

# NOTICE

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

Date distributed: 15/10/2024.

**NOTICE OF THE 3<sup>rd</sup> COUNCIL MEETING OF 2024/2025  
FINANCIAL YEAR OF THE COUNCIL OF BREEDE VALLEY MUNICIPALITY  
TUESDAY, 2024-10-22 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  
W.M. Blom  
E. Botha  
M.N. Bushwana  
G.L. Daames  
Alderman R. Farao  
M.A. Goedeman  
E.N. Isaacs  
Alderman C. Ismail  
J.R. Jack  
M. Jacobs  
R.T. Johnson  
I.J. Joseph  
D. Judge  
J.P. Kritzinger  
S.K. Madlolo  
Z.M. Mangali  
T. S. Manuel  
P.H. Marais

S.J. Mei  
Alderman W.R. Meiring  
J. M Mokgosi  
P.C. Moso  
N. Nel  
C.T. Nyithana  
J. Pieters  
A. Pietersen  
O. Ralehoko  
Alderman M. Sampson  
T. P. Sibozo  
S. S. T. Steenberg  
M. Swartz  
H.C Titus  
F. Vaughan  
M.T. Williams  
C.F. Wilskut  
N.J. Wullschleger  
L.R. Yayi

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 **3<sup>rd</sup> COUNCIL MEETING** of the **2024/2025 FINANCIAL YEAR of the COUNCIL of BREEDE VALLEY MUNICIPALITY** will be held at **CAPE WINELANDS DISTRICT MUNICIPALITY, TRAPPE STREET WORCESTER** on **TUESDAY, 2024-10-22** at **10:00** to consider the items on the agenda.



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



**BREED VALLEY**  
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*A caring valley of excellence.*

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## 1. OPENING AND WELCOME

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

## 2. OFFICIAL NOTICES

### 2.1 Disclosure of Interests

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

A councillor must –

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

### 2.2 APPLICATIONS FOR LEAVE OF ABSENCE

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

2.2.1 Every Councillor attending a meeting of the Council must sign his or her name in the attendance register kept for such purpose.

2.2.2 A Councillor must attend each meeting except when –

- (a) Leave of absence is granted in terms of Clause 10; or
- (b) The Councillor is required to withdraw in terms of law.

2.2.3 The Attendance Registers will be available at the meeting.

2.2.4 A blank Application for Leave of Absence form is enclosed.

## 3. COMMUNICATION

### 3.1 INTERVIEWS OR PRESENTATIONS BY DEPUTATIONS

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

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

### 3.2 BIRTHDAYS OF COUNCILLORS

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|                         |                   |
|-------------------------|-------------------|
| Cllr C. F. Wilskut      | 06 September 2024 |
| Cllr P. H. Marais       | 08 September 2024 |
| Cllr G. L. Daames       | 16 September 2024 |
| Cllr N. J. Wullschleger | 21 September 2024 |
| Ald R. Farao            | 05 October 2024   |
| Ald C. Ismail           | 10 October 2024   |
| Cllr V. A. Bedworth     | 23 October 2024   |
| Cllr M. Jacobs          | 24 October 2024   |
| Cllr N. Nel             | 25 October 2024   |
| Cllr J. Pieters         | 26 October 2024   |
| Cllr T. Manuel          | 28 October 2024   |
| Cllr P. Ramokhabi       | 31 October 2024   |

### **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 Minutes of Council Meeting held on 20 August 2024. (Copy enclosed)**

#### **RECOMMENDATION**

That in respect of

#### **CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETINGS**

discussed by Council at the Council Meeting held on 22 October 2024:

1. As the Minutes of the Council Meeting held on 20 August 2024 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 20 August 2024 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**

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

**5.2.1 SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 31 JULY 2024.**

**RESOLVED:**

That in respect of

**SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 31 JULY 2024.**

discussed at the Mayco meeting held on the 15 October 2024 with **resolution number EX52/2024:**

1. That the committee take note of the in-year financial management report for the period ended 31 July 2024.

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**5.2.2 SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 31 AUGUST 2024.**

**RESOLVED:**

That in respect of

**SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 31 AUGUST 2024.**

discussed at the Mayco meeting held on the 15 October 2024 with **resolution number EX53/2024:**

1. That the committee take note of the in-year financial management report for the period ended 31 August 2024.

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**5.2.3 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF JULY 2024**

**RESOLVED:**

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That in respect of

**REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF JULY 2024**

Discussed at the Mayco meeting held on 15 October 2024 with **resolution number EX54/2024**:

1. That the deviations from the procurement processes, approved in terms of the delegated authority for the month of July 2024, **be noted**.

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**5.2.4 CONSEQUENCE MANAGEMENT POLICY**

**RESOLVED:**

That in respect of the

**CONSEQUENCE MANAGEMENT POLICY**

discussed by Mayco at the meeting held on 15 October 2024 with **resolution number EX56/2024**:

- Mayco support and recommend approval of the Consequence Management Policy to Council.

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

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

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**5.5 MMC 4: Cllr. E. Botha**

**5.5.1 THE WATER SERVICES AUDIT REPORT FOR 2023 / 2024 FINANCIAL YEAR**

**RESOLVED:**

That in respect of

**THE WATER SERVICES AUDIT REPORT FOR 2023 / 2024 FINANCIAL YEAR,**

Discussed by Mayco at the meeting held on 15 October 2024 with **resolution number EX55/2024**, that

Mayco notes:

- The Water Services Audit Report for 2023/2024.

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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

## 5.9 MMC 8: Cllr F. Vaughan

## 6. COLLABORATOR OUTSTANDING RESOLUTIONS REPORT

## COMMUNITY SERVICES

| Council |  | Resolution  | Meeting Date | Allocate To | % Compl. | Feedback Comment  |
|---------|--|---|--------------|-------------|----------|---|
| 172625  | <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>RESOLVED C41/2015</p> <p>That in respect of the SUBMISSION OF BY-LAW RELATING TO THE MANAGEMENT AND CONTROL OF FLATS (rental housing units) OWNED OR ADMINISTERED BY THE BREEDE VALLEY MUNICIPALITY discussed by Council at the Council meeting held on 25 of June 2015:</p> <p>1. That Council approved the draft By-Law relating to the Management and Control of flats (rental housing units) owned or administer by the Breede Valley Municipality;</p> <p>2. That the administration advertises said draft By-Law for public comments;</p> <p>3. That all comments be collated submitted to Council for final approval and promulgation in the Provincial Gazette.</p> <p>4. That the draft By-Law be workshopped with all the Councillors.</p> | 2015-06-25   | GMAYEKI     | 96       | The draft by-law has been circulated to the Directorates for comments/review. The final document will be submitted to the Council for approval. It is anticipated that the entire process will be completed by 30 March 2025. |
| 1591078 | <b>LAND FOR HUMAN SETTLEMENTS RAWSONVILLE: CONSIDERATION TO PURCHASE PRIVATELY OWNED LAND</b>  | <p>RESOLVED</p> <p>That in respect of –</p> <p>LAND FOR HUMAN SETTLEMENTS RAWSONVILLE: CONSIDERATION TO PURCHASE PRIVATELY OWNED LAND</p> <p>as discussed by Council at the Council meeting held on 20 August 2024, resolution number C68/2024 council decide:</p>  | 2024-08-23   | GMAYEKI     | 20       | The invitation to express interest will be published in October 2024. The advertisement will be published for a period not exceeding 21 days.   |



|  |  |   |  |  |  |  |
|--|--|---|--|--|--|--|
|  |  | <p>1. The Council should note the content of the report as an update of progress</p> <p>2. That the administration be mandated to follow a public participation process to invite expressions of interest from additional private landowners in Rawsonville to potentially sell land for human settlement purposes to the Breede Valley Municipality;</p> <p>3. that following the public participation process, an internal stakeholder's engagement be undertaken to consider the submissions received;</p> <p>4. that after the implementation of item 2, an item be resubmitted to Council to resolve on the most suitable offer received during the expression of interest process; and</p> <p>5. that upon council resolving on the most suitable offer, the administration be authorised to submit a project application to the Western Cape Department of Infrastructure as part of the Land Acquisition Process.</p> |  |  |  |  |
|--|--|---|--|--|--|--|

## STRATEGIC SUPPORT SERVICES

| Council |                                      | Resolution  | Meeting Date | Allocate To | % Compl. | Feedback Comment   |
|---------|--------------------------------------|---|--------------|-------------|----------|--|
| 1352782 | <b>2023 CUSTOMER SERVICE CHARTER</b> | <p>RESOLVED:</p> <p>That in respect of -</p> <p>The 2023 Customer Service Charter tabled before Council at the Council meeting held on 30 May 2023 with resolution number C37/2023:</p> <p>1. That Council, having noted the content of the 2023 Customer Service Charter, provides in principle approval thereof subject to the following conditions:</p> <p>a. The Customer Service Charter be referred to a Council Workshop to be held on 8 June 2023;</p> <p>b. The Customer Service Charter be made public in terms of section 21 of the MSA;</p> <p>c. That such public comments (if any) be tabled at Council for consideration; and</p> <p>d. The Customer Service Charter be resubmitted to Council for final consideration</p> | 2023-05-30   | CMALGAS     | 85       | Due to internal capacity challenges, delays were experienced in the completion of the revised Customer Services Charter. In addition, the department decided to purposefully postpone the revision and submission due date to the end of Q2 of the 2024/25 financial period to allow the newly appointed directors to participate and provide strategic input on the applicable service standards. |

|         |   |   |            |               |    |   |
|---------|---|---|------------|---------------|----|---|
|         |   | and approval.   |            |               |    |   |
| 1352783 | <b>2022/2023<br/>COMMUNICATION<br/>STRATEGY</b>             | <p>RESOLVED:<br/>That in respect of -<br/>The 2022/2023<br/>Communication Strategy<br/>tabled before Council at the<br/>Council meeting held on 30<br/>May 2023 with resolution<br/>number C38/2023:</p> <p>1. That Council, having noted<br/>the content of the 2022/23<br/>Communications Strategy,<br/>provides in principle approval<br/>thereof subject to the following<br/>conditions:<br/>a. The strategy be referred to a<br/>Council Workshop to be held<br/>on 8 June 2023 ;<br/>b. The strategy be made public<br/>in terms of section 21 of the<br/>MSA and submitted to the<br/>relevant stakeholders (i.e.<br/>relevant National &amp; Provincial<br/>Government Departments as<br/>well as the Cape Winelands<br/>District Municipality) for input;<br/>c. That such public comments<br/>(if any) be tabled at Council for<br/>consideration; and<br/>d. The strategy be resubmitted<br/>to Council for final<br/>consideration and approval.</p> | 2023-05-30 | CMALGAS       | 85 | <p>The revised<br/>Communications Strategy<br/>has not yet been<br/>completed. The<br/>department anticipates to<br/>submit the revised<br/>strategy to Council before<br/>the end of Q2 of the<br/>2024/25 financial period.</p> <p>In the interim, the initially<br/>approved<br/>Communications Strategy<br/>is being used as the<br/>departmental framework<br/>for executing municipal<br/>communications actions.</p> |
| 1584189 | <b>7.12 UPDATE ON<br/>THE DRAFT STAFF<br/>ESTABLISHMENT</b> | <p>RESOLVED</p> <p>That in respect of –<br/>UPDATE ON THE DRAFT<br/>STAFF ESTABLISHMENT<br/>as discussed by the Council at<br/>the Council Meeting held on 30<br/>July 2024, resolution number<br/>C59/2024:</p> <p>1. that Council note the<br/>feedback on the draft staff<br/>establishment.</p>   | 2024-07-30 | NM<br>MONYELA | 85 | <p>A follow-up was made with<br/>National CoGTA on 1<br/>October 2024 which<br/>acknowledged receipt.</p>   |

**7. CONSIDERATION OF AGENDA ITEMS****7.1 ADDITIONAL / AMENDMENT ALLOCATIONS - ADJUSTMENTS BUDGET  
2024/2025 – 22 OCTOBER 2024****File No. /s:** 3/15/1**Responsible Official:** A Crotz**Directorate:** Financial Services**Portfolio:** Financial Services

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**PURPOSE:**

To submit an Adjustments Budget for the 2024/25 financial year as a result of amendments / adjustments to allocations from National Government and Cape Winelands District Municipality during the 2024/25 financial year.

**BACKGROUND:**

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

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

- Must adjust the revenue and expenditure estimates downwards if there is a material under-collection of revenue during the year;
- May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmed already budgeted for;
- May, within the prescribed framework, authorize unforeseen and unavoidable expenditure recommended by the Mayor;
- May authorize the utilization of projected savings in one vote towards spending under another vote;
- May authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been

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foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;

- May correct any errors in the annual budget, and
- May provide for any other expenditure within a prescribed framework.

Municipal Budget and Reporting Regulations further provides that;

**B. Timeframes for tabling of adjustment budgets**

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

**Financial Implications:**

Financial implications are contained in the detail in this report.

**Applicable Legislation / Council Policy:**

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

# **ADJUSTMENTS BUDGET SCHEDULE B REPORT 2024/25**



**BREEDE VALLEY**  
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

## 22 OCTOBER 2024

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## SECTION A – Part 1

### 1. Glossary

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

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

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

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

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

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

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

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

**GDFI** - Gross Domestic Fixed Investment

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

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

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

**LM** – Breede Valley Municipality.

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

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

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

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

**TMA** – Total Municipal Account

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



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

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

### Abbreviations and Acronyms

|        |  |
|--------|--|
| AMR    | Automated Meter Reading                          |
| ASGISA | Accelerated and Shared Growth Initiative         |
| BPC    | Budget Planning Committee                        |
| CBD    | Central Business District                        |
| CFO    | Chief Financial Officer                          |
| CPI    | Consumer Price Index                             |
| 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                   |

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|       |   |
|-------|---|
| MSA   | Municipal Systems Act                         |
| MTEF  | Medium-term Expenditure Framework             |
| MTREF | Medium-term Revenue and Expenditure Framework |
| NERSA | National Electricity Regulator South Africa   |
| NGO   | Non-Governmental organisations                |
| NKPIs | National Key Performance Indicators           |
| OHS   | Occupational Health and Safety                |
| OP    | Operational Plan                              |
| PBO   | Public Benefit Organisations                  |
| PHC   | Provincial Health Care                        |
| PMS   | Performance Management System                 |
| PPE   | Property Plant and Equipment                  |
| PPP   | Public Private Partnership                    |
| PTIS  | Public Transport Infrastructure System        |
| RG    | Restructuring Grant                           |
| RSC   | Regional Services Council                     |
| SALGA | South African Local Government Association    |
| SAPS  | South African Police Service                  |
| SDBIP | Service Delivery Budget Implementation Plan   |
| SMME  | Small Micro and Medium Enterprises            |

## **2. Mayors Report**

The allocations made to the Breede Valley Municipality were amended from the allocations as published and approved with the compilation of the 2024/25 Original Budget. National Government and Cape Winelands District Municipality (CWDM) had the following amendments to the allocations of Breede Valley Municipality:

- Municipal Infrastructure Grant: (R87 000.00)
- Cape Winelands District Municipality (CWDM): R1 588 000.00.

All conditional grants / funds allocated and transferred to the Breede Valley Municipality has specific conditions in terms of the timeframes and the type of spending to be incurred by the municipality during the 2024/25 financial year.

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

## **3. Resolutions**

That council approves the following:

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

#### 4. Executive Summary

The 2024/25 budget of Breede Valley Municipality is adjusted to accommodate the amendments from National Government and Cape Winelands District Municipality.

The additional / amended allocations relate to the following grants:

| NAME OF GRANT   | Amount               |
|---|----------------------|
| <b>Municipal Infrastructure Grant:</b><br>Touwsrivier: WWTW Augmentation: MIG                       | <b>(R87 000.00)</b>  |
| <b>Cape Winelands District Municipality:</b><br>Disaster Management, CWDM Expo and Security Cameras | <b>R1 588 000.00</b> |

The 2024/25 Adjustments Budget was compiled in accordance with section 28 of the Municipal Finance Management Act and regulation 23 of the Municipal Budget and Reporting Regulations.

In compiling the 2024/25 Adjustments Budget, the importance of credibility, sustainability, responsiveness and affordability remains integral in striving to achieve the desired outcome of effective and efficient service delivery.

### 1. Adjustments Budget Tables – Please refer to Annexure A

#### B1 Consolidated Adjustments Budget Summary

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

WC025 Breede Valley - Table B1 Adjustments Budget Summary - 22/10/2024

| Description  | Budget Year 2024/25 |                |              |                       |                     |                       |                |                |                    | Budget Year<br>+1 2025/26 | Budget Year<br>+2 2026/27 |
|--|---------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|---------------------------|---------------------------|
|  | Original<br>Budget  | Prior Adjusted | Accum. Funds | Multi-year<br>capital | Unfore.<br>Unavoid. | Nat. or Prov.<br>Govt | Other Adjusts. | Total Adjusts. | Adjusted<br>Budget | Adjusted<br>Budget        | Adjusted<br>Budget        |
|  | A                   | 1<br>A1        | 2<br>B       | 3<br>C                | 4<br>D              | 5<br>E                | 6<br>F         | 7<br>G         | 8<br>H             |                           |                           |
| R thousands  |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Financial Performance                                    |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Property rates   | 200 977             | 200 977        | -            | -                     | -                   | -                     | -              | -              | 200 977            | 211 026                   | 221 577                   |
| Service charges  | 870 634             | 870 634        | -            | -                     | -                   | -                     | -              | -              | 870 634            | 963 142                   | 1 066 643                 |
| Investment revenue                                       | 19 522              | 19 522         | -            | -                     | -                   | -                     | -              | -              | 19 522             | 20 420                    | 21 360                    |
| Transfers recognised - operational                       | 198 836             | 198 836        | -            | -                     | -                   | 1 588                 | -              | 1 588          | 200 424            | 214 057                   | 218 563                   |
| Other own revenue  | 319 720             | 319 720        | -            | -                     | -                   | -                     | -              | -              | 319 720            | 334 687                   | 349 638                   |
| Total Revenue (excluding capital transfers and           | 1 609 689           | 1 609 689      | -            | -                     | -                   | 1 588                 | -              | 1 588          | 1 611 277          | 1 743 332                 | 1 877 780                 |
| Employee costs   | 456 828             | 456 828        | -            | -                     | -                   | -                     | (650)          | (650)          | 456 178            | 477 894                   | 499 931                   |
| Remuneration of councillors                              | 21 757              | 21 757         | -            | -                     | -                   | -                     | -              | -              | 21 757             | 22 760                    | 23 809                    |
| Depreciation & asset impairment                          | 105 208             | 105 208        | -            | -                     | -                   | -                     | -              | -              | 105 208            | 110 079                   | 115 174                   |
| Interest   | 39 842              | 39 842         | -            | -                     | -                   | -                     | -              | -              | 39 842             | 41 676                    | 43 594                    |
| Inventory consumed and bulk purchases                    | 534 056             | 534 056        | -            | -                     | -                   | -                     | 589            | 589            | 534 645            | 612 622                   | 703 313                   |
| Transfers and subsidies                                  | 7 711               | 7 711          | -            | -                     | -                   | 1 126                 | (289)          | 837            | 8 548              | 7 855                     | 4 868                     |
| Other expenditure  | 452 229             | 452 229        | -            | -                     | -                   | 462                   | (2 297)        | (1 835)        | 450 394            | 474 821                   | 488 373                   |
| Total Expenditure  | 1 617 631           | 1 617 631      | -            | -                     | -                   | 1 588                 | (2 648)        | (1 060)        | 1 616 572          | 1 747 707                 | 1 879 062                 |
| Surplus/(Deficit)  | (7 942)             | (7 942)        | -            | -                     | -                   | -                     | 2 648          | 2 648          | (5 295)            | (4 375)                   | (1 281)                   |
| Transfers and subsidies - capital (monetary allocations) | 54 410              | 54 410         | -            | -                     | -                   | (87)                  | -              | (87)           | 54 323             | 61 040                    | 62 514                    |
| Transfers and subsidies - capital (in-kind - all)        | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Surplus/(Deficit) after capital transfers &              | 46 468              | 46 468         | -            | -                     | -                   | (87)                  | 2 648          | 2 561          | 49 028             | 56 665                    | 61 233                    |
| Share of surplus/ (deficit) of associate                 | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Surplus/ (Deficit) for the year                          | 46 468              | 46 468         | -            | -                     | -                   | (87)                  | 2 648          | 2 561          | 49 028             | 56 665                    | 61 233                    |
| Capital expenditure & funds sources                      |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Capital expenditure                                      | 187 437             | 225 525        | -            | -                     | -                   | (87)                  | -              | (87)           | 225 438            | 154 564                   | 99 567                    |
| Transfers recognised - capital                           | 54 410              | 54 410         | -            | -                     | -                   | (87)                  | -              | (87)           | 54 323             | 61 040                    | 62 514                    |
| Borrowing  | 48 706              | 63 867         | -            | -                     | -                   | -                     | -              | -              | 63 867             | 34 380                    | -                         |
| Internally generated funds                               | 84 321              | 107 248        | -            | -                     | -                   | -                     | -              | -              | 107 248            | 59 144                    | 37 053                    |
| Total sources of capital funds                           | 187 437             | 225 525        | -            | -                     | -                   | (87)                  | -              | (87)           | 225 438            | 154 564                   | 99 567                    |
| Financial position                                       |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Total current assets                                     | 368 815             | 413 951        | -            | -                     | -                   | (1 588)               | 2 648          | 1 060          | 415 010            | 465 223                   | 628 105                   |
| Total non current assets                                 | 2 782 113           | 2 820 200      | -            | -                     | -                   | -                     | (87)           | (87)           | 2 820 113          | 2 826 887                 | 2 811 600                 |
| Total current liabilities                                | 197 665             | 197 665        | -            | -                     | -                   | -                     | -              | -              | 197 665            | 212 143                   | 221 243                   |
| Total non current liabilities                            | 677 191             | 677 191        | -            | -                     | -                   | -                     | -              | -              | 677 191            | 755 969                   | 749 428                   |
| Community wealth/Equity                                  | 2 276 072           | 2 359 295      | -            | -                     | -                   | (1 588)               | 2 561          | 973            | 2 360 268          | 2 323 998                 | 2 469 033                 |
| Cash flows   |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Net cash from (used) operating                           | 92 061              | 92 061         | -            | -                     | -                   | (1 675)               | 2 648          | 973            | 93 033             | 115 309                   | 151 250                   |
| Net cash from (used) investing                           | (187 337)           | (225 425)      | -            | -                     | -                   | 87                    | -              | 87             | (225 338)          | (154 514)                 | (99 517)                  |
| Net cash from (used) financing                           | 25 346              | 25 346         | -            | -                     | -                   | -                     | -              | -              | 25 346             | 6 277                     | (28 340)                  |
| Cash/cash equivalents at the year end                    | 65 082              | 110 218        | -            | -                     | -                   | (1 588)               | 2 648          | 1 060          | 111 278            | 78 349                    | 101 743                   |
| Cash backing/surplus reconciliation                      |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Cash and investments available                           | 129 577             | 174 713        | -            | -                     | -                   | (1 588)               | 2 648          | 1 060          | 175 772            | 96 649                    | 120 042                   |
| Application of cash and investments                      | 2 992               | 2 992          | -            | -                     | -                   | -                     | 0              | 0              | 2 992              | (98 036)                  | (212 467)                 |
| Balance - surplus (shortfall)                            | 126 585             | 171 721        | -            | -                     | -                   | (1 588)               | 2 647          | 1 059          | 172 780            | 194 685                   | 332 509                   |
| Asset Management   |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Asset register summary (WDV)                             | 2 779 210           | 2 817 297      | -            | -                     | -                   | (87)                  | -              | (87)           | 2 817 210          | 2 823 694                 | 2 808 087                 |
| Depreciation   | 105 208             | 105 208        | -            | -                     | -                   | -                     | -              | -              | 105 208            | 110 079                   | 115 174                   |
| Renewal and Upgrading of Existing Assets                 | 95 598              | 114 517        | -            | -                     | -                   | -                     | 12 295         | 12 295         | 126 812            | 75 165                    | 45 501                    |
| Repairs and Maintenance                                  | 86 140              | 86 140         | -            | -                     | -                   | -                     | (3 192)        | (3 192)        | 82 948             | 89 960                    | 95 212                    |
| Free services  |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Cost of Free Basic Services provided                     | 77 404              | 77 404         | -            | -                     | -                   | -                     | -              | -              | 77 404             | 81 889                    | 86 678                    |
| Revenue cost of free services provided                   | 39 909              | 39 909         | -            | -                     | -                   | -                     | -              | -              | 39 909             | 41 904                    | 43 999                    |
| Households below minimum service level                   |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Water:   | 962                 | 962            | -            | -                     | -                   | -                     | -              | -              | 962                | 962                       | 962                       |
| Sanitation/sewerage:                                     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Energy:  | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Refuse:  | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |

