; 52 (d) Report</b>	RESOLVED  That in respect of SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 31 MARCH 2023 discussed by Council at the Council meeting held on the 24 April 2023, resolution number C28/2023:  1. That council take note of the in-year financial management report for the period ended 31 March 2023.	2023-04-24	MPOTGIETER		
1334105	<b>SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 31 MARCH 2023. MFMA SECTION 71 &amp; 52 (d) Report</b>	RESOLVED  That in respect of SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 31 MARCH 2023 discussed by Council at the Council meeting held on the 24 April 2023, resolution number C28/2023:  1. That council take note of the in-year financial management report for the period ended 31 March 2023.	2023-04-24	BVOLSCHENK		
Council	Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment	
1317891	<b>CONSIDERATION TO REVIEW AND RESCIND COUNCIL RESOLUTIONS C88/2018 AND C16/2019: LEASE OF MUNICIPAL PROPERTY - PORTION OF ERF 1, CORNER OF HIGH- AND ROBERTSON ROAD (R60), WORCESTER and PROPOSED IN PRINCIPLE APPROVAL FOR A TWENTY (20) YEAR LEASE OF MUNICIPAL</b>	RESOLVED That in respect of – CONSIDERATION TO REVIEW AND RESCIND COUNCIL RESOLUTIONS C88/2018 AND C16/2019: LEASE OF MUNICIPAL PROPERTY - PORTION OF ERF 1, CORNER OF HIGH- AND ROBERTSON ROAD (R60), WORCESTER; and PROPOSED IN PRINCIPLE APPROVAL FOR A TWENTY (20) YEAR LEASE OF MUNICIPAL PROPERTY – PORTION OF ERF 1, CORNER OF HIGH- AND ROBERTSON ROAD (R60), WORCESTER as discussed by the Council at	2023-03-28	HPOTGIETER	50	03/04/2023: Internal e-mail sent for notice to be placed. Awaiting to be loaded / allocated to Coll. inbox. 12/04/2023: Notice drafted for placement in the Worcester Standard. 13/04/2023: Notice placed in CW Standard on 13/04/2023. Closing date for comments is 15/05/2023. 22/05/2023: No comments received during public participation process. Competitive process to be followed.

		<p>the Council meeting held on 28 March 2023, the following recommendation be made to Council, resolution number C22/2023 :</p> <ol style="list-style-type: none"> <li>1. That Council resolutions C88/2018 and C16/2019 be reviewed and rescinded.</li> <li>2. that the lease at a market related rental of the municipal property, being a portion of Erf 1, ±1.8610ha in extent, situated at the corner of High- and Robertson Road (R60), also known as Murray Square, for a period of twenty (20) years, be approved in principle for the purposes of utilizing the subject property for different school sports / codes as permitted under Open Space Zone II: Private open space; by means of a competitive process in the open market;</li> <li>3. that the lease be for purposes permitted under the zoning Open Space Zone II and that structures may only be erected with the permission of the municipality which structures will revert to the municipality upon termination of the lease;</li> <li>4. that a market related valuation report be obtained for a twenty (20) year lease period and that the lease amount annually increases on the 1st of July by a percentage equal to the prevailing consumer price index (all items);</li> <li>5. that all costs pertaining to a possible traffic impact assessment and implementation of the recommendations, relocation of municipal services and installation of municipal services, must be paid by the Lessee;</li> <li>6. that an investigation must be conducted and completed before the availing of the lease in respect of the future extension of the electrical substation (located on erf 19908) onto the subject property ;</li> <li>7. that the following of a public</li> </ol>				
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		<p>participation process, be approved;</p> <p>8. that an item will only be resubmitted to Council should any representations / comments be received during the public participation process;</p> <p>9. that the administration be mandated to administer the process of the lease of the municipal property following the public participation process by means of a competitive process in the open market;</p> <p>10. that all the associated costs in respect of the lease, including but not limited to Town Planning procedures, e.g. rezoning and installation of municipal services be paid by the Lessee;</p> <p>11. that the Lessee will be responsible for the payment of all municipal services including rates and taxes in respect of the property;</p> <p>12. that the Lessee will comply with all internal departmental requirements to be incorporated in the subsequent Lease Agreement and the right be reserved to supplement such comments;</p> <p>13. that Directorate: Public Services be mandated to approve the site plan for the lease area; and</p> <p>14. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith leased is not required for the municipality's own use in terms of the provision Regulation 36 of the Asset Transfer Regulations.</p>				
1317891	<p><b>CONSIDERATION TO REVIEW AND RESCIND COUNCIL RESOLUTIONS C88/2018 AND C16/2019: LEASE OF MUNICIPAL PROPERTY - PORTION OF ERF 1, CORNER OF HIGH- AND ROBERTSON</b></p>	<p>RESOLVED That in respect of – CONSIDERATION TO REVIEW AND RESCIND COUNCIL RESOLUTIONS C88/2018 AND C16/2019: LEASE OF MUNICIPAL PROPERTY - PORTION OF ERF 1, CORNER OF HIGH- AND ROBERTSON ROAD (R60), WORCESTER;</p>	2023-03-28	HPOTGIETER	95	<p>03/04/2023: Internal e-mail sent for notice to be placed. Awaiting to be loaded / allocated to Coll. inbox. 12/04/2023: Notice drafted for placement in the Worcester Standard. 13/04/2023: Notice placed in CW Standard on 13/04/2023. Closing</p>

	<p><b>ROAD (R60), WORCESTER and PROPOSED IN PRINCIPLE APPROVAL FOR A TWENTY (20) YEAR LEASE OF MUNICIPAL</b></p>	<p>and PROPOSED IN PRINCIPLE APPROVAL FOR A TWENTY (20) YEAR LEASE OF MUNICIPAL PROPERTY – PORTION OF ERF 1, CORNER OF HIGH- AND ROBERTSON ROAD (R60), WORCESTER as discussed by the Council at the Council meeting held on 28 March 2023, the following recommendation be made to Council, resolution number C22/2023 :</p> <ol style="list-style-type: none"> <li>1. That Council resolutions C88/2018 and C16/2019 be reviewed and rescinded.</li> <li>2. that the lease at a market related rental of the municipal property, being a portion of Erf 1, ±1.8610ha in extent, situated at the corner of High- and Robertson Road (R60), also known as Murray Square, for a period of twenty (20) years, be approved in principle for the purposes of utilizing the subject property for different school sports / codes as permitted under Open Space Zone II: Private open space; by means of a competitive process in the open market;</li> <li>3. that the lease be for purposes permitted under the zoning Open Space Zone II and that structures may only be erected with the permission of the municipality which structures will revert to the municipality upon termination of the lease;</li> <li>4. that a market related valuation report be obtained for a twenty (20) year lease period and that the lease amount annually increases on the 1st of July by a percentage equal to the prevailing consumer price index (all items);</li> <li>5. that all costs pertaining to a possible traffic impact assessment and implementation of the recommendations, relocation of municipal services and installation of municipal services, must be paid by the Lessee;</li> </ol>			<p>date for comments is 15/05/2023. 22/05/2023: No comments received during public participation process. This serves as feedback on this council resolution implementation and will be marked 100% hereafter: A competitive process in the open market will follow.</p>
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		<p>6. that an investigation must be conducted and completed before the availing of the lease in respect of the future extension of the electrical substation (located on erf 19908) onto the subject property ;</p> <p>7. that the following of a public participation process, be approved;</p> <p>8. that an item will only be resubmitted to Council should any representations / comments be received during the public participation process;</p> <p>9. that the administration be mandated to administer the process of the lease of the municipal property following the public participation process by means of a competitive process in the open market;</p> <p>10. that all the associated costs in respect of the lease, including but not limited to Town Planning procedures, e.g. rezoning and installation of municipal services be paid by the Lessee;</p> <p>11. that the Lessee will be responsible for the payment of all municipal services including rates and taxes in respect of the property;</p> <p>12. that the Lessee will comply with all internal departmental requirements to be incorporated in the subsequent Lease Agreement and the right be reserved to supplement such comments;</p> <p>13. that Directorate: Public Services be mandated to approve the site plan for the lease area; and</p> <p>14. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith leased is not required for the municipality's own use in terms of the provision Regulation 36 of the Asset Transfer Regulations.</p>				
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1334112	<b>GRANTING OF LEGAL REPRESENTATION TO COUNCILLORS AND EMPLOYEES</b>	<p>RESOLVED That in respect of – GRANTING OF LEGAL REPRESENTATION TO COUNCILLORS AND EMPLOYEES as discussed by Council at the Council meeting held on 24 April 2023, the following recommendation be made to Council, resolution number C29/2023:</p> <p>1. That Council in principle approve the draft Provision of legal representation for Employees and Councillors Policy and that a workshop be conducted with Council prior to the date of final approval;</p> <p>2. that pending final approval of the draft policy referred to in item 1, Council grant legal representation to the Speaker and the Executive Mayor in the matter wherein Breede Valley Onafhanklik lodged review proceedings against Breede Valley Municipality, under case number 2613/23; and</p> <p>3. that pending final approval of the draft policy referred to in item 1, in the event any council resolutions or official decisions taken by the Speaker in the role of the Speaker are challenged and taken on review to an appropriate court or another lawful forum, the Speaker inherently be authorised to settle or oppose and / defend such legal matters nomine officio.</p>	2023-04-24	HPOTGIETER	95	22/05/2023: This serves as feedback on the council resolution implementation and will be marked 100% hereafter: Item 1 - Policy workshop duly conducted on 25 April 2023. Item will be resubmitted to council recommending final approval of the Legal Representation policy. Item 2 - Resolution duly communicated with attorney of record. Item 3 - Resolution will be implemented if applicable, pending final approval of Legal Representation policy.
Council		Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment
776194	<b>ALLEGED BREACH OF CODE OF CONDUCT FOR COUNCILLORS: CLLR. C.F. WILSKUT</b>	<p>RESOLVED C21/2020</p> <p>1. That Council appoint a Disciplinary Committee comprising of 11 members (6 DA members and one member of each other Political Party ( i.e ANC; BO; FF+; PDM; EFF); 2. That Cllr J.F. van Zyl be appointed as the Chairperson of the Disciplinary Committee; 3. The names of members to the Disciplinary Committee should be submitted to the Speaker within 7 days from the date of</p>	2020-02-25	JVANWYK	75	Compilation of Disciplinary Committee rescinded and reviewed and replaced by a committee comprising of 5 Councillors, inclusive of the Chairperson. The Prosecutor has been appointed and trial date is pending.

		the Council Meeting.				
1155841	<b>ALLEGED BREACH OF CODE OF CONDUCT FOR COUNCILLORS: CLLR. MARGARET SWARTZ. ITEM FOR COUNCIL: 26 JULY 2022</b>	<p>RESOLVED C85/2022 In terms of Clause 16 of the Code of Conduct: a) A Municipal Council may – investigate and make a finding on any alleged breach of a provision of this Code; or b) Establish a Special Committee: i) to investigate and make a finding on any alleged breach of this code and ii) to make appropriate recommendations to the Council. And whereas a special committee, pertaining to the investigation of disciplinary matters, has already been established by Council per Council decision C40/2022.</p> <p>Cllr Nel proposed that Council recommends this motion to the established Special Committee to investigate and make a finding on any alleged breach of this code and to make appropriate recommendations to the Council, as stated above under point (b).</p>	2022-07-26	JVANZYL	50	Finalization of trial date pending.
1185140	<b>ALLEGED BREACH OF CODE OF CONDUCT FOR COUNCILLORS: CLLR. C.F. WILSKUT.</b>	<p>RESOLVED: That in respect of – ALLEGED BREACH OF CODE OF CONDUCT FOR COUNCILLORS: CLLR.C.F. WILSKUT. as discussed by Council at the Council meeting held on 23 August 2022 with resolution number C98/2022 Council decide that: In terms of Clause 16 of the Code of Conduct : 1. a) A Municipal Council may – investigate and make a finding on any alleged breach of a provision of this Code ; or b) Establish a Special Committee : i) to investigate and make a finding on any alleged breach of this code and ii) to make appropriate recommendations to the Council. And whereas a special committee, pertaining to the investigation of disciplinary matters, has already been established by Council per</p>	2022-08-23	JVANZYL	50	Finalization date of trial pending. Prosecutor appointed.

		Council decision C40/2022.				
Council	Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment	
172625	<p><b>SUBMISSION OF BY-LAW RELATING TO THE MANAGEMENT AND CONTROL OF FLATS (rental housing units) OWNED OR ADMINISTERED BY THE BREEDE VALLEY MUNICIPALITY</b></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> <ol style="list-style-type: none"> <li>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;</li> <li>2. That the administration advertises said draft By-Law for public comments;</li> <li>3. That all comments be collated submitted to Council for final approval and promulgation in the Provincial Gazette.</li> <li>4. That the draft By-Law be workshopped with all the Councillors.</li> </ol>	2015-06-25	GMAYEKI	95	The item will be submitted to the council in order to amend. The by-law will be included in the next policy workshop with all other policy related documents.

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**7. CONSIDERATION OF AGENDA ITEMS****7.1 2023/24 FINAL BUDGET MEDIUM TERM REVENUE AND EXPENDITURE  
FRAMEWORK****File No. /s:** 3/2/2/23**Responsible Official:** R Ontong**Directorate:** Financial Services**Portfolio:** Financial Services

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**Purpose**

The purpose of this submission is to present the 2023/24 MTREF Final Budget.

**Legal Framework**

Section 16 of the Municipal Finance Management Act states:

“Annual budgets

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

**Contents of annual budgets and supporting documents**

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

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

(d) Setting out —

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

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

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

### **Financial Implications**

The financial implications of the 2023/24 MTREF Budget is captured in the Budget Report.

