



BREED VALLEY

MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

**Annual
Report**

2019/20

Mayor's Message



MAYOR'S MESSAGE

Long before this year in review, Worcester's 200th year of existence was awaited and festivities planned. Even though it is Worcester which turned 200 in the third quarter of this financial year, the Municipality sought to engage as many of our residents all over the municipal area as well as previous residents. Various activities and festivities took place – not least a very gracious and grand gala evening where the freedom of the town was bestowed onto previous citizens and where I also awarded several worthy recipients with a Mayor's Medal for exemplary service and contribution to this town.

Breede Valley does not only consist of Worcester, though. We take care of all our communities, be it in Touwsrivier, De Doorns, Rawsonville or Worcester. As always, we are led by the wishes and inputs of our people as indicated in our Integrated Development Plan. The consultative approach for this year was still followed, albeit a little different. Because of the national lockdown, we were unable to conduct physical meetings as usual. However, as was the case with many facets of our working life, the public was invited to participate in this process electronically.

As many other municipalities and institutions did since the start of the lockdown, we also conducted our Council meetings via electronic media and was pleasantly surprised.

Although we did not achieve another clean audit during the 2018/19 financial year, an unqualified audit report is certainly a confidence booster. I believe with the continued support of our communities we will be able to raise the bar even higher.

The drought which plagued large parts of the Western and Eastern Cape, did not pass us by completely. However, our municipal area was fortunate that our water situation was never as dire as other areas' battles. Our dam levels remained fair in comparison to other municipalities, but we nevertheless implemented different levels of water saving measures.

Council, during the period under review contributed as follows to provide proper services, an environment conducive to progress and satisfied and happy communities:

Sports: The Breede Valley is known for great athletes hailing from here. The Municipality is instrumental in providing support to our athletes. Having good facilities helps to keep our youth healthy and occupied constructively. In the year under review, BVM has upgraded a number of facilities in support of our athletes:

- Upgrade of cricket nets
- Upgrade of basket rooms
- New walk-behind cricket pitch roller
- Upgrade of swimming pool filters and pumps
- New turf cricket pitch
- New perimeter fence and levelling of ground surface at certain sports grounds

Housing: Having your own proper house with sturdy walls and a roof over your head gives dignity and provides protection against the elements. Council endeavours to keep our community's dignity intact by providing access to various housing projects, two of which are the catalytic Transhex housing project of 8480 housing opportunities, as well as a new project in Touwsrivier, one of our poorest communities who can also look forward to new homes. The environmental impact study, pertaining to the proposed 900 affordable housing units earmarked for Touwsrivier, is underway and will be finalised early in the new financial year.

Safety:

- The Fire & Rescue Services of the Municipality is one of the very proud departments we have. They are saving lives every day.
- ≈ One highlight of the department was how they (together with other departments and citizens)

handled the disastrous gas tanker explosion which occurred in Worcester early in the financial year. The accident made national headline news and our Fire Services were on the forefront to mitigate the trauma caused by the explosion.

≈ Another testament to this department's hard work and dedication is their involvement in the BVM Covid-19 lockdown management. The Joint Operations Centre is situated at the Fire Station and is properly equipped to manage operations over the full spectrum of services. They ensure that vulnerable communities have their water tanks filled up regularly and assist in various other ways.

- The Department of Electrical Services embarked on a program to repair faulty or vandalised street/high mast lights. Proper lighting is paramount to aid in a safer environment for communities.

Support to NPO's: NPO's, NGO's and FBO's are doing great work in our communities. To support their initiatives Council held its annual Mayoral Pool Golf Day. The proceeds once again went to local organisations to further their activities in our communities, enriching lives. NPO's, including organisations catering for the needs of the youth, elderly, disabled, as well as schools and churches, were also beneficiaries of the Mayoral Charitable Fund to support vulnerable groups.

Grant-in-aid contributions: Grant-in-aid contributions were made to various organisations to further their activities in the communities of the Breede Valley.

Mayoral bursary fund: Financial assistance to deserving students in the Breede Valley for tertiary studies – investing in the future.

Youth programs: Various programs, empowering the youth, were facilitated by our Community Development Section in partnership with other role players.

Culture: Work on the R6 million upgrade of the Worcester Public Library is completed and the beautiful library is in full use.

Indigent support: As usual, the Municipality assist communities in general, especially the unemployed, elderly and other vulnerable groups wherever and however possible. We continually encourage them to apply for indigent subsidy on municipal services. The Office of the Executive Mayor will, whenever possible, assist to alleviate the burden of poverty. As a caring Municipality we are aware of the effects of lockdown on the vulnerable citizens within our community. As a response to the anticipated effects of the lockdown Council took a decision that no credit control actions were to be taken against indigent clients and that all the electricity restrictions of clients who are in the indigent register would be unblocked. This means that indigent clients who are in arrears will no longer have money deducted from their electricity purchases in order to pay off their arrears. Thus, on top of the free basic services offered to the indigent clients, over R18 million owed by indigent clients were written off during the financial year.

Notwithstanding the above and other achievements reflected in this report, service delivery was and continues to be severely affected by (amongst others):

- Possibly one of the worst things to happen in recent years – the global Covid-19 pandemic - hampered service delivery, locked down entire countries for months, robbed people of livelihoods or life itself. This pandemic will have dire effects for months (if not years) to come.
- The following challenges remain problematic year after year:
 - ≈ Violence in specific areas, prohibiting officials to perform their tasks in a safe and accommodating environment.
 - ≈ Delays in service delivery emanating from the continuous deliberate damage of municipal

MAYOR'S MESSAGE

infrastructure such as sewerage systems and electricity substations.

- ≈ Delays in service delivery due to theft of infrastructure such as electricity overhead cable.
- ≈ Illegal dumping of rubbish; and
- ≈ Water restrictions and load shedding.

The Breede Valley Municipality in many respects lives up to its vision with accolades for performing in governance and service delivery. There are challenges but we will address them.

With the support of an active community sharing the responsibility of governance, Council and staff will work shoulder to shoulder to maintain a high level of service delivery, putting the wonderful people of Breede Valley first. Thank you for everyone's contribution.

Antoinette Steyn

EXECUTIVE MAYOR

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Municipal Manager's Message



MUNICIPAL MANAGER'S MESSAGE

1.1 MUNICIPAL MANAGER'S MESSAGE

The BVM, notwithstanding serious challenges facing local government, succeeded in maintaining a high level of governance proficiency and service delivery. Guided by its vision of, "A unique and caring valley of service excellence, opportunity and growth", the Municipality achieved an unqualified audit opinion.

Proven management and oversight practices including the Audit Performance, Risk, Fraud and Corruption and MPAC Committees, institutionalised a good governance culture and served as an indication that the political leadership and Administration respectively fulfilled their managerial roles to the best of their ability. However, the essence of local government is to enrich people's lives through effective and sustainable service delivery.

During the year under review the Administration, in terms of the Municipality's values based on the Batho Pele Principles of putting people first, exercised its custodianship responsibly. This could only be achieved by embracing communities as our partners, ensuring that proper consultation, monitoring and oversight of processes were in place and that the job got done, notwithstanding limited resources due to a negative national economic climate and disruptive global events.

The Covid-19 pandemic serves as a prime example of such a disruptive global event. Occurring during the third quarter of the municipal financial year under review, we have witnessed the devastating impact of this pandemic on all facets of society both locally and globally. As various Covid-19 and lockdown regulations were introduced to limit the spread of the virus and potential loss of life, economies (particularly the most vulnerable) were contrastingly brought to its knees. South Africa and Breede Valley has not been spared in this regard. We have experienced a total shutdown during this period, with limited economic activity

and essential services solely permitted to continue. Understandably this has adversely impacted the earning potential of residents and businesses alike, resulting in a loss of municipal revenue and cashflow, subsequently presenting significant threats to municipal financial sustainability (amongst others).

In addition, the culminating impact of the pandemic had a devastating effect on the mental health and well-being of individuals across all facets of society and industry. Patterns of mental fatigue became more apparent, primarily due to the extent of lockdowns, social distancing regulations and the general fear of the pandemic – particularly the uncertainty thereof. In South Africa specifically, the fear of hunger and the looming humanitarian crisis has, to some extent, become greater than the fear of the pandemic itself, resulting in an array of difficulties and challenges.

Notwithstanding the difficulties of the past year, BVM managed to record a number of highlights, showing determination, vision, commitment and vigour.

In terms of this special relationship with the community, due care was taken to ensure that our service delivery actions (as reflected in this report) served our strategic objectives. In this regard the following highlights need mentioning:

- Successfully hosting the Worcester Bicentennial Festival, comprising of a week-long programme packed with various events and activities to commemorate the town's 200th year of existence. The programme comprised of core themes (care capital; children, schools & social cohesion; nature, outdoor & agriculture; sport & recreation; heritage, arts & culture; carnival & festivals; and religion) to illustrate and celebrate the journey of the town and its people. The Mayoral Honourary Citizenship Gala Evening featured as a highlight of the event. During this event, Civic Honours (Freedom of the Town) were conferred to individuals of

MUNICIPAL MANAGER'S MESSAGE

a Breede Valley (Worcester) descent, whose work/craft has significantly contributed to the growth, diversity and advancement of the region and country.

- Continuous collaboration in the Transhex Human Settlement project, driven by the Provincial Department of Human Settlements. The 8 480 housing opportunities earmarked for development will (amongst others) substantially alleviate the housing backlog of 20 005 houses, create ownership and stimulate the local economy.
- Infrastructural developments spearheaded by BVM in order to make provision for the expected expansion within the area - particularly linked to the Transhex Human Settlement project. These developments include the upgrading of the water treatment works – installation of a de-watering system (belt presses), building of a 20 mega litre reservoir (completed) and building of a sewerage pump station (completed).
- Steady progress towards addressing big backlogs of road infrastructure maintenance by re-sealing streets to the approximate value of R28.5 million.
- Providing basic services, especially to the poorest of the poor with an indigent portfolio of approximately 39% (8 891 households) of approximately 23 000 billed households.
- Approximately R5.5 million was spent in the past three financial years on improvements of the sewerage systems, including Zwelethemba and Roodewal. An additional Jet Vac machine to the value of R3.8 million was procured to deal with blocked sewerages more effectively and assist with proactive maintenance.
- Regular inspection tours by senior staff to the different wards to gain first-hand knowledge of existing service delivery challenges, monitor progress and pre-empt possible problems that might occur in future.
- Continuous enhancement of administrative processes, procedures and systems – the implementation of a biometric access control and payroll system and tracking devices in vehicles will simplify administrative procedures and contribute to more effective time/overtime management.
- Optimising communication and public participation practices, focussing on ward committees and customer care - utilising mechanisms such as social media more effectively. In addition, the revamped municipal website makes provision for feedback from ward committees and can therefore be utilised as a communication tool.
- Creating safer communities – focusing on the extension of the Regional Socio-Economic Programme (RSEP), crime prevention initiatives to underpin economic security and municipal resources. The appointment of a prosecutor and law enforcement personnel will fast track prosecutions. The construction of the additional court (municipal court at Stofberg House) is also making good progress. Continuous collaboration between the BVM and the Worcester Business Improvement District regarding CCTV Security Monitoring project within the Worcester CBD, which continues to contribute to the reduction of crime within this particular area.
- Creating an enabling environment for economic growth to boost employment and eradicate poverty, focusing on the implementation of the revised local economic development strategy, prioritising the implementation of the Uitvlugt Industrial Park development (informed by the Urban Vision Framework and subject to available resources), soliciting provincial support & prioritisation linked to the construction of the proposed eastern bypass road (connecting the R60 to the N1) to accommodate increased traffic volume and unlocking

MUNICIPAL MANAGER'S MESSAGE

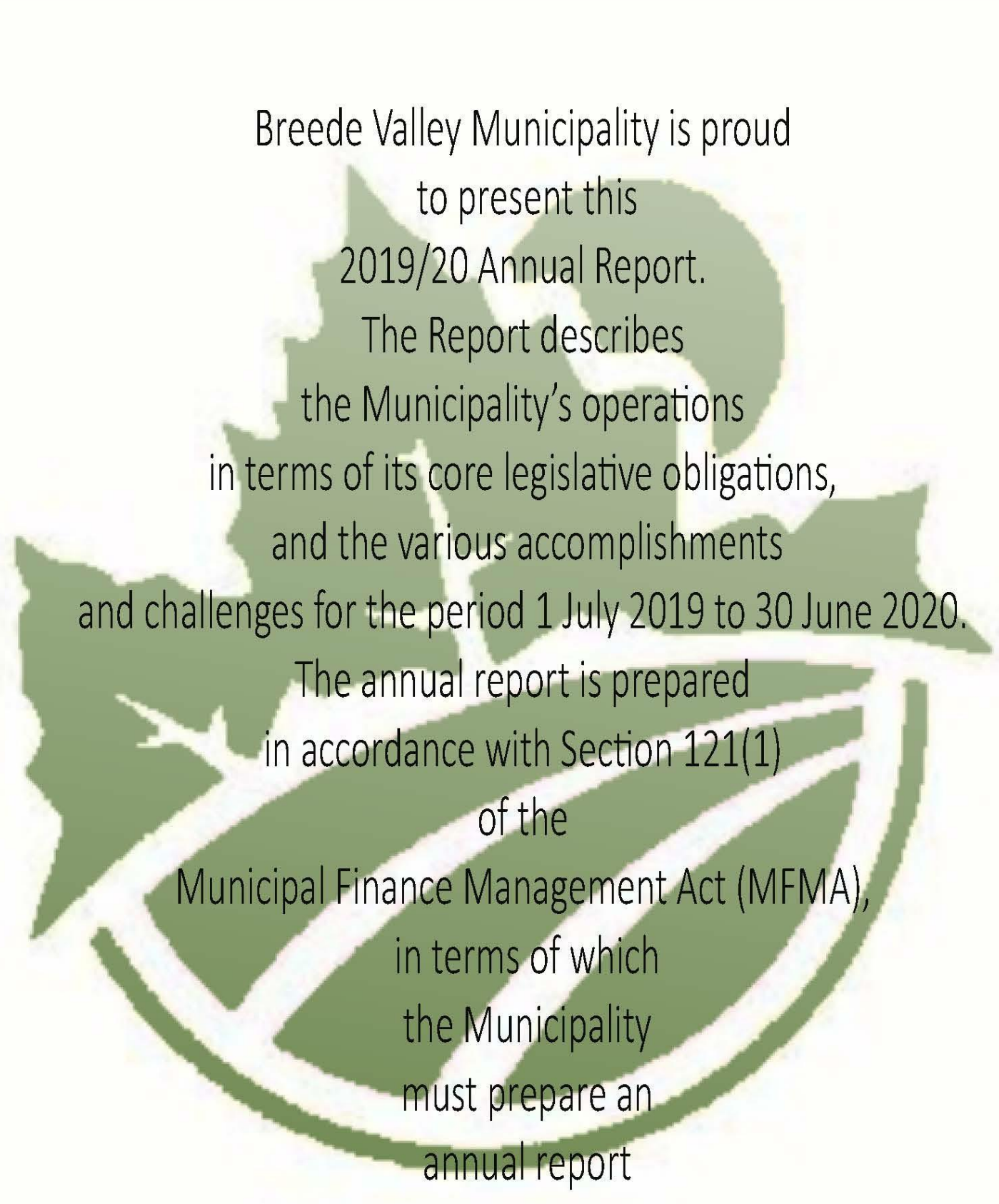
the township economy with the exciting Zwelethemba Commercial Corridor Development.

- Building of a fully operational fire station for De Doorns (completed).
- The implementation of a new corporate identity (completed and recognised).
- Hosting the annual Service Delivery Jamboree in the four towns of the Breede Valley, taking service delivery to the doorstep of communities.
- Realising BVM's caring character. Contributions from the Mayoral bursary scheme grant-in-aid allocations, as well as the proceeds from the Mayoral/SN Pool Foundation Golf Day contributed towards a better life for the recipients and served as a means of acknowledging the sterling work done by NGO's and NPO's in our communities.

Breede Valley acknowledged the essence of working together and through the support of all stakeholders all the highlights were possible. Great appreciation to the community at large for their contributions in whatsoever form and to the Breede Valley Council for the constant guidance and support. Most of all, heartfelt gratitude to each official who under these difficult times of limited resources, risk of crime and indeed the Covid-19 pandemic (amongst others) continued to work tirelessly and put themselves at risk day and night to serve the community.

David McThomas

MUNICIPAL MANAGER



Breede Valley Municipality is proud
to present this
2019/20 Annual Report.

The Report describes
the Municipality's operations
in terms of its core legislative obligations,
and the various accomplishments
and challenges for the period 1 July 2019 to 30 June 2020.

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

Chapter 1



VISION AND MISSION

Vision:

*"A unique and caring valley
of
service excellence,
opportunity and growth"*

Mission:

*"To be a South African care capital
by providing sustainable and affordable basic services
in a safe and healthy environment,
which promotes social and economic welfare
through participative governance
in a committed service-orientated approach,
and appreciates committed staff
as the organisation's most valuable resource and
key to service delivery"*

CHAPTER 1: MUNICIPAL OVERVIEW

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 DEMOGRAPHIC INFORMATION

a) *Municipal geographical information*

The BVM covers an area of approximately 3 833 km² stretching from the Du Toitskloof Mountains in the south west to the Kwadousberg in the south east and includes the towns of Rawsonville, Worcester, De Doorns and Touwsrivier, as well as the rural areas adjacent to and between these towns and the Matroosberg rural area. The town of Worcester lies on the N1 and has a major railway link, which presents the town with a locational advantage that provides access to inland markets. The most striking feature of the Breede Valley is its scenic beauty. Majestic mountains, fertile valleys, vineyards and vast plains covered with indigenous semi-desert vegetation captivate the soul. Apart from the formal settlement areas, the municipality has several informal settlements. The region has a counted population of 166 825 (inclusive of the informal settlements), based on 2011 StatsSA census data and 176 578 based on the 2016 StatsSA Community Survey. In 2020, the region has an estimated population figure of 188 948 as per Provincial Treasury's Municipal Economic Review and Outlook (MERO).

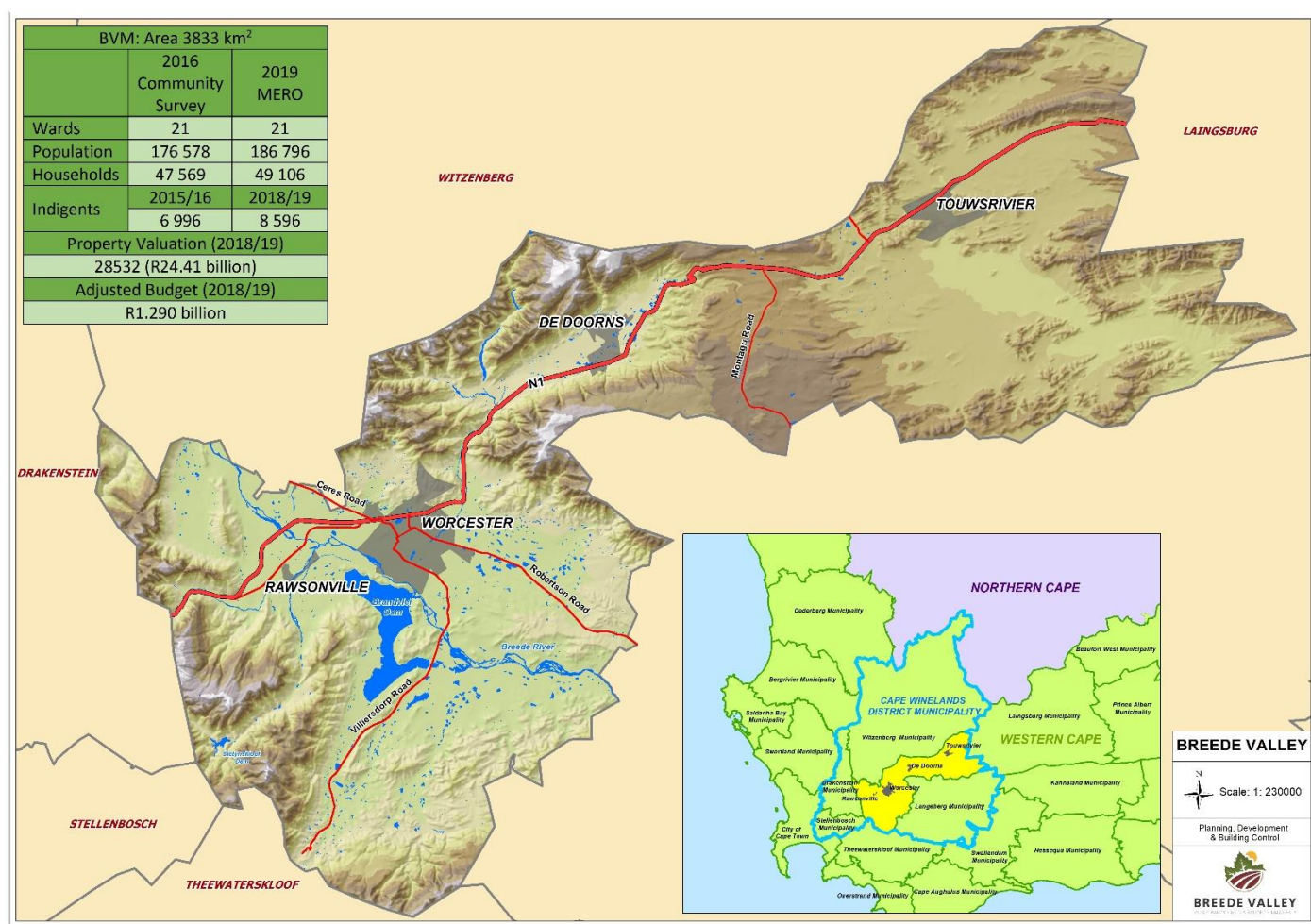


Figure 1: Breede Valley Municipal Area

CHAPTER 1: MUNICIPAL OVERVIEW

Wards

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

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

Table 1: Municipal wards

CHAPTER 1: MUNICIPAL OVERVIEW

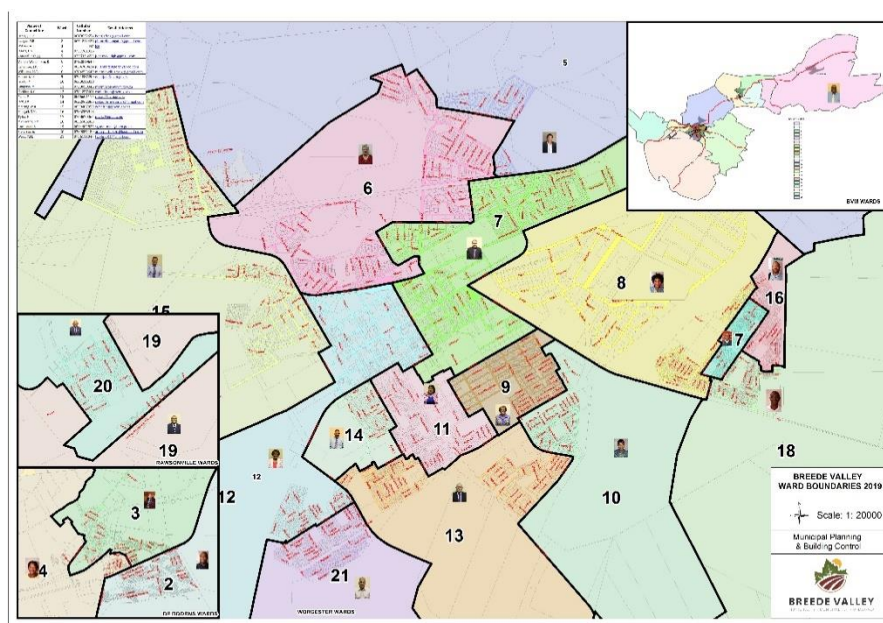


Figure 2: Municipal wards

Worcester

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

Worcester is the largest town in the BVM - home to approximately 110 000 people, including those people living on the surrounding farms. It is an old town established in 1820 and named after Lord Charles Somerset's nephew, the Marquis de Worcester. In 1823 there were only 10 houses in Worcester. The town serves as the administrative capital of the Breede Valley local municipality and as regional headquarters for most national and provincial government departments. The town also serves as the hub of the Western Cape's interior commercial, distribution and retail activity with a shopping mall, well developed central business district and infrastructure.

Worcester is considered as one of the largest wine growing regions in South Africa, both in number of vines and volume of wine produced, accounting for approximately 12% of the total production as per the 2018 statistics. There is plenty to see and do in the area and being so centrally situated to the

surrounding towns, Worcester is an ideal base from which to explore the region.

De Doorns, Hex River Valley

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

The little town of De Doorns lies at the centre of the Hex River valley, only one and a half hours' drive from Cape Town, just off the N1 and 35 kilometres north of Worcester, in the midst of South Africa's table grape industry. This is a valley of rolling vineyards, historical Cape Dutch homesteads and snow-capped mountains during winter that combine to make it one of the most picturesque valleys, particularly during autumn when the different vines give rise to a display of variegated

CHAPTER 1: MUNICIPAL OVERVIEW

colour so rich that all who see it are inspired and none left untouched by its beauty.

De Doorns literally translated means 'the thorns' in Dutch and refers to the Acacia thorn trees that dominate the Hex River banks. De Doorns' wine cellar boasts the longest harvest season in the world, from December through until April, and the area exports some 17 million cartons of grapes annually. Farms here lie nestled between the Hex and Kwadous mountains, which provide much in the way of hiking, mountain biking and rock climbing.

Rawsonville

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

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

The area is known for the Breede Kloof Wine Route with its 22 cellars and wine estates and previously also hosted the annual Breede Kloof extreme sports festival. The economy remains heavily reliant on serving the agricultural community, however tourism in the form of weekend retreats are becoming more important to the town's income. Rawsonville is 90 km to the east of Cape Town and 15 km to the west of the large town of Worcester.

Touwsrivier

On 7 November 1877, the Worcester-Matjiesfontein section of the Cape Government Railways' Cape Town-Kimberley main line was opened to traffic. The line included a station, originally named "Montagu Road", where the line bridged the Touwsrivier. The name was given in reference to the town of Montagu, which lies about 90 kilometres (56 miles) to the south by road. In 1883 the station was renamed "Touwsrivier".

The town of Touwsrivier developed around the railway depot, at which locomotives were changed after the climb over the Hex River pass. It was particularly busy because of the need to bank trains over the pass; banking locomotives were turned at Touwsrivier to return to De Doorns. From 1924 it also served as the junction for the branch line to Ladysmith. The closing of the Ladysmith branch in 1981 and the opening of the Hex River tunnel in 1989 reduced the importance of Touwsrivier as a depot.

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

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

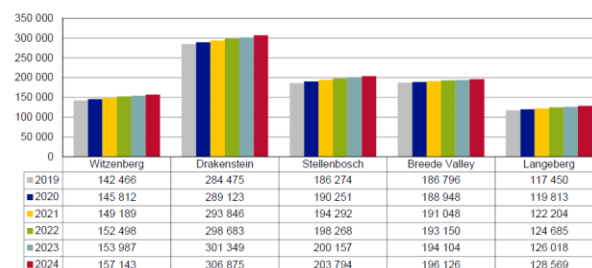
CHAPTER 1: MUNICIPAL OVERVIEW

b) Population

Population size provides an indication of the volume of demand for government services in a geographical space. It also serves as a planning measure to assist budget planners to match available resources to address the relative demand for services. Of the five local municipalities within the Cape Winelands District, it is estimated that Breede Valley has the third largest population (188 948 in 2020). This total is estimated to increase to 196 126 by 2024 which equates to a 0.98% annual average growth rate. The estimated population growth rate of Breede Valley is therefore lower than the estimated population growth of the Cape Winelands of 1.59%.

The adjacent table indicates the total population estimates within the Cape Winelands District according to the 2019 MERO, as populated by the Western Cape Provincial Treasury:

Figure 4.1 Future population growth, Cape Winelands District, 2019 - 2024



Source: Western Cape DSD, 2019

Figure 3: CWD Future Population Growth

c) Households

As per Provincial Treasury's 2019 MERO, the total number of households within the municipal area is estimated at 49 571. It is imperative to note that this estimated figure is based on research and forecasts conducted by Quantec Research.

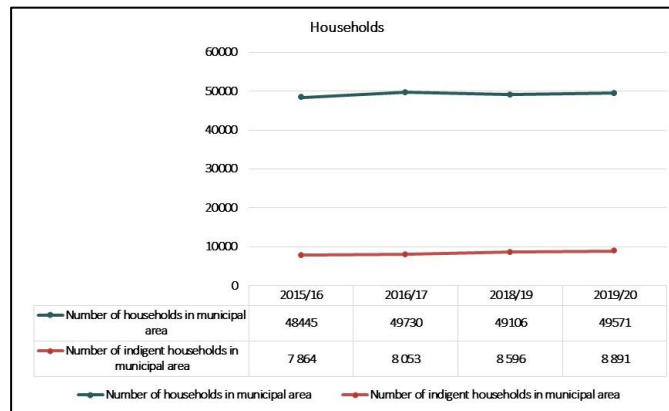
The table below indicates the households and indigent households in the municipal area for various financial years:

Households	2015/16	2016/17	2017/18	2018/19	2019/20
Number of households in municipal area	47 569*	48 445#	49 730#	49 106#	49 571#
Number of indigent households in municipal area	6 996	7 864	8 053	8 596	8 891
*Source: 2016 StatsSA Community Survey					
#Source: Municipal Economic Review & Outlook compiled by Provincial Treasury					

Table 2: Total number of households

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The graph below shows that the total number of indigent households grew from 6 996 in the 2015/16 to 8 891 in the 2019/20 financial year



Graph 1: Indigent household representation within the municipal area

d) Key economic sectors and employment by industry

The table below indicates the Gross Domestic Product per Region (GDPR) contribution and average growth rates per municipal area, 2017 in the Cape Winelands District Municipality (as derived from the 2019 MERO):

Municipality	R million value 2017	Contribution to GDPR (%) 2017	2008 - 2017	Real GDPR growth (%) 2018e
Witzenberg	8 973.0	13.7	4.5	1.6
Drakenstein	21 315.4	32.7	1.9	0.7
Stellenbosch	15 638.5	24.0	1.9	0.8
Breede Valley	12 561.7	19.2	2.5	0.8
Langeberg	6 788.0	10.4	2.8	1.1
Total Cape Winelands District	65 276.7	100.0	2.4	0.9
Western Cape Province	568 420.7	0.0	2.0	0.9

Table 3: Cape Winelands District GDPR contribution and average growth rates per municipal area, 2017

BVM achieved an economic growth rate of 2.5%, slightly above the average growth rate of 2.4% recorded in the Cape Winelands District over the period 2008 to 2017. In addition, the Municipality contributed an approximate amount of R12.6 million to the Gross Domestic Product (GDP) of the Cape Winelands District (CWD) which represents a 19.2% contribution to the GDP (the third largest within the district).

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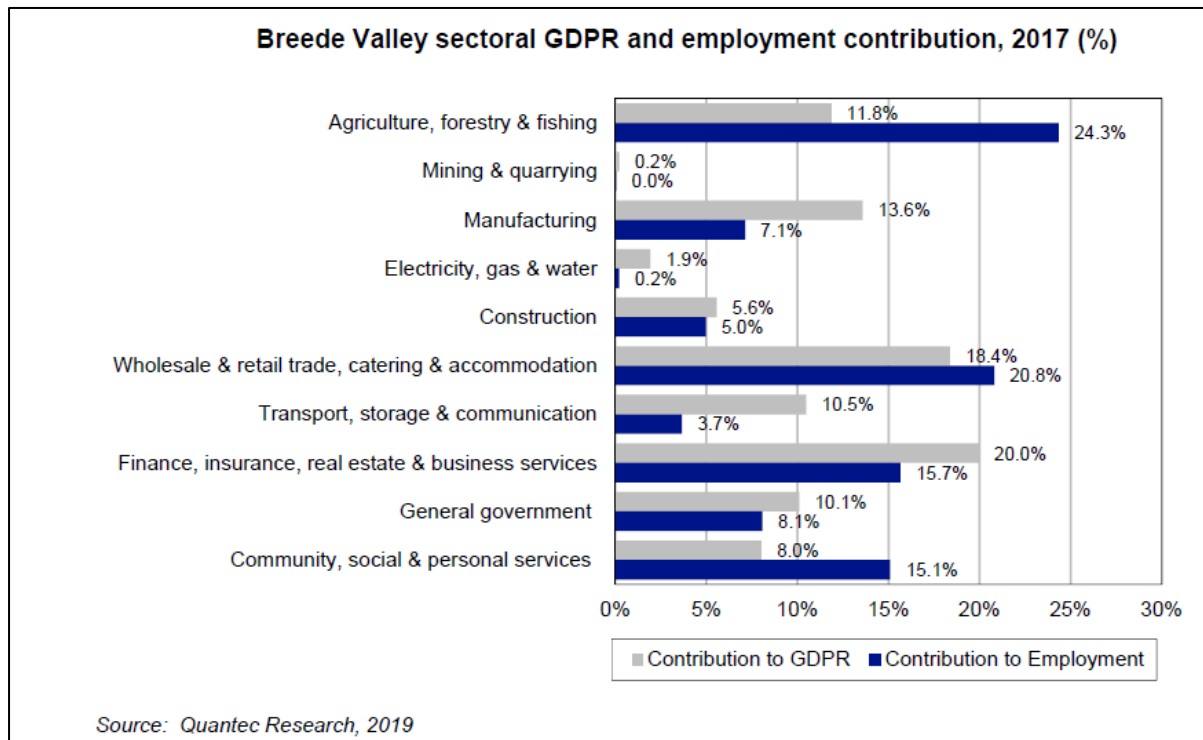


Figure 4: Breede Valley sectoral GDPR and employment contribution, 2017 (%)

In terms of employment, the agriculture, forestry and fishing, and wholesale and retail trade, catering and accommodation sectors are the biggest contributors to employment in the area. The finance, insurance, real estate and business services sector, followed by the wholesale and retail trade, catering and accommodation sector, were the largest contributors to GDP in the municipal area's economy.

There are some sectors that make a significant contribution to GDP relative to the number of persons employed in the sector, and the opposite is true for some sectors. The community, social and personal services (15.1 per cent) and agriculture, forestry and fishing (24.3 per cent) sectors contribute more towards employment relative to the output generated from their respective sectors. Conversely, the manufacturing sector contributes more to GDP (13.6 per cent) compared to employment (7.1 per cent) indicating that the manufacturing sector in the municipal area is capital-intensive.

Sector	R million value 2017	Trend 2008 - 2017	Real GDP Growth 2018e	Number of jobs 2017	Trend 2008 - 2017	Employment (net change) 2018e
Primary Sector	1 510.80	2.4	-3.9	20 394.00	-9 057.00	-520.00
Agriculture, forestry and fishing	1 484.20	2.5	-3.9	20 356.00	-9 051.00	-518.00
Mining and quarrying	26.5	0.8	-2.8	38	-6	-2
Secondary Sector	2 645.90	1.3	1.0	10 304.00	1 628.00	195.00
Manufacturing	1 705.00	0.9	1.5	5 961.00	72.00	5.00
Electricity, gas and water	241.6	-3.1	-1.0	184	27	-9
Construction	699.4	5.2	0.0	4159	1529	199
Tertiary Sector	8 405.00	3.0	1.5	52 917.00	15 356.00	1 556.00

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Sector	R million value 2017	Trend 2008 - 2017	Real GDP Growth 2018e	Number of jobs 2017	Trend 2008 - 2017	Employment (net change) 2018e
Wholesale and retail trade, catering and accommodation	2 307.20	3.0	0.7	17 393.00	5 412.00	450.00
Transport, storage and communication	1 316.20	1.6	1.1	3 060.00	1 207.00	40.00
Finance, insurance, real estate and business services	2 506.40	5.3	3.3	13 092.00	5 131.00	955.00
General government	1 267.40	1.0	-0.3	6 755.00	574.00	21.00
Community, social and personal services	1 007.80	1.6	0.5	12 617.00	3 032.00	90.00
Total Breede Valley	12 561.70	2.5	0.8	83 615.00	7 927.00	1 231.00
<i>Source: Quantec Research, 2019 (e denotes estimate)</i>						

Table 4: Breede Valley GDP and employment performance per sector, 2017

The tertiary sector contributed the most to both GDP and employment in the municipal area. Within this sector, the wholesale and retail trade, catering and accommodation, and finance, insurance, real estate and business services sectors were the largest contributors to employment and GDP in 2017. Furthermore, these two sectors had above-average growth rates between 2008 and 2017. It is estimated that most of the employment opportunities that were created in 2018 were from these two sectors, with the finance, insurance, real estate and business services sector experiencing the highest growth rate (3.3 per cent) in 2018.

The agriculture, forestry and fishing sector has been the most vulnerable to exogenous economic and environmental factors, with this sector experiencing a net decline in employment between 2008 and 2017. Even though the sector absorbed more persons into the economy between 2012 and 2013 and in 2015, the employment opportunities that were created could not offset the decline in employment experienced between 2008 and 2010, and the recurring job losses that took place in 2014 and after 2015.












The construction sector grew at 5.2 per cent over the ten-year period, which is significantly higher than the growth rates of most of sectors. This suggests that the demand for construction-related activities was high, despite economic disturbances. It is estimated that the construction sector created 199 jobs in 2018, which is significant considering its overall contribution to employment relative to the other sectors.

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1.2.2 SOCIO ECONOMIC INFORMATION

a) Socio economic profile

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

Breede Valley: At a Glance														
Demographics			Population & Household Estimates: 2020											
	Population	188 948		Households	49 571									
Education		2018	Poverty		2018									
	Matric Pass Rate	77.1%		Gini Coefficient	0.594									
	Learner-Teacher Ratio	26.6%		Human Development Index	0.69									
	Gr 10-12 Retention Rate	64.7%												
Health														
	Primary Health Care Facilities	15	Immunisation Rate	68.2%	Maternal Mortality Ratio (per 100 000 live births)	0.1	Teenage Pregnancies – Delivery rate to women U/18	16.8%						
Safety & Security			Actual number of cases reported in 2018											
	Residential Burglaries	1238	DUI	284	Drug-related Crimes	3784	Murder	93	Sexual Offences	129				
Access to Basic Service Delivery			Percentage of households with access to basic services, 2016											
	Water	96.9%		Refuse Removal	77.7%		Electricity	94.8%		Sanitation	90.1%		Housing	77.7%
Road Safety		2017	Labour		2018e	Socio-economic Risks								
Fatal Crashes		57	Unemployment Rate			Risk 1	Climate change & water security							
Road User Fatalities		70	9.4%			Risk 2	Increasing population & demand for services							
						Risk 3	Stagnating economic growth							
Largest 3 Sectors			Contribution to GDP, 2017											
Finance, insurance, real estate and business services			Wholesale & retail trade, catering & accommodation			Manufacturing								
20.0%			18.4%			13.6%								

1.2.3 MUNICIPAL CHALLENGES

The following general challenges are experienced by the municipality:

Challenges	Actions to address
Skill shortages and high staff turnover	Implement staff retention strategy
Limited integration between directorates and departments	Design internal service level agreements (SLAs) to facilitate inter departmental coordination

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Challenges	Actions to address
Lack of customer-oriented organisational culture	Establish a strong corporate image to underpin a uniform organisational culture
Limited budget for maintenance or replacement of ageing infrastructure	Design and implement revenue enhancement strategies
Poverty and increasing indigent base	Enhance the free basic services provisioning in the annual budget
Limited capital reserves	Design and implement revenue enhancement action plans
Low work ethic and morale	Investigate the implementation of a staff reward system, coupled to the implementation of an individual performance management system
Insufficient office accommodation (municipal building outdated)	Execute plans to relocate municipal units with insufficient office space to alternative accommodation. This process has been delayed as a result of Covid-19
Proliferation of informal settlements	Implement formalisation of informal settlement plans
Limited rural development	Rural development is incorporated in the Spatial Development Framework (SDF) and is addressed as part of the Regional Socio-Economic Programme (RESP). In addition, the Municipality has been selected by SALGA to form part of the very unique and first of its kind Regional SDF. It will focus on developing an SDF for the Karoo Region that spans across various provinces and municipalities
High crime levels	Addressing crime levels requires a multi-sectoral/disciplinary collaborative approach as crime affects all facets of society. To play its part in this cause, BVM hosted a joint session with various stakeholders linked to the re-establishment of the BVM Community Safety Forum (CSF) as well as the formulation of a BVM Safety Plan. The session occurred in November 2019 and yielded various recommendations for consideration (ranging from “quick-wins” to more complex initiatives). The recommendations within the ambit of the Municipality, will be vigorously pursued in accordance with available resources. In addition, concerted efforts will be made to ensure that initiatives reliant on multi-sectoral collaboration, are duly facilitated and brought under the attention of the applicable role-players. Ultimately, the Municipality envisages to, in collaboration with key governmental, private and non-governmental partners, address the ever-growing challenge of crime in order to enhance societal wellbeing
Covid-19 pandemic	Continuous evaluation and implementation of proactive measures to protect the municipal workforce and support the socio-economic wellbeing of society (within reasonable means and resources)

Table 5: Municipal challenges

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1.3 SERVICE DELIVERY OVERVIEW

1.3.1 BASIC SERVICE DELIVERY HIGHLIGHTS

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

Highlights	Description
Completion of 20 ML reservoir Worcester	Extra water capacity/availability to contribute to the Transhex housing project
New fleet bakkies, Digger Loader and Honey Sucker Truck	New vehicles replaced the old depleted ones for better service delivery
Replacement of 11kV switchgear in Gasnat Substation	The old equipment (Ring Main Unit) used inside Gasnat substation, essentially served as a connection point between two points providing electricity to a third point “fuse protected”. This equipment has become obsolete and was subsequently replaced. The new equipment is more movable, much safer, and presents state of the art protection devices coupled with greater network control. This is a positive addition to the MV
Installation of new high mast lights	High mast lights were installed throughout various hotspot areas, in accordance with the ward priority lists and corresponding implementation plan. Two new structures were installed in GG Camp and 4 new structures in Avian Park. All equipment was funded by MIG
Worcester Material Recovery Facility (MRF)	MRF is constructed to improve diversion of waste from landfill disposal for recovery and re-use

Table 6: Basic services delivery highlights

1.3.2 BASIC SERVICE DELIVERY CHALLENGES

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

Service Area All Wards	Challenge	Actions to address
Water Supply	Insufficient budget for maintenance	<ul style="list-style-type: none"> Additional funding to be allocated to maintenance
Sanitation	Vandalism of infrastructure	<ul style="list-style-type: none"> Secure more funding for safeguarding of municipal assets
	Vacancies	<ul style="list-style-type: none"> Filling of all vacant positions
Municipal Fleet	Aging municipal fleet	<ul style="list-style-type: none"> Investigate replacement/augmentation of municipal fleet by means of a service level agreement (SLA) with the Government Motor Transport (GMT) Western Cape
Roads	Road maintenance	<ul style="list-style-type: none"> Resurfacing/rehabilitation of roads
	Vacancies	<ul style="list-style-type: none"> Filling of all vacant positions

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Service Area All Wards	Challenge	Actions to address
Solid Waste	Fires at Worcester Landfill Site	<ul style="list-style-type: none"> ● Increase of security at landfill site
	Airspace at Worcester Landfill Site	<ul style="list-style-type: none"> ● Application to increase airspace
Electrical	Vandalism of streetlight infrastructure	<ul style="list-style-type: none"> ● Replacing copper lines with non-valuable aluminium lines
	Vandalism of substation fences	<ul style="list-style-type: none"> ● Replacing metal fences with non-valuable concrete fences

Table 7: Basic service delivery challenges

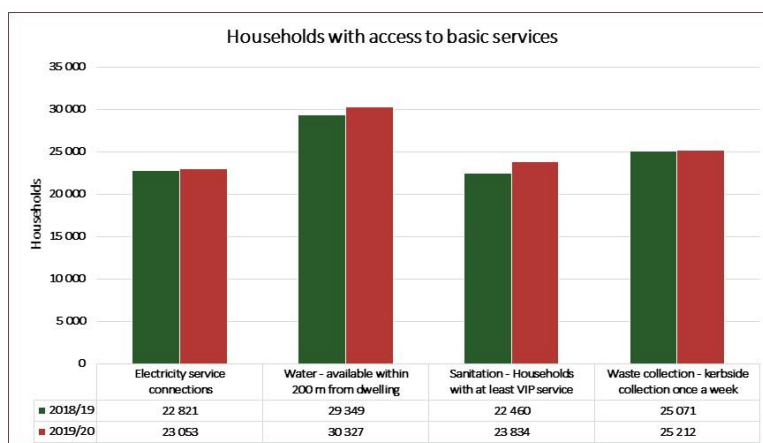
1.3.3 PROPORTION OF HOUSEHOLDS WITH ACCESS TO MINIMUM LEVEL OF BASIC SERVICES

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

Level of services	2018/19#	2019/20#
Electricity service connections	22 821*	23 053*
Water - available within 200 m from dwelling	29 349	30 327
Sanitation - Households with at least VIP service	22 460	23 834
Waste collection - kerbside collection once a week	25 071	25 212
* Excludes Eskom households		
# Data in line with SAMRAS and the database from the Department of Human Settlements: 2014 image count		

Table 8: Households with minimum level of basic services

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



Graph 2: Households with access to basic services

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1.4 FINANCIAL HEALTH OVERVIEW

1.4.1 FINANCIAL VIABILITY HIGHLIGHTS

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

Highlight	Description
Favourable collection rate amidst COVID-19 pandemic	During the 1 st wave of the COVID-19 pandemic, and subsequent impact on the local economy and employment rates, the Municipality anticipated a collection rate of approximately 65%. However, due to prudent financial management methodologies and sound engagement with its constituents, the Municipality managed to record a 93.23% collection rate at 30 June 2020
Health and stable financial position	The higher than anticipated collection rate, resulted in a stable financial position during dire economic times. As a result, the Municipality could continue to prioritise and deliver essential services in accordance with its mandate, honour all creditors and commitments and promote long-term financial health and sustainability

Table 9: Financial viability highlights

1.4.2 FINANCIAL VIABILITY CHALLENGES

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

Challenge	Action to address
Pressure exerted on the revenue collection rate due to COVID-19	Stringent financial management practices were implemented to mitigate the impact of an anticipated lower collection rate. Examples of these practices included (amongst others): the postponement of filling vacancies, reprioritisation and postponement of non-essential expenditure (operating and capital), tailor-made credit control principles applied on a case-by-case basis, etc.
Pressure exerted on the indigent portfolio	Due to the impact of COVID-19 unemployment levels rose significantly. As a result, the Municipality amended its Credit Control Policy to accommodate current indigent clients and the potential increase in indigent clients
Restriction in client interaction and issuing of municipal accounts	COVID-19 and its subsequent preventative regulations presented significant challenges from a client interaction perspective. One that could exacerbate the ability to collect revenue. To mitigate this, the Municipality pursued alternative engagement mechanisms such as circulation of municipal accounts. This included e-mail, MMS and SMS. Municipal pay points were also successfully re-opened in accordance with the COVID-19 health and safety regulations

Table 10: Financial viability challenges

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1.4.3 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (RATIOS)

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

KPA and indicator	2018/19	2019/20	Comments
Debt coverage- [(Total operating revenue- operating grants received)/debt service payments due within the year]	27.84	29.55	The ratio measures the Municipality's ability to finance debt from own funding. The ratio improved from 27.84 to 29.55 because of the increase in revenue and decrease in external loan payments. The Municipality did not take up any new loans
Service debtors to revenue- (Total outstanding service debtors/ revenue received for services)	16.93%	15.66%	The ratio measures the effectiveness of revenue collection. The ratio improved from 16.93% to 15.66% despite difficult economic circumstances. The Municipality constantly strives to strengthen debt collection and credit control procedures
Cost coverage- (Available cash+ investments)/ Monthly fixed operating expenditure	1.63	2.29	The ratio measures the Municipality's ability to finance its short-term obligations. The ratio improved from 1.63 to 2.29 and is well within national norm

Table 11: National KPIs for financial viability and management

1.4.4 FINANCIAL OVERVIEW

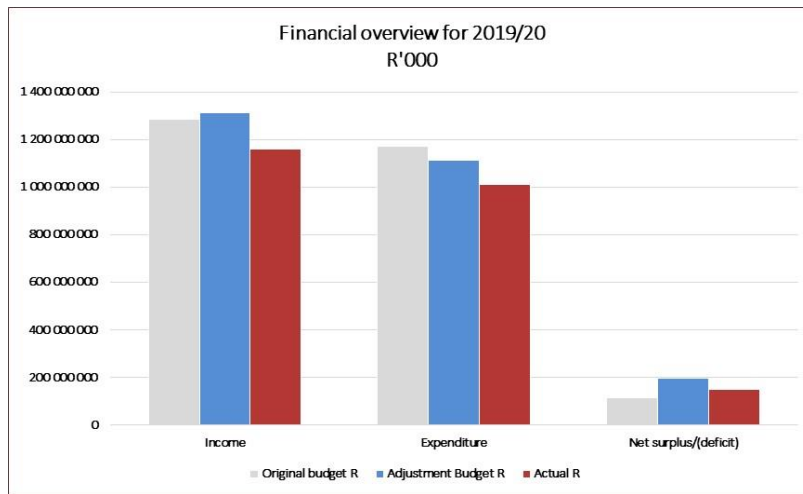
The table below shows the financial overview of the municipality for the 2019/20 financial year:

Details	Original Budget	Final Budget	Actual
	R		
Income	1 285 862 360	1 310 895 863	1 158 780 711
Grants	369 108 247	305 506 180	288 911 374
Taxes, levies and tariffs	743 779 267	743 779 267	767 151 261
Other	172 974 846	261 610 416	102 718 076
Less: Expenditure	1 171 905 101	1 113 583 936	1 011 191 418
Net surplus/(deficit)	113 957 259	197 311 927	147 589 293

Table 12: Financial overview

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The graph below shows the financial overview for 2019/20:



Graph 3: Financial overview for 2019/20

1.4.5 OPERATING RATIOS

The following table contains the operating ratios for the 2019/20 financial year:

Detail	Expected norm	Actual	% Variance
	(%)		
Employee cost	35	32.05	(2.95)
Repairs and maintenance	8-12	5.24	(2.76)
Finance charges and depreciation	18	11.01	(6.99)

Table 13: Operating ratios

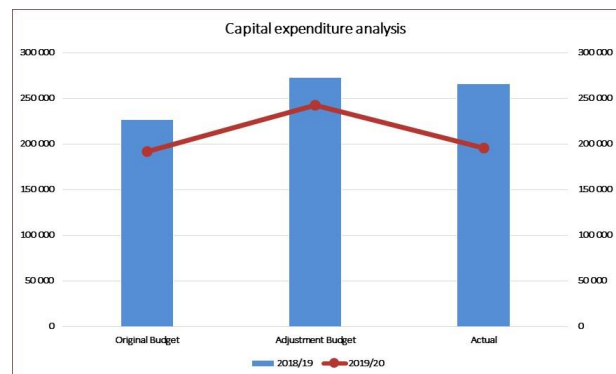
1.4.6 TOTAL CAPITAL EXPENDITURE

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

Detail	2018/19	2019/20
	(R'000)	
Original budget	226 667	191 723
Adjustment budget	272 886	242 686
Actual	266 003	195 481

Table 14: Total capital expenditure

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



Graph 4: Total capital expenditure

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1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

The following highlights were achieved by the Municipality regarding municipal transformation and organisational development:

Highlight	Description
Municipal staff progressed in terms of B Admin studies within BVM	The Municipality promotes capacitation and development of staff. Staff have completed their second year and will progress to their third year of studies
Decline in occupational health and safety cases	The decline can be ascribed to the implementation of monitoring by the Occupational Health and Safety Officer

Table 15: Municipal Transformation and Organisational Development highlights

1.5.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

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

Challenge	Actions to address
TASK job descriptions not finalised	Deadline set for TASK job description process is set at 30 June 2021
Discipline within the organisation	Continuous initiation of disciplinary processes

Table 16: Municipal Transformation and Organisational Development challenges

1.5.3 MFMA COMPETENCIES

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

In order to assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role-players in the local government sphere, developed an outcomes-based qualification at a NQF level 6.

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

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

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Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial officials				
Accounting Officer	1	1	1	1
Chief Financial Officer	1	1	1	1
Senior managers S57	3	3	3	3
Any other financial officials	3	n/a	n/a	3
Supply chain management officials				
Heads of supply chain management units	2	n/a	n/a	2
Senior Manager: SCM	1	1	0	1
TOTAL	11	6	5	11

Table 17: Financial competency development: Progress report

1.6 AUDITOR-GENERAL REPORT

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

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

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

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

- 🌀 **Unqualified audit without findings:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation.

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

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

The key control exercise, which is a quarterly assessment initially implemented by the Auditor-General to monitor performance of the municipality, was performed in-house by the Internal Audit team of BVM for the 2019/20 financial year. The findings of the quarterly assessment, together with the audit findings of the previous year, a complete compliance list and the emerging risks identified by the Auditor-General and top ten risks of each directorate were included in the MGRO document to ensure good governance. Progress is being followed up on a continuous basis. MGRO has been included on the dashboard of the Municipal Manager and action plans are monitored on a regular basis.

1.6.1 AUDITED OUTCOMES

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

Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Status	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Unqualified audit with findings	Unqualified audit without findings

Table 18: Audit outcomes

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1.7 IDP, BUDGET AND PMS PROCESS

Below is a summary of key activities that took place throughout the 2019/20 financial year in terms of the IDP, Budget and PMS process:

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
ANALYSIS PHASE				
JULY 2019	Preparation of the Draft IDP /Budget and PMS Time Schedule			Manager IDP & PMS
	Senior Management to discuss the draft IDP/Budget and PMS Time Schedule			EXECMAN
	Engagement with Budget Office and PMS for alignment purposes			CFO/Manager IDP & PMS
	Address provincial IDP Assessment findings		MSA S31	DLG/Manager IDP & PMS
	Mayor begins planning for next three-year budget cycle in accordance with co-ordination role of budget process and review of previous year's budgeting process		MFMA S53	EM/MM/CFO
	Accounting officer and senior managers of municipality commence planning for next three-year budget		MFMA S68, 77	MM/EXECMAN
	Accounting officer and senior managers of municipality review options and contracts for service delivery		MSA S76-81	MM/EXECMAN
	Submission of Q4 SDBIP Report (for last quarter of 2018/2019)		MPPR Reg. 14	BVM Management/IDP & PMS Unit
	Approve and announce new budget schedule and set up committees and forums after consultation on performance and changing needs			MM/EXECMAN
	Signing of new performance agreements for Section 57 Managers and submission to Mayor and Municipal Manager on 31 July 2019		MFMA S69 MSA S57	EM/MM/Manager IDP & PMS
	Prepare Sector Plans for the 2020/21 financial year			EXECMAN/BVM Management
	Preparation of Annual Performance Reports		MSA S46	BVM Management
	Collate inputs to Annual Report		MSA S46	Manager IDP & PMS
	Inform Council of the intention to amend the 2019/2020 IDP & publicise notice calling for public comment on the proposed amendment		MPPR Reg. 3	Portfolio Councillor/Manager IDP & PMS
AUGUST 2019	Roll-Over Budget tabled to Council	Aug 2019	MFMA S28(2)(e),	CFO/Manager Budget & Costing

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			Budget Reg. 23(5)	
	IDP Time Schedule tabled to Council for approval	Aug 2019		Council/Manager IDP & PMS
	Advertisement of the IDP Time Schedule in order to meet AG audit requirements			Manager IDP & PMS
	Review of comments received from DLG on the 2018/19 IDP Review document			IDP Steering Committee
	Self-assessment to identify gaps in the IDP process			IDP Steering Committee
	Review situational analysis to identify changing community needs and challenges			IDP Steering Committee
	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets			IDP Steering Committee
	Mayor tables in Council a time schedule outlining key deadlines for preparing, tabling and approving the budget	Aug 2019	MFMA S21,22, 23 MSA S34	EM
	Submit approved IDP/Budget time schedule to National Treasury, Provincial Treasury, Department of Local Government and the Cape Winelands District Municipality	Aug 2019		Manager IDP & PMS
	Table proposed 2019/2020 IDP amendment before Council for approval		MPPR Reg. 3	Council
	Mayor establishes committees and consultation forums for the budget process			EM
	Accounting Officer submits AFS to Auditor-General by 30 August 2019	Aug 2019	MFMA S126(1)(a)	MM/CFO
	Submission of the Annual Performance Report to Council		MSA S46	Manager IDP & PMS
	Submission of Annual Performance Report to AG by 30 August 2019		MSA S46	Manager IDP & PMS
SEPTEMBER 2019	Integration of new information from adopted Sector Plans into the IDP Review document			Manager IDP & PMS
	Compile ward-based plans to identify ward priorities			Community Development/ Manager IDP & PMS
	Review and update IDP Vision, Mission and Objectives			Manager IDP & PMS
	Council determines strategic objectives for service delivery and development for next three-year budgets			IDP/PMS/Council
	Review of provincial and national government sector and strategic plans			Manager IDP & PMS

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	Align IDP with provincial and national sector specific programmes (schools, libraries, clinics, water, electricity, roads, etc.)			Manager IDP & PMS
	Audit of performance measures			AG
	Assess municipal performance and identify where changes are needed for next 3 years [incorporate community inputs]			Manager IDP & PMS
	Review the municipality's performance management system (PMS)		MPPR Reg. 14	Internal Audit/Manager IDP & PMS
	Review the measures and annual performance targets			Manager IDP & PMS
	Send reminder to BVM Management to submit their Q1 SDBIP Reports		MSA S41	Manager IDP & PMS
	Conduct final 2018/19 S57 Managers' Performance Assessments			EM/MM/IDP & PMS Unit
STRATEGIES				
OCTOBER 2019	Conduct public participation sessions in wards (engagements with ward committees)			EXECMAN/BVM Management/IDP & PMS Unit
	Integration of information from reviewed provincial and national Sector Plans into the IDP Review document			Manager IDP & PMS
	Integration of Spatial Development Framework			Manager IDP & PMS
	Update and review the strategic elements of the IDP			Manager IDP & PMS
	Municipality finalise the action plan for JPI implementation	Oct 2019		MM/EXECMAN/ Manager IDP & PMS
	IDP Steering Committee Meeting			Manager IDP & PMS
	Provincial JPI meeting	Oct 2019		DLG
	Initial review of national policies and budget plans is conducted		MFMA S35, 36, 42; MTBPS	MM/CFO
	Discuss potential price increases of bulk resources with sector departments		MFMA S35, 36, 42; MTBPS	MM/CFO
	Determine revenue projections and proposed rates and service charges	Oct 2019		CFO/Budget Steering Committee/Manager Budget & Costing
	Drafts initial allocations to functions and departments for the next financial year based on strategic objectives	Oct 2019		CFO/Manager Budget & Costing
	Engagement with sector departments, share and evaluate plans, national policies, MTBPS			CFO
	Incorporate initial changes into IDP			Manager IDP & PMS

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	Submission of Q1 Reports by BVM Management			BVM Management/IDP & PMS Unit
	Q1 Reports tabled to Council (for first quarter of 2019/2020)		MPPR Reg. 14	Manager IDP & PMS
	S57 Managers' quarterly informal assessments (for first quarter of 2018/2019)			MM/EXECMAN/BVM Management/Manager IDP & PMS
PROJECTS PHASE				
NOVEMBER 2019	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets			MM/EXECMAN/Manager IDP & PMS
	Identification of priority IDP projects based on ward committee inputs			MM/EXECMAN/Manager IDP & PMS
	Reviews and initial changes are drafted into IDP		MSA S34	Manager IDP & PMS
	JPI District Alignment Workshop			DLG
	Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per audited financial statements	Nov 2019		MM/CFO/Budget Steering Committee
	Identify new CAPEX/OPEX projects and programmes emanating from IDP projects	Nov 2019		CFO/IDP Steering Committee
	Auditor-General returns audit report by 30 November 2019		MFMA S126(4)	AG/MM
	Review performance of service providers as per the approved policy			EXECMAN/BVM Management
DECEMBER 2019	Departments to comment on the reviewed Municipal Strategies, Objectives, KPA's, KPI's and targets			EXECMAN/BVM Management
	Project alignment between CWDM and BVM			Manager IDP & PMS
	Identification of priority IDP projects			Manager IDP & PMS
	Council finalises tariff policies for next financial year		MSA S74, 75	EM/CFO
	Inputs from Departments for Adjustment Budget	Dec 2019		MM/EXECMAN/Budget Steering Committee/Manager Budgets & Costing
	Start preparation for Mid-year review and performance assessment			Manager IDP & PMS
	Compile Annual Report for 2018/19		MFMA S121	Manager IDP & PMS
	Finalise the review and update of recommendations contained in LG-MTEC reports and IDP Analysis Reports	Dec 2019		Manager IDP & PMS

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	Send reminder to BVM Management to submit their Q2 SDBIP Reports		MSA S41	Manager IDP & PMS
JANUARY 2020	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets in strategic planning session with senior management			Manager IDP & PMS
	Identification of priority IDP projects			Manager IDP & PMS
	IDP Steering Committee Meeting			Manager IDP & PMS
	Submission of Q2 Reports by BVM Management			BVM Management/IDP & PMS Unit
	Q2 Reports tabled to Council (for second quarter of 2019/2020)		MPPR Reg. 14	IDP & PMS Unit
	Mayor tables draft annual report for 2018/2019		MFMA S127(2)	EM/MM/Manager IDP & PMS
	Make public annual report and invite community inputs into report		MFMA S127 & MSA S21a	Manager IDP & PMS
	Municipal Manager submits Midterm/Midyear Report to the Mayor		MFMA S72	MM
	Midterm/Midyear Report is published in the Local Newspaper			Manager IDP & PMS
FEBRUARY 2020	Continuous Review of Municipal Strategies, Objectives, KPA's, KPI's and targets			Manager IDP & PMS
	Identification of priority IDP projects			Manager IDP & PMS
	Provincial JPI Engagement			
	Assess the municipality's service delivery performance and the service delivery targets and performance indicators set in the SDBIP			MM/EXECMAN/Manager IDP & PMS
	Assess the past year's annual report, and progress on resolving issues identified in the annual report			MM/EXECMAN/Manager IDP & PMS
	Accounting officer finalises and submits to Mayor proposed budgets and plans for next three-years, taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report			MM/CFO
	Prepare detailed budgets and plans for the next three years			CFO/Manager Budget & Costing
	Prepare Adjustment Budget	Feb 2020		CFO/Manager Budget & Costing
	Table Adjustment Budget before Council	Feb 2020	MFMA S28(2) b,d,f	EM
	Executive Management adopts budget and plans and changes to IDP			CFO/EXECMAN/Manager IDP & PMS

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	Submit draft annual report to AG and DLG		MFMA S127	Manager IDP & PMS
	S57 Manager's formal quarterly assessments (for second quarter of 2019/2020)			MM/Manager IDP & PMS
	Draft SDBIP's for 2020/21 developed and for incorporation into draft IDP 2020/21 FY			Manager IDP & PMS
	Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling	Feb 2020	MFMA S36	CFO/Manager Budget & Costing
INTEGRATION/REFINEMENT PHASE				
MARCH 2020	Submit approved Adjustment Budget to NT, PT and Public	10 Working days after approval		Manager Budget & Costing
	Finalisation of Municipal Strategies, Objectives, KPA's, and KPI's and targets			Manager IDP & PMS
	IDP Steering Committee Meeting			Manager IDP & PMS
	Adoption of draft IDP and Budget 2020/21	March 2020	MFMA S16(2)	CFO/Manager IDP & PMS
	Mayor tables municipality budget and proposed revisions to IDP at least 90 days before start of budget year	March 2020	MFMA S16, 22, 23, 87; MSA S 34	EM
	Council to consider and adopt an oversight report pertaining to the Annual Report due by 31 March 2020		MFMA S129(1)	
	Council adopts Annual Report for the year ending June 2019			EM/Manager IDP & PMS
	Publicise Annual Report and MPAC Report			Manager IDP & PMS
	Submit Draft SDBIP's for 2020/21 to Council			Manager IDP & PMS
	Reminder to be sent to BVM Management to submit their Q3 SDBIP Reports		MSA S41	Manager IDP & PMS
	Set performance objectives for revenue for each budget vote		MFMA S 17	CFO/Senior Manager Revenue
APRIL 2020	Publicise Draft IDP and Budget and invite local community to make written comments in respect of the IDP and Budget	Immediately after Tabling before Council	MFMA S22 & MSA S21A	CFO/Manager IDP & PMS
	Accounting officer publishes tabled budget, plans, and proposed revisions to IDP and submits to NT, PT and others as prescribed	Immediately after Tabling before Council	MFMA S22 & MSA S21A	CFO/Manager IDP & PMS
	Review written comments in respect of the Budget and IDP	April 2020	Best Practice	CFO/Manager IDP & PMS
	Conclusion of Sector Plans initiated for the 2020/21 financial year and integration into the IDP Review report			Manager IDP & PMS
	IDP Steering Committee Meeting			Manager IDP & PMS

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	Public participation process launched through series of public meetings on the IDP and Budget			Manager IDP & PMS
	Reprioritisation of community inputs			IDP Steering Committee
	District/Local Municipalities' Alignment of Strategies			Manager IDP & PMS
	Prepare departmental business plans linked to the IDP strategies, objectives, KPI's and targets			Manager IDP & PMS
	Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year	30 April 2020	MFMA S21	CFO
	Public meetings on the Draft Budget, Council Debate on Budget and Plans.			MM/IDP/CFO
	Q3 Reports tabled to Council (for third quarter of 2019/20)		MPPR Reg. 14	PMS/IDP /MM/CFO
	Refinement of Municipal Strategies, Objectives, KPA's, KPI's and targets and inclusion into 2020/21 IDP Review report			Manager IDP & PMS
	S57 Managers' informal quarterly assessments (for third quarter of 2019/20)			Manager IDP & PMS
	Publicise Annual Report due by April 2020		MFMA S129(3)	IDP/PMS
	Submit Annual Report to DLG/MEC Local Government		MFMA S132(2)	Manager IDP & PMS
	Review annual organisational performance targets		MPPR Reg. 11	MM/Manager IDP & PMS
APPROVAL PHASE				
MAY 2020	EXCO recommends adoption of the IDP to Council			EXECMAN/Manager IDP & PMS
	Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information	May 2020		MM/CFO/EM
	Adoption of the IDP by Council	31 May 2020	MFMA S24	Council/Manager IDP & PMS
	Convene IDP Representative Forum			Manager IDP & PMS
	Council to consider approval of budget and plans at least 30 days before start of budget year	31 May 2020	MFMA S23, 24; MSA Ch 4	CFO/Council
	Council must approve annual budget by resolution, setting taxes and tariffs, approving	31 May 2020	MFMA S16, 24, 26, 53	CFO/Council

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	changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year			
	Community input into municipality's KPIs and targets			Manager IDP & PMS
JUNE 2020	Submission of the Final IDP to DLG			Manager IDP & PMS
	Accounting officer publishes approved budget, plans, and proposed revisions to IDP as prescribed	Within 10 working days after Approval by Council	Budget Reg. 18 & MSA S21A	CFO/Manager Budget & Costing/Manager IDP & PMS
	Accounting officer submits approved budget, plans, and proposed revisions to IDP and submits to NT, PT and others as prescribed	Within 10 working days after Approval by Council	Budget Reg. 20	CFO/Manager IDP & PMS
	Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with S57 (2) of the MSA		MFMA S 53; MSA S 38-45, 57(2)	EM/Manager IDP & PMS
	Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval			EM/Manager IDP & PMS
	Accounting officer submits to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements within one month		MSA S57(1)(b) MFMA S69; MSA S57	MM/Manager IDP & PMS
	Finalise performance contracts			MM/Manager IDP & PMS
	Council adopts budget, resolutions, capital implementation plans, objectives and changes in IDP			CFO/Manager IDP & PMS
	Reminder to be sent to BVM Management to submit their Q4 SDBIP Reports		MSA S 41	Manager IDP & PMS

INTERGOVERNMENTAL ALIGNMENT

District/Provincial Alignment	Municipal First Quarter	2019/07/01	2019/09/30	
	District IDP Managers Forum	TBC		Manager: IDP
	DCF	27 September 2019		Mayors/MMs/HODs/ Senior Officials & District Support Teams
	Provincial IDP Managers Forum	September 2019 (TBC)		DLG: IDP Directorate
	Municipal Second Quarter	2019/10/01	2019/12/31	

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	DCF	TBC	Mayors/MMs/HODs/ Senior Officials & District Support Teams
	SIME	November 2019	Provincial Government & Municipalities
	Provincial IDP Managers Forum	TBC	DLG: IDP Directorate
	Municipal Third Quarter	2020/01/01	2020/03/31
	Mid-year budget and performance assessment visits	2020/01/01	2020/03/31
	DCF	TBC	Mayors/MMs/HODs/ Senior Officials & District Support Teams
	TIME	February 2020	PT/DLG/MM's/CFO's
	IDP Indaba	February 2020	Provincial Departments & Municipalities
	Provincial IDP Managers Forum	TBC	DLG: IDP Directorate
	Municipal Fourth Quarter	2020/04/01	2020/06/30
	IDP, Budget and Benchmark Assessments	2020/04/01	2020/05/31
	DCF	TBC	Mayors/MMs/HODs/ Senior Officials & District Support Teams
	Provincial IDP Managers Forum	TBC	DLG: IDP Directorate

Table 19: Key activities linked to the 2020/21 IDP & Budget planning cycle, and 2019/20 PMS implementation cycle

1.8 COVID - 19

On the 5th of March 2020, South Africa recorded its first positive COVID-19 case, a disease that has since been declared a global pandemic by the World Health Organisation. Subsequently, the country experienced a rapid & continuous spread throughout its regions. The figure below, highlights certain key events linked to the COVID-19 timeline, particularly the subsequent measures implemented to mitigate the spread thereof. National government (through consultation with the National Corona Virus Command Council) further promulgated various regulations (with subsequent amendments in certain instances) in order to compliment the lockdown mechanisms and provide clarity on the rules and regulations that would apply during these periods.