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

## B2 Consolidated Adjustments Budget Financial Performance by Standard Classification

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

| WC025 Breede Valley - Table B2 Adjustments Budget Financial Performance (functional classification) - 22/10/2024 |      |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
|--|------|---------------------|----------------|--------------|--------------------|------------------|--------------------|----------------|----------------|-----------------|------------------------|------------------------|
| Standard Description   | Ref  | Budget Year 2024/25 |                |              |                    |                  |                    |                |                |                 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
|  |      | Original Budget     | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget        | Adjusted Budget        |
| R thousands  | 1, 4 | A                   | 5 A1           | 6 B          | 7 C                | 8 D              | 9 E                | 10 F           | 11 G           | 12 H            |                        |                        |
| <b>Revenue - Functional</b>  |      |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
| <i>Governance and administration</i>   |      | 295 739             | 295 739        | -            | -                  | -                | 126                | -              | 126            | 295 865         | 311 027                | 327 287                |
| Executive and council  |      | 1 210               | 1 210          | -            | -                  | -                | -                  | -              | -              | 1 210           | 1 265                  | 1 324                  |
| Finance and administration   |      | 294 530             | 294 530        | -            | -                  | -                | 126                | -              | 126            | 294 656         | 309 762                | 325 964                |
| Internal audit   |      | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| <i>Community and public safety</i>   |      | 304 261             | 304 261        | -            | -                  | -                | -                  | -              | -              | 304 261         | 323 217                | 333 096                |
| Community and social services  |      | 13 804              | 13 804         | -            | -                  | -                | -                  | -              | -              | 13 804          | 13 938                 | 14 567                 |
| Sport and recreation   |      | 4 289               | 4 289          | -            | -                  | -                | -                  | -              | -              | 4 289           | 4 487                  | 10 695                 |
| Public safety  |      | 253 561             | 253 561        | -            | -                  | -                | -                  | -              | -              | 253 561         | 264 983                | 277 167                |
| Housing  |      | 32 607              | 32 607         | -            | -                  | -                | -                  | -              | -              | 32 607          | 39 809                 | 30 667                 |
| Health   |      | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| <i>Economic and environmental services</i>   |      | 16 207              | 16 207         | -            | -                  | -                | 462                | -              | 462            | 16 669          | 54 451                 | 30 331                 |
| Planning and development   |      | 2 606               | 2 606          | -            | -                  | -                | -                  | -              | -              | 2 606           | 1 544                  | 1 615                  |
| Road transport   |      | 13 601              | 13 601         | -            | -                  | -                | 462                | -              | 462            | 14 063          | 52 907                 | 28 716                 |
| Environmental protection   |      | -                   | -              | -            | -                  | -                | -                  | -              | -              | -               | -                      | -                      |
| <i>Trading services</i>  |      | 1 047 892           | 1 047 892      | -            | -                  | -                | (87)               | -              | (87)           | 1 047 805       | 1 115 677              | 1 249 580              |
| Energy sources   |      | 640 736             | 640 736        | -            | -                  | -                | -                  | -              | -              | 640 736         | 726 085                | 815 137                |
| Water management   |      | 143 377             | 143 377        | -            | -                  | -                | -                  | -              | -              | 143 377         | 151 303                | 184 862                |
| Waste water management   |      | 184 647             | 184 647        | -            | -                  | -                | (87)               | -              | (87)           | 184 560         | 156 445                | 162 813                |
| Waste management   |      | 79 133              | 79 133         | -            | -                  | -                | -                  | -              | -              | 79 133          | 81 843                 | 86 768                 |
| <i>Other</i>   |      | -                   | -              | -            | -                  | -                | 1 000              | -              | 1 000          | 1 000           | -                      | -                      |
| <b>Total Revenue - Functional</b>  | 2    | 1 664 099           | 1 664 099      | -            | -                  | -                | 1 501              | -              | 1 501          | 1 665 600       | 1 804 372              | 1 940 294              |
| <b>Expenditure - Functional</b>  |      |                     |                |              |                    |                  |                    |                |                |                 |                        |                        |
| <i>Governance and administration</i>   |      | 317 125             | 317 125        | -            | -                  | -                | 126                | 370            | 496            | 317 621         | 330 489                | 345 207                |
| Executive and council  |      | 47 353              | 47 353         | -            | -                  | -                | -                  | 15             | 15             | 47 368          | 49 016                 | 51 278                 |
| Finance and administration   |      | 264 445             | 264 445        | -            | -                  | -                | 126                | 355            | 481            | 264 927         | 275 900                | 288 098                |
| Internal audit   |      | 5 327               | 5 327          | -            | -                  | -                | -                  | -              | -              | 5 327           | 5 574                  | 5 832                  |
| <i>Community and public safety</i>   |      | 333 983             | 333 983        | -            | -                  | -                | -                  | (81)           | (81)           | 333 902         | 354 641                | 359 329                |
| Community and social services  |      | 36 682              | 36 682         | -            | -                  | -                | -                  | -              | -              | 36 682          | 38 355                 | 40 138                 |
| Sport and recreation   |      | 42 322              | 42 322         | -            | -                  | -                | -                  | (5)            | (5)            | 42 316          | 44 290                 | 46 349                 |
| Public safety  |      | 223 756             | 223 756        | -            | -                  | -                | -                  | 121            | 121            | 223 877         | 233 779                | 244 533                |
| Housing  |      | 31 123              | 31 123         | -            | -                  | -                | -                  | (196)          | (196)          | 30 927          | 38 111                 | 28 196                 |
| Health   |      | 100                 | 100            | -            | -                  | -                | -                  | -              | -              | 100             | 105                    | 110                    |
| <i>Economic and environmental services</i>   |      | 96 007              | 96 007         | -            | -                  | -                | 462                | 1 239          | 1 701          | 97 708          | 98 943                 | 103 325                |
| Planning and development   |      | 26 099              | 26 099         | -            | -                  | -                | -                  | (80)           | (80)           | 26 019          | 25 823                 | 26 830                 |
| Road transport   |      | 69 573              | 69 573         | -            | -                  | -                | 462                | 1 319          | 1 781          | 71 354          | 72 769                 | 76 127                 |
| Environmental protection   |      | 334                 | 334            | -            | -                  | -                | -                  | -              | -              | 334             | 351                    | 367                    |
| <i>Trading services</i>  |      | 869 566             | 869 566        | -            | -                  | -                | -                  | (4 176)        | (4 176)        | 865 390         | 962 640                | 1 070 158              |
| Energy sources   |      | 591 618             | 591 618        | -            | -                  | -                | -                  | (250)          | (250)          | 591 369         | 672 959                | 766 117                |
| Water management   |      | 102 938             | 102 938        | -            | -                  | -                | -                  | 199            | 199            | 103 137         | 107 684                | 112 649                |
| Waste water management   |      | 105 481             | 105 481        | -            | -                  | -                | -                  | (4 019)        | (4 019)        | 101 462         | 110 245                | 115 334                |
| Waste management   |      | 69 529              | 69 529         | -            | -                  | -                | -                  | (107)          | (107)          | 69 422          | 71 751                 | 76 058                 |
| <i>Other</i>   |      | 950                 | 950            | -            | -                  | -                | 1 000              | -              | 1 000          | 1 950           | 996                    | 1 043                  |
| <b>Total Expenditure - Functional</b>  | 3    | 1 617 631           | 1 617 631      | -            | -                  | -                | 1 588              | (2 648)        | (1 060)        | 1 616 572       | 1 747 707              | 1 879 062              |
| <b>Surplus/ (Deficit) for the year</b>   |      | 46 468              | 46 468         | -            | -                  | -                | (87)               | 2 648          | 2 561          | 49 028          | 56 665                 | 61 233                 |

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

## B3 Consolidated Adjustments Budget Financial Performance by Municipal Vote

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

| WC025 Breede Valley - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 22/10/2024 |     |                     |                |              |                       |                     |                       |              |              |                    |                           |                           |
|--|-----|---------------------|----------------|--------------|-----------------------|---------------------|-----------------------|--------------|--------------|--------------------|---------------------------|---------------------------|
| Vote Description<br><br><i>[Insert departmental structure etc]</i>   | Ref | Budget Year 2024/25 |                |              |                       |                     |                       |              |              |                    | Budget Year<br>+1 2025/26 | Budget Year<br>+2 2026/27 |
|  |     | Original<br>Budget  | Prior Adjusted | Accum. Funds | Multi-year<br>capital | Unfore.<br>Unavoid. | Nat. or Prov.<br>Govt | Other Adjus. | Total Adjus. | Adjusted<br>Budget | Adjusted<br>Budget        | Adjusted<br>Budget        |
|  |     | A                   | 3<br>A1        | 4<br>B       | 5<br>C                | 6<br>D              | 7<br>E                | 8<br>F       | 9<br>G       | 10<br>H            |                           |                           |
| R thousands  |     |                     |                |              |                       |                     |                       |              |              |                    |                           |                           |
| Revenue by Vote  | 1   |                     |                |              |                       |                     |                       |              |              |                    |                           |                           |
| Vote 1 - Council General   |     | 1 210               | 1 210          | -            | -                     | -                   | -                     | -            | -            | 1 210              | 1 265                     | 1 324                     |
| Vote 2 - Municipal Manager   |     | 500                 | 500            | -            | -                     | -                   | -                     | -            | -            | 500                | -                         | -                         |
| Vote 3 - Strategic Support Services  |     | 719                 | 719            | -            | -                     | -                   | 1 000                 | -            | 1 000        | 1 719              | 625                       | 631                       |
| Vote 4 - Financial Services  |     | 291 918             | 291 918        | -            | -                     | -                   | -                     | -            | -            | 291 918            | 307 580                   | 323 708                   |
| Vote 5 - Community Services  |     | 317 119             | 317 119        | -            | -                     | -                   | 588                   | -            | 588          | 317 707            | 336 597                   | 347 086                   |
| Vote 6 - Technical Services  |     | -                   | -              | -            | -                     | -                   | -                     | -            | -            | -                  | -                         | -                         |
| Vote 7 - Engineering Services  |     | 640 719             | 640 719        | -            | -                     | -                   | -                     | -            | -            | 640 719            | 726 066                   | 815 115                   |
| Vote 8 - Public Services   |     | 411 914             | 411 914        | -            | -                     | -                   | (87)                  | -            | (87)         | 411 827            | 432 239                   | 452 431                   |
| Vote 9 - [NAME OF VOTE 9]  |     | -                   | -              | -            | -                     | -                   | -                     | -            | -            | -                  | -                         | -                         |
| Vote 10 - [NAME OF VOTE 10]  |     | -                   | -              | -            | -                     | -                   | -                     | -            | -            | -                  | -                         | -                         |
| Vote 11 - [NAME OF VOTE 11]  |     | -                   | -              | -            | -                     | -                   | -                     | -            | -            | -                  | -                         | -                         |
| Vote 12 - [NAME OF VOTE 12]  |     | -                   | -              | -            | -                     | -                   | -                     | -            | -            | -                  | -                         | -                         |
| Vote 13 - [NAME OF VOTE 13]  |     | -                   | -              | -            | -                     | -                   | -                     | -            | -            | -                  | -                         | -                         |
| Vote 14 - [NAME OF VOTE 14]  |     | -                   | -              | -            | -                     | -                   | -                     | -            | -            | -                  | -                         | -                         |
| Vote 15 - [NAME OF VOTE 15]  |     | -                   | -              | -            | -                     | -                   | -                     | -            | -            | -                  | -                         | -                         |
| Total Revenue by Vote  | 2   | 1 664 099           | 1 664 099      | -            | -                     | -                   | 1 501                 | -            | 1 501        | 1 665 600          | 1 804 372                 | 1 940 294                 |
| Expenditure by Vote  | 1   |                     |                |              |                       |                     |                       |              |              |                    |                           |                           |
| Vote 1 - Council General   |     | 42 692              | 42 692         | -            | -                     | -                   | -                     | 15           | 15           | 42 707             | 44 661                    | 46 721                    |
| Vote 2 - Municipal Manager   |     | 13 522              | 13 522         | -            | -                     | -                   | -                     | 99           | 99           | 13 620             | 13 626                    | 14 259                    |
| Vote 3 - Strategic Support Services  |     | 102 538             | 102 538        | -            | -                     | -                   | 1 000                 | (5)          | 995          | 103 533            | 106 075                   | 110 224                   |
| Vote 4 - Financial Services  |     | 144 686             | 144 686        | -            | -                     | -                   | -                     | (81)         | (81)         | 144 605            | 151 407                   | 158 423                   |
| Vote 5 - Community Services  |     | 332 212             | 332 212        | -            | -                     | -                   | 588                   | 228          | 816          | 333 028            | 352 717                   | 357 310                   |
| Vote 6 - Technical Services  |     | -                   | -              | -            | -                     | -                   | -                     | -            | -            | -                  | -                         | -                         |
| Vote 7 - Engineering Services  |     | 605 833             | 605 833        | -            | -                     | -                   | -                     | (250)        | (250)        | 605 584            | 687 831                   | 781 675                   |
| Vote 8 - Public Services   |     | 376 147             | 376 147        | -            | -                     | -                   | -                     | (2 654)      | (2 654)      | 373 494            | 391 391                   | 410 450                   |
| Vote 9 - [NAME OF VOTE 9]  |     | -                   | -              | -            | -                     | -                   | -                     | -            | -            | -                  | -                         | -                         |
| Vote 10 - [NAME OF VOTE 10]  |     | -                   | -              | -            | -                     | -                   | -                     | -            | -            | -                  | -                         | -                         |
| Vote 11 - [NAME OF VOTE 11]  |     | -                   | -              | -            | -                     | -                   | -                     | -            | -            | -                  | -                         | -                         |
| Vote 12 - [NAME OF VOTE 12]  |     | -                   | -              | -            | -                     | -                   | -                     | -            | -            | -                  | -                         | -                         |
| Vote 13 - [NAME OF VOTE 13]  |     | -                   | -              | -            | -                     | -                   | -                     | -            | -            | -                  | -                         | -                         |
| Vote 14 - [NAME OF VOTE 14]  |     | -                   | -              | -            | -                     | -                   | -                     | -            | -            | -                  | -                         | -                         |
| Vote 15 - [NAME OF VOTE 15]  |     | -                   | -              | -            | -                     | -                   | -                     | -            | -            | -                  | -                         | -                         |
| Total Expenditure by Vote  | 2   | 1 617 631           | 1 617 631      | -            | -                     | -                   | 1 588                 | (2 648)      | (1 060)      | 1 616 572          | 1 747 707                 | 1 879 062                 |
| Surplus/ (Deficit) for the year  | 2   | 46 468              | 46 468         | -            | -                     | -                   | (87)                  | 2 648        | 2 561        | 49 028             | 56 665                    | 61 233                    |

## B4 Consolidated Adjustments Budget Financial Performance (Revenue and Expenditure)

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

| WC025 Breede Valley - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 22/10/2024 |     |                     |                  |              |                       |                     |                       |                |                |                    |                           |                           |
|--|-----|---------------------|------------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|---------------------------|---------------------------|
| Description  | Ref | Budget Year 2024/25 |                  |              |                       |                     |                       |                |                |                    | Budget Year<br>+1 2025/26 | Budget Year<br>+2 2026/27 |
|  |     | Original<br>Budget  | Prior Adjusted   | Accum. Funds | Multi-year<br>capital | Unfore.<br>Unavoid. | Nat. or Prov.<br>Govt | Other Adjus.   | Total Adjus.   | Adjusted<br>Budget | Adjusted<br>Budget        | Adjusted<br>Budget        |
| R thousands  | 1   | A                   | 3<br>A1          | 4<br>B       | 5<br>C                | 6<br>D              | 7<br>E                | 8<br>F         | 9<br>G         | 10<br>H            |                           |                           |
| <b>Revenue</b>   |     |                     |                  |              |                       |                     |                       |                |                |                    |                           |                           |
| <b>Exchange Revenue</b>  |     |                     |                  |              |                       |                     |                       |                |                |                    |                           |                           |
| Service charges - Electricity  | 2   | 612 204             | 612 204          | —            | —                     | —                   | —                     | —              | —              | 612 204            | 691 791                   | 781 723                   |
| Service charges - Water  | 2   | 115 599             | 115 599          | —            | —                     | —                   | —                     | —              | —              | 115 599            | 121 379                   | 127 448                   |
| Service charges - Waste Water Management   | 2   | 92 642              | 92 642           | —            | —                     | —                   | —                     | —              | —              | 92 642             | 97 274                    | 102 137                   |
| Service charges - Waste Management   | 2   | 50 190              | 50 190           | —            | —                     | —                   | —                     | —              | —              | 50 190             | 52 700                    | 55 334                    |
| Sale of Goods and Rendering of Services  |     | 6 164               | 6 164            | —            | —                     | —                   | —                     | —              | —              | 6 164              | 6 450                     | 6 607                     |
| Agency services  |     | 9 391               | 9 391            | —            | —                     | —                   | —                     | —              | —              | 9 391              | 9 823                     | 10 275                    |
| Interest   |     | —                   | —                | —            | —                     | —                   | —                     | —              | —              | —                  | —                         | —                         |
| Interest earned from Receivables   |     | 16 030              | 16 030           | —            | —                     | —                   | —                     | —              | —              | 16 030             | 16 768                    | 17 540                    |
| Interest earned from Current and Non Current Assets  |     | 19 522              | 19 522           | —            | —                     | —                   | —                     | —              | —              | 19 522             | 20 420                    | 21 360                    |
| Dividends  |     | —                   | —                | —            | —                     | —                   | —                     | —              | —              | —                  | —                         | —                         |
| Rent on Land   |     | —                   | —                | —            | —                     | —                   | —                     | —              | —              | —                  | —                         | —                         |
| Rental from Fixed Assets   |     | 9 109               | 9 109            | —            | —                     | —                   | —                     | —              | —              | 9 109              | 9 529                     | 9 970                     |
| Licence and permits  |     | —                   | —                | —            | —                     | —                   | —                     | —              | —              | —                  | —                         | —                         |
| Operational Revenue  |     | 7 700               | 7 700            | —            | —                     | —                   | —                     | —              | —              | 7 700              | 8 056                     | 8 118                     |
| <b>Non-Exchange Revenue</b>  |     |                     |                  |              |                       |                     |                       |                |                |                    |                           |                           |
| Property rates   |     | 200 977             | 200 977          | —            | —                     | —                   | —                     | —              | —              | 200 977            | 211 026                   | 221 577                   |
| Surcharges and Taxes   |     | —                   | —                | —            | —                     | —                   | —                     | —              | —              | —                  | —                         | —                         |
| Fines, penalties and forfeits  |     | 253 897             | 253 897          | —            | —                     | —                   | —                     | —              | —              | 253 897            | 265 831                   | 278 059                   |
| Licences or permits  |     | 4 468               | 4 468            | —            | —                     | —                   | —                     | —              | —              | 4 468              | 4 674                     | 4 889                     |
| Transfer and subsidies - Operational   |     | 198 836             | 198 836          | —            | —                     | —                   | 1 588                 | —              | 1 588          | 200 424            | 214 057                   | 218 563                   |
| Interest   |     | 3 643               | 3 643            | —            | —                     | —                   | —                     | —              | —              | 3 643              | 3 811                     | 3 986                     |
| Fuel Levy  |     | —                   | —                | —            | —                     | —                   | —                     | —              | —              | —                  | —                         | —                         |
| Operational Revenue  |     | 7 763               | 7 763            | —            | —                     | —                   | —                     | —              | —              | 7 763              | 8 120                     | 8 494                     |
| Gains on disposal of Assets  |     | 1 555               | 1 555            | —            | —                     | —                   | —                     | —              | —              | 1 555              | 1 627                     | 1 702                     |
| Other Gains  |     | (0)                 | (0)              | —            | —                     | —                   | —                     | —              | —              | (0)                | (1)                       | (1)                       |
| Discontinued Operations  |     | —                   | —                | —            | —                     | —                   | —                     | —              | —              | —                  | —                         | —                         |
| <b>Total Revenue (excluding capital transfers and</b>  |     | <b>1 609 689</b>    | <b>1 609 689</b> | <b>—</b>     | <b>—</b>              | <b>—</b>            | <b>1 588</b>          | <b>—</b>       | <b>1 588</b>   | <b>1 611 277</b>   | <b>1 743 332</b>          | <b>1 877 780</b>          |
| <b>Expenditure By Type</b>   |     |                     |                  |              |                       |                     |                       |                |                |                    |                           |                           |
| Employee related costs   |     | 456 828             | 456 828          | —            | —                     | —                   | —                     | (650)          | (650)          | 456 178            | 477 894                   | 499 931                   |
| Remuneration of councillors  |     | 21 757              | 21 757           | —            | —                     | —                   | —                     | —              | —              | 21 757             | 22 760                    | 23 809                    |
| Bulk purchases - electricity   |     | 487 184             | 487 184          | —            | —                     | —                   | —                     | —              | —              | 487 184            | 563 611                   | 652 034                   |
| Inventory consumed   |     | 46 872              | 46 872           | —            | —                     | —                   | —                     | 589            | 589            | 47 461             | 49 011                    | 51 279                    |
| Debt impairment  |     | 220 011             | 220 011          | —            | —                     | —                   | —                     | —              | —              | 220 011            | 230 351                   | 240 948                   |
| Depreciation and amortisation  |     | 105 208             | 105 208          | —            | —                     | —                   | —                     | —              | —              | 105 208            | 110 079                   | 115 174                   |
| Interest   |     | 39 842              | 39 842           | —            | —                     | —                   | —                     | —              | —              | 39 842             | 41 676                    | 43 594                    |
| Contracted services  |     | 127 393             | 127 393          | —            | —                     | —                   | 462                   | (1 448)        | (986)          | 126 407            | 135 101                   | 133 588                   |
| Transfers and subsidies  |     | 7 711               | 7 711            | —            | —                     | —                   | 1 126                 | (289)          | 837            | 8 548              | 7 855                     | 4 868                     |
| Irrecoverable debts written off  |     | 19                  | 19               | —            | —                     | —                   | —                     | —              | —              | 19                 | 20                        | 21                        |
| Operational costs  |     | 100 614             | 100 614          | —            | —                     | —                   | —                     | (849)          | (849)          | 99 766             | 104 959                   | 109 220                   |
| Losses on disposal of Assets   |     | 4 125               | 4 125            | —            | —                     | —                   | —                     | —              | —              | 4 125              | 4 320                     | 4 523                     |
| Other Losses   |     | 67                  | 67               | —            | —                     | —                   | —                     | —              | —              | 67                 | 70                        | 74                        |
| <b>Total Expenditure</b>   |     | <b>1 617 631</b>    | <b>1 617 631</b> | <b>—</b>     | <b>—</b>              | <b>—</b>            | <b>1 588</b>          | <b>(2 648)</b> | <b>(1 060)</b> | <b>1 616 572</b>   | <b>1 747 707</b>          | <b>1 879 062</b>          |
| <b>Surplus/(Deficit)</b>   |     | <b>(7 942)</b>      | <b>(7 942)</b>   | <b>—</b>     | <b>—</b>              | <b>—</b>            | <b>—</b>              | <b>2 648</b>   | <b>2 648</b>   | <b>(5 295)</b>     | <b>(4 375)</b>            | <b>(1 281)</b>            |
| Transfers and subsidies - capital (monetary allocations)   |     | 54 410              | 54 410           | —            | —                     | —                   | —                     | (87)           | —              | 54 323             | 61 040                    | 62 514                    |
| Transfers and subsidies - capital (in-kind)  |     | —                   | —                | —            | —                     | —                   | —                     | —              | —              | —                  | —                         | —                         |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b>   |     | <b>46 468</b>       | <b>46 468</b>    | <b>—</b>     | <b>—</b>              | <b>—</b>            | <b>(87)</b>           | <b>2 648</b>   | <b>2 561</b>   | <b>49 028</b>      | <b>56 665</b>             | <b>61 233</b>             |
| Income Tax   |     | —                   | —                | —            | —                     | —                   | —                     | —              | —              | —                  | —                         | —                         |
| <b>Surplus/(Deficit) after income tax</b>  |     | <b>46 468</b>       | <b>46 468</b>    | <b>—</b>     | <b>—</b>              | <b>—</b>            | <b>(87)</b>           | <b>2 648</b>   | <b>2 561</b>   | <b>49 028</b>      | <b>56 665</b>             | <b>61 233</b>             |
| Share of Surplus/Deficit attributable to Joint Venture   |     | —                   | —                | —            | —                     | —                   | —                     | —              | —              | —                  | —                         | —                         |
| Share of Surplus/Deficit attributable to Minorities  |     | —                   | —                | —            | —                     | —                   | —                     | —              | —              | —                  | —                         | —                         |
| <b>Surplus/(Deficit) attributable to municipality</b>  |     | <b>46 468</b>       | <b>46 468</b>    | <b>—</b>     | <b>—</b>              | <b>—</b>            | <b>(87)</b>           | <b>2 648</b>   | <b>2 561</b>   | <b>49 028</b>      | <b>56 665</b>             | <b>61 233</b>             |
| Share of Surplus/Deficit attributable to Associate   |     | —                   | —                | —            | —                     | —                   | —                     | —              | —              | —                  | —                         | —                         |
| Intercompany/Parent subsidiary transactions  |     | —                   | —                | —            | —                     | —                   | —                     | —              | —              | —                  | —                         | —                         |
| <b>Surplus/ (Deficit) for the year</b>   |     | <b>46 468</b>       | <b>46 468</b>    | <b>—</b>     | <b>—</b>              | <b>—</b>            | <b>(87)</b>           | <b>2 648</b>   | <b>2 561</b>   | <b>49 028</b>      | <b>56 665</b>             | <b>61 233</b>             |