### **Annexures**

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

Quality Certificate (**Annexure B**)

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

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

Municipal Tariffs (**Annexure D**)

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

Demand Management Plan (**Annexure F**)

# **FINAL MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK 2023/2024 – 2025/2026**



**BREDE VALLEY**  
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

**30 MAY 2023**

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11. Expenditure on allocations and grant programmes
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16. Capital expenditure details
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18. Other supporting documents
19. Annual budgets of municipal entities attached to the annual budget



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## Abbreviations and Acronyms

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

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

## Glossary

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

**Allocations** – Money received from Provincial and National Treasury.

**Budget** – The financial plan of a municipality.

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

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

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

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

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

**GDFI** - Gross Domestic Fixed Investment

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

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

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

**LM** – Breede Valley Municipality.

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

**mSCOA** – Municipal Standard Chart of Accounts

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

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

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

**TMA** – Total Municipal Account

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

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

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

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

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

This budget serves the purpose of outlining future service delivery objectives by reflecting on the past financial years in planning for anticipated future developments / realizations. The devastating effects post COVID 19 on our communities and those in surrounding municipalities resulted in loss of income, work, and lives and has been worsened through continuous loadshedding. We were all forced to change the way in which we conduct business, our daily lives, and how we interact with each other, posing new and unprecedented challenges to us demanding solutions in order for us to survive and progress to our vision of a *‘A unique and caring Valley of service excellence, opportunity and growth’*.

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

**2. Resolutions**

It is recommended to council that in respect of the 2023/24 MTREF, and outer financial years that council approves the 2023/24 MTREF budget in terms of section 24 of the Municipal Finance Management Act.

**3. Executive Summary****3.1 Legislative Background**

Section 16 of the Municipal Finance Management Act states:

“Annual budgets

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

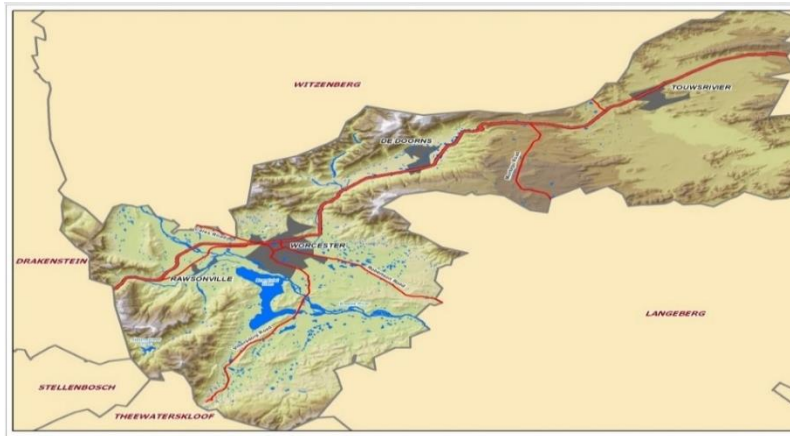
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- (2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.
  - (3) Subsection (1) does not preclude the appropriation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

### **Contents of annual budgets and supporting documents**

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

### **3.2 Municipal General Overview**

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



### Strategic Framework, Pillars and Objectives of the Municipality



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

## STRATEGIC PILLARS

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

**STRATEGIC OBJECTIVES**

Section 24 of the Municipal Systems Act states:

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

STRATEGIC OBJECTIVES	
SO 1	To provide and maintain basic services and ensure social upliftment of the Breede Valley community
SO 2	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism



SO 3	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people
SO 4	To provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government
SO 5	To ensure a healthy and productive workforce and an effective and efficient work environment
SO 6	To assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices

### 3.3 Budget Principles and Criteria

The 2023/24 MTREF was compiled based on the following principles and criteria taken into account, the impact of the loadshedding, aftermath of COVID 19 pandemic and on the economy:

#### Credibility

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

#### Sustainability

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

#### Responsiveness

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

#### Affordability

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

The 2023/2024 budget is compiled in line with chapter 4 of the Municipal Finance Management Act, MFMA Budget Circulars and other relevant circulars and / or guidelines from National Treasury and Provincial Treasury. The budget strives to be consistent with the financial norms and ratios as per the MFMA Circular 71 to ensure sound and sustainable management of financial affairs of the municipality. The budget is also consistent with the Long-Term Financial Plan to ensure synergy between long term

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planning and implementation of planning. Other important principles include addressing the need of access to basic services and the efficient capacitation of the municipality, which is in many instances a challenge given limited financial resources.

The main challenges experienced with the compilation of the 2023/24 MTREF are as follow:

- Loadshedding implemented by Eskom and associated disruptions (revenue generation and economic activity)
- Consequences of COVID 19 Pandemic
- Amendments to mSCOA;
- Consumers exploring alternative energy sources and using less municipal electricity
- Direct effect of the current state of the economy on larger municipalities relying on progressive economic activity
- Vandalism to strategic infrastructure assets
- Ageing infrastructure and increasing service delivery backlogs
- Increasing cost of bulk purchases versus the electricity tariff increases, resulting in pressure to maintain a balance between sustainability, growth and affordability of services

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

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

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

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

The capital budget for 2023/24 aims to address the service delivery needs within the municipal area, given the available resources internally and externally. The main source

of funding are external loans, conditional grant allocations from National and Provincial government departments, followed by either internal funding.

### 3.4 Rebates

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

#### 3.4.1 Rebates: Unemployed and Indigent

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

#### 3.4.2 Rebates: Pensioner

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

#### 3.4.3 Rebates: Pensioner 70 years and older

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

#### 3.4.4 Special Rating Area (SRA)

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

3.5 Budget Overview

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

WC025 Breede Valley - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Financial Performance</b>										
Property rates	145 107	155 977	173 037	175 223	175 223	175 223	175 223	187 406	196 589	205 829
Service charges	622 044	644 056	725 043	761 566	772 334	772 334	772 334	793 998	905 433	1 018 794
Investment revenue	12 001	9 718	10 969	10 686	12 823	12 823	12 823	12 823	13 452	14 084
Transfer and subsidies - Operational	141 850	168 007	152 932	171 058	175 605	175 605	175 605	186 796	196 409	220 913
Other own revenue	91 210	93 091	70 271	271 940	272 027	272 027	272 027	292 818	307 166	321 603
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 012 212</b>	<b>1 070 848</b>	<b>1 132 251</b>	<b>1 390 473</b>	<b>1 408 012</b>	<b>1 408 012</b>	<b>1 408 012</b>	<b>1 473 841</b>	<b>1 619 049</b>	<b>1 781 222</b>
Employee costs	297 258	319 700	335 127	350 795	369 354	369 354	369 354	413 148	428 148	448 271
Remuneration of councillors	18 413	18 421	18 315	19 549	19 673	19 673	19 673	20 720	21 736	22 757
Depreciation and amortisation	87 496	89 403	88 566	100 988	100 988	100 988	100 988	100 265	105 709	110 678
Finance charges	23 643	22 351	20 974	38 001	38 001	38 001	38 001	37 980	39 841	41 714
Inventory consumed and bulk purchases	345 745	363 584	424 259	462 319	463 450	463 450	463 450	478 033	559 474	652 213
Transfers and subsidies	6 938	4 452	3 767	6 872	9 999	9 999	9 999	6 138	7 227	6 396
Other expenditure	231 699	255 813	244 981	377 227	397 398	397 398	397 398	427 676	441 289	470 272
<b>Total Expenditure</b>	<b>1 011 192</b>	<b>1 073 724</b>	<b>1 135 989</b>	<b>1 355 751</b>	<b>1 398 862</b>	<b>1 398 862</b>	<b>1 398 862</b>	<b>1 483 960</b>	<b>1 603 424</b>	<b>1 752 300</b>
<b>Surplus/(Deficit)</b>	<b>1 020</b>	<b>(2 875)</b>	<b>(3 738)</b>	<b>34 722</b>	<b>9 150</b>	<b>9 150</b>	<b>9 150</b>	<b>(10 119)</b>	<b>15 625</b>	<b>28 923</b>
Transfers and subsidies - capital (monetary allocations)	146 877	53 083	55 756	70 138	81 473	81 473	81 473	66 797	63 336	74 136
Transfers and subsidies - capital (in-kind)	185	300	-	-	17 918	17 918	17 918	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>148 082</b>	<b>50 507</b>	<b>52 017</b>	<b>104 860</b>	<b>108 541</b>	<b>108 541</b>	<b>108 541</b>	<b>56 678</b>	<b>78 961</b>	<b>103 059</b>
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>148 082</b>	<b>50 507</b>	<b>52 017</b>	<b>104 860</b>	<b>108 541</b>	<b>108 541</b>	<b>108 541</b>	<b>56 678</b>	<b>78 961</b>	<b>103 059</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>195 481</b>	<b>124 588</b>	<b>143 097</b>	<b>318 550</b>	<b>409 246</b>	<b>409 246</b>	<b>409 246</b>	<b>190 531</b>	<b>172 496</b>	<b>144 943</b>
Transfers recognised - capital	147 062	53 383	55 635	70 138	99 390	99 390	99 390	66 797	63 336	74 136
Borrowing	159	-	-	146 238	180 328	180 328	180 328	28 069	22 000	19 900
Internally generated funds	48 260	71 205	87 462	102 174	129 528	129 528	129 528	95 665	87 160	50 907
<b>Total sources of capital funds</b>	<b>195 481</b>	<b>124 588</b>	<b>143 097</b>	<b>318 550</b>	<b>409 246</b>	<b>409 246</b>	<b>409 246</b>	<b>190 531</b>	<b>172 496</b>	<b>144 943</b>

The current reality of loadshedding and the aftermath of COVID 19 brought high levels of uncertainty relating to projection of the anticipated financial performance and position of the municipality in ensuring that the budget to be approved by Council adheres the requirements of credibility and sustainability.

The current economic situation forces us to remain prudent and continue with applying resources in a well-balanced manner. We have experienced a reduction in the collection rate over recent years which had a severe impact on the cash position of the municipality. This position is further placed under risk with loadshedding given that most households are prepaid electricity users, whom have been using significantly less electricity.

Municipal spending of discretionary nature remains at the bare minimum to continue honouring non-discretionary commitments. The utilization of both financial and non-

financial resources is being monitored to promote the effective and efficient utilization of these resources. This requires the municipality to continuously adapt and re-design where needed in order to continue implementing its constitutional mandate.

### 3.5.1 Operating Revenue

The table below reflects the operating revenue in relation to the current year and 2023/24 MTREF.

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>	1										
<b>Exchange Revenue</b>											
Service charges - Electricity	2	416 707	431 937	492 826	536 542	536 542	536 542	536 542	544 474	643 682	744 741
Service charges - Water	2	91 484	93 942	104 101	98 700	103 891	103 891	103 891	110 094	115 489	120 917
Service charges - Waste Water Management	2	73 688	76 021	84 271	79 917	85 495	85 495	85 495	90 530	94 966	99 429
Service charges - Waste Management	2	40 166	42 155	43 844	46 407	46 407	46 407	46 407	48 900	51 296	53 707
Sale of Goods and Rendering of Services		3 993	4 827	5 639	3 757	3 757	3 757	3 757	6 939	7 279	7 621
Agency services		7 543	9 416	9 061	9 436	9 436	9 436	9 436	9 908	10 393	10 882
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		8 133	8 344	9 814	9 970	13 629	13 629	13 629	13 376	14 032	14 691
Interest earned from Current and Non Current Assets		12 001	9 718	10 969	10 686	12 823	12 823	12 823	12 823	13 452	14 084
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		2 232	3 304	-	1 567	-	-	-	1 645	1 726	1 807
Rental from Fixed Assets		10 671	22 936	8 178	6 489	6 489	6 489	6 489	6 981	7 323	7 667
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		5 393	7 585	5 641	4 754	4 754	4 754	4 754	4 994	5 238	5 485
<b>Non-Exchange Revenue</b>	2										
Property rates		145 107	155 977	173 037	175 223	175 223	175 223	175 223	187 406	196 589	205 829
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		51 034	30 743	28 741	230 513	230 513	230 513	230 513	242 038	253 897	265 831
Licences or permits		2 211	2 017	2 620	4 056	2 050	2 050	2 050	4 259	4 467	4 677
Transfer and subsidies - Operational		141 850	168 007	152 932	171 058	175 605	175 605	175 605	186 796	196 409	220 913
Interest		-	-	-	-	-	-	-	1 196	1 255	1 314
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	3 919	577	1 399	1 399	1 399	1 399	1 483	1 555	1 628
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 012 212</b>	<b>1 070 848</b>	<b>1 132 251</b>	<b>1 390 473</b>	<b>1 408 012</b>	<b>1 408 012</b>	<b>1 408 012</b>	<b>1 473 841</b>	<b>1 619 049</b>	<b>1 781 222</b>

Please refer to Annexure A

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

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

**Property Rates:** Budgeted revenue is based on the current performance realised during the 2022/23 financial year and anticipated revenue based on the current valuation roll.

**Service Charges:** The 2023/24 projected revenue for service charges is based on the current performance and anticipated trends over the MTREF.

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

**Fines:** Fines are projected in accordance with the anticipated issues for the 2023/24 MTREF.

**Transfers Recognised – Operational:** This revenue item is based on the operational transfers (conditional and unconditional) as per the 2023/24 budget year allocations.

### 3.5.2 Operating Expenditure

The table below reflects the operating expenditure in relation to the current year and 2023/24 MTREF.