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05 March 2020	1st positive COVID-19 case recorded in South Africa
15 March 2020	President Cyril Ramaphosa declared a state of national disaster i.t.o. section 27 (1) of the DMA
23 March 2020	President Ramaphosa declared a nationwide 21-day lockdown to curb the spread of the virus
26 March 2020	Commencement of nationwide lockdown
9 April 2020	President Ramaphosa announced a 14-day extension in the nationwide lockdown
23 April 2020	President Ramaphosa announced that lockdown regulations will be gradually lifted as from 1 May 2020 - 5-level phased approach
1 May 2020	President Ramaphosa announced that the country would be moving from lockdown level 5 to level 4. Extreme precautions to limit community transmission and outbreaks, while allowing some activity to resume
24 May 2020	President Ramaphosa announced that the country would be moving from lockdown level 4 to level 3 as from 1 June 2020. Strict precautions to keep transmission low, and additional measures to contain outbreaks in hotspots
2 June 2020	COVID-19 cases soar to 35,812, with 755 deaths recorded
22 June 2020	SA surpasses the 100,000 mark for confirmed infections, less than three months since the first recorded death. The total number of deaths is 1,991
30 June 2020	A COVID-19 cumulative infection milestone is reached with more than 150,000 cases in the country

The pandemic and regulations issued in response thereto, continues to exert significant pressure on the operations of local government. This required an immediate and prompt adaptation to the new normal to ensure that basic services are rendered in an acceptable and sustainable manner. The information below, provides a brief synopsis on the municipal response to the COVID-19 pandemic, linked to the period under review. A detailed COVID-19 report will be availed 30 days after the state of disaster has been lifted.

1.8.1 COVID-19: STATISTICAL INFORMATION

The table below indicates the documented statistical information for COVID-19 within the Breede Valley municipal area. It provides a cumulative view of the number of active cases, recoveries and deaths as at 29 June 2020 (information provided by the Department of Health – BVM Joint Operations Committee (JOC) engagement 29 June 2020).

Description	Number	Categories	
		Male	Female
Active Cases	596		
Recoveries	830		

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Description	Number	Categories	
		Male	Female
Deaths	29	17	12
Total Cases	1 455	564	891

Table 20: COVID-19 Statistics per Gender Classification

The table below, depicts key COVID-19 related statistical trends from an organisational perspective (i.e. municipal workforce - councillors & employees). The statistics presents the status quo as at 14 July 2020 and is therefore the closest representation as at financial year-end.

Workforce infected	Date of first confirmed COVID-19 case	Recoveries & return to work	Workforce in quarantine	Workplace transmissions	Alleged workplace transmissions (workforce who claim they contracted COVID-19 in the workplace but not confirmed as such by management)	None-workplace transmissions	Deaths
22	29 May 2020	14	8	3	4	7	0

Table 21: COVID-19 Workforce Statistics

1.8.2 COVID-19: JOINT OPERATIONS COMMITTEE:

In response to President Ramaphosa's declaration of the COVID-19 pandemic as a national disaster, the BVM proceeded to establish a COVID-19 JOC to formulate, implement and report on activities/actions that underpin a collaborative response to COVID-19 within the municipal area.

The table below indicates the various roleplayers that serve on the BVM JOC and also elaborates on the primary role occupied:

Department / Organisation	Role
BVM (various directorates & departments)	Responsible for arranging, facilitating and providing secretariat services during JOC engagements. In addition, municipal departments provide feedback on municipal and support services rendered to constituencies, particularly the most vulnerable within society, as a means of mitigating pressures associated with the pandemic. All municipal directorates serve on the JOC
CWDM Environmental Health	Responsible for providing report updates on municipal health services (MHS) within the BVM, such as monitoring of the client service experience, managing complaints, enabling responsive client services and have infrastructure to communicate internally and externally. The District Environmental Health office also conducts occupational,

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Department / Organisation	Role
	health and safety inspections at various locations, businesses and NGO's
Department of Health	The Department of Health occupies an essential role in the context of the JOC, as the department provides statistical information and feedback on the level of spread, the impact thereof and the degree of containment and medical support services rendered within the local context primarily, but also from a national and global perspective. The feedback and input provided by the department serves as a point of departure towards formulating and implementing collaborative response initiatives
Department of Education	Responsible for providing feedback on support mechanisms implemented at local public schools in terms of the reopening of schools in accordance with the phased approach, provision of PPE and sanitary items as well as the adjusted school calendar/programme linked to the current academic year. The department further provide regular updates on the school feeding scheme rolled-out throughout the municipal area
Department of Social Development	Responsible for providing feedback linked to humanitarian relief mechanisms implemented throughout the locality. Particular reference is made to the distribution of food parcels (during initial hard-lockdown) and support provided in terms of the unification of vagrants with their families (amongst others)

Table 22: Roleplayers of the BVM JOC

1.8.3 COVID – 19: COMMUNICATION/AWARENESS

Regular communication and awareness linked to the COVID-19 pandemic, is imperative towards encouraging proactive prevention mechanisms and ultimately mitigating the spread of the virus. On this premise, the Municipality provided support in the following manner:

- Community awareness campaigns – BVM (in collaboration with government departments) embarked on regular community awareness campaigns to inform communities of the threat(s) presented by COVID-19, coupled with sensitisation on preventative mechanisms. The Municipality particularly assisted the Department of Health during community screening and testing outreaches
- Frequent COVID-19 publications – BVM published, circulated and distributed various COVID-19 related publications (e.g. pamphlets, placards and posters, notices & regulations, COVID-19 statistics and information, etc.) on various municipal platforms (e.g. social media pages & website) and at various municipal buildings (print)

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1.8.4 ACTION PLAN TO ADDRESS THE COVID-19 ASSOCIATED RISKS

The table below provide the actions implemented/that will be implemented to address the COVID-19 associated risks:

Risk	Action implementation
Misuse and manipulation of the Occupational Health and Safety leave procedures	Introduction of special leave types in relation to COVID-19 (i.e. work-from-home leave, quarantine leave, isolation leave) and regular monitoring hereof by supervisors and management
COVID-19 procurement irregularities and non-compliance with supply chain management procedures	<ul style="list-style-type: none"> • Procurement to be conducted in accordance with the approved SCM Policy and all NT guidelines/circulars/regulations issued in terms of COVID-19 procurement • Enhanced monitoring, evaluation and reporting on municipal procurement, particularly relating to COVID-19 procurement (i.e. PPE, sanitary inventory, etc.)
Inadequate or documented business continuity management procedures to ensure a safe work environment	<ul style="list-style-type: none"> • Compilation of departmental COVID-19 risk assessment plans & workplace readiness plans • Implementation of COVID-19 work plans & monitoring thereof
COVID-19 infections in the workplace	<ul style="list-style-type: none"> • Implementation of individual health risk assessments conducted with staff members • Implementation of COVID-19 recommended controls as per the individual health risk assessment checklist from the Department of Health • Issuing of PPE (e.g. face masks) and sanitiser to staff • Regular cleaning and sanitising of workspaces
Non-payments from consumers, which will have a negative impact on the cashflow, sustainability and to pay expenditure such as salaries, creditors and essential services of the Municipality	<ul style="list-style-type: none"> • Implementation of Credit Control Policy • Implementation of budgetary controls, relating to the following not limited: <ul style="list-style-type: none"> ○ Accounting Officer and CFO provides approval for expenditures (based on emergency) as highest level to assess cashflow ○ Restriction on filling of vacancies (specifically non-essential) • Compilation of budget to be more realistic relating to COVID-19 economic impact

Table 23: Action plan to address the COVID-19 associated risks

1.8.5 COVID-19: CHALLENGES

This pandemic, coupled with the subsequent measures implemented to mitigate it, continues to exert significant pressure on the vulnerable socio-economic landscape throughout all facets of society. In addition, it poses a significant threat to the financial sustainability of municipalities. BVM is not immune to these pressures and have noted the following direct and indirect developmental challenges emanating from the pandemic, within its context:

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Perspective	Challenge	Corrective action
Municipal Perspective	Disruption in municipal operations & processes	Technological measures/platforms were pursued to ensure that employees were able to conduct business virtually. BVM ITC played an integral part in providing access to the municipal VPN and platforms such as Microsoft Teams. Through this, municipal operations, particularly from a strategic support perspective, could continue with some extent of normality. Health and safety measures were also devised and implemented to ensure that essential services continued uninterrupted
	Increased possibility of redundancy within certain organisational positions	Temporary restructuring arrangements were made to identify positions that may have become redundant as a result of the COVID-19 pandemic. In such instances, the applicable employees occupying such positions were reassigned to departments (experiencing capacity shortages) based on their skillset, knowledge and/or expertise. Not only did this enable continuity within certain critical departments, but also granted employees the opportunity to broaden their work exposure
	Reduction in demand for and usage of trading services (i.e., water & electricity usage), particularly from bigger industrial and corporate clients	Setting various internal financial principles to underpin the immediate and future financial sustainability of the Municipality that includes (amongst others) identifying and implementing innovative revenue enhancement strategies, limiting all non-essential expenditure items, enhanced utilization of technology and technological platforms to reduce costs, utilization of current staff instead of contractors as far practically possible and temporarily postponing the filling of non-essential vacancies. These will be evident in the final Medium-Term Revenue and Expenditure Framework (MTREF) specifically
	Decline in economic activity with limited revenue generation capabilities by the private sector, that will adversely impact municipal revenue generation and collection	
	Individual households are faced with an increased risk of being unable to honour municipal accounts due to economic inactivity and temporary/permanent job lay-offs	
	Anticipated increase in the municipal debt portfolio due to an increased inability to pay municipal accounts, coupled with a possible increase in the municipal indigent portfolio	
	A subsequent decline in municipal revenue projections, coupled with an anticipated drop in the debt	

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Perspective	Challenge	Corrective action
	collection rate to 65% and ultimately lower cashflow. This is a major threat to the financial sustainability of the Municipality as it generates approximately 85% of its revenue internally, while 15% is obtained from national and provincial government grants	
	Service-delivery expectations will continue to rise (particularly during this time of crisis), which requires meticulous expenditure planning and resource allocation	Establishment of an internal innovation committee, tasked with the responsibility of reviewing current municipal operations and investigating innovative initiatives and/or solutions that, from a municipal perspective, will contribute towards shaping a resilient and sustainable post COVID-19 society
	A lack of comprehensive socio-economic data relating to this crisis, which influences the ability to make accurate projections and informed decisions (as data becomes available, the municipality must revisit and review its status quo)	
Health Perspective	Anticipated rapid and continual increase of positive cases within the locality	Regular communication initiatives rolled-out across various municipal platforms to raise continuous awareness of the risks linked to a rapid spike of infections at a localised level, coupled with measures to safeguard against such an occurrence. In addition, regular law enforcement and sanitisation of hotspot areas (amongst others) were prioritised to ensure minimum exposure and transmissions
	Added strain on scarce medical facilities and resources	Proactively responding to COVID-19 in collaboration with various “front-line” government departments (i.e. added law enforcement initiatives to enforce social distancing regulations and aid in community education initiatives, availing the Nekkies Resort as temporary quarantine facility for potential COVID-19 persons of interest, partnering with- and supporting the “Nuwe-Begin” Shelter to provide refuge relief for the destitute, partnering in community education and extensive communication initiatives to drive awareness and regular sanitisation of public hotspot areas such as communal taxi ranks, and finally, continuous prioritization of rendering quality basic and essential services with a particular emphasis on the installation of water tanks to ensure access to water (in vulnerable areas)
	Increased risk of possible mortalities, particularly individuals classified in the high-risk category with one or several underlying comorbidities	
	Significant risks posed towards the mental health and well-being of society, that can have devastating consequences on the social	

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Perspective	Challenge	Corrective action
	as well as economic perspective of society	
Socio-Economic Perspective	Major decline in economic activity as many businesses were not permitted to operate and trade during the national lockdown, unless the trade related to essential services and/or products	Supporting the local business sector (particularly SMME's and the informal sector) by facilitating access to general business and financial support mechanisms offered by a range of government institutions and funding agencies
	Significant spikes in anticipated unemployment levels that can exacerbate poverty and alter the local vulnerability landscape	Supporting various humanitarian relief mechanisms in collaboration with various government departments (i.e., Mayoral Support Programme relating to the procurement and distribution of non-perishable food items; delivery of essential material supplies and items to the "Nuwe Begin" Shelter, and financial contributions to NGO's and soup kitchens to underpin their social feeding initiatives delivered to the most vulnerable in society)

Table 24: COVID-19: Challenges

The information presented above, by no means represent a comprehensive list of the challenges nor initiatives implemented to minimise the impact of COVID-19 within the context of BVM. This pandemic is synonymous with the VUCA principle (volatility, uncertainty, complexity and ambiguity) and will require continuous adaptation from government and all spheres and sectors of civil and business society. What is certain, is that COVID-19 has disrupted status quos and the world as we have become accustomed to. Yet, it presents an opportunity to reconfigure and rebuild our society, business and operations. The initiatives highlighted above, serves as point of departure towards this overarching goal, and by no means represent a comprehensive solution towards eradicating the subsequent consequences (direct and indirect) exerted on civil and business society resulting from the pandemic. Resource scarcity and limitations further threaten the sustainability of these initiatives. Therefore, a whole of society approach, based on unique and innovative responses, is required in implementing support/relief initiatives that will positively contribute towards a sustainable and resilient Breede Valley post COVID-19. The Municipality recognises and commends those initiatives taken by various individuals, business- and civil organisations in the battle against this pandemic. By continuing to exercise active social distancing measures, adhering to the prescribed sanitary measures and conveying the spirit of UBUNTU, we shall overcome this pandemic and re-establish ourselves as a thriving civil and business society.

Chapter 2



CHAPTER 2: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

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

2.1 POLITICAL GOVERNANCE STRUCTURE

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

2.1.1 COUNCIL

The table below categorise the councillors within their specific political parties and wards for the 2019/20 financial year:

Name of councillor	Capacity	Political party	Ward representing or proportional
Ald. A. Steyn	Executive Mayor	DA	Proportional
Cllr. J. Levendal	Deputy Executive Mayor Member of Mayoral Committee	DA	Proportional
Cllr. N. Mercuur	Speaker	DA	Proportional
Ald. S. Goedeman	Chief Whip	DA	19
Cllr. R. Farao	Member of Mayoral Committee	DA	13
Cllr. J. Kritzing	Member of Mayoral Committee	DA	7
Cllr. S. Mei	Member of Mayoral Committee	DA	Proportional
Cllr. W. Meiring	Member of Mayoral Committee	DA	15
Cllr. M. Sampson	Member of Mayoral Committee	DA	11
Cllr. E. Sheldon	Member of Mayoral Committee	DA	12
Cllr. J. Van Zyl	Member of Mayoral Committee	DA	Proportional
Cllr. J. von Willingh	Member of Mayoral Committee	DA	5
Cllr. J. Jack	Councillor	DA	14

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Name of councillor	Capacity	Political party	Ward representing or proportional
Cllr. M. Jacobs	Councillor	DA	10
Cllr. J. Jaftha	Councillor	DA	1
Cllr. E. Matjan	Councillor CWDM Representative	DA	9
Cllr. A. Pietersen	Councillor	DA	20
Cllr. P. Ramokhabi	Councillor Member of Mayoral Committee: CWDM	DA	Proportional
Cllr. E. van der Westhuizen	Councillor	DA	6
Cllr. W. Vrolick	Councillor CWDM Representative	DA	Proportional
Cllr. T. Wehr	Councillor	DA	21
Cllr. L. Willemse	Councillor	DA	3
Cllr. M. Bushwana	Councillor	ANC	Proportional
Cllr. E. Isaacs	Councillor	ANC	4
Cllr. P. Langata	Councillor	ANC	2
Cllr. Z. Mangali	Councillor	ANC	16
Cllr. T. Maridi	Councillor	ANC	Proportional
Cllr. T. McThomas	Councillor	ANC	Proportional
Cllr. S. Mkhawane	Councillor	ANC	18
Cllr. C. Mohobo	Councillor	ANC	Proportional
Cllr. I. Tshabile	Councillor	ANC	Proportional
Ald. P. Tyira	Councillor	ANC	17
Cllr. M. Williams	Councillor	ANC	8
Cllr. N. Williams	Councillor	ANC	Proportional
Ald. C. Ismail	Councillor	BO	Proportional
Cllr. N. Ismail	Councillor	BO	Proportional
Cllr. C. Wilskut	Councillor CWDM Representative	BO	Proportional
Cllr. N. Wulschleger	Councillor	BO	Proportional
Cllr. V. Mngcele	Councillor	EFF	Proportional
Cllr. J. Robinson	Councillor	PDM	Proportional
Cllr. N. Nel	Councillor	FF+	Proportional

Table 25: Council 2019/20

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Below is a table which indicates Council meeting attendance for the 2019/20 financial year:

Meeting dates	Number of items submitted	Percentage Council meeting attendance	Percentage apologies for non-attendance
23 July 2019	12	85.3%	14.7%
20 August 2019	8	97.5%	2.5%
30 September 2019	1	90.2%	9.8%
29 October 2019	18	78%	22%
9 December 2019	5	90.2%	9.8%
28 January 2020	10	92.6%	7.4%
25 February 2020	9	95.1%	4.9%
26 March 2020	5	87.8%	12.2%
28 May 2020	3	87.8%	12.2%
11 June 2020	7	90.2%	9.8%

Table 26: Council meetings

2.1.2 EXECUTIVE MAYORAL COMMITTEE

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

The name and portfolio of each member of the Mayoral Committee is listed in the table below for the period 1 July 2019 to 30 June 2020:

Name of Member	Portfolio Holder
Cllr. J. Levendal	Special Projects and Community Safety
Cllr. W. Meiring	Finance & Human Resources
Cllr. M. Sampson	Technical Services & EPWP
Cllr. S. Mei	Community Development
Cllr. J. Von Willingh	Protection Services
Cllr. J. Van Zyl	Strategic Support Services
Cllr. E. Sheldon	Human Settlement and Housing Development
Cllr. R. Farao	Sport, Recreation and Municipal Planning
Cllr. J. Kritzinger	Local Economic Development; Arts and Culture & Tourism

Table 27: Executive mayoral committee 2019/20

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2.1.3 COMMITTEES

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

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

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

Mayoral Committee meetings are chaired by the Executive Mayor and the Deputy Executive Mayor. In addition, eight “portfolio” councillors serve on the Mayoral Committee. BVM does not have portfolio committees, therefore the portfolio councillors on Mayoral Committee are responsible for motivating matters applicable to their respective portfolios. Council meets to discuss and rule on legislative compliance issues (inter alia matters which they cannot delegate such as passing of bylaws, approval of budgets, imposition of rates and other taxes, levies and duties and the raising of loans).

a) *Municipal Public Accounts Committee*

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

Breede Valley Municipality	Departments / Sections / Council	Political Party
N. Nel	Chairperson	FF+
T. Wehr	Councillor, Ward 21	DA
M. Bushwana	Councillor; PR	ANC
M. Jacobs	Councillor; Ward 10	DA
J. Jack	Councillor; Ward 14	DA
E. van der Westhuizen	Councillor; Ward 6	DA
L. Willemse	Councillor; Ward 3	DA
J. Robinson	Councillor; PR	PDM
C. Wilskut	Councillor; PR	BO
V. Mngcele	Councillor; PR	EFF

Table 28: *Municipal Public Accounts Committee*

2.1.4 POLITICAL DECISION-TAKING

Section 53 of the MSA stipulates inter alia the respective roles and areas of responsibility of each political structure and political office bearer of the municipality and of the Municipal Manager. The section below is based on the Section 53 role clarification and was approved at the Council meeting of 25 August 2014 (Council resolution: C37/2014).

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Municipal Council

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

Executive Mayor

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

Mayoral Committee

- Members are appointed by the Executive Mayor from the ranks of councillors, except for the Deputy Executive Mayor who is elected by the council and is an ex officio member of the Mayoral Committee;
- its functional responsibility area is linked to that of the Executive Mayor to the extent that she must operate together with the members of the Mayoral Committee;
- its primary task is to assist the Executive Mayor in the execution of her powers - it is in fact an "extension of the Office of Executive Mayor"; and
- the committee has no powers of its own – decision making remains that of the Executive Mayor.

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

Number of Council Resolutions taken during the year	Number of Council Resolutions implemented during the year	Number of Council Resolutions not implemented during the year
78	65	13
<i>*Note that some of the Council Resolutions are in process of completion/implementation</i>		

Table 29: Council resolutions taken and implemented during 2019/20

2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

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

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

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

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

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

Name of official	Position	Performance agreement signed
		(Yes/No)
Mr. D. McThomas	Municipal Manager	Yes
Mr. R. Esau	Director: Strategic Support Services	Yes
Mr. J. Steyn	Director: Technical Services	Yes
Mr. R. Ontong	Chief Financial Officer	Yes
Mr. S. Swartz	Director: Community Services	Yes

Table 30: Administrative governance structure

COMPONENT B: INTERGOVERNMENTAL RELATIONS

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

2.3 INTERGOVERNMENTAL RELATIONS (IGR)

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

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2.3.1 INTERGOVERNMENTAL STRUCTURES

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

Name of structure	Members	Outcomes of engagements/topics discussed
National Municipal Manager's Forum	SALGA, MM	To ensure national alignment amongst municipal managers
MinMay Technical	DG Local Gov. provincial departments, municipal managers	To formulate joint strategic, policy and agenda items for the MinMay
MinMay	Executive Mayor and MM	The meeting is between the MEC of Local Government and all the executive mayors in the province to discuss strategic issues
Premier's Co-ordinating Forum	Executive Mayor and MM	Premier's Co-ordinating Forum with the Premier, MEC's and all executive mayors in the province - attended by the Executive Mayor and the Municipal Manager
District Co-ordinating Forum Technical	MM and all other municipal managers in the district	To co-ordinate efforts and discuss strategic alignment and matters of mutual interest (preparations for DCF)
District Co ordinating Forum (DCF)	Executive Mayor, MM and all other executive mayors and municipal managers	To discuss strategic and policy alignment matters at district level i.e., IDP alignment, shared service functions, transversal matters impacting on all spheres of government, SALGA matters, district specific issues etc. – ensuring joint planning and co-ordination and resource optimisation
SALGA Working Groups	Councillors and Speaker	Joint discussions on policy and service delivery issues
IDP Managers Forum (Provincial & District)	IDP Manager	To ensure provincial & district alignment amongst IDP managers
LED Managers Forum	LED Manager	To ensure provincial alignment amongst LED managers
SCM Forum	SCM Manager	To discuss policy and practical issues amongst SCM managers
Provincial Public Participation and Communication Forum (PPPCOM)	Manager: Customer Care, Communication, Corporate Branding & IGR and the Speaker	To ensure provincial alignment and co-operation amongst communication and public participation officials and discuss practical issues
CWD JDA Platform		The JDA seeks to facilitate and enhance co-planning, co-budgeting and co-implementation of pre-identified initiatives by means of a multi-disciplinary and intergovernmental approach. The CWD JDA implementation team comprises of the Provincial- as well as Local Government (CWDM and all

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Name of structure	Members	Outcomes of engagements/topics discussed
		associated local municipalities) representation
Provincial Skills Development Forum	Skills Development Facilitator	Joint discussions on skills development and training facilitation
HR Practitioners Forum	HR Manager	To ensure alignment of HR processes and practices in district and provincial context
Legislative and Constitutional Task Team	Directors & officials in Legal Services in the Province	To discuss the latest developments in the legal field bi-annually
JOC Meetings	Internal: Executive- and Senior Management External: SAPS, various provincial departments (eg. Health and Education)	To ensure effective liaison during the Covid-19 pandemic and to identify and address challenges

Table 31: Intergovernmental structures

2.3.2 JOINT PROJECTS AND FUNCTIONS WITH SECTOR DEPARTMENTS

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

Name of project/ function	Expected outcome/s of the project	Sector department/s involved	Contribution of sector department
Early Childhood Development (ECD) programmes	Establishment of ECD's in the Breede Valley	Department of Social Development, BVM, Community Development Workers (CDW's)	ECD registrations, funding, applications
CDW Information Sessions	Information sharing with communities	Department of Local Government, CDW's, BVM and relevant departments hosting the info session	Various information being shared on various topics, creating a database of attendees
Initiation programme	Cultural programme to help African boys become men	Department of Cultural Affairs and Sport (DCAS), BVM	Provincial coordination to the programme
Riverview Community Safety Imbizo	To give community members access to information regarding community safety aspects	Worcester SAPS, BVM, Department of Social Development, Department of Education, Worcester Community Police Forum	Providing a platform to engage senior management of the different departments
Touwsrivier Youth Soccer Programme	Holiday programme for the youth of Touwsrivier	DCAS, SAPS, BVM, CWDM	Sport equipment, match officials, catering, medals and trophies
Cape Winelands Drama Festival	Showcase the Finals of the Regional Drama Festival	BVM, CWDM, DCAS	Transport, accommodation

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Name of project/ function	Expected outcome/s of the project	Sector department/s involved	Contribution of sector department
World Drug Day	Creating a platform to speak about drug and related programmes	BVM, Department of Education, SAPS, Civil Society	Transport, information sharing
Phelophepa Community Health Train	Bringing health services closer to the people	Department of Health, BVM, CWDM	Health services, training, job creation
De Doorns Substance Abuse Awareness Programme	Creating awareness on substance abuse	De Doorns CAB, BVM, Department of Health, SAPS	Expert advice, printing of pamphlets
Youth Day June 16	Youth Day celebration	BVM, CWDM, WEEAD, SAPS	Transport, food, programme

Table 32: Joint projects and functions with sector departments

COMPONENT C: PUBLIC ACCOUNTABILITY

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

Such participation is required in terms of:

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

2.4 PUBLIC MEETINGS

2.4.1 REPRESENTATIVE FORUMS

a) Labour forums

The table below specifies the members of the labour forum for the 2019/20 financial year:

Name of representative	Capacity	Meeting Dates
D McThomas	Employer Component: Member – Municipal Manager	LLF meetings took place on 1 st Friday of each month from July 2019 – March 2020
R Esau	Employer Component: Member – Director: Strategic Support Services	
R Ontong	Employer Component: Member – Director: Financial Services	No meetings held during April 2020 & May 2020
J Steyn	Employer Component: Member – Director: Technical Services	Final LLF meeting held on 26 June 2020

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Name of representative	Capacity	Meeting Dates
S Swartz	Employer Component: Member – Director: Community Services	
Councillor J Jack	Employer Component: Member	
Councillor R Farao	Employer Component: Member – Deputy Chairperson of LLF	
Councillor W Meiring	Employer Component: Member	
Councillor V Mngcele	Employer Component: Member	
Councillor N Nel	Employer Component: Member	
A Eiman	Union Component: Member	
E Matolla	Union Component: Member	
R Nasson	Union Component: Member	
E Swanepoel	Union Component: Member	
M Visser	Union Component: Member	
W Visagie	Union Component: Member – Chairperson of LLF	
L Louis	Union Component: Member	
C Visagie	Union Component: Member	
A Sithole	Union Component: Member	
W Soldaat	Union Component: Member	
M.Nell (until February 2020)	Advisor/Operational & Administrative Support – Manager: Human Resources	
L.Nqgabuko (from March 2020)	Advisor/Operational & Administrative Support – Acting Manager: Human Resources	
H Potgieter	Advisor/Operational & Administrative Support – Senior Manager: Legal Services	

Table 33: Labour forum

In February 2020, Mr W. Visagie (SAMWU – union component) was elected as the new Chairperson, whilst Councillor R. Farao (employer's component) was elected as the Deputy Chairperson.

2.4.2 WARD COMMITTEES

The purpose of a ward committee is:

- to get better participation from the community to inform Council decisions;
- to make sure that there is more effective communication between the Council and the community; and
- to assist the ward councillor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and acts as the chairperson. Although ward

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committees have no formal powers, they advise the ward councillor who makes specific submissions directly to Council. These committees play a very important role in the development and annual revision of the IDP of the area.

The ward committee supports the ward councillor who receives reports on development, participates in development planning processes, and facilitates wider community participation. To this end, the municipality constantly strives to ensure that all ward committee function optimally with the provision of community information, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

The table below indicate the ward committee members for 2016 - 2021, the capacity they are representing, and the number of meetings held during the year for each ward:

Ward	Councillor	Ward Committee Members	Representation	Number of meetings held year 2019/20
Ward 1: The entire community of Touwsrivier, including business and residential areas	Cllr Jafta	<ol style="list-style-type: none"> 1. A Botes 2. F Davids 3. Z Hass 4. P Herder 5. R Jacobs 6. S Olifant 7. J Scheffers 8. O Schreuders 9. H Smith 10. S Titus 	<ol style="list-style-type: none"> 1. Church 2. Education 3. Small Business 4. Safety 5. Older persons 6. Health 7. Small Farmer 8. Business 9. Sport 10. Youth 	3
Ward 2: De Doorns South, Stofland and adjacent farms	Cllr. Langata	<ol style="list-style-type: none"> 1. N December 2. B Fortuin 3. N C Jack 4. F Jantjies 5. S F Madolo 6. M Makeleni 7. T Mokhanya 8. M Qoyi 9. N Sixaba 10. N Zakhe 	<ol style="list-style-type: none"> 1. Finance 2. Safety 3. Youth 4. Health 5. Agriculture 6. Faith based 7. Small Business 8. Sport 9. Housing 10. Not indicated 	0
Ward 3: The centre of De Doorns, Hasie Square, Ekuphumleni and adjacent farms areas	Cllr. Willemse	<ol style="list-style-type: none"> 1. W Fuller 2. T Mkasakasa 3. J Morris 4. J Morriso 5. M Mfuthwana 6. A Nyembe 7. E Plaatjies 	<ol style="list-style-type: none"> 1. Health 2. Social 3. Geographical 4. Geographical 5. Youth 6. Housing 7. Geographical 	2

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Ward	Councillor	Ward Committee Members	Representation	Number of meetings held year 2019/20
		8. N Rateleki 9. Vacant 10. Vacant	8. Women 9. Vacant 10. Vacant	
Ward 4: Section of De Doorns town centre, Orchard and adjacent farm areas	Cllr. Isaacs	1. M Gwe 2. E Lambrecht 3. P Loggenberg 4. S Prent 5. A Solomon 6. C de Beer 7. J Philander 8. J Toring 9. N Kani 10. M Lebaea	1. Transport 2. Women 3. Agriculture 4. Sport 5. Housing 6. Safety 7. Infrastructure 8. Faith based 9. Not indicated 10. Not indicated	4
Ward 5: De Doorns farming areas including Brandwag, De Wet and Sandhills	Cllr. Von Willingh	1. E Eland 2. H Plaatjies 3. D Libo 4. I Rangolie 5. S Stendiehl 6. Vacant 7. Vacant 8. Vacant 9. Vacant 10. Vacant	Geographical	2
Ward 6: N1 Worcester entrance, Altona, Tuindorp, Bergsig, Van Riebeeck Park, Panorama, Hospital Hill and Fairway Heights	Cllr. Van der Westhuizen	1. J Botha 2. P Burger 3. R Cupido 4. R Kleinhans 5. V le Roux (deceased March 2020) 6. C Opperman 7. J Saayman 8. C Willemse 9. R Butler 10. J Roodt (joined November 2019)	1. Youth 2. Faith based 3. Business informal trade, Tourism 4. Health and Welfare 5. Vacant 6. Education 7. Community Safety 8. Sport 9. Not indicated 10. Not indicated	4

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Ward	Councillor	Ward Committee Members	Representation	Number of meetings held year 2019/20
Ward 7: Paglande, Meirings Park, Part of Roux Park, De La Bat Way, Fairy Glen and Industrial area	Cllr. Kritzinger	<ol style="list-style-type: none"> 1. T Bester 2. C Botha 3. D de Koker 4. J de Koker 5. J de Witt 6. JP Dippenaar 7. R Lennox 8. H Swart 9. M Swart 10. E Du Plessis (joined October 2019) 	Geographical	3
Ward 8: Part of Zwelethemba	Cllr. Williams	<ol style="list-style-type: none"> 1. N Bodla 2. T Frans 3. L Kelepu 4. L Khutwana 5. J Makhubalo 6. T Mbenga 7. A Mdyeshana 8. S Ndzima 9. N Skomolo 10. P Mabala 	Geographical	2
Ward 9: Roodewal area and Esselen Park	Cllr. Matjan	<ol style="list-style-type: none"> 1. P Beukes 2. G Daames 3. R L Jooste 4. F Ross 5. P Hansen 6. S van Rhyn 7. P Jansen 8. R Visagie 9. J Visser 10. C Moos 	Geographical	3
Ward 10: Hex Park, Johnsons Park area and Roodewal flats	Cllr. M Jacobs	<ol style="list-style-type: none"> 1. A September 2. M Hoffman 3. W Damons (joined November 2019) 4. S Kees 5. L Olkers (joined November 2019) 	Geographical	4

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Ward	Councillor	Ward Committee Members	Representation	Number of meetings held year 2019/20
		6. J Jansen (joined November 2019) 7. A September 8. L Standaard 9. H Jacobs (joined November 2019) 10. Vacant		
Ward 11: OVD, Riverview area and Parkersdam	Cllr. Sampson	1. E Ceaser 2. B Harmse 3. E Heradien 4. E Mentza 5. W Pedro 6. I Swanepoel 7. A Swartbooi 8. B Vlok 9. K Willemse 10. J Where-Speelman (joined February 2020)	Geographical	4
Ward 12: Part of Avian Park, CBD and Russell Scheme	Cllr. Sheldon	1. Vacant 2. A Booysen 3. J Goedeman 4. V Bedworth (resigned August 2019) 5. E Malan 6. A Spogter 7. S Oktober 8. M Jafta (resigned February 2020) 9. V Lecheko (removed September 2019) 10. ADJ Mitchell (joined September 2019)	1. Vacant 2. Community Services 3. Sport 4. Vacant 5. Housing 6. Infrastructure 7. Woman 8. Vacant 9. Vacant 10. Faith based	4
Ward 13: Johnsons Park 1, 2 and part of 3, part of Noble Park and Riverview houses	Cllr. Farao	1. G Andrews 2. S Jacobs 3. B Jansen 4. D Lakay 5. C Fielies 6. HD Hattingh (joined August 2019) 7. A Petersen	Geographical	3

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Ward	Councillor	Ward Committee Members	Representation	Number of meetings held year 2019/20
		8. E Porter 9. S Zekoe 10. D Jacobs (joined August 2019)		
Ward 14: Riverview flats and Victoria Park	Cllr. Jack	1. R Antonie 2. G Micheals 3. H Bekeer 4. F Lourens 5. G Maans 6. K Shahabodien 7. D Tim 8. H Williams 9. C Visagie 10. E Williams	Geographical	6
Ward 15: Langerug, Worcester West, Somerset Park and Goudini farms	Cllr. Meiring	1. C Marais (joined September 2019) 2. E Botma (joined September 2019) 3. I Jones 4. R Kotze (resigned January 2020) 5. J Meiring 6. J Tole 7. J vd Watt 8. F Willemse 9. L Theron (joined September 2019) 10. Vacant	1. Community Services 2. Health and Welfare 3. Housing 4. Vacant 5. Infrastructure 6. Women 7. Informal Trade 8. Sport 9. Not indicated 10. Vacant	2
Ward 16: Zwelethemba	Cllr. Mangali	1. V Dlikilili 2. L Ndlebe 3. R Kula 4. N Malingo 5. E Msutwana 6. Z Shobe 7. K Mqolo 8. G Taule 9. S Zukelo 10. P Taule	Geographical	2

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Ward	Councillor	Ward Committee Members	Representation	Number of meetings held year 2019/20
Ward 17: Zwelethemba	Cllr. Tyira	<ol style="list-style-type: none"> 1. J Funda 2. G Mabusela 3. L Makoetlane 4. N Mavata 5. R Ramakatsa 6. D van Rhyn 7. A Situkutezi 8. S Williams 9. Vacant 10. Vacant 	Geographical	2
Ward 18: Zwelethemba and farms from Overhex, Nonna	Cllr. Mkhawane	<ol style="list-style-type: none"> 1. S Hans 2. Vacant 3. Y Kuthwana 4. D Maarmann 5. N Mangweni 6. N Nkonzo 7. Z Ntsomi 8. L Yavi 9. Vacant 10. M Stalmeester 	Geographical	1
Ward 19: Part of the centre of Rawsonville and outlying farming community	Cllr. Goedeman	<ol style="list-style-type: none"> 1. B Cupido 2. S Pedro 3. D Fredericks 4. G Franse 5. M Goedeman 6. S Bosman 7. P Hendriks 8. A Matthews 9. H Prins 10. G Hendriks (joined October 2019) 	Geographical	6
Ward 20: Part of the centre of Rawsonville and areas towards N1	Cllr. Pietersen	<ol style="list-style-type: none"> 1. L Bruintjies 2. S de Klerk 3. A Lesley 4. W Mandy 5. J Matthews (resigned February 2020) 	Geographical	5

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Ward	Councillor	Ward Committee Members	Representation	Number of meetings held year 2019/20
		6. J Minnaar 7. G Smit 8. J Rongaam 9. M Williams 10. Vacant		
Ward 21: Avian Park and surrounding informal areas	Cllr. Wehr	1. M Adams 2. R Appolis 3. E Bailey 4. K Benjamin (resigned September 2019) 5. C Fransman 6. D Judge 7. E Klaassens 8. F. Masimala (joined July 2019) 9. A Snell (joined November 2019) 10. C Vyver (joined July 2019) 11. S Geldenhuys (joined March 2020)	Geographical	4

Table 34: Ward Committees for 2016-2021

2.4.3 FUNCTIONALITY OF WARD COMMITTEES

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

- Ward committee meetings held during the year include scheduled meetings between the ward councillor and committee members, including IDP/ward committee engagements as part of the IDP process for the 2019/20 planning year. Currently the number of ward committee meetings are limited to align ward committee meetings to the council resolution of a minimum of four meetings per financial year.
- Number of reports in the table below does not include IDP/Ward committee engagements for which specific reports are reflected in the IDP minutes.
- Functionality of ward committees is determined by the active engagements of ward committees with communities on public platforms and direct interactive sessions to improve or create better communities.
- Continuous engagements between the Speaker and the Administration have been undertaken to increase the activity levels of ward committees and stimulate motivation and willingness to drive development in the wards across Breede Valley.

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Ward number	Committee established: Yes / No	Number of meetings held during the year 2019-2020
1	Yes	3
2	Yes	0
3	Yes	2
4	Yes	4
5	Yes	2
6	Yes	4
7	Yes	3
8	Yes	2
9	Yes	3
10	Yes	4
11	Yes	4
12	Yes	4
13	Yes	3
14	Yes	6
15	Yes	2
16	Yes	2
17	Yes	2
18	Yes	1
19	Yes	6
20	Yes	5
21	Yes	4

Table 35: Functioning of ward committees

COMPONENT D: CORPORATE GOVERNANCE

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

2.5 RISK MANAGEMENT

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

- In terms of Sections 62(1)(c)(i) and 95(c)(i) of the MFMA the Accounting Officer is required to ensure that the municipality has and maintain effective, efficient and transparent systems of risk management.
- The main reason for risk management is that the service delivery environment and the public sector's interface with stakeholders have become far more demanding and volatile than before.
- The objective of the Risk Management Policy is to assist management and Council to make informed decisions which will:

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- improve the municipality's performance on decision making and planning;
- provide a sound basis for integrated risk management and internal control as components of good corporate governance;
- assist management in ensuring more effective reporting and compliance with applicable laws, regulations and other corporate governance requirements; and
- foster a culture of good governance, ethical conduct, discourage inefficiencies and counter fraud and corruption. Historical ways of doing things are no longer effective as evidenced by several service delivery and general failures. Benefits from risk management are:
 - more efficient, reliable and cost-effective delivery of services;
 - minimised waste and fraud; and
 - more reliable decision making

2.5.1 TOP FIVE RISKS

- Dysfunctional vehicle and plant fleet
- Inability to provide a safe and reliable road network
- Inadequate disaster risk management
- Insufficient airspace/disposal capacity for solid waste
- Housing demand exceeding housing supply

2.5.2 ACTION PLAN TO ADDRESS THE TOP FIVE RISKS

The table below provides the actions implemented during the 2019/20 financial year or that were planned to be implemented to address the top five risks:

Risk	Actions implemented or that will be implemented
Dysfunctional vehicle and plant fleet	<ul style="list-style-type: none"> • Maintain controls as recorded in the Strategic Risk Management Report for the period 2019/20: <ul style="list-style-type: none"> • Facilities Manager position responsible for Fleet Management • Fleet Maintenance System • Hiring vehicle and plant fleet • Own workshop for maintenance • Tracking device systems in vehicles • Additional Actions: <ul style="list-style-type: none"> • Appointment of a Fleet Manager (in progress) • Development of a vehicle usage policy (completed)
Inability to provide a safe and reliable road network	<ul style="list-style-type: none"> • Maintain controls as recorded in the Strategic Risk Management Report for the period 2019/20: <ul style="list-style-type: none"> • Capital reserve • Implementation of capital programme • Schedule maintenance programme • Scheduled road refurbishing programme • Actions: <ul style="list-style-type: none"> • Compile & continuously update the replacement programme for vehicles (in progress)

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Risk	Actions implemented or that will be implemented
Inadequate Disaster Risk Management	<ul style="list-style-type: none">  Maintain controls as recorded in the Strategic Risk Management Report for the period 2019/20: <ul style="list-style-type: none"> • By-Law code on fire safety • Clearing of fire breaks • Disaster and business continuation plans and procedures • Fire and Rescue Services Collective Agreement • Mutual Aid Agreement with CWDM • Public educational programmes / awareness programmes regarding fire and disaster services • Safety inspections at buildings and high-risk installations • Ward Based Disaster Risk Assessment Report  Actions: <ul style="list-style-type: none"> • Develop mitigation plans for all risk identified during the 2017-2018 assessment (in progress) • Appointment a disaster management officer (in progress)
Insufficient airspace / disposal capacity for solid waste	<ul style="list-style-type: none">  Maintain controls as recorded in the Strategic Risk Management Report for the period 2019/20: <ul style="list-style-type: none"> • Application and submission for licence/permit for regional landfill site • Awareness campaigns/notice boards to public on waste management • Implementation of waste minimization practices to reduce disposal of waste • Integrated Waste Management Plan • Satellite station at De Doorns • Security services on landfill sites  Additional Actions: <ul style="list-style-type: none"> • Complete the application process linked to the lifting of the height restriction at the landfill site (in progress) • Complete the construction of the material recovery facility (completed)
Housing demand exceeding housing supply	<ul style="list-style-type: none">  Maintain controls as recorded in the Strategic Risk Management Report for the period 2019/20: <ul style="list-style-type: none"> • Bulk infrastructure plan • Cleaning/Updating of the demand waiting list • Dora Allocation / MIG 5% Allocation • Housing Act & Regulations • Housing Consumer Education programmes • Housing pipeline • Housing Policy • Monthly technical meetings • National Housing Code • Spatial Development Framework • Transfer of title deeds as per Council resolution and Housing Code • Western Cape Housing Demand Database  Action plans: <ul style="list-style-type: none">

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Risk	Actions implemented or that will be implemented
	<ul style="list-style-type: none"> Investigate the possibility to acquire private land for housing purposes (in progress) Formalisation of informal settlements (in progress)

Table 36: Action plan to address the top five risks

2.5.3 APPROVED RISK POLICIES AND STRATEGIES

Name of strategy / policy	Developed Yes/No	Date adopted/reviewed
Enterprise Risk Management Policy	Yes	15 June 2019 (Resolution C47/2019)
Enterprise Risk Management Strategy	Yes	15 June 2019 (Resolution C47/2019)

Table 37: Approved risk policies and strategies

2.6 FRAUD PREVENTION

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

2.6.1 DEVELOPED STRATEGIES

Name of strategy	Developed Yes/No	Date adopted/reviewed
Fraud and Corruption Prevention Policy	Yes	15 June 2019 (Resolution C47/2019)
Fraud Prevention Strategy and Response Plan	Yes	15 June 2019 (Resolution C47/2019)
Code of Ethics Policy	Yes	15 June 2019 (Resolution C47/2019)
Municipal Public Accounts Committee Policy	Yes	25 February 2014 (Resolution C6/2014)
Whistle Blowing Policy	Yes	15 June 2019 (Resolution C47/2019)

Table 38: Strategies

2.6.2 IMPLEMENTATION OF STRATEGIES AND/OR CONTROLS ONGOING PROCESS

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

Strategies to implement	Key risk areas	Key measures to curb corruption and fraud
Annual restructuring of organogram	Effective and efficient service delivery	<ol style="list-style-type: none"> Alignment of organogram with Performance Management System and SDBIP Productivity and accountability

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Strategies to implement	Key risk areas	Key measures to curb corruption and fraud
		<ol style="list-style-type: none"> 3. Clear job descriptions and standard operating procedures (Focus on Top Layer SDBIP) 4. Functional Local Labour Forum 5. Implementation of Placement Policy Framework 6. Alignment of Minimum Competency Regulations with Recruitment and Selection Policy Framework
Review of delegation register	Roles and responsibilities	<ol style="list-style-type: none"> 1. Alignment of delegation register with latest legislation and restructuring of the organogram, budget and IDP 2. Strict adherence to MGRO processes as identified on the maturity assessment tool introduced by Provincial Treasury
Maintain the whistle blowing toll free number	Fraud prevention	<ol style="list-style-type: none"> 1. Implementation of Declaration of Interests with new appointments 2. Awareness campaigns to be conducted and implemented during the financial year 3. Maintenance of toll-free number created to report incidents of allegations on irregularities and fraud.
Ongoing procurement reference check	Clean administration/fraud prevention	<ol style="list-style-type: none"> 1. Supply Chain Management annual review and monitoring of conflict of interests 2. Ensuring compliance with Regulation 44 of the SCM Regulations

Table 39: Implementation of the strategies

2.7 AUDIT COMMITTEE

2.7.1 FUNCTIONS OF THE AUDIT COMMITTEE

BVM's Audit Committee was appointed on 1 July 2017 and 2 additional members were appointed on 1 March 2019. The Chairperson, J. Gunther resigned on 29 February 2020 and the member, M Roos was appointed as Chairperson during May 2020. The Audit Committee also fulfils the role of the Performance Audit Committee that was fully functional during the 2019/20 financial year.

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

- To advise the Council on all matters related to compliance and effective governance

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

2.7.2 MEMBERS OF THE AUDIT COMMITTEE

Name of representative	Capacity	Meeting dates
J. Gunther	Chairperson	19 August 2019
M. Roos	Member	18 November 2019
J. Williams	Member	17 February 2020
S. Allie	Member	27 May 2020
		22 June 2020

Table 40: Members of the Audit Committee

2.7.3 MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

Date of Committee	Matters discussed during 2019/20	Recommendations adopted
19 August 2019	<ul style="list-style-type: none"> • Auditor-General Draft Strategy & Engagement Letter discussion 	5
	<ul style="list-style-type: none"> • Review of Annual Financial Statements 	
	<ul style="list-style-type: none"> • Review of Annual Performance Report 	
	<ul style="list-style-type: none"> • Feedback from Risk Management on status of implementation of ERM process 	
	<ul style="list-style-type: none"> • Internal Audit annual reporting to Audit Committee 	
18 November 2019	<ul style="list-style-type: none"> • Feedback from Risk Management on status of implementation of ERM process including additional responsibilities managed 	5

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Date of Committee	Matters discussed during 2019/20	Recommendations adopted
	<ul style="list-style-type: none"> Internal Audit quarterly reporting to Audit Committee Review of Performance Management System & Internal Audit of Performance Information Status Report: mSCOA implementation Status Report: Combined Assurance implementation 	
17 February 2020	<ul style="list-style-type: none"> Feedback on BVM Audit Action Plans (2018/19 AG Audit Report & Management Report) Feedback from Risk Management on status of implementation of ERM process including additional responsibilities managed Internal Audit quarterly reporting to Audit Committee Review of Performance Management System & Internal Audit of Performance Information Status Report: mSCOA Implementation & Interim AFS Progress on the Implementation of SAGE HR System 	6
27 May 2020	<ul style="list-style-type: none"> Feedback on BVM Audit Action Plans (2018/19 AG Audit Report & Management Report) & AG Interim Planning Feedback from Risk Management on status of implementation of ERM process including additional responsibilities managed Internal Audit quarterly reporting to Audit Committee & Amendment of RBAP 2019/2020 Review of Performance Management System & Internal Audit of Performance Information Approval of Internal Audit Charter Review & Approval of Audit Committee Charter Progress on the implementation of SAGE HR System 	7
22 June 2020	<ul style="list-style-type: none"> Outcome External Quality Assurance Review (QAR) Strategic Audit Plan 2020 – 2023 & RBAP 2020/2021 submitted for approval Confirmation of Internal Audit Independence 	8

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Date of Committee	Matters discussed during 2019/20	Recommendations adopted
	<ul style="list-style-type: none"> Annual Code of Ethics & Conflict of Interest Declaration for Financial Year 2019 – 2020 Feedback from Risk Management on status of implementation of ERM process including additional responsibilities managed Financial Information Overview Approval of Internal Audit Charter Review & Approval of Audit Committee Charter 	

Table 41: Municipal Audit Committee recommendations

2.8 PERFORMANCE AUDIT COMMITTEE

2.8.1 FUNCTIONS OF THE PERFORMANCE AUDIT COMMITTEE

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

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

2.8.2 MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE

Name of Member	Capacity	Experience	Meeting dates
J. Gunther	Chairperson	CIA, CRMA, AGA, Masters in Cost Accounting, BCompt (Hons)	19 August 2019 18 November 2019 17 February 2020 27 May 2020
M. Roos	Member	CA(SA), Master of Commerce in Auditing, Higher Diploma Company Law, Qualified Public Sector Chief Financial Manager	
J. Williams	Member	CA(SA)	
S. Allie	Member	Post Graduate Diploma Business Management, ND: Cost Accounting	

Table 42: Members of the Performance Audit Committee

2.9 INTERNAL AUDIT

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

- prepare a risk-based audit plan and an internal audit program for each financial year; and

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- (b) advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to:
- (i) Internal audit;
 - (ii) internal controls;
 - (iii) accounting procedures and practices;
 - (iv) risk and risk management;
 - (v) performance management;
 - (vi) loss control; and
 - (vii) compliance with this act, the annual Division of Revenue Act and any other applicable legislation; and
- (c) perform such other duties as may be assigned to it by the Accounting Officer.

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

2.9.1 RISK REGISTER AND THREE-YEAR STRATEGIC PLAN

The annual risk assessment process was performed during April/May 2020 and all strategic risks were populated into a Strategic Risk Register for the municipality. The Strategic Risk Register formed the basis of the 3-year Strategic Audit Plan for 2020-2023. The annual risk assessment was conducted during 2019/20 and the risk register was approved by Council during May 2020 which formed the basis for the 2020/21 annual Risk Based Audit Plan (RBAP).

2.9.2 ANNUAL AUDIT PLAN

The RBAP for 2019/20 was executed based on the above approach and methodology. 100% of the annual RBAP was implemented with available resources. The table below provides details of audits completed:

BVM – Annual Audit Plan 2019/20		
Description	No of hours estimated	Date completed
Risk based audits		
Asset Management	320	30 June 2020
Enterprise Risk Management	320	31 October 2019
Auditing of Performance Information	950	Report 1 – 15 November 2019 Report 2 – 04 February 2019 Report 3 – 14 February 2020 Report 4 – 15 May 2020
Inventory Management	240	24 October 2019
IT General Controls	320	30 June 2020
Indigent Management	280	30 June 2020

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BVM – Annual Audit Plan 2019/20		
Description	No of hours estimated	Date completed
Revenue Enhancement	280	30 June 2020
Follow-Up Audits		
Continuous follow-up of Audit Findings	950	Ongoing – 30 June 2020
Continuous		
Combined Assurance Implementation	260	Ongoing – 30 June 2020
Continuous Monitoring Implementation	320	Ongoing – 30 June 2020
Review Strategic Plan & Compile Annual Audit Plan	160	22 June 2020
Junior Internal Audit Assistance, Supervision & Review of Audit Work	500	Ongoing – 30 June 2020
Total hours	4 900	

Table 43: Internal audit coverage plan

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

Function	Date/Number
Risk analysis completed/reviewed	April/May 2020
Reviewed Strategic Audit Plan 2020-2023	22 June 2020
Risk Based Audit Plan approved for 2020/21 financial year	22 June 2020
Internal Audit Programme drafted and approved	22 June 2020
Number of audits/reviews conducted and reported on	11
Audit reports included the following key focus areas:	
Internal controls	11
Accounting procedures and practices	4
Risk and risk management	11
Performance management	4
Loss control	5
Compliance with the MFMA and other legislation	11

Table 44: Internal audit functions

2.10 SUPPLY CHAIN MANAGEMENT (SCM)

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

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2.10.1 COMPETITIVE BIDS MORE THAN R200 000

a) *Bid Committee meetings*

The following table details the number of bid committee meetings held for the 2019/20 financial year:

Bid specification committee	Bid evaluation committee	Bid adjudication committee
60	43	19

Table 45: Bid Committee meetings

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

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

Table 46: Attendance of members of Bid Specification Committee

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

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

Table 47: Attendance of members of Bid Evaluation Committee

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

Member	Percentage attendance
Director: Financial Services (Chairperson)	100% (19/19)
Director: Technical Services	84% (16/19)
Director: Community Services	89% (17/19)
Director: Strategic Support Services	100% (19/19)
Senior Manager: Supply Chain Management	100% (19/19)

Table 48: Attendance of members of Bid Adjudication Committee

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

b) *Awards made by the Bid Adjudication Committee*

The Bid Adjudication Committee **awarded 29 bids** with an estimated value of **R104 607 567.77**.

The ten highest bids awarded by the Bid Adjudication Committee are as follows:

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Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV767/2019	Supply and delivery of electrical cable and wire products for the period ending 30 June 2022	Financial Services	Aberdare Cables (Pty) Ltd	+/- 20 000 000.00
			Malesela Taihan Electric Cable (Pty) Ltd t/a M-Tec	
			Actom Electrical Products	
BV635/2019	Maintenance of traffic signal equipment within the Breede Valley Municipality for the period ending 30 June 2022	Community Services	TMT Services and Supplies (Pty) Ltd	10 000 000.00
BV633/2019	Maintenance of street lights, high mast lights and stadium flood lighting for the period ending 30 June 2022	Technical Services	Momotheka Trade 1011 cc	6 732 505.02
BV632/2019	Maintenance of low voltage (LV) reticulation networks and equipment for the period ending 30 June 2022	Technical Services	Momotheka Trade 1011 cc	6 258 107.14
BV816/2019	Professional services for construction of reservoirs - preloads	Technical Services	WSP Group African (Pty) Ltd	3 889 856.03
BV777/2019	Supply and delivery of detergents and cleaning materials for the period ending 30 June 2022	Financial Services	Bidtiq (Pty) Ltd t/a RC Suppliers	+/- 3 527 597.83
			Startune (Pty) Ltd	
			Memotek Trading cc	
			Lamb's Chemical Manufacturers cc	
			Caprichem Saccs (Pty) Ltd	
			John Willem Kruyt	
			PTA Agencies (Pty) Ltd	
BV851/2019	Supply and delivery of sedan, light and heavy commercial vehicles, busses, motorcycles, agricultural tractors, construction plant and equipment to the state for the period 1 April 2019 – 31 March 2022 (Phase 3)	Technical Services	Barloworld ISUZU Johannesburg	3 125 461.98
BV820/2019	Supply and delivery of combination high pressure water and vacuum drain cleaning machine onto a single chassis	Technical Services	AAD Truck and Bus (Pty) Ltd	3 098 551.90

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Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV787/2019	Compilation and maintenance of the general valuation (GV) and supplementary valuation (SV) rolls for the period ending 30 June 2022	Financial Services	HCB Valuations and Services (Pty) Ltd	2 623 530.00
BV774/2019	Professional services for the construction of swimming pool at Zwelethemba, Worcester	Technical Services	WEC Consult (Pty) Ltd	2 075 834.64

Table 49: Ten highest bids awarded by Bid Adjudication Committee

c) Awards made by the Accounting Officer

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

Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV852/2019	Bulk electrical services for the Transhex Housing Development in Worcester - Phase 2	Technical Services	VE Reticulation (Pty) Ltd	21 804 092.17

Table 50: Awards made by Accounting Officer

d) Appeals lodged by aggrieved bidders

Thirteen (13) appeals were lodged by aggrieved bidders on awards made in terms of Section 62(1) of the MSA, which relate to the following tenders:

Tender No	Description	Date of finalization of the appeal
BV781/2019	Supply and delivery of tractors	15 August 2019
BV782/2019	Supply and delivery of refuse compactor truck	15 August 2019
BV783/2019	Supply and delivery of backhoe loaders	15 August 2019
BV784/2019	Supply and delivery of tipper truck	15 August 2019
BV785/2019	Supply and delivery of light delivery vehicles (LDVs)	15 August 2019
BV786/2019	Supply and delivery of vacuum tanker truck	15 August 2019
BV788/2019	Supply and delivery of combination high pressure water and vacuum drain cleaning machine onto a single chassis	15 August 2019
BV777/2019	Supply and delivery of detergents and cleaning materials for the period ending 30 June 2022	04 November 2019
BV744/2019	Upgrading of swimming pool facilities (including filters, pumps and valves) at the De La Bat swimming pool, Worcester	11 November 2019
BV787/2019	Compilation and maintenance of the general valuation (GV) and supplementary valuation (SV) rolls for the period ending 30 June 2026	10 December 2019

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Tender No	Description	Date of finalization of the appeal
BV774/2019	Professional services for the construction of swimming pool at Zwelethemba, Worcester	06 April 2020
BV816/2019	Professional services for construction of reservoirs - preloads	30 April 2020
BV836/2019	Relocation of outside toilets and conversion into bathroom facilities in Zwelethemba, Worcester	29 April 2020

Table 51: Appeals lodged by aggrieved bidders

The total premium paid during the 2019/20 financial year to promote specific socio-economic goals as set out in the Preferential Procurement Regulations of 2017, was R9 483.67

2.10.2 FORMAL WRITTEN PRICE QUOTATIONS BETWEEN R30 000 AND R200 000

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

The following table outlines the value of all quotations awarded to enterprises and contractors who are based within the jurisdiction of the Breede Valley Municipal area, for the period 1 July 2019 to 30 June 2020:

Month	Total Orders (R)	Local Companies (R)
July 2019	8 105 225.60	7 086 797.73
August 2019	16 461 855.69	3 006 756.82
September 2019	12 071 274.75	12 069 414.62
October 2019	13 585 720.26	13 583 892.06
November 2019	19 626 046.66	19 567 492.27
December 2019	14 275 607.98	14 194 670.23
January 2020	13 931 823.19	13 931 823.19
February 2020	8 522 109.98	8 511 708.78
March 2020	11 124 148.57	10 424 209.54
April 2020	6 796 101.38	6 766 948.88
May 2020	5 817 406.45	5 407 430.25
June 2020	8 140 685.55	7 375 301.84
Total:	138 458 006.06	121 926 446.21
Percentage (%) -	88.06	

Table 52: Awards made to local companies

2.10.3 DEVIATIONS FROM NORMAL PROCUREMENT PROCESSES

Paragraph 36 of Council's SCM Policy allows the Accounting Officer to dispense with the official procurement process. Deviations amounting to **R6 434 606.81** were approved by the Accounting Officer. The following table provides a summary of deviations approved for the 2019/20 financial year: The value of deviations includes fix estimations, however, does not include all deviation contract values, of which the contract is based on tariffs and been used on an "as and when needed" basis.

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Type of deviation	Number of deviations	Value of deviations (R)	Percentage of total deviations value (%)
Emergency	23	2 163 455.46	33.63
Sole provider	6	215 171.85	3.34
Acquisition of animals for zoos	0	0.00	0
Acquisition of special works of art or historical objects where specifications are difficult to compile	0	0.00	0
Impractical to follow the normal procurement process	39	4 055 979.50	63.03
Total Deviations	68	6 434 606.81	100

Table 53: Summary of deviations

Deviations from the normal procurement processes have been monitored closely since the start of the financial year. Monthly reporting in terms of paragraph 36 of the SCM Policy has been complied with. A large number and amount of deviations has been caused by instances where it was impractical to follow a normal procurement process.

2.10.4 LOGISTICS MANAGEMENT

The system of logistics management must ensure the following:

- the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number.
- the setting of inventory levels that include minimum and maximum levels and lead times wherever goods are placed in stock.
- the placing of manual or electronic orders for all acquisitions other than those from petty cash.
- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased:
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- monitoring and reviewing of the supply vendor performance to ensure compliance with specifications and contract conditions for goods or services.

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

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Inventory levels are set at the start of each financial year. These levels are set for normal operations. If special projects are being launched by departments, such information is not communicated timely to the stores section for them to order stock more than the normal levels.

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

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

The value of the slow-moving items increased from R3 207 696 (2018/19) to R6 986 544.85 (2019/20) at 30 June 2020, an increase of 117.81%. Damaged stock is valued at R188.29, redundant stock at R151 250.41 and GRAP.12 inventory (stock capitalised) at R10 875 340.39.

2.10.5 DISPOSAL MANAGEMENT

The system of disposal management must ensure the following:

- Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise.
- Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous.
- Firearms are not sold or donated to any person or institution within or outside the Republic, unless approved by the national conventional arms control committee.
- Immovable property is let at market related rates except when the public interest or plight of the poor demands otherwise.
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed.
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- In the case of the free disposal of computer equipment, the provincial Department of Education is approached first to indicate within 30 days whether any of the local schools are interested in the equipment.

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

2.10.6 PERFORMANCE MANAGEMENT

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

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

During the 2019/20 financial year, no company was prohibited from doing business with the Municipality.

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

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

Key performance indicator	2018/19 Achievement	2019/20 Achievement	Remarks
Quotations between R0 – R2 000	In excess of 3 days	In excess of 3 days	Increase in SCM legislative and reporting requirements. Increase in number of days where officials are out of office due to exams. Staff compliment remains unchanged. Departmental SCM procurement strategies need to be reviewed in order to reduce the volumes of request below R2000
Quotations between R2 000 – R30 000	In excess of 6 days	In excess of 6 days	Increase in SCM legislative and reporting requirements. Increase in number of days where officials are out of office due to exams. Staff compliment remains unchanged. Departmental SCM procurement strategies need to be reviewed in order to reduce the volumes of request below R30 000
Quotations between R30 000 – R200 000	In excess of 14 days	In excess of 14 days	Increase in SCM legislative and reporting requirements. Increase in number of days where officials are out of office due to exams. Staff compliment remains unchanged. Departmental SCM procurement strategies need to be reviewed in order to reduce the volumes of request below R200 000
Competitive bidding system (tenders)	In excess of 10 weeks	In excess of 10 weeks	Increase in SCM legislative and reporting requirements. Increase in number of days where officials are out of office due to exams. Staff compliment has reduced with approximately 10% due to resignations

Table 54: SCM performance indicators

2.10.7 PROCUREMENT AND CONTRACT MANAGEMENT

We have complied with SCM Regulation 6(3) for the 2019/20 financial year. These reports were submitted in a timely manner to the Chief Financial Officer, the Accounting Officer, as well as the Executive Mayor.