## B5 Consolidated Adjustments Budget Capital Expenditure Vote and Funding

Table B5 is a breakdown of the capital programmed in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments

| WC025 Breede Valley - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 22/10/2024 |     |                              |                           |                        |                                 |                               |                                 |                           |                           |                               |                           |                           |
|--|-----|------------------------------|---------------------------|------------------------|---------------------------------|-------------------------------|---------------------------------|---------------------------|---------------------------|-------------------------------|---------------------------|---------------------------|
| Description  | Ref | Budget Year 2024/25          |                           |                        |                                 |                               |                                 |                           |                           |                               | Budget Year<br>*1 2023/24 | Budget Year<br>*2 2026/27 |
|  |     | Original<br>Budget<br>7<br>A | Prior Adjusted<br>5<br>A1 | Accum. Funds<br>6<br>B | Multi-year<br>capital<br>7<br>C | Unfore.<br>Unavoid.<br>8<br>D | Nat. or Prov.<br>Govt<br>9<br>E | Other Adjusts.<br>10<br>F | Total Adjusts.<br>11<br>G | Adjusted<br>Budget<br>12<br>H | Adjusted<br>Budget        | Adjusted<br>Budget        |
| R thousands  |     |                              |                           |                        |                                 |                               |                                 |                           |                           |                               |                           |                           |
| <b>Capital expenditure - Vote</b>  |     |                              |                           |                        |                                 |                               |                                 |                           |                           |                               |                           |                           |
| <b>Multi-year expenditure to be adjusted</b>   |     |                              |                           |                        |                                 |                               |                                 |                           |                           |                               |                           |                           |
| Vote 1 - Council General   | 2   | 5                            | 5                         | -                      | -                               | -                             | -                               | -                         | -                         | 5                             | -                         | -                         |
| Vote 2 - Municipal Manager   |     | 5                            | 5                         | -                      | -                               | -                             | -                               | -                         | -                         | 5                             | -                         | -                         |
| Vote 3 - Strategic Support Services  |     | 2 155                        | 2 155                     | -                      | -                               | -                             | -                               | -                         | -                         | 2 155                         | 655                       | 655                       |
| Vote 4 - Financial Services  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 5 - Community Services  |     | 6 005                        | 6 005                     | -                      | -                               | -                             | -                               | -                         | -                         | 6 005                         | 5 000                     | 5 000                     |
| Vote 6 - Technical Services  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 7 - Engineering Services  |     | 41 797                       | 45 471                    | -                      | -                               | -                             | -                               | -                         | -                         | 45 471                        | 41 331                    | 19 518                    |
| Vote 8 - Public Services   |     | 65 684                       | 82 903                    | -                      | -                               | -                             | (87)                            | (12 495)                  | (12 582)                  | 70 321                        | 45 490                    | 55 434                    |
| Vote 9 - [NAME OF VOTE 9]  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 10 - [NAME OF VOTE 10]  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 11 - [NAME OF VOTE 11]  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 12 - [NAME OF VOTE 12]  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 13 - [NAME OF VOTE 13]  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 14 - [NAME OF VOTE 14]  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 15 - [NAME OF VOTE 15]  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Capital multi-year expenditure sub-total   | 3   | 115 651                      | 136 544                   | -                      | -                               | -                             | (87)                            | (12 495)                  | (12 582)                  | 123 962                       | 92 476                    | 80 607                    |
| <b>Single-year expenditure to be adjusted</b>  |     |                              |                           |                        |                                 |                               |                                 |                           |                           |                               |                           |                           |
| Vote 1 - Council General   | 2   | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 2 - Municipal Manager   |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 3 - Strategic Support Services  |     | 4 265                        | 4 265                     | -                      | -                               | -                             | -                               | (4 200)                   | (4 200)                   | 65                            | 5 065                     | 60                        |
| Vote 4 - Financial Services  |     | 1 405                        | 1 575                     | -                      | -                               | -                             | -                               | -                         | -                         | 1 575                         | 1 400                     | 1 400                     |
| Vote 5 - Community Services  |     | 23 673                       | 24 585                    | -                      | -                               | -                             | -                               | 3 631                     | 3 631                     | 28 216                        | 11 500                    | 14 500                    |
| Vote 6 - Technical Services  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 7 - Engineering Services  |     | 750                          | 1 740                     | -                      | -                               | -                             | -                               | 4 200                     | 4 200                     | 5 940                         | 100                       | -                         |
| Vote 8 - Public Services   |     | 41 693                       | 56 816                    | -                      | -                               | -                             | -                               | 8 864                     | 8 864                     | 65 680                        | 44 023                    | 3 000                     |
| Vote 9 - [NAME OF VOTE 9]  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 10 - [NAME OF VOTE 10]  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 11 - [NAME OF VOTE 11]  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 12 - [NAME OF VOTE 12]  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 13 - [NAME OF VOTE 13]  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 14 - [NAME OF VOTE 14]  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Vote 15 - [NAME OF VOTE 15]  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Capital single-year expenditure sub-total  |     | 71 786                       | 88 981                    | -                      | -                               | -                             | -                               | 12 495                    | 12 495                    | 101 476                       | 62 088                    | 18 960                    |
| Total Capital Expenditure - Vote   |     | 187 437                      | 225 525                   | -                      | -                               | -                             | (87)                            | -                         | (87)                      | 225 438                       | 154 564                   | 99 567                    |
| <b>Capital Expenditure - Functional</b>  |     |                              |                           |                        |                                 |                               |                                 |                           |                           |                               |                           |                           |
| <b>Governance and administration</b>   |     | 5 785                        | 5 955                     | -                      | -                               | -                             | -                               | 280                       | 280                       | 6 235                         | 2 115                     | 2 115                     |
| Executive and council  |     | 10                           | 10                        | -                      | -                               | -                             | -                               | -                         | -                         | 10                            | -                         | -                         |
| Finance and administration   |     | 5 775                        | 5 945                     | -                      | -                               | -                             | -                               | 280                       | 280                       | 6 225                         | 2 115                     | 2 115                     |
| Internal audit   |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| <b>Community and public safety</b>   |     | 31 460                       | 33 010                    | -                      | -                               | -                             | -                               | 3 631                     | 3 631                     | 36 640                        | 16 825                    | 17 900                    |
| Community and social services  |     | 888                          | 888                       | -                      | -                               | -                             | -                               | -                         | -                         | 888                           | 1 225                     | -                         |
| Sport and recreation   |     | 14 543                       | 16 092                    | -                      | -                               | -                             | -                               | 3 631                     | 3 631                     | 19 723                        | 2 100                     | 12 900                    |
| Public safety  |     | 10 030                       | 10 030                    | -                      | -                               | -                             | -                               | -                         | -                         | 10 030                        | 8 500                     | -                         |
| Housing  |     | 6 000                        | 6 000                     | -                      | -                               | -                             | -                               | -                         | -                         | 6 000                         | 5 000                     | 5 000                     |
| Health   |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| <b>Economic and environmental services</b>   |     | 41 613                       | 55 806                    | -                      | -                               | -                             | -                               | 8 144                     | 8 144                     | 63 950                        | 42 100                    | 22 551                    |
| Planning and development   |     | 5                            | 5                         | -                      | -                               | -                             | -                               | -                         | -                         | 5                             | 5                         | -                         |
| Road transport   |     | 41 608                       | 55 801                    | -                      | -                               | -                             | -                               | 8 144                     | 8 144                     | 63 945                        | 42 095                    | 22 551                    |
| Environmental protection   |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| <b>Trading services</b>  |     | 108 579                      | 130 755                   | -                      | -                               | -                             | (87)                            | (12 055)                  | (12 142)                  | 118 613                       | 93 524                    | 57 001                    |
| Energy sources   |     | 48 245                       | 52 909                    | -                      | -                               | -                             | -                               | -                         | -                         | 52 909                        | 48 034                    | 19 518                    |
| Water management   |     | 14 619                       | 14 806                    | -                      | -                               | -                             | -                               | -                         | -                         | 14 806                        | 17 408                    | 33 363                    |
| Waste water management   |     | 44 715                       | 62 040                    | -                      | -                               | -                             | (87)                            | (12 055)                  | (12 142)                  | 49 898                        | 27 083                    | 3 120                     |
| Waste management   |     | 1 000                        | 1 000                     | -                      | -                               | -                             | -                               | -                         | -                         | 1 000                         | 1 000                     | 1 000                     |
| <b>Other</b>   |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Total Capital Expenditure - Functional   | 3   | 187 437                      | 225 525                   | -                      | -                               | -                             | (87)                            | -                         | (87)                      | 225 438                       | 154 564                   | 99 567                    |
| <b>Funded by:</b>  |     |                              |                           |                        |                                 |                               |                                 |                           |                           |                               |                           |                           |
| National Government  |     | 54 410                       | 54 410                    | -                      | -                               | -                             | (87)                            | -                         | (87)                      | 54 323                        | 61 040                    | 62 514                    |
| Provincial Government  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| District Municipality  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial                        |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Departmental Agencies, Households, Non-profit Institutions, Private Enterprises,                       |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| Public Corporations, Higher Educational Institutions)  |     | -                            | -                         | -                      | -                               | -                             | -                               | -                         | -                         | -                             | -                         | -                         |
| <b>Transfers recognised - capital</b>  | 4   | 54 410                       | 54 410                    | -                      | -                               | -                             | (87)                            | -                         | (87)                      | 54 323                        | 61 040                    | 62 514                    |
| <b>Borrowing</b>   |     | 48 706                       | 63 867                    | -                      | -                               | -                             | -                               | -                         | -                         | 63 867                        | 34 380                    | -                         |
| <b>Internally generated funds</b>  |     | 84 321                       | 107 248                   | -                      | -                               | -                             | -                               | -                         | -                         | 107 248                       | 59 144                    | 37 053                    |
| Total Capital Funding  |     | 187 437                      | 225 525                   | -                      | -                               | -                             | (87)                            | -                         | (87)                      | 225 438                       | 154 564                   | 99 567                    |

## B6 Consolidated Adjustments Budget Financial Position

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

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



WC025 Breede Valley - Table B6 Adjustments Budget Financial Position - 22/10/2024

| Description   |   | Ref | Budget Year 2024/25     |                           |                        |                                 |                               |                                 |                          |                          | Budget Year<br>+1 2025/26     | Budget Year<br>+2 2026/27 |                    |
|---|---|-----|-------------------------|---------------------------|------------------------|---------------------------------|-------------------------------|---------------------------------|--------------------------|--------------------------|-------------------------------|---------------------------|--------------------|
|   |   |     | Original<br>Budget<br>A | Prior Adjusted<br>3<br>A1 | Accum. Funds<br>4<br>B | Multi-year<br>capital<br>5<br>C | Unfore.<br>Unavoid.<br>6<br>D | Nat. or Prov.<br>Govt<br>7<br>E | Other Adjusts.<br>8<br>F | Total Adjusts.<br>9<br>G | Adjusted<br>Budget<br>10<br>H | Adjusted<br>Budget        | Adjusted<br>Budget |
| R thousands   |   |     |                         |                           |                        |                                 |                               |                                 |                          |                          |                               |                           |                    |
| ASSETS  |   |     |                         |                           |                        |                                 |                               |                                 |                          |                          |                               |                           |                    |
| Current assets  |   |     |                         |                           |                        |                                 |                               |                                 |                          |                          |                               |                           |                    |
| Cash and cash equivalents                               |   |     | 65 082                  | 110 218                   | –                      | –                               | –                             | (1 588)                         | 2 648                    | 1 060                    | 111 278                       | 32 154                    | 55 548             |
| Trade and other receivables from exchange transactions  | 1 |     | 184 460                 | 184 460                   | –                      | –                               | –                             | –                               | –                        | –                        | 184 460                       | 228 681                   | 279 082            |
| Receivables from non-exchange transactions              | 1 |     | 96 776                  | 96 776                    | –                      | –                               | –                             | –                               | –                        | –                        | 96 776                        | 180 181                   | 267 182            |
| Current portion of non-current receivables              |   |     | 2 298                   | 2 298                     | –                      | –                               | –                             | –                               | –                        | –                        | 2 298                         | 2 527                     | 2 780              |
| Inventory   |   |     | 13 684                  | 13 684                    | –                      | –                               | –                             | –                               | –                        | –                        | 13 684                        | 15 052                    | 16 557             |
| VAT   |   |     | 6 084                   | 6 084                     | –                      | –                               | –                             | –                               | –                        | –                        | 6 084                         | 6 175                     | 6 484              |
| Other current assets                                    |   |     | 432                     | 432                       | –                      | –                               | –                             | –                               | –                        | –                        | 432                           | 451                       | 472                |
| Total current assets                                    |   |     | 368 815                 | 413 951                   | –                      | –                               | –                             | (1 588)                         | 2 648                    | 1 060                    | 415 010                       | 465 223                   | 628 105            |
| Non current assets                                      |   |     |                         |                           |                        |                                 |                               |                                 |                          |                          |                               |                           |                    |
| Investments   |   |     | –                       | –                         | –                      | –                               | –                             | –                               | –                        | –                        | –                             | –                         | –                  |
| Investment property                                     |   |     | 64 495                  | 64 495                    | –                      | –                               | –                             | –                               | –                        | –                        | 64 495                        | 64 495                    | 64 495             |
| Property, plant and equipment                           |   |     | 2 675 771               | 2 713 859                 | –                      | –                               | –                             | –                               | (87)                     | (87)                     | 2 713 772                     | 2 720 953                 | 2 706 075          |
| Biological assets                                       |   |     | –                       | –                         | –                      | –                               | –                             | –                               | –                        | –                        | –                             | –                         | –                  |
| Living and non-living resources                         | 1 |     | –                       | –                         | –                      | –                               | –                             | –                               | –                        | –                        | –                             | –                         | –                  |
| Heritage assets   |   |     | –                       | –                         | –                      | –                               | –                             | –                               | –                        | –                        | –                             | –                         | –                  |
| Intangible assets                                       |   |     | 2 313                   | 2 313                     | –                      | –                               | –                             | –                               | –                        | –                        | 2 313                         | 1 616                     | 886                |
| Trade and other receivables from exchange transactions  |   |     | 2 903                   | 2 903                     | –                      | –                               | –                             | –                               | –                        | –                        | 2 903                         | 3 193                     | 3 513              |
| Non-current receivables from non-exchange transactions  |   |     | –                       | –                         | –                      | –                               | –                             | –                               | –                        | –                        | –                             | –                         | –                  |
| Other non-current assets                                |   |     | 36 631                  | 36 631                    | –                      | –                               | –                             | –                               | –                        | –                        | 36 631                        | 36 631                    | 36 631             |
| Total non current assets                                |   |     | 2 782 113               | 2 820 200                 | –                      | –                               | –                             | –                               | (87)                     | (87)                     | 2 820 113                     | 2 826 887                 | 2 811 600          |
| TOTAL ASSETS  |   |     | 3 150 927               | 3 234 151                 | –                      | –                               | –                             | (1 588)                         | 2 561                    | 973                      | 3 235 123                     | 3 292 110                 | 3 439 705          |
| LIABILITIES   |   |     |                         |                           |                        |                                 |                               |                                 |                          |                          |                               |                           |                    |
| Current liabilities                                     |   |     |                         |                           |                        |                                 |                               |                                 |                          |                          |                               |                           |                    |
| Bank overdraft  |   |     | –                       | –                         | –                      | –                               | –                             | –                               | –                        | –                        | –                             | –                         | –                  |
| Financial liabilities                                   |   |     | 23 011                  | 23 011                    | –                      | –                               | –                             | –                               | –                        | –                        | 23 011                        | 28 702                    | 28 440             |
| Consumer deposits                                       |   |     | 5 083                   | 5 083                     | –                      | –                               | –                             | –                               | –                        | –                        | 5 083                         | 5 317                     | 5 567              |
| Trade and other payables from exchange transactions     |   |     | 111 280                 | 111 280                   | –                      | –                               | –                             | –                               | –                        | –                        | 111 280                       | 116 401                   | 121 874            |
| Trade and other payables from non-exchange transactions |   |     | 4 658                   | 4 658                     | –                      | –                               | –                             | –                               | –                        | –                        | 4 658                         | 4 873                     | 5 102              |
| Provisions  |   |     | 53 632                  | 53 632                    | –                      | –                               | –                             | –                               | –                        | –                        | 53 632                        | 56 850                    | 60 261             |
| VAT   |   |     | –                       | –                         | –                      | –                               | –                             | –                               | –                        | –                        | –                             | –                         | –                  |
| Other current liabilities                               |   |     | –                       | –                         | –                      | –                               | –                             | –                               | –                        | –                        | –                             | –                         | –                  |
| Total current liabilities                               |   |     | 197 665                 | 197 665                   | –                      | –                               | –                             | –                               | –                        | –                        | 197 665                       | 212 143                   | 221 243            |
| Non current liabilities                                 |   |     |                         |                           |                        |                                 |                               |                                 |                          |                          |                               |                           |                    |
| Financial Liabilities                                   | 1 |     | 299 451                 | 299 451                   | –                      | –                               | –                             | –                               | –                        | –                        | 299 451                       | 357 749                   | 329 309            |
| Provisions  | 1 |     | 377 740                 | 377 740                   | –                      | –                               | –                             | –                               | –                        | –                        | 377 740                       | 398 220                   | 420 119            |
| Long term portion of trade payables                     |   |     | –                       | –                         | –                      | –                               | –                             | –                               | –                        | –                        | –                             | –                         | –                  |
| Other non-current liabilities                           |   |     | –                       | –                         | –                      | –                               | –                             | –                               | –                        | –                        | –                             | –                         | –                  |
| Total non current liabilities                           |   |     | 677 191                 | 677 191                   | –                      | –                               | –                             | –                               | –                        | –                        | 677 191                       | 755 969                   | 749 428            |
| TOTAL LIABILITIES                                       |   |     | 874 856                 | 874 856                   | –                      | –                               | –                             | –                               | –                        | –                        | 874 856                       | 968 112                   | 970 672            |
| NET ASSETS  |   | 2   | 2 276 072               | 2 359 295                 | –                      | –                               | –                             | (1 588)                         | 2 561                    | 973                      | 2 360 268                     | 2 323 998                 | 2 469 033          |
| COMMUNITY WEALTH/EQUITY                                 |   |     |                         |                           |                        |                                 |                               |                                 |                          |                          |                               |                           |                    |
| Accumulated Surplus/(Deficit)                           |   |     | 2 222 207               | 2 305 430                 | –                      | –                               | –                             | (1 588)                         | 2 561                    | 973                      | 2 306 403                     | 2 270 133                 | 2 415 168          |
| Funds and Reserves                                      |   |     | 53 865                  | 53 865                    | –                      | –                               | –                             | –                               | –                        | –                        | 53 865                        | 53 865                    | 53 865             |
| Other   |   |     | –                       | –                         | –                      | –                               | –                             | –                               | –                        | –                        | –                             | –                         | –                  |
| TOTAL COMMUNITY WEALTH/EQUITY                           |   |     | 2 276 072               | 2 359 295                 | –                      | –                               | –                             | (1 588)                         | 2 561                    | 973                      | 2 360 268                     | 2 323 998                 | 2 469 033          |