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Expenditure</b>			(822)	-							
Employee related costs	2	297 258	319 700	335 127	350 795	369 354	369 354	369 354	413 148	428 148	448 271
Remuneration of councillors		18 413	18 421	18 315	19 549	19 673	19 673	19 673	20 720	21 736	22 757
Bulk purchases - electricity	2	318 842	328 879	383 068	422 897	422 897	422 897	422 897	432 321	511 656	602 148
Inventory consumed	8	26 904	34 705	41 191	39 422	40 553	40 553	40 553	45 712	47 818	50 065
Debt impairment	3	90 509	77 569	80 796	198 257	198 257	198 257	198 257	209 734	220 011	230 351
Depreciation and amortisation		87 496	89 403	88 566	100 988	100 988	100 988	100 988	100 265	105 709	110 678
Interest		23 643	22 351	20 974	38 001	38 001	38 001	38 001	37 980	39 841	41 714
Contracted services		64 401	73 166	97 001	104 978	113 048	113 048	113 048	118 676	117 206	130 960
Transfers and subsidies		6 938	4 452	3 767	6 872	9 999	9 999	9 999	6 138	7 227	6 396
Irrecoverable debts written off		-	-	-	-	-	-	-	18	19	20
Operational costs		76 388	101 592	64 709	70 227	82 328	82 328	82 328	95 257	99 867	104 557
Losses on disposal of Assets		402	3 485	2 476	3 766	3 766	3 766	3 766	3 928	4 120	4 314
Other Losses		-	-	-	-	-	-	-	63	66	69
<b>Total Expenditure</b>		<b>1 011 192</b>	<b>1 073 724</b>	<b>1 135 989</b>	<b>1 355 751</b>	<b>1 398 862</b>	<b>1 398 862</b>	<b>1 398 862</b>	<b>1 483 960</b>	<b>1 603 424</b>	<b>1 752 300</b>

Please refer to Annexure A.

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The operational expenditure budget was adjusted to accommodate the projected operational expenditure to be incurred over the MTREF. These amendments/adjustments are based on the 2022/23 Adjustment Budget.

These amendments are informed by the following principles:

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

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

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

**Employee related cost:** Employee related cost is based on the current staff structure.

**Debt Impairment:** The fines and corresponding write-off will be managed within the available budgets. These amounts will be reviewed with the 2023/24 adjustments budget if needed.

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

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

**Bulk Purchases:** This item comprises of electricity bulk purchases and is based on the current consumption patterns in terms of usage. The increase in this expenditure item is based on the NERSA guideline consultation paper issued in terms of budgeting for the 2023/24 MTREF.

**Inventory consumed and Contracted Services:** The budget for other materials and contracted services is also based on the 2022/23 Mid-year Adjustments Budget. The municipality placed significant emphasis on the funding of temporary workers that will be targeting high priority areas such as area cleaning and basic service delivery aspects where a temporary need exists. Further, maintenance of rental units / flats, relocation of outside toilets for the vulnerable, ward-based projects and maintenance of chemical toilets are projects to received high priority in terms of funding. The implementation of these projects will be closely monitored given the importance and impact it will have on the beneficiaries.

**Operational Costs:** The amendment in operational costs is due to the cost containment not being increased and the conservative approach applied by the municipality, while also attending to operational expenditure that is needed to conduct municipal operations effectively and efficiently. Large contributors in this category are software licences (IT), External Audit Fees and Hire Charges in respect of the service delivery departments (Stormwater, Streets and Refuse).

Please refer to SA1 for the detail.

### 3.5.3 Capital budget

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



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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		838	5 425	5 399	32 645	24 994	24 994	24 994	17 219	8 942	2 115
Executive and council		6	37	62	10	245	245	245	160	10	-
Finance and administration		832	5 388	5 338	32 635	24 749	24 749	24 749	17 059	8 932	2 115
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		3 874	12 192	17 363	9 291	26 005	26 005	26 005	19 253	9 715	7 948
Community and social services		818	11 252	481	4 832	5 918	5 918	5 918	957	115	1 348
Sport and recreation		2 497	10	16 451	3 820	1 050	1 050	1 050	11 296	3 600	600
Public safety		559	930	432	639	1 688	1 688	1 688	6 000	6 000	6 000
Housing		-	-	-	-	17 350	17 350	17 350	1 000	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		69 869	72 398	34 954	56 246	63 965	63 965	63 965	49 630	58 750	50 441
Planning and development		5 434	1 222	659	1 820	1 620	1 620	1 620	5	5	5
Road transport		64 435	71 176	34 295	54 426	62 345	62 345	62 345	49 625	58 745	50 436
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		120 901	34 572	85 382	220 368	294 282	294 282	294 282	104 429	95 089	84 439
Energy sources		20 710	23 781	46 229	66 230	75 228	75 228	75 228	41 418	34 000	49 100
Water management		29 044	4 195	15 555	94 688	67 492	67 492	67 492	13 225	21 979	18 719
Waste water management		49 695	5 420	23 251	58 250	150 290	150 290	150 290	48 786	38 110	15 620
Waste management		21 452	1 177	346	1 200	1 272	1 272	1 272	1 000	1 000	1 000
Other		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3,7	195 481	124 588	143 097	318 550	409 246	409 246	409 246	190 531	172 496	144 943
<b>Funded by:</b>											
National Government		34 373	50 125	55 182	69 094	79 404	79 404	79 404	64 847	63 336	74 136
Provincial Government		112 433	2 458	25	1 044	19 419	19 419	19 419	1 950	-	-
District Municipality		71	300	429	-	549	549	549	-	-	-
Transfers and subsidies - capital (in-kind)		185	500	-	-	19	19	19	-	-	-
<b>Transfers recognised - capital</b>	4	147 062	53 383	55 635	70 138	99 390	99 390	99 390	66 797	63 336	74 136
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	159	-	-	146 238	180 328	180 328	180 328	28 069	22 000	19 900
<b>Internally generated funds</b>		48 260	71 205	87 462	102 174	129 528	129 528	129 528	95 665	87 160	50 907
<b>Total Capital Funding</b>	7	195 481	124 588	143 097	318 550	409 246	409 246	409 246	190 531	172 496	144 943

Please refer to Annexure A

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

**Capital Projects**

The list below represents the major / significant capital projects.

Description	Finance Source	Fund Desc	Final Budget 2023/24	Final Budget 2024/25	Final Budget 2025/26
<b><u>Engineering Services and Public Services</u></b>					

<b><u>Not Allocated to Wards</u></b>					
<b><u>Worcester WwTW</u></b>					
	-	-			
<b><u>Stettynskloof Water Supply</u></b>					
<b><u>(Worcester/Rawsonville)</u></b>					
Increase dam Level (Stetteynskloof Dam)	1,1	Loans	2 000 000	10 000 000	10 000 000
-	-	-			
<b><u>Klipvlakte/ Transhex Residential Development</u></b>					
<b><u>(13 000 erven)</u></b>					
Electrical Reticulation	8,2	INEP	20 238 000	21 000 000	30 000 000
<b><u>Upgrading of Sewer Network</u></b>					
External Loan	1,1	Loans	3 000 000	0	3 000 000
CRR	3,0	CRR / Own Funding	10 000 000	10 000 000	10 000 000
<b><u>Touws River: Waste Water Treatment Works</u></b>					
<b><u>(WwTW) Augmentation</u></b>					
MIG	8,0	MIG	14 195 122	13 123 171	0
MIG Counter Funding (CRR)	3,2	CRR / Own Funding	0	8 866 827	0
WSIG	8,8	WSIG	0	0	0
<b><u>Touws River: Water Treatment Works (WTW)</u></b>					
<b><u>Augmentation</u></b>					
MIG	8,0	MIG	0	1 000 000	2 000 000
MIG Counter Funding (CRR)	3,2	CRR / Own Funding	0	0	0
<b><u>Touws River : Water Network Upgrades to</u></b>					
<b><u>Affordable Housing Project</u></b>					
MIG	8,0	MIG	0	0	500 000
MIG Counter Funding (CRR)	3,2	CRR / Own Funding	0	0	0
<b><u>Touws River : Sewer Network Upgrades to</u></b>					
<b><u>Affordable Housing Project</u></b>					
MIG	8,0	MIG	0	0	500 000
MIG Counter Funding (CRR)	3,2	CRR / Own Funding	0	0	0
<b><u>Resealing of Roads</u></b>					
Resealing of Municipal Roads - Rawsonville	3,2	CRR / Own Funding	0	0	0
<b><u>Resealing of Municipal Roads - Worcester</u></b>					
MIG	8,0	MIG	0	15 336 000	39 136 000
CRR	3,0	CRR / Own Funding	1 000 000	3 000 000	0

<b><u>Resealing of Municipal Roads - De Doorns</u></b>					
External Loan	1,2	Loans	0	0	0
MIG	8,0	MIG	0	0	1 500 000
CRR	3,0	CRR / Own Funding	0	0	0
<b><u>Resealing of Municipal Roads - Touws River</u></b>					
Resealing of Municipal Roads - Touws River	8,0	MIG	0	0	500 000
Resealing of Municipal Roads - Touws River	3,2	CRR / Own Funding	0	0	0
<b><u>Upgrading of Roads</u></b>					
Municipal Roads (Ward 1, 2, 3, 4, 16, 17 and 18)	3,0	CRR / Own Funding	5 000 000	5 000 000	5 000 000
<b><u>Networks</u></b>					
Pipe cracking (all wards)	3,0	CRR / Own Funding	3 000 000	3 000 000	3 000 000
<b><u>Electricity (8112)</u></b>					
Refurbishment of electrical system	3,0	CRR / Own Funding	1 500 000	0	0
Refurbishment of Touwsriver Substation and Safeguarding	1,1	Loans	4 000 000	4 000 000	0
Robertson Road Substation	1,1	Loans	1 300 000	0	0
RMU/ Main Sub Switchgear Replacements De Doorns	1,1	Loans	0	3 000 000	0
RMU/Main Sub Switchgear replacements Touwsrivier	1,1	Loans	0	3 000 000	0
Zwelethemba removal of mid-blocks	3,0	CRR / Own Funding	6 000 000	0	0
66KV Ripple Control	1,1	Loans	0	0	6 900 000
Upgrading of High Mast Lights	8,7	EEDMG	1 400 000	0	0
Upgrading of Street Lights	8,7	EEDMG	2 600 000	0	0
<b><u>Refurbishment of electrical system (NERSA)</u></b>					
Electricity - Machinery and Equipment	3,0	CRR / Own Funding	600 000	600 000	600 000
<b><u>SOLID WASTE MANAGEMENT</u></b>					
<b><u>WORCESTER</u></b>					
Wheeliebins	3,0	CRR / Own Funding	1 000 000	1 000 000	1 000 000
<b><u>Ward Priorities</u></b>					
Speed Humps	3,0	CRR / Own Funding	1 500 000	500 000	500 000
Fencing of Substations	3,0	CRR / Own Funding	600 000	600 000	600 000

Playparks	3,0	CRR / Own Funding	500 000	500 000	500 000
<b><u>Ward 1</u></b>					
Upgrading Gravel Roads	3,0	CRR / Own Funding	0	5 272 449	0
Upgrading Gravel Roads	8,0	MIG	7 716 829	7 716 829	0
<b><u>Ward 2</u></b>					
De Doorns Water Purification Works : Augmentation of DAF Unit (MIG funding)	8,0	MIG	5 160 000	5 160 000	0
<b><u>Ward 6</u></b>					
Reseal of Municipal Roads (Quellerie Rd, Haarlem and others)	3,0	CRR / Own Funding	3 000 000	3 000 000	0
<b><u>Ward 7</u></b>					
Reseal of Municipal Roads (De La Bat and others)	3,0	CRR / Own Funding	1 000 000	3 000 000	0
Upgrading of Gravel Roads (Smith str.)	3,0	CRR / Own Funding	750 000	0	0
<b><u>Ward 8</u></b>					
Upgrading of Gravel Roads - Industrial Area	<u>3,0</u>	CRR / Own Funding	6 500 000	0	0
Upgrading of Gravel Roads (IDT)	<u>3,0</u>	CRR / Own Funding	4 550 871	0	0
Upgrading of Gravel Roads	<u>8,0</u>	MIG	7 537 049	0	0
<b><u>Ward 10</u></b>					
Reseal of Roads - Ward 10	<u>3,0</u>	CRR / Own Funding	1 000 000	1 000 000	0
Playparks - Ward 10	<u>3,0</u>	CRR / Own Funding	120 000	0	0
<b><u>Ward 11</u></b>					
Reseal of Roads - Ward 11	<u>3,0</u>	CRR / Own Funding	1 000 000	1 000 000	0
<b><u>Ward 12</u></b>					
Upgrading of Routes (Visually Impaired)	3,0	CRR / Own Funding	1 000 000	0	0
Reseal of Municipal Roads - Ward 12	3,0	CRR / Own Funding	3 000 000	5 000 000	0
<b><u>Ward 13</u></b>					
Reseal of Municipal Roads - Ward 13	3,0	CRR / Own Funding	1 000 000	1 000 000	0
<b><u>Ward 15</u></b>					
Reseal of Municipal Roads - Ward 15	3,0	CRR / Own Funding	0	3 000 000	1 000 000

<b><u>Ward 16</u></b>					
Speed Hump x 2 - Ward 16	3,0	CRR / Own Funding	50 000	0	0
Sidewalk - Mtwazi Road	3,0	CRR / Own Funding	100 000	0	0
<b><u>Ward 19</u></b>					
Playpark - Ward 19	6,4	RSEP	1 100 000	0	0
<b><u>Ward 20</u></b>					
High Mast Light - Ward 20	3,0	CRR / Own Funding	0	700 000	0
<b><u>Ward 21</u></b>					
Upgrading of gravel roads	3,0	CRR / Own Funding	2 000 000	3 000 000	1 000 000
<b><u>SERVICE CONNECTIONS (Depending on Public Contr)</u></b>					
Sewer Connections	3,3	CRR / Own Funding	1 120 000	1 120 000	1 120 000
Electricity Connections	3,3	CRR / Own Funding	1 000 000	1 000 000	1 000 000
Water Connections	3,3	CRR / Own Funding	2 719 200	2 719 200	2 719 200
<b><u>Water and Waste Water Treatment Works</u></b>					
WWTW and WTW Generators	3,0	CRR / Own Funding	800 000	800 000	0
Fencing and safeguarding of WTW and WWTW pumpstations	3,0	CRR / Own Funding	2 000 000	2 000 000	0
Water Pump station upgrading and refurbishment	3,0	CRR / Own Funding	0	0	0
WWTW Pump station upgrading and refurbishment	1,1	Loans	2 000 000	2 000 000	0
<b><u>Parks and Cemeteries</u></b>					
Parks - Machinery and Equipment	3,0	CRR / Own Funding	100 000	100 000	100 000
Fencing of Cemeteries - Aan De Doorns	3,0	CRR / Own Funding	0	0	1 225 000
Fencing of Cemeteries - De Wet Str.	3,0	CRR / Own Funding	107 000	115 000	122 500
<b><u>Water and Sewerage</u></b>					
Upgrading of Offices (Fairbairn Street)	3,0	CRR / Own Funding	0	0	0
Water - Furniture and Office Equipment	3,0	CRR / Own Funding	100 000	0	0
Water - Machinery and Equipment	3,0	CRR / Own Funding	500 000	0	0
<b><u>ROADS AND STORMWATER</u></b>					
Roads - Machinery and Equipment	3,0	CRR / Own Funding	200 000	200 000	300 000