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2.10.8 PROCUREMENT AND CONTRACT MANAGEMENT – SUPPLIERS NOT REGISTERED FOR VAT

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

2.10.9 PROCUREMENT AND CONTRACT MANAGEMENT – MONITORING OF CONTRACTS NOT DONE MONTHLY

The Contract Management Office (established in 2018/19) continued to monitor SCM contracts above R200 000, that have been procured through an SCM process(es). The following objectives were set and achieved during the 2019/20 financial year:

- The Contract Management Office continued to perform contract management functions coupled with direct reporting to the Manager Procurement
- Aligning the contract management procedures and systems with the rest of the SCM functions and Expenditure Department
- Formalise and implement a new Contract Management Framework which already forms part of the SCM Policy
- The implementation of an electronic Contract Management System, Electronic SCM Archive
- The implementation of a full electronic purchasing system
- Monthly reports were distributed to all contract champions on the contract status of SCM contracts
- Control and safekeeping of contract documents, in conjunction with the records department, have been improved and continually enhanced by means of the electronic system introduced during the 2019/20 financial year
- With the establishment and inclusion of the contract management function within SCM, performance management on all contracts were monitored and reported to the executive management on a monthly basis
- Contracts of a repeatable nature, due to its nature to provide continuous service delivery, were monitored by the office and notifications for renewal were sent 6 months prior to the end date of the contract-to-contract champions
- Repeatable contracts were also included in the new Demand Management Plan for the 2020/21 financial year
- Regular monitoring and review of the supplier vendor performance to ensure compliance with specifications and contract conditions for goods or services, were conducted

The following table illustrates the status of contracts during the 2019/20 financial year:

Status	Quantity
Active contracts	82
Expired contracts	25
Cancelled contracts	1
Extended contracts	11

Table 55: Status of contracts as of 30 June 2020

2.10.10 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Section 121(3)(k) of the MFMA indicates that the annual report of a municipality should include any other information as may be prescribed. The Broad Based Black Economic Empowerment (B-BBEE) Act (Act 53 of 2003; as amended by Act 46 of 2013) read in conjunction with the B-BEE Regulations of 2016 states in Section 13G(1) that all spheres of government, public entities and organs

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of state must report on their compliance with broad-based black economic empowerment in their Annual Financial Statements and Annual Reports. In accordance with the explanatory notice (Notice 1 of 2018) issued by the B-BBEE Commission the following tables provide details on the municipality's compliance with regard to broad-based black economic empowerment:

a) Management Control

Category	Number	Race Classification		Gender		Disability
Senior Management	5	A	0	Male	5	None
		C	4			
		W	1	Female	0	

Table 56: B-BBEE Compliance Performance Information: Management control

b) Skills Development

Category	Number	Race Classification		Gender		Disability	Total Amount Spend
		Category	Total	Category	Total		
Black employees	278	A	73	M	147	1	R3 111 432.16
		C	205	F	131		
Black non-employees	0	A	0	M	0	0	0
		C		F			
Black people on internships, apprenticeship, learnership	12	A	6	M	7	0	0
		C	6	F	5		
Unemployed black people on any programme under the learning programme matrix	0	A	0	M	0	0	0
		C	0	F	0		
Black people absorbed at end of internships, apprenticeship, learnership	0	A	0	M	0	0	0
		C	0	F	0		

Table 57: B-BBEE Compliance Performance Information: Skills development

c) Enterprise and Supplier Development

Total Procurement Spend			
Total Number of Suppliers	542	Total Value Spend	R170 377 704.09
Total number of Exempt Micro Enterprises (EME's) suppliers	Total value spend	% Black Ownership	%Black women ownership

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Total Procurement Spend					
46	R7 275 439.86	64	14		
Total number of Qualifying Small Enterprises (QSE's) suppliers	Total value spend	% Black Ownership	%Black women ownership		
0	0	0	0		
Total number of large suppliers	Total value spend	% Black Ownership	%Black women ownership		
496	R163 102 264.23	20	9		
Total value of 2% NPAT or 0.2% of allocated budget					
Total number of Exempt Micro Enterprises (EME's)	Total value spend	% Black Ownership	%Black women ownership	Location/s	Sector/s
0	0	0	0	Y=0, N=0	N/A
Total number of Qualifying Small Enterprises (QSE's)	Total value spend	% Black Ownership	%Black women ownership	Location/s	Sector/s
0	0	0	0	Y=0, N=0	N/A
Total value of 1% NPAT or 0.1% of allocated budget					
Total number of Exempt Micro Enterprises (EME's)	Total value spend	% Black Ownership	%Black women ownership	Location/s	Sector/s
1	R2 386 915.44	100	0	Y=1	(1.40) Business Activities: Security Services
Total number of Qualifying Small Enterprises (QSE's)	Total value spend	% Black Ownership	%Black women ownership	Location/s	Sector/s
0	0	0	0	Y=0, N=0	N/A

Table 58: B-BBEE Compliance Performance Information: Enterprise and supplier development

2.11 POLICIES

Section 11 of the MSA gives a Municipal Council the executive and legislative authority to pass and implement bylaws and policies.

Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/revised	Date adopted	Resolution Number
Asset Management Policy	28 May 2020	C28/2020
Borrowing Policy	28 May 2020	C28/2020
Budget Implementation and Management Policy	28 May 2020	C28/2020
Budget Veriment Policy	28 May 2020	C28/2020
Cost Containment Policy	30 September 2019	C71/2019
Costing Policy	28 May 2020	C28/2020
Credit Control and Debt Collection Policy	28 May 2020	C28/2020

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Policies developed/revised	Date adopted	Resolution Number
Donations Policy	30 September 2019	C71/2019
Fleet Management Policy	29 October 2019	C83/2019
Funding and Reserves Policy	28 May 2020	C28/2020
Grants in Aid Policy	30 September 2019	C71/2019
Insurance Management Policy	28 May 2020	C28/2020
Long Term Financial Plan Policy	28 May 2020	C28/2020
Property Rates Policy	28 May 2020	C28/2020
Supply Chain Management Policy	28 May 2020	C28/2020
Tariff Policy	28 May 2020	C28/2020
Ward Committee Project Funding	30 September 2019	C71/2019

Table 59: Policies

2.12 WEBSITE

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

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

The information and documents that were published on our website include the following:

Description of information and/or document	Yes/Date Published
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes (Updated as received)
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Draft & Final Budget 2019/20	29 March 2019; 31 May 2019
Adjustments Budget(s) 2019/20	23 August 2019; 1 November 2019; 12 December 2019; 28 February 2020; 17 June 2020
Asset Management Policy	31 May 2019
Customer Care, Credit Control and Debt Collection Policy	31 May 2019
Funds and Reserves Policy	31 May 2019
Rates Policy	31 May 2019

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Description of information and/or document	Yes/Date Published
Supply Chain Management Policy	31 May 2019
Tariff Policy	31 May 2019
Virement Policy	31 May 2019
Petty Cash Policy	31 May 2019
Long Term Financial Policy	31 May 2019
Borrowing Policy	31 May 2019
SDBIP 2019/20	1 July 2019
IDP and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
IDP & Budget Time Schedule / Process Plan for 2019/20	Yes
Supply Chain Management (Sections 14(2), 33, 37 and 75(1)(e) and (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	Yes
Reports (Sections 52(d), 71, 72 and 75(1)(c) and 129(3) of the MFMA)	
Annual Report of 2018/19	12 December 2019 (Draft); 30 January 2020 (Final)
Oversight reports	30 January 2020
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
Performance Management (Section 75(1)(d) of the MFMA)	
Performance Agreements for employees appointed as per S57 of MSA (2019/20)	05 August 2019
Assurance Functions (Sections 62(1), 165 and 166 of the MFMA)	
Audit Committee Charter	11 July 2019
Risk Management Policy	11 July 2019

Table 60: Website checklist

2.13 COMMUNICATION

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

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

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

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

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

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

- Regular media feedback – print, electronic and social media
- Greater focus on social media interaction
- IDP meetings (During the Covid-lockdown, inputs were invited via electronic media)
- Placement of information including all compliance documents in terms of MFMA on municipal webpage
- Meetings of Council (During the Covid-lockdown, Council meetings were conducted via Microsoft Teams – allowing more community members to attend the virtual meetings)
- Newsletters (During the Covid-lockdown, newsletters were largely replaced by electronic media placements)
- Pamphleteering and social media to disseminate information on service delivery
- Loud hailing
- Save water/electricity campaign
- Social media campaign to highlight, explain and address service delivery issues such as cable theft, illegal dumping of refuse, damage to sewerage system due to ignorance and deliberate sabotage of the system and vandalism of municipal infrastructure
- In loco inspections in the different wards by senior personnel to familiarise themselves of problems in communities and pre-empt possible challenges in future.
- Communication during the Covid-lockdown primarily comprised social media and website placements, as well as loud hailing and distributing pamphlets and posters as provided by the National- and Provincial government respectively.

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

2.13.1 COMMUNICATION ACTIVITIES

Communication activities	Yes/No	Date Approved/Completed
Communication Strategy	Yes	October 2013
Communication Policy	Yes	October 2013
Functional complaint management systems	Yes	November 2014

Table 61: Communication activities

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2.13.2 COMMUNICATION UNIT

	Yes/No	Number of people in the Unit as per organogram	Job titles
Communication Unit	Yes	4	Manager: Customer Care, Communication, Corp Branding and IGR
			Senior Communication Officer (Head of Communication)
			Marketing Officer
			Translator

Table 62: Communication unit

Chapter 3



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

3.1 PERFORMANCE MANAGEMENT

Performance management is prescribed by Chapter 6 of the MSA and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7 (1) of the aforementioned regulation states that “A municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players.” This framework, *inter alia*, reflects the linkage between the IDP, budget, SDBIP, individual and service provider performance. The Municipality adopted a Performance Management Framework and Policy that was approved by Council on 20 March 2018.

3.1.1 ORGANISATIONAL PERFORMANCE

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

- The 2019/20 Top Layer SDBIP was approved by the Executive Mayor on 25 June 2019 and the information was loaded on an electronic web-based system.
- The web-based system sends automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets by the 20th of every month for the previous month’s performance.
- Additionally, the performance system administrator circulates monthly reminders to remind all departments to update their actual performance on the web-based system.
- The actual results against monthly targets set, are discussed in the monthly management meetings to determine early warning indicators and discuss corrective measures if needed.
- The first quarterly report on the implementation of the budget was approved by the Executive Mayor in October 2019 and served before Council on 29 October 2019. The second quarterly report formed part of the Section 72 report in terms of the MFMA, which was submitted to the Executive Mayor for approval during January 2020 and served before Council on 28 January 2020. The third quarterly report was approved by the Executive Mayor in June 2020 and served before Council on 11 June 2020. It should be noted that this particular report did not serve within the legislatively prescribed period (i.e. within 30 days after the end of the quarter) due to the restrictions placed on public gatherings and meetings in response to the Covid-19 pandemic. This was done in accordance with the MFMA exemption as issued by National Treasury in Government Gazette No.43181 coupled with the Annexure to MFMA Circular No. 99. The fourth quarterly report was approved by the Executive Mayor in July 2020 and served before Council on 28 July 2020.
- Internal Audit audit the performance measurements of the Municipality on a continuous basis as prescribed by the relevant legislation, which includes submission of reports on a quarterly basis to the Municipal Manager and Performance Audit Committee.

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- The Performance Audit Committee reviews the Municipality's performance management system, which includes the quarterly reports produced and submitted by Internal Audit. The quarterly reports were submitted to the committee on 18 November 2019, 17 February 2020 and 27 May 2020 respectively.

3.1.2 INDIVIDUAL PERFORMANCE

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

The MSA prescribes that the municipality must enter into performance-based agreements with S57-employees and that performance agreements must be reviewed annually. This process and the format is further regulated by Regulation 805 (August 2006). The performance agreements for the 2019/20 financial year were signed within a month after the commencement of the new financial year (i.e. before 31 July 2020) as prescribed by legislation.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2018/19 financial year (1 January 2019 to 30 June 2019) took place on 12 September 2019 and the mid-year performance of 2019/20 (1 July 2019 to 31 December 2019) on 10 February 2020. The final evaluation pertaining to the 2019/20 financial year has been scheduled for the 10th of December 2020.

The appraisals were conducted by an evaluation panel as indicated in the signed performance agreements and consisted of the following people:

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

3.2 THE IDP AND THE BUDGET

The 2nd review of the 4th generation IDP for 2017/22, which encapsulates and elaborates on the strategic planning perspectives for 2019/20, was approved on 28 May 2019 (Resolution number C33/2019) whilst the budget for 2019/20 was also approved by Council on 28 May 2019 (Resolution number C34/2019). The "Final 2019-20 IDP – Second Review of the Fourth Generation IDP" was subsequently amended in order to incorporate the newly adopted SDF – which was approved by Council on the 13th of June 2019 (Resolution number C36/2019). The amendment process was implemented in accordance with Section 34 of the MSA, read together with Regulation 3 of the Municipal Planning and Performance Management Regulations. Subsequently, the amended IDP (titled: Amendment of the 2019-2020 Reviewed Integrated Development Plan) was approved by Council on the 20th of August 2019 (Resolution number C70/2019). The IDP process and the performance management process are integrated. The IDP fulfils the

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planning stage of performance management. Performance management in turn, fulfils the implementation, management, monitoring and evaluation of the IDP.

3.2.1 STRATEGIC ALIGNMENT

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

Strategic objective	Capital Budget		Operational Budget (Opex)	
	Total budget	Total actual expenditure	Total budget	Total actual expenditure
	R			
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	230 619 709	188 462 924	670 724 791	696 123 171
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	0	0	6 657 322	4 841 393
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	1 501 146	562 263	232 077 452	126 485 866
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	8 340 057	6 280 472	100 089 578	103 892 949
Ensure a healthy and productive workforce and an effective and efficient work environment	0	0	12 715 375	12 037 534
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	2 225 000	175 259	91 319 418	67 810 505
Total	242 685 912	195 480 918	1 113 583 936	1 011 191 418

Table 63: Budget spending per strategic objective

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

3.3 INTRODUCTION TO SERVICE DELIVERY PERFORMANCE

This chapter provides an overview of the key service achievements of the municipality that came to fruition during 2019/20 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP. It furthermore includes an overview on achievement in 2019/20 compared to actual performance in 2018/19.

3.4 STRATEGIC SDBIP (TOP LAYER)

3.4.1 PERFORMANCE INDICATORS SET IN THE APPROVED TOP LAYER SDBIP FOR 2019/20 PER STRATEGIC OBJECTIVE

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

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Target for 2019/20				
				Target	Annual	Q1	Q2	Q3	Q4	Annual
TL4	The percentage of the municipal capital budget spent on projects as at 30 June 2020 (Actual amount spent on capital projects/Total amount budgeted for capital projects) X100	% of the municipal capital budget spent	All	95%	97.48%	0.00%	0.00%	0.00%	95.00%	95.00%
TL37	Provide free basic water to indigent households earning less than R4500 as at 30 June 2020	Number of indigent households receiving free basic water	All	8 100	8 596	0	0	0	8 700	8 700
TL38	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2020	Number of indigent households receiving free basic electricity	All	8 100	8 596	0	0	0	8 700	8 700
TL39	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2020	Number of indigent households receiving free basic sanitation	All	8 100	8 596	0	0	0	8 700	8 700

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Ref	KPI Name	Unit of Measurement	Wards	2018/19		Target for 2019/20				
				Target	Annual	Q1	Q2	Q3	Q4	Annual
TL40	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2020	Number of indigent households receiving free basic refuse removal	All	8 100	8 596	0	0	0	8 700	8 700
TL41	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2020 (Short Term Borrowing + Long Term Borrowing) / Total Operating Revenue - Operating Conditional Grant	% of debt coverage	All	45%	20.20%	0.00%	0.00%	0.00%	45.00%	45.00%
TL42	Financial viability measured in terms of the outstanding service debtors as at 30 June 2020 ((Total outstanding service debtors/ revenue received for services) X100)	% of outstanding service debtors	All	15.90%	16.93%	0.00%	0.00%	0.00%	16.50%	16.50%

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Ref	KPI Name	Unit of Measurement	Wards	2018/19		Target for 2019/20				
				Target	Annual	Q1	Q2	Q3	Q4	Annual
TL43	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2020 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	All	2.4	1.35	0	0	0	1.5	1.5
TL46	Submit the approved financial statements for 2018/19 to the Auditor-General by 31 August 2019	Approved financial statements for 2018/19 submitted to the AG	All	1	1	1	0	0	0	1
TL47	Achieve a payment percentage of above 95% as at 30 June 2020 (Gross Debtors Opening Balance + Billed Revenue -Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue) x 100	% Payment achieved	All	95%	98.78%	0.00%	0.00%	0.00%	95.00%	95.00%

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Ref	KPI Name	Unit of Measurement	Wards	2018/19		Target for 2019/20				
				Target	Annual	Q1	Q2	Q3	Q4	Annual
TL48	Review the MGRO Clean Audit Plan and submit to the Municipal Manager by 31 January 2020	Letter signed off by the Municipal Manager that MGRO Clean Audit Plan was reviewed and submitted	All	1	1	0	0	1	0	1
TL49	Achieve a clean audit for the 2018/19 financial year by 31 December 2019	Audit report signed by the Auditor-General for 2018/2019	All	1	1	0	1	0	0	1

Table 64: Top Layer SDBIP targets set for 2019/20: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices

b) Ensure a healthy and productive workforce and an effective and efficient work environment

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Target for 2019/20				
				Target	Annual	Q1	Q2	Q3	Q4	Annual
TL19	Compile an item for the appointment of a municipal tribunal and submit to Council for approval by 31 August 2019	Proof of item compiled and submitted to Council for approval by 31 August 2019	All	N/A	N/A	1	0	0	0	1
TL21	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan during the 2019/20 financial year	Number of people employed in the three highest levels of management	All	1	3	0	0	0	2	2

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Ref	KPI Name	Unit of Measurement	Wards	2018/19		Target for 2019/20				
				Target	Annual	Q1	Q2	Q3	Q4	Annual
TL22	The percentage of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2020	% of the budget spent	All	1%	0.98%	0.00%	0.00%	0.00%	1.00%	1.00%
TL23	Limit vacancy rate to 15% of budgeted posts by 30 June 2020 [(Number of funded posts vacant divided by budgeted funded posts) x100]	% vacancy rate	All	15%	16.88%	0.00%	0.00%	0.00%	15.00%	15.00%

Table 65: Top Layer SDBIP targets set for 2019/20: Ensure a healthy and productive workforce and an effective and efficient work environment

- c) ***Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government***

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Target for 2019/20				
				Target	Annual	Q1	Q2	Q3	Q4	Annual
TL1	Compile a Risk Based Audit Plan and submit to the Audit Committee by 30 June 2020	RBAP submitted to the Audit Committee	All	1	1	0	0	0	1	1
TL2	Compile a strategic risk report and submit to Council by 31 May 2020	Strategic risk register submitted to Council	All	1	1	0	0	0	1	1

Table 66: Top Layer SDBIP targets set for 2019/20: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

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d) To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Target for 2019/20				
				Target	Annual	Q1	Q2	Q3	Q4	Annual
TL20	The number of FTE's created through the EPWP programme by 30 June 2020 (Person days / FTE (230 days))	Number of FTE's created through the EPWP programme by 30 June 2020	All	242	289.6	0	0	0	312	312
TL25	Sign service level agreements (SLA's) with 3 Local Tourism Associations (LTA's) by 30 September 2019	Number of SLA's signed by 30 September 2019	All	N/A	N/A	3	0	0	0	3

Table 67: Top Layer SDBIP targets set for 2019/20: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

e) To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Target for 2019/20				
				Target	Annual	Q1	Q2	Q3	Q4	Annual
TL5	Complete construction of pedestrian bridge across Donkies River in Touwsrivier by 30 June 2020	Project completed	1	N/A	N/A	0	0	0	1	1
TL6	Complete construction of shared economic infrastructure facility in Zwelethemba by 30 June 2020	Project completed	8; 16; 17; 18	N/A	N/A	0	0	0	1	1
TL26	Conduct breath alcohol screenings at roadblocks by 30 June 2020	Number of breath alcohol screenings conducted by 30 June 2020	All	1 450	1 459	434	437	439	190	1 500

Table 68: Top Layer SDBIP targets set for 2019/20: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

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f) To provide and maintain basic services and ensure social upliftment of the Breede Valley community

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Target for 2019/20				
				Target	Annual	Q1	Q2	Q3	Q4	Annual
TL3	Spend 90% of the budget allocated for the Regional Socio Economic Programme by 30 June 2020 {(Actual expenditure divided by the total approved capital budget) x 100}	% of budget spent	12; 21; 11; 13; 14; 10; 9; 8; 16; 17; 18	90%	80.79%	0.00%	0.00%	0.00%	90.00%	90.00%
TL7	Achieve 95% average water quality level as measured per SANS 241 criteria during the 2019/20 financial year	% water quality level per quarter	All	95%	97.11%	95.00%	95.00%	95.00%	95.00%	95.00%
TL8	Review the 3rd Generation Integrated Waste Management Plan and submit to Council for approval by 30 June 2020	Plan reviewed and submitted to Council for approval by 30 June 2020	All	1	0	0	0	0	1	1
TL9	Extend recycling at point of waste generation from existing 7 wards to 15 wards by 30 June 2020	Number of wards recycling extended to	1;3;4;9; 10;12;14;19	2	1	1	2	2	3	8
TL10	Spend 90% of capital budget allocated for the construction of the material recovery facility (MRF) in Worcester by 30 June 2020	% of capital budget spent	All	90%	100%	0.00%	30.00%	0.00%	90.00%	90.00%

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Ref	KPI Name	Unit of Measurement	Wards	2018/19		Target for 2019/20				
				Target	Annual	Q1	Q2	Q3	Q4	Annual
TL11	Review 5-year Water Service Development Plan (WSDP) and submit to Council for approval by 31 March 2020	Reviewed WSDP submitted to Council by 31 March 2020	All	1	1	0	0	1	0	1
TL12	Complete the project for the replacement of water pipes by 30 June 2020	Project completed	All	1	1	0	0	0	1	1
TL13	80% of sewerage samples comply with effluent standard during the 2019/20 financial year {(Number of sewerage samples that comply with General Authorisation/ Number of sewerage samples tested) x100}	% of sewerage samples compliant	All	80%	85.30%	80.00%	80.00%	80.00%	80.00%	80.00%
TL14	Spend 90% of the electricity capital budget by 30 June 2020 {(total actual capital project expenditure/total capital project budget) x 100}	% of the electricity capital project budget spent	All	90%	60.53%	0.00%	30.00%	0.00%	90.00%	90.00%
TL15	Spend 90% of the electricity maintenance budget by 30 June 2020 {(total actual maintenance expenditure/total	% of the electricity maintenance budget spent	All	90%	70.06%	0.00%	30.00%	0.00%	90.00%	90.00%

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Ref	KPI Name	Unit of Measurement	Wards	2018/19		Target for 2019/20				
				Target	Annual	Q1	Q2	Q3	Q4	Annual
	maintenance budget) x 100}									
TL16	Achieve 90% of capital budget spent on the resurfacing of roads by 30 June 2020	% of capital budget spent	All	90%	86.54%	0.00%	30.00%	0.00%	90.00%	90.00%
TL17	Achieve 90% of capital budget spent on the municipal fleet by 30 June 2020	% of capital budget spent	All	90%	97.23%	0.00%	30.00%	0.00%	90.00%	90.00%
TL18	Spend 90% of capital budget allocated for the construction of the Zwelethemba municipal swimming pool by 30 June 2020	% of capital budget spent	All	N/A	N/A	0.00%	6.00%	0.00%	90.00%	90.00%
TL27	Complete Project Inception Report regarding the new housing projects at De Doorns (GG-Camp), by 30 June 2020	Project Inception Report completed for De Doorns	5	3	1	0	0	0	1	1
TL28	Complete beneficiary allocation for the Worcester New Mandela Square project by 30 June 2020 (Beneficiary allocation linked to approved	Number of units allocated	16; 18	90%	13%	0	0	0	25	25

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Ref	KPI Name	Unit of Measurement	Wards	2018/19		Target for 2019/20				
				Target	Annual	Q1	Q2	Q3	Q4	Annual
	business plan - 25 units prioritised in 2019/20)									
TL30	Complete serviced sites for the Transhex Human Settlements Project phase 1.2 by 30 June 2020	Number of serviced sites completed in phase 1.2 by 30 June 2020	All	256	256	0	0	0	413	413
TL31	Complete beneficiary allocation for the Transhex Human Settlement project by 30 June 2020 (Beneficiary allocation linked to approved business plan - 700 units prioritised in 19/20)	Number of units allocated	All	N/A	N/A	0	0	0	700	700
TL33	Number of formal residential properties that are billed for water as at 30 June 2020	Number of residential properties that are billed for residential consumption water meters charged residential domestic tariffs or residential flat rate tariffs using an erf as a household except municipal rental flats which will be measured by using the	All	20 820	20 860	0	0	0	20 890	20 890

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Ref	KPI Name	Unit of Measurement	Wards	2018/19		Target for 2019/20				
				Target	Annual	Q1	Q2	Q3	Q4	Annual
		number of rental units.								
TL34	Number of residential properties which are billed for electricity or have pre-paid meters (excluding Eskom Electricity supplied properties) as at 30 June 2020	Number of residential properties that are billed for electricity or have pre-paid meters, charged on the residential tariffs for consumption and residential prepaid tariffs	All	22 820	22 516	0	0	0	22 580	22 580
TL35	Number of formal residential properties that are billed for sanitation/sewage services as at 30 June 2020	Number of residential properties that are billed for residential sewerage tariffs using the erf as property	All	18 370	18 590	0	0	0	18 620	18 620
TL36	Number of formal residential properties that are billed for refuse removal as at 30 June 2020	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	18 570	18 765	0	0	0	18 795	18 795

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Ref	KPI Name	Unit of Measurement	Wards	2018/19		Target for 2019/20				
				Target	Annual	Q1	Q2	Q3	Q4	Annual
TL44	Limit unaccounted electricity losses to less than 10% by 30 June 2020 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / (Number of Electricity Units Purchased) x100}	% unaccounted for electricity	All	10%	7.18%	0.00%	0.00%	0.00%	10.00%	10.00%
TL45	Limit unaccounted water losses to less than 21% by 30 June 2020 {(Number of kiloliters water available from reservoirs - number of kiloliters water sold) / (number of kiloliters water purchased or purified) x 100}	% unaccounted for water	All	21%	16.38%	0.00%	0.00%	0.00%	21.00%	21.00%

Table 69: Top Layer SDBIP targets set for 2019/20: To provide and maintain basic services and ensure social upliftment of the Breede Valley community

3.4.2 OVERALL ACTUAL STRATEGIC PERFORMANCE FOR 2019/20

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

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

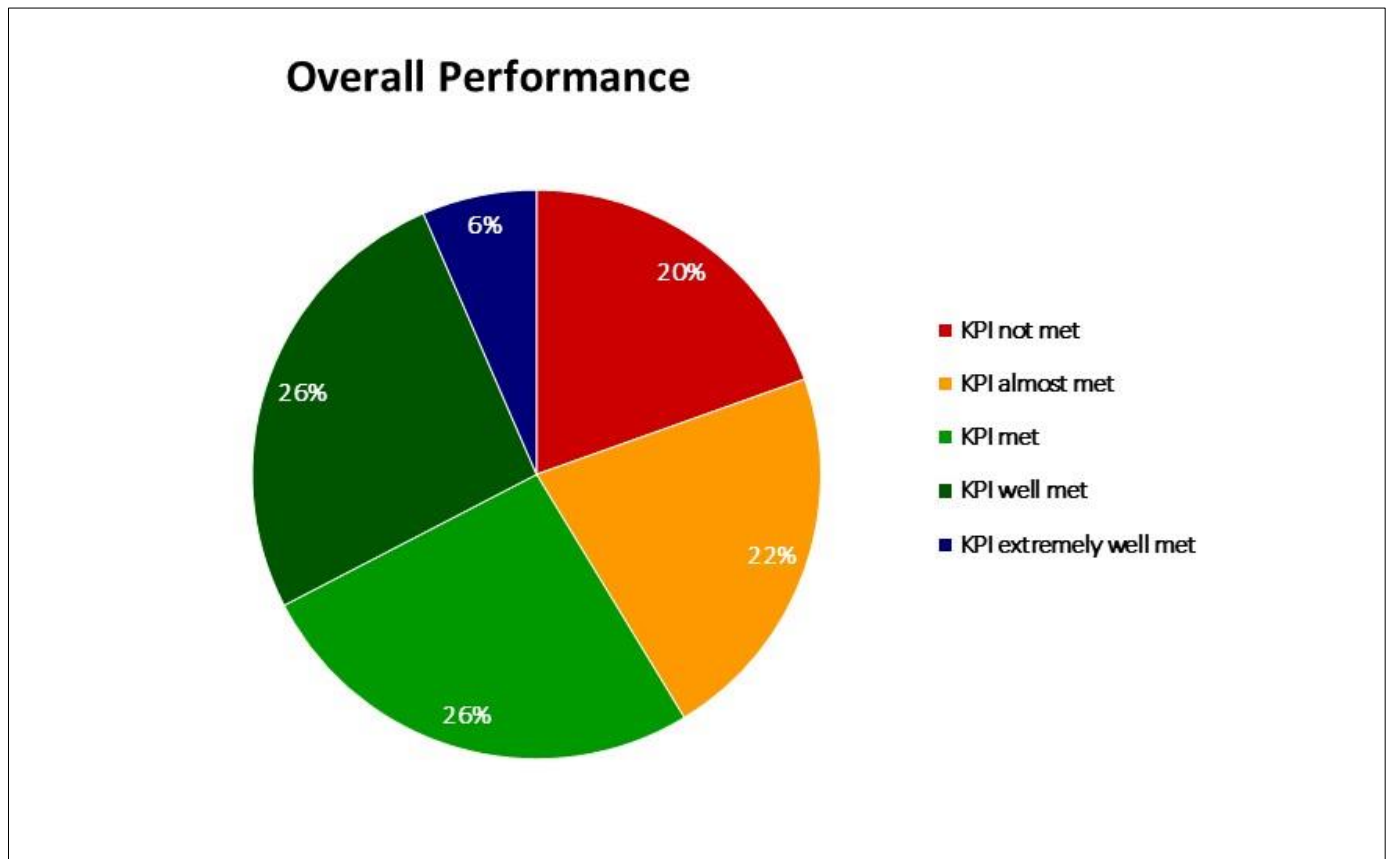
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The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPI's) of the SDBIP, are measured:

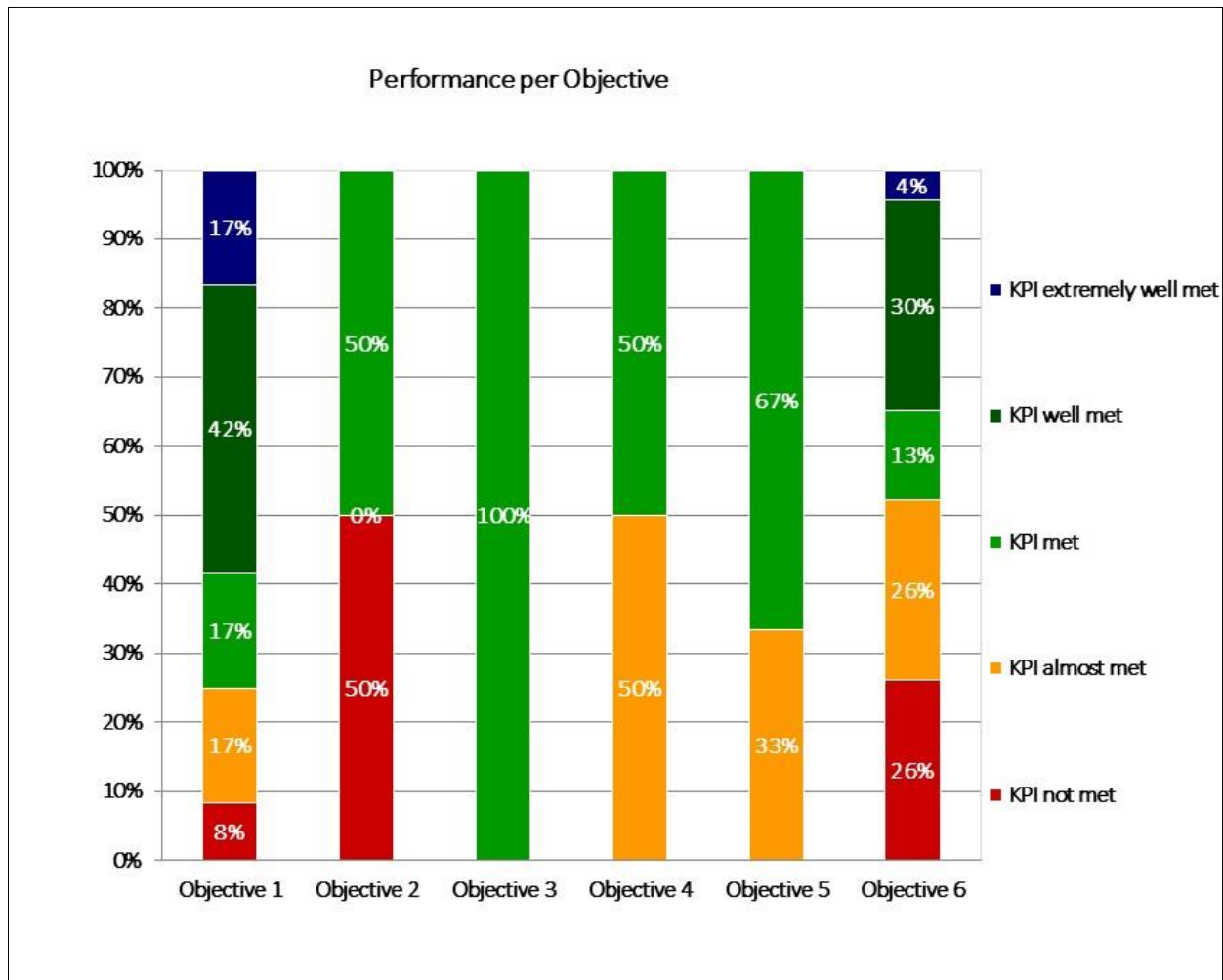
Category	Colour	Explanation
KPI Not Yet Measured		KPI's with no targets or actuals in the selected period
KPI Not Met		$0\% > \text{Actual/Target} < 75\%$
KPI Almost Met		$75\% > \text{Actual/Target} < 100\%$
KPI Met		$\text{Actual/Target} = 100\%$
KPI Well Met		$100\% > \text{Actual/Target} < 150\%$
KPI Extremely Well Met		$\text{Actual/Target} \geq 150\%$

Table 70: SDBIP measurement categories

The graph below displays the overall performance per strategic objective for 2019/20:



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Measurement Category	Objective 1 Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Objective 2 Ensure a healthy and productive workforce and an effective and efficient work environment	Objective 3 Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government	Objective 4 To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism	Objective 5 To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people	Objective 6 To provide and maintain basic services and ensure social upliftment of the Breede Valley community	Total
KPI Not Met	1	2	0	0	0	6	9
KPI Almost Met	2	0	0	1	1	6	10
KPI Met	2	2	2	1	2	3	12
KPI Well Met	5	0	0	0	0	7	12
KPI Extremely Well Met	2	0	0	0	0	1	3
Total	12	4	2	2	3	23	46

Graph 5: Overall strategic performance for 2019/20 per strategic objective

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3.4.3 DETAIL ACTUAL STRATEGIC PERFORMANCE FOR 2019/20 AND CORRECTIVE MEASURES THAT WILL BE IMPLEMENTED PER STRATEGIC OBJECTIVE

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

Ref	KPI	Unit of Measurement	Wards	Actual performance for 2018/19	Target					Overall performance for 2019/20	
					Q1	Q2	Q3	Q4	Target	Actual	
TL4	The percentage of the municipal capital budget spent on projects as at 30 June 2020 (Actual amount spent on capital projects/Total amount budgeted for capital projects) X100	% of the municipal capital budget spent	All	97.48%	0.00%	0.00%	0.00%	95.00%	95.00%	80.55%	
Corrective action		<p>Target not achieved. Due to the Covid-19 pandemic, particularly its impact on municipal financial sustainability, many of the planned discretionary capital projects were postponed/reprioritised, hence, capital expenditure was adversely influenced.</p> <p>The Municipality will continue monitor the impact of Covid-19, particularly on the municipal fiscus. Quarterly budget reviews (amongst others) will be prioritised to ensure that informed decisions are made on the introduction of new and/or re-introduction of postponed capital projects (commensurate with the municipal cash position). Funded projects will be expedited in accordance with the applicable Covid-19 lockdown and alert-level regulations</p>									
TL37	Provide free basic water to indigent households earning less than R4500 as at 30 June 2020	Number of indigent households receiving free basic water	All	8 596	0	0	0	8 700	8 700	8 891	
TL38	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2020	Number of indigent households receiving free basic electricity	All	8 596	0	0	0	8 700	8 700	8 891	
TL39	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2020	Number of indigent households receiving free basic sanitation	All	8 596	0	0	0	8 700	8 700	8 891	
TL40	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2020	Number of indigent households receiving free basic refuse removal	All	8 596	0	0	0	8 700	8 700	8 891	

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Ref	KPI	Unit of Measurement	Wards	Actual performance for 2018/19	Target					Overall performance for 2019/20	
					Q1	Q2	Q3	Q4	Target	Actual	
TL41	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2020 (Short Term Borrowing + Long Term Borrowing) / Total Operating Revenue - Operating Conditional Grant	% of debt coverage	All	20.20%	0.00%	0.00%	0.00%	45.00%	45.00%	18.46%	
TL42	Financial viability measured in terms of the outstanding service debtors as at 30 June 2020 ((Total outstanding service debtors/ revenue received for services) X100)	% of outstanding service debtors	All	16.93%	0.00%	0.00%	0.00%	16.50%	16.50%	15.66%	
TL43	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2020 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	All	1.35	0	0	0	1.5	1.5	2.05	
TL46	Submit the approved financial statements for 2018/19 to the Auditor-General by 31 August 2019	Approved financial statements for 2018/19 submitted to the AG	All	1	1	0	0	0	1	1	

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Ref	KPI	Unit of Measurement	Wards	Actual performance for 2018/19	Target					Overall performance for 2019/20	
					Q1	Q2	Q3	Q4	Target	Actual	
TL47	Achieve a payment percentage of above 95% as at 30 June 2020 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue) x 100	% Payment achieved	All	98.78%	0.00%	0.00%	0.00%	95.00%	95.00%	93.23%	
Corrective action		<p>The National lockdown resulted in a number of clients struggling to pay their debts. As a result, we were forced to relax our credit control measures in an effort to underpin and promote economic recovery. This had an adverse effect on our ability to collect debt due to the Municipality.</p> <p>As the economy starts to open up, more stricter credit control measures are being implemented. It should however be noted that implementation of these is dependent on the applicable lockdown alert-levels imposed</p>									
TL48	Review the MGRO Clean Audit Plan and submit to the Municipal Manager by 31 January 2020	Letter signed off by the Municipal Manager that MGRO Clean Audit Plan was reviewed and submitted	All	1	0	0	1	0	1	1	
TL49	Achieve a clean audit for the 2018/19 financial year by 31 December 2019	Audit report signed by the Auditor-General for 2018/2019	All	1	0	1	0	0	1	0	
Corrective action		<p>Unqualified audit with findings obtained during the 2018/19 audit.</p> <p>Management put an audit action plan in place with detailed findings and will place emphasis especially on material non compliance</p>									

Table 71: Assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices

b) Ensure a healthy and productive workforce and an effective and efficient work environment

Ref	KPI	Unit of Measurement	Wards	Actual performance for 2018/19	Target					Overall performance for 2019/20	
					Q1	Q2	Q3	Q4	Target	Actual	
TL19	Compile an item for the appointment of a municipal tribunal and submit to Council for approval by 31 August 2019	Proof of item compiled and submitted to Council for approval by 31 August 2019	All	N/A	1	0	0	0	1	1	

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Ref	KPI	Unit of Measurement	Wards	Actual performance for 2018/19	Target					Overall performance for 2019/20	
					Q1	Q2	Q3	Q4	Target	Actual	
TL21	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan during the 2019/20 financial year	Number of people employed in the three highest levels of management	All	3	0	0	0	2	2	2	
TL22	The percentage of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2020	% of the budget spent	All	0.98%	0.00%	0.00%	0.00%	1.00%	1.00%	0.74%	
Corrective action		Training could not be conducted in the last quarter of the 19/20 financial year due to the Covid-19 lockdown. Training methods that commensurate with the applicable Covid-19 Alert Level will have to be conducted. These will include (amongst others) virtual training, online training and training that adheres to social distancing etc									
TL23	Limit vacancy rate to 15% of budgeted posts by 30 June 2020 [(Number of funded posts vacant divided by budgeted funded posts) x100]	% vacancy rate	All	16.88%	0.00%	0.00%	0.00%	15.00%	15.00%	20.62%	
Corrective action		<p>All recruitment processes from the latter part of March until June had to be halted due to Covid-19 (entire 4th quarter). In addition to this, the only human resources official responsible for recruitment exited the Municipality during December and the Manager exited in February, thus, impacting on the recruitment drive.</p> <ul style="list-style-type: none"> • The Manager HR is vacant and filling this post is critical to provide direction in HR • Due to Covid-19 some previously funded posts are now unfunded. A list of all these posts must be compiled • A targeted recruitment drive to fill all essential posts first will be undertaken • Recruitment process will have to be adjusted in accordance with the applicable Covid-19 Alert Levels, and virtual interview processes must be considered where appropriate 									

Table 72: Ensure a healthy and productive workforce and an effective and efficient work environment

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c) Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

Ref	KPI	Unit of Measurement	Wards	Actual performance for 2018/19	Target					Overall performance for 2019/20	
					Q1	Q2	Q3	Q4	Target	Actual	
TL1	Compile a Risk Based Audit Plan and submit to the Audit Committee by 30 June 2020	RBAP submitted to the Audit Committee	All	1	0	0	0	1	1	1	
TL2	Compile a strategic risk report and submit to Council by 31 May 2020	Strategic risk register submitted to Council	All	1	0	0	0	1	1	1	

Table 73: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

d) To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

Ref	KPI	Unit of Measurement	Wards	Actual performance for 2018/19	Target					Overall performance for 2019/20	
					Q1	Q2	Q3	Q4	Target	Actual	
TL20	The number of FTE's created through the EPWP programme by 30 June 2020 (Person days / FTE (230 days))	Number of FTE's created through the EPWP programme by 30 June 2020	All	289.6	0	0	0	312	312	259.93	
Corrective action		<p>Performance almost met/partially achieved. An internal departmental challenge (relating to prolonged absenteeism of a critical member of the team), adversely impacted planned project implementation and ultimately performance. In addition, the Covid-19 pandemic (particularly the reprioritisation of operational funding as a result) contributed towards the inability to implement all projects as initially planned for, hence resulting in fewer work opportunities created and subsequently fewer FTE's generated.</p> <p>The internal departmental challenge has been resolved. The team is fully functional and compliant with the EPWP implementation, monitoring and reporting requirements. In addition, extensive engagements have taken place throughout the organisation to ensure that future EPWP projects are more resilient and financially feasible for implementation (i.e., through enhanced project planning prior to implementation)</p>									
TL25	Sign service level agreements (SLA's) with 3 Local Tourism Associations (LTA's) by 30 September 2019	Number of SLA's signed by 30 September 2019	All	N/A	3	0	0	0	3	3	

Table 74: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

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e) To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

Ref	KPI	Unit of Measurement	Wards	Actual performance for 2018/19	Target					Overall performance for 2019/20	
					Q1	Q2	Q3	Q4	Target	Actual	
TL5	Complete construction of pedestrian bridge across Donkies River in Touwsrivier by 30 June 2020	Project completed	All	N/A	0	0	0	1	1	1	
TL6	Complete construction of shared economic infrastructure facility in Zwelethemba by 30 June 2020	Project completed	All	N/A	0	0	0	1	1	1	
TL26	Conduct breath alcohol screenings at roadblocks by 30 June 2020	Number of breath alcohol screenings conducted by 30 June 2020	All	1459	434	437	439	190	1 500	1 182	
Corrective action		<p>Target not met due to the Covid-19 pandemic, and subsequent restrictions placed on breath alcohol screenings.</p> <p>The department will re-institute breath alcohol screenings as soon as possible (subject to the Covid-19 alert level restrictions and in accordance with guidance provided by the Provincial Department of Transport & Public Works (Directorate: Traffic Law Enforcement))</p>									

Table 75: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

f) To provide and maintain basic services and ensure social upliftment of the Breede Valley community

Ref	KPI	Unit of Measurement	Wards	Actual performance for 2018/19	Target					Overall performance for 2019/20	
					Q1	Q2	Q3	Q4	Target	Actual	
TL3	Spend 90% of the budget allocated for the Regional Socio Economic Programme by 30 June 2020 {(Actual expenditure divided by the total approved capital budget) x 100}	% of budget spent	All	80.79%	0.00%	0.00%	0.00%	90.00%	90.00%	88.11%	
Corrective action		<p>Due to delays in procurement as a result of the Covid-19 pandemic, the set target could not be met.</p> <p>The department will submit roll-over proposals to the Provincial Department of Environmental Affairs & Development Planning for consideration. Subject to approval, projects will be implemented accordingly (Covid-19 regulations permitting)</p>									

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Ref	KPI	Unit of Measurement	Wards	Actual performance for 2018/19	Target					Overall performance for 2019/20	
					Q1	Q2	Q3	Q4	Target	Actual	
TL7	Achieve 95% average water quality level as measured per SANS 241 criteria during the 2019/20 financial year	% water quality level per quarter	All	97.11%	95.00%	95.00%	95.00%	95.00%	95.00%	96.50%	
TL8	Review the 3rd Generation Integrated Waste Management Plan and submit to Council for approval by 30 June 2020	Plan reviewed and submitted to Council for approval by 30 June 2020	All	0	0	0	0	1	1	0	
Corrective action		<p>Delta Built Environment Consultants have been appointed to assist with the review of the 3rd Generation IWMP and development of the 4th Generation IWMP. This process has been adversely influenced by the Covid-19 pandemic and subsequent lockdown regulations (particularly from a public participation process on the subject matter). As a result, the respective review of the 3rd Generation IWMP was completed but was not tabled to Council prior to 30 June 2020. Additionally, the 4th Generation IWMP was completed and is earmarked to be tabled before Council in July 2020. Subject to tabling and approval, the key elements of this report will be incorporated in the 2021/22 IDP.</p> <p>Subsequent reviews/developments will be tabled to Council in accordance with the prescribed tabling timeline/deadline mentioned in the KPI description. In addition, the 4th Generation IWMP has been completed and has served before Council on 28 July 2020. This plan will serve as premise for implementation as from the 2021 financial period, and will subsequently be incorporated in the 2021/22 IDP</p>									
TL9	Extend recycling at point of waste generation from existing 7 wards to 15 wards by 30 June 2020	Number of wards recycling extended to	All	1	1	2	2	3	8	3	
Corrective action		<p>No recycling could be conducted during quarter 4 due to the Covid-19 pandemic. In addition, maintenance at the Touwsrivier MRF could not be done due to the allocated funds being reprioritised to urgent matters/priorities during the COVID 19 pandemic.</p> <p>The extension of recycling programme will be reintroduced in accordance with the applicable Covid-19 lockdown / alert-level regulations. Budget input have been submitted for the maintenance of the Touwsrivier MRF. Worcester MRF is anticipated to be operational as from October 2020 (delays due to COVID-19). This will assist the rollout of recycling within the remainder of the wards in which recycling is not yet conducted</p>									
TL10	Spend 90% of capital budget allocated for the construction of the material recovery facility (MRF) in Worcester by 30 June 2020	% of capital budget spent	All	100%	0.00%	30.00%	0.00%	90.00%	90.00%	97.56%	
TL11	Review 5-year Water Service Development Plan (WSDP) and submit to Council for	Reviewed WSDP submitted to	All	1	0	0	1	0	1	1	

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Ref	KPI	Unit of Measurement	Wards	Actual performance for 2018/19	Target					Overall performance for 2019/20	
					Q1	Q2	Q3	Q4	Target	Actual	
	approval by 31 March 2020	Council by 31 March 2020									
TL12	Complete the project for the replacement of water pipes by 30 June 2020	Project completed	All	1	0	0	0	1	1	1	
TL13	80% of sewerage samples comply with effluent standard during the 2019/20 financial year {(Number of sewerage samples that comply with General Authorisation/Number of sewerage samples tested) x100}	% of sewerage samples compliant	All	85.30%	80.00%	80.00%	80.00%	80.00%	80.00%	75.87%	
Corrective action		Prioritise the repair of broken pumps, and filling of vacancies at WWTW									
TL14	Spend 90% of the electricity capital budget by 30 June 2020 {(total actual capital project expenditure/total capital project budget) x 100}	% of the electricity capital project budget spent	All	60.53%	0.00%	30.00%	0.00%	90.00%	90.00%	56.93%	
Corrective action		<p>Due to Covid-19, most of the planned capital projects could not be implemented, hence, adversely impacting capital expenditure trends. In addition, critical vacancies still remained a challenge within the department.</p> <p>There has been a significant drive to fill the critical funded vacancies within the department which (subject to appropriately skilled & qualified candidates being recruited, selected and accepting the position) will enhance the department's capability to implement planned capital projects. In addition, the implementation of capital projects will (subject to the filling of these positions, and in accordance with the Covid-19 alert-level restrictions) be expedited to ensure that expenditure trends are improved</p>									
TL15	Spend 90% of the electricity maintenance budget by 30 June 2020 {(total actual maintenance expenditure/total maintenance budget) x 100}	% of the electricity maintenance budget spent	All	70.06%	0.00%	30.00%	0.00%	90.00%	90.00%	46.62%	
Corrective action		Due to Covid-19, operational maintenance planning schedules were disrupted and/or not required as much due to limited activity. In addition, critical vacancies still remained a challenge within the department.									

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Ref	KPI	Unit of Measurement	Wards	Actual performance for 2018/19	Target					Overall performance for 2019/20	
					Q1	Q2	Q3	Q4	Target	Actual	
		There has been a significant drive to fill the critical funded vacancies within the department which (subject to appropriately skilled & qualified candidates being recruited, selected and accepting the position) will enhance the department's ability to action planned operational maintenance. In addition, operational maintenance will (subject to the filling of these positions, and in accordance with the Covid-19 alert-level restrictions) be expedited to ensure that expenditure trends are improved									
TL16	Achieve 90% of capital budget spent on the resurfacing of roads by 30 June 2020	% of capital budget spent	All	86.54%	0.00%	30.00%	0.00%	90.00%	90.00%	79.97%	
Corrective action		Underperformance occurred due to the Covid-19 pandemic. The department will (subject to Covid-19 alert-levels & regulations) expedite the municipal resealing of roads project, to increase expenditure trends									
TL17	Achieve 90% of capital budget spent on the municipal fleet by 30 June 2020	% of capital budget spent	All	97.23%	0.00%	30.00%	0.00%	90.00%	90.00%	78.73%	
Corrective action		Besides a tipper truck which was omitted due to COVID-19 all fleet were delivered. A roll-over request will be submitted to transfer the funding budgeted for the truck in 2019/20, to 2020/21									
TL18	Spend 90% of capital budget allocated for the construction of the Zwelethemba municipal swimming pool by 30 June 2020	% of capital budget spent	All	N/A	0.00%	6.00%	0.00%	90.00%	90.00%	72.64%	
Corrective action		Project has been delayed due to Covid-19. The department will (in accordance with the Covid-19 alert levels) expedite this project. The department envisages to advertise a tender linked to the construction of the anticipated works within the first quarter of the 2020/21 financial period (in accordance with the amended project timeline)									
TL27	Complete Project Inception Report regarding the new housing projects at De Doorns (GG-Camp), by 30 June 2020	Project Inception Report completed for De Doorns	All	1	0	0	0	1	1	0	
Corrective action		Performance not achieved as the deliverable linked to objective 1 (Project Inception Report) could not be completed. However, it should be noted that a service provider has been appointed to initiate this process. In addition, preliminary engagements and works have been conducted. Unfortunately, certain deliverables within objective 1 could not be completed due to the Covid-19 pandemic. The Municipality will continue to proactively drive this initiative in collaboration with the appointed service provider. An amended project timeline will be set, in accordance with the applicable Covid-19 alert level restrictions to ensure that positive progress is made in this regard									

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

Ref	KPI	Unit of Measurement	Wards	Actual performance for 2018/19	Target					Overall performance for 2019/20	
					Q1	Q2	Q3	Q4	Target	Actual	
TL28	Complete beneficiary allocation for the Worcester New Mandela Square project by 30 June 2020 (Beneficiary allocation linked to approved business plan - 25 units prioritised in 2019/20)	Number of units allocated	All	13%	0	0	0	25	25	25	
TL30	Complete serviced sites for the Transhex Human Settlements Project phase 1.2 by 30 June 2020	Number of serviced sites completed in phase 1.2 by 30 June 2020	All	256	0	0	0	413	413	527	
TL31	Complete beneficiary allocation for the Transhex Human Settlement project by 30 June 2020 (Beneficiary allocation linked to approved business plan - 700 units prioritised in 19/20)	Number of units allocated	All		0	0	0	700	700	702	
TL33	Number of formal residential properties that are billed for water as at 30 June 2020	Number of residential properties that are billed for residential consumption water meters charged residential domestic tariffs or residential flat rate tariffs using an erf as a household except municipal rental flats which will be measured by using the number of rental units.	All	20860	0	0	0	20 890	20 890	21 247	

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

Ref	KPI	Unit of Measurement	Wards	Actual performance for 2018/19	Target					Overall performance for 2019/20	
					Q1	Q2	Q3	Q4	Target	Actual	
TL34	Number of residential properties which are billed for electricity or have pre-paid meters (excluding Eskom Electricity supplied properties) as at 30 June 2020	Number of residential properties that are billed for electricity or have pre-paid meters, charged on the residential tariffs for consumption and residential prepaid tariffs	All	22516	0	0	0	22 580	22 580	22 532	
Corrective action		The target was not met due to on-going updating and auditing of data. The target will be reviewed based on the actual data recorded									
TL35	Number of formal residential properties that are billed for sanitation/sewerage services as at 30 June 2020	Number of residential properties that are billed for residential sewerage tariffs using the erf as property	All	18590	0	0	0	18 620	18 620	18 621	
TL36	Number of formal residential properties that are billed for refuse removal as at 30 June 2020	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	18765	0	0	0	18 795	18 795	18 823	
TL44	Limit unaccounted electricity losses to less than 10% by 30 June 2020 {(Number of Electricity Units Purchased -Number of Electricity Units Sold) / (Number of Electricity Units Purchased) x100}	% unaccounted for electricity	All	7.18%	0.00%	0.00%	0.00%	10.00%	10.00%	5.41%	

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

Ref	KPI	Unit of Measurement	Wards	Actual performance for 2018/19	Target					Overall performance for 2019/20	
					Q1	Q2	Q3	Q4	Target	Actual	
TL45	Limit unaccounted water losses to less than 21% by 30 June 2020 {(Number of kiloliters water available from reservoirs - number of kiloliters water sold) / (number of kiloliters water purchased or purified) x 100}	% unaccounted for water	All	16.38%	0.00%	0.00%	0.00%	21.00%	21.00%	31.12%	
Corrective action		The target was not met due to faulty meters at the source that were not accurately reading/calibrated. The Municipality is in process of procuring the services of a service provider to render bulk meter calibration for the bulk meter in Stettynskloof Dam as this has not been done in the last year									

Table 76: To provide and maintain basic services and ensure social upliftment of the Breede Valley community

3.5 SERVICE PROVIDER STRATEGIC PERFORMANCE

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

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

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

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

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

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

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

3.5.1 OFFICE OF THE MUNICIPAL MANAGER

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Appointment of "IDI Technology Solutions (Pty) Ltd" for the Provision of the Barnowl System in terms of Regulation 36 (1)(a)(ii) & (v) for the period of three years	36 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Construction of a shared economic infrastructure facility (SEIF) for informal traders and pedestrian facilities in Zwelethemba	4 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Construction of pedestrian bridge in Touwsrivier	5 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Construction of new artificial grass mini-soccer pitch in Touwsrivier	2 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A

Table 77: Service provider performance: Office of the Municipal Manager

3.5.2 FINANCIAL SERVICES

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
General Valuation for the period 1 July 2016 to 30 June 2020	36 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Provision of Banking (and related) Services for a period not	5 Years	Active	The service provider provided good/satisfactory	N/A

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

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
exceeding five (5) years			service, which is in line with the contract specifications	
Provision of Auctioneering Services for the period ending 30 June 2020	24 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of meter reading equipment and software solution (inclusive of support services) for a period not exceeding three (3) years	34 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Provision of debt collection services for a period not exceeding three (3) years	33 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of tissue paper products for the period ending 30 June 2021	31 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of printing paper products for the period ending 30 June 2021	30 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Provision of water and electricity meter reading services for the period not exceeding three (3) years	28 Months	Active	Service provider provided an unsatisfactory service	Close performance monitoring with regular performance interventions in order to correct under performance
Provision of accounting services to ensure completion of the GRAP/ mSCOA compliant AFS for the	28 Months	Active	The service provider provided good/satisfactory service, which is in line	N/A

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

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
period not exceeding three (3) years			with the contract specifications	
Supply and delivery of LED street and flood lights for a period not exceeding (12) twelve calendar months	12 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of protective clothing for the period ending 30 June 2021	26 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Core financial system of the municipality	30 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Provision of on-line electronic search and information verification services for a period ending 30 June 2022	36 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Facilitation of third-party payment (municipal service account) services for a period ending 30 June 2022	36 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Short term insurance services for the for the period ending 30 June 2022	36 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of high security padlocks (inclusive of protected keys and accessories) for the period ending 30 June 2022	34 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A

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

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Printing, folding and distribution of Municipal accounts and newsletters for a period ending 30 June 2022	36 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Implementation of a revenue enhancement strategy (inclusive of data cleansing) for a period ending 30 June 2021	36 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of electrical cable and wire products for the period ending 30 June 2022 (Bidder 1)	30 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of electrical cable and wire products for the period ending 30 June 2022 (Bidder 2)	30 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of electrical cable and wire products for the period ending 30 June 2022 (Bidder 3)	30 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of detergents and cleaning materials for the period ending 30 June 2022 (Bidder 1)	32 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of detergents and cleaning materials for the period ending 30 June 2022 (Bidder 2)	32 Months	Cancelled	Notification for cancellation submitted.	Service provider withdrew from the bidding process after the award was made
Supply and delivery of detergents and cleaning materials for	32 Months	Active	The service provider provided good/satisfactory service, which is in line	N/A

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

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
the period ending 30 June 2022 (Bidder 3)			with the contract specifications	
Supply and delivery of detergents and cleaning materials for the period ending 30 June 2022 (Bidder4)	32 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of detergents and cleaning materials for the period ending 30 June 2022 (Bidder 5)	32 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of detergents and cleaning materials for the period ending 30 June 2022 (Bidder 6)	32 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of detergents and cleaning materials for the period ending 30 June 2022 (Bidder 7)	32 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications is in line with the contract specifications	N/A
Provision of professional travel agency services for the period ending 30 June 2021	26 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Compilation and maintenance of general and supplementary valuation rolls	30 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of plastic refuse bags for the period ending 30 June 2020 (Black)	28 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A

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

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Supply and delivery of plastic refuse bags for the period ending 30 June 2020 (Blue)	28 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of plastic refuse bags for the period ending 30 June 2020 (Clear)	28 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A

Table 78: Service provider performance: Financial Services

3.5.3 STRATEGIC SUPPORT SERVICES

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Rendering of Telecom Reporting and Cost Management Services for the Breede Valley Municipality for the period ending 30 June 2020	27 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Upgrade of Wireless Radio Network (and Related Services) within the Breede Valley Municipal area for a period not exceeding three (3) years	27 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Professional interpretation and translation services for a period ending 30 June 2021	34 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Communication services for a period ending 30 June 2021	35 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A

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

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Supply, delivery, installation and commissioning of a Human Resource Management System, Payroll System as well as a Time and Attendance System (inclusive of support services) for a period not exceeding three (3) years	41 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and implementation of Disaster Recovery Solution	36 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Rental of multi-functional office machines (inclusive of related services) for a period not more than 3 years (36 months)	36 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Document archiving and automated process and workflow system	36 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Performance Management System and related services	36 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Provision and maintenance of internet and related services for a period ending 30 June 2021	25 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Group life insurance scheme (inclusive of an optional funeral cover)	36 Months	Active	The service provider provided good/satisfactory service, which is in line	N/A

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

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
for the period ending 30 June 2022			with the contract specifications	
Provision of training: Library Science Learner ship	18 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Implementation of wi-fi access points and related services (including maintenance) for the period ending 30 June 2022	37 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Services for the provision of a business case on an integrated IT system (to conduct an ERP feasibility study)	3 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Rendering of hygiene cleansing services for the period ending 30 June 2022	28 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A

Table 79: Service provider performance: Strategic Support Services

3.5.4 COMMUNITY SERVICES

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Rental of Chemical Toilet Facilities for the period ending 30 June 2020	36 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Provision of security services for a period not exceeding three (3) years (Cluster 1A)	31 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A

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

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Provision of security services for a period not exceeding three (3) years (Cluster 1B)	31 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Provision of speed law enforcement and back office services for a period ending 30 June 2021	27 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Back office fines system	36 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Upgrading of basket rooms at the Grey Street swimming pool, Worcester.	2 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Upgrading of swimming pool facilities (including filters, pumps and valves) at the De La Bat swimming pool, Worcester	1 Month	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
External upgrades to the De Doorns Fire Station	2 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A

Table 80: Service provider performance: Community Services

3.5.5 TECHNICAL SERVICES

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Professional services for the construction of	17 Months	Completed	The service provider provided good/satisfactory	N/A

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

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Material Recovery Facility			service, which is in line with the contract specifications	
Professional services for the construction of Langerug 20ml reservoir and water supply pipeline	36 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Professional services for the construction of sewer pump station and rising main Transhex development	36 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Work order system for the period of three years ending 30 June 2021	34 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Rendering of street cleaning services within the Worcester Central Business area for the period ending 30 June 2020	33 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply, installation and management of a STS compliant prepayment electrical vending system for a period ending 30 June 2021	25 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of water purifying chlorine for the period ending 30 June 2021 (Liquid Chlorine)	28 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of water purifying chlorine for the period ending 30 June 2021 (Granular Chlorine)	28 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A

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

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Supply and delivery of hydrated water purifying lime for the period ending 30 June 2021 - Hydrated Lime (20kg bags)	28 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of hydrated water purifying lime for the period ending 30 June 2021 - Hydrated Lime (in bulk)	28 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of road building material for the period ending 30 June 2021	28 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of bitumen products for the period ending 30 June 2021	28 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of concrete products for the period ending 30 June 2021	28 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Resurfacing of municipal roads for the period ending 30 June 2021	37 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Construction of a material recovery facility and associated infrastructure adjacent to the Worcester Landfill.	7 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply, delivery, installation and commissioning of HV switchgear at the	7 Months	Completed	The service provider provided good/satisfactory service, which is in line	N/A

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

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Gasnat substation, Worcester			with the contract specifications	
Supply, delivery, installation and commissioning of a new 66kV VT's and CT's for Robertson sub-station	7 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Maintenance of traffic signal equipment within the Breede Valley Municipality for the period ending 30 June 2022	29 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply, deliver, installation and hand over of new high mast lights within the Breede Valley Municipality	3 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Maintenance of Low Voltage (LV) Reticulation networks and equipment	28 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Maintenance of streetlights, high mast lights and stadium flood lights	28 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Professional services for the construction of swimming pool at Zwelethemba, Worcester	26 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Bulk electrical services for the Transhex housing development in Worcester - Phase 2	8 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A

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

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Professional services for construction of reservoirs - preloads	26 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of combination high pressure water and vacuum drain cleaning machine onto a single chassis ("Alternative Offer")	4 Months	Active	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A
Provision and Implementation of Fleet Management System / Solution for a period of three (3) years	37 Months	Completed	The service provider provided good/satisfactory service, which is in line with the contract specifications	N/A

Table 81: Service provider performance: Technical Services

3.6 MUNICIPAL FUNCTIONS

3.6.1 ANALYSIS OF FUNCTIONS

The municipal functional areas are as indicated below:

Municipal function	Municipal function: Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes

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

Municipal function	Municipal function: Yes / No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	N/A
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 82: Municipal functions (functional areas)

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

3.7 OVERVIEW OF PERFORMANCE PER WARD

The tables below provide an overview of the performance per ward:

The tables below provide an overview of the performance per ward (cognisance should be taken that Covid-19 had a significant impact on the ability to implement and roll-out capital projects, particularly those that are discretionary in nature):

3.7.1 WARD 1

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Construction of pedestrian bridge over Donkies River in Touwsrivier	1 July 2019	30 June 2020	1 305 855
2	Resealing of Municipal Roads - Touwsrivier	1 July 2019	30 June 2020	95000
3	Steenvliet - Upgrade Cricket Field (MIG Form ID 236961)	1 July 2019	30 June 2020	45 900
<i>The above analysis includes only the 3 largest capital projects of the ward</i>				

Table 83: Capital projects of ward 1

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	900 houses urgently needed near Hugo Street	Feasibility studies and EIA pertaining to potential housing development within Touwsrivier has been completed. The matter is receiving further attention. The upgrade of the sewerage system and water pipeline is currently in planning phase. The Municipality envisages to apply for extra funding from the Western Cape Department of Human Settlement to complete the planning process
2	Upgrade of sewerage system for housing projects	Touwsrivier infrastructure development is included in respective infrastructural master plans and is subject to the approval of particular developments (e.g. housing project)
3	Reservoirs and upgrading of water system for future developments and housing projects	Touwsrivier infrastructure development is included in respective infrastructural master plans and is subject to the approval of particular developments (e.g. housing project)
4	Land for graveyards near Uitsig houses	A potential site has been identified for the development of a new graveyard, however, it is not located near the Uitsig houses (as deemed by the study). Erf 1832 (a portion thereof) has been earmarked as a suitable site. The intention is to submit a subdivision application of erf 1832 (portion 1 - 2490 m ²) and rezoning application (Agriculture I to Open Space II) linked to the establishment of a graveyard on portion 1 of erf 1832. An item is anticipated to be submitted to the municipal tribunal by the end of the calendar year (i.e. December 2020)

Table 84: Top four service delivery priorities for wards 1

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

3.7.2 WARD 2

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	High Mast Lighting Stofland – MIG	1 July 2019	30 June 2020	1 056 899
2	Fire Station - De Doorns (Ward 3) (MIG Form ID 228572, Counter Funding)	1 July 2019	30 June 2020	487 977*
3	Complete building at De Doorns WWTW	1 July 2019	30 June 2020	196 648 *
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 85: Capital projects of ward 2

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Housing in Stofland & Transhex in Worcester	Due to the development of Transhex, all other housing projects (throughout the entire municipal area) has been shifted to the outer years for consideration. The need for housing in De Doorns (Stofland will remain on the housing pipeline until implementation thereof)
2	Electrical boxes in Stofland	This priority falls within the Eskom distribution area/jurisdiction
3	Speed humps in Stofland (addresses to be confirmed)	This request is currently unfunded. Future budgetary consideration must be taken to potentially fund this priority in the outer years
4	Upgrade of roads in Stofland	Resurfacing has been conducted in Retief Street (Pretorius to Smeeton Streets), Rabe Crescent, Hibiscus and Roos Street (18/19). Approximately 15km of gravel roads to be upgraded at a cost of R75.8 million. Project is currently unfunded