**B7 Consolidated Adjustments Budget Cash Flows**

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

WC025 Breede Valley - Table B7 Adjustments Budget Cash Flows - 22/10/2024

| Description                                      | Ref | Budget Year 2024/25 |                  |              |                       |                     |                       |                |                |                    | Budget Year<br>+1 2025/26 | Budget Year<br>+2 2026/27 |
|--|-----|---------------------|------------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|---------------------------|---------------------------|
|  |     | Original<br>Budget  | Prior Adjusted   | Accum. Funds | Multi-year<br>capital | Unfore.<br>Unavoid. | Nat. or Prov.<br>Govt | Other Adjusts. | Total Adjusts. | Adjusted<br>Budget | Adjusted<br>Budget        | Adjusted<br>Budget        |
| R thousands                                      |     | A                   | 3<br>A1          | 4<br>B       | 5<br>C                | 6<br>D              | 7<br>E                | 8<br>F         | 9<br>G         | 10<br>H            |                           |                           |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>       |     |                     |                  |              |                       |                     |                       |                |                |                    |                           |                           |
| <b>Receipts</b>                                  |     |                     |                  |              |                       |                     |                       |                |                |                    |                           |                           |
| Property rates                                   |     | 190 552             | 190 552          | –            | –                     | –                   | –                     | –              | –              | 190 552            | 208 506                   | 225 563                   |
| Service charges                                  |     | 843 939             | 843 939          | –            | –                     | –                   | –                     | –              | –              | 843 939            | 945 153                   | 1 064 481                 |
| Other revenue                                    |     | 59 546              | 59 546           | –            | –                     | –                   | –                     | –              | –              | 59 546             | 61 157                    | 63 430                    |
| Transfers and Subsidies - Operational            | 1   | 198 836             | 198 836          | –            | –                     | –                   | –                     | –              | –              | 198 836            | 214 057                   | 218 563                   |
| Transfers and Subsidies - Capital                | 1   | 54 410              | 54 410           | –            | –                     | –                   | (87)                  | –              | (87)           | 54 323             | 61 040                    | 62 514                    |
| Interest   |     | 35 553              | 35 553           | –            | –                     | –                   | –                     | –              | –              | 35 553             | 37 188                    | 38 900                    |
| Dividends  |     | –                   | –                | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| <b>Payments</b>                                  |     |                     |                  |              |                       |                     |                       |                |                |                    |                           |                           |
| Suppliers and employees                          |     | (1 244 859)         | (1 244 859)      | –            | –                     | –                   | (1 588)               | 1 799          | 211            | (1 244 648)        | (1 357 746)               | (1 474 478)               |
| Finance charges                                  |     | (38 204)            | (38 204)         | –            | –                     | –                   | –                     | –              | –              | (38 204)           | (46 191)                  | (42 854)                  |
| Transfers and Grants                             | 1   | (7 711)             | (7 711)          | –            | –                     | –                   | –                     | 849            | 849            | (6 863)            | (7 855)                   | (4 868)                   |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b> |     | <b>92 061</b>       | <b>92 061</b>    | <b>–</b>     | <b>–</b>              | <b>–</b>            | <b>(1 675)</b>        | <b>2 648</b>   | <b>973</b>     | <b>93 033</b>      | <b>115 309</b>            | <b>151 250</b>            |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>       |     |                     |                  |              |                       |                     |                       |                |                |                    |                           |                           |
| <b>Receipts</b>                                  |     |                     |                  |              |                       |                     |                       |                |                |                    |                           |                           |
| Proceeds on disposal of PPE                      |     | –                   | –                | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Decrease (Increase) in non-current debbrs        |     | –                   | –                | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Decrease (increase) in non-current receivables   |     | 100                 | 100              | –            | –                     | –                   | –                     | –              | –              | 100                | 50                        | 50                        |
| Decrease (increase) in non-current investments   |     | –                   | –                | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| <b>Payments</b>                                  |     |                     |                  |              |                       |                     |                       |                |                |                    |                           |                           |
| Capital assets                                   |     | (187 437)           | (225 525)        | –            | –                     | –                   | 87                    | –              | 87             | (225 438)          | (154 564)                 | (99 567)                  |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b> |     | <b>(187 337)</b>    | <b>(225 425)</b> | <b>–</b>     | <b>–</b>              | <b>–</b>            | <b>87</b>             | <b>–</b>       | <b>87</b>      | <b>(225 338)</b>   | <b>(154 514)</b>          | <b>(99 517)</b>           |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>       |     |                     |                  |              |                       |                     |                       |                |                |                    |                           |                           |
| <b>Receipts</b>                                  |     |                     |                  |              |                       |                     |                       |                |                |                    |                           |                           |
| Short term loans                                 |     | –                   | –                | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Borrowing long term/refinancing                  |     | 48 206              | 48 206           | –            | –                     | –                   | –                     | –              | –              | 48 206             | 34 880                    | –                         |
| Increase (decrease) in consumer deposits         |     | 150                 | 150              | –            | –                     | –                   | –                     | –              | –              | 150                | 100                       | 100                       |
| <b>Payments</b>                                  |     |                     |                  |              |                       |                     |                       |                |                |                    |                           |                           |
| Repayment of borrowing                           |     | (23 011)            | (23 011)         | –            | –                     | –                   | –                     | –              | –              | (23 011)           | (28 702)                  | (28 440)                  |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b> |     | <b>25 346</b>       | <b>25 346</b>    | <b>–</b>     | <b>–</b>              | <b>–</b>            | <b>–</b>              | <b>–</b>       | <b>–</b>       | <b>25 346</b>      | <b>6 277</b>              | <b>(28 340)</b>           |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>      |     | <b>(69 931)</b>     | <b>(108 019)</b> | <b>–</b>     | <b>–</b>              | <b>–</b>            | <b>(1 588)</b>        | <b>2 648</b>   | <b>1 060</b>   | <b>(106 959)</b>   | <b>(32 928)</b>           | <b>23 394</b>             |
| Cash/cash equivalents at the year begin:         | 2   | 135 013             | 218 237          | –            | –                     | –                   | –                     | –              | –              | 218 237            | 111 278                   | 78 349                    |
| Cash/cash equivalents at the year end:           | 2   | 65 082              | 110 218          | –            | –                     | –                   | (1 588)               | 2 648          | 1 060          | 111 278            | 78 349                    | 101 743                   |

**B8 Consolidated Cash Backed Reserves/Accumulated Surplus Reconciliation**

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

WC025 Breede Valley - Table B8 Cash backed reserves/accumulated surplus reconciliation - 22/10/2024

| Description                                       | Ref | Budget Year 2024/25 |                |              |                       |                     |                       |                |                |                    | Budget Year<br>+1 2025/26 | Budget Year<br>+2 2026/27 |
|---|-----|---------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|---------------------------|---------------------------|
|   |     | Original<br>Budget  | Prior Adjusted | Accum. Funds | Multi-year<br>capital | Unfore.<br>Unavoid. | Nat. or Prov.<br>Govt | Other Adjusts. | Total Adjusts. | Adjusted<br>Budget | Adjusted<br>Budget        | Adjusted<br>Budget        |
| R thousands                                       |     | A                   | 3<br>A1        | 4<br>B       | 5<br>C                | 6<br>D              | 7<br>E                | 8<br>F         | 9<br>G         | 10<br>H            |                           |                           |
| <b>Cash and investments available</b>             |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Cash/cash equivalents at the year end             | 1   | 65 082              | 110 218        | –            | –                     | –                   | (1 588)               | 2 648          | 1 060          | 111 278            | 78 349                    | 101 743                   |
| Other current investments > 90 days               |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | (46 195)                  | (46 195)                  |
| Non current assets - Investments                  | 1   | 64 495              | 64 495         | –            | –                     | –                   | –                     | –              | –              | 64 495             | 64 495                    | 64 495                    |
| <b>Cash and investments available:</b>            |     | <b>129 577</b>      | <b>174 713</b> | <b>–</b>     | <b>–</b>              | <b>–</b>            | <b>(1 588)</b>        | <b>2 648</b>   | <b>1 060</b>   | <b>175 772</b>     | <b>96 649</b>             | <b>120 042</b>            |
| <b>Applications of cash and investments</b>       |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Unspent conditional transfers                     |     | 4 658               | 4 658          | –            | –                     | –                   | –                     | –              | –              | 4 658              | 4 873                     | 5 102                     |
| Unspent borrowing                                 |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Statutory requirements                            |     | 6 084               | 6 084          | –            | –                     | –                   | –                     | –              | –              | 6 084              | 6 175                     | 6 484                     |
| Other working capital requirements                |     | (115 248)           | (115 248)      | –            | –                     | –                   | –                     | –              | –              | (115 248)          | (219 799)                 | (338 178)                 |
| Other provisions                                  |     | 53 632              | 53 632         | –            | –                     | –                   | –                     | –              | –              | 53 632             | 56 850                    | 60 261                    |
| Long term investments committed                   |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Reserves to be backed by cash/investments         |     | 53 865              | 53 865         | –            | –                     | –                   | –                     | –              | –              | 53 865             | 53 865                    | 53 865                    |
| <b>Total Application of cash and investments:</b> |     | <b>2 992</b>        | <b>2 992</b>   | <b>–</b>     | <b>–</b>              | <b>–</b>            | <b>–</b>              | <b>0</b>       | <b>0</b>       | <b>2 992</b>       | <b>(98 036)</b>           | <b>(212 467)</b>          |
| <b>Surplus(shortfall)</b>                         |     | <b>126 585</b>      | <b>171 721</b> | <b>–</b>     | <b>–</b>              | <b>–</b>            | <b>(1 588)</b>        | <b>2 647</b>   | <b>1 059</b>   | <b>172 780</b>     | <b>194 685</b>            | <b>332 509</b>            |

**B9 Consolidated Asset Management**

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

Please refer to table B9

## B10 Consolidated Basic Service Delivery Measurement

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

| WC025 Breede Valley - Table B10 Basic service delivery measurement - 22/10/2024   |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
|---|-----|---------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|---------------------------|---------------------------|
| Description   | Ref | Budget Year 2024/25 |                |              |                       |                     |                       |                |                |                    | Budget Year<br>+1 2025/26 | Budget Year<br>+2 2026/27 |
|   |     | Original<br>Budget  | Prior Adjusted | Accum. Funds | Multi-year<br>capital | Unfore.<br>Unavoid. | Nat. or Prov.<br>Govt | Other Adjusts. | Total Adjusts. | Adjusted<br>Budget | Adjusted<br>Budget        | Adjusted<br>Budget        |
|   |     | A                   | 7<br>A1        | 8<br>B       | 9<br>C                | 10<br>D             | 11<br>E               | 12<br>F        | 13<br>G        | 14<br>H            |                           |                           |
| <b>Household service targets</b>  | 1   |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| <b>Water:</b>   |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Piped water inside dwelling   |     | 21 469              | 21 469         | -            | -                     | -                   | -                     | -              | -              | 21 469             | 21 469                    | 21 469                    |
| Piped water inside yard (but not in dwelling)                                     |     | 3 960               | 3 960          | -            | -                     | -                   | -                     | -              | -              | 3 960              | 3 960                     | 3 960                     |
| Using public tap (at least min.service level)                                     | 2   | 5 507               | 5 507          | -            | -                     | -                   | -                     | -              | -              | 5 507              | 5 507                     | 5 507                     |
| Other water supply (at least min.service level)                                   |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Minimum Service Level and Above sub-total</b>                                  |     | <b>30 936</b>       | <b>30 936</b>  | -            | -                     | -                   | -                     | -              | -              | <b>30 936</b>      | <b>30 936</b>             | <b>30 936</b>             |
| Using public tap (< min.service level)  | 3   | 962                 | 962            | -            | -                     | -                   | -                     | -              | -              | 962                | 962                       | 962                       |
| Other water supply (< min.service level)  | 3.4 | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| No water supply   |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Below Minimum Service Level sub-total</b>                                      |     | <b>962</b>          | <b>962</b>     | -            | -                     | -                   | -                     | -              | -              | <b>962</b>         | <b>962</b>                | <b>962</b>                |
| <b>Total number of households</b>   | 5   | <b>31 898</b>       | <b>31 898</b>  | -            | -                     | -                   | -                     | -              | -              | <b>31 898</b>      | <b>31 898</b>             | <b>31 898</b>             |
| <b>Sanitation/sewerage:</b>   |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Flush toilet (connected to sewerage)  |     | 19 239              | 19 239         | -            | -                     | -                   | -                     | -              | -              | 19 239             | 19 239                    | 19 239                    |
| Flush toilet (with septic tank)   |     | 411                 | 411            | -            | -                     | -                   | -                     | -              | -              | 411                | 411                       | 411                       |
| Chemical toilet   |     | 1 064               | 1 064          | -            | -                     | -                   | -                     | -              | -              | 1 064              | 1 064                     | 1 064                     |
| Pit toilet (ventilated)   |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Other toilet provisions (> min.service level)                                     |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Minimum Service Level and Above sub-total</b>                                  |     | <b>20 714</b>       | <b>20 714</b>  | -            | -                     | -                   | -                     | -              | -              | <b>20 714</b>      | <b>20 714</b>             | <b>20 714</b>             |
| Bucket toilet   |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Other toilet provisions (< min.service level)                                     |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| No toilet provisions  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Below Minimum Service Level sub-total</b>                                      |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Total number of households</b>   | 5   | <b>20 714</b>       | <b>20 714</b>  | -            | -                     | -                   | -                     | -              | -              | <b>20 714</b>      | <b>20 714</b>             | <b>20 714</b>             |
| <b>Energy:</b>  |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Electricity (at least min. service level)   |     | 2 977               | 2 977          | -            | -                     | -                   | -                     | -              | -              | 2 977              | 2 977                     | 2 977                     |
| Electricity - prepaid (> min.service level)                                       |     | 21 180              | 21 180         | -            | -                     | -                   | -                     | -              | -              | 21 180             | 21 180                    | 21 180                    |
| <b>Minimum Service Level and Above sub-total</b>                                  |     | <b>24 157</b>       | <b>24 157</b>  | -            | -                     | -                   | -                     | -              | -              | <b>24 157</b>      | <b>24 157</b>             | <b>24 157</b>             |
| Electricity (< min.service level)   |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Electricity - prepaid (< min. service level)                                      |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Other energy sources  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Below Minimum Service Level sub-total</b>                                      |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Total number of households</b>   | 5   | <b>24 157</b>       | <b>24 157</b>  | -            | -                     | -                   | -                     | -              | -              | <b>24 157</b>      | <b>24 157</b>             | <b>24 157</b>             |
| <b>Refuse:</b>  |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Removed at least once a week (min.service)  |     | 48 995              | 48 995         | -            | -                     | -                   | -                     | -              | -              | 48 995             | 48 995                    | 48 995                    |
| <b>Minimum Service Level and Above sub-total</b>                                  |     | <b>48 995</b>       | <b>48 995</b>  | -            | -                     | -                   | -                     | -              | -              | <b>48 995</b>      | <b>48 995</b>             | <b>48 995</b>             |
| Removed less frequently than once a week  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Using communal refuse dump  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Using own refuse dump   |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Other rubbish disposal  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| No rubbish disposal   |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Below Minimum Service Level sub-total</b>                                      |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Total number of households</b>   | 5   | <b>48 995</b>       | <b>48 995</b>  | -            | -                     | -                   | -                     | -              | -              | <b>48 995</b>      | <b>48 995</b>             | <b>48 995</b>             |
| <b>Households receiving Free Basic Service</b>                                    | 15  |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Water (6 kilolitres per household per month)                                      |     | 8 500               | 8 500          | -            | -                     | -                   | -                     | -              | -              | 8 500              | 8 500                     | 8 500                     |
| Sanitation (free minimum level service)   |     | 8 500               | 8 500          | -            | -                     | -                   | -                     | -              | -              | 8 500              | 8 500                     | 8 500                     |
| Electricity/other energy (50kwh per household per month)                          |     | 8 500               | 8 500          | -            | -                     | -                   | -                     | -              | -              | 8 500              | 8 500                     | 8 500                     |
| Refuse (removed at least once a week)   |     | 8 500               | 8 500          | -            | -                     | -                   | -                     | -              | -              | 8 500              | 8 500                     | 8 500                     |
| Informal Settlements  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Cost of Free Basic Services provided (R'000)</b>                               | 16  |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Water (6 kilolitres per indigent household per month)                             |     | 25 200              | 25 200         | -            | -                     | -                   | -                     | -              | -              | 25 200             | 26 460                    | 27 783                    |
| Sanitation (free sanitation service to indigent households)                       |     | 26 775              | 26 775         | -            | -                     | -                   | -                     | -              | -              | 26 775             | 28 114                    | 29 519                    |
| Electricity/other energy (50kwh per indigent household per month)                 |     | 7 684               | 7 684          | -            | -                     | -                   | -                     | -              | -              | 7 684              | 8 683                     | 9 812                     |
| Refuse (removed once a week for indigent households)                              |     | 17 745              | 17 745         | -            | -                     | -                   | -                     | -              | -              | 17 745             | 18 632                    | 19 564                    |
| <b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b> |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Total cost of FBS provided</b>   |     | <b>77 404</b>       | <b>77 404</b>  | -            | -                     | -                   | -                     | -              | -              | <b>77 404</b>      | <b>81 889</b>             | <b>86 678</b>             |
| <b>Highest level of free service provided</b>                                     |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Property rates (R'000 value threshold)  |     | 270 000             | 270 000        | -            | -                     | -                   | -                     | -              | -              | 270 000            | 270 000                   | 270 000                   |
| Water (kilolitres per household per month)  |     | 10                  | 10             | -            | -                     | -                   | -                     | -              | -              | 10                 | 10                        | 10                        |
| Sanitation (kilolitres per household per month)                                   |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Sanitation (Rand per household per month)   |     | 371                 | 371            | -            | -                     | -                   | -                     | -              | -              | 371                | 394                       | 417                       |
| Electricity (kw per household per month)  |     | 50                  | 50             | -            | -                     | -                   | -                     | -              | -              | 50                 | 50                        | 50                        |
| Refuse (average litres per week)  |     | 240                 | 240            | -            | -                     | -                   | -                     | -              | -              | 240                | 240                       | 240                       |
| <b>Revenue cost of free services provided (R'000)</b>                             | 17  |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA) |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Property rates exemptions, reductions and rebates and impermissible values in     |     | 28 884              | 28 884         | -            | -                     | -                   | -                     | -              | -              | 28 884             | 30 328                    | 31 844                    |
| Water (in excess of 6 kilolitres per indigent household per month)                |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Sanitation (in excess of free sanitation service to indigent households)          |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Electricity/other energy (in excess of 50 kwh per indigent household per month)   |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Refuse (in excess of one removal a week for indigent households)                  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Municipal Housing - rental rebates  |     | 11 025              | 11 025         | -            | -                     | -                   | -                     | -              | -              | 11 025             | 11 576                    | 12 155                    |
| Housing - top structure subsidies   |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Other   |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| <b>Total revenue cost of subsidised services provided</b>                         |     | <b>39 909</b>       | <b>39 909</b>  | -            | -                     | -                   | -                     | -              | -              | <b>39 909</b>      | <b>41 904</b>             | <b>43 999</b>             |

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

The 2024/25 Adjustments Budget was compiled in line with Chapter 4 of the Municipal Finance Management Act and Chapter 2 Part 4 of the Municipal Budget and Reporting Regulations.

The 2024/25 Adjustments Budget remain consistent with the Long-Term Financial Plan to ensure continued synergy between long term planning and implementation planning.

The budget is adjusted in order to accommodate the amendments to allocations mentioned in this report. Please refer to table B4, B5 and SB8 for all related amendments

**2. Adjustments to Budget Funding**

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

| WC025 Breede Valley - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 22/10/2024 |     |                     |                  |              |                    |                  |                    |                |                |                  |                  |                  |
|--|-----|---------------------|------------------|--------------|--------------------|------------------|--------------------|----------------|----------------|------------------|------------------|------------------|
| Description  | Ref | Budget Year 2024/25 |                  |              |                    |                  |                    |                |                |                  | Budget Year      | Budget Year      |
|  |     | Original Budget     | Prior Adjusted   | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjuts.  | Total Adjuts.  | Adjusted Budget  | +1 2025/26       | +2 2026/27       |
| R thousands  | 1   | A                   | 3 A1             | 4 B          | 5 C                | 6 D              | 7 E                | 8 F            | 9 G            | 10 H             |                  |                  |
| <b>Revenue</b>   |     |                     |                  |              |                    |                  |                    |                |                |                  |                  |                  |
| <b>Exchange Revenue</b>  |     |                     |                  |              |                    |                  |                    |                |                |                  |                  |                  |
| Service charges - Electricity  | 2   | 612 204             | 612 204          | —            | —                  | —                | —                  | —              | —              | 612 204          | 691 791          | 781 723          |
| Service charges - Water  | 2   | 115 599             | 115 599          | —            | —                  | —                | —                  | —              | —              | 115 599          | 121 379          | 127 448          |
| Service charges - Waste Water Management   | 2   | 92 642              | 92 642           | —            | —                  | —                | —                  | —              | —              | 92 642           | 97 274           | 102 137          |
| Service charges - Waste Management   | 2   | 50 190              | 50 190           | —            | —                  | —                | —                  | —              | —              | 50 190           | 52 700           | 55 334           |
| Sale of Goods and Rendering of Services  |     | 6 164               | 6 164            | —            | —                  | —                | —                  | —              | —              | 6 164            | 6 450            | 6 607            |
| Agency services  |     | 9 391               | 9 391            | —            | —                  | —                | —                  | —              | —              | 9 391            | 9 823            | 10 275           |
| Interest   |     | —                   | —                | —            | —                  | —                | —                  | —              | —              | —                | —                | —                |
| Interest earned from Receivables   |     | 16 030              | 16 030           | —            | —                  | —                | —                  | —              | —              | 16 030           | 16 768           | 17 540           |
| Interest earned from Current and Non Current Assets  |     | 19 522              | 19 522           | —            | —                  | —                | —                  | —              | —              | 19 522           | 20 420           | 21 360           |
| Dividends  |     | —                   | —                | —            | —                  | —                | —                  | —              | —              | —                | —                | —                |
| Rent on Land   |     | —                   | —                | —            | —                  | —                | —                  | —              | —              | —                | —                | —                |
| Rental from Fixed Assets   |     | 9 109               | 9 109            | —            | —                  | —                | —                  | —              | —              | 9 109            | 9 529            | 9 970            |
| Licence and permits  |     | —                   | —                | —            | —                  | —                | —                  | —              | —              | —                | —                | —                |
| Operational Revenue  |     | 7 700               | 7 700            | —            | —                  | —                | —                  | —              | —              | 7 700            | 8 056            | 8 118            |
| <b>Non-Exchange Revenue</b>  |     |                     |                  |              |                    |                  |                    |                |                |                  |                  |                  |
| Property rates   |     | 200 977             | 200 977          | —            | —                  | —                | —                  | —              | —              | 200 977          | 211 026          | 221 577          |
| Surcharges and Taxes   |     | —                   | —                | —            | —                  | —                | —                  | —              | —              | —                | —                | —                |
| Fines, penalties and forfeits  |     | 253 897             | 253 897          | —            | —                  | —                | —                  | —              | —              | 253 897          | 265 831          | 278 059          |
| Licences or permits  |     | 4 468               | 4 468            | —            | —                  | —                | —                  | —              | —              | 4 468            | 4 674            | 4 889            |
| Transfer and subsidies - Operational   |     | 198 836             | 198 836          | —            | —                  | —                | 1 588              | —              | 1 588          | 200 424          | 214 057          | 218 563          |
| Interest   |     | 3 643               | 3 643            | —            | —                  | —                | —                  | —              | —              | 3 643            | 3 811            | 3 986            |
| Fuel Levy  |     | —                   | —                | —            | —                  | —                | —                  | —              | —              | —                | —                | —                |
| Operational Revenue  |     | 7 763               | 7 763            | —            | —                  | —                | —                  | —              | —              | 7 763            | 8 120            | 8 494            |
| Gains on disposal of Assets  |     | 1 555               | 1 555            | —            | —                  | —                | —                  | —              | —              | 1 555            | 1 627            | 1 702            |
| Other Gains  |     | (0)                 | (0)              | —            | —                  | —                | —                  | —              | —              | (0)              | (1)              | (1)              |
| Discontinued Operations  |     | —                   | —                | —            | —                  | —                | —                  | —              | —              | —                | —                | —                |
| <b>Total Revenue (excluding capital transfers and</b>  |     | <b>1 609 689</b>    | <b>1 609 689</b> | <b>—</b>     | <b>—</b>           | <b>—</b>         | <b>1 588</b>       | <b>—</b>       | <b>1 588</b>   | <b>1 611 277</b> | <b>1 743 332</b> | <b>1 877 780</b> |
| <b>Expenditure By Type</b>   |     |                     |                  |              |                    |                  |                    |                |                |                  |                  |                  |
| Employee related costs   |     | 456 828             | 456 828          | —            | —                  | —                | —                  | (650)          | (650)          | 456 178          | 477 894          | 499 931          |
| Remuneration of councillors  |     | 21 757              | 21 757           | —            | —                  | —                | —                  | —              | —              | 21 757           | 22 760           | 23 809           |
| Bulk purchases - electricity   |     | 487 184             | 487 184          | —            | —                  | —                | —                  | —              | —              | 487 184          | 563 611          | 652 034          |
| Inventory consumed   |     | 46 872              | 46 872           | —            | —                  | —                | —                  | 589            | 589            | 47 461           | 49 011           | 51 279           |
| Debt impairment  |     | 220 011             | 220 011          | —            | —                  | —                | —                  | —              | —              | 220 011          | 230 351          | 240 948          |
| Depreciation and amortisation  |     | 105 208             | 105 208          | —            | —                  | —                | —                  | —              | —              | 105 208          | 110 079          | 115 174          |
| Interest   |     | 39 842              | 39 842           | —            | —                  | —                | —                  | —              | —              | 39 842           | 41 676           | 43 594           |
| Contracted services  |     | 127 393             | 127 393          | —            | —                  | —                | 462                | (1 448)        | (986)          | 126 407          | 135 101          | 133 588          |
| Transfers and subsidies  |     | 7 711               | 7 711            | —            | —                  | —                | 1 126              | (289)          | 837            | 8 548            | 7 855            | 4 868            |
| Irrecoverable debts written off  |     | 19                  | 19               | —            | —                  | —                | —                  | —              | —              | 19               | 20               | 21               |
| Operational costs  |     | 100 614             | 100 614          | —            | —                  | —                | —                  | (849)          | (849)          | 99 766           | 104 959          | 109 220          |
| Losses on disposal of Assets   |     | 4 125               | 4 125            | —            | —                  | —                | —                  | —              | —              | 4 125            | 4 320            | 4 523            |
| Other Losses   |     | 67                  | 67               | —            | —                  | —                | —                  | —              | —              | 67               | 70               | 74               |
| <b>Total Expenditure</b>   |     | <b>1 617 631</b>    | <b>1 617 631</b> | <b>—</b>     | <b>—</b>           | <b>—</b>         | <b>1 588</b>       | <b>(2 648)</b> | <b>(1 060)</b> | <b>1 616 572</b> | <b>1 747 707</b> | <b>1 879 062</b> |
| <b>Surplus/(Deficit)</b>   |     | <b>(7 942)</b>      | <b>(7 942)</b>   | <b>—</b>     | <b>—</b>           | <b>—</b>         | <b>—</b>           | <b>2 648</b>   | <b>2 648</b>   | <b>(5 295)</b>   | <b>(4 375)</b>   | <b>(1 281)</b>   |
| Transfers and subsidies - capital (monetary allocations)   |     | 54 410              | 54 410           | —            | —                  | —                | —                  | (87)           | (87)           | 54 323           | 61 040           | 62 514           |
| Transfers and subsidies - capital (in-kind)  |     | —                   | —                | —            | —                  | —                | —                  | —              | —              | —                | —                | —                |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b>   |     | <b>46 468</b>       | <b>46 468</b>    | <b>—</b>     | <b>—</b>           | <b>—</b>         | <b>(87)</b>        | <b>2 648</b>   | <b>2 561</b>   | <b>49 028</b>    | <b>56 665</b>    | <b>61 233</b>    |
| Income Tax   |     | —                   | —                | —            | —                  | —                | —                  | —              | —              | —                | —                | —                |
| <b>Surplus/(Deficit) after income tax</b>  |     | <b>46 468</b>       | <b>46 468</b>    | <b>—</b>     | <b>—</b>           | <b>—</b>         | <b>(87)</b>        | <b>2 648</b>   | <b>2 561</b>   | <b>49 028</b>    | <b>56 665</b>    | <b>61 233</b>    |
| Share of Surplus/Deficit attributable to Joint Venture   |     | —                   | —                | —            | —                  | —                | —                  | —              | —              | —                | —                | —                |
| Share of Surplus/Deficit attributable to Minorities  |     | —                   | —                | —            | —                  | —                | —                  | —              | —              | —                | —                | —                |
| <b>Surplus/(Deficit) attributable to municipality</b>  |     | <b>46 468</b>       | <b>46 468</b>    | <b>—</b>     | <b>—</b>           | <b>—</b>         | <b>(87)</b>        | <b>2 648</b>   | <b>2 561</b>   | <b>49 028</b>    | <b>56 665</b>    | <b>61 233</b>    |
| Share of Surplus/Deficit attributable to Associate   |     | —                   | —                | —            | —                  | —                | —                  | —              | —              | —                | —                | —                |
| Intercompany/Parent subsidiary transactions  |     | —                   | —                | —            | —                  | —                | —                  | —              | —              | —                | —                | —                |
| <b>Surplus/(Deficit) for the year</b>  |     | <b>46 468</b>       | <b>46 468</b>    | <b>—</b>     | <b>—</b>           | <b>—</b>         | <b>(87)</b>        | <b>2 648</b>   | <b>2 561</b>   | <b>49 028</b>    | <b>56 665</b>    | <b>61 233</b>    |

### 3. Adjustments to Expenditure on Allocations and Grant

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

Please refer to table SB8

### 4. Adjustment to Allocations or Grants made by the Municipality

None.