<b><u>Land Infill Developments</u></b>					
Avian Park Industrial - Water	3,1	CRR / Own Funding	0	0	0
Avian Park Industrial - Water	1,1	Loans	146 043	0	0
Avian Park Industrial - Sewer	3,1	CRR / Own Funding	438 005	0	0
Avian Park Industrial - Sewer	1,1	Loans	438 005	0	0
Avian Park Industrial - Stormwater	3,1	CRR / Own Funding	0	0	0
Avian Park Industrial - Stormwater	1,1	Loans	94 928	0	0
Avian Park Industrial - Electricity	3,1	CRR / Own Funding	990 000	0	0
Avian Park Industrial - Electricity	1,1	Loans	990 000	0	0
Avian Park Industrial - Sewer Pumpstation	3,1	CRR / Own Funding	0	0	0
Avian Park Industrial - Sewer Pumpstation	1,1	Loans	14 000 000	0	0
Somerset Park - Electricity	1,1	Loans	100 000	0	0
Uitvlug Industrial Zone - Water	3,1	CRR / Own Funding	100 000	100 000	500 000
Uitvlug Industrial Zone - Sewer	3,1	CRR / Own Funding	100 000	100 000	500 000
Uitvlug Industrial Zone - Electricity	3,1	CRR / Own Funding	100 000	100 000	10 000 000
Uitvlug Industrial Zone - Roads	3,1	CRR / Own Funding	100 000	100 000	500 000
Uitvlug Industrial Zone - Stormwater	3,1	CRR / Own Funding	100 000	100 000	500 000
<b><u>Municipal Manager</u></b>					
<b><u>Admin -0603</u></b>					
Furniture and Equipment	3,0	CRR / Own Funding	155 000	5 000	0
<b><u>Community Services</u></b>					
<b><u>ADMIN - 0903</u></b>					
Furniture & Equipment	4,0	CRR / Own Funding	5 000	5 000	0
<b><u>HUMAN SETTLEMENTS</u></b>					
Rental Unit Upgrade	3,0	CRR / Own Funding	1 000 000	0	0
<b><u>SPORT: Boland Park - 5130</u></b>					
Replacement of fence perimeter	3,0	CRR / Own Funding	0	3 000 000	0
<b><u>DE WET SPORTGROUND</u></b>					
Upgrading of De Wet Sportground	8,0	MIG	1 100 000	0	0

Upgrading of De Wet Sportground	3,0	CRR / Own Funding	425 600	0	0
<b><u>RAWSONVILLE SPORTGROUND</u></b>					
Upgrading of Rawsonville Sportground	8,0	MIG	4 900 000	0	0
Upgrading of Rawsonville Sportground	3,0	CRR / Own Funding	50 000	0	0
<b><u>SPORT: Esselen Park</u></b>					
Replacement of fence perimeter	3,0	CRR / Own Funding	3 000 000	0	0
<b><u>WATERLOO LIBRARY - 4506</u></b>					
Modular Library (Overhex)	6,1	Libraries Grant	850 000	0	0
<b><u>TRAFFIC</u></b>					
<b><u>Buildings</u></b>					
Traffic Vehicles	3,0	CRR / Own Funding	1 620 000	1 620 000	1 000 000
<b><u>FIRE DEPARTMENT: ADMIN - 4203</u></b>					
Major Fire Engine (Pumper)	3,0	CRR / Own Funding	5 000 000	5 000 000	5 000 000
Equipment for Fire Engine	3,0	CRR / Own Funding	1 000 000	1 000 000	1 000 000
<b><u>FINANCIAL SERVICES</u></b>					
<b><u>Admin</u></b>					
Furniture and Equipment	4,0	CRR / Own Funding	5 000	5 000	0
<b><u>Financial Planning</u></b>					
Safeguarding of Assets	12,0	Insurance Reserve	400 000	400 000	400 000
FS FP - Insurance claims : Other Assets	12,0	Insurance Reserve	400 000	400 000	400 000
FS FP - Insurance claims : Mach & Equipment	12,0	Insurance Reserve	500 000	500 000	500 000
FS FP - Insurance claims : Comp Equipment	12,0	Insurance Reserve	100 000	100 000	100 000
Financial Planning - Furniture and Equipment	3,0	CRR / Own Funding	50 000	0	0
<b><u>Revenue</u></b>					
Revenue - Upgrading of Municipal Building	3,0	CRR / Own Funding	50 000	0	0
Revenue - Airconditioners	3,0	CRR / Own Funding	50 000	0	0
Revenue - Machinery and Equipment	3,0	CRR / Own Funding	150 000	0	0
<b><u>Fleet Management - 8860</u></b>					
Municipal Vehicles - LDV's	3,0	CRR / Own Funding	500 000	0	0

Municipal Vehicles - Sedans	3,0	CRR / Own Funding	500 000	0	0
Municipal Vehicles - Specialized	3,0	CRR / Own Funding	500 000	0	0
<b><u>COUNCIL &amp; MAYCO</u></b>					
<b><u>MAYORAL OFFICE - 0306</u></b>					
Furniture and Equipment	4,0	CRR / Own Funding	5 000	5 000	0
<b><u>STRATEGIC SUPPORT SERVICES</u></b>					
<b><u>STRATEGIC SUPPORT - ADMIN - 2103</u></b>					
Furniture and Equipment	4,0	CRR / Own Funding	5 000	5 000	5 000
<b><u>Local Economic Development</u></b>					
LED - Furniture and Office Equipment	4,0	CRR / Own Funding	5 000	5 000	5 000
Zwelethemba Economic Facility	3,0	CRR / Own Funding	0	0	0
Zwelethemba Economic Facility	6,4	RSEP	0	0	0
<b><u>Other Buildings</u></b>					
Supply and Installation of Load Shedding Solution and Solar PV	3,0	CRR / Own Funding	12 884 000	6 807 000	0
Upgrading of Municipal Buildings	3,0	CRR / Own Funding	100 000	0	0
<b><u>INFORMATION TECHNOLOGY</u></b>					
ICT - Computer Equipment	3,0	CRR / Own Funding	500 000	500 000	500 000
Fibre Links	3,0	CRR / Own Funding	10 000	10 000	10 000
Call Center & Telephone (PBX) System	3,0	CRR / Own Funding	50 000	50 000	50 000
Biometric system	3,0	CRR / Own Funding	150 000	150 000	150 000
Airconditioner (DR Site)	3,0	CRR / Own Funding	150 000	0	0

Kindly refer to SA36 for the detail capital budget.

#### 4. Annual Budget Tables

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

- **Table A1 Budget Summary**



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

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

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

## PART 2 – Supporting Documentation

Step No	ISSUE	TIMEFRAME
1	IDP/Budget Process Plan/Timetable approved by council	Aug 2022
2	IDP Meetings – inputs from Ward Councilors & Ward Committees	Oct 2022
3	First IDP/ Budget Steering Committee Meeting	Nov 2022
4	Departmental inputs on Draft allocations	Nov & Dec 2022
5	2 <sup>nd</sup> Budget Steering Committee – Consider Adjustment budget	Jan 2023
6	Draft Budget input captured and Budget balanced	March 2023
7	Draft IDP & Budget tabled in Council	March 2023
8	IDP & Budget workshop - Council	April 2023

9	Public Consultation	April 2023
10	Finalise Sector / Dept Strategy Plan / Budget - IDP	April 2023
11	Consideration of Comments received	April 2023
12	Tabling of Final MTREF	End May 2023

## 5. Overview of Annual Budget Process



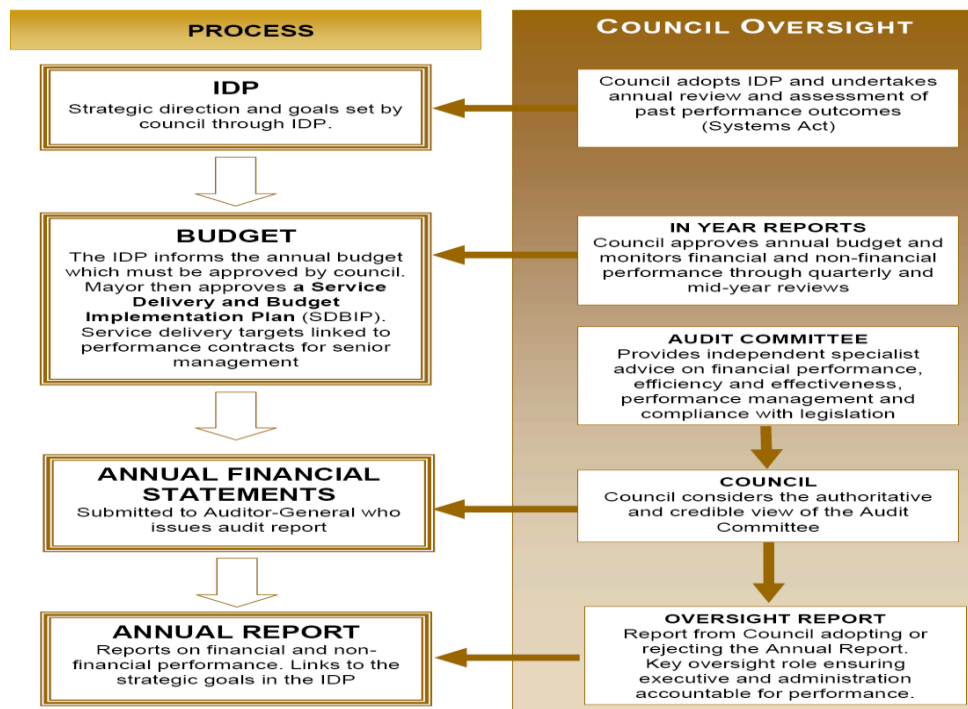
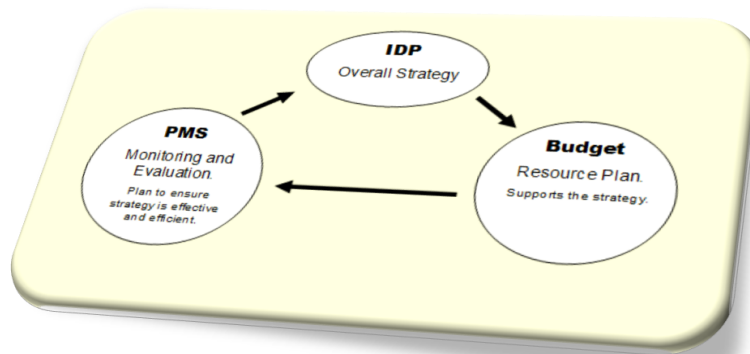
	STEP	PROCESS
1.	Planning	Schedule key dates, establish consultation forums, review previous processes
2.	Strategising	Review IDP, Determine priorities, set service delivery targets and objectives for the next three years, consult on tariffs, indigent, credit control, free basic services, etc and consult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

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

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

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

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



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

Please refer to Annexure A

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

Please refer to Annexure A

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

Please refer to Annexure A

**7. Measurable performance objectives and indicators**

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

Please refer to Annexure A

**8. MBRR Table SA8 - Performance indicators and benchmarks**

The following table sets out the municipality’s main performance objectives and benchmarks for the 2023/24 MTREF.

Please refer to Annexure A

**9. Overview of Budget Related Policies**

The following budget related policies are in use:

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

Please refer to annexure D for the budget related policies.

**10. Overview of Budget Assumptions**

The following budget assumptions were used as basis for compilation of the 2023/24 MTREF:

- Tariff increases:

Service	Percentage Increase (%)
---------	-------------------------

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Electricity	15.10%
Water	6.95%
Sewerage	6.95%
Refuse	6.95%
Rates	6.95%

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

- CPIX = 5.3% (MFMA budget circular)
- Employee related cost is based collective agreement
- Government Grant will be received as gazetted by National and Provincial Government.
- Electricity bulk purchases in line with NERSA guideline.
- Minimal growth in revenue base. Mostly related to low cost housing.
- No / limited increases applied on cost containment items.
- Indigent households is anticipated be in the region of 10 000 households (formal)
- Budgeted collection rate equals to 90 percent
- Conditional grant will be fully spent
- Credit rating: Baa1.za

## 11. Overview of Budget Funding

### **Funding sources of operating expenditure budget.**

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

Please refer to table A1 of Annexure A

### **Funding sources of capital expenditure budget**

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

Internal funding in the form of the Capital Replacement Reserve (CRR) is cash backed and sufficient to cover the related capital expenditure projects for the budget year. The

municipality remains committed in growing the CRR by making contributions to this reserve to enable better service delivery in the form of capital expenditure. Projects funded from the CRR will be closely monitored to aid implementation and where adjustments are required due to implementation challenges, funds will be directed or reprioritised as per the prerogative of management, through the guidance of the IDP and / or the municipality's financial status.

**12. Expenditure on allocations and grant programmes**

**MBRR SA19 - Expenditure on transfers and grant programmes**

Kindly refer to table SA19 of Annexure A.

**13. Allocations or grants made by the municipality**

**MBRR SA21- Transfers and grants made by the municipality**

Kindly refer to table SA21 of Annexure A.

**14. Councillors and board members allowances and employee benefits**

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

Kindly refer to table SA23 of Annexure A.