Table 86: Top four service delivery priorities for ward 2

3.7.3 WARD 3

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Fire Station - De Doorns (Ward 3) (MIG Form ID 228572, Counter Funding)	1 July 2019	30 June 2020	487 977*
2	Replace 11 Kv cable from Rumosa to Voortrekkerweg (1 500 m @ 185 mm Al PILC)	1 July 2019	30 June 2020	401 175
3	Complete building at De Doorns WWTW	1 July 2019	30 June 2020	196 648*

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

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

Capital projects of ward 3

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Electricity and development of Hassie Square	Hassie Square is within the 1:50 and 1:100 floodline. No development permitted
2	Relocating outside toilets into houses - RDP houses and 157 scheme upgrade	The relocation of outside toilets is a common need throughout the entire BVM. The relocation methodology/schedule will be reviewed to ensure that the priority is rolled-out in an equitable manner across wards (in accordance with available resources). In addition, vulnerable and elderly citizens will enjoy preference. 157 Scheme RDP houses are being transferred; hence the assigned owner will be responsible for maintenance/upgrades
3	Robot at Violet & Tambo Street	Investigation has been conducted. It was found that the traffic volume does not warrant a traffic light. A 4-way stop was recommended
4	Extension of streetlights in Voortrekker Way from SAPD to Sibabalwa School	Repair and maintenance of streetlights are being prioritised in-line with applicable maintenance budget. MIG funding need to be applied for to extend the current streetlights

Table 87: Top four service delivery priorities for ward 3

3.7.4 WARD 4

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Fire Station - De Doorns (Ward 3) (MIG Form ID 228572, Counter Funding)	1 July 2019	30 June 2020	487 977*
2	Complete building at De Doorns WWTW	1 July 2019	30 June 2020	196 648*
3	Development of Parks	1 July 2019	30 June 2020	60 000
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 88: Capital projects of ward 4

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

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Community hall in Orchard Sunny side.	Land has been identified to potentially accommodate this need. The construction cost for the hall is estimated between R6 and R8 million and is currently not funded. This priority will remain on the planning horizon
2	Tarring of roads: Chris Hani Street, Jakaranda Street, Sir James Street, St Elmo Street, Balinga Street & Biko Street	All gravel roads are maintained throughout BVM in accordance with the approved operational maintenance budget and programme. Estimated cost of R6.6 million for 1.7 km new roads. Project is unfunded and will remain on the planning horizon
3	Bulk infrastructure and top structures for phase 3 of housing project in Orchard Sunny Side	Bulk capacity does not allow for the extension of the area and there are no future plans for Phase 3 in Sunnyside Orchard
4	EPWP workers to be deployed in Orchards	The municipal EPWP has been rolled-out in accordance with the approved project proposals for 2019/20. The Municipality will continue to implement the EPWP programme in the 2020/21 financial period. Beneficiaries within ward 4 will be considered subject to a specific project proposal being submitted for implementation within the ward (beneficiaries will be considered in accordance with the EPWP selection criteria)

Table 89: Top four service delivery priorities for ward 4

3.7.5 WARD 5

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - Worcester	1 July 2019	30 June 2020	4 418 731*
2.	Refuse Compactor Trucks (19m ³)	1 July 2019	30 June 2020	2 334 921*
3.	Upgrading of Stettynskloof Supply Pipe Line - Phase 3	1 July 2019	30 June 2020	51 640*
<p style="text-align: center;"><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p style="text-align: center;"><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 90: Capital projects of ward 5

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Transfer of land to the Municipality in GG Camp and De Wet	MAYCO resolved that a feasibility study must be completed in GG Camp before the land transfer can be considered. There are no plans to transfer De Wet to the Municipality. The feasibility study will be completed in this current financial year
2	High-mast light in GG Camp and De Wet Station	Two 40m high-mast lights were erected, project completed

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

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
3	Fire extinguishers and sand buckets for GG Camp to extinguish fires	Application for funding has been submitted to have smoke detectors installed in structures. It is estimated that 200 smoke detectors will be installed within structures
4	Sports facilities with a spectator's fence	A MIG application has been submitted to the Department of Cultural Affairs & Sport regarding this priority. Feedback from the department is still awaited. Priority will be considered subject to the approval of the application

Table 91: Top four service delivery priorities for ward 5

3.7.6 WARD 6

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of municipal roads - Worcester	1 July 2019	30 June 2020	4 418 731*
2	Electricity: Municipal vehicles (LDV)	1 July 2019	30 June 2020	904 518*
3	Ward 6 - Development of parks	1 July 2019	30 June 2020	51 464
<p style="text-align: center;"><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p style="text-align: center;"><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 92: Capital projects of ward 6

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Transfer houses for ownership to tenants	The sub-division of Eich & Keyter Street is currently underway. The sub-division applications have been submitted to the relevant tribunal. Sub-division of Tuindorp is in process, but certain issues (relating to land exchange and cost of services) need to be clarified before sub-division can be completed
2	Fencing of sub-station in Kuhn Street	R44 000 budgeted for the fencing of substations within Ward 6. However, the project was postponed due to Covid-19. A budget roll-over request has been submitted to ensure that the funds are availed in the 2020/21 financial year
3	Stormwater pipes to be installed in ditch in Keyter Street and Henry Gird Street on the park side and covered with ground and grass and levelled	Construction falls within natural water course (subject to environmental authorization). Anticipated cost of R2 million (unfunded)
4	Spray lights for parks in Janszen, Palm Avenue, corner of Van der Merwe Street and Sangster Street	Project completed. Spray lights in the park situated at the corner of Van der Merwe and Sangster Street anticipated to be completed within 2020/21

Table 93: Top four service delivery priorities for ward 6

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

3.7.7 WARD 7

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	SB De la Bat - Upgrade of filters and pump	1 July 2019	30 June 2020	820 565
2	Upgrade library	1 July 2019	30 June 2020	281 544
3	Waterloo Library - Replace equipment	1 July 2019	30 June 2020	28 340
<i>The above analysis includes only the 3 largest capital projects of the ward</i>				

Table 94: Capital projects of ward 7

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Request development proposals for the "Ou Burgersparkkaravaanpark", as well as the disposal of Erf 13953 and 13954	Item served at Council. Auction process followed to dispose of erven 13953 and 13954. No bids received. Item to be tabled in Council again to rescind and review the previous resolution to include a further portion
2	Slipway at the De la Bat- and Rouxway intersection (towards town)	Detail design and bid document of traffic circle completed. Anticipated construction cost R7 million. Currently unfunded
3	Slipway from High- to Siring Avenue (by De la Rosa-trailers towards Roux Park)	R500 000 budgeted for the construction of the slipway in 2019/20. Unfortunately, the project could not realise due to Covid-19. The funds have been rolled over to the 2020/21 financial year
4	Traffic light (and slipway) at the High- and Louis Lange intersection (from the direction of the Industrial Area)	Detail design and bid document of traffic circle completed. Anticipated construction cost R8.8 million. Currently unfunded

Table 95: Top four service delivery priorities for ward 7

3.7.8 WARD 8

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of municipal roads - Worcester	1 July 2019	30 June 2020	4 418 731*
2	Abattoir Street rehabilitation	1 July 2019	30 June 2020	1 200 000
3	Erosion protection of Hex River: Phase 2 (300m @ R13,333.33/m)	1 July 2019	30 June 2020	71 245
<i>The above analysis includes only the 3 largest capital projects of the ward</i>				

Table 96: Capital projects of ward 8

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

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Tarring of Streets: Busa, Mpinda, Bahumi, Ndyalvan, Baartman and Bodla (Wit huis), upgrade and maintenance of all gravel roads and fixing of potholes in Busa and Mapinda Streets	Approximately 5km of gravel roads to be upgraded at a cost of R22.5 million. Project is unfunded. Fixing of potholes in Busa and Mpinda form part of maintenance programme
2	Relocation of outside toilets into houses	This is a common need throughout the entire BVM. The relocation methodology/schedule will be reviewed to ensure that the priority is rolled-out in an equitable manner across wards (in line with available resources). In addition, vulnerable and elderly citizens will enjoy preference. A total of 30 toilets have been relocated in Ward 8 since the 2016/17 financial year. On this premise, the Municipality will prioritise other areas which have not yet been considered
3	Swimming pool - Bus transport to be provided by the Municipality in the interim, to and from the swimming pool over weekends for children of Zwelethemba	The Municipality cannot provide transportation services for the purposes as requested. However, the provision of the pool in Zwelethemba is still ongoing. Timeline has been adversely impacted due to the Covid-19 pandemic; however, it has been adjusted accordingly. BID BV 825/2020 Construction of Swimming Pool has been advertised and tender closed on 30 October 2020. Anticipated commencement date of construction is April 2021 and completion December 2021
4	Upgrade of sewer blockages and regular maintenance	Sewerage and sanitation systems are regularly maintained in accordance with the operational maintenance programme and budget

Table 97: Top four service delivery priorities for ward 8

3.7.9 WARD 9

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of municipal roads - Worcester	1 July 2019	30 June 2020	4 418 731*
2	Leighpoldt Street rehabilitation	1 July 2019	30 June 2020	2 500 000
3	Artificial grass mini soccer pitch	1 July 2019	30 June 2020	796 938*
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 98: Capital projects of ward 9

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

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Upgrade of sewerage system	Sewerage and sanitation systems are regularly maintained in accordance with the operational maintenance programme and budget
2	Pave/tar the link between Springveldt and Marais Street	Resealing was conducted in Ward 9 during the 2019/20 financial year
3	Transfer title deeds in Roodewal and Chessies	Council has approved 29 properties to be transferred in the area. A consultant has been appointed to commence with the transfer process
4	Construct toilets and ramps for the elderly and disabled in Roodewal and Chessies	This is a common need throughout the entire BVM. The relocation methodology/schedule will be reviewed to ensure that the priority is rolled-out in an equitable manner across wards (in line with available resources). In addition, vulnerable and elderly citizens will enjoy preference

Table 99: Top four service delivery priorities for ward 9

3.7.10 WARD 10

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Electrical reticulation - Upgrade Gasnat Substation, install new switch gear	1 July 2019	30 June 2020	1 867 501*
2	Municipal vehicles (LDV)	1 July 2019	30 June 2020	620 938*
3	Cherry picker vehicles - Electricity	1 July 2019	30 June 2020	139 885*

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

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

Table 100: Capital projects of ward 10

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Upgrade of Roodewal and Hexpark flats	Forms part of operational maintenance programme. Upgrading the rental units would entail a significant capital cost and is currently not funded. Investigations are required to ascertain/review the cost estimate linked to the upgrade of rental units
2	Upgrade of sewerage system in Ward 10	Sewerage and sanitation systems are regularly maintained in accordance with the operational maintenance programme and budget
3	Speed hump at Hex Park Crèche, erection of road signs and marks	R110 000 budgeted (RSEP) for the construction of a speed hump in Roodewal/Hexpark (Wards 9 & 10). The project could

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

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
		not be completed due to Covid-19. Funding will be considered in 2020/21 in order to address priority. Road signs and marks forms part of operational maintenance
4	Skills development programs through EPWP office e.g plumbing, electricity, etc.	The municipal EPWP programme has been rolled-out in accordance with the approved project proposal(s) and funding allocation. The EPWP programme will be rolled-out during 2020/21 on the same premise. Beneficiaries in Ward 10 will be considered subject to the project particulars and selection criteria being met

Table 101: Top four service delivery priorities for ward 10

3.7.11 WARD 11

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of municipal roads - Worcester	1 July 2019	30 June 2020	4 418 731*
2	Durban Street - Replace overhead network to underground network complete	1 July 2019	30 June 2020	1 757 771*
3	SB Grey Street - Upgrade of basket rooms	1 July 2019	30 June 2020	342 497
<p style="text-align: center;"><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 102: Capital projects of ward 11

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Upgrading of indoor sport centre with air-conditioning and expansion of gym and gym equipment	Plans have been developed and submitted to DCAS for consideration. Further feedback will be provided subject to receipt of response from DCAS
2	Safeguarding and re-development of Buitekant, Gordon, Sohgne and Grey Streets	Redevelopment of OVD forms part of housing pipeline
3	Act against illegal trade of liquor, drugs and the eviction of drug dealers from rental units	This priority needs to be pursued in collaboration with SAPS, Department of Community Safety, applicable departments within BVM and the immediate community. Reference should be made to the Community Safety Plan, and particularly the role of the Community Safety Forum towards addressing this social ill
4	Regular cleaning and development of open spaces	Cleaning forms part of the operational maintenance programme

Table 103: Top four service delivery priorities for ward 11

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3.7.12 WARD 12

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of municipal roads - Worcester	1 July 2019	30 June 2020	4 418 731*
2	Artificial grass mini soccer pitch	1 July 2019	30 June 2020	796 938*
3	Municipal vehicles (LDV)	1 July 2019	30 June 2020	620 938*
<p style="text-align: center;"><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 104: Capital projects of ward 12

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Tarring/sealing of gravel roads in Avian Park (Ward 12)	R1 million has been budgeted in the 2020/21 financial period linked to the upgrading of gravel roads (Sandpiper Street). In addition, the Municipality envisages to commence with a tender process linked to the upgrade of all gravel roads in the mentioned areas in the priority description. The cost hereof is estimated at R6.6 million and is currently unfunded. The financial situation will be assessed to determine whether funding could be availed during an adjustment budget period and/or subsequent financial periods
2	Taxi Rank in Porter Street	This priority is still work in progress. It has been listed on the BVM Operational Support Plan and serves on the agenda of deliberations between the Municipality and Provincial stakeholders. Formal correspondence will be issued to the DTPW to request assistance on this project. The initiative will also be included on the new District Integrated Transport Plan in order to solicit additional intergovernmental support
3	Tarring of Fisant Street	Priority forms part of regular maintenance programme. 453,7m resurfaced during 2019/20
4	Cover open spaces beneath staircases at U & T Flats in Russel Scheme and washing lines	Completed (project funded through ward-based project funding)

Table 105: Top four service delivery priorities for ward 12

3.7.13 WARD 13

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of municipal roads - Worcester	1 July 2019	30 June 2020	4 418 731*

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Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
2	Electricity: Municipal vehicles (LDV)	1 July 2019	30 June 2020	904 518*
3	Artificial grass mini soccer pitch	1 July 2019	30 June 2020	796 938*
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 106: Capital projects of ward 13

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Building on toilets in houses at Riverview	This is a common need throughout the entire BVM. The relocation methodology/schedule will be reviewed to ensure that the priority is rolled-out in an equitable manner across wards (in line with available resources). In addition, vulnerable and elderly citizens will enjoy preference
2	Paving of the sidewalk at Eden School	Due to Covid-19, discretionary funding has been reprioritised. As a result, this priority is unfunded and will be considered for implementation in subsequent financial period(s)
3	Building a 1.5-meter-high wall in Jason Street to prevent illegal dumping	Due to Covid-19, discretionary funding has been reprioritised. As a result, this priority is unfunded and will be considered for implementation in subsequent financial period(s)
4	Beautification of Elizabeth Street and smart fencing of Riverside Golf Club	Due to Covid-19, discretionary funding has been reprioritised. As a result, this priority is unfunded and will be considered for implementation in subsequent financial period(s)

Table 107: Top four service delivery priorities for ward 13

3.7.14 WARD 14

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Reservoir, supply pipeline and augmentation of pumpstation (MIG Counter funding)	1 July 2019	30 June 2020	5 395 911*
2	Artificial grass mini soccer pitch	1 July 2019	30 June 2020	836 151*
3	Pre-loads Reservoir	1 July 2019	30 June 2020	505 372*
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 108: Capital projects of ward 14

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Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Fencing of electricity boxes in Riverview flats (K & L block and S & T block)	Due to Covid-19 project was delayed, however, a budget roll-over request was submitted to ensure that funding is availed in 2020/21
2	Solid speed humps (Davids-, Truter- & Pieterse Street)	Construction of speed hump was initially earmarked for completion during 2019/20 but has been postponed due to Covid-19. A roll-over application was submitted to transfer all funding (relating to requests for the construction of speed humps) to the 2020/21 financial period
3	Upgrade of streetlights in Ward 14 (Victoria Park and Riverview flats) and setting of timers for lights to be switched off later since it is dark during winter months	No budget available for proposed upgrade of streetlights. Will be considered as part of 2020/21 MTREF
4	Proper maintenance plan for rental units (flats) that includes maintenance and comfort for the disabled in rental units, review of rental contract and the R3 million budget for upgrade and maintenance of rental stock must be split between the wards	Maintenance of rental units are conducted in accordance with the operational maintenance programme and subject to the allocated budget

Table 109: Top four service delivery priorities for ward 14

3.7.15 WARD 15

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Reservoir, supply pipeline and augmentation of pumpstation (MIG Counter funding)	1 July 2019	30 June 2020	5 395 911*
2	Pre-loads reservoir	1 July 2019	30 June 2020	505 372*
3	Upgrade of Stettynskloof Supply Pipe Line - Phase 3	1 July 2019	30 June 2020	51 640*
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 110: Capital projects of ward 15

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Pedestrian crossing: Distillery Way, robot corner of Rabie- & Governor Street and the road must still be elevated at the Spar crossing	Pedestrian crossing at Distillery Way completed. Robot Rabie & Malan Street - approximate cost R500 000 (unfunded). Raising of road at Governor Street - Approximate cost - R60 000 (unfunded)
2	Regular cleaning in Ward 15	Regular area cleaning conducted as part of operational maintenance programme

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Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
3	A request to clean and maintain the sidewalk in Altona Boulevard	Ongoing – part of operational maintenance programme
4	Somerset Park: The cleaning of the stormwater pipe running next to Rabie Street	Ongoing – part of operational maintenance programme

Table 111: Top four service delivery priorities for ward 15

3.7.16 WARD 16

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Shared Economic Infrastructure Facility for informal traders in Zweletemba	1 July 2019	30 June 2020	3 331 333*
2	Zweletemba - New swimming pool	1 July 2019	30 June 2020	399 546*
3	Zweletemba - Upgrade of sport facilities (MIG Form ID 236972)	1 July 2019	30 June 2020	30 000*

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

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

Table 112: Capital projects of ward 16

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Electricity and toilets in New Mandela	Urban edge has been extended to include New Mandela, hence the provision of services will be planned and prioritized (services can only be extended on municipal owned land). Will form part of the housing delivery. A service provider has been appointed to conduct a study in the area that will inform the process forward
2	Relocate outside toilets into houses – Matsila and Fulang Street	This is a common need throughout the entire BVM. The relocation methodology/schedule will be reviewed to ensure that the priority is rolled-out in an equitable manner across wards (in line with available resources). In addition, vulnerable and elderly citizens will enjoy preference
3	Housing in New Mandela	New Mandela beneficiary selection has been completed. BVM has submitted the all relevant documents to the Western Cape Department of Human Settlements and the funding agreement will be issued in due time. The construction of houses can commence subject to available funding. The department must also confirm the targets for this financial year. Beneficiary allocation has also been completed. 25 beneficiaries received allocation letters

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

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
4	Maintenance of sewerage and stormwater systems	Sewerage and sanitation systems are regularly maintained in accordance with the operational maintenance programme and budget

Table 113: Top four service delivery priorities for ward 16

3.7.17 WARD 17

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Shared Economic Infrastructure Facility for informal traders in Zweletemba	1 July 2019	30 June 2020	3 331 333*
2	Zweletemba - New Swimming Bath	1 July 2019	30 June 2020	399 546*
3	Zweletemba - Upgrading of Sport Facilities (MIG Form ID 236972)	1 July 2019	30 June 2020	30 000*
<p style="text-align: center;"><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p style="text-align: center;"><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 114: Capital projects of ward 17

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Upgrade of sewerage and sanitation including the hostel houses' sewerage	Sewerage and sanitation systems are regularly maintained in accordance with the operational maintenance programme and budget
2	Transfer of title deeds	A total of 610 properties have been identified in Zwelethemba. The process is currently underway. The verification process has been completed and Deeds of Sale are being processed for registration
3	Swimming pool in Zwelethemba stadium	This process is still ongoing. Timeline has been adversely impacted due to the Covid-19 pandemic; however, it has been adjusted accordingly. BID BV 825/2020 Construction of Swimming Pool has been advertised and tender closed on 30 October 2020. Anticipated commencement date of construction is April 2021 and completion December 2021
4	Upgrade of graveyard	Refurbishment of toilet facilities has been completed. Unfortunately, theft of the doors and toilets have occurred after the refurbishment. Security doors need to be installed to reduce the risk of vandalism. In addition, it is imperative that the community takes ownership for the safeguarding of

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

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
		this facility as it is not financially viable to continually replace vandalised infrastructure

Table 115: Top four service delivery priorities for ward 17

3.7.18 WARD 18

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Transhex - Roads	1 July 2019	30 June 2020	35 795 356
2	Transhex - Water reticulation	1 July 2019	30 June 2020	22 874 789
3	Transhex - Sewer reticulation	1 July 2019	30 June 2020	22 874 789
<i>The above analysis includes only the 3 largest capital projects of the ward</i>				

Table 116: Capital projects of ward 18

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Tarring of roads in Asla Phase 1 & 2 and New Mandela	Approximately 900m paved at Yabo Street (18/19). Approximately 370m paved at Colideza Street. (Taring) Asla Phase 1 & 2 – Unfunded. (Taring) New Mandela – Unfunded. (Maintaining) Mandela Square – Forms part of maintenance Programme. Upgrade of gravel roads will take place on a continuous basis – subject to available funding (rip and replacement of streets in Asla Phase 1 & 2 as well as New Mandela)
2	High-mast light (Corner of Njila Street & Jack Street as well as Mandela Square)	Due to the Covid-19 pandemic, and subsequent budget cuts, no funding (MIG) has been approved for this priority. Future MIG applications will be considered and prioritised to address this need
3	Play park in Njila Street, Mandela Square, ASLA, corner of Busika Street & Colidiza Street	Due to COVID-19 all orders for the anticipated works have been cancelled. Currently no budget available
4	Water, toilets and electricity for Swartpad residents in Mandela square	All sites within the urban edge and on municipal land do have access to electricity and toilets. Households on private land have access to basic services (water and sanitation). An NGO has been appointed to conduct a full assessment of the area, which will provide insights into the full extent of the need pertaining to services. This will enable the Municipality to make informed decisions regarding the way forward

Table 117: Top four service delivery priorities for ward 18.

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3.7.19 WARD 19

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of municipal roads - Rawsonville	1 July 2019	30 June 2020	250 000*
2	Rawsonville WWTW - Municipal vehicles: Bakkie	1 July 2019	30 June 2020	215 686*
3	Ward 19 - Development of playpark	1 July 2019	30 June 2020	15 824
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 118: Capital projects of ward 19

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Four sports days for Ward 19	Sport days were hosted; however, none could be held during the last quarter of the financial year due to Covid-19
2	Speed humps in Cuttings Avenue and Goedeman Avenue	Speed calming was initially planned to be implemented during 2019/20 but has been postponed due to Covid-19. A roll-over application has been submitted to transfer all funding (relating to speed calming requests) to the 2020/21 financial year
3	Purchase of land for housing for farmworkers	Availability of land suitable for housing development is currently limited within Rawsonville. The Municipality is still in process of investigating and following up on potential site(s) suitable for this priority. A formal housing development process can only be considered once suitable land has been identified for such purposes
4	Paving of sidewalks in Goedeman Avenue	Anticipated cost of sidewalk R520 000. Unfunded

Table 119: Top four service delivery priorities for ward 19

3.7.20 WARD 20

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of municipal roads - Rawsonville	1 July 2019	30 June 2020	250 000*
2	Rawsonville WWTW - Municipal vehicles: Bakkie	1 July 2019	30 June 2020	215 686*
3	Rawsonville: New street lights (MIG Project Number 153229)	1 July 2019	30 June 2020	143 710
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p>				

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

Table 120: Capital projects of ward 20

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Ownership of Hamman Pieterse	Hamman Pieterse informal settlements is not sub-divided and not transferrable for ownership. The settlement is situated in the flood line and in close proximity to the sewage network. As a result, development is prohibited in terms of the environmental legislation
2	A computer training centre for the youth	Old Clinic was identified as a possible youth drop-in centre. Cape Access could not include the Rawsonville centre in their current budget
3	Every shack to be equipped with a fire extinguisher and fire hydrant	Application for funding has been submitted to have smoke detectors installed in structures
4	Robot at Geelkampie/De Nova Crossing	This is a provincial road. As a result, this priority will be communicated to the Provincial Department of Public Works (to be considered and included in their planning)

Table 121: Top four service delivery priorities for ward 20

3.7.21 WARD 21

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Ward 21 - New streetlighting (MIG number 207736)	1 July 2019	30 June 2020	668 276
2	Ward 21 - New streetlighting (MIG number 207835)	1 July 2019	30 June 2020	173 130
3	Ward 21 - Upgrade of gravel roads	1 July 2019	30 June 2020	45 296
<i>The above analysis includes only the 3 largest capital projects of the ward</i>				

Table 122: Capital projects of ward 21

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
1	Holistic Community Safety Program: e.g. Youth development, sports development, skills development programmes	Youth development programmes are facilitated by the Community Development Department. All wards and towns have the opportunity to participate in these programmes. All programmes are subject to available funding.

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Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2019/20
		The municipal EPWP programme has been rolled-out in accordance with the approved project proposals and allocated funding. The Municipality will continue to roll-out EPWP programmes on this premise, which will include beneficiaries of Ward 21
2	Mobile police station: Staffed by police officers for safety and to certify documents and sign affidavits	Priority must be escalated to the National Department of Police. Requires an inter departmental and holistic planning approach
3	Housing - Completion of 708 project and development of open spaces for housing and development	205 houses were in process to be built. 143 houses have been completed. 21 of the 143 houses have been vandalized to such an extent that the project completion has been compromised. As a result, 62 houses could not be completed
4	Community hall/MPC/sports complex/municipal building/Thusong Centre	The possibility of constructing an MPC was investigated but does not meet the criteria as per the Provincial Department. In addition, funds have been budgeted in 2019/20 towards upgrade of a playpark within the ward but could not realise due to Covid-19. These funds have been budgeted in the 2020/21 financial period

Table 123: Top four service delivery priorities for ward 21

COMPONENT A: BASIC SERVICES

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

3.8 WATER SERVICES

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

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

A different approach was implemented for the functions of Water Services Section due to the lockdown from end March 2020 due to the Corona-virus pandemic. With social distancing an important aspect, a staggered work programme and shifts was

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implemented to protect the staff and to ensure that the minimum service standards can be adhered to for essential services. In addition, water tanks were provided to informal settlements by National Department of Water and Sanitation. The quality is monitored on a regular basis and filled by Fire & Rescue Services.

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

Table 124: Existing pipelines, reservoirs and towers

The table below gives a brief description of all the highlights for water services during the 2019/20 financial year:

Highlight	Description
Best Internal Municipal Laboratory (Water/Waste for operational and/or compliance monitoring) – BVM Laboratory	Certificate for the best internal municipal laboratory was presented to Breede Valley Municipality at the 2019 WISA Annual Process Controllers Workshop in Bellville. This award is for the recognition of excellent internal laboratory facilities, management and quality control practices as well as analysis credibility
Sufficient raw water to prevent water restrictions for the 2019/20 financial year	Water scarcity did not impact BVM due to good rainfall

Table 125: Water services highlights

The table below gives a brief description of the water services challenges during the 2019/20 financial year:

Challenge	Corrective action
Insufficient budget allocations for urgent maintenance	Additional funding must be allocated

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Challenge	Corrective action
Vehicle for transportation of school children from Stettynskloof to Worcester was written off	New 14-seater must be procured
Vacancies	Filling of critical vacant positions
Vandalism and theft of BVM assets and infrastructure	Secure more funding for safeguarding of municipal assets

Table 126: Water services challenges

3.8.1 SERVICE DELIVERY INDICATORS: WATER SERVICES

The key performance indicators for water services are:

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
TL11	Review 5-year Water Service Development Plan (WSDP) and submit to Council for approval by 31 March 2020	Reviewed WSDP submitted to Council by 31 March 2020	All	1	1	1	1	
TL12	Complete the project for the replacement of water pipes by 30 June 2020	Project completed	All	1	1	1	1	
TL33	Number of formal residential properties that are billed for water as at 30 June 2020	Number of residential properties that are billed for residential consumption water meters charged residential domestic tariffs or residential flat rate tariffs using an erf as a household except municipal rental flats which will be measured by using the number of rental units.	All	20820	20860	20 890	21 247	
TL45	Limit unaccounted water losses to less than 21% by 30 June 2020 {(Number of kiloliters water available from reservoirs - number of kiloliters water sold) / (number of kiloliters water purchased or purified) x 100}	% unaccounted for water	All	21%	16.38%	21.00%	31.12%	
TL7	Achieve 95% average water quality level as measured per SANS 241 criteria during the 2019/20 financial year	% water quality level per quarter	All	95%	97.11%	95.00%	96.50%	

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Table 127: Service delivery indicators: Water services

3.8.2 WATER SERVICE DELIVERY LEVELS

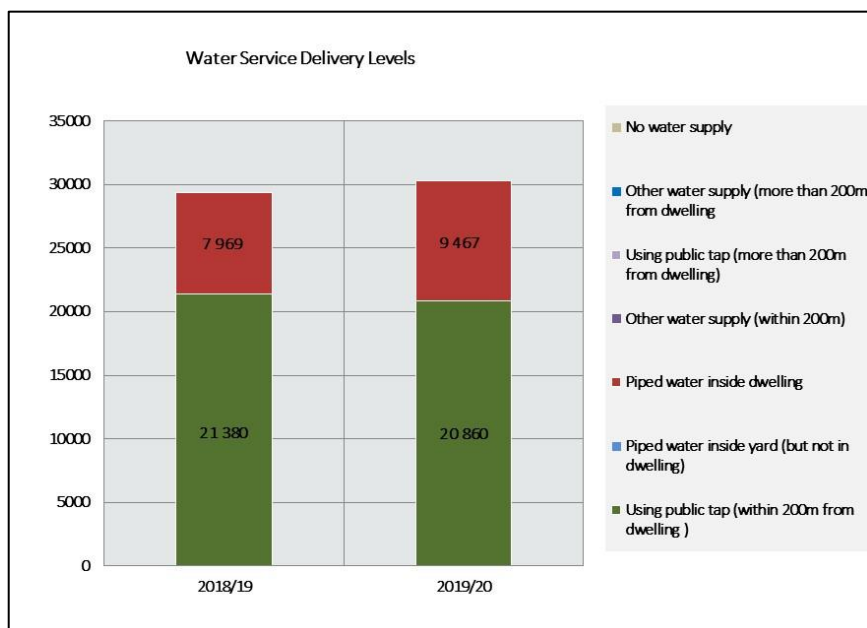
Below is a table that specifies the different water service delivery levels per household **within the urban edge area** for the financial years 2018/19 and 2019/20.

Description	2018/19#	2019/20#
	Actual	Actual
Household		
<i>Water: (above minimum level)</i>		
Piped water inside dwelling	21 380	20 860
Piped water inside yard (but not in dwelling)	0	0
Using public tap (within 200m from dwelling)	7 969	9 467
Other water supply (within 200m)	0	0
<i>Minimum service level and above sub-total</i>	29 349*	30 327*
<i>Minimum service level and above percentage</i>	100	100
<i>Water: (below minimum level)</i>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
<i>Below minimum service level sub-total</i>	0	0
<i>Below minimum service level percentage</i>	0	0
Total number of households (formal and informal)	29 349	30 327
*Total reflects the total number of households including households not separately billed		
# Data in line with SAMRAS and the Breede Valley Municipality database		

Table 128: Water service delivery levels

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



Graph 6: Water service delivery levels

3.8.3 EMPLOYEES: WATER SERVICES

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

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	0	0	0	0	0
Senior Management	1	1	0	0	0
Middle Management and Professionals	3	3	3	0	0
Skilled Technical, Superintendents etc	14	8	6	2	25
Semi-skilled	15	2	2	0	0
Unskilled	51	43	39	4	9.31
Total	84	57	50	6	10.53

Table 129: Employees: Water services

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3.8.4 CAPITAL EXPENDITURE: WATER SERVICES

The table below indicates the amount that was actually spent on water services projects for the 2019/20 financial year:

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Pre-loads Reservoir	10 652 819	8 139 949	505 372	7 634 577	23 570 861
Reservoir, Supply Pipeline and Augmentation of Pump Station (MIG counter funding)	0	5 392 034	5 395 911	-3 877	5 392 034
De Doorns Water Purification Works: Augmentation of DAF Unit (MIG funding)	7 108 259	0	0	0	16 465 870
Water Connections	241 150	241 150	56 115	185 035	241 150
Water Tanks and Stands		160 000	160 000	0	160 000
Site A - Meirings Park (Erven 1, 6920, 6921) Water	292 085	292 085	0	292 085	292 085
Transhex - Water Reticulation	15 000 000	22 874 790	22 874 790	0	22 874 790
Upgrading of Stettynskloof Supply Pipeline - Phase 3 (MIG 164422)	3 432 595	51 641	51 641	0	3 432 595
Rehabilitation of Bok River Pipeline - Phase 6	4 000 000	0	0	0	18 500 000
Total all	40 726 908	37 151 649	29 043 829	8 107 820	90 929 385

Table 130: Capital expenditure 2019/20: Water services

3.9 SANITATION SERVICES

The Municipality has a duty to all customers or potential customers in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to sanitation services that promotes sustainable livelihoods and economic development.

Sanitation projects (form part of housing development projects) that are implemented in economically poor areas and have a positive short term and long-term result. In the short-term there are job opportunities and in the long term there might be a need for maintenance of these services. The improvement in the well-being of the community, along with education towards sanitation health awareness, will improve the entire community profile.

Despite the challenges in the poorer areas where education towards sanitation awareness is lacking, the service levels provided by BVM are relatively high and acceptable. All formal areas boast flushing toilets with water borne gravity flow disposal. In the informal (squatter camp) areas, chemical toilets are provided in accordance with the prescribed ratio (persons per toilet).

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The table below gives a brief description of all the highlights for sanitation services during the 2019/20 financial year:

Highlight	Description
The Water Institute of South Africa annually acknowledge members of the Water and Sanitation sector who positively contribute to the industry	First Runner-up: Best Process Controller in the Western Cape for Waste Water Treatment Works larger than 10 mega litres/day: Pat Fredericks
	Second Runner-up: Best Process Controller in the Western Cape for Waste Water Treatment Works larger than 10 mega litres/day: Freek Kock
	Women in Water Care – Leadership Award: Saskia Langner

Table 131: Sanitation services highlights

All the waste water and water system's operational personnel does not comply with Regulation 17 or 2834 as required by the Department of Water Affairs. Further training of personnel must be undertaken, or posts re-evaluated to attract qualified process staff and the numerous vacancies filled.

Unfortunately, the whole Green Drop initiative collapsed due to the inability of the Department of Water and Sanitation to implement and regulate water and waste water quality in South Africa.

The Waste Water Treatment Works (WWTW) located within Rawsonville and Touwsrivier respectively, are under serious constrain due to hydraulic and organic overloading and must be upgraded urgently. The department initiated a procurement process in order to appoint consultants to design the Rawsonville WWTW. Tenders were advertised before the Covid-19 epidemic and subsequent lockdown measures that were implemented.

The biggest threat and concern are the vandalism and theft at the vulnerable sewer pump stations in the different areas. Safeguarding of municipal infrastructure and assets must be prioritised.

3.9.1 WASTE WATER TREATMENT

BVM is responsible for the following Waste Water Treatment systems:

- Worcester
- Rawsonville
- De Doorns
- Touwsrivier

Since 2010, BVM engaged in a process of improving the quality of our services. These efforts were geared at total quality improvement across the spectrum that would guarantee that we are set on a course of improving our services. BVM addressed most of the leading factors to ensure that our turnaround strategy will be successful within the foreseeable future. These improvements were widespread and include amongst others:

- Increasing the capacity of the sewerage treatment works (De Doorns and Worcester)
- More frequent monitoring of effluent levels

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- Upskilling the knowledge of our process controllers (20 x participants in NQF 3)
- A better resourced laboratory that ensured more efficient compliance monitoring
- Revised the organogram to include skilled staff for higher technology systems
- Developed a waste water discharge management plan
- Completed the new Transhex pump station
- Procured LWB vehicles, sewer tanker and a new Jetvac
- Upgraded De Doorns restrooms

3.9.2 SERVICE DELIVERY INDICATORS: SANITATION SERVICES

The key performance indicators for sanitation services are:

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
TL35	Number of formal residential properties that are billed for sanitation/sewerage services as at 30 June 2020	Number of residential properties that are billed for residential sewerage tariffs using the erf as property	All	18 370	18 590	18 620	18 621	
TL13	80% of sewerage samples comply with effluent standard during the 2019/20 financial year {(Number of sewerage samples that comply with General Authorisation/Number of sewerage samples tested) x100}	% of sewerage samples compliant	All	80%	85.30%	80.00%	75.87%	

Table 132: Service delivery indicators: Sanitation services

3.9.3 SANITATION SERVICE DELIVERY LEVELS

Local government in South Africa is responsible for delivering services that contribute to the quality of life for citizens. It is a constitutional right to have a safe and protected environment. Sewerage rates are levied for sanitation services (gravity pipes, rising main pipes, valves, manholes, pump stations, treatment works). These rates cover operation and maintenance cost of the sewerage system and waste water treatment. Service delivery must be balanced between level of service and affordability within the municipal boundaries.

Sewer reticulation systems are designed for domestic sewerage only. Blockages are caused by social economic problems, limited resources, and lack of maintenance. Vandalism, theft, inappropriate items, unlawful disposal of fats, oils and grease, illegal connections and water restrictions all contribute to blockages. With the increase in the number of sewer blockages, preventative

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maintenance of the sewer reticulation system is limited and subsequently the system is put under stress. Opening sewer blockages takes priority to limit nuisances, health risks and environmental pollution.

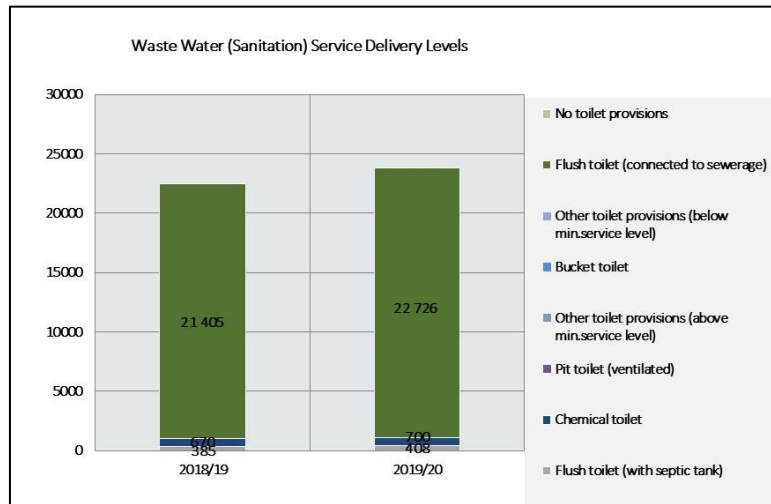
The table below specifies the different sanitation service delivery levels per household **within the urban edge area** for the financial years 2018/19 and 2019/20.

Description	2018/19	2019/20
	Actual	Actual
Household		
<i>Sanitation/sewerage: (above minimum level)</i>		
Flush toilet (connected to sewerage)	21 405	22 726
Flush toilet (with septic tank)	385	408
Chemical toilet	670	700
Pit toilet (ventilated)	0	0
Other toilet provisions (below minimum service level)	0	0
Minimum service level and above sub-total	22 460	23 834
Minimum service level and above percentage	100	100
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	0	0
Below minimum service level sub-total	0	0
Below minimum service level percentage	0	0
Total number of households	22 460	23 834
<i>*Total reflects the total number of households including households not separately billed</i> <i># Data in line with SAMRAS and the Breede Valley Municipality database</i>		

Table 133: Sanitation service delivery levels

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



Graph 7: Sanitation service delivery levels

3.9.4 EMPLOYEES: SANITATION SERVICES

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

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	1	2	2	0	0
Skilled Technical, Superintendents etc	4	13	11	2	15.39
Semi-skilled	28	15	14	1	6.67
Unskilled	35	30	28	2	6.67
Total	69	61	56	5	8.2

Table 134: Employees: Sanitation services

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3.9.5 CAPITAL EXPENDITURE: SANITATION SERVICES

The table below indicates the amount that was actually spent on sanitation services projects for the 2019/20 financial year:

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Touwsrivier WWTW - Machinery and Equipment	80 000	80 000	17 269	62 731	80 000
Upgrading of the Touwsrivier WWTW	50 000	50 000	8 806	41 194	
Software/PC WWTW Upgrade (x 4)	30 000	30 000	20 834	9 166	30 000
Worc WWTW - Lockers (10 x 2 tier)	5 000	5 000	3 726	1 274	5 000
Worc WWTW - Machinery and Equipment (Lab incl)	745 000	745 000	433 535	311 465	745 000
Extension of Rawsonville WWTW (0,24 Ml/day)	6 446 742	0	0	0	8 353 894
Rawsonville WWTW - Municipal Vehicles: Bakkie	350 000	350 000	215 687	134 313	350 000
Complete Building at De Doorns WWTW	400 000	200 000	196 649	3 351	40 000
De Doorns WWTW - Machinery and Equipment	30 000	30 000	29 889	111	30 000
Sewer Pump Station and Rising Main (MIG Counter funding)		100 000	79 733	20 267	33 768 757
Sewer Connections	147 764	147 764	0	147 764	147 764
Water & Sewer - Machinery and Equipment	50 000	50 000	38 850	11 150	50 000
Water & Sewer -Upgrading of Building and Facilities	350 000	550 000	137 831	412 169	550 000
Water & Sewer -Construction of Building for Vehicles and Equipment	350 000	350 000	0	350 000	350 000
Site A - Meirings Park (Erven 1, 6920, 6921) Sewer	876 009	876 009	0	876 009	876 009
Transhex - Sewer Reticulation	15 000 000	22 874 790	22 874 790	0	22 874 790
Total all	24 910 515	26 438 563	24 057 598	2 380 965	68 251 214

Table 135: Capital expenditure 2019/20: Sanitation services

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3.10 ELECTRICITY

Electricity and street lighting are provided to all formal settlements and electricity and street or high-mast lights are provided to most informal areas in the Breede Valley region. Electricity is the main source of energy and lighting: 88.31% of households in BVM use electricity for lighting and energy, while 4.21% use candles. Electricity usage decreased from 90% of households in 2001 to 88.3% of households in 2011, with the usage rate of paraffin increasing from 4% to 7% of households in 2011. The increase in electricity tariffs and the growth of informal residential areas, where energy dependency is mainly reliant on paraffin and candles as primary sources, are two contributing factors for the declining electricity usage.

The table below illustrates access and usage of different forms of energy in accordance with the different racial demographics Statistics SA (2011).

Type of energy	Black African	Coloured	Indian or Asian	White	Other	Total
Electricity	9 221	21 375	214	6 333	415	37 558
Gas	32	47	0	7	2	88
Paraffin	2 550	261	3	9	67	2 890
Candles	748	1 013	7	14	11	1 793
Solar	22	30	1	8	0	61
Other	0	0	0	0	0	0
None	51	79	0	2	5	137
Total	12 624	22 805	225	6 373	500	42 527

Table 136: Access and usage of different forms of energy in accordance with the different racial demographics

Electricity, street and/or high mast lighting are provided to all formal and informal areas within the Breede Valley supply area. Minimal load shedding was applied during the 2019/20 financial year. Electricity usage growth forecast (kWh) decreased with an average of 4.08% and the Maximum Demand decreased with 1.07% during the 2019/20 financial year.

As housing development areas (within BVM jurisdiction) are developed, the necessary INEP grant funding applications are submitted to the Department of Energy.

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

The quality of electricity supply is dependent on the ability of the Municipality to properly maintain its assets. Cooperation of residents to ensure that electrical service stations are not vandalised and electrical supply points not accessed without permission, is critical in this regard. The Municipality has established a hotline for residents to report any illegal or unauthorised incidents that hamper effective and efficient service delivery across the Breede Valley.

The table below gives a brief description of all the highlights for electricity during the 2019/20 financial year:

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Highlight	Description
Replacement of 11kV switchgear in Gasnat Substation	<p>The old equipment (Ring Main Unit) used inside Gasnat substation, essentially served as a connection point between two points providing electricity to a third point “Fuse protected”. This equipment has become obsolete and was subsequently replaced.</p> <p>The new equipment is more movable, much safer, and presents state of the art protection devices coupled with greater network control. This is a positive addition to the MV</p>
Installation of new high mast lights 	<p>High mast lights were installed throughout various hotspot areas, in accordance with the ward priority lists and the corresponding implementation plan. Two new structures were installed in GG Camp and 4 new structures in Avian Park. All equipment was funded by MIG</p>

Table 137: Electricity highlights

The table below gives a brief description of the electricity challenges during the 2019/20 financial year:

Challenge	Corrective action
Vandalism of streetlight infrastructure 	<p>Replacing copper lines with non-valuable aluminium lines</p>
Vandalism of substation fences	Replacing metal fences with non-valuable concrete fences

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Challenge	Corrective action
	

Table 138: Electricity challenges

3.10.1 SERVICE DELIVERY INDICATORS: ELECTRICITY SERVICES

The key performance indicators for electricity are:

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
TL14	Spend 90% of the electricity capital budget by 30 June 2020 {(total actual capital project expenditure/total capital project budget) x 100}	% of the electricity capital project budget spent	All	90%	60.53%	90.00%	56.93%	
TL15	Spend 90% of the electricity maintenance budget by 30 June 2020 {(total actual maintenance expenditure/total maintenance budget) x 100}	% of the electricity maintenance budget spent	All	90%	70.06%	90.00%	46.62%	
TL34	Number of residential properties which are billed for electricity or have pre-paid meters (excluding Eskom Electricity supplied properties) as at 30 June 2020	Number of residential properties that are billed for electricity or have pre-paid meters, charged on the residential tariffs for consumption and residential prepaid tariffs	All	22820	22516	22 580	22 532	
TL44	Limit unaccounted electricity losses to less than 10% by 30 June 2020 {(Number of Electricity Units Purchased -Number of Electricity Units Sold) /	% unaccounted for electricity	All	10%	7.18%	10.00%	5.41%	

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Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
	(Number of Electricity Units Purchased) x100}							

Table 139: Service delivery indicators: Electricity services

3.10.2 ELECTRICITY SERVICE DELIVERY LEVELS

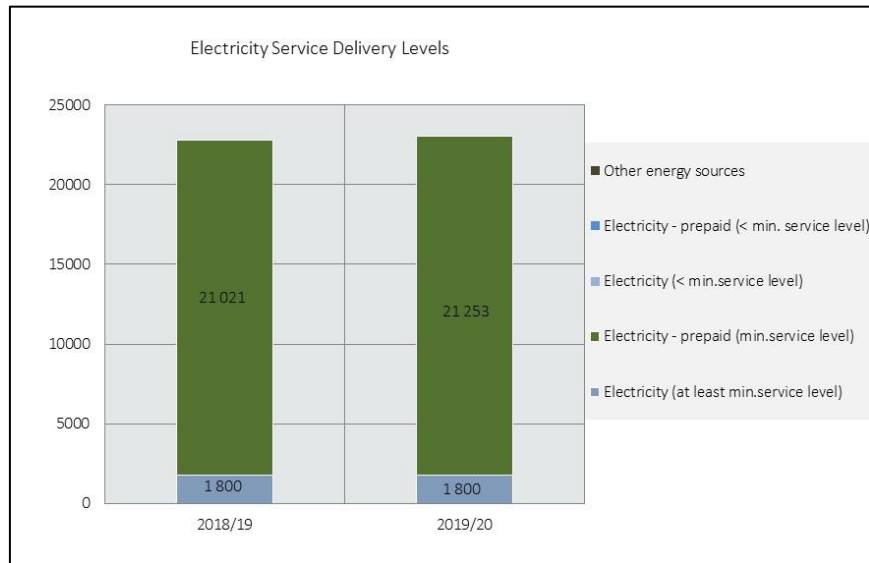
The table below indicates the different service delivery level standards for electricity within the urban edge area of the Municipality:

Description	2018/19	2019/20
	Actual	Actual
Household		
<i>Energy: (above minimum level)</i>		
Electricity (at least minimum service level)	1 800	1 800
Electricity - prepaid (minimum service level)	21 021	21 253
Minimum service level and above sub-total	22 821*	23 053*
Minimum service level and above percentage	100%	100%
<i>Energy: (below minimum level)</i>		
Electricity (< minimum service level)	0	0
Electricity - prepaid (< minimum service level)	0	0
Other energy sources	0	0
Below minimum service level sub-total	0	0
Below minimum service level percentage	0	0
Total number of households	22 821*	23 053*
*Electricity service delivery include Eskom provision # Data in line with SAMRAS and the Breede Valley Municipality Syntell database		

Table 140: Electricity service delivery levels

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



Graph 8: Electricity service delivery levels

3.10.3 EMPLOYEES: ELECTRICITY SERVICES

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

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	0	0	0	0	0
Senior Management	1	2	1	1	50
Middle Management and Professionals	8	18	13	5	27.78
Skilled Technical, Superintendents etc	11	24	16	8	33.34
Semi-skilled	15	18	11	7	38.89
Unskilled	25	31	24	7	22.59
Total	60	93	65	28	30.11

Table 141: Employees: Electricity services

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3.10.4 CAPITAL EXPENDITURE: ELECTRICITY SERVICES

The table below indicates the amount that was actually spent on electricity services projects for the 2019/20 financial year:

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Transhex: Electrical Reticulation	10 000 000	10 000 000	10 000 000	0	28 532 000
Bulk Electrical: Worcester Transhex 7300	0	4 715 407	2 578 882	2 136 525	13 300 000
Refurbishment of Electrical System	4 000 000	3 530 381	0	3 530 381	24 000 000
Cherry Picker Vehicles - Elec	4 000 000	139 886	139 886	0	5 450 000
Electrical Reticulation - Upgrade Gasnat Substation Install New Switch gear	1 300 000	2 021 000	1 867 502	153 498	2 021 000
Replacement of Old VT'S and CT'S at Robertson Substation	1 976 600	1 221 600	787 388	434 212	2 000 000
Quality of Supply Data Loggers and Monitoring Equipment	1 000 000	0	0	0	100 000
Durban Street. - Replace Overhead Network to Underground Network Complete	2 000 000	2 748 726	1 757 772	990 954	4 000 000
Escape Stairs and Blinding at Electrical New Offices	0	161 793	158 909	2 884	161 793
High Mast Lighting Stofland-MIG	1 056 900	1 056 900	1 056 899	1	1 056 900
Replace 11 KV Cable from Rumosa to Voortrekkerweg (1 500 m @ 185 mm Al PILC)	0	1 000 000	401 175	598 825	1 000 000
Ward 6 - Fencing of Substation	30 000	44 000	0	44 000	44 000
Replace 11 KV Cable from Mc Allistor to Field Sub (1 600 m @ 185 mm Al PILC)	0	4 484 301	0	4 484 301	4 484 301
Fencing of Electrical Boxes Ward 11	50 000	60 000	0	60 000	60 000
Fencing of Electrical Boxes Ward 14	50 000	60 000	0	60 000	60 000
Solar Conversion of Main Building	50 000	50 000	0	50 000	50 000
Electricity Connections	334 642	334 642	73 983	260 660	334 642
Site A - Meirings Park (Erven 1, 6920, 6921) Electricity	1 980 000	1 980 000	0	1 980 000	1 980 000
Site D - Avian Park (25 Erven) Electricity	450 000	450 000	0	450 000	450 000

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Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Rawsonville: New Street Lights (MIG Project Number 153229)	143 719	143 719	143 711	8	143 719
Ward 21 - New Streetlighting (MIG number 207835)	304 573	304 573	173 130	131 443	304 573
Ward 21 - New Streetlighting (MIG number 207736)	668 276	668 276	666 146	2 130	668 276
Total all	29 394 710	35 175 204	19 805 382	15 369 822	90 201 204

Table 142: Capital expenditure 2019/20: Electricity services

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

BVM provides a relatively efficient waste removal service to all formal areas. Standards are generally high, excluding the informal settlements where certain challenges are experienced.

Waste removal service	Black African	Coloured	Indian or Asian	White	Other	Total
Removed by local authority/private company at least once a week	8 653	17 084	203	5 702	369	32 011
Removed by local authority/private company less often	641	1 409	1	141	12	2 204
Communal refuse dump	1 100	987	12	46	4	2 149
Own refuse dump	1 445	2 778	5	424	98	4 750
No rubbish disposal	746	423	4	44	15	1 232
Other	40	125	0	16	0	181
Total	12 625	22 806	225	6 373	498	42 527

Table 143: Refuse removal by population group of head of household (Census 2011)

The Worcester landfill site is permitted to receive only “general waste”, which does not pose an immediate threat to human life or the environment. This includes household waste, builder’s rubble, garden waste and certain dry industrial or commercial waste. All waste is separated on site before disposal.

Financial management for waste removal within the Municipality is relatively stringent. Funding shortages do, however, prevent extended or more effective practices being pursued.

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The Breede Valley municipal area have a hazardous waste disposal facility. This is not to cater for medical waste and industrial sector needs, but exclusively for small quantities of household hazardous waste such as pesticides. Two 5m³ skips were placed at Worcester landfill site for disposal purposes. BVM bear the cost of transport and disposal to Vissershok landfill site. Industries are serviced by the private industry and contractors, who remove such waste mainly to the Vissershok facility near Cape Town.

Background:

BVM has the following permitted solid waste management facilities available:

- Touwsrivier: Material Recovery Facility (MRF), transfer station and landfill site (only operated for builders' rubble and garden waste)
- De Doorns: Landfill site (only operated for builders' rubble and garden waste)
- De Doorns: Transfer station
- Worcester: Worcester landfill site
- Rawsonville: No facility

Although all four disposal facilities are permitted in terms of environmental legislation, it is not financially possible to fully comply with permit conditions at Touwsrivier, Worcester and De Doorns landfill sites. This is due to nearby informal settlements and residents scavenging to make a living (only at De Doorns). All informal recyclers were put off the Worcester landfill site. Since 2015 records of the type and quantities of waste disposed are kept and reported monthly on the IPWIS Provincial Solid Waste data base as prescribed by National Government. The boreholes that were drilled at the Worcester landfill site (two for gas monitoring, and two for water sampling) are monitored as prescribed. Fences are maintained and replaced as and when necessary. The De Doorns and Touwsrivier sites should as soon as possible be closed and rehabilitated.

A Material Recovery Facility near the Worcester landfill site have been completed in May 2020. An environmental impact study was conducted by Cape Winelands District Municipality for a new regional landfill site within the Worcester area. The license was granted by the Department of Environmental Affairs and Development Planning on the 26 November 2019. The facility is only permitted for the disposal of general waste.

Worcester has less than a year's available airspace. A tender has been awarded to Legacy Environmental Management Consulting (Pty) Ltd for professional services to assist BVM with an application process to increase the height restriction of 10 meters at Worcester landfill site in order to obtain more airspace until the new regional site is in operation.

Integrated Waste Management Planning for BVM

The Integrated Waste Management Implementation Plan for the BVM was reviewed in September 2019 by Gibb (Pty) Ltd. A Total of 37 projects were identified under seven priority areas namely:

1. Promote, educate and raise awareness with regard to integrated waste management
2. Improve waste information management

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3. Ensure the effective and efficient delivery of integrated waste management services
4. Promote waste minimisation through the re-use, recycling and recovery of waste
5. Improve regulatory compliance
6. Ensure the safe and integrated management of hazardous waste
7. Ensure the sound budgeting and financial management for integrated waste management service

Each of the 37 projects listed in the 2015 IWMP were discussed and reviewed to determine the progress made with regard to waste management since the 2015 IWMP. Projects have been classified as 'complete', 'in progress', 'not commenced', 'not currently applicable' and 'could not be determined'. Note that the timeframes for projects have not been considered, for example, if the deadline for a project was 2016 but it was only completed in 2017, it is still listed as complete. Action plans were developed for projects, which are in progress or not commenced.

Status of the Implementation of Projects

The status of the implementation of projects listed in the implementation plan of the 2015 IWMP have been summarised in the table below.

Status	Description	Number of Projects	Percentage of Projects
Complete	The target has been achieved	11	29.7
In progress	The implementation of a target is initiated / currently underway but not yet complete	16	43.2
Not commenced	No action has been taken to implement the target	7	18.9
Not currently applicable	Where a goal and or management action is unmeasurable or no longer deemed applicable or the timeframe for the project has not yet passed	1	5.4
Could not be determined	Where insufficient information is available to determine the status of a project	2	2.7

Table 144: Status of projects listed in the 2015 IWMP

a) Recycling at Source

Information pamphlets on recyclable materials were distributed to all residential properties and a system of placing the clear bag on the pavement for collection by BVM vehicles. Advertisements were placed in the Kontak newsletter via the Worcester Standard, water and electricity accounts of residents and on the municipal website. Advertisements of waste minimisation were placed on municipal refuse trucks and at the entrances of suburbs in town.

Clear bags with recyclable material are collected from residents and delivered free of charge to the following private recycling partners of BVM:

- Beirowplas Recycling

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- Rewin Waste
- Green Valley Recyclers
- APD (Association for people with disabilities)

Residents are participating in the recycling of domestic and commercial waste and the project is without a doubt very successful. People are also encouraged to make provision by themselves for clear bags.

b) Wheelie bin system within BVM.

All residents and businesses within BVM are provided with either 240-liter or 770-liter wheelie bins. Only Touwsrivier was not issued with wheelie bins since the town still makes use of black refuse bags in the absence of a refuse compactor that is equipped with a bin lifter.

c) Public Awareness and Education

It is very important to do public awareness and to educate our communities on waste management. Therefore, the Breede Valley Municipality “created” the Bin-Bin mascot for educational purposes. Bin-Bin's appearance is similar to that of a refuse bin, with various waste management slogans displayed on it.

Since Bin-Bin was introduced to the public during March 2015, she visited several schools, old age homes and participated in awareness campaigns on solid waste management education to the Swap Shop in Avian Park.

The youth for waste workers, together with Bin-Bin, has an educational program and campaigns within the previously disadvantaged schools and areas. From December 2016, welcoming and solid waste educational days were held on the road into Worcester, to introduce Bin Bin and request visitors not to litter within BVM. Information pamphlets are also distributed to almost 2 000 visitors annually.

d) Worcester Landfill Site

Since October 2015 waste disposed at the Worcester Landfill Site is diverted and not mixed. Garden waste gets disposed at a separate disposal area. Builders’ rubble is used for covering material. There are presently no unlawful reclaiming practises taking place on the Worcester Landfill site.

Worcester Landfill site received an average of 44 819.70 tons of waste during the 2019/20 financial year.

Vehicles / Equipment

The department is still having trouble with its fleet (refuse compactors). Breakdowns on trucks are the reason why the department has very high overtime collecting solid waste. The BVM have procured 6 compactors since 2016 and have improved the collection rate of refuse within the Municipality. From the new vehicles, 5 are utilised within Worcester and 1 in De Doorns.

The Department still struggle with vehicle breakdowns and this places huge pressure on the limited operational budget. Workers sometimes have to work more than the allowed 40 hours overtime per week when we experience break downs.

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Disposal of small quantities household hazardous waste

Although permits for the disposal facilities do not make provision to handle, transport or allow the disposal of hazardous waste, provision has been made at Worcester Landfill site to accommodate small quantities of household hazardous waste (cell phone batteries, poison, paint and electronic waste).

Containers were provided and only households may dispose free of charge. BVM dispose these containers at Vissershok Landfill site.

3.11.1 SERVICE DELIVERY INDICATORS: WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

The key performance indicators for sanitation services are:

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
TL9	Extend recycling at point of waste generation from existing 7 wards to 15 wards by 30 June 2020	Number of wards recycling extended to	1;3;4;9;10;12;14;19	2	1	8	3	
TL10	Spend 90% of capital budget allocated for the construction of the material recovery facility (MRF) in Worcester by 30 June 2020	% of capital budget spent	All	90%	100%	90.00%	97.56%	
TL8	Review the 3rd Generation Integrated Waste Management Plan and submit to Council for approval by 30 June 2020	Plan reviewed and submitted to Council for approval by 30 June 2020	All	1	0	1	0	
TL36	Number of formal residential properties that are billed for refuse removal as at 30 June 2020	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	18570	18765	18 795	18 823	

Table 145: Service delivery indicators: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

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3.11.2 REFUSE REMOVAL SERVICE DELIVERY LEVELS

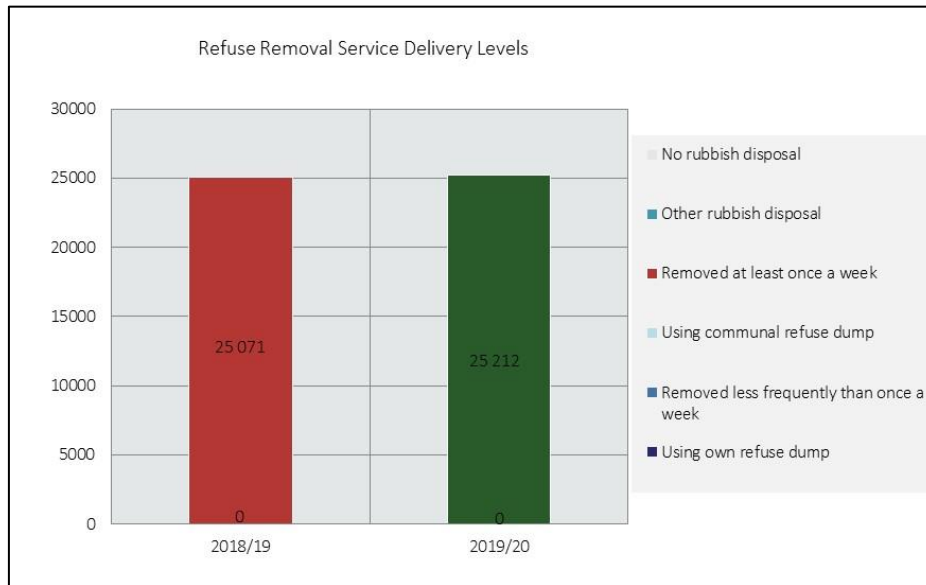
The table below indicates the different refuse removal service delivery level standards within the urban edge area of the municipality:

Description	2018/19	2019/20#
	Outcome	Actual
Household		
<i>Refuse removal: (Minimum level)</i>		
Removed at least once a week	25 071*	25 212*
<i>Minimum service level and above sub-total</i>	25 071*	25 212*
<i>Minimum service level and above percentage</i>	100	100
<i>Refuse removal: (Below minimum level)</i>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
<i>Below minimum service level sub-total</i>	0	0
<i>Below minimum service level percentage</i>	0	0
Total number of households	25 071*	25 212*
*Total reflects the total number of households including households not separately billed # Data in line with SAMRAS and the Breede Valley Municipality database		

Table 146: Refuse removal service delivery levels

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



Graph 9: Refuse removal service delivery levels

3.11.3 EMPLOYEES: WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

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

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	0	1	0	1	100
Skilled Technical, Superintendents etc	4	0	15	0	0
Semi-skilled	41	6	3	3	50
Unskilled	41	55	42	13	23.64

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Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Total	87	63	61	17	26.99

Table 147: Employees: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

3.11.4 CAPITAL EXPENDITURE: WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

The table below indicates the amount that was actually spent on waste management (refuse collections, waste disposal, street cleaning and recycling) projects for the 2019/20 financial year:

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Worcester: Material Recovery Facility (MIG counter funding)	16 979 604	16 979 604	16 526 770	452 834	25 571 747
Worcester: Material Recovery Facility (MIG)	0	1 587 600	1 587 600	0	7 188 000
Worcester – Wheelie Bins	250 000	250 000	158 260	91 740	250 000
De Doorns - Material Recovery Facility & Transfer Station	1 472 959	1	0	1	1 472 959
Total all	18 702 563	18 817 205	18 272 630	544 575	34 482 706

Table 148: Capital expenditure 2019/20: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

3.12 HOUSING

BVM has a current housing backlog of **20 005** (26 342: 2018/19) households. The following housing demand list provides a further indication of the demand for housing in the municipal area:

BREEDE VALLEY MUNICIPALITY AREA	June 2019		June 2020		
	Total Waiting	Percentage (%)	Total Waiting	Percentage (%)	Percentage Difference
Avian Park	4 037	15.3	2 049	10.2	-5.1
De Doorns	5 951	22.6	5 818	29.1	6.5
Outside Municipal Area	65	0.2	62	0.3	0.1
Rawsonville	1 419	5.4	1 520	7.6	2.2

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BREEDE VALLEY MUNICIPALITY AREA	June 2019		June 2020		
	Total Waiting	Percentage (%)	Total Waiting	Percentage (%)	Percentage Difference
Roodewal	1 476	5.6	1 118	5.6	0
Touwsrivier	1 129	4.3	1 084	5.4	1.1
Worcester	8 176	31	4 734	23.7	-7.3
Zwelethemba	4 089	15.5	3 620	18.1	2.6
TOTAL	26 342	100	20 005	100	

Table 149: Housing demand list

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

Worcester	New Mandela	1 647
	Aspad	717
	Rolihlahla (Avian Park)	1 136
	Roodewal	171
	Worcester West	4
	Langerug	24
De Doorns	Stofland	2 590
	Hasie Square	87
	Mpumelelo	4
	Ebaleni	58
	GG Camp (Sandhills)	1 087
Touwsrivier	Zion Park	78
Rawsonville	Hammat Square/Spokiesdorp	268
	Geelkampie	98
TOTAL		7 969

Table 150: Informal settlement patterns in BVM

The housing policy has been approved, making provision for people with disabilities.

Our waiting list is linked to the provincial housing demand list. The benefit is that we can trace applicants who are registered at other municipalities. It has also allowed us to eliminate duplicate names from the system.