### 5. Adjustment to Councillor Allowances and Employees

The changes to councillor allowances and employee related cost are provided on table B4.0

| WC025 Breede Valley - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 22/10/2024 |     |                     |                  |              |                    |                  |                    |                |                |                  |                  |                  |
|--|-----|---------------------|------------------|--------------|--------------------|------------------|--------------------|----------------|----------------|------------------|------------------|------------------|
| Description  | Ref | Budget Year 2024/25 |                  |              |                    |                  |                    |                |                |                  | Budget Year      | Budget Year      |
|  |     | Original Budget     | Prior Adjusted   | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjus.   | Total Adjus.   | Adjusted Budget  | +1 2025/26       | +2 2026/27       |
| R thousands  | 1   | A                   | 3 A1             | 4 B          | 5 C                | 6 D              | 7 E                | 8 F            | 9 G            | 10 H             |                  |                  |
| <b>Revenue</b>   |     |                     |                  |              |                    |                  |                    |                |                |                  |                  |                  |
| <b>Exchange Revenue</b>  |     |                     |                  |              |                    |                  |                    |                |                |                  |                  |                  |
| Service charges - Electricity  | 2   | 612 204             | 612 204          | -            | -                  | -                | -                  | -              | -              | 612 204          | 691 791          | 781 723          |
| Service charges - Water  | 2   | 115 599             | 115 599          | -            | -                  | -                | -                  | -              | -              | 115 599          | 121 379          | 127 448          |
| Service charges - Waste Water Management   | 2   | 92 642              | 92 642           | -            | -                  | -                | -                  | -              | -              | 92 642           | 97 274           | 102 137          |
| Service charges - Waste Management   | 2   | 50 190              | 50 190           | -            | -                  | -                | -                  | -              | -              | 50 190           | 52 700           | 55 334           |
| Sale of Goods and Rendering of Services  |     | 6 164               | 6 164            | -            | -                  | -                | -                  | -              | -              | 6 164            | 6 450            | 6 607            |
| Agency services  |     | 9 391               | 9 391            | -            | -                  | -                | -                  | -              | -              | 9 391            | 9 823            | 10 275           |
| Interest   |     | -                   | -                | -            | -                  | -                | -                  | -              | -              | -                | -                | -                |
| Interest earned from Receivables   |     | 16 030              | 16 030           | -            | -                  | -                | -                  | -              | -              | 16 030           | 16 768           | 17 540           |
| Interest earned from Current and Non Current Assets  |     | 19 522              | 19 522           | -            | -                  | -                | -                  | -              | -              | 19 522           | 20 420           | 21 360           |
| Dividends  |     | -                   | -                | -            | -                  | -                | -                  | -              | -              | -                | -                | -                |
| Rent on Land   |     | -                   | -                | -            | -                  | -                | -                  | -              | -              | -                | -                | -                |
| Rental from Fixed Assets   |     | 9 109               | 9 109            | -            | -                  | -                | -                  | -              | -              | 9 109            | 9 529            | 9 970            |
| Licence and permits  |     | -                   | -                | -            | -                  | -                | -                  | -              | -              | -                | -                | -                |
| Operational Revenue  |     | 7 700               | 7 700            | -            | -                  | -                | -                  | -              | -              | 7 700            | 8 056            | 8 118            |
| <b>Non-Exchange Revenue</b>  |     |                     |                  |              |                    |                  |                    |                |                |                  |                  |                  |
| Property rates   |     | 200 977             | 200 977          | -            | -                  | -                | -                  | -              | -              | 200 977          | 211 026          | 221 577          |
| Surcharges and Taxes   |     | -                   | -                | -            | -                  | -                | -                  | -              | -              | -                | -                | -                |
| Fines, penalties and forfeits  |     | 253 897             | 253 897          | -            | -                  | -                | -                  | -              | -              | 253 897          | 265 831          | 278 059          |
| Licences or permits  |     | 4 468               | 4 468            | -            | -                  | -                | -                  | -              | -              | 4 468            | 4 674            | 4 889            |
| Transfer and subsidies - Operational   |     | 198 836             | 198 836          | -            | -                  | -                | 1 588              | -              | 1 588          | 200 424          | 214 057          | 218 563          |
| Interest   |     | 3 643               | 3 643            | -            | -                  | -                | -                  | -              | -              | 3 643            | 3 811            | 3 986            |
| Fuel Levy  |     | -                   | -                | -            | -                  | -                | -                  | -              | -              | -                | -                | -                |
| Operational Revenue  |     | 7 763               | 7 763            | -            | -                  | -                | -                  | -              | -              | 7 763            | 8 120            | 8 494            |
| Gains on disposal of Assets  |     | 1 555               | 1 555            | -            | -                  | -                | -                  | -              | -              | 1 555            | 1 627            | 1 702            |
| Other Gains  |     | (0)                 | (0)              | -            | -                  | -                | -                  | -              | -              | (0)              | (1)              | (1)              |
| Discontinued Operations  |     | -                   | -                | -            | -                  | -                | -                  | -              | -              | -                | -                | -                |
| <b>Total Revenue (excluding capital transfers and</b>  |     | <b>1 609 689</b>    | <b>1 609 689</b> | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>1 588</b>       | <b>-</b>       | <b>1 588</b>   | <b>1 611 277</b> | <b>1 743 332</b> | <b>1 877 780</b> |
| <b>Expenditure By Type</b>   |     |                     |                  |              |                    |                  |                    |                |                |                  |                  |                  |
| Employee related costs   |     | 456 828             | 456 828          | -            | -                  | -                | -                  | (650)          | (650)          | 456 178          | 477 894          | 499 931          |
| Remuneration of councillors  |     | 21 757              | 21 757           | -            | -                  | -                | -                  | -              | -              | 21 757           | 22 760           | 23 809           |
| Bulk purchases - electricity   |     | 487 184             | 487 184          | -            | -                  | -                | -                  | -              | -              | 487 184          | 563 611          | 652 034          |
| Inventory consumed   |     | 46 872              | 46 872           | -            | -                  | -                | -                  | 589            | 589            | 47 461           | 49 011           | 51 279           |
| Debt impairment  |     | 220 011             | 220 011          | -            | -                  | -                | -                  | -              | -              | 220 011          | 230 351          | 240 948          |
| Depreciation and amortisation  |     | 105 208             | 105 208          | -            | -                  | -                | -                  | -              | -              | 105 208          | 110 079          | 115 174          |
| Interest   |     | 39 842              | 39 842           | -            | -                  | -                | -                  | -              | -              | 39 842           | 41 676           | 43 594           |
| Contracted services  |     | 127 393             | 127 393          | -            | -                  | -                | 462                | (1 448)        | (986)          | 126 407          | 135 101          | 133 588          |
| Transfers and subsidies  |     | 7 711               | 7 711            | -            | -                  | -                | 1 126              | (289)          | 837            | 8 548            | 7 855            | 4 868            |
| Irrecoverable debts written off  |     | 19                  | 19               | -            | -                  | -                | -                  | -              | -              | 19               | 20               | 21               |
| Operational costs  |     | 100 614             | 100 614          | -            | -                  | -                | -                  | (849)          | (849)          | 99 766           | 104 959          | 109 220          |
| Losses on disposal of Assets   |     | 4 125               | 4 125            | -            | -                  | -                | -                  | -              | -              | 4 125            | 4 320            | 4 523            |
| Other Losses   |     | 67                  | 67               | -            | -                  | -                | -                  | -              | -              | 67               | 70               | 74               |
| <b>Total Expenditure</b>   |     | <b>1 617 631</b>    | <b>1 617 631</b> | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>1 588</b>       | <b>(2 648)</b> | <b>(1 060)</b> | <b>1 616 572</b> | <b>1 747 707</b> | <b>1 879 062</b> |
| <b>Surplus/(Deficit)</b>   |     | <b>(7 942)</b>      | <b>(7 942)</b>   | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>2 648</b>   | <b>2 648</b>   | <b>(5 295)</b>   | <b>(4 375)</b>   | <b>(1 281)</b>   |
| Transfers and subsidies - capital (monetary allocations)   |     | 54 410              | 54 410           | -            | -                  | -                | (87)               | -              | (87)           | 54 323           | 61 040           | 62 514           |
| Transfers and subsidies - capital (in-kind)  |     | -                   | -                | -            | -                  | -                | -                  | -              | -              | -                | -                | -                |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b>   |     | <b>46 468</b>       | <b>46 468</b>    | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>(87)</b>        | <b>2 648</b>   | <b>2 561</b>   | <b>49 028</b>    | <b>56 665</b>    | <b>61 233</b>    |
| Income Tax   |     | -                   | -                | -            | -                  | -                | -                  | -              | -              | -                | -                | -                |
| <b>Surplus/(Deficit) after income tax</b>  |     | <b>46 468</b>       | <b>46 468</b>    | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>(87)</b>        | <b>2 648</b>   | <b>2 561</b>   | <b>49 028</b>    | <b>56 665</b>    | <b>61 233</b>    |
| Share of Surplus/Deficit attributable to Joint Venture   |     | -                   | -                | -            | -                  | -                | -                  | -              | -              | -                | -                | -                |
| Share of Surplus/Deficit attributable to Minorities  |     | -                   | -                | -            | -                  | -                | -                  | -              | -              | -                | -                | -                |
| <b>Surplus/(Deficit) attributable to municipality</b>  |     | <b>46 468</b>       | <b>46 468</b>    | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>(87)</b>        | <b>2 648</b>   | <b>2 561</b>   | <b>49 028</b>    | <b>56 665</b>    | <b>61 233</b>    |
| Share of Surplus/Deficit attributable to Associate   |     | -                   | -                | -            | -                  | -                | -                  | -              | -              | -                | -                | -                |
| Intercompany/Parent subsidiary transactions  |     | -                   | -                | -            | -                  | -                | -                  | -              | -              | -                | -                | -                |
| <b>Surplus/(Deficit) for the year</b>  |     | <b>46 468</b>       | <b>46 468</b>    | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>(87)</b>        | <b>2 648</b>   | <b>2 561</b>   | <b>49 028</b>    | <b>56 665</b>    | <b>61 233</b>    |

## 6. Adjustment to Service Delivery and Budget

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

WC025 Bredde Valley - Table B10 Basic service delivery measurement - 22/10/2024

| Description   | Ref | Budget Year 2024/25 |                |              |                       |                     |                       |                |                |                    | Budget Year<br>+1 2025/26 | Budget Year<br>+2 2026/27 |
|---|-----|---------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|---------------------------|---------------------------|
|   |     | Original<br>Budget  | Prior Adjusted | Accum. Funds | Multi-year<br>capital | Unfore.<br>Unavoid. | Nat. or Prov.<br>Govt | Other Adjusts. | Total Adjusts. | Adjusted<br>Budget | Adjusted<br>Budget        | Adjusted<br>Budget        |
|   |     | A                   | 7<br>A1        | 8<br>B       | 9<br>C                | 10<br>D             | 11<br>E               | 12<br>F        | 13<br>G        | 14<br>H            |                           |                           |
| <b>Household service targets</b>  | 1   |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| <b>Water:</b>   |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Piped water inside dwelling   |     | 21 469              | 21 469         | –            | –                     | –                   | –                     | –              | –              | 21 469             | 21 469                    | 21 469                    |
| Piped water inside yard (but not in dwelling)                                     |     | 3 960               | 3 960          | –            | –                     | –                   | –                     | –              | –              | 3 960              | 3 960                     | 3 960                     |
| Using public tap (at least min.service level)                                     | 2   | 5 507               | 5 507          | –            | –                     | –                   | –                     | –              | –              | 5 507              | 5 507                     | 5 507                     |
| Other water supply (at least min.service level)                                   |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| <b>Minimum Service Level and Above sub-total</b>                                  |     | <b>30 936</b>       | <b>30 936</b>  | –            | –                     | –                   | –                     | –              | –              | <b>30 936</b>      | <b>30 936</b>             | <b>30 936</b>             |
| Using public tap (< min.service level)  | 3   | 962                 | 962            | –            | –                     | –                   | –                     | –              | –              | 962                | 962                       | 962                       |
| Other water supply (< min.service level)  | 3.4 | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| No water supply   |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| <b>Below Minimum Service Level sub-total</b>                                      |     | <b>962</b>          | <b>962</b>     | –            | –                     | –                   | –                     | –              | –              | <b>962</b>         | <b>962</b>                | <b>962</b>                |
| <b>Total number of households</b>   | 5   | <b>31 898</b>       | <b>31 898</b>  | –            | –                     | –                   | –                     | –              | –              | <b>31 898</b>      | <b>31 898</b>             | <b>31 898</b>             |
| <b>Sanitation/sewerage:</b>   |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Flush toilet (connected to sewerage)  |     | 19 239              | 19 239         | –            | –                     | –                   | –                     | –              | –              | 19 239             | 19 239                    | 19 239                    |
| Flush toilet (with septic tank)   |     | 411                 | 411            | –            | –                     | –                   | –                     | –              | –              | 411                | 411                       | 411                       |
| Chemical toilet   |     | 1 064               | 1 064          | –            | –                     | –                   | –                     | –              | –              | 1 064              | 1 064                     | 1 064                     |
| Pit toilet (ventilated)   |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Other toilet provisions (> min.service level)                                     |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| <b>Minimum Service Level and Above sub-total</b>                                  |     | <b>20 714</b>       | <b>20 714</b>  | –            | –                     | –                   | –                     | –              | –              | <b>20 714</b>      | <b>20 714</b>             | <b>20 714</b>             |
| Bucket toilet   |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Other toilet provisions (< min.service level)                                     |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| No toilet provisions  |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| <b>Below Minimum Service Level sub-total</b>                                      |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| <b>Total number of households</b>   | 5   | <b>20 714</b>       | <b>20 714</b>  | –            | –                     | –                   | –                     | –              | –              | <b>20 714</b>      | <b>20 714</b>             | <b>20 714</b>             |
| <b>Energy:</b>  |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Electricity (at least min. service level)   |     | 2 977               | 2 977          | –            | –                     | –                   | –                     | –              | –              | 2 977              | 2 977                     | 2 977                     |
| Electricity - prepaid (> min.service level)                                       |     | 21 180              | 21 180         | –            | –                     | –                   | –                     | –              | –              | 21 180             | 21 180                    | 21 180                    |
| <b>Minimum Service Level and Above sub-total</b>                                  |     | <b>24 157</b>       | <b>24 157</b>  | –            | –                     | –                   | –                     | –              | –              | <b>24 157</b>      | <b>24 157</b>             | <b>24 157</b>             |
| Electricity (< min.service level)   |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Electricity - prepaid (< min. service level)                                      |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Other energy sources  |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| <b>Below Minimum Service Level sub-total</b>                                      |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| <b>Total number of households</b>   | 5   | <b>24 157</b>       | <b>24 157</b>  | –            | –                     | –                   | –                     | –              | –              | <b>24 157</b>      | <b>24 157</b>             | <b>24 157</b>             |
| <b>Refuse:</b>  |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Removed at least once a week (min.service)  |     | 48 995              | 48 995         | –            | –                     | –                   | –                     | –              | –              | 48 995             | 48 995                    | 48 995                    |
| <b>Minimum Service Level and Above sub-total</b>                                  |     | <b>48 995</b>       | <b>48 995</b>  | –            | –                     | –                   | –                     | –              | –              | <b>48 995</b>      | <b>48 995</b>             | <b>48 995</b>             |
| Removed less frequently than once a week  |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Using communal refuse dump  |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Using own refuse dump   |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Other rubbish disposal  |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| No rubbish disposal   |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| <b>Below Minimum Service Level sub-total</b>                                      |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| <b>Total number of households</b>   | 5   | <b>48 995</b>       | <b>48 995</b>  | –            | –                     | –                   | –                     | –              | –              | <b>48 995</b>      | <b>48 995</b>             | <b>48 995</b>             |
| <b>Households receiving Free Basic Service</b>                                    | 15  |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Water (6 kilolitres per household per month)                                      |     | 8 500               | 8 500          | –            | –                     | –                   | –                     | –              | –              | 8 500              | 8 500                     | 8 500                     |
| Sanitation (free minimum level service)   |     | 8 500               | 8 500          | –            | –                     | –                   | –                     | –              | –              | 8 500              | 8 500                     | 8 500                     |
| Electricity/other energy (50kwh per household per month)                          |     | 8 500               | 8 500          | –            | –                     | –                   | –                     | –              | –              | 8 500              | 8 500                     | 8 500                     |
| Refuse (removed at least once a week)   |     | 8 500               | 8 500          | –            | –                     | –                   | –                     | –              | –              | 8 500              | 8 500                     | 8 500                     |
| Informal Settlements  |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| <b>Cost of Free Basic Services provided (R'000)</b>                               | 16  |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Water (6 kilolitres per indigent household per month)                             |     | 25 200              | 25 200         | –            | –                     | –                   | –                     | –              | –              | 25 200             | 26 460                    | 27 783                    |
| Sanitation (free sanitation service to indigent households)                       |     | 26 775              | 26 775         | –            | –                     | –                   | –                     | –              | –              | 26 775             | 28 114                    | 29 519                    |
| Electricity/other energy (50kwh per indigent household per month)                 |     | 7 684               | 7 684          | –            | –                     | –                   | –                     | –              | –              | 7 684              | 8 683                     | 9 812                     |
| Refuse (removed once a week for indigent households)                              |     | 17 745              | 17 745         | –            | –                     | –                   | –                     | –              | –              | 17 745             | 18 632                    | 19 564                    |
| <b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b> |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| <b>Total cost of FBS provided</b>   |     | <b>77 404</b>       | <b>77 404</b>  | –            | –                     | –                   | –                     | –              | –              | <b>77 404</b>      | <b>81 889</b>             | <b>86 678</b>             |
| <b>Highest level of free service provided</b>                                     |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Property rates (R'000 value threshold)  |     | 270 000             | 270 000        | –            | –                     | –                   | –                     | –              | –              | 270 000            | 270 000                   | 270 000                   |
| Water (kilolitres per household per month)  |     | 10                  | 10             | –            | –                     | –                   | –                     | –              | –              | 10                 | 10                        | 10                        |
| Sanitation (kilolitres per household per month)                                   |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Sanitation (Rand per household per month)   |     | 371                 | 371            | –            | –                     | –                   | –                     | –              | –              | 371                | 394                       | 417                       |
| Electricity (kw per household per month)  |     | 50                  | 50             | –            | –                     | –                   | –                     | –              | –              | 50                 | 50                        | 50                        |
| Refuse (average litres per week)  |     | 240                 | 240            | –            | –                     | –                   | –                     | –              | –              | 240                | 240                       | 240                       |
| <b>Revenue cost of free services provided (R'000)</b>                             | 17  |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)  |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Property rates - exemptions, reductions and rebates and impermissible values in   |     | 28 884              | 28 884         | –            | –                     | –                   | –                     | –              | –              | 28 884             | 30 328                    | 31 844                    |
| Water (in excess of 6 kilolitres per indigent household per month)                |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Sanitation (in excess of free sanitation service to indigent households)          |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Electricity/other energy (in excess of 50 kw per indigent household per month)    |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Refuse (in excess of one removal a week for indigent households)                  |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Municipal Housing - rental rebates  |     | 11 025              | 11 025         | –            | –                     | –                   | –                     | –              | –              | 11 025             | 11 576                    | 12 155                    |
| Housing - top structure subsidies   | 6   | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| Other   |     | –                   | –              | –            | –                     | –                   | –                     | –              | –              | –                  | –                         | –                         |
| <b>Total revenue cost of subsidised services provided</b>                         |     | <b>39 909</b>       | <b>39 909</b>  | –            | –                     | –                   | –                     | –              | –              | <b>39 909</b>      | <b>41 904</b>             | <b>43 999</b>             |