**15. Monthly targets for revenue, expenditure and cash flow**

**MBRR SA25 - Budgeted monthly revenue and expenditure**

Please refer to table SA25 of annexure A.

**16. Contracts having future budgetary implications**

**MBRR SA33 – Contracts having future budgetary implications**

Please refer to table SA33 of annexure A.

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

Please refer to table SA35 of annexure A.

**18. Capital expenditure details**

**MBRR SA36 - Detailed capital budget per municipal vote**

Please refer to table SA36 of annexure A.

**19. Legislation compliance status**

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

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

**20. Other supporting documents**

Please refer to annexures E for MFMA budget circular

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

No municipal entities.

**COMMENTS BY OTHER DIRECTORATES**

**Municipal Manager –** Recommendation supported

**Director Strategic Services –** Recommendation supported

**Director Community Services –** Recommendation supported

**Director Engineering Services –** Recommendation supported

**Director Public Services (Acting) –** Recommendation supported

**RECOMMENDATION:**

That in respect of the

**2023/24 Final Budget**

Discussed by Council at the Council Meeting held on 30 May 2023:

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



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**7.2 FINAL FIRST REVIEW OF THE 5<sup>th</sup> GENERATION INTEGRATED DEVELOPMENT PLAN (2022 - 2027) FOR THE PERIOD 2023 - 2024****File No./s:**10/3/8**Responsible Official:** C. Malgas**Directorate:** Strategic Support Services **Portfolio:** IDP/PMS/SDBIP

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**1. PURPOSE:**

To table the Final First Review of the 5<sup>th</sup> Generation Integrated Development Plan (2022 - 2027) for the period 2023 – 2024 (hereafter referred to as the Final 2023-2024 IDP), as prepared in line with the applicable legislative prescripts, prioritised needs of the Breede Valley community, and in accordance with municipal resource availability (financial and non-financial).

**2. BACKGROUND:**

Municipalities are required to, in terms of the Municipal Systems Act, Act 32 of 2000 (hereafter referred to as the MSA), review and/or amend its 5-year IDP on an annual basis. Section 34 of the MSA specifically states that a municipal council:

- a. must review its integrated development plan:
  - i annually in accordance with an assessment of its performance measurements in terms of section 41; and
  - ii to the extent that changing circumstances so demand; and
- b. may amend its integrated development plan in accordance with a prescribed process.

Section 16(1) of the MSA prescribes that a municipality must develop a culture of municipal governance that complements representative government with a system of participatory governance, and must for this purpose-

- a. encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in (amongst others):
  - i The preparation, implementation and review of its integrated development plan; and
- b. contribute to building the capacity of-
  - i the local community to enable it to participate in the affairs of the municipality.

To give effect to these legislative requirements, the Draft 2023-2024 IDP and supporting correspondence has been published on the municipal website and applicable social media platforms, in order to grant all sectors and members of society an opportunity to submit representations thereon. In addition, the municipality rolled-out public participation sessions (throughout all 21 wards) to engage stakeholders on the Draft 2023-2024 IDP and corresponding MTREF (Budget).

All inputs received on these statutory documents, were considered and incorporated as far practically possible. In addition, the municipality (where applicable) considered and incorporated the recommendations made by the Provincial Government during their assessment of the Draft 2023-2024 IDP and corresponding MTREF (Budget).

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A copy of the Final 2023-2024 IDP (Annexure A), coupled with a register of public input received (Annexure B) and a concise summary of changes (Annexure C), is attached for Council's perusal.

**3. FINANCIAL IMPLICATIONS:**

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

**4. APPLICABLE LEGISLATION:**

Municipal Systems Act, Act 32 of 2000

Municipal Finance Management Act, Act 56 of 2003

Local Government: Municipal Planning and Performance Management Regulations, 2001

**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.

**Acting Director: Public Services:** Recommendation Supported.

**Senior Legal Manager:** Recommendation Supported.

**RECOMMENDATION:**

That in respect of –

**The Final 2023-2024 IDP, tabled before Council at the Council meeting held on 30 May 2023:**

1. That Council approves the Final 2023-2024 IDP and endorse that it be published in terms of section 21 of the MSA.

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**7.3 2023 CUSTOMER SERVICE CHARTER****File No./s:** 10/3/8**Responsible Official:** C Malgas**Directorate:** Strategic Support Services**Portfolio:** Communication & IGR

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**PURPOSE:**

To table the 2023 Customer Service Charter of Breede Valley Municipality, setting external customer service standards for the municipality, to Council for consideration and approval.

**BACKGROUND:**

In terms of Schedule 4 and 5 of the Constitution, specific municipal functions and services must be delivered to communities. The Municipal Finance Management Act (no. 56 of 2003) and Municipal Systems Act (no. 32 of 2000), defines a basic service as *“a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment.”*

It is incumbent on municipalities to specify service delivery standards to allow for a measure of predictability and consistency in service delivery, thereby setting benchmarks to constantly measure the extent to which citizens are satisfied with the service or products they receive from the municipality and, in turn, apply the required adjustment/improvement in the level of service rendered.

The Batho Pele principles, as outlined in the White Paper on Transforming the Public Service, 1997, encapsulate the principles of consultation, setting service standards, increasing access, ensuring courtesy, providing information, redress, value for money and openness and transparency, which municipalities as public organisations must adhere to whilst serving its constituents. The eight Batho Pele principles are aligned with the Constitutional ideals of:

- Promoting and maintaining high standards of professional ethics;
- Providing service impartially, fairly, equitably and without bias;
- Utilising resources efficiently and effectively;
- Responding to people's needs;
- Encouraging active citizen involvement and participation in policy-making; and

- Rendering an accountable, transparent, and development-oriented public administration.

The efficacy of the Customer Service Charter is reliant on the collective endorsement and unequivocal dedication from the entire organisation (i.e. political leadership & administrative leadership). In order to maintain its relevance, the Service Charter will, as far practically possible, be reviewed on an annual basis.

A copy of Breede Valley Municipality's Customer Service Charter is attached as Annexure A.

#### **FINANCIAL IMPLICATIONS:**

The level of responsiveness to the service standards will predominantly have an indirect financial implication – e.g. the availability of adequate and appropriately skilled/qualified staff (personnel budget & expenditure) to respond to a service complaint as prescribed within the Service Charter.

#### **APPLICABLE LEGISLATION:**

The Constitution of the Republic of South Africa (1996)

Local Government: Municipal Systems Act (Act 32 of 2000)

Local Government: Municipal Finance Management Act (Act 56 of 2003)

The Promotion of Access to Information Act (Act 2 of 2000)

The Batho Pele Principles (Government Gazette No 18340 of 1 October 1997)

#### **COMMENT OF DIRECTORATES / DEPARTMENTS CONCERNED:**

<b>Municipal Manager:</b>	Recommendation Supported
<b>Director: Strategic Support Services:</b>	Recommendation Supported
<b>Director: Financial Services:</b>	Recommendation Supported
<b>Director: Engineering Services:</b>	Recommendation Supported
<b>Director: Community Services:</b>	Recommendation Supported
<b>Acting Director: Public Services:</b>	Recommendation Supported
<b>Senior Legal Manager:</b>	Recommendation Supported

**RECOMMENDATION:**

That in respect of -

**The 2023 Customer Service Charter tabled before Council at the Council meeting held on 30 May 2023:**

1. That Council, having noted the content of the 2023 Customer Service Charter, provides in principle approval thereof subject to the following conditions:
  - a. The Customer Service Charter be referred to a Council Workshop (if required);
  - b. The Customer Service Charter be made public in terms of section 21 of the 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.

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**7.4 2022/2023 COMMUNICATION STRATEGY****File No./s:** 2/6**Responsible Official:** C Malgas**Directorate:** Strategic Support Services**Portfolio:** Communication & IGR

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**PURPOSE:**

To table the 2022/2023 Communication Strategy to Council for consideration and approval.

**BACKGROUND:**

The primary objective of the 2022/2023 Communications Strategy is to enhance the transparency and effectiveness of the Breede Valley Municipal Council by establishing clear guidelines, tools, and channels for communication. By doing so, we aim to foster greater public trust, facilitate meaningful public participation, and improve the overall dissemination of information. Upon considering the role of these critical components toward a well-functioning municipal system, the necessity and importance of adequate communication, as a strategic enabler, is accentuated below:

Transparent Governance: Communication allows municipalities to share information regarding policies, decisions, and actions with the public. Transparent communication ensures that residents are aware of the municipality's plans, objectives, and the progress made in delivering services. Such transparency will instil public trust and confidence in the municipality.

Public Participation: Effective communication creates opportunities for residents to actively participate in decision-making processes. By keeping residents informed and inviting their input on matters that affect them, municipalities can promote inclusivity and ensure that the diverse needs and preferences of the community are considered. Public participation enhances the legitimacy of municipal decisions and encourages a sense of ownership and civic responsibility among residents.

Service Delivery: Communication plays a vital role in informing residents about service delivery initiatives, updates, and improvements. By providing clear and accessible information on service delivery projects, challenges, and timelines, municipalities can manage expectations, address

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concerns, and ensure that residents have access to quality services. Effective communication also allows municipalities to gather feedback on service provision, enabling them to identify areas for improvement.

Crisis Management: During emergencies, natural disasters, or other critical events, communication becomes even more critical. Timely and accurate communication ensures that residents receive essential information, instructions, and updates regarding safety measures, evacuation procedures, relief efforts, and support services. Open and effective communication during crises helps to alleviate anxiety, minimize confusion, and enable the efficient mobilization of resources.

Building Community Relationships: Communication serves as a bridge between the municipality and its residents, fostering positive relationships and community cohesion. Regular communication through various channels, such as community meetings, social media, newsletters, and local media, allows municipalities to engage with residents, understand their concerns, and address their needs. This engagement helps to build a sense of community, strengthen social capital, and facilitate collaboration between the municipality and local stakeholders.

Accountability and Feedback: Communication enables residents to hold municipalities accountable for their actions and decisions. Through feedback mechanisms and platforms, such as complaint lines, suggestion boxes, and public hearings, residents can express their concerns, provide input, and report service delivery failures or corrupt practices. Effective communication channels allow municipalities to address these issues promptly, demonstrate responsiveness, and maintain the trust of the community.

The 2022/2023 Communication Strategy is informed by the municipal IDP and communication best practice across the spheres of government. It is a dynamic document and will be revised annually to ensure transparency and alignment with the IDP.

### **FINANCIAL IMPLICATIONS:**

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Communication-related activities will be planned and implemented in accordance with the approved strategy and operational budget allocation(s) assigned to the Communication Department on an annual basis, to give effect hereto.

**APPLICABLE LEGISLATION:**

The Constitution of the Republic of South Africa (1996)

Local Government: Municipal Systems Act (Act 32 of 2000)

Local Government: Municipal Finance Management Act (Act 56 of 2003)

The Western Cape Provincial Languages Act (Act 13 of 1998)

The National Language Policy Framework (2003)

The Pan South African Language Board Act (Act 59 of 1995)

The Western Cape Language Policy

The Promotion of Access to Information Act (Act 2 of 2000)

The Batho Pele Principles (Government Gazette No 18340 of 1 October 1997)

The Protection of Personal Information Act (Act 24 of 2013)

**COMMENT OF DIRECTORATES / DEPARTMENTS CONCERNED:**

**Municipal Manager:**

**Director: Strategic Support Services:**

**Director: Financial Services:**

**Director: Engineering Services:**

**Director: Community Services:**

**Acting Director: Public Services:**

**Senior Legal Manager:**



**RECOMMENDATION:**

That in respect of -

**The 2022/2023 Communication Strategy tabled before Council at the Council meeting held on 30 May 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 (if required);
  - 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.

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**7.5 ORGANISATIONAL PERFORMANCE MANAGEMENT POLICY FRAMEWORK****File No./s:**10/3/8**Responsible Official:** C. Malgas**Directorate:** Strategic Support Services**Portfolio:** IDP/PMS/SDBIP

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**PURPOSE:**

To table the Organisational Performance Management Policy Framework to Council for consideration and approval.

**BACKGROUND:**

Organisational performance management and its related components indicates how well an organisation is meeting its aims and objectives, and the extent to which policies and processes are working. Performance information is key to effective planning, budgeting, implementation, monitoring and reporting, and underpins effective management and decision-making processes. Performance information also facilitates effective accountability, enabling legislators, members of the public and other interested parties to track progress, identify the scope for improvement and better understand the municipal performance.

Section 38 of the Municipal Systems Act (No 32 of 2000) prescribes that a municipality must (amongst others) -

- a. establish a performance management system that is –
  - i commensurate with its resources;
  - ii best suited to its circumstances; and
  - iii in line with the priorities, objectives, indicators and targets contained in its integrated development plan (IDP);
- b. promote a culture of performance management among its political structures, political office bearers and councillors and in its administration.

Regulation 7(1) of the Municipal Planning and Performance Management Regulations, 2001 prescribes that a municipality's performance management system must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players.

The proposed Organisational Performance Management Policy Framework will, as a result, accentuate the municipal performance management cycle and related procedures, as contemplated in the requisite legislative prescripts.

A copy of the Organisational Performance Management Policy Framework is attached as Annexure "A".

**FINANCIAL IMPLICATIONS:**

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Payment of performance bonuses to S57 Managers may (in accordance with applicable legislative prescripts, the aforementioned policy, signed performance agreements, and the corresponding budgetary provision in the MTREF) be considered based on the actual performance outcomes achieved in a particular financial period.

**APPLICABLE LEGISLATION:**

Local Government: Municipal Systems Act 32 of 2000

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

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

**COMMENT OF DIRECTORATES / DEPARTMENTS CONCERNED:**

<b>Municipal Manager:</b>	Recommendation Supported.
<b>Director: Strategic Support Services:</b>	Recommendation Supported.
<b>Director: Financial Services:</b>	Recommendation Supported.
<b>Director: Engineering Services:</b>	Recommendation Supported.
<b>Director: Community Services:</b>	Recommendation Supported.
<b>Acting Director: Public Services:</b>	Recommendation Supported.
<b>Senior Legal Manager:</b>	Recommendation Supported.