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

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3.12.1 SERVICE STATISTICS: HOUSING

Performance on housing projects for the year were as follows:

Projects	Revised delivery targets 2019/20		Performance 2019/20	
	Sites	Units	Sites	Units
Worcester New Mandela Square	0	25	0	25
ISSP Zwelethemba North Rem Erf 1	Planning			
Worcester Transhex Phase 1 (2546 OF 3231) Services	754		754	
Worcester Transhex Phase 1 Tops (800)	0	350	0	350
Total	754	375	754	375

Performance on projects: Housing

3.12.2 SERVICE DELIVERY INDICATORS: HOUSING

The key performance indicators for housing are:

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
TL27	Complete Project Inception Report regarding the new housing projects at De Doorns (GG-Camp), by 30 June 2020	Project Inception Report completed for De Doorns	5	3	1	1	0	
TL28	Complete beneficiary allocation for the Worcester New Mandela Square project by 30 June 2020 (Beneficiary allocation linked to approved business plan - 25 units prioritised in 2019/20)	Number of units allocated	16; 18	90%	13%	25	25	
TL30	Complete serviced sites for the Transhex Human Settlements Project phase 1.2 by 30 June 2020	Number of serviced sites completed in phase 1.2 by 30 June 2020	All	256	256	413	527	

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Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
TL31	Complete beneficiary allocation for the Transhex Human Settlement project by 30 June 2020 (Beneficiary allocation linked to approved business plan - 700 units prioritised in 19/20)	Number of units allocated	All			700	702	

Table 151: Service delivery indicators: Housing

3.12.3 HOUSEHOLDS WITH ACCESS TO BASIC HOUSING

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

Year end	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2018/19	56 943	48 974	86.0
2019/20	56 943	48 974	86.0
Due to Covid-19 a new survey could not be conducted in informal settlements and therefore the number of structures remains unchanged			

Table 152: Households with access to basic housing

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

Housing waiting list	Number of people on housing waiting list	% Housing waiting list increase/decrease
2018/19	26 342	1.86
2019/20	20 005	(24.06)

Table 153: Housing waiting list

The table above, depicts a significant year-on-year reduction in the number of persons on the housing waiting list (reduction of 6 337 persons from 2018/19 to 2019/20). This decrease is ascribed to the extensive housing data clean-up that has been conducted on the Western Cape Housing Demand Database by the Western Cape Department of Human Settlements. The primary objective of the initiative was to identify and flag all applicants without identification number(s) recorded on the housing database, coupled with a housing application status of “waiting”. In such instances, the application status of flagged applicants was changed from “waiting” to “dormant”. Subsequently, these applicants were excluded from the total number of active municipal applicants on the housing waiting list (i.e. awaiting the outcome of their application).

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However, it was agreed that the application status would be reinstated to “waiting” and the original registration date be retained, subject to the individuals coming forward to update their identity number(s) and any other mandatory particulars that are still outdated.

3.12.4 EMPLOYEES: HOUSING

The table below indicates the number of employees for housing:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	2	4	2	2	50
Skilled Technical, Superintendents etc	2	5	4	1	20
Semi-skilled	12	11	9	2	18.19
Unskilled	0	0	0	0	0
Total	17	21	16	5	23.81

Table 154: Employees: Housing

3.13 FREE BASIC SERVICES AND INDIGENT SUPPORT

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

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3.13.1 ACCESS TO FREE BASIC SERVICES

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

Free basic services to low income households									
Year	Number of households								
	Total	Households earning less than R4 500 per month							
		Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse	
		Access	(%)	Access	(%)	Access	(%)	Access	(%)
2018/19	28 107	8 596	100	8 596	100	8 596	100	8 596	100
2019/20	28 353	8 891	100	8 891	100	8 891	100	8 891	100

Table 155: Access to free basic services

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

Electricity									
Financial year	Indigent households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2018/19	7 475	50	3 796	22 516	0	0	1 121	50	802
2019/20	7 537	50	5 672	22 562	0	0	1 354	50	947

Please note that 5 791 is supplied by Eskom and 22 562 by BVM

Table 156: Free basic electricity services to indigent households

Water						
Financial year	Indigent households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2018/19	8 596	10	5 905	12 310	6	3 715
2019/20	8 891	10	7 663	13 789	6	4 313

Table 157: Free basic water services to indigent households

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Sanitation						
Financial year	Indigent households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2018/19	8 596	260.87	15 661	20 458	0	0
2019/20	8 891	278.26	17 628	20 514		

Table 158: Free basic sanitation services to indigent households

Refuse removal						
Financial year	Indigent households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2018/19	8 596	165.22	9 867	20 451	0	0
2019/20	8 891	175.65	11 077	20 509		

Table 159: Free basic refuse removal services to indigent households per type of service

COMPONENT B: ROAD TRANSPORT

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

3.14 ROADS

The focal point of Breede Valley Municipality (BVM) is its major regional settlement of Worcester, followed by Rawsonville, De Doorns and Touwsrivier, which provides support to a series of rural towns and hamlets located across the municipal area and beyond.

The main road system in the BVM consists of the N1 linking Rawsonville, Worcester, De Doorns and Touwsrivier with each other. Provincial roads include the R60 between Worcester and Robertson, R43 between Worcester and Villiersdorp and R43 towards Ceres.

BVM is responsible for operation and maintenance of the road systems within the urban edge of Rawsonville, Worcester, De Doorns and Touwsrivier. Rural roads outside the urban edge, are the responsibility of the South African National Roads Agency Limited (SANRAL), the Western Cape Department of Transport and Public Works and the Cape Winelands District Municipality.

The Road Asset Management Plan (RAMP) for the BVM present a network level proposal for maintaining of the municipal roads system through an assessment of the network based on methodical visual rating of each road section.

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The RAMP implemented, essentially serves as a network level tool. Visual assessment forms the basis of evaluating the condition of the road network, coupled with the subsequent identification of specific actions needed. The collected information is processed to provide the output for top management for strategic planning and budgeting purposes, as well as for maintenance, technical planning and execution purposes.

Different road sections require different types of maintenance varying from routine and normal to heavy rehabilitation. Possible project types range from routine maintenance (e.g. patching, blading, etc.), to normal maintenance (resurfacing) through to heavy rehabilitation (e.g. thick overlays and reconstruction or even upgrade). In the context of budgetary constraints, it is important that these funds be spent at the right place and time to ensure optimum utilisation and impact thereof. The use of the RAMP is generally regarded as an essential tool for determining the maintenance and upgrade needs/programmes for pavements in a network of roads.

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

The total length of the paved network within Breede Valley Municipal Area (BVM) is approximately 296.5 km (286.8 km bituminous, 9.2 km block paving and 0.5 km concrete pavements) with an estimated replacement value of R1 120 million. The surfacing condition of the bituminous network within BVM (68.10% thereof) can be classified as poor to very poor. Of the 68.10%, 50.32% can be classified as poor, whilst 17.78% can be classified as very poor.

The estimated funding backlog on the bituminous pavements at this stage is R77 million.

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

The availability of own funding for project implementation is limited. The need for rehabilitation and resealing of roads compete for funding with other essential services such as water, housing, sanitation, electricity and health services. In identifying the funding for the prioritised projects over the next 5 years, funding sources include public contributions and donations, borrowing, internally generated funds, capital transfers recognised and direct or indirect national and provincial grants (transfers).

The lack of financial resources has hampered the provision and upgrade of infrastructure to cope with the current services backlog, increasing influx of people from other areas and the natural growth in population.

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

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Projects are implemented by BVM, Directorate Technical Services who is responsible for the design, tender documentation, supervision and management of the projects.

During the 2019/20 financial year approximately 16.7 km surfaced roads were resealed/rehabilitated. Departmental teams are used to attend to the general maintenance of the network such as pothole patching.

The table below gives a brief description of all the highlights for roads during the 2019/20 financial year:

Highlight	Description
Transhex Development	Construction of surfaced roads
Road maintenance	Resurfacing of approximately 16.7 km roads

Table 160: Roads highlights

The table below gives a brief description of the roads challenges during the 2019/20 financial year:

Challenge	Corrective action
68.10% of the surfacing condition of the bituminous network can be rated as poor to very poor	Routine maintenance (e.g., patching, blading, etc.), to normal maintenance (resurfacing) through to heavy rehabilitation (e.g., thick overlays and reconstruction or even upgrading)
Funding backlog on the bituminous pavements at this stage is R77 million	Identification of funding sources include public contributions and donations, borrowing internally generated funds, capital transfers recognised and direct or indirect national and provincial grants (transfers)
Vacancies	Filling of vacant positions

Table 161: Roads challenges

3.14.1 TARRED (ASPHALTED) ROADS

Financial year	Total km tarred roads	Km of new tar roads	Km existing tar roads re-tarred	Km tar roads maintained
2018/19	348.00	22	5.73	348.00
2019/20	296.5	0	16.7	296.5

Table 162: Tarred (Asphalted) roads

3.14.2 GRAVELLED ROADS

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar	Km gravel roads graded/ maintained
2018/19	35.00	0	1.48	35.00
2019/20	59.00	0	0	59.00

Table 163: Gravelled roads

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3.14.3 SERVICE DELIVERY INDICATORS: ROADS

The key performance indicator for roads is:

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
TL16	Achieve 90% of capital budget spent on the resurfacing of roads by 30 June 2020	% of capital budget spent	All	90%	86.54%	90.00%	79.97%	

Table 164: Service delivery indicators: Roads

3.14.4 CAPITAL EXPENDITURE: ROADS

The table below indicates the amount that was actually spent on roads projects for the 2019/20 financial year:

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Resealing of Municipal Roads - Rawsonville	250 000	1 250 000	250 000	1 000 000	1 250 000
Resealing of Municipal Roads - Worcester	200 000	8 564 000	4 418 731	4 145 269	8 564 000
Resealing of Municipal Roads - Breede Valley	0	19 918 444	19 918 443	1	19 918 444
Resealing of Municipal Roads - De Doorns	150 000	1 150 000	150 000	1 000 000	1 150 000
Resealing of Municipal Roads - Touwsrivier	100 000	1 095 000	95 000	1 000 000	1 095 000
Touwsrivier - Speed humps	45 000	50 000	44 125	5 875	50 000
Ward 6 - Speed humps	40 000	40 000	0	40 000	40 000
High to Protea Str. slip lane	500 000	500 000	0	500 000	500 000
Abattoir Street Rehabilitation	1 200 000	1 200 000	1 200 000	0	1 200 000
Leigholdt Street Rehabilitation	2 500 000	2 500 000	2 500 000	0	2 500 000
Speedhumps within Ward 14	30 000	30 000	0	30 000	30 000
Speedhumps Ward 16	40 000	40 000	0	40 000	40 000
Speedhumps Ward 18	40 000	40 000	0	40 000	40 000
Speedhumps - Goedeman Street	30 000	30 000	0	30 000	30 000
Bus Stop - Rawsonville Primary School	30 000	30 000	0	30 000	30 000
Ward 21 - Upgrading of Gravel Roads	2 000 000	2 000 000	45 296	1 954 704	5 000 000
Ward 21 - Speedhumps	30 000	30 000	0	30 000	30 000

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Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Site D - Avian Park (25 Erven) Roads	275 000	275 000	17 890	257 110	275 000
Transhex - Roads	15 000 000	35 795 357	35 795 357	0	35 795 357
Total all	22 460 000	74 537 801	64 434 843	10 102 958	77 537 801

Table 165: Capital expenditure 2019/20: Road

3.15 STORMWATER DRAINAGE

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

The Breede Valley Municipality (BVM) is responsible for the operation and maintenance of the stormwater system.

The table below give a brief description of the highlight for stormwater during the 2019/20 financial year:

Highlight	Description
Environmental Impact Assessment (EIA) for the Hex River Erosion Protection in the vicinity of Zweletemba	Appointment of Environmental Practitioner for the compilation and submission of the EIA to the Department of Environmental Affairs and Development Planning (DEADP)

Table 166: Stormwater highlights

The table below give a brief description of the stormwater challenge during the 2019/20 financial year:

Challenge	Corrective action
Backlog of preventative maintenance of stormwater system due to COVID-19 lockdown period	Prioritise and attend to hotspot areas first

Table 167: Stormwater challenges

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3.15.1 STORMWATER INFRASTRUCTURE

The table below shows the total kilometres of stormwater maintained and upgraded as well as the kilometres of new stormwater pipes installed:

Financial year	Total km stormwater measures	Km new stormwater measures	Km stormwater measures upgraded	Km stormwater measures maintained
2018/19	99.304	0	0	99.304
2019/20	99.304	0	0	99.304

Table 168: Stormwater infrastructure

3.15.2 CAPITAL EXPENDITURE: STORMWATER

The table below indicates the amount that was actually spent on stormwater projects for the 2019/20 financial year:

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Erosion Protection of Hex River: Phase 2 (300m @ R13,333.33/m)	500 000	500 000	71 245	428 755	5 454 545
Erosion Protection of Hex River: Phase 2 (300m @ R13,333.33/m)	1 000 000	0	0	0	
Site A - Meirings Park (Erven 1, 6920, 6921) Stormwater	189 856	189 856	0	189 856	189 856
Site D - Avian Park (25 Erven) Stormwater	275 000	275 000	0	275 000	275 000
Transhex - Stormwater	15 000 000	22 874 790	22 874 790	0	22 874 790
Total all	16 964 856	23 839 646	22 946 035	893 611	28 794 191

Table 169: Capital expenditure 2019/20: Stormwater

3.15.3 EMPLOYEES: ROADS AND STORMWATER

The table below indicates the number of employees for roads and stormwater:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0

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Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Senior Management	1	1	0	1	100
Middle Management and Professionals	1	1	1	0	0
Skilled Technical, Superintendents etc	1	15	7	8	53.34
Semi-skilled	10	3	3	0	0
Unskilled	23	32	22	10	31.25
Total	36	52	33	19	36.54

Table 170: Employees: Roads and stormwater

COMPONENT C: PLANNING AND DEVELOPMENT

3.16 PLANNING

3.16.1 PLANNING STRATEGIES

The table below sets out the main elements of BVM planning strategies:

Strategy	Description
Spatial in-filling	The BVM: SDF identifies key vacant land for in-fill and housing development and we are continuing with this strategy of spatial in-filling and densification. The approved Transhex urban development is based on the superblock-integrated concept. Council also identified land for middle income housing which it intends to develop internally
Historical core preservation	Historical cores of urban centres must be clearly demarcated. Priority should be given to the conservation of heritage buildings and precincts in redevelopment projects. Any proposals for the re-development of existing buildings should consider their heritage value, elements of the vernacular architecture and, where possible, retain these important elements. Similarly, the historical characteristics of existing buildings should be considered to draw from their elements that could be integrated into the design and construction of new buildings. Advertisement signage in these cores must be

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Strategy	Description
	regulated through bylaws, with input from the said heritage bodies
CBD revival/Urban renewal	Special focus must be placed on CBD revival. This will require increasing the attractiveness of the area to tourist traffic and providing sufficient and attractive signage, landscaping, urban design/building management, security, etc. This initiative must be closely aligned with the strategies of the LED section as CBD revival was identified as a key catalyst in the latest LED Strategy
Land use integration and interfaces/Spatial integration	Spatial integration should be the main underlying foundation for all spatial decision making and should be facilitated in the encouragement of the development of strategic mixed-use nodes, intensification corridors and spatial in-filling with gap housing developments. The intensification areas/corridors are the prime instruments for promoting integration between different areas and is intended to promote a mutually supportive increase in residential (mixed income) and economic (mixed use) activity straddling the major routes of a settlement

Table 171: Planning strategies

3.16.2 ACHIEVEMENTS OF THE PLANNING DEPARTMENT FOR 2019/20

The tables below give a brief description of all the achievements in the Planning Division:

a) Town planning

Achievement/Highlight	Description
The Spatial Development Framework was approved as part of the IDP	Council approved the SDF as part of the IDP in August 2019
Compilation of the Integrated Zoning Scheme	IZS was advertised for comment during February – April 2020. No comments were received from the public. Comments from departments were included in the draft. A Council workshop was planned for April 2020 but due to the National Lockdown it could not proceed
Town Planner	Registered Town Planner appointed in April 2020

Table 172: Planning highlights

b) Building control

Achievement/Highlight	Description
Approved new building work > R12m	Slanghoek Resort holiday units @ R13 000 000
	Quenprop High Street shop @ R15 000 000
	Marais Fam Trust High Street shop @ R18 000 000

Table 173: Building control highlights

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c) GIS

Achievement/Highlight	Description
New set of arial photography	A new set of arial photography has potentially been secured through the external valuers
The spatial migration to the Integrated Zoning Scheme	GIS was used to facilitate and migrate all properties in the municipal district from the current zoning scheme to the Integrated Zoning Scheme. A field was added to the attribute table of the cadastral data and populated with the integrated zoning scheme classifications. Maps were generated and used during the public participation process
The identification of house shops (Illegal business use on properties)	GIS was used to try and identify all “house shops” or rather all illegal businesses. The building footprint layer was overlaid with the zoning data to compare actual land use with zoning rights. Discrepancies were flagged and mapped. These can be further investigated. The advantage of this is that it reduces the workload of building inspectors
Services charges and consumption analysis	GIS was once again used to map service arrears on accounts. GIS was also used to plot the 50 top water consumers. This type of analysis should facilitate revenue recovery
The creation of a Langerug Special Ratings Area (SRA)	GIS was used to help develop an SRA in Langerug by mapping the proposed boundary, tracking the status of resident’s consent as well as determining the statistics. This helped inform the establishment of an SRA
The comparison and spatial analysis of ward boundaries	GIS was once again used to help the Municipal Demarcation Board (MDB) to determine new ward boundaries for the upcoming municipal elections. Once the MDB determined the new proposed ward boundaries, the GIS was used to create maps for the public participation process
The spatial analysis and mapping of Covid-19 statistics	The GIS was (is still being) used to map Covid-19 cases per suburb. Heat maps are being produced showing areas with a high number of cases versus areas of a low number of cases. Over time one should be able to compare how the infections spread over space and time thus providing a temporal spatial view of the virus in the Municipality

Table 174: GIS highlights

3.16.3 CHALLENGES OF THE PLANNING DEPARTMENT FOR THE 2019/20 FINANCIAL YEAR

The tables below give a brief description of all the challenges of the Planning Division:

a) Town planning

Challenge	Corrective action
Integrated Scheme Regulations	Public participation to be completed at Stage 2 of National Lockdown

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Challenge	Corrective action
Implementation of Advertising Bylaw	Lack of legal capacity to be addressed with Strategic Support Services

Table 175: Town planning challenges

b) Building control

Challenge	Corrective action
Communication with internal departments	Better collaboration
Illegal building work processes	Establishment of a municipal court for better outcome of court cases
Insufficient shelf space for building plans in safe	Installation of new shelves

Table 176: Building control challenges

3.16.4 SERVICE DELIVERY STATISTICS FOR BUILDING CONTROL LAND USE DEVELOPMENT

a) Building control

The table below depicts the application status of building plans:

Detail	Financial Year
	2019/20
Building plan applications received	522
Applications in circulation	11
Applications pending	49
Applications approved at year end	462

Table 177: Application status of building plans

b) Land use planning

The table below displays the applications for land use development:

Detail	Formalisation of townships		Rezoning	
	2018/19	2019/20	2018/19	2019/20
Planning application received	23	14	67	64
Determination made in year of receipt	3	0	6	11
Determination made in following year	20	14	61	53
Applications withdrawn	0	0	0	0
Applications outstanding at year end	20	14	61	53

Table 178: Applications for land use development

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The total number of applications received (i.e. formalisation of townships & rezoning) decreased by 13%. The decrease is primarily due to a significant reduction in the number of township formalisation applications from 23 (2018/19) to 14 (2019/20). The date of determination is slightly misleading as a lot of the applications were received in the last four months of the financial year. A total of 68 applications were approved in this financial year and include applications which could not be finalised in the previous financial year. There are approximately 67 applications in process that cannot be finalised due to outstanding information and comments from external departments that are still required.

The Breede Valley Municipal Land Use Planning By-Law came into effect on the 1st of December 2015. The Municipality is thus the decision-making authority and is investigating certain changes in the current by-law to reduce red tape and to comply with changing trends and planning legislation. All land use applications are processed in terms of the said By-Law and must adhere to strict time frames as prescribed. The Municipal Planning Tribunal is fully operational, and Council approved the extension of the Municipal Planning Tribunal's term for a period of three (3) years.

The Municipality is also in the process of compiling an Integrated Zoning Scheme as required in terms of LUPA. The proposed Draft Standard Zoning Scheme By-Law, as compiled by the Western Cape Provincial Government, will be utilized as a basis to suite any specific need that the Municipality may have.

The Building Control Section has a rigid system of circulating and processing plans and are currently exploring digital options but are limited by budget constraints and personnel.

3.16.5 SERVICE DELIVERY INDICATORS: PLANNING

The key performance indicator for planning is:

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
TL19	Compile an item for the appointment of a municipal tribunal and submit to Council for approval by 31 August 2019	Proof of item compiled and submitted to Council for approval by 31 August 2019	All	N/A	N/A	1	1	

Table 179: Service delivery indicators: Planning

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3.16.6 EMPLOYEES: TOWN PLANNING, BUILDING CONTROL AND GIS

The table below indicates the number of employees for town planning, building control and GIS:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	0	0	0	0	0
Senior Management	3	2	2	0	0
Middle Management and Professionals	6	1	1	0	0
Skilled Technical, Superintendents etc	2	4	4	0	0
Semi-skilled	4	0	0	0	0
Unskilled	0	0	0	0	0
Total	15	7	7	0	0

Table 180: Employees: Town planning, building control and GIS

3.17 LOCAL ECONOMIC DEVELOPMENT (LED)

The Local Economic Development Department primarily focusses on a range of support activities that contribute towards creating a conducive environment for economic development and growth, whilst the private sector actively undertakes and participate in commercial activities which drives economic growth and development. Hence, local economic maturity will be enhanced by forming and fostering partnerships with the private sector and various community organisations in the pursuit of realising economic development outcomes. The Municipality is increasing its spending on municipal infrastructure and service delivery backlogs, as investment from the private sector mostly occur in municipal spaces where municipal infrastructure is maintained and created. As available funding (across all governmental spheres) decrease, the need to identify and develop innovate economic development initiatives that will aid in the pursuit of the broader LED objectives and investment attraction, remains critical.

The 2017-2022 LED strategy continues to serve as a road map informing planned interventions earmarked for implementation by the department, although in some cases, it might require the synergy of national and provincial government. On this premise, departmental inputs formulated for consideration in the IDP are done on the backdrop of national and provincial priorities and subsequent funding allocations.

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During the LED strategy formulation process, a range of stakeholders were invited to participate in the identification and setting of the strategic path for the department. The table below depicts the key strategic areas identified during the deliberations (in no particular order):

Reference	Strategic objectives	Description
1	Supporting SMME's & the informal sector	SMME's and the informal sector occupies an important role within the local economic ecosystem. On this premise, the provision of general business support and guidance, insight on access to markets and funding, training and mentorship (amongst others) is imperative to enhance the growth potential within these sectors
2	Unlocking the green economy	Economic activity that underpins sustainable development has become a prominent topic in recent times, particularly on the backdrop of continuous environmental degradation and resource eradication by industry. A strive towards a more active "greener" economy that underpins a healthy balance between economic activity and environmental sensitivity and sustainability, is imperative
3	Promoting innovative tourism programmes	The tourism sector remains a prominent driver of economic growth and employment within the BVM. In addition to the existing tourism offering, the locational advantage of the municipal area coupled with a unique facility offering provides untapped tourism potential. In addition, the municipal area presents a rich history and heritage that could present significant opportunity towards cultural heritage tourism
4	Investing in infrastructure to unlock economic development	The development of new infrastructure coupled with the maintenance of existing infrastructure is imperative towards unlocking economic opportunity and attracting new businesses to the area. Businesses tend to gravitate towards localities that are well serviced in terms of infrastructure, as this significantly contributes towards continuity in business operations and productivity
5	Contribute towards poverty & inequality eradication efforts	The impact of poverty and inequality on all facets of society are well known. Poverty and inequality deny societies the opportunity to (amongst others) actively participate in economic activity and, as a result, restricts quality of life and social well-being
6	Branding BVM as the care capital	Breede Valley (particularly Worcester) is home to a large contingent of disabled citizens and institutions that directly serve these citizens. As a result, the Municipality envisions to position itself as a care capital to ensure that the disabled & vulnerable citizens are adequately integrated in society with equal access to opportunities
7	Prioritise investment promotion, attraction and retention	Investment promotion, attraction and retention initiatives are imperative to maintain a well-functioning and growing economic ecosystem. A higher extent of investment attraction and retention also contribute to the eradication of socio-economic ills as more citizens are employed and actively participating in economic activity
8	Continuous prioritisation of the disposal of Uitvlugt vacant land	The disposal of the Uitvlugt land, earmarked for the development of an Industrial Park, remains a key strategic objective of the department. It was identified as a catalytic project in the previous LED Strategy and

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Reference	Strategic objectives	Description
		holds significant potential to unlock economic opportunity, development and growth within the locality
9	Continually pursuing and implementing red tape reduction initiatives	Red tape adversely influences the ease of doing business and subsequently results in a loss of business confidence. Proactive identification of red tape coupled with adequate response measures, will instil business confidence and ignite a sense of economic unity
10	Using smart procurement as a catalyst to effect LED	Municipal procurement presents unique opportunities for local economic growth and development. Equipping businesses (particularly local SMME's) to adequately identify, respond to, and participate in municipal procurement opportunities is critical towards creating a well-functioning local economy
11	Improving business zones	Identification of new- and enhancing existing business zones is imperative as it not only underpins economic growth, but also places communities (particularly those previously disadvantaged) closer to business and/or economic opportunities. In addition, the enhancement of safety and security within business zones, coupled with the improvement of the landscape of the surrounding areas (e.g., by planting extra trees and engaging in smaller rehabilitation projects) will attract new businesses and clients to a particular business zone

Table 181: LED strategic objectives

It is imperative to note that these strategic objectives are predominantly interrelated and interdependent as success in one, can positively influence others. In addition, these objectives represent a fair deal of complexity and will therefore require persistent and methodical planning and implementation of activities that underpin these objectives. The effectiveness of activities heavily relies on the ability to collaborate with various sectoral, governmental and departmental role players and stakeholders (i.e. municipal, governmental, public & private). The subsequent sections will provide insight on the activities implemented in pursuit of the overarching objectives.

3.17.1 SERVICE DELIVERY INDICATORS: LED

The key performance indicator for LED is:

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
TL25	Sign service level agreements (SLA's) with 3 Local Tourism Associations (LTA's) by 30 September 2019	Number of SLA's signed by 30 September 2019	All	N/A	N/A	3	3	
TL20	The number of FTE's created through the EPWP programme by 30 June 2020	Number of FTE's created through the EPWP programme by 30 June 2020	All	242	289.6	312	259.93	

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Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
	(Person days / FTE (230 days))							

Table 182: Service delivery indicators: LED

3.17.2 ACTIVITIES/HIGHLIGHTS: LED

In accordance with the strategic areas identified, the following activities were implemented during the year under review. Resource constraints coupled with the Covid-19 pandemic has posed significant challenges relating to the implementation of activities that commensurate with the strategic objectives. However, the department remained committed to enhance the local economic narrative, and in this context, regards these as highlights achieved within the year under review.

Activities/Highlights	Strategic Objective Linkage
<ul style="list-style-type: none"> Partnered with the Department of Small Business Development (particularly SEDA) and the Provincial Government of the Western Cape, in rolling out the “Jump” mobile application. The app seeks to enhance the SMME ecosystem by linking SMME’s to various business support opportunities, organisations and resources Formulated partnership with a range of support organisation to promote small and medium enterprises by transferring technology, assistance programmes, access to finance, knowledge about entrepreneurship, as well as training and mentorship programmes Established a sound partnership with the Breede Valley Informal Traders Association (BITA) and involved them during the review of the existing informal trade bylaw as well as in brainstorming solutions to combat unlawful trade in business precincts (amongst others) 	1; 5; 7; 9; 10
<ul style="list-style-type: none"> Assisted with the planning & hosting of the historic Worcester Bicentennial Festival, in commemoration of Worcester’s 200th year of existence. The department facilitated participatory planning sessions with a range of stakeholders to ensure that mutual themes were identified for the festival. The following themes were agreed upon: <ul style="list-style-type: none"> Care capital Children, schools & social cohesion Heritage, arts & culture Nature, outdoor & agriculture Sport & recreation Carnival/Spectacle Religion <p>The department drafted an item and submitted it to Council in order to present its findings and solicit support towards the finalisation of the planning and hosting of the festival.</p> <p>The main events linked to the festival was scheduled from the 24th of February 2020 until the 1st of March 2020, the following serves as some of the highlights:</p> <ul style="list-style-type: none"> The Mayoral Honourary Citizenship Gala Evening, during which civic honours (Freedom of the Town Award) were conferred to individuals (of Worcester origin) that have significantly contributed towards society (locally & nationally); Various “Time Travel” events hosted by Bridging Ages, to depict certain historical & heritage occurrences of the town; 	3; 6

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

Activities/Highlights	Strategic Objective Linkage
<ul style="list-style-type: none"> - Providing a platform to institutions such as Innovation for the Blind, the Breede Valley Association for Persons with Disabilities (APD), as well as the DeafNET Centre of Knowledge (amongst others) to present various initiatives during the festival; - Unveiling of the official festival monument erected in the garden of remembrance to celebrate and commemorate the town's 200th year of existence; and - An aerial exhibition by the Silver Falcons, followed by the Worcester Bicentennial Music Festival. <p>Various events were scheduled throughout the remainder of the 2020 calendar year as a means of celebrating this historic occasion. Unfortunately, these have been cancelled due to the Covid-19 pandemic</p> <ul style="list-style-type: none"> ● Hosting and supporting events (music & cultural) with the potential to attract and encourage greater visitor arrivals to our destination. Municipal facilities such as the Nekkies Resort offers untapped potential and a comparative advantage that could present significant tourist attraction capabilities and increase visitor arrivals. The department recognised that persons from the city and bigger towns portrayed a significant appeal to such facilities, particularly those tourists interested in music festivals and concerts. We learnt that Breede Valley can attract a significant portion of this market, but that the offering should be presented in an organised and safe manner. Preliminary arrangements were made to host the Easter Music Festival at the Nekkies Resort, however, cancelled due to the Covid-19 pandemic ● Supporting all Local Tourism Associations within Breede Valley to build our tourism brand and increase the spending on infrastructure ● Finalising all procedures linked to the introduction of a township tourism route. However, this has been postponed due to the Covid-19 pandemic. There has also been a great drive towards identifying and plotting various heritage routes throughout the municipal area. Planning in this regard remains ongoing 	
<ul style="list-style-type: none"> ● The department investigated possible initiatives to be implemented within the green economy space and noted that there is significant appetite for such investments throughout the municipal area. Discussions with bigger role players, that have identified the BVM as a potential destination for investment in green economy technologies, are ongoing and companies are engaged in detailed business planning to attract potential investors in this space ● Through the support offered by SALGA, the department managed to solicit a long-term partnership with PUM, a voluntary organisation based in the Netherlands, to support our work and effort towards sustainable SMME development. A key objective of the partnership is to identify and implement project(s) that could unlock and add value to the Municipality's efforts to stimulate green economic activity. On this premise, the following pilot initiatives were identified: <ul style="list-style-type: none"> - The utilisation of sewerage sludge as by-product in the production of eco-bricks; - The construction of a reedbed system to serve as natural sewerage effluent purification mechanism to enhance the quality of waste water prior to its discharge into water courses for downstream use; and - The economic opportunities presented by municipal waste – recycling. <p>PUM agreed to avail two specialist consultants to facilitate discussions and conduct feasibility studies linked to the first two components mentioned. Initial discussions were held during the year under review but had to be postponed due to the Covid-19 pandemic. This initiative will remain on the implementation agenda</p>	1; 2; 7
<ul style="list-style-type: none"> ● Maintaining a long-term partnership with Exchange vzw, a Belgian based non-profit organization assisting private entrepreneurs (primarily in developing countries) with customized business expertise and coaching. The key objective of this partnership is to develop a unique business case/product and provide technical support to businesses that are in a position to leverage the unique locational advantage offered by our vast mountain ranges and environment to package various mountain biking and associated events targeting adventure tourists 	1; 3; 7

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

Activities/Highlights	Strategic Objective Linkage
<p>Exchange availed the services of a specialist consultant in idea generation and business strategy to facilitate and assist in packaging this envisaged service offering. Initial engagements, inclusive of members throughout the tourism value chain, were held during the year under review. However, the programme had to be postponed due to the Covid-19 pandemic. This initiative will remain on the implementation agenda</p>	
<ul style="list-style-type: none"> Participate in the Cape Winelands Business & Economic Recovery Cluster to formulate a Covid-19 economic response/recovery plan particularly earmarked at supporting the local economies that have been adversely impacted by the pandemic. The department served on the task team which convened daily to brainstorm matters relating to business support schemes, guidelines linked to safe business practices during the pandemic (alert levels permitting), formulating desktop knowledge on the impact of the pandemic on lives and livelihoods, and the need for investment in infrastructure to encourage informal trading activity as a means of stimulating economic recovery from the bottom-up – a topic proposed by the department Locally, the department formulated a comprehensive business database to primarily drive greater communication on matters relating to access to finance and safety protocols linked to business operations amidst the Covid-19 pandemic. Communication predominantly occurred virtually and enabled the department to reach a broader scope of clients. The department provided regular feedback on its deliberations and findings, linked to these engagements, to the executive management of the BVM. In addition, the department presented recommendations on the facilitation towards a post-Covid economic recovery. The recommendations are specifically applicable towards the new financial period as Covid-19 will have a long-term impact with a second wave of infections predicted 	1; 4; 5; 9
<ul style="list-style-type: none"> Budget for funding allocations linked to the Hugo Naude Museum & Jean Welz Art Gallery. In addition to being an important heritage asset, the facility also provides a platform to local residents (particularly youth) to practice & house their art and craft. On this premise, the department (through its budgetary processes) availed funding as contribution towards the appointment of a curator at the facility. In addition, funds were also budgeted and spent towards the internal refurbishment and painting of the facility, coupled with the enhancement of existing security systems to safeguard the asset. The works were prioritised and conducted over the past financial years 	1; 3
<ul style="list-style-type: none"> Prioritising and supporting city improvement initiatives. In addition to the special rate levied and paid to the Worcester Business Improvement District (WBID) in terms of the SRA-by-law, the Municipality entered into a service level agreement (in terms of section 67 of the MFMA) with the WBID to implement mutually agreed upon projects within the Worcester CBD (particularly the CCTV security camera project). This initiative has yielded great success in terms of crime reduction within the Worcester CBD as weapons such as knives and machetes were confiscated. In addition, the footage captured on the CCTV cameras, could also be utilised as admissible evidence during criminal and/or civil proceedings. This in turn, has stimulated business confidence and repositioned the CBD as a favourable economic zone. In addition, the WBID also planted 200 trees (coupled with paving around the trees) throughout the Worcester CBD, which enhanced the landscape hereof. As a means of mutual accountability and oversight, quarterly meetings between the BVM and WBID are facilitated by the department to ensure that the deliverables as per the SLA are mutually honoured Participating in SALGA's Karoo Small Town Regeneration Program – which could unlock specific value for Touwsrivier. This project is still in inception phase; however, the department continue to contribute to this discussion/engagement when required 	1; 7; 11
<ul style="list-style-type: none"> Participated in research conducted by the Food4Cities Consortium (Universities of Vrije – Amsterdam, KU Leuven – Belgium, Western Cape – South Africa and Makerere – Uganda) to understand food systems & security in the BVM. This matter was further emphasised during the Covid-19 pandemic and data has shown that we have regressed as inequality have increased. These universities have 	2; 5; 6

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

Activities/Highlights	Strategic Objective Linkage
raised additional funding as they envisage to conduct more detailed studies and draft recommendations on the enhancement of food systems & security within the locality	
<ul style="list-style-type: none"> A positive, yet indirect consequence of the Covid-19 pandemic, was the opportunity to engage with WESGRO more frequently and closely. As a result, the department managed to establish a closer working relationship with WESGRO, that could particularly yield positive returns in terms of investment attraction and retention initiatives The department also engaged the Cape Winelands District Municipality to undertake activities linked to investment promotion as most of the local municipalities don't have the means to fund these initiatives 	1; 2; 3; 4; 5; 7; 8; 11
<ul style="list-style-type: none"> Continuous prioritisation of the disposal of Uitvlugt vacant land (a catalytic project identified in the previous LED Strategy) in order to promote industrial development. This project remains work in progress as it requires collaboration from various government departments on financial, as well as non-financial matters The construction of the Worcester eastern by-pass road (connecting the R60 east of Worcester to the N1 north of Worcester), serves as a key pre-requisite towards unlocking the development, as this is the only viable option in terms of road access to- and from the proposed site. As a result of the catalytic potential presented by the envisaged industrial park, coupled with the pre-requisite of the eastern by-pass road, the department has placed both initiatives on the "Municipal Operational Support Plan" which is discussed quarterly with representatives of the Western Cape Government 	2; 4; 5; 7; 8; 11
<ul style="list-style-type: none"> Initiatives linked to red tape reduction are conducted on an ad hoc basis, subject to the department being informed thereof. In such instances, the executive management is informed and consulted on the matter(s) in order to ensure that a collective action plan is produced to address red tape. However, the department, through regular deliberations with organisations across all spheres and sectors locally, seeks to proactively identify and address possible areas of bureaucratic inertia before it emanates in red tape 	All

Table 183: LED activities & highlights

The image below depicts the sewerage sludge that we investigate to use for local brick making as a means to optimally make use of waste in the green economy.



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3.17.3 CHALLENGES: LED

The table below gives a brief description of all the challenges for LED during the 2019/20 financial year:

Challenge	Corrective action
Absenteeism within the EPWP section contributed to operational deficiencies which resulted in the planned target for EPWP not being met	The particular case of absenteeism has been dealt with accordingly. In addition, the LED Manager assumed direct supervision of the EPWP programme with immediate effect, until a new EPWP Coordinator is appointed. Finally, capacity within the third tier of staff (i.e., administrative staff) has been enhanced to ensure that an acceptable level of service is maintained consistently
Lack of office space to safely interact with clients and stakeholders	A building has been identified to house the department. Occupation of the new office space has been delayed due to Covid-19, as existing occupants could not relocate to their facility. The department is hopeful that the relocation will be concluded in due course. In the interim, the majority of the departmental staff members are stationed at the BVM main building, whilst two members are working remotely from home
Insufficient supply of trading bays to those that wish to enter the informal trade market	The department has submitted proposals linked to the provision of informal trading bays for consideration and discussion, particularly from a funding perspective. These discussions will remain priority
Insufficient funding allocations to adequately implement all planned LED initiatives	In the absence of budgetary allocations, the department continue to engage stakeholders to collaborate on matters of local economic development. For example, the department engaged the Cape Winelands District Municipality to undertake activities linked to investment promotion as most of the local municipalities don't have the means to fund these initiatives. In addition, the department continuously identified and evaluated opportunities to enter into service level agreements, particularly to maximise the impact in areas where departmental capacity is limited (for example in areas relating to tourism, the management of the art gallery and CBD improvement)

Table 184: LED challenges

3.17.4 ECONOMIC ACTIVITY

The table below identifies the economic activity within the different sectors (it should be noted that these represent pre-Covid statistics, hence, the landscape may have changed significantly and will be updated as revised statistics are released):

Sector	R million value 2017	Trend 2008 - 2017	Real GDP Growth 2018e	Number of jobs 2017	Trend 2008 - 2017	Employment (net change) 2018e
Primary Sector	1 510.80	2.4	-3.9	20 394.00	-9 057.00	-520.00
Agriculture, forestry and fishing	1 484.20	2.5	-3.9	20 356.00	-9 051.00	-518.00

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Sector	R million value 2017	Trend 2008 - 2017	Real GDP Growth 2018e	Number of jobs 2017	Trend 2008 - 2017	Employment (net change) 2018e
Mining and quarrying	26.5	0.8	-2.8	38	-6	-2
Secondary Sector	2 645.90	1.3	1.0	10 304.00	1 628.00	195.00
Manufacturing	1 705.00	0.9	1.5	5 961.00	72.00	5.00
Electricity, gas and water	241.6	-3.1	-1.0	184	27	-9
Construction	699.4	5.2	0.0	4159	1529	199
Tertiary Sector	8 405.00	3.0	1.5	52 917.00	15 356.00	1 556.00
Wholesale and retail trade, catering and accommodation	2 307.20	3.0	0.7	17 393.00	5 412.00	450.00
Transport, storage and communication	1 316.20	1.6	1.1	3 060.00	1 207.00	40.00
Finance, insurance, real estate and business services	2 506.40	5.3	3.3	13 092.00	5 131.00	955.00
General government	1 267.40	1.0	-0.3	6 755.00	574.00	21.00
Community, social and personal services	1 007.80	1.6	0.5	12 617.00	3 032.00	90.00
Total Breede Valley	12 561.70	2.5	0.8	83 615.00	7 927.00	1 231.00

Source: Quantec Research, 2019 (e denotes estimate)

Table 185: Breede Valley GDP and employment performance per sector, 2017

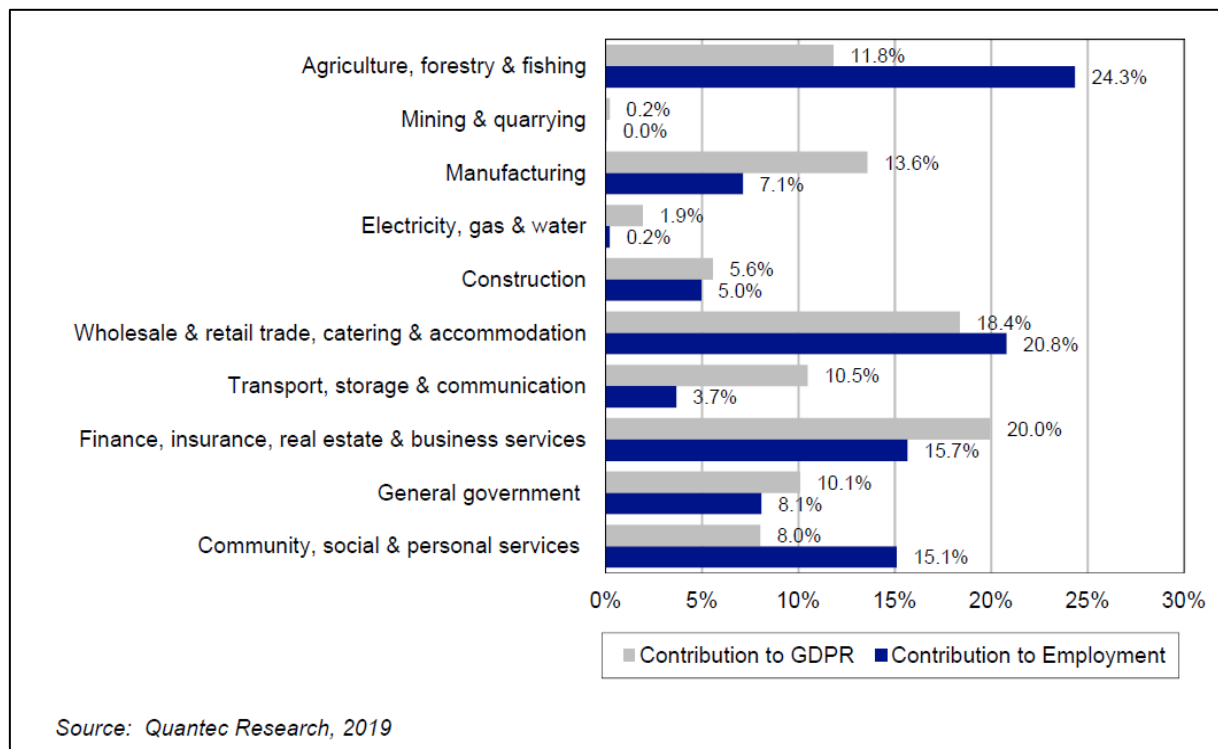


Figure 5: Breede Valley sectoral GDP and employment contribution, 2019 (%)

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

3.17.5 EPWP JOB CREATION

The demand for EPWP is increasing as the economy continues to shed jobs. In addition, the programme serves as point of departure toward equipping beneficiaries (particularly for the youth) with the requisite experience and skills to be absorbed in the job market.

Covid-19 and the associated socio-economic impact reiterated the importance of the EPWP programme as an unemployment safety net. On this premise, the National Department of Public Works embraced the concept of main streaming the EPWP programme as one that can address the skills gaps within municipalities that (amongst others) is required to deliver quality municipal services. The table below, depicts the different EPWP projects, as well the full-time work equivalents achieved during the year under review:

Jobs created through EPWP projects		
Project details	Number of EPWP appointments	
Projects included the following: <ul style="list-style-type: none"> • Law Enforcement • Security Guards • Roads 20-day Project • Nekkies • EPWP Data Capturers / Cleaner • Mechanical Workshop • Solid Waste Worcester • Solid Waste Rawsonville • Solid Waste De Doorns • Roads De Doorns • Solid Waste Touwsrivier • Roads Worcester • Finance Clerks • ECO's • Wastewater Treatment • Fire • Housing • Parks & Cemeteries Worcester • Library Attendants • Electrical Department • Ward Administrators and Caretakers • Technical Support Services Clerk • Main Building Cleaner • Baboon Monitors • Buildings • Roads and Stormwater Touwsrivier • Parks and Cemeteries Touwsrivier • De Doorns 20-day Project • Roads and Stormwater Rawsonville 	Work opportunities	
	Target: 891	Performance: 558
	FTE's generated	
	Target: 312	Performance: 259.93

Table 186: Job creation through EPWP projects

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3.17.6 EMPLOYEES: LED, TOURISM AND MARKETING

The table below indicates the number of employees for LED, tourism and marketing:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	2	3	3	0	0
Skilled Technical, Superintendents etc	0	1	1	0	0
Semi-skilled	1	0	0	0	0
Unskilled	0	0	0	0	0
Total	4	5	5	0	0

Table 187: Employees: LED, tourism and marketing

3.18 TOURISM

3.18.1 AIM AND FUNCTION OF TOURISM SECTION

The aim of the BVM tourism is to:

- Increase the visitor arrivals by implementing our annual operational plan in support of our 5-year strategy for tourism.
- Improve our efficiency as a destination through various training and capacity building programmes.
- Strive to improve the product mix and to appeal to various segments of the tourism market.
- Building the marketing brand of the BVM by supporting a range of events to support our brand, that our destination is indeed very busy and open for visitors.

- Explore new and innovative ideas to lure additional tourist which can sustain more tourism businesses in our destination.
- Compliment and support the work of all four local tourism associations in our municipal area.

The BVM Tourism is a structure that function directly under the leadership of the Portfolio Councillor for LED and Tourism, as well as the Manager: LED and Tourism in the BVM. Although the Municipality is legally entrusted with the tourism function, it is implemented in partnership with the private sector (which organise themselves into Local Tourism Associations (LTAs)). LTA's primarily generate funds by means

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of the internal membership fees levied on businesses/organisations affiliated to each LTA (where applicable). However, these fees are not always cost reflective of the operational requirements and capacity requirements linked to hosting key tourism events. On this premise, the Municipality provides annual financial support, which is governed and transferred in terms of a service level agreement entered into with each LTA in terms of Section 67 of the MFMA. The department further conducts marketing and promotion campaigns at most of the big tourism trade shows, which seeks to market and sell the Breede Valley as a favourable destination to various tour operators that facilitate the travel arrangements of various tourist to pre-packaged tourism destinations.

Furthermore, the department provides leadership and support to the four LTA's called: Bredekloof, Worcester, Hex River and Touwsrivier. The department's role is predominantly complimentary as it provides support and guidance to the local tourism industry which ultimately benefit from- and are dependent on commercial activities that supply them with much needed cashflows to sustain their businesses in tourism. Monthly engagements are scheduled with LTA's to discuss matters of mutual importance, and LTA's are, in terms of the signed SLA, obliged to report monthly and quarterly on their operations. This consultative arrangement is very productive for the coordination and promotion of tourism in the BVMs tourism destination.

The long-term support provided by the Municipality serves as direct enabler for LTA's to function at above average levels. In addition, the support strengthens their capacity to host various tourism events that contribute towards the enhancement of the local tourism brand – a brand synonymous with a vibrant tourism sector that remain

responsive to the needs of visitors and locals alike. LTA's are also included in planning engagements linked to annual publicity and marketing events which, amongst others, instils a sense of belonging and pride in its contribution towards building the BVM tourism brand.

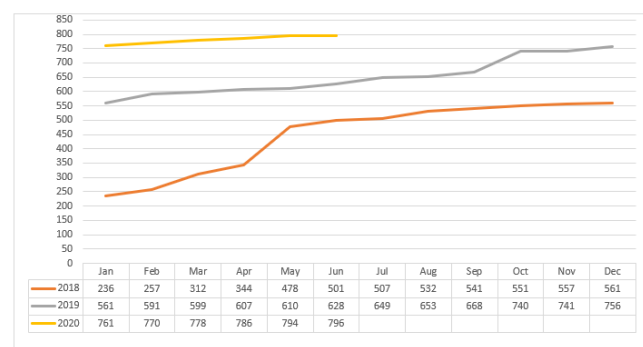
The following activities have been implemented during 2019/20:

- Two (2) educationals for media tour groups were hosted in the Breede Valley
- The Worcester Bi-centennial 200-year Festival was planned and hosted in collaboration with the festival's organising committee



- Financial support was provided to 9 organisations to host events during the Worcester Bi-centennial 200-year Festival
- Facilitated and updated the BVM Tourism & Events Social Media (Facebook)

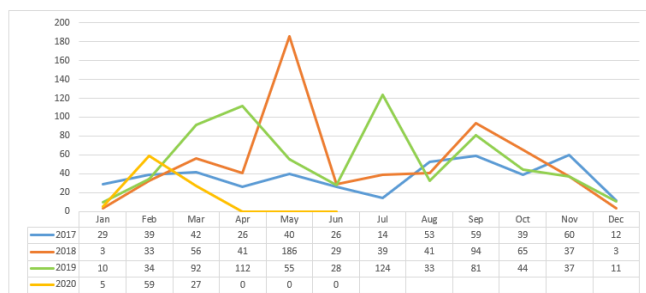
Total Followers: 796 (+26 from March)



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- Arranged the upgrade and continuous maintenance work (comprising of internal building repairs) at the Jean Welz Gallery

Visitor Statistics for Jean Weltz Gallery:



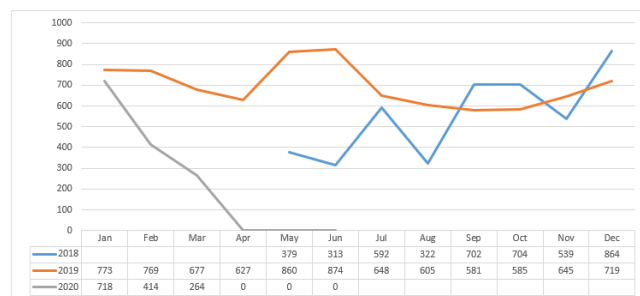
**Note: COVID-19: As from 26 March 2020, the office was closed in accordance with lockdown regulations.*

- December Welcoming Campaign



- Utilise the designated tourism destination marketing space provided by the Mountain Mill Mall (Worcester Tourism Association)

Visitor Statistics:



**Note: COVID-19: As from 26 March 2020, the office/kiosk was closed in accordance with lockdown regulations.*

- Represent the BVM at the Cape Winelands/Overberg RTLC meetings (bi-monthly)
- Represent the BVM at the Cape Winelands LTA meetings (bi-monthly)
- Represent the BVM at the WesGro RTO Forums (quarterly)
- Host BVM LTO meetings (bi-monthly)
- Represent the BVM at CWDM, WesGro and NDT workshops
- Distribute Covid-19 related tourism information to LTA's
- Ongoing administrative duties (Breede Valley Tourism Covid-19 Recovery Plan, bi-annual reports, quarterly reports and monthly reports, revise internal budget)
- Compile Business Plan for the Zwelethemba Township Tourism Corridor – funding received from CWDM
- Compile endorsement letters towards event funding from WesGro to LTA's
- Represent the BVM as a panel member for the CWDM Business, Retention & Expansion Programme
- Update & distribute the Breede Valley Events calendar
- Compile service level agreements to LTA's with regards to Section 67 of the MFMA

Activities that could not be completed/attended due to Covid-19 National Lockdown:

- Represent the Breede Valley at 2 Trade Shows (World Travel Market & Africa Tourism Indaba)

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- Establish Zwelethemba Township Tourism Corridor – funding received from CWDM – to be resumed in 2020/21

Assist LED department with administrative tasks:

- Compile a questionnaire on Google Forms for LED – Covid-19 business impact survey to businesses in the Breede Valley and distribute

- Assist LED department with distributing information via e-mail on relevant webinar sessions and Covid-19 information
- Compile database of BVM businesses from BVM accounts database to use for distributing LED information
- Assist with draft service level agreement for WBID

3.18.2 OVERVIEW OF THE BREEDE VALLEY TOURISM PRODUCT PORTFOLIO

The product portfolio of the Breede Valley area consists of nine product types as exhibited in the table below together with a brief descriptive phrase for each category.

Tourism product	Definition of product
4x4 & camping	Routes for 4x4 enthusiasts and camping enthusiasts which attract families that can spend on leisure
Wine routes that encourage food and drink	The Breede Valley boasts with two wine routes. The Breedekloof Wine Route and the Worcester Wine Route
Craft beer & gin	The Breede Valley boasts with 6 craft beer and 4 very well-known craft gin breweries
Hiking & cycling	MTB & hiking routes for enthusiasts who love nature and the outdoors
Heritage	The Worcester Museum and the Heritage Walking Route present excellent opportunities with its historical gems in the form of old buildings and museums
Arts & crafts	Art galleries, local markets and an arts & craft village
Shopping & casino	The Breede Valley boasts with a shopping mall and a casino, as well as a square with artisanal shops
Game reserves	The Breede Valley boasts with two big-five game reserves and numerous other game reserves with game viewing trips
Artisanal products	The Breede Valley boasts with two coffee roasters and an artisanal bakery
MICE meetings, incentive conferences and exhibitions	Due to our geographic and central location in the Western Cape Province our destination is ideal for various meetings, conferences and training workshops which create downstream value adding income potential
Outdoor living and sports	The mountains, rivers and clear sky make our destination ideal for river rafting, fishing, canoeing and mountain climbing, especially targeting the middle class in Cape Town which is nearby. We are endowed with all the beautiful lakes and irrigation dams that is ideal for aquatic sports and triathlons or simple recreational yachting

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Table 188: Breede Valley tourism product portfolio

The tourism portfolio of Breede Valley is diverse and largely undiscovered. Not surprisingly, eco-tourism takes prime position, supplemented by strengths in adventure, leisure, tourism and cultural attractions. Serenity, tranquillity and hospitality are constant themes throughout the region, and it is the combination of these characteristics and the unspoilt and unpolluted environment, which should be maximised to entice tourists to the Breede Valley region. We have put lots of effort to finalise the marketing strategy to inform our plans in how we will market all the events and key propositions of our destination.

3.18.3 TRAINING/DEVELOPMENT

Exchange vzw. Tourism Growth Programme Workshops

Exchange vzw is a non-profit organization based in Antwerp, Belgium. The Flemish and the Belgian Federal Institutions for Development Cooperation are their main funders. Exchange stands for supporting the growth potential of the private sector in the context of market economies and North-South partnerships.

Exchange secured the services of a highly qualified expert, Wouter Danckaert, who has been appointed to conduct a feasibility study linked to the tourism growth potential of Breede Valley, particularly as a value-for-money tourism destination. This initiative emanated from the agreement reached between BVM and Exchange vzw to partner on a long-term tourism support program.

Mr. Dankaert's brief was to analyse the entire tourism sector and investigate the sub sector, particularly its growth potential in accordance with the unique comparative advantage presented by the locality. Ultimately, it is envisaged that new source markets will be identified and unlocked throughout the area, with the potential to attract more tourists.

Exchange vzw, the BVM team and key stakeholders within the local tourism network have agreed on the primary program earmarked for implementation over the next couple of years in this regard, and will continue to refine it as needed.

Tourism Road Signage Training

The one-day tourism road signage training was hosted by The Department of Economic Development and Tourism and represented by the Tourism Officer.

3.18.4 TOURISM AWARENESS/EVENTS

Annual events in the Breede Valley region included the following:



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Annual event	Date
Breede Valley Park Run	Ongoing every Saturday – Suspended due to Covid-19
Pure Boland Market – Groen Stoor	Ongoing every 1 st Saturday of each month – Suspended due to Covid-19
Hex Valley Night Challenge	Cancelled due to Covid-19
NID Dusk till Dawn Trail Run	November 2019
Overhex Picnic & Live Show	January 2020
Hanepoot Festival & Market	Cancelled due to Covid-19 (March 2020)
Day in the Life of a Winemaker & Beer Brewer @ Kirabo	Cancelled due to Covid-19 (April 2020)
Worcester Vintage Car Festival	Suspended due to Covid-19
Gravel & Grape MTB Event	Cancelled due to Covid-19 (May 2020)
Nuy Valley Festival	Cancelled due to Covid-19 (May 2020)
Pioneer School Heaven & Hills MTB	Suspended due to Covid-19
Breedekloof Soetes & Soup Festival	Cancelled due to Covid-19 (July 2020)

Table 189: Tourism awareness/events

3.18.5 EXPO'S

The tourism industry has been severely impacted by the Covid-19 pandemic. Most travel and tourism related activities were prohibited, postponed and/or cancelled as from February 2020 in order to mitigate severe spikes in infection rates. However, the department, in collaboration with DEDAT and other key stakeholders, are in regular engagement to provide the support to- and underpin the recovery of the tourism sector post Covid-19.

No expo's/shows could be attended due to the National Covid-19 lockdown:

- World Travel Market – April 2020 (cancelled)
- Africa Tourism Indaba – May 2020 (cancelled)

Organisers have replaced these events with daily webinars on relevant tourism topics. The Tourism Officer represented the organisation during these engagements/sessions.

3.19 INTEGRATED DEVELOPMENT PLAN (IDP)

The IDP section focused on the following functions:

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- **Community participation:**

The focus on community participation relates mainly to the participation of the local community in the planning activities of the Municipality, which informs the IDP and budget processes.

A schedule of community participation engagements was approved by Council, based on the municipal IDP/budget time schedule and/or process plan. These engagements were published in the local press for community inputs and information. BVM engagements take place in accordance with the approved Public Participation Policy to promote and stimulate participatory democracy. During the October 2018 public engagements (combination of ward committee & public meetings), a total of 445 community members (inclusive of operational support staff) attended, while participation rates increased during the March/April 2019 engagements with 972 community members attending. These engagements served as a platform for communities and stakeholders to provide their inputs pertaining to the compilation of the 2019/20 IDP and budget. During the 2020/21 IDP and budget planning cycle, a total of 450 community members attended the public engagement session scheduled in October 2019. The public participation engagements schedule in March – April 2020, could not occur as planned due to the national lockdown and restrictions placed on public gatherings as per the regulations issued in response to the Covid-19 pandemic. However, as a means of engaging citizens and stakeholders on the 2020/21 IDP and Budget, the Municipality developed an interactive video as a summary of the key aspects and principles of these legislatively prescribed documents. The video was published on the municipal website, Facebook page and circulated to all councillors. Citizens and stakeholders were granted an opportunity to participate and submit input hereon, through the following communication mechanisms:

- ≈ via the municipal website and social media page;
- ≈ electronically via the IDP and Budget offices (e-mail and contact details provided); and
- ≈ electronically via the applicable ward councillor and/or committee or via ward-based WhatsApp groups (where applicable)

The pandemic highlighted the shortcomings within the pre-Covid-19 public participation processes and have stressed the important role that technology can occupy to bridge the gap, improve public participation processes and promote uninterrupted participation. However, the Municipality takes cognisance of the various challenges presented in this instance. The biggest being access to data/internet and devices to ensure connectivity, particularly within the most vulnerable areas of society. To overcome this, initial internal investigations are being planned to assess the viability and feasibility of rolling-out a data-friendly citizen engagement app as well as public Wi-Fi in certain public spaces to potentially overcome the connectivity challenge and promote electronic public participation (amongst others).

- **Ward committees:**

The launch of the ward committee election project for the new term proved successful.

Ward committees remained operational throughout all 21 wards. As per the amended Ward Committee Policy (approved in June 2019), ward committee members were paid a fixed rate of R500 per month during the year under review. During a particular financial year, a target of six ward committee- and four community report back meetings (inclusive of the two IDP & Budget meetings) are intended for implementation. In addition, ward committees are required to regularly report (formally and/or

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informally) on their operations. These minutes, attendance registers and reports enable the Municipality to gauge the functionality of ward committees.

Functionality of ward committees

Ward committees currently meet on a regular basis based on a formal meeting schedule adopted and communicated with the Office of the Speaker. A complete ward committee administrative support structure is needed to address some of the functionality challenges.

Furthermore, the revision of the composition of these ward committees was considered. If the ward area is divided into three or more communities, or if there is a vast area that must be covered in the ward, the suggestion was that the composition of that specific ward must be changed from sectoral/portfolio-based to geographical representation or a combination of sectoral/portfolio based and geographical representation. This would mean that a ward committee member will not only deal with issues related to his or her portfolio, but rather attend to all matters across all sectors in that community or section of the ward. This will not guarantee a 100% improvement rate of issues reported being solved, but it will allow the ward committee to attend to all matters as it arises daily.

The amount of ward committee meetings can/should also be increased to a minimum of 6 per year to allow for more community matters being dealt with and report back or feedback opportunities to the community by the ward councillor and ward committee.

More regular feedback sessions in the form of public meetings will create a better environment for community participation.

Once the community gets more involved and are made part of all processes, a higher level of participation can be expected.

The functionality of a ward committee must be conceptualised by the Municipality through the following initiatives:

1. Create a better support structure for the ward committees.
 - a. Dedicated public participation unit
 - b. Ward administration offices with ward administrators
2. Establish better communication between the Municipality, the ward committee and the community.
 - a. Monthly communication to the communities must take place
 - b. Issues reported and discussed at ward committee meetings must be filtered to the relevant departments in higher levels of urgency
3. Help create more awareness and education around the ward committees in all wards.
4. Must develop ward plans containing community projects and programme for development in line with the IDP and ward priorities.
5. Ensure that ward councillors are educated on their responsibilities and be held accountable for the performance of their ward committees.
6. The election of ward committees at the start of the new term of Council must be the highest priority and done properly. This is an essential requirement as it will (amongst others):

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- a. allow for proper representation (sectoral or geographical) is achieved
- b. help ensure that sector or block engagements are conducted in the wards
- c. help to channel sector specific issues and priorities to the relevant structure
- d. contribute toward a functioning IDP Representative Forum
- e. provide proper and better structures for feedback and consultations
- f. improve communication channels to and from communities

3.20 LIBRARIES

The library service ensures the provision of library and information services to communities in a sustainable manner by promoting a culture of reading, library use and learning.

The service is provided in co-operation with the Western Cape Provincial Library Service.

Libraries are resource centres for adults and children. The public can access or borrow books, music CD's, videos, CD-ROMs, newspapers and periodicals at all the local libraries. Worcester Library also deliver a service to the blind and partially sighted via the Tape Aid for the Blind. Equipment was installed at Goudini Library to serve as an access point for the Library for the Blind. The RLCP (Rural Libraries Connectivity Project) is a free computer/internet service to the public via the Provincial Library Service. This service is available at all service points except at Overhex Mini Library (due to limited space).

Libraries maintain and develop information resources and develop staff members with in-service training and other skills. A formal accredited certificate course for 12 library employees were also provided throughout the year under review. The course commenced in January 2020. The second session scheduled in April 2020 could not materialise due to Covid-19 and the subsequent regulations and lockdown measures issued/introduced as response mechanism to the pandemic. This session will be rescheduled as soon as it is permissible to do so, in accordance with the updated training schedule provided by the service provider.

Libraries also develop organised systems with other relevant government departments and community organisations to enhance service delivery to our communities.

Five mini-libraries (community libraries) were established during the past few years and deliver a service to rural areas.

Membership and outreach	2018/19	2019/20
Total circulation statistics (Library material used during the financial year) :	313 666	205 021 (Due to the upgrade, the Worcester Library was closed from July 2019 - September 2019 and no library material could be circulated. In addition, no library material could be circulated during the lockdown (April 2020 – June 2020)

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Membership and outreach	2018/19	2019/20
In-house usage (People using libraries during the financial year) :	284 931	233 069 (Due to the upgrade, the Worcester Library was closed from July 2019 - September 2019 and no library patrons could make use of the facility. In addition, no patrons were able to use the facilities during lockdown (April 2020 – June 2020))
Outreach programs/promotional activities/group visits/displays:	1 016	1 518 (Although libraries were closed for upgrade and/or lockdown, significant strides were made in organising & implementing outreach programs. Educational toy library visits/programs were also included in the statistics)
New members:	2 795	1 528 (Due to the upgrade, the Worcester Library was closed from July 2019 - September 2019 and no library patrons could join as a new member. In addition, no patrons were able to join as new members during lockdown (April 2020 – June 2020))

Table 190: Membership and outreach statistics

3.20.1 HIGHLIGHTS: LIBRARIES

The table below gives a brief description of all the highlights for libraries during the 2019/20 financial year:

Highlight	Description
Mandela Day Activities (July 2019)	All libraries participated with special programs in their respective communities
Children's Art Competition (July 2019)	Children participated in the "Thinking out of the box" art competition. Prizes were awarded
Literacy month (September 2019)	Libraries in the De Doorns area collaborated with Nali'bali and Diaconia to form a network of storytelling sessions. The

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Highlight	Description
	National President of LIASA visited the library and they received book donations
Re-opening of Worcester Library (September 2019)	The Worcester Library re-opened on 25 September 2019 – after many months of upgrading the facility
Educational play equipment (December 2019)	Play equipment was installed on the Zwelethemba Library erf. Equipment will only be utilised as part of the educational Toy Library activities
Dream Tree Project (January 2020)	Each library received a cardboard Dream Tree and learners were requested to write their dreams for Worcester and other BVM towns on cards. These cards (leaves) were attached to the trees and were exhibited as displays
Worcester Bi-Centennial Festival (24 February 2020 - 1 March 2020)	<p>The Library Service provided background information for the unveiling of the J.M. Coetzee monument.</p> <p>The Library Service in co-operation with Mr and Mrs Jacobs (Librarian at Goudini Library) organised a CW200 Blitz Chess tournament for 80 participants on 28 February 2020. The tournament was held in the new reference area of the Worcester Library and was very successful.</p> <p>The Worcester Library also hosted the Worcester stamp/postcard collection during the week of the festival</p>

Table 191: Library highlights

3.20.2 CHALLENGES: LIBRARIES

The table below gives a brief description of the library challenges during the 2019/20 financial year:

Challenge	Corrective action
Wheelchair ramp (Worcester Library Upgrade)	The ramp was not built according to the specifications/regulations. The architect indicated possible changes with limited challenges. A meeting was held with all role players on 20 March 2020 – just before lockdown. The outcomes of the plans and financial implications are still awaited
Limited operational and capital funding	The Provincial Library Service only provide for ± 80% of staff salaries. The Municipality normally starts contributing to the salary budget in March of the financial year. No budget/funding was received for capital items except for the funding for the upgrade of the Worcester Library
Limited receipt of new library material	Due to budget constraints at the Provincial Library Service, libraries received limited amounts of new material which has a negative impact on the circulation thereof
Maintenance of library buildings	Currently, there are 13 library buildings located throughout the municipal area. These buildings (some of which are very old) must be regularly maintained to extend the useful life thereof.