## 7. Adjustment to Capital Spending Detail

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

WC025 Breede Valley - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 22/10/2024

| Description  | Ref | Budget Year 2024/25 |                |              |                       |                     |                       |                |                |                    | Budget Year<br>+1 2025/26 | Budget Year<br>+2 2026/27 |
|--|-----|---------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|---------------------------|---------------------------|
|  |     | Original<br>Budget  | Prior Adjusted | Accum. Funds | Multi-year<br>capital | Unfore.<br>Unavoid. | Nat. or Prov.<br>Govt | Other Adjusts. | Total Adjusts. | Adjusted<br>Budget | Adjusted<br>Budget        | Adjusted<br>Budget        |
|  |     | A                   | 5<br>A1        | 6<br>B       | 7<br>C                | 8<br>D              | 9<br>E                | 10<br>F        | 11<br>G        | 12<br>H            |                           |                           |
| R thousands  |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Capital expenditure - Vote   |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Multi-year expenditure to be adjusted  | 2   |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Vote 1 - Council General   |     | 5                   | 5              | -            | -                     | -                   | -                     | -              | -              | 5                  | -                         | -                         |
| Vote 2 - Municipal Manager   |     | 5                   | 5              | -            | -                     | -                   | -                     | -              | -              | 5                  | -                         | -                         |
| Vote 3 - Strategic Support Services  |     | 2 155               | 2 155          | -            | -                     | -                   | -                     | -              | -              | 2 155              | 655                       | 655                       |
| Vote 4 - Financial Services  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 5 - Community Services  |     | 6 005               | 6 005          | -            | -                     | -                   | -                     | -              | -              | 6 005              | 5 000                     | 5 000                     |
| Vote 6 - Technical Services  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 7 - Engineering Services  |     | 41 797              | 45 471         | -            | -                     | -                   | -                     | -              | -              | 45 471             | 41 331                    | 19 518                    |
| Vote 8 - Public Services   |     | 65 684              | 82 903         | -            | -                     | -                   | (87)                  | (12 495)       | (12 582)       | 70 321             | 45 490                    | 55 434                    |
| Vote 9 - [NAME OF VOTE 9]  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 10 - [NAME OF VOTE 10]  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 11 - [NAME OF VOTE 11]  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 12 - [NAME OF VOTE 12]  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 13 - [NAME OF VOTE 13]  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 14 - [NAME OF VOTE 14]  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 15 - [NAME OF VOTE 15]  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Capital multi-year expenditure sub-total   | 3   | 115 651             | 136 544        | -            | -                     | -                   | (87)                  | (12 495)       | (12 582)       | 123 962            | 92 476                    | 80 607                    |
| Single-year expenditure to be adjusted   | 2   |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Vote 1 - Council General   |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 2 - Municipal Manager   |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 3 - Strategic Support Services  |     | 4 265               | 4 265          | -            | -                     | -                   | -                     | (4 200)        | (4 200)        | 65                 | 5 065                     | 60                        |
| Vote 4 - Financial Services  |     | 1 405               | 1 575          | -            | -                     | -                   | -                     | -              | -              | 1 575              | 1 400                     | 1 400                     |
| Vote 5 - Community Services  |     | 23 673              | 24 585         | -            | -                     | -                   | -                     | 3 631          | 3 631          | 28 216             | 11 500                    | 14 500                    |
| Vote 6 - Technical Services  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 7 - Engineering Services  |     | 750                 | 1 740          | -            | -                     | -                   | -                     | 4 200          | 4 200          | 5 940              | 100                       | -                         |
| Vote 8 - Public Services   |     | 41 693              | 56 816         | -            | -                     | -                   | -                     | 8 864          | 8 864          | 65 680             | 44 023                    | 3 000                     |
| Vote 9 - [NAME OF VOTE 9]  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 10 - [NAME OF VOTE 10]  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 11 - [NAME OF VOTE 11]  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 12 - [NAME OF VOTE 12]  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 13 - [NAME OF VOTE 13]  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 14 - [NAME OF VOTE 14]  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Vote 15 - [NAME OF VOTE 15]  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Capital single-year expenditure sub-total  |     | 71 786              | 88 981         | -            | -                     | -                   | -                     | 12 495         | 12 495         | 101 476            | 62 088                    | 18 960                    |
| Total Capital Expenditure - Vote   |     | 187 437             | 225 525        | -            | -                     | -                   | (87)                  | -              | (87)           | 225 438            | 154 564                   | 99 567                    |
| Capital Expenditure - Functional   |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| Governance and administration  |     | 5 785               | 5 955          | -            | -                     | -                   | -                     | 280            | 280            | 6 235              | 2 115                     | 2 115                     |
| Executive and council  |     | 10                  | 10             | -            | -                     | -                   | -                     | -              | -              | 10                 | -                         | -                         |
| Finance and administration   |     | 5 775               | 5 945          | -            | -                     | -                   | -                     | 280            | 280            | 6 225              | 2 115                     | 2 115                     |
| Internal audit   |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Community and public safety  |     | 31 460              | 33 010         | -            | -                     | -                   | -                     | 3 631          | 3 631          | 36 640             | 16 825                    | 17 900                    |
| Community and social services  |     | 888                 | 888            | -            | -                     | -                   | -                     | -              | -              | 888                | 1 225                     | -                         |
| Sport and recreation   |     | 14 543              | 16 092         | -            | -                     | -                   | -                     | 3 631          | 3 631          | 19 723             | 2 100                     | 12 900                    |
| Public safety  |     | 10 030              | 10 030         | -            | -                     | -                   | -                     | -              | -              | 10 030             | 8 500                     | -                         |
| Housing  |     | 6 000               | 6 000          | -            | -                     | -                   | -                     | -              | -              | 6 000              | 5 000                     | 5 000                     |
| Health   |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Economic and environmental services  |     | 41 613              | 55 806         | -            | -                     | -                   | -                     | 8 144          | 8 144          | 63 950             | 42 100                    | 22 551                    |
| Planning and development   |     | 5                   | 5              | -            | -                     | -                   | -                     | -              | -              | 5                  | 5                         | -                         |
| Road transport   |     | 41 608              | 55 801         | -            | -                     | -                   | -                     | 8 144          | 8 144          | 63 945             | 42 095                    | 22 551                    |
| Environmental protection   |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Trading services   |     | 108 579             | 130 755        | -            | -                     | -                   | (87)                  | (12 055)       | (12 142)       | 118 613            | 93 524                    | 57 001                    |
| Energy sources   |     | 48 245              | 52 909         | -            | -                     | -                   | -                     | -              | -              | 52 909             | 48 034                    | 19 518                    |
| Water management   |     | 14 619              | 14 806         | -            | -                     | -                   | -                     | -              | -              | 14 806             | 17 408                    | 33 363                    |
| Waste water management   |     | 44 715              | 62 040         | -            | -                     | -                   | (87)                  | (12 055)       | (12 142)       | 49 898             | 27 083                    | 3 120                     |
| Waste management   |     | 1 000               | 1 000          | -            | -                     | -                   | -                     | -              | -              | 1 000              | 1 000                     | 1 000                     |
| Other  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Total Capital Expenditure - Functional   | 3   | 187 437             | 225 525        | -            | -                     | -                   | (87)                  | -              | (87)           | 225 438            | 154 564                   | 99 567                    |
| Funded by:   |     |                     |                |              |                       |                     |                       |                |                |                    |                           |                           |
| National Government  |     | 54 410              | 54 410         | -            | -                     | -                   | (87)                  | -              | (87)           | 54 323             | 61 040                    | 62 514                    |
| Provincial Government  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| District Municipality  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial  |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) |     | -                   | -              | -            | -                     | -                   | -                     | -              | -              | -                  | -                         | -                         |
| Transfers recognised - capital   | 4   | 54 410              | 54 410         | -            | -                     | -                   | (87)                  | -              | (87)           | 54 323             | 61 040                    | 62 514                    |
| Borrowing  |     | 48 706              | 63 867         | -            | -                     | -                   | -                     | -              | -              | 63 867             | 34 380                    | -                         |
| Internally generated funds   |     | 84 321              | 107 248        | -            | -                     | -                   | -                     | -              | -              | 107 248            | 59 144                    | 37 053                    |
| Total Capital Funding  |     | 187 437             | 225 525        | -            | -                     | -                   | (87)                  | -              | (87)           | 225 438            | 154 564                   | 99 567                    |

## 8. Other Supporting Documents

- National treasury electronic revised budget report, SB1-SB19 as **Annexure A**
- Signed quality certificate as **Annexure B**
- Cape Winelands District Municipality Allocation Letter and other relevant documentation **Annexure C**
- Government Gazette No. 51233 of 12 September 2024 **Annexure D**



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**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 |
| Director: Planning, Development & Integrated Services: | Recommendation Supported |

**RECOMMENDATION:**

That in respect of-

**Adjustments budget for 2024/25 – October 2024**

Discussed by Council at the Council meeting held on 22 October 2024

1. Council resolves that the Adjustment Budget of Breede Valley Municipality for the financial year 2024/25 be adjusted and approved with amendments as set out in the following.
  - a. Municipal Budget tables B1- B10
  - b. Municipal Budget supporting documentation SB1 - SB19

**7.2 QUARTERLY PERFORMANCE REPORTS PERTAINING TO THE FIRST  
QUARTER (1 JULY 2024 – 30 SEPTEMBER 2024)****File No./s:** 3/15/1**Responsible Official:** C Malgas**Directorate:** SSS**Portfolio:** Performance Management

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**1. PURPOSE:**

To inform Council on the implementation of the budget and the financial state of affairs of the Municipality and assess performance against the performance indicators set in the approved 2024/2025 Top-Layer SDBIP.

**2. BACKGROUND:**

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

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

**3. COMMENT:**

A copy of the Quarter 1 SDBIP Performance Report and Top-Layer KPI Report is attached as Annexures "A" and "B" respectively.

**4. FINANCIAL IMPLICATIONS:**

None

**5. APPLICABLE LEGISLATION / COUNCIL POLICY:**

- Municipal Finance Management Act, no. 56 of 2003

**6. COMMENTS OF DIRECTORATES CONCERNED:**

|  |                          |
|--|--------------------------|
| <b>Municipal Manager:</b>                    | Recommendation supported |
| <b>Director: Strategic Support Services:</b> | Recommendation supported |
| <b>Director: Financial Services:</b>         | Recommendation supported |

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**Director: Engineering Services:** Recommendation supported

**Director: Community Services:** Recommendation supported

**Senior Manager: Legal Services:** Recommendation supported

**RECOMMENDATION:**

That in respect of –

**THE QUARTERLY PERFORMANCE REPORT FOR THE FIRST QUARTER (1 JULY  
2024 – 30 SEPTEMBER 2024),**

as discussed by Council at the Council meeting held on 22 October 2024

1. That Council takes note of the Quarter 1 SDBIP Performance Report and the Top-Layer KPI Report for the period 1 July 2024 – 30 September 2024.

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### 7.3 QUARTERLY SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR THE 1<sup>st</sup> QUARTER OF THE 2024/25 FINANCIAL YEAR

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

**Responsible Official:** R. Ontong

**Directorate:** Financial Services

**Portfolio:** Supply Chain Management

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#### 1. PURPOSE

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

#### 2. BACKGROUND

Although the MFMA prohibits a Councillor from being a member of a bid committee or any other committee evaluating or approving quotations or tenders, *as per SCM Regulation 117 of the MFMA of 2003*. Council has an oversight role to ensure that the Accounting Officer implements all supply chain management activities in accordance with this policy. For the purposes of such oversight, Council's Supply Chain Management Policy, **paragraph 6.3** requires that the Accounting Officer must "**within 10 working days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality.**" In addition, **paragraph 6.4** requires that the report referred to in paragraph 6.3 above **also to be tabled to council on a quarterly basis**. The report may be included as part of any other report to serve before council.

The SCM quarterly implementation report approved in terms of paragraph 6.3 for the 1<sup>st</sup> quarter of the 2024/25 financial year, is attached as **Annexure A**.

#### 3. FINANCIAL IMPLICATIONS

None

#### 4. APPLICABLE LEGISLATION / COUNCIL POLICY

Municipal Finance Management Act. 2003, (Act 56 of 2003)  
Breede Valley Supply Chain Management Policy, as amended.  
Supply Chain Management Regulations  
Preferential Procurement Policy Framework Act (Act No. 5 of 2000).

**ANNEXURE**

Annexures A: SCM quarterly implementation report (1<sup>st</sup> quarter ending 30 September 2024) approved in terms of paragraph 6.3.

**RECOMMENDATION**

That in respect of-

**QUARTERLY SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT  
FOR THE 1<sup>st</sup> QUARTER OF THE 2024/25 FINANCIAL YEAR**

Discussed by Council at the Council meeting held on 22 October 2024

1. That the approved SCM quarterly implementation report for the 1<sup>st</sup> quarter of the 2024/25 financial year, **be noted**.

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#### **7.4 APPROVAL OF LONG-TERM CONTRACT IN COMPLIANCE WITH SECTION 33 OF THE MFMA - COMPILATION AND MAINTENANCE OF THE GENERAL VALUATION (GV) AND SUPPLEMENTARY VALUATION (SV) ROLLS FOR A PERIOD NOT EXCEEDING 7 YEARS**

**File No./s:** 5/2/5/3

**Responsible Official:** M. Magadla

**Directorate:** Financial Services

**Portfolio:** Revenue

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### **1. PURPOSE**

The purpose of the report is to:

- a) Present to Council the outcome of the process undertaken in terms of Section 33 of the Municipal Finance Management Act (MFMA), as required to enter into a long-term contract for the appointment of a service provider for the provision of valuation and related services.
- b) Obtain Council approval to enter into a long-term contract for the provision of property valuations and related services as required by the Municipal Property Rates Act (MPRA) No. 6 of 2004.

### **2. BACKGROUND**

Municipalities are mandated to raise revenue by the Local Government Property: Municipal Property Rates Act, MPRA, Act No 6 of 2004 and its amendments. Chapter 4 of the MPRA requires municipalities to compile and implement a new General Valuation Roll at least once every five (5) years.

The current General Valuation Roll will expire on 30 June 2025 and the Breede Valley Municipality intends to enter into a long-term contract with an experienced and suitably qualified service provider for the Compilation and Maintenance of the General Valuation (GV) Roll, Supplementary Valuation (SV) Roll and related services in compliance with the Municipal Property Rates Act, 2004, MPRA, Act 6 of 2004.

The new general valuation roll must be compiled and ready for implementation on 01 July 2026 to comply with the provisions of the Municipal Property Rates Act, 2004, MPRA, Act 6 of 2004.

The General Valuation rolls are compiled and certified by professional valuers, which require a high-level set of skills and expertise, many municipalities cannot afford to employ full time professional valuers, therefore the need to procure for the valuation services.

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Furthermore, the act prescribes certain legislative requirements to be complied with to ensure the implementation of a legitimate valuation roll that complies with all legislative processes.

### 3. DISCUSSION

The proposed long-term contract with HCB Valuations and Services (Pty) Ltd for property valuation services is vital for the valuation of properties and levying of property rates by the Municipality. However, prior to entering into the contract, Section 33 of the MFMA must be adhered to.

Section 33 of the MFMA requires that at least 60 days before the date of the Council meeting, at which the contract will be approved, the Municipality must:

- Make public the draft contract and information statement summarising the municipality's obligation in terms of the contract.
- Invite the local community and other interested persons to submit their comments in respect of the contract.
- Solicit the views and recommendations of the National treasury, Provincial treasury, Department responsible for local government and the responsible national government.

Bid BV-1072/2024: Service Provider for Compilation and Maintenance of General Valuation Roll, Supplementary Valuation Roll and other Related Valuation Services for Breede Valley Municipality was advertised on the Municipal website and all Municipal notice boards on 23 February 2024. The Bid's closing date was Thursday, 28 March 2024.

Bid BV1072/2024: Service Provider for Compilation and Maintenance of General Valuation Roll, Supplementary Valuation Roll and other Related Valuation Services for Breede Valley Municipality was awarded to the bidder, HCB Valuations and Services (Pty) Ltd based on their tendered rates which are on a rate only basis, as per the tendered rates, until 30 June 2031, subject to Section 33 of the MFMA towards contracts having future budgetary implications, provided that expenditure remains within the available budget in the affected periods. The initial estimated cost of the contract based on the estimated bill of quantities is currently R 3 279 990.50 (excl. VAT). This can however change based on the needs during the duration of the contact as it is a rate-based contract.

### 4. PUBLIC PARTICIPATION, SOLICITED VIEWS, AND RECOMMENDATIONS:

- A notice in terms of Section 33 was published on the Municipal website and notice boards on the 28<sup>th</sup> of May 2024, inviting the local community or interested

persons/parties to submit written comments or representations regarding the proposed draft contract (Refer to Annexure B).

- The Municipality also requested views and recommendations from the following relevant government departments (Refer to Annexure B):

1. National Treasury
2. Western Cape Provincial Treasury
3. Department of cooperative governance and traditional affairs

#### 4.1 COMMENTS RECEIVED FROM THE PUBLIC

By the closing date of the advertisement (28 June 2024), no comments were received from the public (See attached proof of the advertisement/notice under Annexure B).

#### 4.2 COMMENTS RECEIVED FROM GOVERNMENT DEPARTMENTS

Views and recommendations received (Refer to Annexure D):

1. **National Treasury** – Acknowledgment of receipt of email. No further comments received.
2. **Department of Cooperative Governance and Traditional Affairs** – *“The Municipal Property Rates Act (MPRA) No 6 of 2004 as amended allows for a local municipality’s valuation roll to be valid for a five-year (maximum) period in terms of section (32) (1) (b) (ii) with a requirement for at least one supplementary valuation roll per year to be prepared in terms of section 77. In light of these, without expressing any view on the contents of the bid and/or draft contract, we find nothing wrong in the municipality’s endeavour to contract the services of the same service provider to prepare your next valuation roll and its related supplementary valuation rolls from 1 July 2026 till 30 June 2031 because the MPRA allows a municipality to determine the period of validity of its valuation roll (which must be annually updated/maintained)” (refer to Annexure D).*
3. **Western Cape Provincial Treasury** – *“It is noted that the long-term contract will impose financial obligations beyond the three financial years from the date of commencement i.e. from 2024/25 to 2030/31. Given the Municipality’s current financial position, Provincial Treasury (PT) has in principle no objections to the contract, subject to the required Supply Chain Management processes being followed and the requirements of the Local Government: Municipal Finance Management Act (Act 56 of 2003) (MFMA) (especially Section 33 and Section 116) being adhered to.” Further to*



*this comment as contained in **Annexure D** National Treasury drew the attention of the Municipality to some further comments which are dealt with below in the table that follows.*

| Provincial Treasury Comment  | Municipality Comment   |
|--|--|
| Financial implications   |  |
| The Municipality should thoroughly consider the financial carry-through implications beyond the MTREF to ensure the affordability and sustainability of the contract. The Municipality should also ensure that the funding model is resolved for the contract's duration. The accountability for ensuring that funds are available for the duration of the contract resides with the Accounting Officer (or the delegated official).   | Take note the availability of funds will be considered during future budgeting cycles for the duration of the contract.  |
| The Municipal Budget and Reporting Regulations (MBRR) and budget formatting guidelines provide clear definitions and guidelines for contracts exceeding three (3) years. The Municipality must ensure alignment with the MBRR budget formatting guidelines in future by ensuring that all contracts with future budgetary implications are accurately captured and accounted for in the Municipality's budget. It is unclear whether this long-term contract and the financial implications were thoroughly considered in the budget as the Supporting Schedule SA33: Contracts having future budgetary implications are incomplete. However, the contract is included in the recent procurement plan. | Take note of comment. The Municipality will ensure that the contract is accurately captured and accounted for in future budget documentation.  |
| Furthermore, the projected financial obligations of the proposed contract for each financial year were not included in the letter to PT. However, upon inquiry, the costs amounting to R3,279,900.50 were communicated, which does not align with the pricing schedule detailed on pages 98 and 99 of the draft contract. While the letter mentions escalations related to CPI, this could not be verified with the submitted information.   | Take note of comment. Refer to the financial implications section 6 of this item. The expenditure over the duration of the contract is fully funded and will have no negative effect on tariffs. |

|  |  |
|--|--|
| The Municipality is reminded to thoroughly inform Council about the financial implications of the contract on the budget and future tariffs  | Take note of comment. Refer to the financial implications section 6 of this item. The expenditure over the duration of the contract is fully funded and will have no negative effect on tariffs. |
| <b>Supply Chain Management</b>   |  |
| The Municipality adhered to the requirements of Section 33(1) (i) of the MFMA which requires the Municipality to solicit the views of the Local Community, Provincial and National Treasury, by means of written comments, submission and representations regarding the proposed draft contract extension.   | Noted. (Refer to Annexure B)   |
| The Municipality complied with the requirements of Section 21 A of the Local Government: Municipal System's Act (Act 32 of 2000) by making available the draft contract document and information statement. On request, a summarized breakdown of the yearly expenditure provisioning was made available for the Municipality's multiyear expenditure plan, indicating that the services will be utilized " <b>As and When required</b> ". | Noted.   |
| A proper performance management system must be maintained, to ensure that the contract or agreement procured through the Supply Chain Management policy is properly enforced and monitored monthly to evaluate the performance of the contractor.  | Noted. Contractor will be managed and monitored throughout the contract. (Refer to Annexure A)   |
| Proper demand management and planning processes need to be conducted, which includes the identification of risks and the appropriate risk mitigation procedures to ensure service delivery requirements and targets are met.   | Noted.   |
| <b>In terms of the information made available from a supply chain management perspective the</b>   | Noted.   |

|  |       |
|--|-------|
| <b>Municipality complied with the Section 33 requirements.</b>   |       |
| Provincial Treasury will further engage the Municipality on this matter as part of the TIME and SIME processes to ensure that the appropriate funding in respect of the contractual commitment is provided for on an annual basis. | Noted |

## 5. APPLICABLE LEGISLATION

1. Municipal Rates Policy
2. Municipal Property Rates Act No.6 of 2004
3. SCM Regulations
4. Municipal Finance Management Act 56 of 2003

## 6. FINANCIAL IMPLICATIONS

The Bidder will be paid according to progress made as per various valuation stages (Refer to page 74 of the proposed contract). The bulk of which is expenditure spent on the General Valuation Roll itself which will take place during the first 3 years of the project and which is within the current MTREF period. The CPIX is mainly for the supplementary valuations in the outer years. The payments are rate based depending on the number of properties to be valued.

Valuations are part of the Municipality's normal business operations therefore the expected expenditures are part of the normal operational budget of the Municipality for the current MTREF and will also be catered for in the period falling outside the current MTREF. The municipality will need to budget for the expenditure in that period regardless of whether this long-term contract is approved or not. As a result of this being part of the normal operations of the municipality. There will be no need to amend the budget in future, only to accommodate this contract outside of the normal budgetary processes already taking place in the Municipality. Therefore, there will be no negative effect on the rate payers through additional tariffs increases to accommodate this long-term contract. Tariff increases will be dealt with annually during the normal tariff increase process.

The initial estimated cost of the contract based on the estimated bill of quantities is currently R 3 279 990.50 (Excl. VAT). This can however change based on the needs during the duration

of the contract as it is a rate-based contract. The estimated expenditure can be broken down as follows:

|                |                                | (Excluding VAT)     |
|----------------|--------------------------------|---------------------|
| Financial Year | General Valuation Roll:        | Budget Amount       |
| Year 1         | 1 July 2024 to 30 June 2025    | 1 487 940,30        |
| Year 2         | 1 July 2025 to 30 June 2026    | 743 970,15          |
| Year 3         | 1 July 2026 to 30 June 2027    | 247 990,05          |
|                |                                |                     |
| Financial Year | Supplementary Valuation Rolls: | Budget Amount       |
| Year 4         | 1 July 2027 to 30 June 2028    | 200 000,00          |
| Year 5         | 1 July 2028 to 30 June 2029    | 200 000,00          |
| Year 6         | 1 July 2029 to 30 June 2030    | 200 000,00          |
| Year 7         | 1 July 2030 to 30 June 2031    | 200 000,00          |
|                | <b>Total:</b>                  | <b>3 279 900,50</b> |
|                |                                |                     |

## 7. ECONOMIC & FINANCIAL BENEFITS FROM THE CONTRACT

The contract is for the valuation of properties with the aim of using the values as a basis for levying property rates. The Local Government: Municipal Property Rates Act 6 of 2004, as amended regulates the power of a municipality to impose rates on property by amongst other things making provision for fair and equitable valuation methods of properties. With the valuation roll being valid for a period of up to 5 years it becomes important for there to be a consistent approach on the valuation methods used by the valuer of the properties. Changing the valuers (Contractors) in the middle of the validity period could have adverse effects on the integrity of the valuation roll as different valuers may use different valuation techniques. The projected/estimated Property Rates Income can be broken down as follows:

| Projected Property Rates Income: |                             |                         |
|----------------------------------|-----------------------------|-------------------------|
| Financial Year                   | Projected Income Period     | Projected Rates Income  |
| Year 1                           | 1 July 2024 to 30 June 2025 | 200 976 789,00          |
| Year 2                           | 1 July 2025 to 30 June 2026 | 211 025 627,00          |
| Year 3                           | 1 July 2026 to 30 June 2027 | 221 576 906,00          |
| Year 4                           | 1 July 2027 to 30 June 2028 | 234 871 520,36          |
| Year 5                           | 1 July 2028 to 30 June 2029 | 248 963 811,58          |
| Year 6                           | 1 July 2029 to 30 June 2030 | 263 901 640,28          |
| Year 7                           | 1 July 2030 to 30 June 2031 | 279 735 738,69          |
|                                  |                             |                         |
|                                  | <b>Total:</b>               | <b>1 661 052 032,91</b> |
|                                  |                             |                         |

The valuation of properties within the jurisdiction of the municipality forms part of the municipality's long term financial sustainability as well as revenue protection. During the current MTREF period property rates revenue budget is 12% of total revenue (excluding capital transfers and contributions). It is a significant revenue source and there is a need for the municipality to ensure that it is consistent and protected. There is also a need to ensure that the public trusts the municipality's valuation practices as inconsistencies could result in them not paying their accounts.