**RECOMMENDATION:**

That in respect of –

**The Organisational Performance Management Policy Framework, tabled before Council at the Council meeting held on 30 May 2023:**

- 1) That Council, having noted the content of the Organisational Performance Management Policy Framework, provides in principle approval thereof subject to the following conditions:
  - a) The framework be referred to a Council Workshop (if required);
  - b) The framework be resubmitted to Council for final consideration and approval;  
and
  - c) Subject to Council approval, the framework be publicised in terms of section 21A of the MSA.

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

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**Purpose**

To submit to the Council 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

**Acting Director: Public Services:** Recommendation supported

**RECOMMENDATION:**

That in respect of

**SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED APRIL 2023,**

as discussed by Council at the Council meeting held on 30 MAY 2023, the following recommendation be made to Council:

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

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

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**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 April 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 April 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

**Acting Director: Public Services**

Noted

**Senior Manager: Legal Services**

Noted

The item served as Item 5.3 on the Agenda before the Finance Committee on 11 May 2023, the Committee unanimously concurred with the recommendation and agreed that the above recommendation be tabled before Mayco for consideration.

**RECOMMENDATION**

That in respect of

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

discussed by Council at the Council meeting held on 30 May 2023:

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



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## 7.8 PRESUMED STRATEGIC RISK MANAGEMENT REPORT FOR THE 2023-2024 FINANCIAL YEAR

**File No. /s:** 3/15/1

**Responsible Official:** E Cloete

**Directorate:** Municipal Manager

**Portfolio:** ERM

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### 1. Purpose

To report to Council on the outcome of the annual risk identification and assessment process which took place during 2022-2023 financial year for the Presumed Strategic Risk Register; the result of which is the BVM Presumed Strategic Risk Management Report for the period 2023-2024 Financial Year; as well as to report to the Section 80 Committee that the Risk, Fraud and Corruption Committee (RiskCom) members support and recommend to Council for the approval of the Strategic Risk Management Report for the period 2023-2024 Financial Year.

### 2. Background

The implementation of the Risk Management system is prescribed by legislation which the municipality must comply with. These policies served before the Risk, Fraud and Corruption Management Committee on 05 May 2023. The Committee supports the recommendations for approval by Council.

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

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

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

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

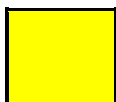
**Share** – Action is taken to reduce risk likelihood or impact by transferring or otherwise sharing a portion of the risk. Common risk sharing techniques include purchasing insurance products, pooling risks, engaging in hedging transactions, or outsourcing an activity.

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

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

The following tables provide the risk ratings:

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



Risk Appetite Level  
3 X 3 = 9 Level

Annexure: A copy of the BVM Presumed Strategic Risk Management Report for the 2023-2024 Financial Year.

**Deliberation:**Definition of Risk Management:

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

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

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

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

Definition of Risk Identification:

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

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

Definition of Risk Assessment:

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

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

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

Definition of Risk Register:

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

i. The Executive Authority/ Council:

- The Council should take an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the Institution against significant risks.
- Responsibilities of the Executive Authority in risk management should include:
  - ensuring that the Institutional strategies are aligned to the government mandate;
  - obtaining assurance from management that the Institution's strategic choices were based on a rigorous assessment of risk;
  - obtaining assurance that key risks inherent in the Institution's strategies were identified and assessed, and are being properly managed;
  - assisting the Accounting Officer / Authority to deal with fiscal, intergovernmental, political and other risks beyond their direct control and influence; and

- 
- insisting on the achievement of objectives, effective performance management and value for money.
  - In case of a municipality or municipal entity, in addition to the responsibilities outlined in 21(2), the Executive Authority should also: (a) approve the risk management policy, strategy, and implementation plan; and  
(b) approve the fraud prevention policy, strategy and implementation plan.

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

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

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

#### ii. The Accounting Officer/ Municipal Manager:

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

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

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iii. Management, Other Personnel, Risk Manager:

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

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

**Risk Management Implementers (Management)**

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

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

**Risk Management Implementers (Other Officials)**

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

**Risk Management Support (Chief Risk Officer)**

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

**Risk Management Support (Risk Champions)**

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

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

iv. Internal Auditors:

Section 165(2)(a), (b)(iv) of the Municipal Finance Management Act (Act 56 of 2003) requires that: "(2) *The internal audit unit of a municipality or municipal entity must -*

(a) *prepare a risk based audit plan and an internal audit program for each financial year;*

(b) *advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:*

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

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

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

### **Risk Management Assurance Providers (Internal Audit)**

The core role of Internal Audit in risk management is to provide an independent, objective assurance to council and the Audit Committee on the effectiveness of risk management. Internal Audit also assists in bringing about a systematic, disciplined approach to evaluate and improve the effectiveness of the entire system of risk management and provide recommendations for improvement where necessary.

### **Risk Management Assurance Providers (External Audit)**

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

v. Audit Committee:

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

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

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

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

**Financial Implications:**

None

**Applicable Legislation / Council Policy:**

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

**The item served as Item 5.1 on the Agenda before the Finance Committee on 11 May 2023, the Committee unanimously concurred with the recommendation and agreed that the above recommendation be tabled before Mayco for consideration.**



**RECOMMENDATION:**

That in respect of the

**PRESUMED STRATEGIC RISK MANAGEMENT REPORT FOR THE 2023-2024  
FINANCIAL YEAR**

discussed by Council at the Council meeting held on 30 May 2023:

1. That Council takes note of the outcome of the Strategic Risk identification and assessment process, the result of which is captured in the BVM Strategic Risk Management Report for the period 2023-2024.
2. That Council approves the Strategic Risk Management Report for the period financial 2023-2024.

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**7.9 VARIOUS POLICIES 2023****File No. /s:** 3/15/1**Responsible Official:** E Cloete**Directorate:** Municipal Manager**Portfolio:** ERM

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**1. Purpose**

To report to Mayco that the Risk, Fraud and Corruption Committee (RiskCom) support and recommend to Council for the approval of the various policies and strategies as reviewed.

**2. Background**

The policies and strategy documents were approved by Council on 26 April 2022 and need to be reviewed.

Risk Management in the Municipality provides a framework to identify, assess and manage potential risks and opportunities. It provides a way for managers to make informed management decisions. Effective Risk Management affects everyone in the Municipality. To ensure a widespread understanding, Management and all operational/business units should be familiar with, and all staff and councillors are aware of, the principles set out in this document.

The Fraud and Corruption Prevention policy provides guidance to all Staff Members, Councillors of the Municipality, and all external stakeholders to prevent and combat fraud and other acts of theft and maladministration. Breede Valley Municipality is committed to its Fraud Prevention Policy and Response Plan, and its Code of Ethics and to promote a high standard of honesty, openness and accountability.

Ethics is about distinguishing between what is morally right and wrong with the purpose of doing what is right. In an ethical organisation employee will do the right thing for the right reason – not just because the rule says so. Rules and procedures influence individuals' behaviour, but values are what change the culture within the Municipality.

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Council approved policies on 26 April 2022, and they are now up for review with minor amendments. Previous Council Resolution-  
RESOLVED C51/2022 That in respect of the VARIOUS POLICIES discussed by Council at the Council meeting held on 26 April 2022:

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

These policies served before the Risk, Fraud and Corruption Management Committee on 05 May 2023. The Committee supports the recommendations for approval by Council. The Annexures are compiled with track changes and will be corrected after approval to be signed by the MMC and Municipal Manager.

Annexure A – ENTERPRISE RISK MANAGEMENT POLICY

Annexure B – ENTERPRISE RISK MANAGEMENT STRATEGY

Annexure C – FRAUD AND CORRUPTION PREVENTION POLICY

Annexure D – FRAUD AND CORRUPTION PREVENTION STRATEGY AND  
RESPONSE PLAN

Annexure E – CODE OF ETHICS POLICY

Annexure F – WHISTLE BLOWING POLICY

Annexure G – RISK, FRAUD AND CORRUPTION MANAGEMENT COMMITTEE  
TERMS OF REFERENCE

**Financial Implications:**

Sitting fees and logistical arrangements.

**Applicable Legislation / Council Policy:**

- The Constitution of the Republic of South Africa, No.108 of 1996;
- Municipal Finance Management Act no. 56 of 2003;
- Municipal Systems Act, No. 32 of 2000 (“MSA”).

The item served as Item 5.2 on the Agenda before the Finance Committee on 11 May 2023, the Committee unanimously concurred with the recommendation and agreed that the above recommendation be tabled before Mayco for consideration.

**RECOMMENDATION:**

That in respect of the

**VARIOUS POLICIES**

discussed by Council at the Council meeting held on 30 May 2023:

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

**7.10 5 YEAR ICT STRATEGY & IMPLEMENTATION PLAN (2023 – 2027)****File No./s:** 5/2/5/B**Responsible Official:** Z Solomon**Directorate:** Strategic Support Services**Portfolio:** ICT

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**Purpose**

To obtain Council's approval of a 5 YEAR ICT Strategy & Implementation plan (2023 - 2027)

**Background**

Management developed an ICT Policy & Governance Framework and controls to ensure that ICT supports the organisation's strategies and objectives; and the above documents must be approved by council in order for ICT to Implement the 5 Year ICT Strategy & Implementation Plan.

**Financial Implications**

The approval of the documents has no direct financial implications. All financial impacts will be considered as part of the normal budget processes.

**Applicable Legislation / Council Policy**

***Brede Valley Municipality*** must be aware of and comply with the legislative landscape applicable to their context. Therefore, the above documents were developed with the legislative environment in mind, as well as to leverage internationally recognized ICT standards.

The following legislation, among others, were considered in the drafting of these documents:

1. Constitution of the Republic of South Africa Act, Act No. 108 of 1996.
2. Copyright Act, Act No. 98 of 1978.
3. Electronic Communications and Transactions Act, Act No. 25 of 2002.
4. Minimum Information Security Standards, as approved by Cabinet in 1996.
5. Municipal Finance Management Act, Act No. 56 of 2003.
6. Municipal Structures Act, Act No. 117 of 1998.

7. Municipal Systems Act, Act No. 32, of 2000.
8. National Archives and Record Service of South Africa Act, Act No. 43 of 1996.
9. Promotion of Access to Information Act, Act No. 2 of 2000.
10. Protection of Personal Information Act, Act No. 4 of 2013.
11. Regulation of Interception of Communications Act, Act No. 70 of 2002.
12. Treasury Regulations for departments, trading entities, constitutional institutions and public entities, Regulation 17 of 2005.
13. Public Administration Management Act, 2016.
14. Minimum Interoperability Standards (MIOS) for Government Information **Systems**, 2011.

### **Comment of Directorates / Departments**

#### **Municipal Manager**

In principle supported

#### **Director: Strategic Support Services**

Supported - The ICT Strategy and Implementation plan is a critical plan for the municipality. All our service delivery systems are enabled by the ICT infrastructure, and it is thus important that we do strategically position ICT in the organisation to understand its real value and benefits.

#### **Director: Financial Services**

Supported

#### **Director: Engineering Services**

Item and recommendation, Supported

#### **Director: Community Services**

Supported

#### **(Acting) Director: Public Services**

Supported

#### **Senior Manager: Legal Services**

Recommendation supported, subject to budget provisions.

**The item served as Item 5.1 on the Agenda before the Community and Strategic Support Service Committee on 11 May 2023, the Committee unanimously concurred with the recommendation and agreed that the above recommendation be tabled before Mayco for consideration.**

### **RECOMMENDATION**

That in respect of -

**5 YEAR ICT STRATEGY & IMPLEMENTATION PLAN (2023 – 2027)**

discussed by Council at the Council meeting held on 30 May 2023:

1. That Council approves 5 Year ICT Strategy & Implementation (2023 -2027).

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## 7.11 INTEGRATED DISASTER RISK MANAGEMENT FRAMEWORK AND DISASTER RISK MANAGEMENT PLAN REVIEW: 2023

**File No. /s:** 12/3/111

**Responsible Official:** T.C. Botha

**Directorate:** Community Services **Portfolio:** Fire, Rescue & Disaster Management

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### **Purpose:**

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

### **Background:**

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

### **The Difference between the Framework and the Plan.**

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

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

### **Financial Implications:**

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

The IDRMF in terms of its response and recovery elements will attract costs which are catered for (in a small measure) in the current General Operating Expenses Vote



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managed by the Fire, Rescue and Disaster Management Service.

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

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

### **Applicable Legislation / Council Policy:**

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

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

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

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

### **Comment of Directorates / Departments concerned**

**Municipal Manager:** Supported

**Director: Community Services:** Supported

**Director: Strategic Services:** Supported

**Director: Financial Services:** Supported

**Director: Engineering Services:** Item and recommendation, supported.

**Director: Public Services:** Support item

**Head: Fire, Rescue & Disaster Management:** In detailing the Disaster Risk management Framework and the Plan, it is clear that the Disaster Management is a functional responsibility of all Departments but driven from a central point of coordination

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

**Manager: IDP:** The item is noted. It is further imperative that the core strategic principles, contained in the plan, be incorporated into the IDP.

**The item served as Item 5.2 on the Agenda before the Community and Strategic Support Service Committee on 11 May 2023, the Committee unanimously concurred with the recommendation and agreed that the above recommendation be tabled before Mayco for consideration.**

**RECOMMENDATION:**

That in respect of

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

discussed by Council at the Council meeting held on 30 May 2023:

That Council approves the: -

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

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

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**7.12 CONSIDERATION TO REVIEW AND RESCIND MAYORAL COMMITTEE  
RESOLUTION EX22/2013: SELLING OF THE 35 ERVEN IN RAWSONVILLE**

and

**IN PRINCIPLE APPROVAL FOR THE PROPOSED ALIENATION OF ERVEN 715,  
718 AND 727 SITUATED IN RAWSONVILLE FOR RESIDENTIAL PURPOSES**

**File no.:** 9/2/1/1/64

**Responsible Officials:** H Potgieter

**Directorate:** SSS

**Portfolio:** Legal Services

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**1. PURPOSE**

The purpose of this item is for Council to consider reviewing and rescind Mayoral Committee resolution **EX22/2013**: Selling of 35 erven in Rawsonville, and to consider granting in-principal approval to alienate erven 715, 718 and 727 situated in Rawsonville, for residential purposes.