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Challenge	Corrective action
	Operational funding for maintenance coupled with human resources to conduct the maintenance, remains limited
Covid-19 Lockdown	Covid-19 and the subsequent regulations and lockdown measures issued/introduced in response thereto, has negatively impacted operations during the last quarter of the 2019/20 financial year. Many of the service offerings were disrupted/halted as a result. Staff returned to work on 25 June 2020 after the department's Covid-19 workplace readiness plan and risk assessment was approved by the Covid-19 Manager and the Manager: Integrated Risk Management

Table 192: Library challenges

3.20.3 SERVICE STATISTICS: LIBRARIES

Type of service	2018/19	2019/20
Libraries		
Number of libraries	8 plus 5 mini libraries	8 plus 5 mini libraries
Library members	27 602 (June 2019)	27 796 (June 2020)
Books circulated	313 382	205 021
Exhibitions held	408	348
Internet users	38 406	29 451
New library service points or Wheelie Wagons	None (Upgrade of Worcester Library in progress)	No new service points introduced. The Worcester Library upgrade was completed and subsequently re-opened in September 2019
Children programmes	197 plus 1 564 toy library participants	388 plus 782 toy library participants
Visits by school groups and crèches	281	276
Book group meetings for adults	8	4
Primary and secondary book education sessions	2	2

Table 193: Service statistics: Libraries

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3.20.4 EMPLOYEES: LIBRARIES

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

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	9	10	8	2	20
Skilled Technical, Superintendents etc	0	0	0	0	0
Semi-skilled	27	28	27	1	3.58
Unskilled	11	11	11	0	0
Total	48	50	47	3	6

Table 194: Employees: Libraries

3.20.5 CAPITAL EXPENDITURE: LIBRARIES

The table below indicates the amount that was actually spent on library service projects for the 2019/20 financial year:

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Waterloo Library - Replace Equipment	30 000	30 000	28 340	1 660	30 000
Upgrade Library	0	264 233	281 545	-17 312	6 699 895
Total all	30 000	294 233	309 885	-15 652	6 729 895

Table 195: Capital expenditure 2019/20: Libraries

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3.21 CEMETERIES

There are 14 cemeteries in the Breede Valley area that resort under the jurisdiction of the Municipality. Seven cemeteries are operational (one in each of the four towns, as well as Sandhills and Zwelethemba and the pauper cemetery named Hartebees in Worcester), five officially closed and two are full.

Cemetery	Air Space	Status		
		Open	Full	Closed
Hartebees	Sufficient	Yes		
De Wet			Yes	
Cemetery (Worcester Prison)				Yes
Old Cemetery Le Seuer Street				Yes
Worcester New Cemetery	Sufficient	Yes		
Touwsrivier (Town Cemetery)				Yes

Cemetery	Air Space	Status		
		Open	Full	Closed
Steenvliet	Touwsrivier extension in the planning stage	Yes		
Zwelethemba	Sufficient	Yes		
Sandhills	Sufficient	Yes		
Aan De Doorns Cemetery				Yes
Rawsonville Cemetery	Sufficient	Yes		
De Nova Cemetery				Yes
Weltevrede, De Doorns	Sufficient	Yes		
Old De Doorns Municipal Cemetery			Yes	
		7	2	5

Table 196: Status of cemeteries

Total burials per area for 2019/20 are as follows:

Month	Area									
	Nuwe Worcester	Hartebees	Sandhills	Zwelethemba	De Doorns: Weltevrede	Touwsrivier: Steenvliet	Rawsonville	De Wet	Aan De Doorns	Total
July 2019	35	4	3	13	16	3	13	0	0	87
August 2019	49	0	2	12	20	15	10	6	0	114
September 2019	35	4	0	12	11	10	11	1	0	84
October 2019	33	0	3	11	13	4	8	0	0	72
November 2019	60	8	5	10	22	4	14	2	0	125
December 2019	32	0	4	6	7	5	4	0	0	58
January 2020	26	17	3	14	21	5	10	0	0	96
February 2020	40	0	3	7	17	3	5	0	0	75
March 2020	33	7	7	9	22	3	12	0	0	93
April 2020	27	0	3	8	11	12	5	1	0	67
May 2020	48	0	3	10	14	4	13	0	0	92
June 2020	44	0	4	25	23	9	8	3	0	116

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Month	Area									
	Nuwe Worcester	Hartebees	Sandhills	Zwelethemba	De Doorns: Weltevrede	Touwsrivier: Steenvliet	Rawsonville	De Wet	Aan De Doorns	Total
Total	462	40	40	137	197	77	113	13	0	1 079

Table 197: Total burials per area

3.21.1 EMPLOYEES: CEMETERIES

The table below indicates the number of employees for cemeteries:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	0	0	0	0	0
Senior Management	0	0	0	0	0
Middle Management and Professionals	0	0	0	0	0
Skilled Technical, Superintendents etc	3	4	3	1	25
Semi-skilled	2	2	2	0	0
Unskilled	10	15	10	5	33.34
Total	15	21	15	6	28.58

Table 198: Employees: Cemeteries

3.22 REGIONAL SOCIO-ECONOMIC PROGRAMME (RSEP)

BVM was selected as one of three municipalities to take part in the RSEP of the Western Cape Department of Economic Affairs and Development Planning (DEA&DP) with Saldanha- and Swartland municipalities. The aim of the programme is to improve personal safety and opportunity in the poorest areas with the highest crime rates. The suburbs of Avian Park, Riverview, Roodewal and Zwelethemba are included in the BVM focus areas.

A big part of the initial focus in the 2015/16 financial year was thrashing out the practical issues of the implementation over the four-year duration of the RSEP in a series of workshops with colleagues from DEA&DP, Saldanha- and Swartland municipalities. Several public meetings were held to determine needs and identify projects to address these. On 16 November 2015 Council

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approved a Portfolio of Interventions for each of the four suburbs in the BVM focus area. DEA&DP also approved the Portfolio of Interventions which enabled BVM to move into the implementation phase of RSEP.

During the 2016/17 financial year the following projects were completed:

- The construction of the Riverview neighbourhood centre
- Tar-surfaced netball courts in Avian Park, Riverview, Roodewal and Zwelethemba (one in each suburb)
- Construction of grassed soccer pitches in Avian Park and Riverview
- Fencing of the above

During the 2017/18 financial year the following projects were completed:

- The fencing of various public facilities created through RSEP, at the communities' request. These include the Roodewal neighbourhood centre, Roodewal netball court, Roodewal mini-soccer astro-turf, Riverview netball court, Riverview mini-soccer astro-turf and Touwsrivier recreation area
- The construction of the Roodewal neighbourhood centre
- The construction of pedestrian walkways in Avian Park, Riverview and Roodewal
- The construction of braai stands with benches in Roodewal and Touwsrivier
- The installation of floodlights in dark passages which were dangerous for pedestrians in Touwsrivier
- The construction of mini-soccer astro-turf pitches in Avian Park, Riverview, Roodewal and Zwelethemba
- The construction of a concrete cricket pitch with a compacted outfield in Roodewal
- The engineering design of a pedestrian bridge over the Donkies River in Touwsrivier
- A review of the Portfolio of Interventions for Avian Park, Riverview, Roodewal and Zwelethemba was done and one was compiled for Touwsrivier (which had been added to the programme). Both of these were approved by Council and DEA&DP.



During the 2018/19 financial year the following projects were undertaken:

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- Construction of three tar-surfaced playing areas in Touwsrivier
- Construction of artificial grass mini-soccer pitches in Avian Park, Riverview, Roodewal and Zwelethemba (one in each suburb)
- Fencing of the above
- The purchase of steel playground equipment for Touwsrivier
- The upgrade of Mtwazi Street road reserve for improved pedestrian, recreational and informal trading facilities (multi-year project earmarked for completion in 2019/20)
- The construction of a pedestrian bridge across the Donkies River in Touwsrivier (multi-year project earmarked for completion in 2019/20)



During the 2019/20 financial year the following projects were undertaken:

- The completion of the upgrade of Mtwazi Street road reserve which commenced in 2018/19
- The completion of the pedestrian bridge across the Donkies River in Touwsrivier which commenced in 2018/19
- Construction of an artificial grass mini-soccer pitch in Steenvliet in Touwsrivier
- The tender for the construction of traffic calming measures in Avian Park, Riverview, Roodewal, Touwsrivier and Zwelethemba (initially earmarked for construction during 2019/20) was only awarded in June 2020 due to delays caused by the Covid-19 pandemic. As a result, a budget roll-over application was submitted to the Provincial Department of Environmental Affairs & Development Planning (DEA&DP) in order to solicit approval and funding for project implementation within the 2020/21 financial year (approval pending).



3.22.1 SERVICE DELIVERY INDICATORS: RSEP

The key performance indicators for RSEP are:

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
TL5	Complete construction of pedestrian bridge across Donkies River in Touwsrivier by 30 June 2020	Project completed	1	N/A	N/A	1	1	
TL6	Complete construction of shared economic infrastructure facility in	Project completed	8; 16; 17; 18	N/A	N/A	1	1	

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Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
	Zwelethemba by 30 June 2020							
TL3	Spend 90% of the budget allocated for the Regional Socio Economic Programme by 30 June 2020 {(Actual expenditure divided by the total approved capital budget) x 100}	% of budget spent	12; 21; 11; 13; 14; 10; 9; 8; 16; 17; 18	90%	80.79%	90.00%	88.11%	

Table 199: Service delivery indicators: RSEP

3.22.2 CAPITAL EXPENDITURE: RSEP

The table below indicates the amount that was actually spent on RSEP for the 2019/20 financial year:

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Construction of Pedestrian Bridge Over Donkies River in Touwsrivier	1 008 920	1 305 855	1 305 855	0	1 358 920
Traffic Calming Measures in Touwsrivier	100 000	100 000	0	100 000	100 000
Artificial Grass Mini Soccer Pitch	810 000	836 151	796 939	39 212	836 151
Upgrading of Playparks - Avian Park, Riverview, Roodewal, Zwelethemba	695 000	0	0	0	695 000
Zwelethemba – Crèche (Shipping container)	681 080	0	0	0	681 080
Speed Humps – Avianpark	110 000	110 000	0	110 000	110 000
Speed Humps - Riverview/Victoriapark	110 000	110 000	0	110 000	110 000
Speed Humps - Roodewal/ Hexpark	110 000	110 000	0	110 000	110 000
Speed Humps – Zweletemba	100 000	100 000	0	100 000	100 000
Shared Economic Infrastructure Facility for Informal Traders in Zweletemba	1 125 000	3 495 218	3 331 333	163 885	3 325 000
ECD Projects at Zwelethemba Library	250 000	0	0	0	250 000
Total all	5 100 000	6 167 224	5 434 127	733 097	7 676 151

Table 200: Capital expenditure 2019/20: RSEP

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3.23 PARKS

The improvements and new developments to parks during 2019/20 can be seen from the table below:

Park	Suburb / Town
Corner of Sewende Laan and Jacaranda Street	Orchards/De Doorns (new development) Ward 4
Corner of Olivier Street and Faure Crescent	Panorama, Worcester (new development) Ward 5
Kolie Nelson Street	Fairway Heights (improvement) Ward 6

Table 201: Improvements and developments to parks

The table below gives a brief description of all the highlights for parks during the 2019/20 financial year:

Highlight	Description
Completion of Orchard Park	Completion of the park in orchards with play equipment and trees

Table 202: Parks highlights

The table below gives a brief description of the challenges experienced by the parks department during the 2019/20 financial year:

Challenge	Corrective action
Human resources	Dwindling workforce - no new appointments, not enough hands to do jobs. Consider & review the possible expansion of the departmental workforce, particularly at general worker level
Vandalism	Equipment and assets stolen or broken; and trees vandalised. The safeguarding of assets & equipment will be prioritised, coupled with regular employee sensitisation and training linked to the prescribed standard of use and maintenance of equipment as a means of prolonging the useful life thereof. Initiate awareness campaigns (via official municipal social media platforms) highlighting the importance of trees within society and the natural ecosystem
Aging equipment	Many stoppages due to broken tools or equipment and machinery. Budget inputs will be formulated and submitted linked to the replacement of aging equipment

Table 203: Parks challenges

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3.23.1 CAPITAL EXPENDITURE: PARKS

The table below indicates the amount that was actually spent on parks for the 2019/20 financial year:

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Ward 4 - Development of Parks	60 000	60 000	46 235	13 766	60 000
Development of Parks	120 000	120 000	92 469	27 531	120 000
Ward 6 - Development of Parks	60 000	60 000	51 465	8 536	60 000
Ward 8 - Development of Parks	60 000	60 000	0	60 000	60 000
Outdoor Gym Ward 15	0	97 000	0	97 000	97 000
Development of Parks Ward 18	60 000	60 000	0	60 000	60 000
Ward 19 - Development of Playpark	60 000	60 000	15 825	44 176	60 000
Total all	420 000	517 000	205 993	311 008	517 000

Table 204: Capital expenditure 2019/20: Parks

COMPONENT E: ENVIRONMENTAL PROTECTION

According to section 156(2) of the Constitution, a municipality may make and administer bylaws for the effective administration of matters that it has the right to administer. Air pollution is listed as a matter in which local government has authority and national and provincial government may not compromise or impede a municipality's right to exercise its powers or perform its functions.

3.24 POLLUTION CONTROL

INTRODUCTION

The National Environmental Air Quality Act, No. 39 of 2004 (NEMA: AQA) states that air quality monitoring is a local municipality function and the district municipality manages the licensing of listed activities. BVM must comply with the following statutory requirements:

- Appointment of an Air Quality Officer (AQO)
- Development of an Air Quality Management Plan (AQMP)
- Incorporation of the AQMP in the IDP of the Municipality.

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STATUS QUO OF AIR QUALITY MANAGEMENT PLAN

The AQMP of BVM was developed by the AQO and adopted by MayCo in June 2017 (Resolution EX17/2017). The “Implementation Plan” as described in the AQMP defines its goals and is divided into specific objectives. The following table summarises the current status quo as at 30 June 2020:

Requirement	Status	Comment
Air Quality Officer	In place	Appointed 31 July 2015
Air Quality Management Plan	Completed	Adopted by MayCo - June 2017
AQMP incorporated in IDP	Yes	Chapter 5, Section 6.1(f)
Budget allocated for AQ	No	Vote numbers within the cost centre are utilised as interim measure to fund AQ related expenditure
Capacity – Human Resources and skills	Limited	<ul style="list-style-type: none"> • AQO has other functions • Co-opt laboratory staff when needed • Air quality monitoring and EMI training opportunity will arise towards the end of 2019
Complaints register	Design of the register in process	Total of 5 complaints attended to for 2019/20. Details available on request
Site visits / Inspections	Continuous activity	Local AQO accompanied District and Provincial Government AQOs on two occasions during the 2019/20
Emission inventory list	In progress	Internal project initiated by AQO to quantify the number of fuel-burning appliances and other emitters within the Municipality
Establishment of Local AQO's forum within district	Not yet	AQO officer of Cape Winelands District Municipality to drive this process
Educational awareness in terms of AQ	Not yet	Arrange a meeting with Communication Manager of BVM to kickstart campaign

Table 205: Status Quo – AQMP Implementation Plan

AIR QUALITY BY-LAW

A draft Air Quality By-Law has been compiled and submitted to the legal department of BVM for their input and recommendations.

QUARTERLY AIR QUALITY FORUMS

The table below indicates the meeting/workshops that were attended by BVM officials.

Date	Place	BVM Official
1 - 2 August 2019	McGregor – Langeberg Municipality	Mr A Kafaar

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Date	Place	BVM Official
20 – 21 February 2020	Vredendal – Matzikama Municipality	Mr A Kafaar

Table 206: AQ Forum Meetings for the Period 1 July 2019 to 30 June 2020

CHALLENGES

The major challenges can be spilt into the following three items:

- Insufficient budget for AQ
- Shortage of capacity in terms of human resources
- Training of officials in AQ monitoring etc.

HIGHLIGHTS

BVM received a Certificate of Outstanding Achievement for - Most Improved: Air Quality Management at the 2019 Greenest Municipality Competition.

EMISSIONS INVENTORY

During February 2019, the department initiated an internal project relating to the compilation of a database of emission producers (inclusive of boilers, spray booth facilities and generators – particularly as the increased use hereof due to load shedding, result in greater emissions) in the Breede Valley Municipality. However, the project was suspended due to internal human resource constraints, but reconvened in January 2020. Unfortunately, the Covid-19 pandemic and subsequent lockdown regulations resulted in another suspension of the project (specifically the intended survey) effective from March 2020 until 30 June 2020. As lockdown regulations are eased, the project implementation scope will be reconsidered and reconvened in accordance with the applicable Covid-19 alert-level regulations, and preferably within the 2020/21 financial year.

Upon completion of the survey, an application form will be issued to all industries that utilise boilers. Once the application forms have been checked against a pre-determined list of factors/requirements, a letter will be issued to the industry(s) who's fuel burning appliance is registered with the Municipality. The Municipality will, on an annual basis, assess these industries to ensure that status quo remains as stipulated on the initial completed application form. The final step is to plot all the fuel burning appliances on a GIS map indicating their location and basic information.

3.25 BIODIVERSITY, LANDSCAPE AND OPEN SPACES

The relevant department is responsible for a large number of functions, including the:

- management and maintenance of trees;
- removal of unwanted and alien trees;
- planting of new indigenous trees;
- irrigation of trees and open spaces, as well as entrances to the towns;
- weeding and cleaning of sidewalks and open spaces;

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- beautification of certain focus areas; and
- landscaping and the mowing of parks, open spaces and buffer zones.

Due to delays in the MoU between BVM and DEA&DP, no new work was done with regards to alien clearing. The workers started their training just before lockdown and thus did not commence with alien clearing.

COMPONENT F: SECURITY AND SAFETY

3.26 TRAFFIC AND LICENSING

The primary goal of BVM Traffic Services, is to render an effective and high-quality service through a process of transparency in all facets of the traffic services (i.e. traffic regulation & control, traffic licensing and municipal law enforcement & security), and in rendering a service to the community and its visitors by ensuring the free flow of traffic and creating a safe environment. The main priorities of traffic are:

- The testing of applicants for driving licenses, learner's licenses and the application and renewal of professional driving licenses
- The registration and licensing of motor vehicles
- The promotion of road safety and law enforcement
- Traffic road school education and scholar patrol training

3.26.1 HIGHLIGHTS: TRAFFIC AND LICENSING

The table below gives a brief description of all the highlights for traffic and licensing during the 2019/20 financial year:

Highlight	Description
Regular training of staff	<p>The regular training of staff is imperative to ensure that all officials and officers are suitably equipped to serve municipal constituents in a dignified manner, that underpins safety, law and order within society. Throughout the year under review, the following training was rolled out:</p> <ul style="list-style-type: none"> • 5 officers trained as examiners of driver's licenses • 1 officer trained as examiner of learner's licenses • 2 officers completed "Basic Traffic Officer" training
Installation of e-Natis System in Touwsrivier and Rawsonville respectively	<p>The installation of the e-Natis System in the mentioned towns, enables residents to renew their vehicle licenses and/or apply for learner's licenses. The introduction of this system enhances the ease of access to certain traffic related services (as mentioned)</p>
Filling of vacancies	<p>During the year under review 3 vacancies were filled within the department, which contributed to enhanced capacity to render services</p>

Table 207: Traffic and licensing highlights

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3.26.2 CHALLENGES: TRAFFIC AND LICENSING

The table below gives a brief description of the traffic and licensing challenges during the 2019/20 financial year:

Challenge	Corrective action
Outdated telephone/communication system	Well-functioning communication systems within Traffic Services, particularly from a client servicing and law enforcement perspective, is essential. The usefulness of the current telephone/communication systems must be reviewed, and proposals submitted to enhance the system (subject to an evaluation of current systems operational within the Municipality and enhanced integration). This response should also be informed
Lack of safety equipment	From a Traffic Services perspective, safety equipment plays an integral role in rendering adequate services to the local community. Budgetary submissions and provision, that is commensurate with the minimum level of acceptable service, must be prioritised
Not equipped to deal with illegal taxi operations	Additional capacity (human resources & tools/equipment) should be prioritised to ensure that illegal taxi operations can be adequately enforced and eradicated. This will underpin the drive towards safer communities and road use, in which law and order prevails
Internal vacancies (cashier)	The department will, in accordance with the applicable policies, initiate a process to have this vacancy filled as soon as reasonably possible. Departmental vacancies create significant strain on existing employees that are, as a result, required to conduct duties beyond their scope of work. This has the potential to impact service delivery

Table 208: Traffic and licensing challenges

3.26.3 SERVICE STATISTICS: TRAFFIC SERVICES

The table below gives an indication of the statistics of traffic services for the financial year:

Details	2015/16	2016/17	2018/19	2019/20
	Actual no.	Actual no.	Actual no.	Actual no.
Number of road traffic accidents during the year	1 538	1 008	1 961	596
Number of infringements attended	86 929	95 276	16 705	29 220
Number of traffic officers in the field on an average day	15	18	4	4
Number of traffic officers on duty on an average day	21	19	12	12
Number of driver's licenses issued*	1 467*	1 826*	7 537*	2 037
Number of learner's licenses issued	2 691	2 719	2 748	2 316
Number of motor vehicle license transactions	129 799	126 812	95 363	92 639

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Details	2015/16	2016/17	2018/19	2019/20
	Actual no.	Actual no.	Actual no.	Actual no.
<i>*Includes renewals</i>				

Table 209: Service data for traffic services

3.26.4 SERVICE DELIVERY INDICATORS: TRAFFIC AND LICENSING

The key performance indicators for traffic and licensing are:

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
TL26	Conduct breath alcohol screenings at roadblocks by 30 June 2020	Number of breath alcohol screenings conducted by 30 June 2020	All	1450	1459	1 500	1 182	

Table 210: Service delivery indicators: Traffic and licensing

3.26.5 EMPLOYEES: TRAFFIC SERVICES

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

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	6	2	2	0	0
Skilled Technical, Superintendents etc	32	22	20	2	9.1
Semi-skilled	36	61	52	9	14.76
Unskilled	14	15	12	3	20
Total	89	101	87	14	13.87

Table 211: Employees: Traffic services

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3.26.6 CAPITAL EXPENDITURE: TRAFFIC SERVICES

The table below indicates the amount that was actually spent on traffic services projects for the 2019/20 financial year:

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Municipal Court Furniture and Equipment	10 000	0	0	0	113 000
Municipal Court Air Conditioners	10 000	0	0	0	100 000
Upgrading of Building - Municipal Court	200 000	8 300	7 143	1 157	1 650 000
Traffic - Road Marking Machines	180 000	63 807	63 807	0	63 807
Total all	400 000	72 107	70 950	1 157	1 926 807

Table 212: Capital expenditure 2019/20: Traffic services

3.27 FIRE, RESCUE AND DISASTER MANAGEMENT SERVICES

Vision statement: *Making Life Safer*

Key strategies

Mission statement: *Protecting our community and the environment from fires and other emergencies*

Our Motto: *making a difference.... everyday*

- Developing our staff and succession planning
- Enhancing our community safety focus
- Building partnerships
- Building emergency response capacity
- Building disaster management capacity
- Planning for the future

3.27.1 HIGHLIGHTS: FIRE SERVICES AND DISASTER MANAGEMENT

The table below gives a brief description of all the highlights for fire services and disaster management during the 2019/20 financial year:

Highlight	Description
Appointment of Firefighters for De Doorns Fire Station	10 Firefighters were appointed and commenced their duty at the De Doorns Fire Station on 01 January 2020
Appointment of Platoon Commanders	2 Platoon Commanders were appointed and commenced their duty at the De Doorns Fire Station on 01 January 2020 and 01 February 2020 respectively
Launch New Fire Engine	A new Fire Engine was inaugurated and placed at the De Doorns Fire Station

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Highlight	Description
Upgrade of De Doorns Fire Station	The De Doorns Fire Station upgrade commenced on 01 June 2020. The works are in process of completion and has been somewhat delayed as a result of the Covid-19 pandemic
Joint Operations Centre (JOC) established in response to Covid-19	The Covid-19 pandemic is managed nationally, provincially and locally under the Disaster Management Act. Locally, BVM (Fire & Rescue Services) commissioned the Covid-19 JOC, in collaboration with the Provincial Departments of Health, Education and Social Development, the Cape Winelands District Municipality, the SAPS and Correctional Services as well as internal municipal departments. The purpose of this committee was to facilitate a collective response towards the pandemic and its associated impact, and also report on the status of initiatives identified as a response mechanism
Erect a shelter for the vagrants – Covid-19 response	A temporary refuge facility comprising of sixteen 10-sleeper tents were erected at the “Nuwe Begin” shelter in Riverview, in order to provide additional refuge facilities for vagrants during the Covid-19 lockdown period
Fire and Life Safety Education	Continuous roll-out of Fire and Life Safety Education programmes, comprising of: <ul style="list-style-type: none"> ● Learn not to Burn (ECD) ● Remembering when (training for the elderly and frail) ● Prepare for Emergency (Businesses) ● Door-to-Door ● Smoke Alarm
Technology and other early warning methods used to plan for severe weather patterns	The following technology and early warning methods were implemented: <ul style="list-style-type: none"> ● Fire Danger Index – this system, developed by the CSIR, warns of severe conditions prone for runaway fires. The monitoring of this system allows the department to proactively plan and prepare for any potential disasters that may occur as a result of associated conditions ● It is also used to warn residents such as farm owners and workers to be vigilant and prevent fires at all cost ● Severe storm warnings are used to (amongst others) plan for operational response to floods and to warn communities (that may possibly be affected) well in advance to either evacuate or to be vigilant of the prevalent risks ● Several marking systems (such as the Rawsonville bridge) and systems where people are phoned to report the rise in river levels, are used to accurately predict the rise in water levels
International Research Participation - Breede Valley Fire Department Prevention of fire deaths and damage to informal settlement	<p>The following is an extract of the current research continued at the BVM Fire Department Training Centre in conjunction with the University of Stellenbosch ...” It is estimated that the number of people residing in informal settlements will increase from 1 billion globally, to 1.2 billion in Africa alone by 2050. It is known that informal settlements are becoming denser annually, both in terms of the population and the number of dwellings per area, and that the number of large conflagrations in informal settlements are becoming more frequent.”</p> <p>As settlements are becoming denser, inhabitants often resort to building upwards. As a result, double storey informal settlement dwellings are becoming more common. Currently, there is no research in terms of better understanding the fire dynamics in double storey informal settlement dwellings along with the added fire risks associated with such structures.</p> <p>However, it is argued that fire suppression would be extremely difficult in these circumstances, and it was found that firefighters would be exposed to significant risks if</p>

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Highlight	Description
	they were to be in the vicinity of these dwellings during a fire. In dense settlements firefighters may be required to leave such structures to burn out, whilst inhabitants may need to be restrained from entering fire damaged homes due to safety concerns

Table 213: Fire Services and Disaster Management highlights

3.27.2 CHALLENGES: FIRE SERVICES AND DISASTER MANAGEMENT

The table below gives a brief description of the Fire Services and Disaster Management challenges during the 2019/20 financial year:

Challenge	Corrective action
Covid-19 (General and personal safety)	<p>Covid-19 significantly disrupted the daily being and operations throughout all facets of society and highlighted the significant vulnerability of the human race. The BVM and all residents and visitors are affected on various levels. The main implication came down to the prevention of the virus from spreading. This caused major disruptions in the economy and has exacerbated poverty.</p> <p>In addition to screening and civil education, the following methods were promoted to limit the spread of the virus:</p> <p>COVID-19 Prevention Tips</p> <ul style="list-style-type: none"> WASH: Wash your hands frequently – for at least 20 seconds COVER: Use tissues when you cough or sneeze and dispose of them immediately, use your elbow if a tissue not available AVOID: Do not touch surfaces and then your mouth, eyes or nose DISTANCE: Practice social distancing by not shaking hands, hugging, etc. ISOLATE: Stay home if you become ill and prevent the spread of the illness
Liquid petroleum gas explosion	<p>On 10 July 2019 a Liquid Petroleum Gas Tanker exploded in High Street, Worcester. Due to the early response of the Fire Department and the early evacuation of the public and firefighters from the incident, no fatalities were recorded. However, 1 adult male suffered injuries and was subsequently hospitalised.</p> <p>Trucks carrying hazardous materials throughout the BVM area must be monitored for compliance</p>
Vehicle to access off-road and difficult to reach remote areas	<p>The department do not have a dedicated off-road vehicle/fire engine that can combat structural and veld fires in areas that the urban fire engines are not designed for.</p> <p>Off-road vehicle should be acquired in order to access difficult to reach areas</p>
Avian Park civil unrest in Rolihlahla informal settlement and adjoining areas	<p>The civil unrest in Avian Park is according to the SAPS, gang related. Several incidents were experienced where vehicles were damaged and, more concerning, firefighters injured and lives endangered. This had a direct influence on our core responsibility that we cannot perform our function properly in suburbs where fire fighter's lives are threatened. The smoke alarm project was also affected as entrance to the area was restricted, which meant that the research footwork in and around the structures could not be performed.</p> <p>The following measures have been implemented to protect our personnel and ensure that a reasonable measure and level of service is provided:</p> <ul style="list-style-type: none"> Several meetings were held with SAPS It was agreed that SAPS will first safeguard the scene before the fire department enters <p>SAPS will remain on scene until the command is terminated</p>

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Challenge	Corrective action
Roodewal illegal structures built under 66 000-volt pylons	The illegal structures that are being built under the 66 000-volt pylons are a major concern. The situation is potentially life threatening to the community living there, also to the firefighters having to respond to potential fires. A report detailing the dangers were submitted. The only alternative or solution to the problem is the removal of the illegal occupants
Light duty and incapacity of staff	Incapacity processes must be concluded as soon as possible. Staff on lengthy periods of light duty or incapacity has a negative impact on service delivery and subsequently increases the overtime requirements
Disaster management capacity	The amended Disaster Management Act places a definitive responsibility on B-municipalities. The department is unable to perform these functions to the satisfaction of the law without a dedicated Disaster Management Practitioner. A dedicated Disaster Management Officer should be appointed

Table 214: Fire Services and Disaster Management challenges

3.27.3 SERVICE STATISTICS: FIRE SERVICES AND DISASTER MANAGEMENT

Details	2018/19	2019/20
	Actual no.	Actual no.
Total fires attended in the year	684	586
Total of other incidents attended in the year	197	121
Fire-fighters in post at year end	37	49
Total fire appliances at year end	12	12

Table 215: Service data for Fire Services

3.27.4 EMPLOYEES: FIRE SERVICES AND DISASTER MANAGEMENT

The table below indicates the number of employees for fire services and disaster management:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	2	2	2	0	0
Middle Management and Professionals	6	7	5	2	28.58

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Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Skilled Technical, Superintendents etc	14	45	40	5	11.12
Semi-skilled	35	6	5	1	16.67
Unskilled	1	1	1	0	0
Total	58	61	53	8	13.12

Table 216: Employees: Fire services and disaster management

3.27.5 CAPITAL EXPENDITURE: FIRE SERVICES

The table below indicates the amount that was actually spent on fire service projects for the 2019/20 financial year:

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Fire Station - De Doorns (Ward 3) (MIG Form ID 228572)	1 324 039	1 324 039	487 978	836 061	1 324 039
Fire Station - De Doorns (Ward 3) (MIG Form ID 228572 counter funding)	100 000	100 000	0	100 000	100 000
Total all	1 424 039	1 424 039	487 978	936 061	1 424 039

Table 217: Capital expenditure 2019/20: Fire services

COMPONENT G: SPORT AND RECREATION

The Municipality has eight sportsgrounds, of which Boland Park and Esselen Park are the biggest. There are also three swimming pools, two in Worcester and one in Touwsrivier. Many sport clubs have been established in the Breede Valley area resulting in a high demand for facilities.














GAMES AND EVENTS

BETTER TOGETHER GAMES, BOLAND PARK

The Annual provincial games for government departments, local and provincial government was held at Boland Park Sportsground. This is the 8th consecutive year that the “Better Together Games” were hosted in the BVM. The games comprise of various

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governmental departments (provincial & municipal) competing in several sporting events/codes, of which the top two qualifiers per code are invited to participate in the “Co-operative Games” held in Cape Town. The sporting codes includes:

-  Touch rugby
-  Action cricket
-  Action netball
-  Chess
-  Domino's
-  Golf
-  Pool
-  Klawerjas
-  Athletics
-  Action soccer
-  Volley ball
-  Table tennis
-  Darts

BOLAND EAST VERSUS NATIONAL COUNTRY DISTRICT CRICKET, BOLAND PARK

The Interprovincial cricket match between Boland East and KEI Border, played at Boland Park as part of the SA Cricket amateur cricket tournament. BVM is responsible for the preparation of the pitches.

YEARLY FEEDER INTER-PROVINCIAL UNDER 11/12 AND 13 CRICKET TOURNAMENT TOOK PLACE AT BOLAND PARK AND ESSELEN PARK

The yearly Feeder Inter-Provincial Under 11/12 and 13 Cricket Tournament took place at Boland Park and Esselen Park Sportsground.

INTERNATIONAL FILM SHOOT, DE LA BAT SWIMMING POOL

It is the fifth year that Navigator Film Shoot utilise the De La Bat Swimming pool for film shoots due to the variety of diving boards, especially the 10m high dive board with a 5m water depth. Furthermore, the accessibility of the pool makes it ideal for film shoots. We also had The Shooting Gallery shooting an international advert at the De La Bat Swimming Pool.

SWIM GALAS, DE LA BAT SWIMMING POOL

Schools such as Worcester Primary, Montana High School and Worcester Gymnasium utilise the pool annually for swim galas. We were also privileged to host the Boland High School Swim Gala of 2018 and 2019.

YEARLY ELDERLY GOLDEN GAMES

The Yearly Elderly Golden Games normally take place at Boland Park Sportsground.

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YEARLY SPORTS AT BVM SPORTSGROUNDS AND SWIMMING POOLS – ATHLETICS, RUGBY, NETBALL, BASEBALL, SOCCER, SWIMMING ETC.

The yearly activities that are taking place at the BVM sportsgrounds and swimming pools (Boland Park, Esselen Park, Rawsonville, De Wet, Zwelethemba, De Doorns East, De Doorns West, Touwpark, Steenvliet Sportsgrounds, De La Bat, Grey Street and Touwsrivier) are as follows:

- 🌀 **Athletics** (community, schools, athletic clubs and other government departments)
- 🌀 **Cricket** (community, schools, local clubs, provincial bodies and other government departments)
- 🌀 **Rugby** (community, schools, local rugby clubs, Super Sport Rugby Challenge Event)
- 🌀 **Soccer** (community, schools, local soccer clubs, other government departments)
- 🌀 **Baseball** (local baseball clubs, community, schools)
- 🌀 **Swimming** (In season 1 October – 31 March)
- 🌀 **Netball** (community, schools, other government departments)
- 🌀 **Pool** (local pool clubs, community, schools)

3.28 HOLIDAY RESORTS AND CAMPSITES

Nekkies Holiday Resort is an hour outside Cape Town near the town of Worcester. The Meer chalets consist of seventeen self-catering log chalets built on stilts overlooking the lake (Brandvlei Dam) with two bedrooms and two bathrooms, fully equipped kitchen, balcony and fireplace. The campsite has twenty power points for caravans and tents and eighty sites without power. All sites are on grass.

The resort caters for big events such as rock/motorcycle/trance at the grass campsite areas. Income generated from the resort can be summarised as follows:

Resort	2018/19	2019/20
Nekkies Meer Chalets	R1 484 456	R1 185 261
Nekkies Resort	R1 412 319	R1 105 926

Table 218: Income generated from the resort

The table below gives a brief description of all the highlights for holiday resorts and campsites during the 2019/20 financial year:

Highlight	Description
Rebuild of chalet rainsides at Nekkies Lake chalets	Six units were initially planned for completion, however, only one sample unit could be completed. All additional requests (for which no formal purchase order was generated at the time) were cancelled due to Covid-19
New carpet in conference room	A new carpet was installed in the conferencing facility, which has enhanced the aesthetic thereof. This was a critical need as the facility often hosts various workshops/meetings/engagements

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Highlight	Description
BVM Easter Festival at Nekkies Resort	The second BVM Easter Festival was hosted at the Nekkies Resort on 21 April 2019. The third was scheduled to be hosted during the same period in 2020 but has been cancelled due to Covid-19. Since hosting the Easter Festival at the resort, the department recorded a noticeable increase in public and tourist interest in the facility (not only in relation to future Easter Festivals, but also private visits). The festival has thus served as a catalyst for unlocking the tourism attraction potential of the resort

Table 219: Holiday resorts and campsites highlights

The table below gives a brief description of the holiday resorts and campsites challenges during the 2019/20 financial year:

Challenge	Corrective action
Security issues due to theft and break-ins	A proper security system, which adequately covers all areas of the resort, is needed to safeguard this important municipal asset. A safer and more secure facility will aid in tourist and visitor attraction
Limited space in security office at resort	Budgetary provision should be resubmitted and reconsidered to extend a portion of the building earmarked for security purposes (due consideration must be given to the municipal cash position and financial sustainability in the context of Covid-19).
Lack of proper lightning in campsite and day visit area	Install new light poles and power boxes for camping
Shortage of brick braai stands in campsite and campsite area	Additional brick braai stands, preferably 10, should be erected at the facility
Shortage of water supply in campsite and day visit area	Install extra water taps
Deteriorating ablution facilities due to vandalism and theft	Reinforcement of steel structure is needed to limit access to ablution blocks during low season

Table 220: Holiday resorts and campsites challenges

3.28.1 EMPLOYEES: HOLIDAY RESORTS AND CAMPSITES

The table below indicates the number of employees for holiday resorts and campsites:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	0	0	0	0	0
Senior Management	0	0	0	0	0

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Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Middle Management and Professionals	1	0	0	0	0
Skilled Technical, Superintendents etc	0	1	1	0	0
Semi-skilled	11	10	10	0	0
Unskilled	0	2	2	0	0
Total	12	13	13	0	0

Table 221: Employees: Holiday resorts and campsites

3.29 SWIMMING POOLS AND SPORT GROUNDS

BVM has a total of three public swimming pools. Two of these are situated in Worcester and the third in Touwsrivier. The pools are available for public use during season, which starts on 1 October and ends on the 31st of March the following year.

The table below gives a brief description of all the highlights for swimming pools and sportsgrounds during the 2019/20 financial year:

Highlight	Description
Bolandpark Sportsground – Upgrade of Cricket Nets	4 New cricket nets were upgraded 
Esselenpark Sportsground – Upgrade of Cricket Nets	4 New cricket nets were upgraded 

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Highlight	Description
Steenvliet Sportsground – Upgrade of Cricket Nets	3 New cricket nets were upgraded <div data-bbox="1252 376 1481 607" data-label="Image"> </div>
Grey Street Swimming Pool – Upgrade of Basket Rooms	Male & female basket rooms and the ablution facilities were upgraded <div data-bbox="1252 645 1481 853" data-label="Image"> </div>
Fanie Otto (De Wet) Sportsground – New Walk Behind Cricket Pitch Roller	New cricket pitch roller procured to assist with rolling and preparing the pitch for matches <div data-bbox="1252 891 1481 1115" data-label="Image"> </div>
De La Bat Swimming Pool – Upgrade of Filters and Pumps	4 Filters were upgraded and 1 new pump installed <div data-bbox="1252 1153 1481 1361" data-label="Image"> </div>
Fanie Otto (De Wet) Sportsground – New Turf Cricket Pitch	New turf cricket pitch (two slides) <div data-bbox="1252 1400 1481 1624" data-label="Image"> </div>
De Doorns Sunny Side Orchard – New Perimeter Fence and Levelling of Ground Surface	New perimeter fencing and levelling of ground surface <div data-bbox="1252 1662 1481 1886" data-label="Image"> </div>

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Highlight	Description
Lifeguard Accreditation (refresher session – 2019/20 season)	20 lifesavers participated in a refresher course at Nekkies 
Madiba 67 Minutes – 18 July 2019 (Julie Naude Crèche)	Cleaning of the backyard of the Julie Naude Crèche (cutting grass, bush cutting, picking-up of waste etc.) 

Table 222: Swimming pools and sportgrounds highlights

The table below gives a brief description of the swimming pools and sportgrounds challenges during the 2019/20 financial year:

Challenge	Corrective action
New Fencing De La Bat Swimming Pool	A MIG funding application was drafted and submitted to the Provincial Department of Cultural Affairs and Sport (DCAS) to address this matter. Feedback is still awaited
Upgrade Facilities at Rawsonville Sportsground	A MIG funding application was drafted and submitted to the Provincial Department of Cultural Affairs and Sport (DCAS) to address this matter. Feedback is still awaited
New Spectator Fence at Fanie Otto Sportsground, De Wet	A MIG funding application was drafted and submitted to the Provincial Department of Cultural Affairs and Sport (DCAS) to address this matter. Feedback is still awaited
Covid-19	Consideration will be given to reopen sport facilities systematically in accordance with the applicable Covid-19 alert levels. In addition to contributing to the municipal fiscus, functional recreational and sport facilities also play a critical role in promoting citizen well-being. The department will consider submitting a budget roll-over application linked to all MIG-funded projects
Safety & security at certain facilities	The department engaged with SAPS, security guards and caretakers to promote collaboration and partnership towards the safeguarding of these assets. This engagement yielded some positive returns as zinc plate (fencing) has been recovered in some cases and areas

Table 223: Swimming pools and sportgrounds challenges

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3.29.1 SERVICE STATISTICS: SWIMMING POOLS AND SPORT GROUNDS

Type of service	2018/19	2019/20
Swimming pools, stadiums and sport grounds		
Number of sport grounds/fields	8	8
Number of swimming pools	3	3
Number of stadiums	8	8
Number of complaints addressed – swimming pools	0	0

Table 224: Statistics: Swimming pools and sport grounds

3.29.2 SERVICE DELIVERY INDICATORS: SWIMMING POOLS AND SPORT GROUNDS

The key performance indicator for swimming pools and sport grounds is:

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
TL18	Spend 90% of capital budget allocated for the construction of the Zwelethemba municipal swimming pool by 30 June 2020	% of capital budget spent	All	N/A	N/A	90.00%	72.64%	

Table 225: Service delivery indicators: Swimming pools and sport grounds

3.29.3 EMPLOYEES: SWIMMING POOLS AND COMMUNITY HALLS

The table below indicates the number of employees for swimming pools and community halls:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	0	0	0	0	0

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

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Skilled Technical, Superintendents etc	3	11	7	4	36.37
Semi-skilled	12	0	0	0	0
Unskilled	13	9	5	4	44.45
Total	29	21	13	8	38.1

Table 226: Employees: Swimming pools and community halls

3.29.4 CAPITAL EXPENDITURE: SWIMMING POOLS AND SPORT GROUNDS

The table below indicates the amount that was actually spent on swimming pools and sports grounds projects for the 2019/20 financial year:

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
SB De La Bat - Upgrade of Filters and Pump	600 000	900 000	820 565	79 435	900 000
SB De La Bat - Entrance Gate and Ticket Booth	300 000	168 957	168 957	0	300 000
SB Grey Street - Upgrade of Basket Rooms	400 000	342 497	342 497	0	400 000
Boland Park - Upgrade Tennis Court (MIG Form ID 236970)	126 000	126 000	0	126 000	126 000
Boland Park - Upgrade Cricket Nets	93 246	93 246	49 800	43 446	93 246
Esselen Park - Replacement of Fence Perimeter	4 320 000	35 010	35 010	0	4 320 000
Esselen Park - Upgrade Cricket Nets	182 196	182 196	65 780	116 416	182 196
Esselen Park - Upgrade Netball Courts	500 000	385 358	0	385 358	500 000
Rawsoncille SG - Upgrade Soccer Field (MIG Form ID 236973)	54 720	54 720	0	54 720	54 720
Zweletemba - New Swimming Bath	7 056 205	550 000	399 547	150 453	7 161 405
Zweletemba - Upgrading of Sport Facilities (MIG Form ID 236972)	632 000	632 000	30 000	602 000	632 000

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

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Steenvliet - Upgrade Cricket Field (Mig Form Id 236961)	94 170	94 170	45 900	48 270	94 170
De Doorns Wes -Sit-on Cricket Pitch Roller	90 000	141 700	134 000	7 700	141 700
De Doorns Wes -Upgrade of Sport Facilities	158 787	158 787	0	158 787	158 787
Total all	14 607 324	3 864 641	2 092 056	1 772 585	15 064 224

Table 227: Capital expenditure 2019/20: Swimming pools and sport grounds

COMPONENT H: CORPORATE POLICY, OFFICES AND OTHER SERVICES

3.30 EXECUTIVE AND COUNCIL

3.30.1 EMPLOYEES: EXECUTIVE AND COUNCIL

The table below indicates the number of employees for executive and council:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	0	0	0	0	0
Middle Management and Professionals	1	1	1	0	0
Skilled Technical, Superintendents etc	0	0	0	0	0
Semi-skilled	9	8	8	0	0
Unskilled	0	1	1	0	0
Total	10	10	10	0	0

Table 228: Employees: Executive and Council

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

3.30.2 EMPLOYEES: OFFICE OF THE MUNICIPAL MANAGER

The table below indicates the number of employees for the office of the municipal manager:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	1	1	1	0	0
Senior Management	1	0	0	0	0
Middle Management and Professionals	1	1	1	0	0
Skilled Technical, Superintendents etc	0	0	0	0	0
Semi-skilled	1	1	1	0	0
Unskilled	0	0	0	0	0
Total	4	3	3	0	0

Table 229: Employees: Office of the Municipal Manager

3.30.3 CAPITAL EXPENDITURE: EXECUTIVE AND COUNCIL

The table below indicates the amount that was actually spent on executive and council projects for the 2019/20 financial year:

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Mayco - Furniture and Equipment	5 000	5 000	4 227	773	5 000
MM Admin - Furniture and Equipment	5 000	5 000	1 735	3 265	5 000
Total all	10 000	10 000	5 962	4 038	10 000

Table 230: Capital expenditure 2019/20: Executive and Council

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

3.31 FINANCIAL SERVICES

3.31.1 SERVICE DELIVERY INDICATORS: FINANCIAL SERVICES

The key performance indicators for financial services are:

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
TL4	The percentage of the municipal capital budget spent on projects as at 30 June 2020 (Actual amount spent on capital projects/Total amount budgeted for capital projects) X100	% of the municipal capital budget spent	All	95%	97.48%	95.00%	80.55%	
TL41	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2020 (Short Term Borrowing + Long Term Borrowing) / Total Operating Revenue - Operating Conditional Grant	% of debt coverage	All	45%	20.20%	45.00%	18.46%	
TL42	Financial viability measured in terms of the outstanding service debtors as at 30 June 2020 ((Total outstanding service debtors/ revenue received for services) X100)	% of outstanding service debtors	All	15.90%	16.93%	16.50%	15.66%	
TL43	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2020 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	All	2.4	1.35	1.5	2.05	

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

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
TL46	Submit the approved financial statements for 2018/19 to the Auditor-General by 31 August 2019	Approved financial statements for 2018/19 submitted to the AG	All	1	1	1	1	
TL47	Achieve a payment percentage of above 95% as at 30 June 2020 (Gross Debtors Opening Balance + Billed Revenue -Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue) x 100	% Payment achieved	All	95%	98.78%	95.00%	93.23%	
TL37	Provide free basic water to indigent households earning less than R4500 as at 30 June 2020	Number of indigent households receiving free basic water	All	8100	8596	8 700	8 891	
TL38	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2020	Number of indigent households receiving free basic electricity	All	8100	8596	8 700	8 891	
TL39	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2020	Number of indigent households receiving free basic sanitation	All	8100	8596	8 700	8 891	
TL40	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2020	Number of indigent households receiving free basic refuse removal	All	8100	8596	8 700	8 891	
TL48	Review the MGRO Clean Audit Plan and submit to the Municipal Manager by 31 January 2020	Letter signed off by the Municipal Manager that MGRO Clean Audit Plan was reviewed and submitted	All	1	1	1	1	
TL49	Achieve a clean audit for the 2018/19 financial year by 31 December 2019	Audit report signed by the Auditor-General for 2018/2019	All	1	1	1	0	

Table 231: Service delivery indicators: Financial services

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

3.31.2 EMPLOYEES: FINANCIAL SERVICES

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

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	1	1	1	0	0
Senior Management	8	8	7	1	12.5
Middle Management and Professionals	15	19	15	4	21.06
Skilled Technical, Superintendents etc	5	65	62	3	4.62
Semi-skilled	89	30	26	4	13.34
Unskilled	8	6	5	1	16.67
Total	126	129	116	13	10.08

Table 232: Employees: Financial services

3.31.3 CAPITAL EXPENDITURE: FINANCIAL SERVICES

The table below indicates the amount that was spent on financial services projects for the 2019/20 financial year:

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
FS Admin - Furniture and Equipment	5 000	25 000	8 189	16 811	25 000
FS Admin - Computer Equipment	50 000	0	0	0	50 000
FS FP - Safeguarding of Assets	400 000	400 000	0	400 000	400 000
FS FP - Insurance Claims	400 000	400 000	0	400 000	400 000
FS SCM - Upgrade of New Municipal Offices	1 400 000	1 400 000	167 070	1 232 930	1 400 000
Total all	2 255 000	2 225 000	175 259	2 049 741	2 275 000

Table 233: Capital expenditure 2019/20: Financial services

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

3.32 HUMAN RESOURCE SERVICES

The Human Resources Department deals with issues related to compensation, performance management, organisation development, training and development, safety, wellness and benefits.

All functionalities within Human Resources should be underpinned by ethical values which are supported by legislation, policies, rules and regulations. Ethical values are primarily focused on the human element as reflected by the behaviour of the stakeholders. Hence, it becomes essential that all stakeholders i.e. line management, employees and the Human Resources department operate in a collaborative and inclusive nature to ensure that the work environment is healthy and that a higher level of productivity is the resultant output of everyone's efforts and commitments.

The Human Resources department must ensure that the right people with the right skills and competencies are appointed in the correct positions. The matching of human capital with the right skills and competencies to the right job will contribute to ensuring that the short, medium and long-term objectives are achieved effectively, efficiently and economically.

The essential nature of Human Resources should therefore be clearly understood by all the stakeholders involved and it is crucial that there is a greater alignment to the strategic objectives within the integrated development plan of the municipality.

The Human Resources Department established ten key objectives to provide a quality and professional support service:

- Annual review of the institutional structure (restructuring to ensure maximum efficiency, productivity and job satisfaction with resulting consequences being effective, efficient and economical service delivery);
- TASK grading and job evaluation (job descriptions with profiles, competencies and performance standards);
- Recruitment and selection (proper HR planning ensuring that the right people are appointed for the right jobs, competitiveness, scarcity allowances, succession planning and retention policy to retain staff);
- The implementation of employment equity targets to address the under representation of the designated groups across the various occupational levels within the demographic profile of BVM;
- Training and development of staff capacity (enhancing the current skills of employees, focusing on the development of employees from designated groups to ensure representivity, succession planning and coaching);
- Compiling standard operating procedures as guidelines for performance standards and identification of skills gaps;
- Compile critical HR policies, related procedures and control mechanisms (e.g. overtime management, succession planning, study bursaries for employees);
- Improved discipline management (provide advice and support to line management on how to manage staff, motivation of staff, addressing incapacity due to illness or poor performance);
- Sound and healthy industrial relations (promote and support effective working relationships with unions, maintain and invest in staff morale, address incapacity cases); and
- Health and safety (maintain a safe and healthy work environment, critical safety hazards addressed, maintain low levels of injury on duty, safety audit completed).

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

The Human Resources Department assisted in creating and maintaining sound working relations between management and unions through regular meetings of the Local Labour Forum and Training Committee, which directly leads to a healthier relation with employees.

3.32.1 SERVICE DELIVERY INDICATORS: HUMAN RESOURCE SERVICES

The key performance indicators for HR are:

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
TL21	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan during the 2019/20 financial year	Number of people employed in the three highest levels of management	All	1	3	2	2	
TL22	The percentage of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2020	% of the budget spent	All	1%	0.98%	1.00%	0.74%	
TL23	Limit vacancy rate to 15% of budgeted posts by 30 June 2020 [(Number of funded posts vacant divided by budgeted funded posts) x100)	% vacancy rate	All	15%	16.88%	15.00%	20.62%	

Table 234: Service delivery indicators: Human resources

3.32.2 EMPLOYEES: HUMAN RESOURCE SERVICES

The table below indicates the number of employees for human resource services:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	1	1	0	1	100

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

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Middle Management and Professionals	7	7	5	2	28.58
Skilled Technical, Superintendents etc	0	8	6	2	25
Semi-skilled	4	1	0	1	100
Unskilled	0	0	0	0	0
Total	12	17	11	6	35.3

Table 235: Employees: Human resource services

3.33 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

Our world has become totally dependent on information and communication technology (ICT) to the extent that a national power outage for even one day can be classified as a disaster, the effect of which cannot realistically and accurately be determined. Should such an outage go beyond one day into days or even weeks, the results can be catastrophic. BVM is similarly as dependant on ICT.

The ICT department has therefore endeavoured to provide, within our means, reliable systems, reliable and easily accessible data and support to the users.

During the 2019/20 financial year, we have implemented the following:

- Upgrade of the network
- ICT Service Desk
- Disaster Recovery Site
- Time & Attendance Biometric System
- Wi-fi for councillors

As part of the 5-year Strategic Plan, we intend to implement the following during 2020/21:

- Citizens engagement Mobile App
- Internet of Things (IoT) throughout the organisation
- Wi-fi to all BVM buildings
- Implement Call Center System and New PBX System

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

The table below gives a brief description of all the highlights for ICT during the 2019/20 financial year:

Highlight	Description
Website going live	In the previous financial year BVM embarked on a re-branding project. The website was part of this project
Tablets for councillors	Tablets were issued to councillors to view agendas for council meetings instead of printing it. This meant that the Municipality would save on printing costs and contribute towards the Green environment
New building	Infrastructure setup & network connectivity successfully installed
Wiring of the newly renovated library	Connectivity to the library has been successfully installed. All points tested and are currently being used
Replacement of production servers	The production servers have been replaced successfully

Table 236: ICT highlights

The table below gives a brief description of the ICT challenges during the 2019/20 financial year:

Challenge	Corrective action
Staff capacity	Employ more staff
Finalisation of current job descriptions	HR must finalise job descriptions
Strategic positioning of the section	Align BVM Strategy to ICT Strategy

Table 237: ICT challenges

3.33.1 SERVICE STATISTICS: ICT

Details	2018/19	2019/20
	Actual	Actual
	%	
Disaster recovery plan (in draft)	100%	100%
Disaster recovery site project	100%	100%
Worcester/Touwsrivier communication link	100%	100%

Table 238: Service statistics: ICT'

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

3.33.2 EMPLOYEES: ICT

The table below indicates the number of employees for ICT:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	3	3	3	0	0
Skilled Technical, Superintendents etc	1	3	2	1	33.34
Semi-skilled	2	1	1	0	0
Unskilled	0	0	0	0	0
Total	7	8	7	1	12.5

Table 239: Employees: ICT

3.33.3 CAPITAL EXPENDITURE: ICT

The table below indicates the amount that was actually spent on information and communication technology services projects for the 2019/20 financial year:

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
ICT - Telephone System	10 000	10 000	0	10 000	10 000
ICT - Biometric System Upgrade	10 000	94 000	81 115	12 885	94 000
ICT - Computer Equipment	716 600	454 471	73 086	381 385	716 600
Air Conditioner	0	150 000	148 763	1 237	150 000
Wi-Fi Access Points	0	928 129	0	928 129	928 129

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

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Total all	736 600	1 636 600	302 964	1 333 636	1 898 729

Table 240: Capital expenditure 2019/20: ICT

3.34 INTERNAL AUDIT AND ENTERPRISE RISK MANAGEMENT

The Municipality has an Internal Audit Unit and an Enterprise Risk Management Unit. Both resort under the Office of the Municipal Manager.

3.34.1 SERVICE DELIVERY INDICATORS: INTERNAL AUDIT AND ENTERPRISE RISK MANAGEMENT

The key performance indicators for internal audit and enterprise risk management are:

Ref	KPI Name	Unit of Measurement	Wards	2018/19		Overall Performance for 2019/20		
				Target	Actual	Target	Actual	R
TL2	Compile a strategic risk report and submit to Council by 31 May 2020	Strategic risk register submitted to Council	All	1	1	1	1	
TL1	Compile a Risk Based Audit Plan and submit to the Audit Committee by 30 June 2020	RBAP submitted to the Audit Committee	All	1	1	1	1	

Table 241: Service delivery indicators: Internal Audit and Enterprise Risk Management

3.34.2 EMPLOYEES: INTERNAL AUDIT AND ENTERPRISE RISK MANAGEMENT

The table below indicates the number of employees for internal audit and enterprise risk management:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	2	2	2	0	0

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

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Middle Management and Professionals	3	7	3	4	57.15
Skilled Technical, Superintendents etc	0	2	2	0	0
Semi-skilled	1	0	0	0	0
Unskilled	0	0	0	0	0
Total	6	11	7	4	36.37

Table 242: Employees: Internal Audit and Enterprise Risk Management

3.35 LEGAL SERVICES

Legal Services render an advisory and support function within the Municipality to the respective Directorates. This section is tasked to render proper and efficient legal advice to strengthen the capacity of BVM to fulfil its' legislative mandate.

The functions rendered by Legal Services amongst others are:

1. Municipal Property Administration
 - a. Drafting of items for Council/Delegated Authority
 - b. Administration of applications for:
 - i. Leases
 - ii. Disposals
 - iii. Encroachments
 - iv. Servitudes
2. General Legal Matters
 - a. Administer litigious matters
 - b. Provision of legal opinions and advice
 - c. Process PAIA applications
 - d. Liquor licence applications administration
 - e. Drafting and review of contracts, policies and by-laws
 - f. Consideration of public liability claims
 - g. Supply Chain Management opinions

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

3.35.1 EMPLOYEES: LEGAL SERVICES

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

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	1	3	3	0	0
Skilled Technical, Superintendents etc	0	4	3	1	25
Semi-skilled	3	0	0	0	0
Unskilled	0	0	0	0	0
Total	5	8	7	1	12.5

Table 243: Employees: Legal Services

3.36 EMPLOYEES: OTHER SERVICES

3.36.1 EMPLOYEES: TECHNICAL SERVICES: ADMINISTRATION

The table below indicates the number of employees for Technical Services: Administration:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	1	1	1	0	0
Senior Management	1	0	0	0	0
Middle Management and Professionals	1	0	0	0	0

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

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Skilled Technical, Superintendents etc	0	1	1	0	0
Semi-skilled	3	2	2	0	0
Unskilled	0	0	0	0	0
Total	6	4	4	0	0

Table 244: Employees: Technical Services: Administration

3.36.2 EMPLOYEES: TECHNICAL SERVICES: BUILDING MAINTENANCE SERVICES

The table below indicates the number of employees for Technical Services: Building maintenance services:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	0	0	0	0	0
Senior Management	0	1	1	0	0
Middle Management and Professionals	1	1	0	1	100
Skilled Technical, Superintendents etc	3	4	4	0	0
Semi-skilled	2	3	3	0	0
Unskilled	3	0	0	0	0
Total	9	9	8	1	11.12

Table 245: Employees: Technical Services: Building maintenance services

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

3.36.3 EMPLOYEES: MECHANICAL WORKSHOP

The table below indicates the number of employees for the mechanical workshop:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	0	0	0	0	0
Senior Management	0	0	0	0	0
Middle Management and Professionals	1	1	1	0	0
Skilled Technical, Superintendents etc	1	3	3	0	0
Semi-skilled	3	4	3	1	25
Unskilled	0	1	0	1	100
Total	5	9	7	2	22.23

Table 246: Employees: Mechanical workshop

3.36.4 EMPLOYEES: ADMINISTRATION AND PROPERTY MANAGEMENT

The table below indicates the number of employees for administration and property management:

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	2	0	0	0	0
Senior Management	6	0	0	0	0
Middle Management and Professionals	2	1	1	0	0
Skilled Technical, Superintendents etc	6	1	1	0	0

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

Occupational Level	2018/19	2019/20			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Semi-skilled	23	0	0	0	0
Unskilled	9	0	0	0	0
Total	48	2	2	0	0

Table 247: Employees: Administration and property management

3.37 CAPITAL EXPENDITURE: OTHER SERVICES

3.37.1 CAPITAL EXPENDITURE: COMMUNITY SERVICES: OTHER

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
CS - Furniture & Equipment	5 000	5 000	3 335	1 665	5 000
Land and Building (Donated Asset) SPCA	0	185 000	185 000	0	185 000
Total all	5 000	190 000	188 335	1 665	190 000

Table 248: Capital expenditure 2019/20: Community services: Other

3.37.2 CAPITAL EXPENDITURE: STRATEGIC SUPPORT: OTHER

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
SSS - Furniture and Equipment	5 000	47 000	42 534	4 466	47 000
Town Hall - Air Conditioner	630 000	588 000	108 750	479 250	1 000 000
Town Hall Roof	50 000	50 000	0	50 000	1 000 000
Total all	685 000	685 000	151 284	533 716	2 047 000

Table 249: Capital expenditure 2019/20: Strategic support: Other

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3.37.3 CAPITAL EXPENDITURE: FLEET MANAGEMENT

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Refuse Compactor Trucks (19m ³)	2 500 000	2 500 000	2 334 921	165 079	2 500 000
Electricity: Municipal Vehicles (LDV)	1 200 000	1 200 000	904 518	295 482	1 200 000
Jet Vac Truck	3 500 000	0	0	0	3 500 000
Tractors (X2) Replacement Parks		800 000	598 043	201 957	800 000
Digger Loader 4x4 (Landfill Site)	1 210 000	1 210 000	844 713	365 287	1 210 000
Tipper Landfill Site (5 cum)	890 000	340 000	0	340 000	890 000
Municipal Vehicles (LDV) Sewer	630 000	630 000	620 939	9 061	630 000
Worcester WWTW - Digger Loader	1 210 000	1 210 000	826 887	383 113	1 210 000
Worcester WWTW - Vacuum Tanker	1 100 000	1 100 000	970 609	129 391	1 100 000
Worcester WWTW - Municipal Vehicles: Bakkie	350 000	350 000	272 687	77 313	350 000
Total all	12 590 000	9 340 000	7 373 318	1 966 682	13 390 000

Table 250: Capital expenditure 2019/20: Fleet management

3.37.4 CAPITAL EXPENDITURE: TECHNICAL SERVICES: ADMIN

Capital projects	2019/20				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Public Works Admin: Furniture and Equipment	300 000	300 000	122 491	177 509	300 000
Total all	300 000	300 000	122 491	177 509	300 000

Table 251: Capital expenditure 2019/20: Technical services: Admin

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

COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD

3.38 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2020/21

The main development and service delivery priorities for 2020/21 forms part of the Municipality's Top Layer SDBIP for 2020/21 and are indicated in the tables below:

3.38.1 ASSURE A SUSTAINABLE FUTURE THROUGH SOUND FINANCIAL MANAGEMENT, CONTINUOUS REVENUE GROWTH CORPORATE GOVERNANCE AND RISK MANAGEMENT PRACTICES

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL4	The percentage of the municipal capital budget spent on projects as at 30 June 2021 (Actual amount spent on capital projects/Total amount budgeted for capital projects) X100	% of the municipal capital budget spent	All	95.00%
TL14	Provide free basic water to indigent households earning less than R4500 as at 30 June 2021	Number of indigent households receiving free basic water	All	8 700
TL15	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2021	Number of indigent households receiving free basic electricity	All	8 700
TL16	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2021	Number of indigent households receiving free basic sanitation	All	8 700
TL17	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2021	Number of indigent households receiving free basic refuse removal	All	8 700
TL18	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2021 (Short Term Borrowing + Long Term Borrowing) / (Total Operating Revenue - Operating Conditional Grant) x 100	% of debt coverage	All	45.00%
TL19	Financial viability measured in terms of the outstanding service debtors as at 30 June 2021 ((Total outstanding service debtors/ revenue received for services) X100)	% of outstanding service debtors	All	16.50%

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

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL20	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2021 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	All	1.5
TL23	Submit the approved financial statements for 2019/20 to the Auditor-General by 31 October 2020	Approved financial statements for 2019/20 submitted to the AG	All	1
TL24	Achieve a payment percentage of above 95% as at 30 June 2021 (Gross Debtors Opening Balance + Billed Revenue -Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue) x 100	% Payment achieved	All	95.00%
TL25	Review the MGRO Clean Audit Plan and submit to the Municipal Manager by 31 January 2021	Letter signed off by the Municipal Manager that MGRO Clean Audit Plan was reviewed and submitted	All	1
TL26	Achieve a clean audit for the 2019/20 financial year by 31 December 2020	Audit report signed by the Auditor-General for 2019/2020	All	1

Table 252: Service delivery priorities for 2020/21: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices

3.38.2 ENSURE A HEALTHY AND PRODUCTIVE WORKFORCE AND AN EFFECTIVE AND EFFICIENT WORK ENVIRONMENT

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL6	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan and organisational structure during the 2020/21 financial year	Number of people employed in the three highest levels of management	All	2

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

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL7	The percentage of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2021	% of the budget spent	All	1.00%
TL8	Limit vacancy rate to 15% of budgeted posts by 30 June 2021 [(Number of funded posts vacant divided by budgeted funded posts) x100)	% vacancy rate	All	15.00%

Table 253: Service delivery priorities for 2020/21: Ensure a healthy and productive workforce and an effective and efficient work environment

3.38.3 TO CREATE AN ENABLING ENVIRONMENT FOR EMPLOYMENT AND POVERTY AND POVERTY ERADICATION THROUGH PROACTIVE ECONOMIC DEVELOPMENT AND TOURISM

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL5	The number of FTE's created through the EPWP programme by 30 June 2021	Number of FTE's created through the EPWP programme by 30 June 2021	All	154.96
TL9	Sign service level agreements (SLA's) with 3 Local Tourism Associations (LTA's) for their annual tourism operational expenditure by 30 September 2020	Number of SLA's signed by 30 September 2020	All	3

Table 254: Service delivery priorities for 2020/21: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

3.38.4 TO ENSURE A SAFE, HEALTHY, CLEAN AND SUSTAINABLE EXTERNAL ENVIRONMENT FOR ALL BREEDE VALLEY'S PEOPLE

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL27	Conduct breath alcohol screenings at roadblocks by 30 June 2021	Number of breath alcohol screenings conducted by 30 June 2021	All	1 550

Table 255: Service delivery priorities for 2020/21: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

3.38.5 TO PROVIDE AND MAINTAIN BASIC SERVICES AND ENSURE SOCIAL UPLIFTMENT OF THE BREEDE VALLEY COMMUNITY

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL3	Spend 90% of the budget allocated for the Regional Socio Economic Programme by 30 June 2021 {(Actual expenditure divided by the	% of budget spent	All	90.00%

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

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
	total approved capital budget) x 100}			
TL10	Number of formal residential properties that are billed for water as at 30 June 2021	Number of residential properties that are billed for residential consumption water meters charged residential domestic tariffs or residential flat rate tariffs using an erf as a household except municipal rental flats which will be measured by using the number of rental units.	All	20 890
TL11	Number of residential properties which are billed for electricity or have pre-paid meters (excluding Eskom Electricity supplied properties) as at 30 June 2021	Number of residential properties that are billed for electricity or have pre-paid meters, charged on the residential tariffs for consumption and residential prepaid tariffs	All	22 580
TL12	Number of formal residential properties that are billed for sanitation/sewerage services as at 30 June 2021	Number of residential properties that are billed for residential sewerage tariffs using the erf as property	All	18 620
TL13	Number of formal residential properties that are billed for refuse removal as at 30 June 2021	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	18 795
TL21	Limit unaccounted electricity losses to less than 10% by 30 June 2021 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / (Number of Electricity Units Purchased) x 100}	% unaccounted for electricity	All	10.00%
TL22	Limit unaccounted water losses to less than 21% by 30 June 2021 {(Number of kilolitres water available from reservoirs - number of kilolitres water sold) / (number of kilolitres water purchased or purified) x 100}	% unaccounted for water	All	21.00%
TL28	Complete Project Feasibility Report regarding the new housing projects at De Doorns (GG-Camp), by 30 June 2021	Project Feasibility Report completed	5	1

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

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL29	Complete beneficiary allocation for the Transhex Human Settlement Project by 30 June 2021 (Beneficiary allocation linked to approved business plan - 800 units prioritised in 2020/21)	Number of units allocated	All	800
TL30	Construct a youth café facility in Van Huyssteenlaan by 30 June 2021	Youth café facility constructed	11	1
TL31	Achieve 95% average water quality level as measured per SANS 241 criteria during the 2020/21 financial year	% water quality level per quarter	All	95.00%
TL32	Review the 4th Generation Integrated Waste Management Plan and submit to Council for approval by 31 May 2021	Plan reviewed and submitted to Council for approval by 31 May 2021	All	1
TL33	Review 5-year Water Service Development Plan (WSDP) and submit to Council for approval by 31 May 2021	Reviewed WSDP submitted to Council by 31 May 2021	All	1
TL34	80% of sewerage samples comply with effluent standard during the 2020/21 financial year {(Number of sewerage samples that comply with General Authorisation/Number of sewerage samples tested) x100}	% of sewerage samples compliant	All	80.00%
TL35	Spend 90% of the electricity capital budget by 30 June 2021 {(total actual capital project expenditure/total capital project budget) x 100}	% of the electricity capital project budget spent	All	90.00%
TL36	Spend 90% of the electricity maintenance budget by 30 June 2021 {(total actual maintenance expenditure/total maintenance budget) x 100}	% of the electricity maintenance budget spent	All	90.00%
TL37	Achieve 90% of capital budget spent on the resurfacing of roads by 30 June 2021	% of capital budget spent	All	90.00%
TL38	Achieve 90% of capital budget spent on the municipal fleet by 30 June 2021	% of capital budget spent	All	90.00%

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

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL39	Spend 90% of capital budget allocated for the construction of the Zwelethemba municipal swimming pool by 30 June 2021	% of capital budget spent	All	90.00%
TL40	Complete serviced sites for the Transhex Human Settlements Project phase 1.3 by 30 June 2021	Number of serviced sites completed in phase 1.3 by 30 June 2021	All	662
TL41	Spend 90% of capital budget allocated towards the construction speedhumps throughout the municipal area by 30 June 2021	% of capital budget spent	All	90.00%

Table 256: Service delivery priorities for 2020/21: To provide and maintain basic services and ensure social upliftment of the Breede Valley community

3.38.6 PROVIDE DEMOCRATIC, ACCOUNTABLE GOVERNMENT FOR LOCAL COMMUNITIES AND ENCOURAGE INVOLVEMENT OF COMMUNITIES AND COMMUNITY ORGANIZATIONS IN THE MATTERS OF LOCAL GOVERNMENT

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL1	Compile a Risk Based Audit Plan and submit to the Audit Committee by 30 June 2021	RBAP submitted to the Audit Committee	All	1
TL2	Compile a strategic risk report and submit to Council by 31 May 2021	Strategic risk report submitted to Council	All	1

Table 257: Service delivery priorities for 2020/21: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

Chapter 4



CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

The following table indicates the Municipality's performance in terms of the national key performance indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the national key performance area – municipal transformation and organisational development.