The use of the same valuer for the duration of the valuation roll will therefore ensure that the integrity of the valuation roll is protected and thus contributing to a sustainable financial sustainability of the municipality. The municipality therefore stands to benefit from this long-term contract.

## 8. ANNEXURES

Annexure A: BV 1072/2024 award letter

Annexure B: Public participation process

Annexure C: letters requesting feedback from NT, PT and COGTA

Annexure D: Feedback received from NT, PT and COGTA

Annexure E: Draft Contract

## 9. COMMENTS OF DIRECTORS AND LEGAL SERVICES

- **Municipal Manager:** Recommendation supported
- **Director Engineering Services:** Item and recommendation supported.
- **Director Planning Development and Integrated Services:** Recommendation supported
- **Chief Financial Officer:** Recommendation supported
- **Director Community Services:** Recommendation supported
- **Director Strategic Support Services:** Support the recommendation
- **Senior Manager Legal Services:** Support the item

**RECOMMENDATION:**

That in respect of –

**APPROVAL OF LONG TERM CONTRACT IN COMPLAINEE WITH SECTION 33  
OF THE MFMA - COMPILATION AND MAINTENANCE OF THE GENERAL  
VALUATION (GV) AND SUPPLEMENTARY VALUATION (SV) ROLLS FOR A  
PERIOD NOT EXCEEDING 7 YEARS**

as discussed by the Council at the Council Meeting held on 22 October 2024:

- a) That council take note of the outcome of the process undertaken in terms Section 33 of Municipal Finance Management Act.
- b) That council determines that the municipality will secure a significant financial and economic, benefit from the contract.
- c) That council approve the long-term contract with HCB Valuations and Services (Pty) Ltd for bid BV 1072/2024 entitled: Compilation and Maintenance of the General Valuation (GV) and Supplementary Valuation (SV) Rolls for a Period Not Exceeding 7 years in its entirety.
- d) That council authorises the municipal manager to sign the contract on behalf of the municipality.

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**7.5 SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2024.  
MFMA SECTION 71 & 52 (d) 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 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.

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

The mayor of a municipality—

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

**FINANCIAL IMPLICATIONS:**

None

**APPLICABLE LEGISLATION/ COUNCIL POLICY:**

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

**COMMENT OF DIRECTORATES/ DEPARTMENTS CONCERNED:**

**Municipal Manager:** Recommendation supported.

**Director: Strategic Support Services:** The item and recommendation is noted.

**Director: Financial Services:** Recommendation supported

**Director: Community Services:** Recommendation supported

**Director: Engineering Services:** Recommendation supported

**Director: Planning Development and Integrated Services:** Recommendation supported



**RECOMMENDATION:**

That in respect of

**SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE  
PERIOD ENDED 30 SEPTEMBER 2024  
MFMA SECTION 71 & 52 (d) Report**

discussed by Council at the Council meeting held on the 22 October 2024:

1. That council take note of the in-year financial management report for the period ended 30 September 2024.

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**7.6 SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORTS FOR THE PERIODS ENDED 31 JULY and 31 AUGUST 2024**  
**MFMA SECTION 71 Report****File No. /s:** 3/15/1**Responsible Officials:** R. Ontong**Directorate:** Financial Services**Portfolio:** Financial Services

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**1. PURPOSE**

To submit the in-year financial management reports for adoption.

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

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

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

(2) The statement must include-

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
- (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).

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

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

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

the national or provincial organ of state or municipality which transferred the allocation.

- (6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.
- (7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

### 3. FINANCIAL IMPLICATIONS

None

### 4. APPLICABLE LEGISLATION/ COUNCIL POLICY

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

### 5. 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>Acting Director: Community Services:</b>                    | Recommendation supported |
| <b>Director: Engineering Services:</b>                         | Recommendation supported |
| <b>Director: Planning Development and Integrated Services:</b> | Recommendation supported |

### RECOMMENDATION

That in respect of

#### **SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORTS FOR THE PERIODS ENDED 31 JULY and 31 AUGUST 2024.**

discussed by Council at the Council meeting held on the 22 October 2024:

1. That Council take note of the in-year financial management reports for the periods ended 31 July and 31 August 2024.

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**7.7 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTHS OF JULY, AUGUST and SEPTEMBER 2024****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 months of July, August and September 2024.

**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 months of July, August and September 2024, are attached as **Annexures A, B & C**.

**FINANCIAL IMPLICATIONS**

Reference can be made to the total approved amount as reflected in annexures "A, B, C"

**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**

|  |       |
|--|-------|
| <b>Municipal Manager</b>                                       | Noted |
| <b>Director: Strategic Support Services</b>                    | Noted |
| <b>Director: Planning, Development and Integrated Services</b> | Noted |
| <b>Director: Financial Services</b>                            | Noted |
| <b>Director: Engineering Services</b>                          | Noted |
| <b>Director: Community Services</b>                            | Noted |
| <b>Senior Manager: Legal Services</b>                          | Noted |

**RECOMMENDATION:**

That in respect of

**REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTHS OF JULY,  
AUGUST and SEPTEMBER 2024**

Discussed by Council at the Council meeting held on 22 October 2024:

1. That the deviations from the procurement processes, approved in terms of the delegated authority for the months of July, August and September 2024, **be noted**.

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## 7.8 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) POLICY AND SYSTEM OF DELEGATION, INCLUDING THE MPAC WORK PLAN FOR 2024-2025 FINANCIAL YEAR

**File No./s:** 3/16

**Responsible Official:** E Cloete

**Directorate:** Municipal Manager

**Portfolio:** Public Accounts Committee

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### **PURPOSE:**

To present to Council the Municipal Public Accounts Committee (MPAC) Policy and System of Delegation for review and approval; together with the MPAC Work Plan for the period 2024-2025 financial year.

### **BACKGROUND:**

The Department of Co-operative Governance and the National Treasury have issued a final guideline to all municipalities regarding the establishment of Municipal Public Accounts Committees, expressing the wish that municipalities should establish these Committees.

Council resolved: C52/2013 That in respect of REPLACEMENT OF OVERSIGHT AND SECTION 32 COMMITTEES; AND THE ESTABLISHMENT OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) TO “inter alia” CONSIDER THE 2012/ 2013 ANNUAL REPORT discussed by Council at the Council meeting held on 27 November 2013.

Council resolution: C6/2014 That in respect of MUNICIPAL PUBLIC ACCOUNTS COMMITTEE SYSTEM OF DELEGATIONS AND POLICY AND ANNUAL WORK PROGRAMME discussed by Council at the Council meeting held on 25 February 2014, Council approved the System of Delegation and Policy, as well as the work programme for the period of 2014.

Subsequently, the attached documents were discussed in length at the Municipal Public Accounts Committee meetings held on 25 October 2023 and 20 November 2023. National Treasury together with the Department of Cooperative Governance published Circular 92: Municipal Public Accounts Committee; and Guide and Toolkit for Municipal Public Accounts Committee on the 19 April 2018. Furthermore, the Department of Cooperative Governance issued also a guideline in terms of a workplan and its expectation and procedures for

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municipalities to report quarterly on the functionality of the respective Municipal Public Accounts Committees.

The Local Government: Municipal Structures Amendment Act 3 of 2021 was amended with effect from 01 November 2021, which regulate the functionality of the Municipal Public Accounts Committee.

Subsection 79A refers to the establishment of municipal public accounts committee-

(1) A municipal council must establish a committee called the municipal public accounts committee.

(2) The mayor or executive mayor, deputy mayor or executive deputy mayor, any member of the executive committee, any member of the mayoral committee, speaker, whip and municipal officials are not allowed to be members of the municipal public accounts committee.

(3) The municipal council must determine the functions of the municipal public accounts committee, which must include the following:

(a) review the Auditor-General's reports and comments of the management committee and the audit committee and make recommendations to the municipal council;

(b) review internal audit reports together with comments from the management committee and the audit committee and make recommendations to the municipal council;

(c) initiate and develop the oversight report on annual reports contemplated in section 129 of the Local Government: Municipal Finance Management Act;

(d) attend to and make recommendations to the municipal council on any matter referred to it by the municipal council, executive committee, a committee of the council, a member of this committee, a councillor and the municipal manager; and

(e) on its own initiative, subject to the direction of the municipal council, investigate and report to the municipal council on any matter affecting the municipality.

(4) Reports of the municipal public accounts committee must be submitted to the speaker who must table such reports in the next meeting of the municipal council.

(5) (a) For the purposes of this section 'audit committee' means the audit committee envisaged in section 166 of the Local Government Municipal: Finance Management Act.

(b) Each municipality and each municipal entity must establish an audit committee in accordance with that section.

[S. 79A inserted by s. 29 of Act 3 of 2021 (wef 1 November 2021).]

Attached:

Annexure 1 - Municipal Public Accounts Committee (MPAC) Policy;

Annexure 2 – System of Delegations for the MPAC;

Annexure 3 – BVM MPAC Workplan for 2024-2025; and

Supporting document –

- Annexure: Municipal Structures Act, Amended 2021.
- Annexure: Guide and Toolkit for Municipal Public Accounts Committees.
- Annexure: Cogta Guide on MPAC Calendar Work Plan.
- Annexure: Local Government: Municipal Structures Act (117/1998): Policy Framework for the Designation of Full-Time Councillors.
- Annexure: 20230919\_DCoG MPACs Council Committees and Code of Conduct for Councillors  
BLANK.

#### **FINANCIAL IMPLICATIONS:**

Logistical cost.

#### **APPLICABLE LEGISLATION / COUNCIL POLICY:**

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

Local Government: Municipal Structures Act (Act 117 of 1998);

Local Government: Municipal Structures Act 117 OF 1998 as at 5 November 2021; and

Municipal Systems Act (Act 32 of 2000).

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

**Municipal Manager:** Supported

**Director: Strategic Support Services:** Noted

**Director: Financial Services:** Supported

**Director: Community Services:** Supported

**Director: Engineering Services:** Supported

**Director: Planning, Development and Integrated Services:** Supported

**Senior Manager: Legal Services:**



**RECOMMENDATION:**

That in respect of the

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) POLICY AND SYSTEM  
OF DELEGATION, INCLUDING THE MPAC WORK PLAN FOR 2024-2025  
FINANCIAL YEAR**

discussed by Council at the Council meeting held on 22 October 2024:

- That Council take note the legislative requirements in terms of the Local Government: Municipal Structures Act 117 of 1998 as of 5 November 2021.
- That Council approve the Municipal Public Accounts Committee (MPAC) Policy and System of Delegation.
- That Council approve the Municipal Public Accounts Committee Work Plan for the 2024 – 2025 financial year.

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**7.9 SUBMISSION OF THE FIRST QUARTERLY OVERSIGHT REPORT TO COUNCIL****File No/s:** 3/15/1**Responsible person:** Cllr. H.C Titus**Directorate:** Municipal Manager**Portfolio:** Municipal Public Account  
Committee

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**PURPOSE**

To submit to Council the 1<sup>st</sup> Oversight Report for Oversight over the financial period July – September and October to December 2023.

**BACKGROUND**

In terms of the Local Government: Municipal Structures Amendment Act, 2021, section 79 (4), Reports of the municipal public accounts committee must be submitted to the speaker who must table such reports in the next meeting of the municipal council.

The Oversight Report are therefore in accordance with the legislative requirements.

Attached hereto are the following documents:

- **Annexure 1** – Oversight Report for the meeting held on 13 March 2024.

**FINANCIAL IMPLICATIONS**

- Compilation of the Annual Report.
- Quality review on the Annual Financial Statements.
- Oversight review from the Audit Committee.
- Oversight from the Municipal Public Accounts Committee; and
- Audit fee for the period under review 2022-2023 financial year.

**APPLICABLE LEGISLATION / COUNCIL POLICY**

Municipal Systems Act, 32 of 2000 (as amended 2021).

Municipal Finance Management Act, 56 of 2003.

MFMA Circular 11 (Annual Report Guidelines – 14 January 2005);

MFMA Circular 32 (The Oversight Report – 15 March 2006).

MFMA Circular 68 (Unauthorised, irregular, fruitless and wasteful expenditure).

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MFMA Circular 92 (Municipal Public Accounts Committees (MPAC) – Guide and Toolkit);  
and  
Local Government, National Treasury & Salga's Guidelines on the functioning of the MPAC.

**RECOMMENDATION**

That in respect of –

**SUBMISSION OF THE FIRST QUARTERLY OVERSIGHT REPORT TO COUNCIL**

discussed by Council at the Council meeting held on 22 October 2024

1. That MPAC recommends for the review of the Municipal Public Accounts Committee Policy and System of Delegations.

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## 7.10 EXTEND THE TERM OF OFFICE OF THE MEMBERS OF THE DISCIPLINARY BOARD: MUNICIPAL REGULATIONS ON FINANCIAL MISCONDUCT PROCEDURES AND CRIMINAL PROCEEDINGS

**File no.:** 3/16

**Responsible Official:** E Cloete

**Directorate:** Municipal Manager

**Portfolio:** Enterprise Risk Management

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### PURPOSE

The purpose of this item is for Council to consider and approve the extension of the existing Disciplinary Board (hereinafter referred to as "*a DB*") in terms of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings and the MFMA Circular No. 76.

### BACKGROUND / DISCUSSION

Section 175 of the Local Government: Municipal Finance Management Act, (No. 56 of 2003) grants the Minister of Finance the power to make regulations dealing with financial misconduct and related matters. The Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings (hereinafter referred to as "*the Regulations*") was promulgated and took effect on 01 July 2014.

The objective of the Regulations is to set out processes and procedures that municipalities must follow when dealing with financial misconduct. The Regulations apply to all officials and political office bearers within municipalities.

The Regulations consist of four chapters. Chapter one contains the definition of terms that are used in the Regulations.

Chapter two deals with the manner in which allegations of financial misconduct should be reported within municipalities including simultaneous reporting of all allegations to the South African Police Service for criminal investigation, the establishment and functioning of a DB, preliminary and full-scale investigations of allegations of financial misconduct and the submission of the necessary reports.

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The Regulations require that the DB be an independent advisory body that will assist the municipal council with the investigation of allegations of financial misconduct. The DB will also make recommendations based on the findings of the investigation on further steps to be taken regarding disciplinary proceedings or any other relevant steps.

Chapter two also provides details with regard to the composition of the DB, including those persons that are disqualified from serving on the DB. By disqualifying certain persons on the DB, especially political office bearers, the Regulations ensure that there is clear separation of responsibilities and accountability between employer and employee. The chapter sets out the manner in which the Council must refer allegations of financial misconduct to the DB.

The rationale for the proposed composition of the board was to ensure that there are sufficient skills present to perform the activities of the DB. It is also important that appropriately experienced and skilled persons serve on the DB to ensure that the board conducts its activities in accordance with the applicable legal framework, thereby making sure that proceedings are procedurally fair.

In the event that the DB recommends that the allegation be further investigated by an external investigator, the Regulations provide for the framework within which the external investigator must be appointed. The Regulations further provide for the creation and submission of reports to the Council by the external investigator. The investigation must be concluded, and a report submitted within thirty (30) days of referral by Council.

Chapter three deals with instances where a financial offence has been committed by a political office bearer of the municipality for purposes of section 173(4) and (5) of the MFMA. The municipality has to deal with the allegations in accordance with the procedure set out in item 13 of Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).

Chapter four of the Regulations makes provision for the Minister of Finance and the MEC's for Finance in the provinces to receive investigation reports and an information document that clearly sets out the name and position of the alleged wrongdoer, a summary of the facts of the

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allegation, including the monetary value involved, any disciplinary steps taken or to be taken against the alleged wrongdoer, or if no disciplinary steps have been taken, the reason for such a decision. The MEC for Finance, the National Treasury or the Provincial Treasury may intervene by directing that an allegation be investigated if the Council has failed to act on allegations or recommendations.

### **Previous Council Resolution**

RESOLVED

C102/2021

1. That a Disciplinary Board IS established on a part-time basis for a period of three (3) years, consisting of four (4) members, namely:
  - 1.1 Chief Audit Executive;
  - 1.2 Senior Manager: Legal Services;
  - 1.3 Chairperson of the Audit Committee; and
  - 1.4 any competent person seconded by Provincial Treasury
2. That the only remuneration payable to the Disciplinary Board will be in respect of the Chairperson of the Audit Committee in accordance with Council's approved Audit Committee Charter.
3. That the Disciplinary Board execute their duties in accordance with the prescripts of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
4. That the appointed Disciplinary Board members receive appointment letters under the hand of the Municipal Manager and the appointments be accepted in writing.

### **ESTABLISHMENT OF DISCIPLINARY BOARD**

As per Regulation 4 of the aforementioned Regulations, a Municipal Council must establish a DB to investigate allegations of financial misconduct in the Municipality and monitor the institution of disciplinary proceedings against an alleged transgressor.

A DB must consist of a maximum of five (5) members appointed on a part-time basis by Council for a period not exceeding three (3) years. A member of a DB must be a natural

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person, a citizen or permanent resident of the Republic and resident of the Province where the Municipality is situated.

The following persons are disqualified from membership of a DB:

- (a) a person who has been convicted of an offence in terms of this legislation or any other legislation;
- (b) a person who has been convicted of theft, fraud, forgery, the utter of a forged document or any offence of which dishonesty is an element;
- (c) a person who has at any time been removed from any office of trust on account of misconduct of dishonesty;
- (d) an accounting officer of a municipality;
- (e) a political office bearer or a member of a board of directors;
- (f) a person who is an office bearer in a political party.

A DB may consist of:

- (a) the head of the internal audit unit within the municipality or a representative of an organization performing internal audit functions for the municipality, if the internal audit function is outsourced,
- (b) one member of the audit committee of the municipality;
- (c) a senior manager from the legal division of the municipality;
- (d) a representative of the national or the provincial treasury; and
- (e) any other person as may be determined by the municipal council.

In order to implement the Regulations, it is proposed that a DB be established on a part-time basis for a period of three (3) years, consisting of four (4) members namely:

- (a) Chief Audit Executive;
- (b) Senior Manager: Legal Services;
- (c) Chairperson of the Audit Committee; and
- (d) any competent person seconded by Provincial Treasury.

#### **Revised MFMA Circular No 76 “Composition of a disciplinary board”**

As per regulation 4(3), the disciplinary board may consist of a maximum of five members for a three-year term. Depending on the circumstances, the municipal council or board of directors may extend the three-year term by resolution to ensure continuity in the board's functionality.

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Any extension of the disciplinary board's term must be concluded before the current term ends. The municipality may decide the duration of the extension, but it should not exceed three years at a time. As a result, the municipality or municipal entity should review the disciplinary board once every three years in order to determine if the current disciplinary board should be extended or a new disciplinary board should be appointed based on the accounting officer's recommendations. Ideally, this assessment should be based on functionality, since it is not advisable to replace or change a functional disciplinary board.

The Regulations propose that the disciplinary board consist of the head of internal audit or a representative performing internal audit functions, one member of the audit committee, a senior legal manager, a representative of the National Treasury or the provincial treasury; and any other person the municipal council or board of directors deems appropriate. Despite the fact that these provisions are not mandatory, the council or board of directors should ensure that the disciplinary board is composed of people with the appropriate skills and qualifications to perform the functions of the board.

There were no allegations of financial misconduct received or referred to the DB, so its functionality could not be evaluated at this point. It is required by MFMA Circular 76 that an extension be agreed upon before the current term expires which will be 17/11/2021, in accordance with Council Resolution C102/2021.

**Annexure 1: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings**

**Annexure 2: MFMA Circular No. 76 Municipal Finance Management Act No. 56 of 2003**

## **FINANCIAL IMPLICATIONS**

Remuneration will only be applicable to members of the DB outside the public service. It follows that the only remuneration payable will be that of the Chairperson of the Audit Committee. It is proposed that the remuneration be in accordance with Council's approved Audit Committee Charter.

## **RELEVANT LEGISLATION**

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



- 
- Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

**COMMENTS FROM DIRECTORATES / DEPARTMENTS CONCERNED:**

**MUNICIPAL MANAGER:** Supported

**DIRECTOR - ENGINEERING SERVICES:** Supported

**CHIEF FINANCIAL OFFICER:** Supported

**DIRECTOR - COMMUNITY SERVICES:** Supported

**DIRECTOR – PLANNING, DEVELOPMENT AND INTEGRATED SERVICES:** Supported

**DIRECTOR - STRATEGIC SUPPORT SERVICES:** Supported

**SENIOR MANAGER - LEGAL SERVICES:** Supported

**RECOMMENDATION**

That in respect of

**EXTEND THE TERM OF OFFICE OF THE MEMBERS OF THE DISCIPLINARY BOARD: MUNICIPAL REGULATIONS ON FINANCIAL MISCONDUCT PROCEDURES AND CRIMINAL PROCEEDINGS**

as discussed by Council at the Council meeting held on 22 October 2024:

- That Council takes note that the establishment of the current Disciplinary Board was done for a three-year period. ***This was in accordance with Council Resolution C102/2021, dated 17/11/2021.***
- That Council notes that the Audit Committee Chairperson appointed in the previous year has been replaced by a new Chairperson, and thus the appointment follows the position rather than the individual.
- That extension of three years be considered and approved for the Disciplinary Board, in accordance with the revised MFMA Circular No. 76 Municipal Finance Management Act No. 56 of 2003 “*Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings*”, which would expire on 17 November 2024.

- 
- That the only remuneration payable to the Disciplinary Board will be in respect of the Chairperson of the Audit Committee in accordance with Council's approved Audit Committee Charter.
  - That the Disciplinary Board execute their duties in accordance with the prescripts of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
  - That the appointed Disciplinary Board members receive appointment letters of extension under the hand of the Municipal Manager and the appointments be accepted in writing.

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## 7.11 CONSEQUENCE MANAGEMENT POLICY

File No./s: **3/16**

Responsible Official: **E Cloete**

Directorate: **Municipal Manager**

Portfolio: **Enterprise Risk Management**

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### 1. PURPOSE:

To report that the Local Labour Forum and Risk, Fraud and Corruption Committee (RiskCom) support and recommend to Council the approval of the Consequence Management Policy for implementation.

### 2. BACKGROUND:

The draft policy was developed during the 2023-2024 financial year, with the intention to align to the National Treasury (NT) Consequence Management and Accountability (CMA) Framework.

The National Treasury (NT) developed the Consequence Management and Accountability (CMA) Framework in response to inconsistencies in the way consequence management and accountability are applied within various municipalities.

Management and Union representatives were invited to provide written comments and/or input. The draft Policy is attached along with the Consequence Management and Accountability framework from National Treasury. As far as the process is concerned, if applicable, comments and/or inputs were received only from Internal Audit. The reviewed documents were submitted to the Risk, Fraud and Corruption Management Committee on 27 September 2023, 7 December 2023 and 26 September 2024. In addition, the Local Labour Forum discussed the policy at its meeting on 10 May 2024 and agreed that a workshop should be held to accommodate all interested parties. As a result, on 3 July 2024, the workshop was held and subsequently supported at the meeting of 2 August 2024.