**2. BACKGROUND / DISCUSSION**

Legal Services receive numerous requests from the community of Rawsonville for Council to avail residential erven. Rawsonville is situated within the Breede Valley municipal area and is considered geographically the smallest town within the jurisdiction. Erven 715, 718 and 727 are some of the few residential erven owned by the municipality within Rawsonville.

Mayco resolved as follows on 23 April 2013:

**“RESOLVED: EX22/2013**

*That in respect of*

**SELLING OF THE 35 ERVEN IN RAWSONVILLE**

*Discussed by MayCo at the MayCo meeting held on 23 April 2013:*

- 1. Council sells the remaining 35 erven by means of a Public Auction at market related prices;*
- 2. first preference is given to first time homeowners in the middle-income group (earning between R3500.00 and R15000.00) and in particular those from the Rawsonville area; and*
- 3. a dwelling be erected and occupied (occupation certificate issued) in at least three years after the purchase date, failure to do so, the erf reverts to the Municipality.”*

The resolution was implemented resulting in the alienation of various erven. An internal investigation was conducted, and it was ascertained that erven 715, 718 and 727, Rawsonville is eligible to be availed and alienated in the open market.

These erven are situated in Angelier Street, Rawsonville as indicated as “**A**” on the locality maps, attached hereto as “**Annexure A<sub>1-3</sub>**”. The erven are fully serviced and zoned as **Residential Zone I**. It can be confirmed that the erven are not needed for the provision of a minimum level of basic municipal services and also not required for operational purposes.

For this purpose, it is proposed that Mayco resolution **EX22/2013** be reviewed and rescinded due to the lapse of time since the resolution was taken. Furthermore, it is to align the conditions of sale with the current conditions of sale imposed by Council for recent similar alienations.

**3. EVALUATION****A. LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003***“14. Disposal of capital assets*

- (1) A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.*
- (2) A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public—*
  - (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and*
  - (b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.*
- (3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred, or otherwise disposed of.*
- (4) A municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsections (2)(a) and (b) in respect of movable capital assets below a value determined by the council.*

- (5) *Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive, and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111.*
- (6) *This section does not apply to the transfer of a capital asset to another municipality or to a municipal entity or to a national or provincial organ of state in circumstances and in respect of categories of assets approved by the National Treasury, provided that such transfers are in accordance with a prescribed framework.”*

Adherence to this section is sought through obtaining in-principal approval from Council to alienate the subject properties. In respect of subsections 2(a) and (b) above, no objections were received from the internal departments, thus confirming that the subject portion of the municipal property is not needed for the provision of basic municipal services.

HCB Property Valuations determined the market-related values per erf as depicted on the attached **Annexures B, C and D** respectively.

In recent case law [*Oranje Watersport CC v Dawid Kruijer Local Municipality and Others (397/2019) [2020] ZASCA 75 (30 June 2020)*], the court held that when disposing of municipal-owned property, the community value, as well as the economic value that will be received in exchange for the property, must be taken into consideration. Furthermore, the court held that section 14(2)(b) requires that once the market value of the property is ascertained, *the market value should be weighed against the community value as well as the economic value of the asset.*

In this instance, the subject properties are proposed to be alienated for **Residential Zone I purposes**. The aforementioned will result in the municipality generating the income from

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the proceeds of the sales, future rates and taxes will be payable and it will furthermore stimulate the local economy.

The proposed alienation will accordingly add value to the community as it will create opportunities to enter the property market as homeowners. Legal Services receives numerous requests from the community to avail land for residential purposes, thus availing the above erven will aid in addressing the need for residential property.

In accordance with the above judgment, it is proposed that the community value should in essence outweigh the economic value of the asset / municipal properties.

**B. MUNICIPAL ASSET TRANSFER REGULATIONS**

**In accordance with the provisions of *Regulation 7* of the Municipal Asset Transfer Regulations, R878 of 2008 the municipal council must, when considering any proposed transfer or disposal of a non-exempted capital asset, take into account -**

- (a) whether the capital asset may be required for the Municipality's own use at a later date;**

The assets will not be required for Municipal use.

- (b) the expected loss or gain that is expected to result from the proposed transfer or disposal;**

The erven will be alienated by means of a competitive process and the respective purchase prices would be gained by the municipality.

- (c) the extent to which any compensation to be received in respect of the proposed transfer or disposal will result in a significant economic or financial cost or benefit to the Municipality;**

The Municipality will receive payment of the purchase prices which will be a financial benefit to the Municipality.

- (d) the risks and rewards associated with the operation or control of the capital asset that is to be transferred or disposed of in relation to the Municipality's interests;**

As the erven have already been fully improved (serviced) by the Municipality, it is of paramount importance to alienate the erven in reducing the risk of the infrastructure being stolen. The Municipality will therefore reduce the risk associated in this instance and be proactive in safeguarding its assets. The reward for the Municipality would be receipt of the respective purchase prices.

- (e) the effect that the proposed transfer or disposal will have on the credit rating of the Municipality, its ability to raise long-term or short-term borrowings in the future and its financial position and cash flow;**

No detrimental effect will be experienced on the credit rating.

- (f) any limitations or conditions attached to the capital asset or the transfer or disposal of the asset, and the consequences of any potential non-compliance with those conditions;**

The properties will only to be utilized for residential purposes.

- (g) the estimated costs of the proposed transfer or disposal;**

The transfer costs will be for the purchaser's account.

- (h) the transfer of any liabilities and reserves funds associated with the capital asset;**

No transfer of reserve funds is associated with the asset.

- (i) any comments or representations on the proposed transfer or disposal received from the local community and other interested persons;**



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The required public participation process will be followed in order to obtain comments or representations on the proposed transfers.

- (j) any written views and recommendations on the proposed transfer or disposal by the National Treasury and the relevant Provincial Treasury;**

The written views and recommendations of the National Treasury and the relevant Provincial Treasury will be obtained if required.

- (k) the interests of any affected organ of state, the Municipality's own strategic, legal and economic interests, and the interests of the local community; and**

As the community of Rawsonville experience a shortage of adequate housing the interests of the local community will be served through the alienation of the erven.

- (l) compliance with the legislative regime applicable to the proposed transfer or disposal.**

The proposed transfer or disposal is in compliance with:

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

Local Government: Municipal Finance Management Act, No.56 of 2003: Municipal Asset Transfer Regulations, 2008.

Regulation 13 of the Asset Transfer Regulations furthermore determines:

**"13. Compensation for transfer of non-exempted municipal assets**

*(1) The compensation payable to a municipality or municipal entity for the transfer of a non-exempted capital asset must, subject to regulation (2) –*

- (a) be consistent with criteria applicable to compensation set out in the disposal management system of the municipality or municipal entity; and*

- 
- (b) *if regulation 12(2)(b) applies to the transfer, reflect fair market value.*
- (2) *If a municipality or municipal entity on account of the public interest, in particular in relation to the plight of the poor, intends to transfer a non-exempted capital asset for less than its fair market value, the municipality or entity must, when considering the proposed transfer, take into account –*
- (a) *the interest of –*
- (i) *the State; and*
  - (ii) *the local community;*
- (b) *the strategic and economic interest of the municipality or municipal entity, including the long-term effect of the decision on the municipality or entity;*
- (c) *the constitutional rights and legal interest of all affected parties;*
- (d) *whether the interest of the parties to the transfer should carry more weight than the interest of the local community, and how the individual interest is weighed against the collective interest; and*
- (d) *whether the local community would be better served if the capital asset is transferred at less than its fair market value, as opposed to a transfer of the asset at fair market value.”*

An open and transparent competitive process will be followed, thus it is proposed that the indicative value of the erven be determined as per the market-related values of each erf as depicted in **Annexures B, C and D**.

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**C. ADVERTISEMENT**

The necessary advertisement/notice in terms of legal prescripts will be published should this in principle approval be obtained.

This is to obtain any representations/comments from the local community in respect of the proposed alienation of the erven. An item will only be resubmitted to Council should representations/comments be received.

**4. CONCLUSION**

It is recommended that erven 715, 718 and 727, Rawsonville be alienated **solely** for **Residential Zone I Purposes** by means of a competitive process in the open market.

It should be noted that the adjacent owner illegally encroached onto a portion of erf 715, Rawsonville. Thus, should Council approve the proposed alienation, the potential bidders will be informed as such. It follows that the subject property will be availed in the open market, including a specific condition of the aforementioned and that the purchaser will be responsible to address the illegal encroachment, if so required.

**5. FINANCIAL IMPLICATIONS**

The Municipality stands to gain the purchase price for the erven as well as rates and taxes following the transfers.

**APPLICABLE LEGISLATION / COUNCIL PROPERTY**

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

Local Government: Municipal Asset Transfer Regulations, 2008

**6. COMMENTS OF DIRECTORATES / DEPARTMENTS**

**MUNICIPAL MANAGER:** Supported  
**DIRECTOR ENGINEERING SERVICES:** Supported

Civil Engineering:

Erven are fully services with water and sewer connections. No objection towards the proposed alienation of erven 715,718,727.

**CHIEF FINANCIAL OFFICER:** Supported

**DIRECTOR COMMUNITY SERVICES:** Supported.

Fire, Safety and Risk Management:

- i. Any future structures/buildings being erected on the above-mentioned premises as well as existing structures/buildings, must conform with the provisions of the National Building Regulations, SANS 10400-A:2010, Part T.
- ii. Access for firefighting and rescue purposes, must be provided in accordance with Regulation T1(1)(e) of the National Building Regulations, read with the Deemed to Satisfy rules, Rule T4.54 of SANS 10400 - 1990, Part T, and in accordance to the Fire Brigade By-Laws of the Breede Valley Municipality. A width of 3.5 meter and a height of 4.2 meter must be maintained for emergency vehicles to enter premises
- iii. Provision must be made for fire-fighting equipment (fire extinguishers), in accordance to SANS 10400 -2010 Part T 4.37 Table 10.
- iv. Escape routes must also not be blocked so people can escape in case of emergency.

Traffic Services:

Traffic Department: Traffic supports this alienation of the said erven. All municipal services, streets and other services are already in place therefore the support to develop these erven for residential purposes.

**ACTING DIRECTOR PUBLIC SERVICES:**

On all the erven is a section of sewer pipe running through the erven, the owner must not be allowed to build over the sewer pipeline. Thus, a services servitude should be registered to accommodate the municipal services situated on the properties.

Town Planning:

1. That the properties in question be used for residential purposes only as the zoning of the properties is Residential Zone I (in terms of the section 8 scheme regulations);
2. That building plans be lodged and approved before any structure on the properties are erected or structurally altered in any way.

Building Control:

Because of the services [i.e. sewer lines] the area that can be used to build any top structure are restricted. Special foundation methods will have to be applied for the development of the site(s) and building lines will have to be revised.

**DIRECTOR STRATEGIC SUPPORT SERVICES:**

Co-author of the item including the recommendation

**SENIOR MANAGER: LEGAL SERVICES**

Author of the item

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The item served as Item 5.3 on the Agenda before the Community and Strategic Support Service Committee on 11 May 2023, the Committee unanimously concurred with the recommendation and agreed that the above recommendation be tabled before Mayco for consideration.

## RECOMMENDATION

That in respect of –

**CONSIDERATION TO REVIEW AND RESCIND MAYORAL COMMITTEE RESOLUTION EX22/2013: SELLING OF THE 35 ERVEN IN RAWSONVILLE**

and

**IN PRINCIPLE APPROVAL FOR THE PROPOSED ALIENATION OF ERVEN 715, 718 AND 727 SITUATED IN RAWSONVILLE FOR RESIDENTIAL PURPOSES**

discussed by Council at the Council meeting held on 30 May 2023, the following recommendation be made to Council:

1. That Mayoral Committee resolution EX22/2013 be reviewed and rescinded;
2. that the alienation of erven 715,718 and 727, Rawsonville as set out in **Annexure A<sub>1-3</sub>** by means of a competitive process in the open market **solely for Residential Zone I purposes** in accordance with the market-related values per erf as determined by HCB Property Valuations depicted on the attached **Annexures B, C** and **D** respectively, be **approved in principle**;
3. that the following of a public participation process, **be approved** and that an item will only be resubmitted to the Council should any representations/comments be received;

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4. that the properties be alienated to first time homeowners from the Breede Valley Municipal jurisdiction. Proof of address or another applicable document to prove residency within the municipal area will be required;
  5. that only one (1) property per purchaser is sold subject to item (6) below;
  6. that the properties will not be alienated to developers, except in instances where an employer with registered offices in the Breede Valley municipal area purchase more than one property on behalf of and for the benefit of their employees. However, should the latter apply, the property should be registered directly in the name of the beneficiary employees. The beneficiary employees must also comply with **items 4 and 5** above;
  7. that a reversion condition be included in the Deed of Sale as well as the Title Deed that the disposed of properties be utilised for **Residential Zone I purposes only** and should the Purchaser fail to erect a building within two (2) years from the date of registration and not use the property as specified, the erf will revert back to the Municipality free of charge;
  8. that a special condition be included in the Deed of Sale which provides that:
    - 8.1 If the purchaser intent to dispose of the property within a period of two (2) years from the date of signing the Deed of Sale, the property will be offered to the Municipality for a purchase price at 5% less than the original purchase price;
    - 8.2 Should the Municipality accept the offer, the cost of the transfer shall be payable by the Purchaser; and
    - 8.3 if the Municipality decline the offer, the Purchaser will be permitted to dispose of the property to any other third party.
  9. that the purchasers will be responsible for the payment of all municipal services including rates and taxes in respect of the properties the following transfer;

10. that the purchasers be responsible at its cost, for the registration of any relevant servitudes over the subject property to accommodate all applicable municipal services thereon.
11. that the costs pertaining to the transaction, e.g. transfer costs be paid by the purchasers;
12. that it be noted that there is an illegal encroachment onto the subject property that must be terminated by a potential bidder and all potential bidders shall be informed of this during the competitive process in the open market.
13. that the Municipal Manager be mandated to make the final decision as to which of the erven will be disposed after the market was tested during the competitive bidding process.
14. that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provisions Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003); and
15. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the respective municipal properties.