KPA and Indicators	Municipal achievement	Municipal achievement
	2018/19	2019/20
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	3	2
The percentage of a municipality's training budget actually spent on implementing its workplace skills plan	0.98%	0.74%

Table 258: National KPIs: Municipal Transformation and Organisational Development

b) Highlights: Municipal Transformation and Organisational Development

Highlight	Description
Municipal Staff progressed in terms of B Admin studies within BVM	The Municipality promotes capacitation and development of staff. Staff had completed their second year of studies and will progress to a third year of studies
Decline in occupational health and safety cases	The decline can be ascribed to the implementation of monitoring by the Occupational Health and Safety Officer

Table 259: Highlights: Municipal Transformation and Organisational Development

c) Challenges: Municipal Transformation and Organisational Development

Challenge	Actions to address
TASK job descriptions not finalised	Deadline set for TASK job description process is set at 30 June 2021
Discipline within the organisation	Continuous initiation of disciplinary processes

Table 260: Challenges: Municipal Transformation and Organisational Development

4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Municipality employs **870** staff members as at 30 June 2020, comprising of section 57 managers and permanent officials, who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of human resource management is to render an innovative HR service that addresses both skills development and an administrative function.

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1.1 EMPLOYMENT EQUITY

The Employment Equity Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to the: “number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality’s approved employment equity plan”.

a) *Employment Equity Targets/Actual*

The Employment Equity Plan for the 2015-2018 period was submitted to the Local Labour Forum for consultation. Furthermore, the EEA2 and EEA4 reports were submitted to the Department of Labour on 15 January 2020

b) *Employment Equity vs. Population*

Description	Black African	Coloured	Indian or Asian	White	Total
Population numbers	39 555	113 425	474	23 125	176 579
% population	22.4	64.2	0.3	13.1	100

Source: Stats SA – 2016 Community Survey

Table 261: EE population 2019/20

c) *Occupational Levels - Race*

The table below categorise the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	4	0	1	0	0	0	0	5
Senior management	4	14	0	6	1	1	0	5	31
Professionally qualified and experienced specialists and mid-management	9	29	0	15	9	14	0	6	82
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	11	56	0	13	6	13	0	0	99
Semi-skilled and discretionary decision making	65	158	0	5	52	102	0	17	399
Unskilled and defined decision making	68	105	0	1	29	50	0	1	254
Grand total	157	366	0	41	97	180	0	29	870

Table 262: Occupational levels

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1.2 VACANCY RATE

The approved organogram (2019) for the Municipality has 1077 budgeted posts for the 2019/20 financial year. The actual positions filled (870) are indicated in the tables below by occupational level and by functional level. The number of vacant positions at the end of 2019/20 was 226.

The current vacancy rate is slightly above 15%, due to the impact of staff turnover linked to appointments and terminations throughout the financial year. Critical vacancies were prioritised and filled during 2019/20.

Per occupational level		
Post level	Filled	Vacant
Top management	5	0
Senior management	31	9
Professionally qualified and experienced specialists and mid- management	82	25
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	99	85
Semi-skilled and discretionary decision making	399	14
Unskilled and defined decision making	254	93
Total	870	226
Per functional level		
Functional area	Filled	Vacant
Municipal Manager	10	3
Strategic Support Services	56	14
Financial Services	121	13
Community Services	250	44
Technical Services	433	152
Total	870	226

Table 263: Vacancy rate per post (salary) and functional level (June 2020)

The table below indicates the number of staff per senior level expressed as total positions and current vacancies as full-time staff equivalents:

Salary level	Number of current critical vacancies	Number total posts as per organogram	Vacancies (as a proportion of total posts per category)
Municipal Manager	0	1	0
Chief Financial Officer	0	1	0
Other Section 57	0	3	0

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Salary level	Number of current critical vacancies	Number total posts as per organogram	Vacancies (as a proportion of total posts per category)
Senior Management	9	36	25%
Total	9	41	21.95%

Table 264: Vacancy rate per senior salary level

4.1.3 STAFF TURNOVER RATE

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that reflect the staff turnover rate within the Municipality. The staff turnover rate indicates a decrease from 8.26% in 2018/19 to 4.83% in 2019/20.

The table below indicates the staff turnover rate over the last three years:

Financial year	Total number of employees	New appointments	Terminations (excl. internal movements) during the year	Staff turnover rate
2017/18	893	94	40	4.48%
2018/19	896	51	74	8.26%
2019/20	870	52	42	4.83%

Table 265: Staff turnover rate as at 30 June 2019

The table below shows a breakdown of the different categories of terminations:

Month	Appointments	Internal movements	Total	Retirements	Dismissals	Resignations	Death	Internal movements	Total
July 2019	3		3	0	2	2	0	2	6
August 2019	3		3	1	0	3	0	2	6
September 2019	2		2	1	1	2	0	0	4
October 2019	4		4	3	0	3	0	0	6
November 2019	9		9	1	0	0	0	0	1
December 2019	3		3	3	0	2	0	1	6
January 2020	14		14	1	1	0	0	0	2
February 2020	1		1	3	1	4	0	0	8
March 2020	7		7	2	0	3	0	3	8
April 2020	6		6	0	0	1	0	4	5
May 2020	0		0	2	0	0	0	0	2
June 2020	0		0	0	0	0	0	0	0

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Month	Appointments	Internal movements	Total	Retirements	Dismissals	Resignations	Death	Internal movements	Total
Total	52		52	17	5	20	0	12	54

Table 266: Termination categories

4.2 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.2.1 INJURIES

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

Injuries show a decrease for injuries for the 2019/20 financial year compared to 55 injuries for the 2018/19 financial year.

Incidents are investigated to determine whether there was any negligence involved to ensure that it is an actual injury on duty.

The table below indicates the total number of injuries within the different directorates:

Directorates	2018/19	2019/20
Municipal Manager	0	0
Strategic Support Services	1	3
Financial Services	0	5
Community Services	10	9
Technical Services	44	28
Total	55	45

Table 267: Injuries

Injuries in Technical Services decreased due to the implementation of safer work procedures which had a positive impact on the total injuries for 2019/20.

4.2.2 SICK LEAVE

The number of days sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The table below indicates that the total number of sick leave days taken decreased during the 2019/20 financial year when compared with the 2018/19 financial year:

Department	2018/19	2019/20
Municipal Manager	18.0	40.5
Strategic Support Services	389.0	318.5
Financial Services	375.0	488.0

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Department	2018/19	2019/20
Community Services	2 060.0	1 491.5
Technical Services	3 024.5	2 921.0
Total	5 866.5	5 259.5

Table 268: Sick leave

Any evidence which would give an indication of the possible abuse of sick leave should be regarded as very serious by line management. It is imperative for line management to investigate and seek advice from Human Resources with regards to the manner in which it should be dealt with.

The typical indicators of possible abuse of sick leave are as follows, even though each case should be treated on its own merits:

- Sick leave on almost every pay-day or the Monday after pay-day
- Sick leave before or after annual leave
- Sick leave during school holidays
- Regular single day sick leave, especially on a Friday or Monday
- Regular sick leave (day or two days) during each month and/or sick leave before or after a public holiday

The sick leave pattern of employees has an impact on service delivery backlogs and the costs associated with sick leave delay production at work. During periods of sick leave, it creates additional stress on other employees who have to perform at a higher level of productivity in order to ensure minimal losses on service delivery. The additional resulting impact of excessive sick leave patterns are that staff will have to work overtime and/or will be required to act on behalf of the absent employee. This could result in excessive financial expenditure.

It is critical that proper consultation with the staff member concerned is held to ensure that conclusions are not drawn without ensuring that all the facts are considered. It is important that staff are made aware of the standard of conduct required of them with regards to attending work regularly and discussing your concerns regarding the sick leave pattern with the employee.

The leave section within the Human Resources Department ensures that line management receives a monthly printout of the employees who, in terms of their records are possible sick leave abusers, for further investigation.

Counselling sessions are conducted with employees, recorded and the necessary documentation placed on the personnel files.

4.2.3 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the human resource policies and plans that are approved and that still needs to be developed:

Approved policies	
Name of policy	Date approved/revised
Acting Policy	October 2019
Attendance and Punctuality Policy	October 2019

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Approved policies	
Name of policy	Date approved/revised
Employee under the influence of intoxicating substances Policy	June 2018
Employment Equity Policy	June 2015
HIV and AIDS Policy	June 2015
Incapacity due to ill health/injury Policy	June 2015
Incapacity due to poor work performance Policy	June 2015
Legal Aid Policy	June 2015
Membership and Registration of Dependants on Accreditation Medical Schemes Policy	October 2019
Occupational Health and Safety policy	October 2019
Overtime Policy	October 2019
Personal Protective Equipment Policy	October 2019
Private Work and Declaration of Interests Policy	October 2019
Recruitment and selection policy	October 2019
Relocation Policy	July 2018
Sexual Harassment Policy	July 2018
Smoking Policy	June 2018
Standby allowance Policy	June 2019
Study Aid for employees and study leave Policy	June 2018
Succession Planning Policy	June 2015
Telecommunications Policy	October 2019
Training and Development Policy	July 2018
Transport Policy	June 2015

Table 269: Approved HR policies

Policies Developed	
Name of policy	2019/20 Financial Year
Revised Transport Allowance Policy	Review finalised and submitted to Council on 12 June 2019
Annual Closing of Municipal Offices Policy	Currently still under review
Employee Assistance Programme	
Employment Imprisonment Policy	
Individual Performance Management Policy	
Nepotism Policy	
Official Vehicles and Fleet Management Policy	
Rewards and Incentives Policy	

Table 270: HR policies developed

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.3 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.3.1 SKILLS MATRIX

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
MM and S56 and Senior management	Female	10	8
	Male	24	16
Professionals	Female	11	6
	Male	15	14
Technicians and Trade workers	Female	15	11
	Male	30	23
Clerks	Female	95	79
	Male	35	29
Service and sales workers	Female	15	10
	Male	33	22
Plant and machine operators and assemblers	Female	4	1
	Male	3	28
Elementary occupations	Female	25	18
	Male	45	32
Sub total	Female	175	133
	Male	185	164
Total		360	297

Table 271: Skills matrix

The supply chain process is lengthy and it is difficult to get accredited training providers in the different training needs that were prioritised in the Skills Development Plan for the 2019/20 financial year.

The following training was implemented:

Type of training	Details
Financial Management	Bursary – studies towards BAdmin qualification
Financial Accounting	Bursary – studies towards BComm qualification

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Type of training	Details
Plumbing	Pre-Trade and Trade Test training and qualification
Minimum Competency Regulations	Certificate in Municipal Finance Management
Learnership	Water and Waste Water learnership
MS Excel	Excel training for staff
MS Excel advance	Excel advance training for staff in Finance
GIS training	Drone training
Road construction	Digger loader training
IT training	VM Ware training
IT training	Network +
ISO SANS Regulations	New regulations
Electrical	Electrical HV and LV
Drivers training	EC driver licenses
Cleaning and telephone techniques	Training for cleaning staff
Other bursary assistance	Various study fields covered by bursary assistance

Table 272: Details of training implemented

4.3.2 SKILLS DEVELOPMENT: TRAINING PROVIDED

The Skills Development Act (1998) and the Municipal Systems Act (2000) require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1) (f) states that as head of the administration the Municipal Manager is responsible for the management, utilisation and training of staff.

Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learnerships		Skills programmes and other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% Variance
MM and Senior Managers	Female	8	0	0	5	8	5	8	38%
	Male	29	0	0	5	11	5	11	55%
Professionals	Female	29	0	0	6	10	6	10	40%
	Male	53	0	0	14	20	14	20	30%
Technicians and Trade workers	Female	30	2	2	11	12	13	14	7%
	Male	54	5	5	23	30	28	35	20%
Clerks	Female	118	0	0	79	89	79	89	11%
	Male	48	0	0	29	35	29	35	17%
Service and sales workers	Female	33	10	12	0	3	10	15	33%
	Male	93	2	2	22	25	24	27	11%

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Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learnerships		Skills programmes and other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% Variance
Plant and machine operators and assemblers	Female	17	0	0	1	2	1	2	50%
	Male	55	0	0	25	31	25	31	19%
Elementary occupations	Female	74	0	0	18	20	18	20	10%
	Male	241	0	0	32	43	32	43	26%
<i>Sub total</i>	<i>Female</i>	<i>309</i>	<i>12</i>	<i>14</i>	<i>120</i>	<i>144</i>	<i>132</i>	<i>158</i>	<i>16%</i>
	<i>Male</i>	<i>573</i>	<i>7</i>	<i>7</i>	<i>150</i>	<i>195</i>	<i>157</i>	<i>202</i>	<i>22%</i>
Total		882	19	21	270	339	289	360	20%

Table 273: Skills development

4.3.3 SKILLS DEVELOPMENT: BUDGET ALLOCATION

The table below indicates that a total amount of **R3 192 690.00** was allocated to the Workplace Skills Plan and that 77.79% of the total amount was spent in the 2019/20 financial year:

Total personnel budget R	Total allocated R	Total spent R	% Spent
334 118 126	3 192 690	2 483 487.56	77.79%

Table 274: Budget allocated and spent for skills development

4.4 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations (2002), as well as National Treasury Budget and Reporting Schedules SA22 and SA23.

4.4.1 PERSONNEL EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the Municipality is well beneath the national norm of between 35 to 40%:

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R'000		%
2018/19	296 297	951 089	31.2

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Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R'000		%
2019/20	315 671	1 011 191	31.2

Table 275: Personnel expenditure

Below is a summary of councillor and staff benefits for the year under review:

Financial year	2018/19	2019/20		
Description	Actual	Original budget	Adjusted budget	Actual
	R'000			
Councillors (Political office bearers plus other)				
Salary	13 357	14 259	14 259	14 006
Pension contributions	1 516	1 602	1 602	1 563
Medical aid contributions	261	305	305	299
Motor vehicle allowance	736	794	794	731
Cell phone allowance	1 658	1 673	1 673	1 667
Housing allowance	0	0	0	0
Other benefits or allowances	146	148	148	147
In-kind benefits	0	0	0	0
<i>Subtotal - Councillors</i>	<i>17 675</i>	<i>18 780</i>	<i>18 780</i>	<i>18 413</i>
<i>% increase/(decrease)</i>	<i>4.6</i>	<i>6.3</i>	<i>6.3</i>	<i>4.2</i>
Senior Managers				
Salary	6 463	6 645	6 645	6 920
Pension contributions	500	655	655	553
Medical aid contributions	104	93	93	86
Motor vehicle allowance	840	970	970	894
Cell phone allowance	215	204	204	225
Housing allowance	0	0	0	0
Performance bonus	0	0	0	0
Other benefits or allowances	106	75	75	36
In-kind benefits	0	0	0	0
<i>Subtotal - Senior managers</i>	<i>8 228</i>	<i>8 643</i>	<i>8 643</i>	<i>8 714</i>
<i>% increase/(decrease)</i>	<i>13.7</i>	<i>5.0</i>	<i>5.0</i>	<i>5.9</i>
Other municipal staff				
Basic salaries and wages	163 469	206 073	191 182	174 387

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Financial year	2018/19	2019/20		
Description	Actual	Original budget	Adjusted budget	Actual
	R'000			
Pension contributions	31 113	39 096	36 062	33 034
Medical aid contributions	17 111	23 229	21 037	18 588
Motor vehicle allowance	7 053	8 139	9 012	8 193
Cell phone allowance	1 424	1 269	1 354	1 495
Housing allowance	1 973	3 265	2 948	2 044
Overtime	20 134	13 709	16 941	20 119
Other benefits or allowances	22 176	26 367	21 844	24 470
Post-retirement benefit obligations	5 941	6 314	6 314	6 213
<i>Subtotal - Other municipal staff</i>	<i>270 395</i>	<i>327 461</i>	<i>306 695</i>	<i>288 545</i>
<i>% increase/ (decrease)</i>	<i>10.2</i>	<i>21.1</i>	<i>13.4</i>	<i>6.7</i>
Total Municipality	296 297	354 884	334 118	315 671
% increase/(decrease)	9.9	19.8	12.8	6.5

Table 276: Personnel expenditure

Chapter 5



CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

The statement of financial performance provides an overview of the financial performance and focuses on the financial health of the Municipality.

5.1 FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2019/20 financial year:

Description	2018/19	2019/20			2019/20 Variance	
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000				%	
Financial performance						
Property rates	135 728	139 998	139 998	145 107	3.52	3.52
Service charges	564 827	603 781	603 781	622 044	2.94	2.94
Investment revenue	13 134	11 854	11 854	11 580	-3.00	-3.00
Transfers recognised (operational)	133 233	259 006	144 995	141 850	-82.59	-2.22
Other own revenue	93 986	161 121	249 756	91 210	-76.65	-173.83
Total revenue (excluding capital transfers and contributions)	940 908	1 175 760	1 150 385	1 011 719	-16.21	-13.71
Employee costs	278 623	336 104	315 338	297 258	-13.07	-6.08
Remuneration of councillors	17 675	18 780	18 780	18 413	-2.00	-2.00
Depreciation and asset impairment	88 009	91 139	91 139	87 206	-4.51	-4.51
Finance charges	24 682	23 654	23 654	23 643	-0.05	-0.05
Materials and bulk purchases	314 601	321 263	334 401	345 745	7.08	3.28
Transfers and grants	19 661	125 484	9 489	6 938	-1708.75	-36.78
Other expenditure	206 819	255 482	320 783	231 691	-10.27	-38.45
Total expenditure	950 071	1 171 905	1 113 584	1 011 191	-15.89	-10.13
Surplus/(Deficit)	-9 163	3 855	36 801	528	-630.81	-6876.01
Transfers recognised (capital	164 210	110 102	160 326	146 877	25.04	-9.16
Contributions recognised capital and contributed assets	1 528	0	185	185	100.00	0.00
Surplus/(Deficit) after capital transfers and contributions	156 575	113 957	197 312	147 589	22.79	-33.69
Capital expenditure and funds sources						
Capital expenditure						
Transfers recognised (capital)	165 738	110 102	160 599	147 062	25.13	-9.21
Public contributions and donations	0	0	0	0	0	0

CHAPTER 5: FINANCIAL PERFORMANCE

Description	2018/19	2019/20			2019/20 Variance	
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000				%	
Borrowing	6 281	0	162	159	100.00	-1.82
Internally generated funds	93 984	81 621	81 925	48 260	-69.13	-69.76
Total sources of capital funds	266 003	191 723	242 686	195 481	1.92	-24.15
Financial position						
Total current assets	254 837	347 239	357 561	312 432	-11.14	-14.44
Total non-current assets	2 289 752	2 382 017	2 388 451	2 410 862	1.20	0.93
Total current liabilities	170 630	120 863	120 863	184 611	34.53	34.53
Total non-current liabilities	442 532	428 590	428 590	449 775	4.71	4.71
Community wealth/Equity	1 931 427	2 179 803	2 196 558	2 088 909	-4.35	-5.15
Cash flows						
Net cash from (used) operating	225 963	195 970	209 745	259 734	24.55	19.25
Net cash from (used) investing	-227 022	-191 623	-198 171	-197 267	2.86	-0.46
Net cash from (used) financing	-9 525	-10 410	-10 410	-10 615	1.93	1.93
Cash/cash equivalents at the year end	-10 584	-6 062	1 164	51 853	111.69	97.75
Cash backing/surplus reconciliation						
Cash and investments available	110 088	114 388	114 388	162 139	29.45	29.45
Application of cash and investments	-142 600	0	0	-151 019	100.00	100.00
Balance surplus (shortfall)	-32 512	114 388	114 388	11 120	-928.66	-928.66
Asset management						
Asset register summary (WDV)	2 287 829	2 378	23 885	2 407 549	99.90	99.01
Depreciation and asset impairment	88 009	91 139	91 139	87 206	-4.51	-4.51
Renewal of existing assets	25 695	38 693	69 789	53 016	27.02	-31.64
Repairs and maintenance	61 687	59 124	50 142	52 933	-11.70	5.27
Free services						
Cost of free basic services provided	38 649	48 036	48 036	48 427	0.81	0.81
Revenue cost of free services provided	27 175	32 275	32 275	24 961	-29.30	-29.30
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 277: Financial performance 2019/20

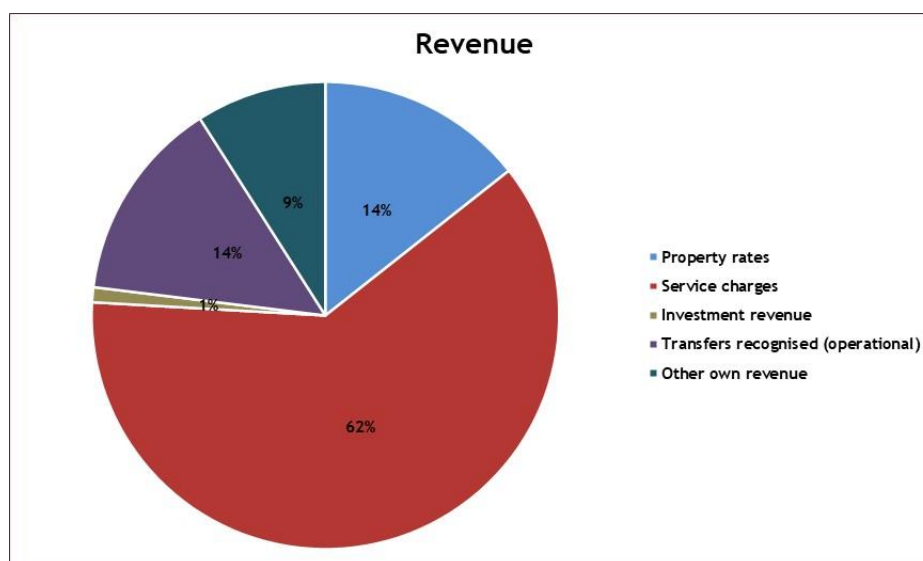
CHAPTER 5: FINANCIAL PERFORMANCE

The table below shows a summary of performance against budgets

Financial year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2018/19	1 177 436	1 106 645	-70 791	-6	1 008 554	951 089	57 465	6
2019/20	1 310 896	1 157 730	-153 166	-12	1 113 584	1 011 191	102 393	9

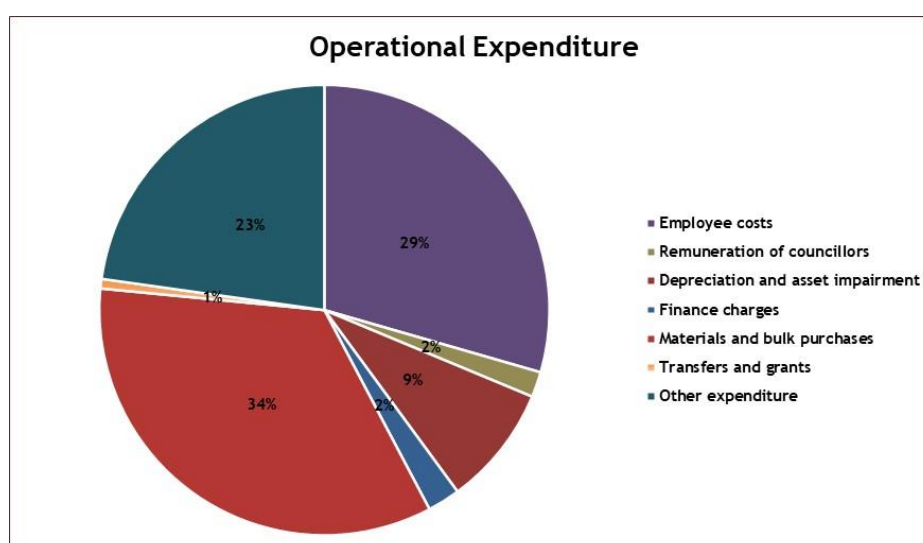
Table 278: Performance against budgets

The following graph indicates the various types of revenue items in the municipal budget for 2019/20:



Graph 10: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2019/20:



Graph 11: Operating expenditure

CHAPTER 5: FINANCIAL PERFORMANCE

5.1.1 REVENUE COLLECTION BY VOTE

The table below indicates the revenue collection performance by vote:

Vote description	2018/19	2019/20			2019/20 Variance	
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustment s budget
	R'000			%		
Vote 1 - Council General	358	147	147	449	67.35	67.35
Vote 2 - Municipal Manager	4 770	7 103	9 670	7 434	4.46	-30.07
Vote 3 - Strategic Support Services	2 508	1 896	2 261	3 094	38.71	26.91
Vote 4 - Financial Services	300 915	195 104	198 792	291 867	33.15	31.89
Vote 5 - Community Services	109 909	298 864	264 017	101 230	-195.23	-160.81
Vote 6 - Technical Services	688 186	782 748	836 009	754 706	-3.72	-10.77
Total revenue by vote	1 106 645	1 285 862	1 310 896	1 158 781	-10.97	-13.13
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 279: Revenue by vote

5.1.2 REVENUE COLLECTION BY SOURCE

The table below indicates the revenue collection performance by source for the 2019/20 financial year:

Vote description	2018/19	2019/20			2019/20 Variance	
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjust- ments budget
	R'000			%		
Property rates	135 728	139 998	139 998	145 107	3.52	3.52
Service charges - electricity revenue	389 167	418 573	418 573	416 707	-0.45	-0.45
Service charges - water revenue	70 217	72 274	72 274	91 484	21.00	21.00
Service charges - sanitation revenue	67 133	72 847	72 847	73 688	1.14	1.14
Service charges - refuse revenue	38 310	40 088	40 088	40 166	0.19	0.19
Rentals of facilities and equipment	24 456	10 589	10 589	10 671	0.77	0.77
Interest earned - external investments	13 134	11 854	11 854	11 508	-3.00	-3.00
Interest earned - outstanding debtors	6 198	6 158	6 158	8 133	24.28	24.28
Dividends received	0	0	0	0	0	0
Fines, penalties and forfeits	37 240	118 474	207 109	51 034	-132.15	-305.82
Licences and permits	2 952	3 616	3 616	2 211	-63.56	-63.56
Agency services	8 507	8 230	8 230	7 543	-9.10	-9.10

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Vote description	2018/19	2019/20			2019/20 Variance	
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000				%	
Transfers and subsidies	133 233	259 006	144 995	141 850	-82.59	-2.22
Other revenue	11 560	12 798	12 798	11 618	-10.16	-10.16
Gains on disposal of PPE	3 073	1 257	1 257	0	0	0
Total revenue (excluding capital transfers and contributions)	940 908	1 175 760	1 150 385	1 011 719	-16.21	-13.71
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 280: Revenue by source

5.1.3 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the operational services performance for the 2019/20 financial year:

Vote description	2018/19	2019/20			2019/20 Variance	
	Actual – (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000				%	
Operating cost						
Governance and administration	117 246	-23 538	-20 595	92 956	125.32	122.16
Executive and council	-36 029	-35 016	-36 392	-40 191	12.88	9.45
Finance and administration	156 379	15 533	19 374	136 410	88.61	85.80
Internal audit	-3 104	-4 055	-3 577	-3 263	-24.26	-9.64
Community and public safety	-58 207	-57 645	-20 288	-90 858	36.55	77.67
Community and social services	-7 981	-13 120	-12 204	-12 433	-5.53	1.84
Sport and recreation	-24 131	-18 552	-23 508	-24 627	24.67	4.54
Public safety	-37 587	-29 884	11 313	-55 286	45.95	120.46
Housing	11 659	4 018	4 212	1 649	-143.70	-155.44
Health	-166	-106	-100	-161	34.00	37.75
Economic and environmental services	-61 042	-19 737	-3 018	-20 151	2.05	85.03
Planning and development	-9 963	-8 966	-7 946	-8 989	0.25	11.60
Road transport	-50 657	-9 375	5 468	-10 851	13.60	150.39
Environmental protection	-422	-1 396	-540	-311	-348.29	-73.30
Trading services	160 074	215 759	242 598	167 903	-28.50	-44.49
Energy sources	53 321	63 777	76 027	56 113	-13.66	-35.49
Water management	45 190	60 201	63 234	39 816	-51.20	-58.82
Waste water management	44 842	73 229	91 579	61 615	-18.85	-48.63

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Vote description	2018/19	2019/20			2019/20 Variance	
	Actual – (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000				%	
Waste management	16 720	18 552	11 758	8 245	-125.01	-42.61
Other	-1 497	-882	-1 385	-1 197	26.32	-15.67
Total expenditure	156 575	113 957	197 312	147 589	22.79	-33.69
<i>In this table operational income -but not levies or tariffs is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 281: Operational services performance

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

The tables below show the financial performance according to municipal functions:

5.2.1 EXECUTIVE AND COUNCIL

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	1 044	147	2 147	2 449	94.01
Expenditure:					
Employees	28 803	28 797	30 348	29 959	3.88
Contracted Services	729	2 255	2 180	121	-1763.31
Other	7 541	4 110	6 011	12 560	67.27
Total Operational Expenditure	37 073	35 162	38 539	42 639	17.54
Net Operational (Service)	-36 029	-35 016	-36 392	-40 191	12.88

Table 282: Financial performance: Executive and Council

5.2.2 FINANCE AND ADMINISTRATION

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	307 275	202 337	206 564	298 404	32.19
Expenditure:					
Employees	76 348	92 540	86 913	80 650	-14.74

CHAPTER 5: FINANCIAL PERFORMANCE

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Contracted Services	25 657	32 344	31 761	29 229	-10.66
Other	48 892	61 921	68 515	51 065	-21.26
Total Operational Expenditure	150 896	186 804	187 190	160 944	-16.07
Net Operational (Service)	156 379	15 533	19 374	137 460	88.70

Table 283: Financial performance: Finance and administration

5.2.3 INTERNAL AUDIT

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	174	0	44	44	100.00
Expenditure:					
Employees	2 155	3 418	2 767	2 680	-27.55
Repairs and maintenance	103	202	181	165	-22.33
Other	419	171	272	303	43.44
Total operational expenditure	2 677	3 791	3 220	3 148	-20.44
Net Operational (Service)	-2 503	-3 791	-3 176	-3 104	-22.15

Table 284: Financial performance: Internal audit

5.2.4 COMMUNITY AND SOCIAL SERVICES

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	15 025	11 585	11 585	11 080	-4.56
Expenditure:					
Employees	17 257	20 093	19 056	17 807	-12.84
Contracted Services	1 417	1 674	1 778	1 241	-34.94
Other	4 332	2 938	2 955	4 465	34.20

CHAPTER 5: FINANCIAL PERFORMANCE

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Expenditure	23 007	24 705	23 789	23 513	-5.07
Net Operational (Service)	-7 981	-13 120	-12 204	-12 433	-5.53

Table 285: Financial performance: Community and social services

5.2.5 SPORT AND RECREATION

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	3 461	11 374	6 044	3 034	-274.89
Expenditure:					
Employees	17 301	22 090	20 698	18 426	-19.89
Contracted Services	4 423	2 342	3 298	3 540	33.85
Other	5 868	5 494	5 557	5 694	3.51
Total Operational Expenditure	27 592	29 926	29 553	27 661	-8.19
Net Operational (Service)	-24 131	-18 552	-23 508	-24 627	24.67

Table 286: Financial performance: Sport and recreation

5.2.6 PUBLIC SAFETY

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	47 478	1 577	208 751	3 140	49.77
Expenditure:					
Employees	25 181	28 130	26 758	27 226	-3.32
Contracted Services	1 166	453	585	143	-216.11
Other	58 718	2 879	170 095	31 057	90.73
Total Operational Expenditure	85 065	31 462	197 438	58 427	46.15
Net Operational (Service)	-37 587	-29 884	11 313	-55 286	45.95

Table 287: Financial performance: Public safety

CHAPTER 5: FINANCIAL PERFORMANCE

5.2.7 HOUSING

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	41 640	145 363	25 700	24 833	-485.37
Expenditure:					
Employees	5 241	6 569	5 841	5 202	-26.27
Contracted Services	3 166	2 864	2 606	1 949	-46.94
Other	21 574	131 912	13 042	16 033	-722.76
Total Operational Expenditure	29 981	141 345	21 488	23 184	-509.66
Net Operational (Service)	11 659	4 018	4 212	1 649	-143.70

Table 288: Financial performance: Housing

5.2.8 HEALTH

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	0	0	0	0	0
Contracted Services	0	0	0	0	0
Other	166	106	100	161	34.00
Total Operational Expenditure	166	106	100	161	34.00
Net Operational (Service)	-166	-106	-100	-161	34.00

Table 289: Financial performance: Health

5.2.9 PLANNING AND DEVELOPMENT

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	5 464	6 823	7 890	6 666	-2.35
Expenditure:					
Employees	12 129	13 714	13 568	13 083	-4.82

CHAPTER 5: FINANCIAL PERFORMANCE

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Contracted Services	1 511	978	1 349	924	-5.85
Other	1 787	1 097	919	1 647	33.42
Total Operational Expenditure	15 428	15 789	15 836	15 655	-0.86
Net Operational (Service)	-9 963	-8 966	-7 946	-8 989	0.25

Table 290: Financial performance: Planning and development

5.2.10 ROAD TRANSPORT

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	817	144 780	65 297	79 465	-82.19
Expenditure:					
Employees	34 886	42 932	38 691	35 592	-20.62
Contracted Services	4 905	4 137	5 621	3 807	-8.66
Other	11 683	107 087	15 517	50 916	-110.32
Total Operational Expenditure	51 474	154 155	59 829	90 316	-70.68
Net Operational (Service)	-50 657	-9 375	5 468	-10 851	13.60

Table 291: Financial performance: Road transport

5.2.11 ENVIRONMENTAL PROTECTION

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	1 215	2 262	2 262	813	-178.18
Expenditure:					
Employees	51	181	86	4	-4972.37
Contracted Services	1 360	3 323	2 411	943	-252.24
Other	226	154	304	178	13.22
Total Operational Expenditure	1 637	3 658	2 802	1 125	-225.28

CHAPTER 5: FINANCIAL PERFORMANCE

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Net Operational (Service)	-422	-1 396	-540	-311	-348.29

Table 292: Financial performance: Environmental protection

5.2.12 ENERGY SOURCES

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	403 650	437 077	442 912	434 289	-0.64
Expenditure:					
Employees	18 199	24 289	22 526	20 836	-16.57
Contracted Services	9 989	13 954	9 738	7 443	-87.48
Other	322 141	335 056	334 621	349 897	4.24
Total Operational Expenditure	350 328	373 300	366 885	378 176	1.29
Net Operational (Service)	53 321	63 777	76 027	56 113	-13.66

Table 293: Financial performance: Energy sources

5.2.13 WATER MANAGEMENT

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	109 201	122 146	122 246	108 331	-12.75
Expenditure:					
Employees	22 208	27 950	25 547	25 017	-11.72
Contracted Services	2 976	3 437	2 205	1 964	-75.00
Other	38 827	30 558	31 260	41 534	26.43
Total Operational Expenditure	64 010	61 945	59 012	68 515	9.59
Net Operational (Service)	45 190	60 201	63 234	39 816	-51.20

Table 294: Financial performance: Water management

CHAPTER 5: FINANCIAL PERFORMANCE

5.2.14 WASTE WATER MANAGEMENT

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	109 615	134 983	150 733	128 062	-5.41
Expenditure:					
Employees	19 232	23 223	21 505	20 695	-12.22
Contracted Services	7 629	7 378	6 176	5 317	-38.77
Other	37 912	31 153	31 474	40 435	22.96
Total Operational Expenditure	64 772	61 754	59 154	66 446	7.06
Net Operational (Service)	44 842	73 229	91 579	61 615	-18.85

Table 295: Financial performance: Waste water management

5.2.15 WASTE MANAGEMENT

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	60 716	65 408	58 665	58 215	-12.36
Expenditure:					
Employees	16 782	20 548	19 265	18 192	-12.95
Contracted Services	6 230	7 143	7 859	7 024	-1.70
Other	20 983	19 164	19 783	24 753	22.58
Total Operational Expenditure	43 996	46 856	46 906	49 970	6.23
Net Operational (Service)	16 720	18 552	11 758	8 245	-125.01

Table 296: Financial performance: Waste management

5.2.16 OTHER

Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total Operational Revenue	0	0	100	0	0
Expenditure:					
Employees	0	0	0	0	0

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Description	2018/19	2019/20			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Contracted Services	920	362	782	655	44.65
Other	576	520	703	542	4.21
Total Operational Expenditure	1 497	882	1 485	1 197	26.32
Net Operational (Service)	-1 497	-882	-1 385	-1 197	26.32

Table 297: Financial performance: Other

5.3 GRANTS

5.3.1 GRANT PERFORMANCE

The table below indicates the grant performance for the 2019/20 financial year:

Description	2018/19	2019/20			2019/20 Variance	
	Actual (Audited Outcome)	Budget	Adjust- ments Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
Operating Transfers and Grants						
National Government:	151 081	167 214	167 462	157 361	-6.26	-6.42
Equitable Share	108 977	117 997	117 997	117 997	0.00	0.00
Expanded Public Works Programme	3 066	3 215	3 215	3 215	0.00	0.00
Mig - Project Management Unit	32 488	34 452	34 452	24 301	-41.77	-41.77
Electricity Integrated National Electrification Project	5 000	10 000	10 000	10 000	0.00	0.00
Disaster Fund:	0	0	298	298	100.00	0.00
Finance Management Grant	1 550	1 550	1 500	1 550	0.00	3.23
Provincial Government:	141 157	194 032	126 780	122 416	-58.50	-3.56
Housing	124 366	182 820	112 292	108 773	-68.07	-3.23
Proclaimed Roads	150	146	146	146	0.00	0.00
Local Government Internship Grant	0	0	80	29	100.00	-174.35
Municipal Accreditation and Capacity Building Grant	0	448	448	477	6.05	6.05
Library Grant	13 632	9 738	9 738	9 738	0.00	0.00
Fire Service Capacity	1 497	0	0	0	0	0
Financial Management Support Grant	324	280	2 080	850	67.06	-144.71
Integrated Public Transport Grant	339	0	0	0	0	0
Management Support Grant	750	380	1 590	2 080	81.73	23.56
Thusong Centre	100	220	220	137	-60.70	-60.70

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Description	2018/19	2019/20			2019/20 Variance	
	Actual (Audited Outcome)	Budget	Adjust- ments Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
CDW Grant	0	0	186	186	100.00	0.00
Other Grant Providers:	2 506	2 762	5 047	3 701	25.36	-36.39
Seta	734	0	0	631	100.00	100.00
Medicinal Plans Project	25	0	0	0	0	0
Working for Water - DWAF	1 215	2 262	2 262	813	-178.18	-178.18
Project Preparation Ground Water	500	0	0	0	0	0
CWDM Monetary Allocation	0	500	2 600	2 071	75.86	-25.53
Immovable Property	31	0	0	0	0	0
Donated Assets - Capital Portion	0	0	185	185	100.00	0.00
Total Operating Transfers and Grants	298 970	369 108	305 456	288 911	-27.76	-5.73
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 298: Grant performance for 2019/20

5.3.2 CONDITIONAL GRANTS (EXCL. MIG)

The performance in the spending of conditional grants is summarised as follows:

Details	2018/19	2019/20			2019/20 Variance	
	Actual	Budget	Adjust- ments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjust- ments Budget
	R'000				%	
Equitable Share	108 977	117 997	117 997	117 997	0.00	0.00
Expanded Public Works Programme	3 066	3 215	3 215	3 215	0.00	0.00
Electricity Integrated National Electrification Project	5 000	10 000	10 000	10 000	0.00	0.00
Disaster Fund:	0	0	298	298	100.00	0.00
Finance Management Grant	1 550	1 550	1 500	1 550	0.00	3.23
Housing	124 366	182 820	112 292	108 773	-68.07	-3.23
Proclaimed Roads	150	146	146	146	0.00	0.00
Local Government Internship Grant	0	0	80	29	100.00	-174.35
Municipal Accreditation and Capacity Building Grant	0	448	448	477	6.05	6.05
Library Grant	13 632	9 738	9 738	9 738	0.00	0.00
Fire Service Capacity	1 497	0	0	0	0	0
Financial Management Support Grant	324	280	2 080	850	67.06	-144.71
Integrated Public Transport Grant	339	0	0	0	0	0

CHAPTER 5: FINANCIAL PERFORMANCE

Details	2018/19	2019/20			2019/20 Variance	
	Actual	Budget	Adjust- ments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjust- ments Budget
	R'000				%	
Management Support Grant	750	380	1 590	2 080	81.73	23.56
Thusong Centre	100	220	220	137	-60.70	-60.70
CDW Grant	0	0	186	186	100.00	0.00
RSEP Projects	4 226	5 100	6 167	5 434	6.15	-13.49
Seta	734	0	0	631	100.00	100.00
Medicinal Plans Project	25	0	0	0	0	0
Working for Water - DWAF	1 215	2 262	2 262	813	-178.18	-178.18
Project Preparation Ground Water	500	0	0	0	0	0
CWDM Monetary Allocation	0	500	2 600	2 071	75.86	-25.53
Immovable Property	31	0	0	0	0	0
Donated Assets - Capital Portion	0	0	185	185	100.00	0.00
Total	266 482	334 656	271 004	264 611	-26.47	-2.42
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 299: Conditional grant (excl. MIG)

No grants have been held back over the financial year. All unspent grants after roll-over approval will be included in programs for the 2019/20 financial year.

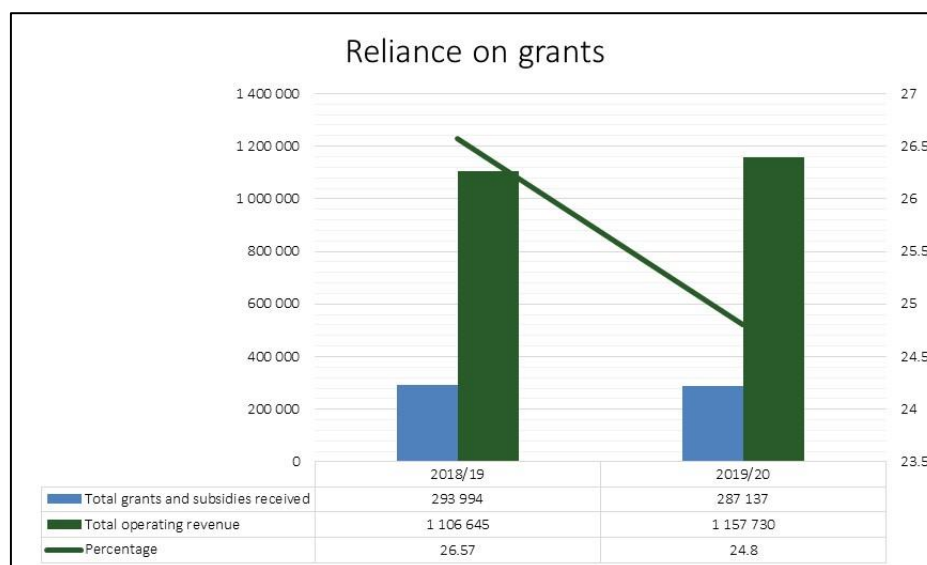
5.3.3 LEVEL OF RELIANCE ON GRANTS AND SUBSIDIES

Financial year	Total grants and subsidies received	Total operating revenue	Percentage
	R'000		%
2018/19	293 994	1 106 645	26.57
2019/20	287 137	1 157 730	24.80

Table 300: Reliance on grants

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The following graph indicates the Municipality's reliance on grants for the last two financial years:



Graph 12: Reliance on grants

5.4 ASSET MANAGEMENT

The assets of the Breede Valley Municipality (BVM) are managed in accordance with the Asset Management Policy.

The policy is drawn up in line with the relevant statutory and regulatory frameworks and the relevant GRAP standards as set out by The Accounting Standards Board.

The key elements are:

Responsibilities of:

1. The Accounting Officer (Municipal Manager) - overall responsible for the assets of BVM
2. The Chief Financial Officer (Director: Finance) - delegated to ensure safeguarding of assets
3. The Asset Manager - accountable for asset under his/her directorate
4. The Asset Champions - senior officials responsible per department
5. The Asset Management Division - maintenance of the asset register, review and verifications
6. The Budgetary Division - providing detail on capital expenditure and funding

Financial management:

1. Planning
2. Funding
3. Acquisition

Accounting:

1. Capitalisation
2. Classification of the assets

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3. Costing process
4. Depreciation method; impairment
5. Disclosure

Internal control:

1. Asset register
2. Transfer
3. Safeguarding – Lost, theft, destruction
4. Verification and review

Disposal

Key issues under development

The constant development in GRAP and the addition of GRAP 21 and 26 on impairment request reviews in the policy.

5.4.1 TREATMENT OF THE THREE LARGEST ASSETS

Asset 1		
Name	Worcester Waste Water Treatment Works	
Description	WWTW	
Asset type	Infrastructure (Sewer)	
Key staff involved	Senior Manager: Water and Sanitation	
Staff responsibilities	Managing and maintaining the daily operations of the plant	
Asset value	2018/19 R million	2019/20 R million
	240 868	233 544
Capital implications	Augmentation of works	
Future purpose of asset	Treatment of sewerage water in order to comply with legislation	
Describe key issues	Budgets insufficiencies, minimum qualifications of process controllers, insufficient staff complement	
Policies in place to manage asset	Asset Management Policy, Water Services Development Plan	

Table 301: Summary of largest asset

Asset 2		
Name	Reservoir Stettynskloof	
Description	Stettynskloof Water	
Asset type	Infrastructure (Water)	
Key staff involved	Senior Manager: Water and Sanitation	
Staff responsibilities	Operational and maintenance	
Asset value	2018/19 R million	2019/20 R million
	163 701	160 120

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Asset 2	
Capital implications	Augmentation of water supply system
Future purpose of asset	Supply of potable water to the communities of Worcester and Rawsonville
Describe key issues	Budgets insufficiencies, minimum qualifications of process controllers, insufficient staff complement
Policies in place to manage asset	Asset Management Policy, Water Services Development Plan, Operational Plan, Safety Plan, Plant Operating Plan

Table 302: Summary of 2nd largest asset

Asset 2		
Name	Residential Consumers Pre-paid	
Description	Electric Pre-paid Meters	
Asset type	Infrastructure (Electricity)	
Key staff involved	Senior Manger Electrical Services	
Staff responsibilities	Operational and maintenance	
Asset value	2018/19 R million	2019/20 R million
	44 212	41 913
Capital implications	Augmentation of works	
Future purpose of asset	Revenue protection for municipality; ensure income	
Describe key issues	Budgets insufficiencies, minimum qualifications of process controllers, insufficient staff complement	
Policies in place to manage asset	Customer Care Policy, Municipal Bylaw, Asset Management Policy	

Table 303: Summary of 3rd largest asset

5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 LIQUIDITY RATIO

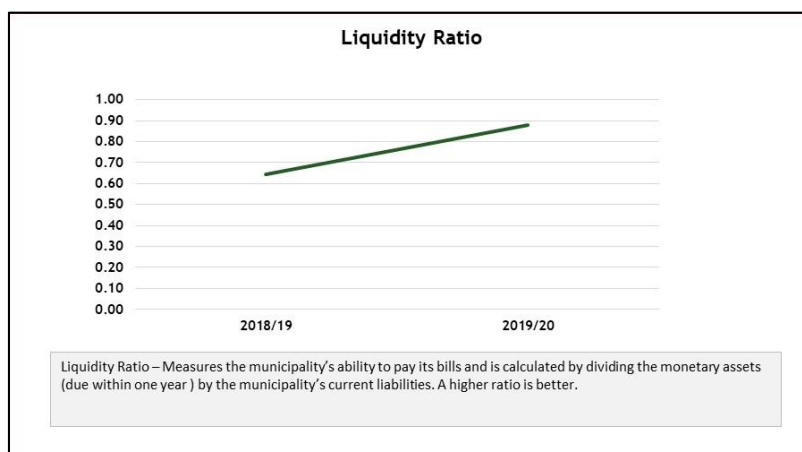
Description	Basis of calculation	2018/19	2019/20
		Audited outcome	Pre-audit outcome
Current ratio	Current assets/current liabilities	1.49	1.64
Current ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.37	1.54
Liquidity ratio	Monetary assets/current liabilities	0.65	0.85

Table 304: Liquidity financial ratio

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The current ratio indicates a Council's ability to meet its financial obligations such as payment for goods and services supplied. A ratio of 1:1 indicates that unrestricted current assets are available on hand to meet unrestricted current liabilities. It is furthermore an indication of a Council's solvency. Breede Valley's current ratio is 1.64:1 in 2019/20 which is above the norm and indicates that Council has sufficient cash on hand to meet its short-term liabilities.

The following graph indicates the liquidity financial ratio for 2019/20:



Graph 13: Liquidity ratio

5.5.2 IDP REGULATION FINANCIAL VIABILITY INDICATORS

Description	Basis of calculation	2018/19	2019/20
		Audited outcome	Pre-audit outcome
Cost coverage	(Available cash + investments)/monthly fixed operational expenditure	1.63	2.29
Total outstanding service debtors to revenue	Total outstanding service debtors/annual revenue received for services	16.93%	15.66%
Debt coverage	(Total operating revenue - operating grants)/debt service payments due within financial year	28.83%	29.55%

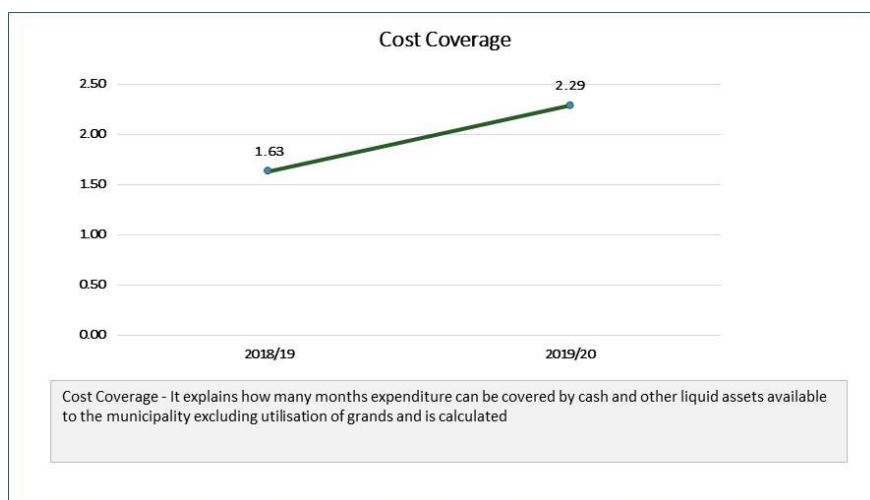
Table 305: Financial viability national KPAs

a) Cost Coverage

This ratio indicates the Municipality's ability to meet its short-term (monthly) expenditures. It takes into consideration all available cash at a particular time including income from investments. The ratio has to be in excess of 1:1 with 2.29:1 being an acceptable ratio, because the ratio is even more than 1:1. The Municipality might even consider reducing its cash levels to pay back its debt. However, this ratio should be read in conjunction to other ratios

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The following graph indicates the cost coverage financial viability indicator:

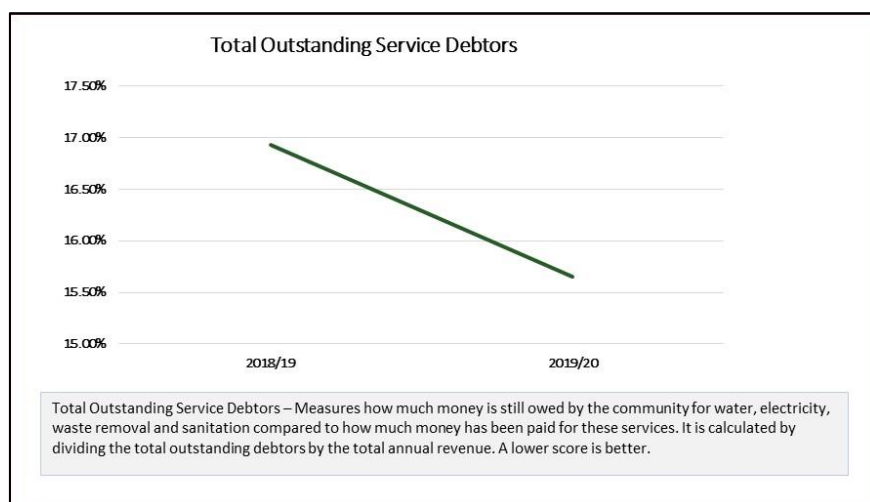


Graph 14: Cost coverage

b) Outstanding Service Debtors to Revenue

This ratio indicates how effective revenue collection is being executed by the Municipality. The current outstanding debt is 15.66% of revenue. The Municipality should continuously enhance revenue collection mechanisms and enforce debt collection policies.

The following graph indicates the outstanding service to revenue financial viability indicator:



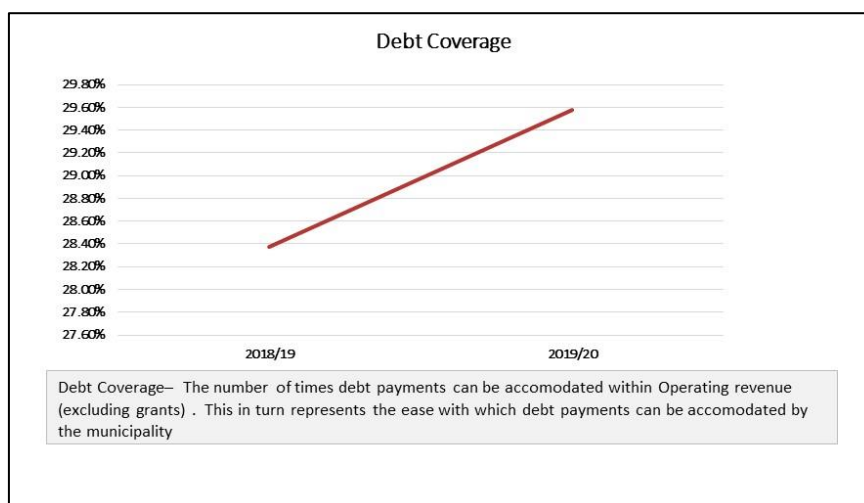
Graph 15: Total outstanding service debtors

c) Debt Coverage

The debt coverage ratio shows the Municipality's ability to service its debt payments. A debt coverage ratio of 2 is generally considered acceptable assuming the other tests of safety have been met. The higher the debt service ratio, the lower the risk. The municipality's ratio 29.58% in 2019/20.

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The following graph indicates the debt coverage financial viability indicator:



Graph 16: Debt coverage

5.5.3 CREDITORS MANAGEMENT

Description	Basis of calculation	2018/19	2019/20
		Audited outcome	Pre-audit outcome
Creditors system efficiency	% of creditors paid within terms (within MFMA Section 65(e))	100%	100%

Table 306: Creditors management

5.5.4 BORROWING MANAGEMENT

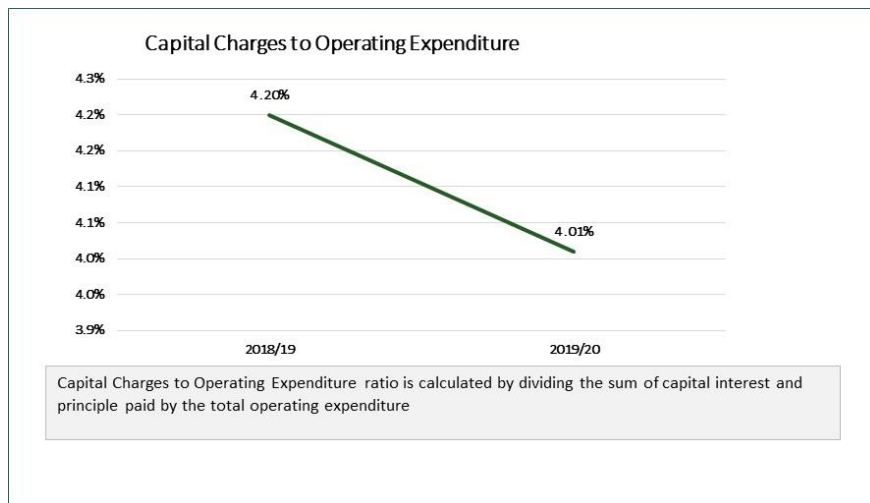
Description	Basis of calculation	2018/19	2019/20
		Audited outcome	Pre-audit outcome
Capital charges to operating expenditure	Interest and principal paid /operating expenditure	4.20%	4.01%

Table 307: Borrowing management

The ratio gives an indication of the total percentage paid on external loans. The ratio decreased from 4.20% in 2018/19 to 4.01% in 2019/20 which is within the norm of 18%.

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The following graph indicates the ratio of capital charges to operating expenditure:



Graph 17: Capital charges to operating expenditure ratio

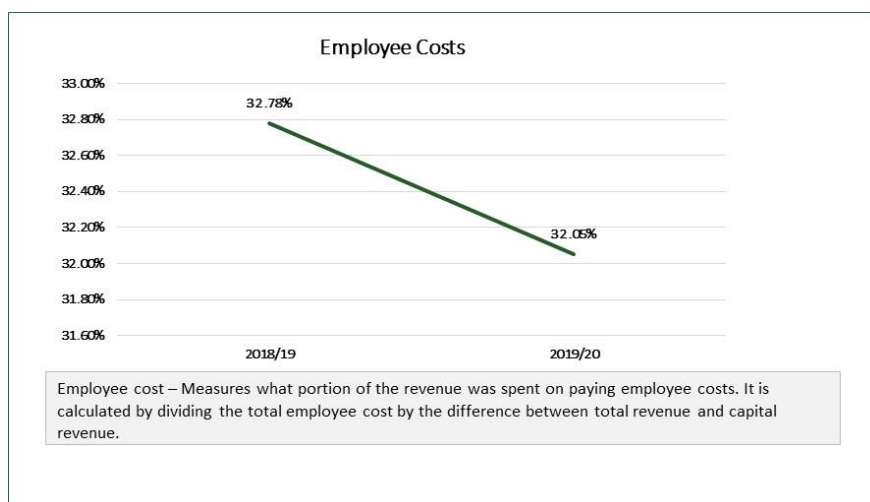
5.5.5 EMPLOYEE COSTS

Description	Basis of calculation	2018/19	2019/20
		Audited outcome	Pre-audit outcome
Employee costs	Employee costs/ (Total Revenue - capital revenue)	32.78%	32.05%

Table 308: Employee costs

The ratio gives an indication of the total percentage paid on employee cost. The ratio decreased from 32.78% in 2018/19 to 32.05% in 2019/20 and is still within the norm of 35%.

The following graph indicates the employee costs ratio:



Graph 18: Employee costs ratio

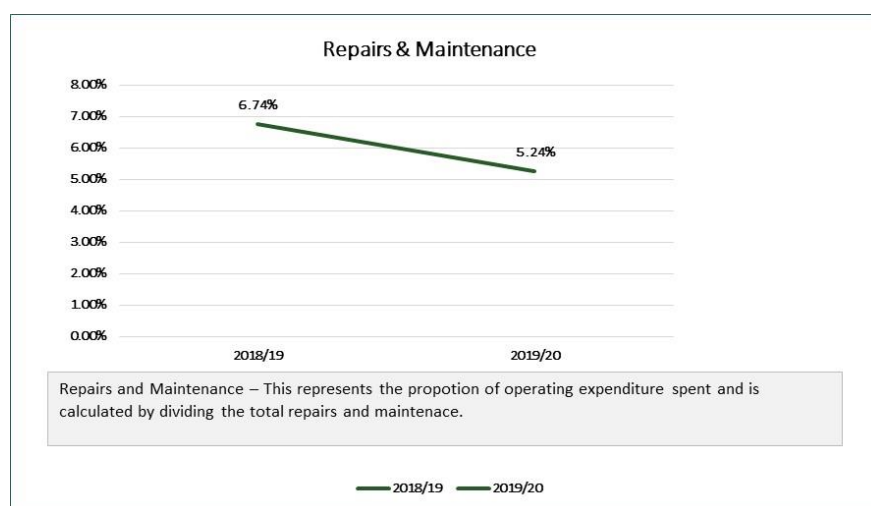
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5.5.6 REPAIRS AND MAINTENANCE

Description	Basis of calculation	2018/19	2019/20
		Audited outcome	Pre-audit outcome
Repairs and maintenance	RandM/ (Total revenue excluding capital revenue)	6.74%	5.24%

Table 309: Repairs and maintenance

The following graph indicates the ratio of repairs and maintenance:



Graph 19: Repairs and maintenance ratio

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether municipalities can spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spent.