Annexure 1 – Consequence Management Policy

Annexure 2 – Consequence Management and Accountability Framework, MFMA Perspective  
(September 22 – NT)

### 3. FINANCIAL IMPLICATIONS:

None

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|   |            |
|---|------------|
| <b>Municipal Manager:</b>                                       | Supported  |
| <b>Director: Strategic Support Services:</b>                    | Supported  |
| <b>Director: Financial Services:</b>                            | Supported  |
| <b>Director: Community Services:</b>                            | Supported  |
| <b>Director: Engineering Services:</b>                          | Supported  |
| <b>Director: Planning, Development and Integrated Services:</b> | Supported. |
| <b>Senior Manager: Legal Services:</b>                          | Supported  |
| <b>Manager: Human Resources:</b>                                | Supported  |

#### 4. APPLICABLE LEGISLATION / COUNCIL POLICY:

- The Constitution of the Republic of South Africa, 1996;
- Local Government: Municipal Structures Act, Act No. 117 of 1998;
- Local Government: Municipal Systems Act, Act No. 32 of 2000;
- Disciplinary Regulations for Senior Managers.
- Local Government: Municipal Systems Act: Local Government: Municipal staff regulations;
- Organised Local Government Act, Act No. 52 of 1997;
- Promotion of Administrative Justice Act, Act No. 3 of 2000;
- The Promotion of Equality and Prevention of Unfair Discrimination Act, Act No. 4 of 2000 (PEPUDA or the Equality Act, Act No. 4 of 2000);
- Protected Disclosure Act, Act No. 26 of 2000;
- Prevention and Combatting of Corrupt Activities Act, Act No. 12 of 2004;
- Criminal Procedure Act, Act No. 51 of 1977;
- Local Government: Municipal Finance Management Act, Act No. 56 of 2003;
- Local Government: Municipal Finance Management Act, Act 56 of 2003 (Municipal Supply Chain Management Regulations)
- Local Government: Municipal Finance Management Act: Regulations: Financial Misconduct Procedures and Criminal Proceedings, 2014;
- Municipal Finance Management Act: MFMA Circular 68 (Unauthorised, Irregular, Fruitless and Wasteful Expenditure);
- Municipal Finance Management Act: MFMA Circular 76 (Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings);
- Local Government: Municipal Property Rates Act, Act No. 6 of 2004
- The Public Audit Act, Act No. 25 of 2004.

**RECOMMENDATION:**

That in respect of the

**CONSEQUENCE MANAGEMENT POLICY**

discussed by Council at the Council meeting held on 22 October 2024:

- That Council support and approve the Consequence Management Policy.

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**7.12 WATER SERVICES AUDIT REPORT FOR 2023/2024**File No./s: **11/1/R**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 Audit Report for 2023/2024.

**BACKGROUND:**

Section 62 of the Water Services Act requires the Minister to monitor every Water Services Authority (WSA) in order to ensure compliance with the prescribed national standards. This regulation requires a WSA to complete and submit a water services audit every year.

The water services audit is designed to monitor the compliance of the WSA. It allows the water services audit to be used as a tool to compare actual performance of the WSA against the targets and indicators set in their Water Services Development Plan (WSDP). It also assists local communities and Department Water and Sanitation (DWS) to assess how well WSAs are performing relative to their stated intentions and their capacity. The Water Services Audit Report will give an overview of the implementation of the previous years' WSDP of Breede Valley.

**METHODOLOGY FOLLOWED:**

The Service Delivery Budget Implementation Plan (SDBIP) of Breede Valley Municipality for 2023/2024 was used to report on the Key Performance Indicators (KPIs) for water and sewerage services. The WSDP was further used as basis to compile the report.

**AVAILABILITY OF THE WATER SERVICES AUDIT REPORT:**

The Water Services Audit Report is a public document and must be made available within four months after the end of each financial year and must be available for inspection at the offices of the Municipality. It is also recommended that the document be placed on the Municipality's website. The Water Services Audit Report must also be made available to DWS for their comments as required by legislation.

**FINANCIAL IMPLICATIONS:**

No financial implications.

**APPLICABLE LEGISLATION / COUNCIL POLICY:***Water Services Act:*

Section 18 of the Water Services Act stipulates the following with regard to the water services audit on the implementation of the WSDP.

- 
- (1) A water services authority must report on the implementation of its development plan during each financial year,
  - (2) The report-
    - a) must be made available within four months after the end of each financial year; and
    - b) must be given to the Minister, the Minister for Provincial and Local Government, the Member of the Executive Council responsible for local government in the relevant province and all the organisations representing municipalities having jurisdiction in the area of the water services authority.
  - (3) The water services authority must publicise a summary of its report.
  - (4) A copy of the report and of its summary must be-
    - a) Available for inspection at the offices of the water services authority; and
    - b) Obtainable against payment of a nominal fee.

Regulations under Section 9 of the Water Services Act, which include the water services audit as Section 10 of the Guidelines for Compulsory National Standards stipulates the following:

- (10) (2) A water services audit must contain details for the previous financial year and, if available, comparative figures for the preceding two financial years of-
  - (a) the quantity of water services provided, including at least –
    - (i) the quantity of water used by each sector;
    - (ii) the quantity of water provided to the water services institution by another water services institution;
    - (iii) the quantity of effluent received at sewage treatment plants; and
    - (iv) the quantity of effluent not discharged to sewage treatment plants and approved for use by the water services institution;
  - (b) the levels of services rendered, including at least –
    - (i) the number of user connections in each user sector;
    - (ii) the number of households provided with water through communal water services works;
    - (iii) the number of consumers connected to a water reticulation system where pressures rise above 900 kPa at the consumer connection;
    - (iv) the number of households provided with sanitation services through consumer installations connected to the sewerage system;
    - (v) the number of households with access to basic sanitation services;
    - (vi) the number of new water supply connections made; and
    - (vii) the number of new sanitation connections made;
  - (c) the numbers provided in compliance with paragraph (b) expressed as a percentage of the total number of connections or households;
  - (d) cost recovery, including at least –
    - (i) the tariff structures for each user sector;

- 
- (ii) the income collected expressed as a percentage of total costs for water services provided; and
  - (iii) un-recovered charges expressed as a percentage of total costs for water services provided;
- (e) meter installation and meter testing, including at least –
- (i) the number of new meters installed at consumer installations; and
  - (ii) the number of meters tested and the number of meters replaced expressed as a percentage of the total number of meters installed at consumer connections;
- (f) the water quality sampling programme contemplated in regulation 5(1), the results of the comparison set out in regulation 5(3) and any occurrence reported in compliance with regulation 5(4);

*Guidelines for Compulsory National Standards and Norms and Standards for Water Services Tariffs: Sections 5(1), 5(3) and 5(4) stipulates the following:*

*5 (1) Within two years of the promulgation of these Regulations, a WSA must include a suitable programme for sampling the quality of potable water provided by it to consumers in its WSDP.*

*5(2) The water quality sampling programme contemplated in sub regulation (1) must specify the points at which potable water provided to consumers will be sampled, the frequency of sampling and for which substances and determinants the water will be tested.*

*5 (3) A water services institution must compare the results obtained from the testing of the samples with SABS241: Specifications for Drinking Water, or the South African Water Quality Guidelines published by the Department of Water Affairs and Forestry.*

*5 (4) Should the comparison of the results as contemplated in sub regulation (3) indicate that the water supplied poses a health risk, the water services institution must inform the Director-General of the Department of Water Affairs and Forestry and the head of the relevant Provincial Department of Health and it must take steps to inform its consumers-*

*(a) that the quality of the water that is supplied poses a health risk;*

*(b) of the reasons for the health risk;*

*(c) of any precautions to be taken by the consumers; and*

*(d) of the time frame, if any, within which it may be expected that water of a safe quality will be provided.*

- (g) water conservation and demand management, including at least –
- (i) the results of the water balance as set out in regulation 11;
  - (ii) the total quantity of water unaccounted for;
  - (iii) the demand management activities undertaken; and
  - (iv) the progress made in the installation of water efficient devices.



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*Guidelines for Compulsory National Standards and Norms and Standards for Water Services Tariffs: Section 11 stipulates the following:*

*11 (1) Within two years of the promulgation of these Regulations, a water services institution must every month-*

- (a) Measure the quantity of water provided to each supply zone within its supply area;*
- (b) Determine the quantity of unaccounted for water by comparing the measured quantity of water provided to each supply zone with the total measured quantity of water provided to all user connections within that supply zone;*
- (c) Measure the quantity of effluent received at each sewage treatment plant; and*
- (d) Determine the quantity of water supplied but not discharged to sewage treatment plants by comparing the measured quantity of effluent received at all sewage treatment plants with the total measured quantity of water provided to all user connections.*

*11 (2) A water services institution must-*

- (a) Take steps to reduce the quantity of water unaccounted for; and*
- (b) Keep record of the quantities of water measured and of the calculations made.*

*Strategic Framework for Water Services (September 2003):*

*A WSA must report annually and in a public way on progress in implementing the plan." The requirement that WSAs regularly update their plans and report annually on progress against their plans will assist local communities and DWA to assess how well WSAs are performing relative to their stated intentions and their capacity.*

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

|   |  |
|---|--|
| <b>Municipal Manager:</b>                                     | Item supported                           |
| <b>Director: Community Services:</b>                          | Recommendation noted                     |
| <b>Director: Strategic Support Services:</b>                  | The content of the audit report is noted |
| <b>Senior Manager: Legal Services:</b>                        | Recommendation noted                     |
| <b>Manager: IDP:</b>  | Recommendation noted                     |
| <b>Director: Financial Services:</b>                          | Recommendation noted                     |
| <b>Director: Engineering Services:</b>                        | Recommendation noted                     |
| <b>Director Planning Development and Integrated Services:</b> | Item supported                           |

**RECOMMENDATION:**

That in respect of

**THE WATER SERVICES AUDIT REPORT FOR 2023 / 2024 FINANCIAL YEAR,**

Discussed by Council at the Council meeting held on 22 October 2024

- That Council approves the Water Services Audit Report for 2023/2024.

**7.13 NAMING OF THE STAND AT ESSELEN PARK STADIUM****File No. /s:** 3/9/1C1**Responsible Official:** T. Crotz**Directorate:** Community Services**Portfolio:** Sport and Culture

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**PURPOSE:**

To seek Council's approval for the naming of the stand at the Esselen Park Stadium after, Mr. Thomas van Noie.

**BACKGROUND:**

Oom Tom, as he was affectionately known, was a renowned and most revered sportsman in Worcester. He was a teacher by profession and involved in different sports codes during his active life. These codes included rugby, athletics, cricket, cycling and gymnastics. He coached many sport persons who went on to become provincial and national champions. Some of the people he mentored include, not limited to, Devon Davies who is the current assistant coach of the Springbok, Pat Marran, Dewey Swartbooi, Josie Ontong, Christie Noble and Heini Adams who later represented emerging Springboks and Springboks. He passed on in February 2024 at the age of 80.

It is a widespread practice to name parts of the stands in different stadiums after sport legends to recognise their contribution in sport. It is therefore befitting to honour Oom Tom for the contribution he made in sport in Worcester by naming the stand at Esselen Park Stadium after him.

**FINANCIAL IMPLICATIONS:**

There will be financial implications relating to signage.

**APPLICABLE LEGISLATION / COUNCIL POLICY:**

The Constitution of the RSA

**COMMENT OF DIRECTORATES / DEPARTMENTS CONCERNED:**

**Municipal Manager:** Supported.

**Director: Community Services:** Supported.

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**Director: Strategic Support Services:** Recommendation supported.

**Director: Financial Services:** Supported.

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

**Director: Planning, Development and Integrated Services:** Item and recommendation supported.

## **RECOMMENDATION**

That in respect of-

### **NAMING OF THE STAND AT ESSELEN PARK STADIUM**

Discussed by Council at the Council meeting held on 22 October 2024:

1. Council approves the naming of the stand at Esselen Park Stadium after Mr. Thomas van Noie.
2. That the public be invited to submit comments regarding the intention of Council.

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## 7.14 PROPOSED AMENDMENTS TO BID BV 939/2022 - MAINTENANCE OF STREETLIGHTS, HIGH MAST LIGHTS AND STADIUM FLOOD LIGHTING FOR A PERIOD ENDING 30 JUNE 2025

**File No./s:** 5/3/1/146

**Responsible Official:** F. Geduldt

**Directorate:** Engineering Services

**Portfolio:** ESD

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### 1. PURPOSE

The purpose of this report is to provide the necessary information and motivation on the proposed amendment of the following contract:

**Momotheka Trade 1011 cc – BV 939/2022 - Maintenance of streetlights, high mast lights and stadium flood lighting for a period ending 30 June 2025**

In order for Council to make an informed decision whether to consent to the amendment of this contracts, or not.

### 2. LEGAL REQUIREMENTS

Section 116(3) of the MFMA provides as follows:

- “(3) A contract or agreement procured through the supply chain management policy of the municipality or municipal entity may be amended by the parties, but only after -
- (a) the reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the Council of its parent municipality; and
  - (b) The local community-
    - (i) has been given reasonable notice of the intention to amend the contract or agreement and
    - (ii) has been invited to submit representations to the municipality or municipal entity.”

The following three things as set out below must therefore be done before the Accounting Officer can amend a procurement contract:

- a) The contracts must have been procured through the supply chain management policy of the Municipality.
- b) The reasons for the proposed amendment have been tabled in the Council. And
- c) The local community has been given reasonable notice of the intention to amend the contract or agreement, and they have been invited to submit representations to the Municipality.

### 3. CONTRACTS PROCURED THROUGH THE SUPPLY CHAIN MANAGEMENT POLICY

It is confirmed that the contract as set out below was procured in compliance with the Municipality supply chain management policy.

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**BV 939/2022 - MAINTENANCE OF STREETLIGHTS, HIGH MAST LIGHTS AND STADIUM FLOOD LIGHTING FOR A PERIOD ENDING 30 JUNE 2025**

It is further confirmed that the contract above is still valid and enforceable and may be amended.

**4. BACKGROUND/MOTIVATION**

Tender BV939/2022 was awarded by the Bid Adjudication Committee during a meeting held on the 23<sup>rd</sup> of June 2022 to Momotheka Trade 1011cc at their rates (including all applicable taxes) offered, subject to the conditions applicable to the tender and that;

- i. services be procured on an as and when needed basis;
- ii. expenditure be limited to the funding available; and
- iii. the project implementation be 1 August 2022 (or soon thereafter).

The duration of the contract is: 2 August 2022 to 30 June 2025.

Due to the fact that the award was made by the Bid Adjudication Committee, the financial implications attached to this contract requires that expenditure be capped at the R10 million SCM threshold. As at 30<sup>th</sup> of June 2024, the expenditure against this contract was within the region of R9 million, and with 9 months remaining, prior to expiry of the contract.

The majority of streetlights within the Breede Vally Municipal area are not functioning, which puts the residents lives in danger. The state or age of current infrastructure, past load-shedding trends, vandalism and current weather patterns, resulted as contributing factors in the maintenance of electrical infrastructure patterns, within the Breede Valley Municipality. It is for this reason that the expenditure patterns increased significantly, compared to the anticipated expenditure patterns during the calling and evaluation of tenders. The Directorate: Engineering Services intends to extend the current contract from R10 million threshold to the upper limit of R20 million, while keeping the same scope of works and conditions applicable to the contract. The current contractor, Momotheka Trade 1011cc, has the CIDB grading of 6EP, which is adequate to handle contracts of up R20 million.

Provision and maintenance of public lighting infrastructure remains the responsibility of local government to ensure safety of the community.

In terms of Section 116(3) of the MFMA, (56 of 2003), amendments, may only be made after:

- (a) the reasons for the proposed amendment to be tabled in the council; and
- (b) the local community has been given reasonable notice of the intention to amend the contract or agreement; and
- (c) has been invited to submit representations to the municipality.

It can be confirmed that the above legislative requirement in (b) and (c) have been met. An advert was placed on 15 August 2024 which closed on 15 September 2024. During the closing date of comments, no comments were received. The next step will be to table the item to Council for approval

In order to ensure continuity in terms of maintenance of streetlights, high mast lights and stadium flood lighting, taking into account the allocated budget and the fact that BV939/2022 - MAINTENANCE OF STREETLIGHTS, HIGH MAST LIGHTS AND STADIUM FLOOD LIGHTING is in place, it is proposed that Breede Valley Municipality

amend the contract value up to limit not exceeding R 20 million (including all applicable taxes).

## 5. FINANCIAL IMPLICATIONS

Council resolved with Council resolutions in terms of the total budget amounts to R 3 307 600 (VAT exclusive), respectively for the maintenance of public lighting as part of the Medium-Term Revenue and Expenditure Framework (MTREF).

Table 1: Operational Budget 2022/2023/2024/2025 FY

| <u>Description</u>                           | <u>Actual<br/>Expenditure<br/>2022/23</u> | <u>Actual<br/>Expenditure<br/>2023/24</u> | <u>Budget not<br/>spent<br/>2024/25</u> | <u>TOTAL</u>        |
|--|---|---|---|---------------------|
| LV Networks – Public Lighting                | R 3 363 755                               | R 2 857 027                               | <b>R 2 872 700</b>                      |                     |
| Decorative Lights                            | R 0                                       | R 434 282                                 | <b>R 434 900</b>                        |                     |
| Maintenance of Streetlights.                 |   | R 1 120 540                               |   |                     |
| 15% VAT                                      |   |   |   |                     |
| <b>TOTAL OPERATIONAL<br/>(INCLUDING VAT)</b> | <b>R 3 868 318</b>                        | <b>R 5 073 626</b>                        | <b>R 3 803 740</b>                      | <b>R 12 745 684</b> |

In terms of the approved and allocated budget for financial period 2024/25 of R 3 307 600 exclusive VAT, and in light of current actual expenditure on the contract of approximately R 9 million, it is requested to further extent the contract value up to limit not exceeding R 20 million inclusive of all applicable taxes.

## 6. APPLICABLE LEGISLATION / COUNCIL POLICY

Local Government: Municipal Finance Management Act, 2003(Act 56 of 2003)  
 Circular 57, National Treasury Practise note  
 Circular 62, National Treasury Practise note  
 Circular 73 National Treasury Practise note  
 Circular 102, National Treasury Practice note  
 Breede Valley Municipality Supply Chain Management Policy, as amended  
 Breede Valley Municipality Contract Management Framework as part of the SCM Policy, as amended

Section 116 (3) of the Municipal Finance Management Act 56 of 2003 determines as follows—

“A contract or agreement procured through the supply chain management policy of the municipality or municipal entity may be amended by the parties, **but only after**— (own highlight and underlining)

- (a) the reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the council of its parent municipality; and
- (b) the local community—
  - (i) has been given reasonable notice of the intention to amend the contract or agreement; and

- (ii) has been invited to submit representations to the municipality or municipal entity.”

In order to comply with section 116 (3) of the Municipal Finance Management Act, a public participation process was followed, whereby the intention to amend this contract was advertised as follow:

### **Section 116(3) Notification for Public Participation**

|                            |   |
|----------------------------|---|
| Date of Advertising:       | 15 August 2024                                    |
| Method of Advertising:     | Notice Boards; Breede Valley Municipality Website |
| Closing Date for Comments: | 16 September 2024                                 |

During the closing date of public comments, no comments were received or recorded.

## **7. ANNEXURES**

Annexure A: Intent to amend document  
Annexure B: Proof of Advertisement

## **8. COMMENT OF DIRECTORATES / DEPARTMENTS**

- **Municipal Manager:** Recommendation supported
- **Director Engineering Services:** Item and recommendation supported.
- **Director Planning Development and Integrated Services:** Recommendation supported
- **Chief Financial Officer:** Recommendation supported
- **Director Community Services:** Recommendation supported
- **Director Strategic Support Services:** Support the recommendation
- **Senior Manager Legal Services:** Support the item

## **RECOMMENDATION**

That in respect of-

**PROPOSED AMENDMENTS TO BID BV 939/2022 - MAINTENANCE OF STREETLIGHTS, HIGH MAST LIGHTS AND STADIUM FLOOD LIGHTING FOR A PERIOD ENDING 30 JUNE 2025;**

Discussed by Council at the Council meeting held on 22 October 2024:

1. That Council considers granting approval that contract BV 939/2022 - MAINTENANCE OF STREETLIGHTS, HIGH MAST LIGHTS AND STADIUM FLOOD LIGHTING FOR A PERIOD ENDING 30 JUNE 2025-



Be amended, to make provision for the current upper limit of R10 million, be extended to R20 million (VAT Included) to address current maintenance activities, without changing the terms, conditions and scope of works and that Expenditure in terms of this contract, be limited to funding available in the budget.

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**7.15 HUMAN RESOURCES POLICIES: EXIT MANAGEMENT POLICY AND  
INTERNSHIP / WORK INTERGRATED LEARNING POLICY****File No. /s:4/1/1/1****Responsible Official: R Esau****Directorate: SSS****Portfolio: Human Resources**

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**1. PURPOSE:**

1.1 To submit the following policies developed in terms of section 67 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (herein referred to as the Systems Act) to Council for approval:

- (a) Exit Management Policy; and
- (b) Internship and Work Integrated Learning Policy.

**2. BACKGROUND:**

2.1 The Exit Management Policy was approved by Council in 2022 through Council Resolution C81/2022. The Policy is being reviewed due to following gaps identified in the approved policy and will be read in conjunction with the Collective Agreement:

- (a) normal retirement age (65 years) and early retirement age (55 years);
- (b) conditions for payment and non-payment of pro-rata bonuses on voluntary and involuntary termination of service.

2.2 The Internship and Work Integrated Learning Policy is a new policy which will provide students and unemployed graduates with opportunities to acquire skills and experience in their respective fields within the service delivery mandate of Breede Valley Municipality.

2.3 Both policies have been workshopped to the members of the Local Labour Forum (LLF) on 25 September 2024, presented at the LLF meeting on 4 October 2024 and supported subsequently.

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### 3. FINANCIAL IMPLICATIONS:

All financial implications are addressed within the individual policies, where necessary.

### 4. APPLICABLE LEGISLATION

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

Section 67 provides that “A municipality, in accordance with applicable law and subject to any applicable collective agreement, must develop and adopt appropriate systems and procedures, consistent with any uniform standards pre-scribed in terms of section 72(1)(c), to ensure fair, efficient, effective and transparent personnel administration,”.

Section 11 prescribes that “the executive and legislative authority of a municipality is exercised by the council of the municipality...by...developing and adopting policies, plans, strategies and programmes...” Council is thus the statutory approver for said policy before implementation”.

### 5. ANNEXURES

**ANNEXURE A:** Exit Management Policy;

**ANNEXURE B:** Internship and Work Integrated Learning Policy.

### 6. COMMENTS OF DIRECTORATES / DEPARTMENTS

|   |                           |
|---|---------------------------|
| <b>Municipal Manager:</b>                                       | <b>SUPPORTED</b>          |
| <b>Director: Strategic Support Services:</b>                    | <b>AUTHOR OF THE ITEM</b> |
| <b>Director: Financial Services:</b>                            | <b>SUPPORTED</b>          |
| <b>Director: Engineering Services:</b>                          | <b>SUPPORTED</b>          |
| <b>Director: Community Services:</b>                            | <b>SUPPORTED</b>          |
| <b>Director: Planning, Development and Integrated Services:</b> | <b>SUPPORTED</b>          |
| <b>Senior Manager Legal Services:</b>                           | <b>SUPPORTED</b>          |

**RECOMMENDATION**

That in respect of the –

**HUMAN RESOURCES POLICIES: EXIT MANAGEMENT POLICY AND  
INTERNSHIP / WORK INTERGRATED LEARNING POLICY**

as discussed by Council at the Council meeting held on 22 October 2024, Council decide:

1. That Council approves the following policies in terms of section 11 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) with effect from the date of approval:
  - (a) Exit Management Policy; and
  - (b) Internship and Work Integrated Learning Policy.

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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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