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**7.13 CONSIDERATION FOR THE ALIENATION OF A PORTION OF REMAINDER  
OF FARM 576 RHOODE HOOGTE OUTSPAN, WORCESTER****File no.:** 9/2/1/1/67**Responsible Official:** H Potgieter**Directorate:** SSS**Portfolio:** Legal Services

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**1. PURPOSE**

The purpose of this item is to inform Council of the written comments or representations received following the public participation process in respect of the proposed alienation of a portion of remainder of farm 576 (Rhoode Hoogte Outspan), Worcester, ±15.2400ha in extent.

**2. BACKGROUND / DISCUSSION**

The subject property is depicted on the locality map attached as “**Annexure A**” marked “**A**”, ±15.24ha in extent. The municipal owned property is currently zoned as **Agricultural Zone I**.

During the Council meeting held on 28 April 2021, it was resolved as follows.

**“RESOLVED****C45/2021*****That in respect of –******IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF A PORTION OF REMAINDER OF FARM  
576 (RHOODE HOOGTE OUTSPAN), WORCESTER***

*as discussed by Council at the Council meeting held on 28 April 2021 Council decide:*

- 1. That the disposal of a portion of remainder of Farm 576 (Rhoode Hoogte Outspan), Worcester, ±15.2400ha in extent for purposes permitted under Agricultural Zone I be approved in principle by means of a competitive process in the open market at least at a fair market price as determined by HCB Valuers in the amount of Seventy-Five Thousand Rand (R75 000.00);*

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

### 3. **PUBLIC PARTICIPATION PROCESS**

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The public participation process as prescribed in the relevant legislation was duly followed and a notice was placed in the Worcester Standard on 6 May 2021.

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

1. Breedevallei Onafhanklik (**Annexure B**)
2. Mr. A J N September (**Annexure C**)
3. Mr. R Windvogel (**Annexure D**)
4. Mr. S J Arendse (**Annexure E**)

Following the receipt of the above comments, Legal Services opted to obtain an independent valuation. The valuation that was obtained sets out the highest and best use of the property as well as the fair market-related value which is in accordance with the highest and best use currently reflected in the market. According to the valuer the market research indicates that best usage of the property is for rural/ agricultural purposes. The independent valuation is attached hereto and marked "**Annexure F**".

Bearing in mind that the above independent valuation reflects the current position in respect of the market and the potential of the property within that market, it is proposed that Council consider alienating the property in accordance with the fair market-related value indicated in "**Annexure F**".

Furthermore, the proposed usage is for purposes allowed under Agricultural Zone I, which includes the following:

*"The objective of this zone is to promote and protect agriculture on farms as an important economic, environmental and cultural resource. Limited provision is made for non-agricultural uses to provide rural communities in more remote areas with the opportunity to increase the economic potential of their properties, provided these uses do not present a significant negative impact on the primary agricultural resource.*

**Primary use:** Agriculture "agriculture" means the cultivation of land for raising crops and other plants, including plantations, the keeping and breeding of animals, birds or bees, stud farming, game farming, a riding school or natural veld, and— (a) includes— (i) the harvesting, cooling,

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*storing, sorting, packing and packaging of agricultural produce grown on that land unit and surrounding or nearby farms; (ii) harvesting of natural resources limited to living organisms for delivery to the market; (iii) agricultural buildings or infrastructure that are reasonably connected with the main farming activities, including a dwelling house, agricultural worker accommodation and rooftop base telecommunication stations; (iv) a camping site limited to a maximum of 10 tent or caravan stands subject to the development parameters applicable to "tourist accommodation", provided further that a consent use must be applied for in the following cases (aa) the property is smaller than 1ha; (bb) the property is situated within 1km of the high water mark of the sea or a tidal river; (cc) more than 10 tent or caravan stands are applied for; (v) linear infrastructure; (vi) agricultural industry (smaller than 2000m<sup>2</sup>); and (b) does not include aquaculture; an abattoir, a farm shop, an animal care centre, any mining activity, utility services and renewable energy structures for commercial purposes.*

**Consent uses:** *Abattoir, Additional dwelling units, Agricultural industry (>2000m<sup>2</sup>), Airfield, Animal care centre, Aqua-culture, Camping site, Creche, Farm shop, Farm grave yard, Farmer's market, Freestanding base telecommunication station, Function venue, Guest house, Helicopter landing pad, Intensive horticulture, Intensive animal farming, Off-road trail, Plant nursery, Quarry, Renewable energy structure, Shooting range, Tourist facilities, Utility service."*

The prospective purchaser will be allowed to utilise the property for any of the proposed primary uses stipulated above. Furthermore, the prospective purchaser may apply for any of the consent uses, which application will be considered by the municipality in accordance with the applicable legislative prescripts. Thus, the proposed usage provided to the municipality through the comments/ representations received can be accommodated under the proposed zoning.

The alienation of Farm 576 (Rhoode Hoogte Outspan), Worcester would be beneficial to the community, especially considering the fact that the erf be made available for purpose permitted under Agricultural Zone I. Legal Services receives multiple requests for Agricultural land. In order to comply with the legislation governing the alienation of Municipal owned property, a competitive process must be followed.

It is thus proposed that Council consider alienating this erf by way of competitive bidding process in the open market.

**4. CONCLUSION**

It is recommended that the alienation of a portion of remainder of farm 576, Worcester (Rhoode Hoogte Outspan) be approved in principle.

It should be noted that the adjacent owner illegally encroached onto a portion of the subject property. Thus, should Council approve the proposed alienation, the potential bidders will be informed as such. It follows that the subject property will be availed in the open market, including a specific condition of the aforementioned and that the purchaser will be responsible to address the illegal encroachment, if so required.

**5. ANNEXURES:**

1. Annexure A: Locality Map
2. Annexure B: Breedevallei Onafhanklik
3. Annexure C: Mr. A J N September
4. Annexure D: Mr. D Windvogel
5. Annexure E: Mr. S J Arendse
6. Annexure F: Independent valuation report

**6. COMMENTS OF DIRECTORATES / DEPARTMENTS**

<b>MUNICIPAL MANAGER:</b>	<b>Supported</b>
<b>DIRECTOR ENGINEERING SERVICES:</b>	<b>Item and Recommendation supported</b>
<b>CHIEF FINANCIAL OFFICER:</b>	<b>Item supported.</b>
<b>DIRECTOR COMMUNITY SERVICES:</b>	<b>Item supported</b>
<b>ACTING DIRECTOR PUBLIC SERVICES:</b>	<b>Supported</b>
<b>DIRECTOR STRATEGIC SUPPORT SERVICES:</b>	<b>Co-Author of the item</b>
<b>SENIOR MANAGER LEGAL SERVICES:</b>	<b>Author of the item</b>

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**RECOMMENDATION**

That in respect of –

**CONSIDERATION FOR THE ALIENATION OF A PORTION OF REMAINDER OF FARM 576 (RHOODE HOOGTE OUTSPAN), WORCESTER**

as discussed by Council at the Council meeting held on 30 May 2023 Council decide:

**Recommendation 1:**

1. That Council, after having duly considered the objections do not approve the disposal of a portion of remainder of farm 576 (Rhoode Hoogte Outspan), Worcester.

**Recommendation 2:**

1. That Council, after having duly considered the objections approve the disposal of a portion of remainder of Farm 576 (Rhoode Hoogte Outspan), Worcester, ±15.2400ha in extent for purposes permitted under Agricultural Zone I by means of a competitive process in the open market at a fair market price as determined by the independent valuation attached hereto and marked as **“Annexure F”**
2. that the prospective purchaser be liable for all costs related to the disposal, e.g. rehabilitation- and transfer costs, EIA if required, registration of a right of way and the installation of municipal services;
3. that the administration be mandated to administer the process of disposal of the municipal properties;
4. that a reversion clause be included in the Deed of Sale as well as the Title Deed that the disposed property be utilized for **Agricultural Zone I Purposes** only

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- and should the Purchaser not use the property as specified, the erf will revert back to the Municipality free of charge;
5. that the Purchaser will be responsible for the payment of all municipal services including rates and taxes in respect of the property following transfer of the property;
  6. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;
  7. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003); and
  8. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the municipal property.
  9. that it be noted that there is an illegal encroachment onto the subject property that must be terminated by a potential bidder and all potential bidders shall be informed of this during the competitive process in the open market.
  10. that the Municipal Manager be mandated to make the final decision as to whether the subject property is to be disposed after the market was tested during the competitive bidding process.

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## 7.14 WATER SERVICES DEVELOPMENT PLAN AND WATER & SEWER MASTER PLANS

**File No. /s:** 11/1/B

**Responsible Official:** J.D. Pekeur

**Directorate:** Public Services

**Portfolio:** Water Services

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### **Purpose**

To obtain Council's approval of the Water Services Development Plan (WSDP) for 2023 – 2028 and Water & Sewer Master Plans (WSMP).

### **Background**

Section 12 and 13 of the Water Services Act (Act 108 of 1997) makes it compulsory for every Water Services Authority to compile a Water Services Development Plan (WSDP). The Breede Valley Municipality is the responsible Water Services Authority in its area of jurisdiction. In addition to being a legal requirement, the WSDP & WSMP provides the basis of planning for water services in a Water Services Authority, serving as input to the Integrated Development Planning process. The WSDP provides information on, inter alia, water sources and quality, water balance, water services infrastructure and institutional arrangements for water services.

The primary purpose of the WSDP & WSMP is to assist WSA's to carry out their mandate effectively. It is an important tool to assist the WSA to develop a realistic long-term investment plan which prioritises the provision of basic water services, promotes economic development and is affordable and sustainable over time.

The WSDP is a five-year plan that is aligned with the IDP process. The WSDP & WSMP processes the availability of data and information to support the planning of water services. This then provides an opportunity for the Breede Valley Municipality to recognize shortfalls and optimally utilize the data to address gaps by developing strategic plans in order to reach the Municipality's strategic objectives.

### **Financial Implications**

No financial implications for the municipality, the Development Bank of Southern Africa (DBSA) assisted with funding the WSDP & WSMP.

### **Applicable Legislation / Council Policy**

Sections 12 and 13 of the Water Services Act (Act No 108 of 1997).



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

Sections 14 and 15 of the Water Services Act state that:

*“section 14 Draft water services development plan  
(1) A water services authority must—*

*(a) take reasonable steps to bring its draft water services development plan to the notice of its consumers, potential consumers, industrial users and water services institutions within its area of jurisdiction;*

*(b) invite public comment thereon to be submitted within a reasonable time; and*

*(c) send copies of the draft water services development plan to the Minister, the relevant Province and all neighbouring water services authorities.*

*(2) A copy of the draft water services development plan, a copy of its summary, all written comments and a report on all comments, other than written comments, must be—*

*(a) available for inspection at the offices of the water services authority;  
and*

*(b) obtainable against payment of a nominal fee.*

*15 Adoption of development plan*

***(1) A water services authority must consider all comments received by it before adopting a development plan.***

*(2) A water services authority must, on request, report on the extent to which a specific comment has been taken into account or, if a comment was not taken into account, provide reasons therefor.*

*(3) A water services authority must supply a copy of every development plan to the Minister, the Minister for Provincial Affairs and Constitutional Development, the relevant Province and all neighbouring water services authorities.*

*(4) A copy of the development plan—*

*(a) must be available for inspection at the offices of the water services authority; and*

*(b) must be obtainable against payment of a nominal fee.*

*(5) A water services development plan must form part of any integrated development plan contemplated in the Local Government Transition Act, 1993 (Act 209 of 1993)."*

*(Part highlighted my emphasis)*

The draft Water Services Development Plan 2023 to 2028 must, therefore, first be circulated for comments before its final approval in the council.

**Director: Financial Services:** Supported

**Acting Director: Public Services:** Author of the item

**Director: Engineering Services:**

The primary purpose of the WSDP is to assist WSA's to carry out their mandate effectively. It is an important tool to assist the WSA to develop a realistic long-term investment plan which prioritises the provision of basic water services, promotes economic development and is affordable and sustainable over time.

The aim of the Water and Sewer Master Plans are to provide the Municipality with a long-term plan for the development of water and sewer infrastructure for the present and future generations. The Master Plans will inform decision-making regarding the current and future infrastructure for the towns of Rawsonville, Worcester, De Doorns and Touwsrivier. The Water and Sewer Master Plan aims to provide a concise summary of the key recommendations.

**Senior Manager: Legal Services:** Noted

**Manager: IDP:** Noted

The item served as Item 5.1 on the Agenda before the Public Service Committee on 11 May 2023, the Committee unanimously concurred with the recommendation and agreed that the above recommendation be tabled before Mayco for consideration.

**RECOMMENDATION**

That in respect of

**ACCEPTANCE BY COUNCIL OF THE WATER SERVICES DEVELOPMENT PLAN  
AND WATER & SEWER MASTER PLANS.**

discussed by Council at the Council meeting held on 30 May 2023:

1. The Water Services Development Plan 2023 to 2028 and the Water & Sewer Master Plans be accepted by Council as the Water Services Development Plan and Water & Sewer Master Plans for the Breede Valley Municipality.

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

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**9. CONSIDERATION OF MATTERS SUBMITTED BY THE CHAIRPERSON OF COUNCIL**

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

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**11. CONSIDERATION OF MOTIONS OF EXIGENCY**

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**12. CLOSURE**

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