5.6 CAPITAL EXPENDITURE

5.6.1 CAPITAL EXPENDITURE BY NEW ASSETS PROGRAMME

Description	2018/19	Current Year 2019/20		YearTD actual	2020/21 Medium Term Revenue & Expenditure Framework		
R'000	Audited Outcome	Original Budget	Adjusted Budget		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on new assets by Asset Class/Sub-class							
Infrastructure	169 180	107 538	141 278	125 219	85 323	75 647	41 839
Roads Infrastructure	24 276	16 335	37 130	35 813	17 646	0	0

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Description	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R'000	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<i>Roads</i>	24 276	15 885	36 680	35 813	17 646	0	0
<i>Road Structures</i>	0	450	450	0	0	0	0
<i>Road Furniture</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Storm water Infrastructure	24 216	15 465	23 340	22 875	6 000	0	0
<i>Drainage Collection</i>	69	15 000	22 875	22 875	6 000	0	0
<i>Storm water Conveyance</i>	24 146	465	465	0	0	0	0
<i>Attenuation</i>	0	0	0	0	0	0	0
Electrical Infrastructure	13 741	15 068	19 818	14 693	23 252	37 009	38 000
<i>Power Plants</i>	0	0	0	0	0	0	0
<i>HV Substations</i>	0	0	0	0	0	0	0
<i>HV Switching Station</i>	0	0	0	0	0	0	0
<i>HV Transmission Conductors</i>	0	0	0	0	0	0	0
<i>MV Substations</i>	2 965	0	0	0	0	0	0
<i>MV Switching Stations</i>	0	0	0	0	0	0	0
<i>MV Networks</i>	0	0	0	0	0	0	0
<i>LV Networks</i>	9 854	14 938	19 654	14 693	22 105	37 009	38 000
<i>Capital Spares</i>	921	130	164	0	1 147	0	0
Water Supply Infrastructure	72 832	36 727	36 992	28 884	24 357	21 600	2 719
<i>Dams and Weirs</i>	0	3 433	52	52	373	432	0
<i>Boreholes</i>	0	0	0	0	0	0	0
<i>Reservoirs</i>	26 103	10 653	13 532	5 901	12 053	13 425	0
<i>Pump Stations</i>	22 583	0	0	0	0	0	0
<i>Water Treatment Works</i>	0	7 108	0	0	3 212	5 024	0
<i>Bulk Mains</i>	0	0	0	0	0	0	0
<i>Distribution</i>	24 146	15 533	23 408	22 931	8 719	2 719	2 719
<i>Distribution Points</i>	0	0	0	0	0	0	0
<i>PRV Stations</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Sanitation Infrastructure	25 677	22 471	23 999	22 955	14 068	16 649	1 120
<i>Pump Station</i>	1 052	0	100	80	0	0	0
<i>Reticulation</i>	24 185	16 024	23 899	22 875	14 068	9 175	1 120
<i>Waste Water Treatment Works</i>	440	6 447	0	0	0	7 474	0
<i>Outfall Sewers</i>	0	0	0	0	0	0	0
<i>Toilet Facilities</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Solid Waste Infrastructure	8 438	1 473	0	0	0	388	0

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Description	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R'000	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<i>Landfill Sites</i>	0	0	0	0	0	0	0
<i>Waste Transfer Stations</i>	8 438	1 473	0	0	0	388	0
<i>Waste Processing Facilities</i>	0	0	0	0	0	0	0
<i>Waste Drop-off Points</i>	0	0	0	0	0	0	0
<i>Waste Separation Facilities</i>	0	0	0	0	0	0	0
<i>Electricity Generation Facilities</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Rail Infrastructure	0	0	0	0	0	0	0
<i>Rail Lines</i>	0	0	0	0	0	0	0
<i>Rail Structures</i>	0	0	0	0	0	0	0
<i>Rail Furniture</i>	0	0	0	0	0	0	0
<i>Drainage Collection</i>	0	0	0	0	0	0	0
<i>Storm water Conveyance</i>	0	0	0	0	0	0	0
<i>Attenuation</i>	0	0	0	0	0	0	0
<i>MV Substations</i>	0	0	0	0	0	0	0
<i>LV Networks</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Coastal Infrastructure	0	0	0	0	0	0	0
<i>Sand Pumps</i>	0	0	0	0	0	0	0
<i>Piers</i>	0	0	0	0	0	0	0
<i>Revetments</i>	0	0	0	0	0	0	0
<i>Promenades</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Information and Communication Infrastructure	0	0	0	0	0	0	0
<i>Data Centres</i>	0	0	0	0	0	0	0
<i>Core Layers</i>	0	0	0	0	0	0	0
<i>Distribution Layers</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Community Assets	3 632	13 770	8 457	6 857	830	0	0
Community Facilities	3 200	5 604	6 805	5 491	500	0	0
<i>Halls</i>	0	0	0	0	0	0	0
<i>Centres</i>	2 698	0	0	0	0	0	0
<i>Crèches</i>	0	931	0	0	0	0	0
<i>Clinics/Care Centres</i>	0	0	0	0	0	0	0
<i>Fire/Ambulance Stations</i>	0	1 424	1 424	488	0	0	0
<i>Testing Stations</i>	0	0	0	0	0	0	0
<i>Museums</i>	0	0	0	0	0	0	0

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Description	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R'000	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<i>Galleries</i>	0	0	0	0	0	0	0
<i>Theatres</i>	0	0	0	0	0	0	0
<i>Libraries</i>	0	0	0	0	0	0	0
<i>Cemeteries/Crematoria</i>	0	0	0	0	0	0	0
<i>Police</i>	0	0	0	0	0	0	0
<i>Parks</i>	0	0	0	0	500	0	0
<i>Public Open Space</i>	0	1 115	420	206	0	0	0
<i>Nature Reserves</i>	0	0	0	0	0	0	0
<i>Public Ablution Facilities</i>	0	0	0	0	0	0	0
<i>Markets</i>	0	1 125	3 495	3 331	0	0	0
<i>Stalls</i>	0	0	0	0	0	0	0
<i>Abattoirs</i>	0	0	0	0	0	0	0
<i>Airports</i>	0	0	0	0	0	0	0
<i>Taxi Ranks/Bus Terminals</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	502	1 009	1 466	1 466	0	0	0
Sport and Recreation Facilities	432	8 166	1 652	1 365	330	0	0
<i>Indoor Facilities</i>	0	0	0	0	0	0	0
<i>Outdoor Facilities</i>	432	8 166	1 652	1 365	330	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Heritage assets	0	0	0	0	0	0	0
Monuments	0	0	0	0	0	0	0
Historic Buildings	0	0	0	0	0	0	0
Works of Art	0	0	0	0	0	0	0
Conservation Areas	0	0	0	0	0	0	0
Other Heritage	0	0	0	0	0	0	0
Investment properties	0	0	0	0	0	0	0
Revenue Generating	0	0	0	0	0	0	0
<i>Improved Property</i>	0	0	0	0	0	0	0
<i>Unimproved Property</i>	0	0	0	0	0	0	0
Non-revenue Generating	0	0	0	0	0	0	0
<i>Improved Property</i>	0	0	0	0	0	0	0
<i>Unimproved Property</i>	0	0	0	0	0	0	0
Other assets	22 143	960	943	192	500	400	400
Operational Buildings	22 143	960	943	192	500	400	400
<i>Municipal Offices</i>	22 044	610	593	192	500	400	400
<i>Pay/Enquiry Points</i>	0	0	0	0	0	0	0
<i>Building Plan Offices</i>	0	0	0	0	0	0	0

CHAPTER 5: FINANCIAL PERFORMANCE

Description	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R'000	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<i>Workshops</i>	0	0	0	0	0	0	0
<i>Yards</i>	0	0	0	0	0	0	0
<i>Stores</i>	0	0	0	0	0	0	0
<i>Laboratories</i>	0	0	0	0	0	0	0
<i>Training Centres</i>	0	0	0	0	0	0	0
<i>Manufacturing Plant</i>	99	0	0	0	0	0	0
<i>Depots</i>	0	350	350	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Housing	0	0	0	0	0	0	0
<i>Staff Housing</i>	0	0	0	0	0	0	0
<i>Social Housing</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Biological or Cultivated Assets	0	0	0	0	0	0	0
Biological or Cultivated Assets	0	0	0	0	0	0	0
Intangible Assets	1 950	30	30	21	0	0	0
Servitudes	0	0	0	0	0	0	0
Licenses and Rights	1 950	30	30	21	0	0	0
<i>Water Rights</i>	0	0	0	0	0	0	0
<i>Effluent Licenses</i>	0	0	0	0	0	0	0
<i>Solid Waste Licenses</i>	0	0	0	0	0	0	0
<i>Computer Software and Applications</i>	1 950	30	30	21	0	0	0
<i>Load Settlement Software Applications</i>	0	0	0	0	0	0	0
<i>Unspecified</i>	0	0	0	0	0	0	0
Computer Equipment	41	0	928	0	0	0	0
Computer Equipment	41	0	928	0	0	0	0
Furniture and Office Equipment	78	400	602	393	30	25	25
Furniture and Office Equipment	78	400	602	393	30	25	25
Machinery and Equipment	23 344	17 490	9 278	6 555	8 460	0	0
Machinery and Equipment	23 344	17 490	9 278	6 555	8 460	0	0
Transport Assets	9 628	2 530	2 530	2 014	0	0	0
Transport Assets	9 628	2 530	2 530	2 014	0	0	0
Land	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0
Zoo's, Marine and Non-biological Animals	0	0	0	0	0	0	0
Zoo's, Marine and Non-biological Animals	0	0	0	0	0	0	0
Total Capital Expenditure on new assets	229 994	142 719	164 047	141 251	95 144	76 072	42 264

Table 310: Capital expenditure: New assets programme

CHAPTER 5: FINANCIAL PERFORMANCE

5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2019/20 financial year:

Details	2018/19	2019/20			2019/20 Variance	
	Audited outcome	Original budget (OB)	Adjustment budget	Actual	Adjustment to OB variance	Actual to OB variance
	R'000				%	
Source of finance						
External loans	6 281	–	162	159	0	0
Public contributions and donations	0	0	0	0	0	0
Grants and subsidies	165 738	110 102	160 599	147 062	45.86	-12.30
Own funding	93 984	81 621	81 925	48 260	0.37	-41.25
Total	266 003	191 723	242 686	195 481	26.58	-24.62
Percentage of finance						
External loans	2	0	0	0		
Public contributions and donations	0	0	0	0		
Grants and subsidies	62	57	66	75		
Own funding	35	43	34	25		
Capital expenditure						
Water and sanitation	102 834	63 247	61 040	51 847	-3.49	-14.54
Electricity	16 751	24 345	34 824	19 507	43.04	-62.92
Housing	0	0	0	0	0	0
Roads and storm water	66 136	39 700	98 647	87 337	148.48	-28.49
Other	80 281	64 431	48 175	36 790	-25.23	-17.67
Total	266 003	191 723	242 686	195 481	26.58	-24.62
Percentage of expenditure						
Water and sanitation	39	33	25	27		
Electricity	6	13	14	10		
Housing	0	0	0	0		
Roads and storm water	25	21	41	45		
Other	30	34	20	19		

Table 311: Capital expenditure by funding source

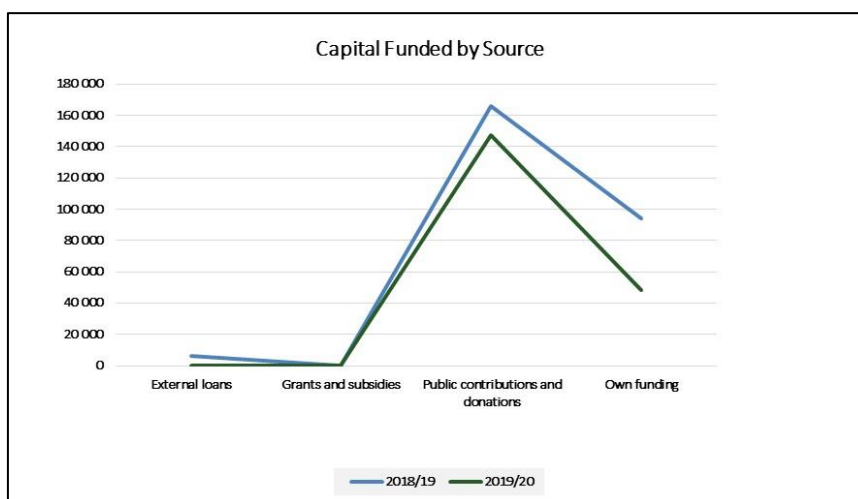
CHAPTER 5: FINANCIAL PERFORMANCE

5.7.1 CAPITAL FUNDED BY SOURCE

Description source	2018/19	2019/20
	R'000	
External loans	6 281	159
Grants and subsidies	0	0
Public contributions and donations	165 738	147 062
Own funding	93 984	48 260
Total capital expenditure	266 003	195 481

Table 312: Capital funded by source

The following graph indicates capital expenditure funded by the various sources:



Graph 20: Capital funded by source

5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2019/20

Name of project	2019/20			Variance current year: 2019/20	
	Original budget	Adjustment budget	Actual expenditure	Original variance	Adjustment variance
	R'000			%	
Transhex - Water Reticulation	15 000	22 875	22 875	52.50%	0.00%
Transhex - Sewer Reticulation	15 000	22 875	22 875	52.50%	0.00%
Transhex - Roads	15 000	35 795	35 795	138.64%	0.00%
Transhex - Stormwater	15 000	22 875	22 875	52.50%	0.00%
Resealing of Municipal Roads - Breede Valley	0	19 918	19 918	0.00%	0.00%

Table 313: Capital expenditure on the 5 largest projects

CHAPTER 5: FINANCIAL PERFORMANCE

5.9 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

5.9.1 MUNICIPAL INFRASTRUCTURE GRANT (MIG) EXPENDITURE ON SERVICE BACKLOGS

Municipal Infrastructure Grant (MIG)* Expenditure 2019/20 on Service backlogs					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjust-ments Budget
	R'000			%	%
Infrastructure - Water	21 193 673	8 139 949	505 372	-4093.68	-1510.68
<i>Reticulation</i>	21 193 673	8 139 949	505 372	-4093.68	-1510.68
<i>Water purification</i>	0	0	0	0.00	0.00
Infrastructure - Sanitation	6 446 742	0	0	0.00	0.00
<i>Reticulation</i>	6 446 742	0	0	0.00	0.00
<i>Sewerage purification</i>	0	0	0	0.00	0.00
Infrastructure: Road transport - Total	0	19 918 444	19 918 443	100.00	0.00
<i>Roads, Pavements & Bridges</i>	0	19 918 444	19 918 443	100.00	0.00
<i>Storm water</i>	0	0	0	0.00	0.00
Infrastructure - Refuse removal	1 472 959	1 587 601	1 587 600	7.22	0.00
Infrastructure - Electricity	2 173 468	2 173 468	2 039 886	-6.55	-6.55
<i>Reticulation</i>	0	0	0	0.00	0.00
<i>Street Lighting</i>	2 173 468	2 173 468	2 039 886	-6.55	-6.55
Community Assets	1 324 039	936 061	0	0.00	0.00
<i>Fire/Ambulance Stations</i>	1 324 039	936 061	0	0.00	0.00
Other Specify: Recreational facilities	1 841 119	1 696 477	161 480	-1040.15	-950.58
<i>Outdoor Sport facilities</i>	1 841 119	1 696 477	161 480	-1040.15	-950.58
Total	34 452 000	34 452 000	24 212 781	-42.29	-42.29

Table 314: Municipal Infrastructure Grant (MIG) expenditure on service backlogs

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

- BVM ensure the availability at all times of adequate liquid resources for operational purpose and investment in assets.
- Obtain an optimal balance between available cash and cash investments.
- Attain the highest possible return at the lowest risk on investments
- Ensure the safety of public funds by proper stewardship and accountability of cash resources.
- Collect all monies as soon as possible after they become payable and deposit it into a bank account.
- Ensure effective control over expenditure and proper planning of payments.
- Cash receipts are balanced daily.
- All monies are banked promptly.
- Adequate internal control systems exist.

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- Assets are safeguarded to prevent theft and fraud.
- Audit checks are carried out regularly.
- Bank reconciliations are prepared and certified regularly.
- Payment of creditors and salaries are controlled.

5.10 CASH FLOW

Description	2018/19	2019/20		
	Audited outcome	Original budget	Adjusted budget	Actual
R'000				
Cash flow from operating activities				
Receipts				
Ratepayers and other	731 517	791 900	795 002	765 971
Government – operating	133 258	259 006	182 710	141 396
Government – capital	139 510	110 102	110 397	147 062
Interest	14 983	18 012	18 012	18 181
Dividends	0	0	0	0
Payments				
Suppliers and employees	-752 306	-833 571	-818 391	-784 070
Finance charges	-24 682	-23 996	-23 996	-23 643
Transfers and Grants	-16 317	-125 484	-53 989	-5 163
Net cash from/(used) operating activities	225 963	195 970	209 745	259 734
Cash flow from investing activities				
Receipts				
Proceeds on disposal of PPE	3 735	0	0	5
Decrease (Increase) in non-current debtors	0	0	0	0
Decrease (increase) in other non-current receivables	4 816	100	100	-1 824
Decrease (increase) in non-current investments	30 704	0	0	-199
Payments				
Capital assets	-266 277	-191 723	-198 271	-195 249
Net cash from/(used investing activities)	-227 022	-191 623	-198 171	-197 267
Cash flows from financing activities				
Receipts				
Short term loans	0	0	0	0
Borrowing long term/refinancing	0	0	0	0
Payments				

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Description	2018/19	2019/20		
	Audited outcome	Original budget	Adjusted budget	Actual
R'000				
Repayment of borrowing	-9 525	-10 410	-10 410	-10 615
Net cash from/(used) financing activities	-9 525	-10 410	-10 410	-10 615
Net increase/(decrease) in cash held	-10 584	-6 062	1 164	51 853
Cash/cash equivalents at the year begin	105 451	120 450	109 867	94 867
Cash/cash equivalents at the year-end	94 867	114 388	111 031	146 720
Source: MBRR SA7				

Table 315: Cash flow

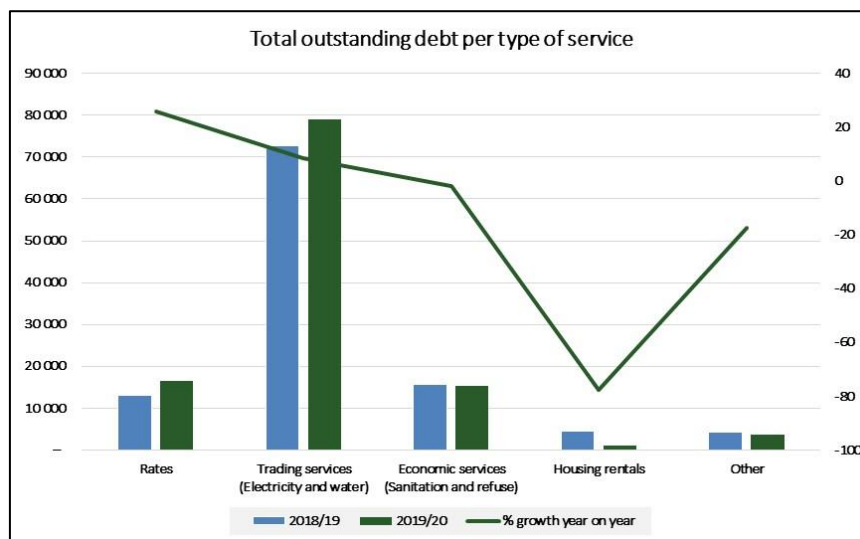
5.11 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and water)	(Sanitation and refuse)			
	R'000					
2018/19	13 122	72 735	15 681	4 533	4 374	110 444
2019/20	16 504	79 006	15 409	1 021	3 615	115 555
Difference	3 382	6 271	-271	-3 512	-759	5 111
% growth year on year	26	9	-2	-77	-17	5
Note: Figures exclude provision for bad debt						

Table 316: Gross outstanding debtors per service

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The following graph indicates the total outstanding debt per type of service and the increase from 2018/19 to 2019/20:



Graph 21: Debt per type of service

5.12 TOTAL DEBTORS AGE ANALYSIS

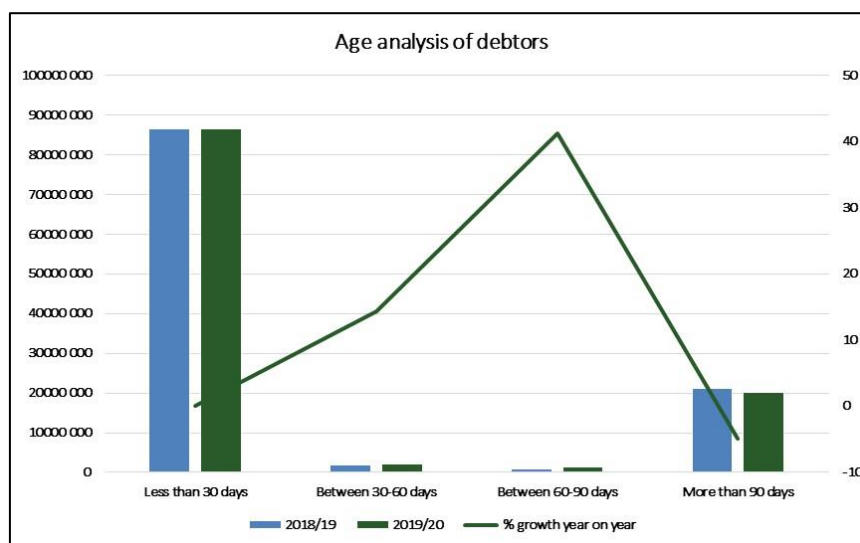
Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000				
2018/19	86 522	1 770	914	21 238	110 444
2019/20	86 529	2 024	1 290	20 191	110 034
Difference	7	254	377	-1 047	-410
% growth year on year	0	14	41	-5	0

Note: Figures exclude provision for bad debt

Table 317: Service debtor age analysis

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The following graph indicates the age analysis of debtors and the increase/decrease from 2018/19 to 2019/20:



Graph 22: Age analysis of debtors

5.13 BORROWING AND INVESTMENTS

Money not immediately required is invested within a timeframe of 1 month to 12 months.

The Investment Policy is approved and gives effect to regulations.

5.13.1 ACTUAL BORROWINGS

Instrument	2018/19	2019/20
	R'000	
Long-term loans (annuity/reducing balance)	203 881	197 991
Long-term loans (non-annuity)	0	0
Local registered stock	0	0
Instalment credit	0	0
Financial leases	0	0
PPP liabilities	0	0
Finance granted by Cap equipment supplier	0	0
Marketable bonds	0	0
Non-marketable bonds	0	0
Bankers acceptances	0	0
Financial derivatives	0	0
Other securities	0	0
Municipality total	203 881	197 991

Table 318: Actual borrowings

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5.13.2 MUNICIPAL INVESTMENTS

Investment* type	2018/19	2019/20
	R'000	
Securities - National government	0	0
Listed corporate bonds	0	0
Deposits – Bank	15 221	15 420
Deposits - Public investment commissioners	0	0
Deposits - Corporation for public deposits	0	0
Bankers acceptance certificates	0	0
Negotiable certificates of deposit – Banks	0	0
Guaranteed endowment policies (sinking)	0	0
Repurchase agreements – Banks	0	0
Municipal bonds	0	0
Other	0	0
Municipality total	15 221	15 420

Table 319: Municipal investments

The table below indicates the declaration of loans and grants made by the Municipality for the 2019/20 financial year:

All Organisation or Person in receipt of Grants provided by the municipality	Nature of project	Value 2019/20	Total Amount committed over previous and future years
		R'000	
Apollis Begrafnisdienste CC	Funeral Expenditure	5	0
Zwelethemba Meals on Wheels	Financial Assistance: Charity	10	0
FAMSA Boland Overberg	Financial Assistance: Charity	10	0
ACVV Bollieland Creche	Financial Assistance: Charity	10	0
Association for The Sensory Disabled	Financial Assistance: Charity	10	0
Pioneer School	Financial Assistance: Charity	10	0
Innovation for The Blind	Financial Assistance: Charity	10	0
Wonderland Day Centre	Financial Assistance: Charity	10	0
Essellenpark Daycare	Financial Assistance: Charity	10	0
Our Hope Children CCC	Financial Assistance: Charity	10	0
Tibirius Plek Met Goeie Visie	Financial Assistance: Charity	10	0
Our Hope Pre School Day CC	Financial Assistance: Charity	10	0
Zanokhanyo Pre School	Financial Assistance: Charity	10	0
Repelsteeltjie Dagsorgsentrum	Financial Assistance: Charity	10	0
Xolani Creche	Financial Assistance: Charity	10	0
Touwsrivier Cricket Club	Financial Assistance: Charity	10	0

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All Organisation or Person in receipt of Grants provided by the municipality	Nature of project	Value 2019/20	Total Amount committed over previous and future years
		R'000	
Kwakhanya Aftercare	Financial Assistance: Charity	10	0
The Grace Trust	Financial Assistance: Charity	10	0
Fastfacts NPC	Financial Assistance: Charity	10	0
Brave Heart Home	Financial Assistance: Charity	10	0
Road to Recovery	Financial Assistance: Charity	10	0
CANSA Boland	Financial Assistance: Charity	10	0

Table 320: Declaration of loans and grants

COMPONENT D: OTHER FINANCIAL MATTERS

5.14 SCM

The Municipality does have policies and practices that comply with the guidelines set by the SCM Regulations of 2005. The BVM has a fully operational SCM committee system and no councillor is a part of the SCM process or committee system. The Municipality is also focusing on the effective functioning of the SCM officials and enrolled the SCM manager, heads and accountants for the municipal minimum competency training.

5.15 GRAP COMPLIANCE

BVM comply with the following GRAP statements:

- GRAP 1: Presentation of financial statements
- GRAP 2: Cash flow statement
- GRAP 3: Accounting policies, changes in accounting estimates and errors
- GRAP 4: The effects of changes in foreign exchanges rates
- GRAP 5: Borrowing costs
- GRAP 6: Consolidated and separate financial statements
- GRAP 7: Investments in associates
- GRAP 8: Interests in joint ventures
- GRAP 9: Revenue from exchanges transactions
- GRAP 10: Financial reporting in hyperinflationary economies
- GRAP 11: Contraction contracts
- GRAP 12: Inventories
- GRAP 13: Leases
- GRAP 14: Events after the reporting date
- GRAP 16: Investment property
- GRAP 17: Property, plant and equipment

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- GRAP 19: Provisions, contingent liabilities and contingent assets
- GRAP 21: Impairment of Non-Cash Generating Assets
- GRAP 23: Revenue from Non-exchange Transactions
- GRAP 24: Presentation of Budget Information in the Financial Statements
- GRAP 25: Employee Benefits
- GRAP 26: Impairment of Cash Generating Assets
- GRAP 27: Agriculture
- GRAP 31: Intangible Assets
- GRAP 100: Non-current assets held for sale and discontinued operations
- GRAP 101: Agriculture
- GRAP 102: Intangible assets
- GRAP 103: Heritage Assets
- GRAP 104: Financial Instruments
- IGRAP 1: Applying the Probability Test on Initial Recognition of Revenue

5.16 MUNICIPAL COST CONTAINMENT MEASURES

5.16.1 MUNICIPAL COST CONTAINMENT REGULATIONS (MCCR)

National Treasury first published the draft MCCR for public comment on 16 February 2018, with the closing date being 31 March 2018. Comment/input hereon was received from the Department of Cooperative Governance and Traditional Affairs, SALGA, municipalities, and other stakeholders. After extensive consultation and consideration of all comments received, the MCCR were finalised and promulgated on 7 June 2019 in the Government Gazette, with the effective date being 1 July 2019.

5.16.2 MUNICIPAL COST CONTAINMENT POLICY

The MCCR does not apply retrospectively, hence, contracts concluded prior to 1 July 2019 will not be impacted and/or applicable in this context. However, if municipalities and municipal entities decided to extend current contracts, these would have to be aligned with the principles outlined in the MCCR and SCM Regulations.

Regulation 4(1) of the MCCR requires municipalities and municipal entities to either develop or review their cost containment policies. The MCCR require municipalities to adopt the cost containment policies as part of their budget related policies prior to 30 September 2019. Breede Valley Municipality adopted its Cost Containment Policy on 30 September 2019.

5.16.3 COST CONTAINMENT MEASURE AND ANNUAL COST SAVING

The effective implementation of the MCCR is the responsibility of the municipal council and the municipal accounting officer. In terms of the cost containment framework provided in the MCCR, which is consistent with the provisions of the MFMA and other government pronouncements, the following cost savings for the financial year are disclosed:

Cost Containment			
Cost Containment Measure	Budget	Total Expenditure	Savings

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	R	R	R
Use of consultants	7 005 049.85	5 993 889.45	1 011 160.40
Vehicles used for political office -bearers	0	0	0
Travel and subsistence	937 950.00	462 067.55	475 882.45
Domestic accommodation	308 232.00	147 588.40	160 643.60
Sponsorships, events, and catering	1 080 458.00	2 362 859.60	(1 282 401.60)
Communication	3 113 323.00	3 403 692.65	(290 369.65)
Other related expenditure items	0	0	0
Total	12 445 012.85	12 370 097.65	74 915.20

Table 321: Cost containment measure and annual cost saving

Chapter 6



CHAPTER 6: AUDITOR-GENERAL FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION 2018/19

The following tables provide the details on the audit outcomes for the past two financial years with the corrective steps implemented:

6.1 AUDITOR-GENERAL REPORT 2018/19

6.1.1 FINANCIAL PERFORMANCE 2018/19

Auditor-General Report on Financial Performance 2018/19	
Audit Report Status:	Unqualified with findings
Non-Compliance Issues	Remedial Action Taken
<u>Emphasis of matter:</u>	
<u>Restatement of corresponding figures:</u>	
<u>Material losses/Impairments:</u>	
As disclosed in note 31 to the financial statements, material losses to the amount of R62.8 million (2017-18: R112.2 million) were incurred as a result of provision for impairment on debtors	Management are continuously strengthening credit control procedures and as a part of that, handed over all long outstanding debtors to legal firms
Auditor-General Report on Financial Performance 2018/19	
Non-Compliance Issues	Remedial Action Taken
<u>Emphasis of matter:</u>	
<u>Material underspending of the budget</u>	
As disclosed in note 42 of the financial statements, the Municipality is the defendant in a contractual claim. The Municipality is opposing the claim. The ultimate outcome of the matter cannot currently be determined and no provision for any liability that may result has been made in the financial statements	This matter is ongoing. The Municipality are defending this matter in the High Court

Table 322: AG report on financial performance 2018/19

6.1.2 SERVICE DELIVERY PERFORMANCE FOR 2018/19

The Auditor-General in its audit report as at 30 June 2019, did not raise any material findings on the usefulness and reliability of the reported performance information for the following strategic objectives:

- SO1 – assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practises.
- SO6 – provide, maintain and assure basic services and social upliftment for the Breede Valley community

CHAPTER 6: AUDITOR-GENERAL FINDINGS

COMPONENT B: AUDITOR-GENERAL OPINION 2019/20

6.2.1 FINANCIAL PERFORMANCE 2019/20

Auditor-General Report on Financial Performance 2019/20	
Audit Report Status:	Unqualified with no findings
Non-Compliance Issues	Remedial Action Taken
<u>Emphasis of matter:</u>	
<u>Restatement of corresponding figures:</u>	
<u>Material Impairment of receivables:</u>	
As disclosed in note 35 to the financial statements, the Municipality provided for impairment of receivables from exchange transactions, amounting to R39.11 million (2018-19: R28.99 million)	Management is continuously strengthening credit control procedures and as a part of that, handed over all long outstanding debtors to legal firms
<u>Exceptional litigation:</u>	
As disclosed in note 47 of the financial statements the Municipality is a defendant in a R31 million contractual claim and a public liability insurance claim of R7.3 million which the Municipality is opposing. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements	<p>The matter regarding the R31 million contractual claim is ongoing. The Municipality are defending this matter in the High Court.</p> <p>The R7.3 million refers to the total public liability claims against the Municipality. These claims are currently being assessed by the assessors of the insurance company of the Municipality. Some of the claims have also been referred to the attorneys for further assessment</p>
<u>Material losses:</u>	
As disclosed in note 53 to the financial statements, material water losses of 4 756 824 units (2018-2019: 2 182 315) were incurred, which represent 31% (2018-2019: 16%) of the total water purchased	This is a shared KPI between the technical and financial department to ensure monitoring and measuring of losses, source to the reservoir as well as between the reservoir and the point of distribution

Table 323: AG report on financial performance 2019/20

6.2.2 SERVICE DELIVERY PERFORMANCE FOR 2019/20

The Auditor-General in its audit report as at 30 June 2020, did not raise any material findings on the usefulness and reliability of the reported performance information for the following strategic objectives:

- SO6 – provide, maintain and assure basic services and social upliftment for the Breede Valley community.

ABBREVIATIONS

ABBREVIATIONS

AG	Auditor-General	HVWUA	Hex Valley Water Users Association
BVM	Breede Valley Municipality	ICT	Information and Communication Technology
CAPEX	Capital Expenditure	IDP	Integrated Development Plan
CBD	Central Business District	IFRS	International Financial Reporting Standards
CBP	Community Based Planning	IGR	Intergovernmental Relations
CFO	Chief Financial Officer	IMFO	Institute for Municipal Finance Officers
CWP	Capital Works Program	KPA	Key Performance Area
CWDM	Cape Winelands District Municipality	KPI	Key Performance Indicator
DCAS	Department of Cultural Affairs and Sport	LED	Local Economic Development
DoRA	Division of Revenue Act	MayCo	Executive Mayoral Committee
DPLG	Department of Provincial and Local Government	MBRR	Municipal Budget and Reporting Regulations
DWAF	Department of Water Affairs and Forestry	MEC	Member of the Executive Committee
ECD	Early Childhood Development	MERO	Municipal Economic Review and Outlook
EE	Employment Equity	MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
EM	Executive Manager	MGRO	Municipal Governance Review Outlook
EPWP	Extended Public Works Programmes	MIG	Municipal Infrastructure Grant
ERM	Enterprise Risk Management	MM	Municipal Manager
EXECMAN	Executive Management	MMC	Member of Mayoral Committee
GAMAP	Generally Accepted Municipal Accounting Practice	MPAC	Municipal Public Accounts Committee
GDPR	Gross Domestic Product Rate	MSA	Municipal Systems Act No. 32 of 2000
GRAP	Generally Recognised Accounting Practice	mSCOA	Municipal Standard Chart of Accounts
HOD	Head of Department	MTECH	Medium Term Expenditure Committee
HR	Human Resources	MTOD	Municipal Transformation and Organisational Development
		NGO	Non-Governmental Organisation
		NT	National Treasury

ABBREVIATIONS

OPEX	Operating Expenditure	SDBIP	Service Delivery and Budget Implementation Plan
PMS	Performance Management System	SDF	Spatial Development Framework
PPP	Public Private Partnership	SAI	Supreme Audit Institute
PT	Provincial Treasury	SLA	Service Level Agreement
RBAP	Risk Based Audit Plan	TASK	Tuned assessment of skills and knowledge
RSEP	Regional Socio-Economic Programme	WCDP	Western Cape Department of Planning
SALGA	South African Local Government Association	WCDLG	Western Cape Department of Local Government
SAMDI	South African Management Development Institute	WWTW	Waste Water Treatment Works
SAPS	South African Police Services		
SCM	Supply Chain Management		

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Annexure A





BREEDVILL VALLEY MUNICIPALITY
Annual Financial Statements
for the year ended 30 June 2020

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

General Information

Legal form of entity

Local Municipality

Nature of business and principal activities

The main business operations of the municipality is to engage in local governance activities, which includes promotion of integrated development planning, land, economic and environmental development and supplying of the following services to the community: Housing services - Supply housing to the community and includes the rental of units owned by the municipality to public and staff; Waste management services - The collection, disposal and purifying of waste, refuse and sewerage; Electricity services - Electricity is bought in bulk from Eskom and distributed to the consumers by the municipality; and Water services - Supplying water to the public.

Mayoral committee for the year ended 30 June 2020

Executive Mayor

Antoinette Steyn

Mayoral committee members

J.D Levendal (Deputy Executive Mayor)

N.Mercuur (Speaker)

S.Goedeman (Chief Whip)

R.Farao

J. Kritzinger

S.J.Mei

W.R.Meiring

M.Sampson

E.Y.Sheldon

J.F van Zyl

J. Von Willingham

Accounting officer

D. McThomas

Chief Financial Officer (CFO)

R. Ontong

Grading of local authority

Councillors Grade 4
Senior Managers Category 5
Personnel Grade 4

Civic Centre

Registered office

Baring Street
Worcester
6850

Postal address

Private Bag X3046
Worcester
6849

Bankers

Nedbank Limited

Auditors

Auditor-General of South Africa

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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GRAP	Generally Recognised Accounting Practice
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

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COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are responsible for reporting on the fair presentation of the annual financial statements and related financial information.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122 (3) of the Municipal Finance Management Act (Act 56 of 2003).

The annual financial statements are based upon appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2021 and, in the light of this review and the current financial position, he is satisfied that the municipality has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements are prepared on the basis that the municipality is a going concern and that the Breede Valley Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the Accounting Officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's internal auditors.

The annual financial statements set out on page 6 to 96, which have been prepared on the going concern basis, were approved by the accounting officer on 31 October 2020 .



Accounting Officer
31 October 2020



Report of the Auditor General

To the Provincial Legislature of BREEDE VALLEY MUNICIPALITY

Auditor-General of South Africa
Registered Auditors
Partner's name
Additional description
Additional description

01 March 1900

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2020.

1. Review of activities

Main business and operations

Breede Valley Municipality is situated in the Western Cape Province, 120 km north-east of Cape Town. Included in its boundaries are Worcester, Rawsonville, De Doorns and Touwsrivier and surrounding rural areas. It covers 3 833 sq. km and is home to 176 578 people as per the 2016 community survey.

The municipality is set between three mountain ranges, incorporating some of the most valuable and fertile agricultural land in the country. The area is endowed with a diverse cultural history, regional accessibility and unique natural beauty that attract a great number of tourists.

The financial position of the municipality is described to be sound, with an accumulated surplus of R2 085 857 073 (2019: 1 929 299 105) at year-end.

Net surplus of the municipality was R 147 589 288 (2019: surplus R155 555 907). The overall summarised operating results for the municipality in comparison to the approved budget are shown in the Statement of Financial Performance and also reflects a summary of income and expenditure.

2. Going concern

We draw attention to the fact that at 30 June 2020, the municipality had an accumulated surplus of R 2 085 857 073 and that the municipality's assets exceed its total liabilities by R 2 085 857 073.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The solvency analysis shows that assets cover the liabilities by 426.58 % (2019 : 413.61%). The coverage indicates that the municipality operates as a going concern. Refer to note 59 of the annual financial statements.

3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

4. B-BBEE Performance

In terms of Section 13G read with regulation 12 of the B-BBEE Act, all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment within their Annual Financial Statements and Annual Report. Refer to note 63 of the annual financial statements.

5. Accounting policies

The annual financial statements prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

6. Borrowing, investments and cash

The accounting officer may after approval of the Council exercise all the powers of the municipality to borrow money, as he considers appropriate needs. Interest-bearing debt did not increase in the year ended 30 June 2020. In the financial year ended 30 June 2020 the municipality redeemed interest-bearing debt of R 10 409 868. The interest paid on borrowings as a percentage of total expenditure is 2.52% (2019: 2.74%).

Investments as at 30 June 2020 amounted to R 15 419 904 (2019: R15 220 962). Investments and cash and cash equivalents increased from R110 087 802 to R162 139 413. Additional information regarding cash and cash equivalents, investments and loans are provided in notes 3, 11, 21 and Appendix A to the financial statements.

7. Capital expenditure

The capital expenditure incurred during the year 2020 amounted to R195 480 918 (2019: R 266 003 058) that represented 80.55% (2019: 97.48%) of the approved capital budget of R242 685 912 (2019: R 272 867 659). A complete analysis of capital expenditure (budgeted and actual) per functional area is included in Appendix H (A5), while Appendix B contains detail according to the asset class. More details regarding external loans used to finance fixed assets are shown in Appendix A.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Accounting Officer's Report

8. Cash flow analysis

Details of major changes in the nature of the municipality during the year were as follows:

Summary of net cash flows	2020	2019
Net cash flow from operating activities	259 734 050	225 963 256
Net cash flow from investing activities	(197 266 537)	(227 022 374)
Net cash flow from financing activities	(10 614 844)	(9 524 780)
Net increase/(decrease) in cash and cash equivalents	51 852 669	(10 583 898)

9. Credit rating

The municipality was rated by Moody's Investor Services during the 2019/20 financial year. Their rating and outlook for the municipality was a Ba2.za rating due to the negative outlook on South African sovereign rating. To monitor our credit rating and capacity for long-term financing we consider various qualitative and quantitative factors. At 30 June 2020 and 30 June 2019 the current ratio was 1.64 and 1.49 respectively. This reflects a increase in the ratio.

10. Accounting Officer

The accounting officer of the municipality during the year under review of this report is as follows:

Name	Nationality
D. McThomas	South African

11. Auditors

Auditor-General of South Africa will continue in office for the next financial period as per the Public Audit Act.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Position as at 30 June 2020

Figures in Rand	Note(s)	2020	2019 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	146 719 509	94 866 840
Receivables from exchange transactions	4	99 050 922	97 322 163
Statutory receivables	5	30 923 350	32 854 409
Other receivables from non exchange	6	623 328	697 313
Other receivables from exchange transactions	7&5	7 018 958	4 120 615
Inventories	8	10 431 542	7 081 288
VAT receivable (Statutory receivable)	9	1 162 704	910 722
Short term investments	11	15 419 904	15 220 962
Long term receivables	16	1 967 548	1 762 689
Operating lease asset	10	377 503	-
		313 695 268	254 837 001
Non-Current Assets			
Investment property	12	47 144 500	44 866 400
Property, plant and equipment	13	2 319 591 887	2 201 899 054
Intangible assets	14	4 181 530	4 432 412
Heritage assets	15	36 631 059	36 631 059
Long term receivables	16	3 313 512	1 923 049
		2 410 862 488	2 289 751 974
Total Assets		2 724 557 756	2 544 588 975
Liabilities			
Current Liabilities			
Payables from exchange transactions	17	100 109 688	90 185 588
Consumer deposits	18	4 231 352	4 083 339
Unspent conditional grants and receipts	19	19 739 244	18 233 831
Housing advances	20	2 039 797	3 067 276
Long term liabilities	21	17 433 217	16 494 542
Operating lease liability	10	-	107 157
Employee benefit obligation	22	43 960 275	37 301 739
Provisions	23	3 206 387	1 156 110
		190 719 960	170 629 582
Non-Current Liabilities			
Long term liabilities	21	192 179 568	203 881 100
Employee benefit obligation	22	151 408 176	153 177 927
Provisions	23	104 392 979	87 601 261
		447 980 723	444 660 288
Total Liabilities		638 700 683	615 289 870
Net Assets		2 085 857 073	1 929 299 105
Accumulated surplus		2 085 857 073	1 929 299 105

* See note 55

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	24	622 044 480	564 826 589
Sales of Goods and rendering of services	25	3 992 775	4 403 781
Income from agency services	26	7 770 194	8 736 839
Construction contracts		1 774 312	4 976 501
Licenses and permits		2 210 624	2 951 734
Rental income	27	10 625 205	9 989 819
Operational Revenue	28	5 165 294	5 073 452
Finance Income	29	18 181 371	15 687 324
Total revenue from exchange transactions		671 764 255	616 646 039
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	30	145 106 782	135 728 091
Property rates - penalties imposed and collection		1 689 082	1 743 921
Transfer revenue			
Government grants & subsidies	31	287 137 061	293 993 907
Fines, Penalties and Forfeits	32	51 034 163	37 240 287
Total revenue from non-exchange transactions		484 967 088	468 706 206
Total revenue		1 156 731 343	1 085 352 245
Expenditure			
Employee related costs	33	(323 564 468)	(301 465 140)
Remuneration of councillors	34	(18 412 764)	(17 674 674)
Depreciation and amortisation	36	(87 503 765)	(87 921 079)
Bulk purchases	37	(318 841 906)	(287 305 195)
Finance costs	38	(23 642 881)	(24 682 411)
Inventory consumed		(26 974 576)	(27 324 255)
Contracted services	39	(64 400 623)	(72 242 862)
Grants and subsidies paid	40	(5 163 293)	(14 684 304)
Operating lease		(7 876 097)	(8 384 618)
Operational Costs	41	(51 645 041)	(48 182 272)
Agency fees paid	42	(7 545 498)	(5 638 090)
Construction expenditure		(1 774 312)	(4 976 501)
Total expenditure		(937 345 224)	(900 481 401)
Operating surplus		219 386 119	184 870 844
Gain/(loss) on disposal of assets and liabilities		(393 648)	2 963 506
Fair value adjustments	43	2 049 369	18 220 250
Actuarial gains/(losses)	22	16 985 099	12 369 045
Debt Impairment	35	(90 508 645)	(62 895 775)
Inventory gains/(losses)		70 994	28 037
Total other gains or (losses)		(71 796 831)	(29 314 937)
Surplus for the year		147 589 288	155 555 907

* See note 55

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2018	1 774 502 145	1 774 502 145
Changes in net assets		
Net income (losses) recognised directly in net assets	(758 947)	(758 947)
Surplus for the year *	155 555 907	155 555 907
Total changes	154 796 960	154 796 960
Restated* Balance at 01 July 2019	1 929 299 106	1 929 299 106
Changes in net assets		
Surplus for the year	147 589 288	147 589 288
Net income (losses) recognised directly in net assets	8 968 679	8 968 679
Total changes	156 557 967	156 557 967
Balance at 30 June 2020	2 085 857 073	2 085 857 073

* The surplus for the 2018/19 year has been restated. Refer to note 55 for the prior period error corrections.

* See note 55

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Cash Flow Statement

Figures in Rand	Note(s)	2020	2019 Restated*
Cash flows from operating activities			
Receipts			
Cash flows from services and rate payers		765 971 426	734 584 417
Cash flows from government and other grants		288 457 474	269 700 934
Finance income: investing activities		18 181 371	14 983 477
		<u>1 072 610 271</u>	<u>1 019 268 828</u>
Payments			
Cash paid to employees		(320 103 348)	(300 773 153)
Cash paid to suppliers		(463 966 699)	(453 165 704)
Finance costs		(23 642 881)	(24 682 411)
Grants paid		(5 163 293)	(14 684 304)
		<u>(812 876 221)</u>	<u>(793 305 572)</u>
Net cash flows from operating activities	45	<u>259 734 050</u>	<u>225 963 256</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(194 944 017)	(266 203 918)
Proceeds from sale of property, plant and equipment	13	(346 894)	3 734 808
Purchase of investment property	12	-	(1 513)
Purchase of other intangible assets	14	(100)	(71 600)
Long term receivables		(1 824 053)	4 816 002
Increase/ decrease in investment		(198 942)	30 703 847
Investment property additions		47 469	-
		<u>(197 266 537)</u>	<u>(227 022 374)</u>
Net cash flows from investing activities		<u>(197 266 537)</u>	<u>(227 022 374)</u>
Cash flows from financing activities			
Repayment of long term liabilities		(10 762 857)	(9 695 960)
Movement in consumer deposits		148 013	171 180
		<u>(10 614 844)</u>	<u>(9 524 780)</u>
Net cash flows from financing activities		<u>(10 614 844)</u>	<u>(9 524 780)</u>
Net increase/(decrease) in cash and cash equivalents		<u>51 852 669</u>	<u>(10 583 898)</u>
Cash and cash equivalents at the beginning of the year		94 866 840	105 450 738
Cash and cash equivalents at the end of the year	3	<u>146 719 509</u>	<u>94 866 840</u>

* See note 55

BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

STATEMENT OF BUDGET COMPARISON

WC025 Breede Valley - Reconciliation of Table A1 Budget Summary

Description	2019/20										2018/19
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Adjustment Budget 11 June 2020	Approved Virements (Budget Virement Policy 2019/2020)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	10	14
Financial Performance											
Property rates	139 998	-	139 998	-	139 998	145 107		5 109	103,6%	103,6%	135 728
Service charges	603 781	-	603 781	-	603 781	622 044		18 263	103,0%	103,0%	564 827
Investment revenue	11 854	-	11 854	0	11 854	11 508		(346)	97,1%	97,1%	13 134
Transfers and subsidies	269 006	(69 680)	189 327	(44 332)	144 995	141 850		(3 145)	97,8%	54,8%	133 233
Other own revenue	161 121	88 636	249 756	(0)	249 756	91 210		(158 547)	36,5%	56,6%	93 986
Total Revenue (excluding capital transfers and contributions)	1 175 760	18 956	1 194 716	(44 332)	1 150 385	1 011 719		(138 666)	87,9%	86,0%	940 908
Employee costs	336 104	(20 766)	315 338	-	315 338	297 258		(18 080)	94,3%	88,4%	278 623
Remuneration of councillors	18 780	-	18 780	-	18 780	18 413		(368)	98,0%	98,0%	17 675
Depreciation & asset impairment	91 139	-	91 139	-	91 139	87 504		(3 635)	96,0%	96,0%	88 009
Finance charges	23 654	-	23 654	-	23 654	23 643		(11)	100,0%	100,0%	24 682
Materials and bulk purchases	321 263	12 419	333 681	720	334 401	345 745		11 344	103,4%	107,6%	314 601
Transfers and grants	125 484	(71 495)	53 989	(44 500)	9 489	6 938		(2 551)	73,1%	5,5%	19 661
Other expenditure	255 482	65 944	321 426	(643)	320 783	231 691		(89 092)	72,2%	90,7%	207 838
Total Expenditure	1 171 905	(13 898)	1 158 007	(44 423)	1 113 584	1 011 191		(102 393)	90,8%	86,3%	951 089
Surplus/(Deficit)	3 855	32 854	36 710	91	36 801	528		(36 273)	1,4%	13,7%	(10 182)
Transfers recognised- capital	110 102	5 893	115 995	44 332	160 326	146 877		(13 450)	91,6%	133,4%	164 210
Contributions recognised - capital & contributed assets	-	185	185	-	185	185		-	100,0%	#DIV/0!	1 528
Surplus/(Deficit) after capital transfers & contributions	113 957	38 932	152 889	44 423	197 312	147 589		(49 723)	74,8%	129,5%	155 556
Share of surplus/ (deficit) of associate	-	-	-	-	-	-		-	-	-	-
Surplus/(Deficit) for the year	113 957	38 932	152 889	44 423	197 312	147 589		(49 723)	74,8%	129,5%	155 556
Capital expenditure & funds sources											
Capital expenditure											
Transfers recognised- capital	110 102	50 497			160 599	147 062		(13 538)	91,6%	133,6%	165 738
Public contributions & donations	-	-			-	-		-	-	#DIV/0!	-
Borrowing	-	162			162	159		(3)	98,2%	59,1%	6 281
Internally generated funds	81 621	304			81 925	48 260		(33 665)	58,9%	59,1%	93 984
Total sources of capital funds	191 723	50 963			242 686	195 481		(47 205)	80,5%	102,0%	266 003
Cash flows											
Net cash from (used) operating	195 970	13 776			209 745	259 734		49 989	123,8%	132,5%	225 963
Net cash from (used) investing	(191 673)	(6 549)			(198 221)	(197 267)		955	99,5%	102,9%	(227 022)
Net cash from (used) financing	(10 360)	-			(10 360)	(10 615)		(255)	102,5%	102,5%	(9 529)
Cash/cash equivalents at the year end	114 388	(3 356)			111 031	146 720		35 688	132,1%	128,3%	94 867

BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2020

Statement of Budget Comparison

Material Variance Explanations 30 June 2020

Description	Final Budget 30 June 2020	Revenue/ Opex/ Capex 30 June 2020	Variances greater than 5% R50 000 (over/(under))	Reasons for Material Deviations	Impact on Service Delivery
Revenue By Source					
Investment revenue	11 854 010	11 508 319	-3	Limited funds have been invested since the lockdown to ensure sufficient cashflow for day to day operations.	None
Transfers recognised- capital	160 326 301	146 876 761	-8	Under collection on capital transfers/ grants.	Negative
Other own revenue	249 756 406	91 209 757	-63	The provision for Bad Debts: Traffic Fines was reduced as a result of fewer outstanding traffic fine debtors.	None
Expenditure By Type					
Employee costs	315 337 851	297 258 254	-6	Positions are budgeted for 12 months of the financial year. Vacant position, employees resigning and retiring results in savings which are reprioritised with the Mid-year Adjustment Budget. Only critical vacant positions are currently advertised and filled as a result of the TASK Implementation and Job Evaluation processes that are currently in progress.	None
Transfers and grants	9 488 936	6 937 605	-27	Under spending on provincial housing grant expenditure.	Negative
Other expenditure	320 782 793	231 690 661	-28	The provision for Bad Debts: Traffic Fines was reduced as a result of fewer outstanding traffic fine debtors.	None
Capital Expenditure					
Technical Services					
Klipvlakte/ Transhex Residential Development (13 000 erven)					
Bulk Electrical: Worcester Transhex 7300	4 715 407	2 578 882	(2 136 525)	BV653- Housing project not completed to initiate this contract	
Reservoirs					
Pre-loads Reservoir	8 139 949	505 372	(7 634 577)	Project Completed.	No impact on service delivery
Resealing of Roads					
Resealing of Municipal Roads - Rawsonville	1 250 000	250 000	(1 000 000)	Under expenditure due to COVID-19 Lockdown - Works were postponed on 27 March 2020 for a period of three (3) months	No impact on service delivery
Resealing of Municipal Roads - Worcester	8 564 000	4 418 731	(4 145 269)	Under expenditure due to COVID-19 Lockdown - Works were postponed on 27 March 2020 for a period of three (3) months	No impact on service delivery
Resealing of Municipal Roads - Breede Valley	19 918 444	19 918 443	(1)		
Resealing of Municipal Roads - De Doorns	1 150 000	150 000	(1 000 000)	Under expenditure due to COVID-19 Lockdown - Works were postponed on 27 March 2020 for a period of three (3) months	No impact on service delivery
Resealing of Municipal Roads - Tlouws River	1 095 000	95 000	(1 000 000)	Under expenditure due to COVID-19 Lockdown - Works were postponed on 27 March 2020 for a period of three (3) months	No impact on service delivery
Electricity (8112)					
Refurbishment of electrical system	3 530 381		(3 530 381)		IN2020/21
Electrical Reticulation - Upgrade Gasnat Substation install new Switch gear.	2 021 000	1 867 502	(153 498)	SAVING on the PROJECT	
Refurbishment of electrical system (NERSA)					
Durban street - Replace overhead network to underground network complete.	2 748 726	1 757 772	(990 954)	SAVING on the PROJECT	
Refuse Removal (6603)					
Worcester : Material Recovery Facility (MIG Counter funding)	16 979 604	16 526 770	(452 834)	SAVING on the PROJECT	
SOLID WASTE MANAGEMENT					
WORCESTER					
Refuse Compactor Trucks (19m³)	2 500 000	2 334 921	(165 079)	SAVING on the PROJECT	
Worc - Wheeliebins	250 000	158 260	(91 740)	Order was cancelled due to COVID-19 Lockdown	Ineffective solid waste removal
Ward 3					
Replace 11 Kv cable from Rumosa to Voortrekkerweg (1 500 m @ 185 mm Al PILC)	1 000 000	401 175	(598 825)	Saving due to outside contractor	
Ward 7					
High to Protea Str. slip lane	500 000		(500 000)	Delay due to COVID -19	
Ward 8					
Ward8 - Development of Parks	60 000		(60 000)	Due to lock down in COVID 19 -Parks operations put on hold and orders cancelled	
Replace 11 Kv cable from Mc Allister to Field Sub (1 600 m @ 185 mm Al PILC)	4 484 301		(4 484 301)	BV810 lockdown delay will continue during 2020/21	
Erosion Protection of Hex River (Zweletemba)					
Erosion Protection of Hex River : Phase 2 (300m @ R13,333.33/m)	500 000	71 245	(428 755)	Award of BID BV 565/2020 Professional Services for Hexriver Erosion Protection was delayed due to COVID-19 Lockdown	Design Phase of Works is delayed. No impact on service delivery
Ward 11					
Fencing of Electrical Boxes	60 000		(60 000)	New RTQ 308866- old RTQ COLLAPSED DUE TO COVID 19	
Ward 14					
Fencing of Electrical Boxes	60 000		(60 000)	New RTQ 308866- old RTQ COLLAPSED DUE TO COVID 19	
Ward 15					
Outdoor Gym Ward 15	97 000		(97 000)	Delayed in tender/ quotation process	
Ward 18					
Development of Parks Ward 18	60 000		(60 000)	Due to lock down in COVID 19 -Parks operations put on hold and orders cancelled	

BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2020
Statement of Budget Comparison

Material Variance Explanations 30 June 2020

Description	Final Budget 30 June 2020	Revenue/ Opex/ Capex 30 June 2020	Variances greater than 5% R50 000 (over/(under))	Reasons for Material Deviations	Impact on Service Delivery
Ward 21					
Ward 21 - New Streetlighting (MIG number 207835)	304 573	173 130	(131 443)	Delay due to dispute with material supplier	
Ward21 - Upgrading of gravel roads	2 000 000	45 296	(1 954 704)	vacancies at Department Civil Engineering Services and COVID-19 Lockdown - Works were postponed on 27 March 2020 for a period of three (3) months	Design Phase of Works is delayed. No impact on service delivery
Public Works Admin					
Public Works Admin : Furniture and Equipment	300 000	122 491	(177 509)	Due to COVID 19, budget was reprofiled to cater for only those critical projects as determined by the MM, CFO and Council	
Equipment - Electrical					
Solar Conversion of Main Building	50 000		(50 000)	Due to COVID 19, budget was reprofiled to cater for only those critical projects as determined by the MM, CFO and Council	
Elec : Municipal Vehicles (LDV)	1 200 000	904 518	(295 482)	Project Completed. The latter results to a saving of R 295 482,00	No impact on service delivery
SERVICE CONNECTIONS (Depending on Public Contr)					
Sewer Connections	147 764		(147 764)	Number of applications for services were less than the anticipated number of services	No impact on service delivery
Electricity Connections	334 642	73 983	(260 660)	expenditure only incurs when requested by consumers- slowdown due to Covid	
Water Connections	241 150	56 115	(185 035)	Number of applications for services were less than the anticipated number of services	No impact on service delivery
Others					
Tractors (x2) replacement Parks	800 000	598 043	(201 957)	Budget was only adquat for the procurement of one (1) tractor. Reduced scope of works results into a saving of R 201 957,00	Increased expenditure on maintenance of plant
Purchasing of Vehicle & Machinery in lieu of Rental					
Digger Loader 4x4 (Landfill Site)	1 210 000	844 713	(365 287)	Project Completed. The latter results to a saving of R 365 287,00	No impact on service delivery
Tipper landfill site (5 cum)	340 000		(340 000)	Omitted due to COVID-19	Ineffective solid waste removal
Water & Sewer Networks					
Water & sewer -Upgrading of Building and Facilities	550 000	137 831	(412 169)	Procurement delayed due to COVID-19 Lockdown	No impact on service delivery
Water & sewer -Construction of Building for vehicles and equipment	350 000		(350 000)	Procurement delayed due to COVID-19 Lockdown	No impact on service delivery
Waste Water Treatment Works					
Worcester					
Worc WWTW - Digger Loader	1 210 000	826 887	(383 113)	Project Completed. The latter results to a saving of R 383 113.	No impact on service delivery
Worc WWTW - Machinery and Equipment (Lab incl)	745 000	433 535	(311 465)	Procurement delayed due to COVID-19 Lockdown	No impact on service delivery
Worc WWTW - Vacuum tanker	1 100 000	970 609	(129 391)	Project Completed. The latter results to a saving of R 129 391.	No impact on service delivery
Worc WWTW - Municipal Vehicles: Bakkie	350 000	272 687	(77 313)	Project Completed. The latter results to a saving of R 77 313.	No impact on service delivery
TOUWSRIVER					
Touwsriver WWTW - Machinery and Equipment	80 000	17 269	(62 731)	Project Completed. The latter results to a saving of R 62 731.	No impact on service delivery
RAWSONVILLE					
Rawsonville WWTW - Municipal Vehicles: Bakkie	350 000	215 687	(134 313)	Project Completed. The latter results to a saving of R 134 313.	No impact on service delivery
Land Infill Developments					
Site A - Meirings Park (Erven 1, 6920, 6921)Water	292 085		(292 085)	Procurement delayed due to COVID-19 Lockdown	No impact on service delivery
Site A - Meirings Park (Erven 1, 6920, 6921)Sewer	876 009		(876 009)	Procurement delayed due to COVID-19 Lockdown	No impact on service delivery
Site A - Meirings Park (Erven 1, 6920, 6921)Stormwater	189 856		(189 856)	Procurement delayed due to COVID-19 Lockdown	No impact on service delivery
Site A - Meirings Park (Erven 1, 6920, 6921)Electricity	1 980 000		(1 980 000)	Procurement delayed due to COVID-19 Lockdown	No impact on service delivery
Site D - Avian Park (25 Erven)Roads	275 000	17 890	(257 110)	Procurement delayed due to COVID-19 Lockdown	No impact on service delivery
Site D - Avian Park (25 Erven)Stormwater	275 000		(275 000)	Procurement delayed due to COVID-19 Lockdown	No impact on service delivery
Site D - Avian Park (25 Erven)Electricity	450 000		(450 000)	Procurement delayed due to COVID-19 Lockdown	No impact on service delivery
Municipal Manager					
Project Management -0615					
Traffic calming measures in Touwsriver	100 000		(100 000)	Award of BID BV 794/2020 Construction of Speed Humps was delayed due to COVID-19 Lockdown	No impact on service delivery
Speed bumps - Avianpark	110 000		(110 000)	Award of BID BV 794/2020 Construction of Speed Humps was delayed due to COVID-19 Lockdown	No impact on service delivery
Speed bumps - Riverview/Victoriapark	110 000		(110 000)	Award of BID BV 794/2020 Construction of Speed Humps was delayed due to COVID-19 Lockdown	No impact on service delivery
Speed bumps - Roodewal/ Hexpark	110 000		(110 000)	Award of BID BV 794/2020 Construction of Speed Humps was delayed due to COVID-19 Lockdown	No impact on service delivery
Speed bumps - Zweletemba	100 000		(100 000)	Award of BID BV 794/2020 Construction of Speed Humps was delayed due to COVID-19 Lockdown	No impact on service delivery
Shared Economic Infrastructure Facility for informal traders in Zweletemba	3 495 218	3 331 333	(163 885)		Saving
SWIMMING BATH: De La Bat - 5116					
SB De la Bat - Upgrade of filters and pump	900 000	820 565	(79 435)	It's actually not a saving because the remaining money is for Rentention that still needs to be paid	The upgrading is finished so no impact on Service Delivery

BREDE VALLEY MUNICIPALITY
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Statement of Budget Comparison

Material Variance Explanations 30 June 2020

Description	Final Budget 30 June 2020	Revenue/ Opex/ Capex 30 June 2020	Variances greater than 5% R50 000 (over/(under))	Reasons for Material Deviations	Impact on Service Delivery
SWIMMING BATH: Zweletemba - 5125					
Zweletemba - New Swimming Bath	550 000	399 547	(150 453)	Technical Services are handling this project	Other two Swimming Pools (De La Bat & Greystreet) are being overused
SPORT: Boland Park - 5130					
Boland Park - Upgrade Tennis court (MIG Form ID 236970)	126 000		(126 000)	Was advertised, site visits was held and evaluation process was completed but because of to the National Lockdown due to the COVID-19 Pandemic the process had to be cancelled	No impact on Service Delivery because the current state of the tennis courts is still playable
SPORT: Rawsonville - 5135					
Rawsonville SG - Upgrade Soccer field (MIG Form ID 236973)	54 720		(54 720)	Was advertised, site visits was held and evaluation process was completed but because of to the National Lockdown due to the COVID-19 Pandemic the process had to be cancelled	No impact on Service Delivery because the current state of the soccer field is still playable
SPORT: Zweletemba - 5136					
Zweletemba - Upgrading of Sport Facilities (MIG Form ID 236972)	632 000	30 000	(602 000)	Was advertised, site visits was held and evaluation process was completed but because of to the National Lockdown due to the COVID-19 Pandemic the process had to be cancelled	No impact on Service Delivery because the current state of the facilities are still usable
SPORT: Esselen Park					
Esselen Park - Upgrade Cricket Nets	182 196	65 780	(116 416)	Saving on the Material, Transport and Services of the Contractor	Impact on Service Delivery
Esselen Park - Upgrade Netball Courts	385 358		(385 358)	Was advertised, site visits was held and evaluation process was completed but because of to the National Lockdown due to the COVID-19 Pandemic the process had to be cancelled	No impact on Service Delivery because the current state of the netball courts is still playable
SPORT: De Doorns West - 5145					
De Doorns Wes - Upgrade of Sport Facilities	158 787		(158 787)	Was advertised, site visits was held and evaluation process was completed but because of to the National Lockdown due to the COVID-19 Pandemic the process had to be cancelled	No impact on Service Delivery because the current state of the facilities are still usable
FIRE DEPARTMENT: ADMIN - 4203					
Fire Station - De Doorns (Ward 3) (MIG Form ID 228572)	936 061		(936 061)	Due to the Covid lockdown the contract was only awarded 2 June 2020. The contract was awarded for an eight week period, thus to be completed by end July 2020. However due to various factors related to the Covid lockdown and suppliers being closed the contract was only completed 25 August 2020	No impact
Fire Station - De Doorns (Ward 3) (MIG Form ID 228572, Counter Funding)	487 978	487 978	(0)		
FINANCIAL SERVICES					
Financial Planning					
FS FP - Safeguarding of Assets	400 000		(400 000)	Tender for Elec substation alarms not completed in time	High. Safety of substations at risk
FS FP - Insurance claims	400 000		(400 000)	Expenditure only incurs when Insurance claim occurs	None
SCM					
FS SCM - Upgrade of new municipal offices	1 400 000	167 070	(1 232 930)	Tender process was planned to be completed on 3 April 2020, COVID 19 pandemic delayed the process on which a contractor will be appointed in September/ October 2020, in order to proceed with implementation	Since the impact is on internal officials to enter into new offices, no service delivery impacts were recorded.
STRATEGIC SUPPORT SERVICES					
WORCESTER TOWN HALL					
Town Hall - Airconditioner	588 000	108 750	(479 250)	Project was put on hold after the Covid-19 lockdown	Delay in upgrading of air conditioning in town hall
Town Hall Roof	50 000		(50 000)	Intended to repair or replace townhall roof but budget was too small for total cost hence project stopped.	
INFORMATION TECHNOLOGY - 2114					
ICT - Computer Equipment	454 471	73 086	(381 385)	Due to COVID 19, ICT budget was reprofiled to cater for only those critical projects as determined by the MM, CFO and Council	There was no impact to Service Delivery as the current ICT infrastructure could still be used by the organisation
Wi-Fi Access Points	928 129		(928 129)	Due to COVID 19, ICT budget was reprofiled to cater for only those critical projects as determined by the MM, CFO and Council	There was no impact to Service Delivery as this is a new project seeking to improve Service Delivery.

Virements to Final Adjustment Budget (Reconciliation of Budget Summary)

Revenue By Source

Investment revenue	Changes between the Final Budgeted amounts and the Approved Adjustment Budget of 11 June 2020: Virements was approved by the Municipal Manager and/or the Chief Financial Officer, and it was done in line with the Approved Budget Virement Policy of 2019/2020.
Transfers recognised- capital	
Other own revenue	

Expenditure By Type

Employee costs	Changes between the Final Budgeted amounts and the Approved Adjustment Budget of 11 June 2020: Virements was approved by the Municipal Manager and/or the Chief Financial Officer, and it was done in line with the Approved Budget Virement Policy of 2019/2020.
Transfers and grants	
Other expenditure	

Cash Flow

Cash/ Cash Equivalents at the Year end.	Changes between the Final Budgeted amounts and the Approved Adjustment Budget of 11 June 2020: Virements was approved by the Municipal Manager and/or the Chief Financial Officer, and it was done in line with the Approved Budget Virement Policy of 2019/2020.
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BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied except where exemption has been granted, are disclosed below.

The accounting policies applied are consistent with those used to present the previous year's financial statements.

The financial statements have been prepared on a going concern basis.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Receivables

The municipality assesses its receivables for impairment at the end of each reporting period. The calculation of the impairment of trade receivables is based on a payment percentage assessment of the individual debtors of the municipality. If an individual debtor has a payment percentage of more than 80%, impairment is not considered. In instances where the payment percentage is less than 80% the individual debtor is impaired based on the actual non-payment percentage of the outstanding debt.

Allowance for slow moving, damaged and obsolete inventory

An assessment is made of net realisable value at the end of each reporting period. An allowance are made to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell of certain inventory items. The write down is included in the surplus.

Fair value estimation

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

The fair value of long-term receivables is estimated by discounting the future contracted cash flows at the prime interest rate.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

Value in use of cash generating assets

Cash generating assets are assets held with the primary objective of generating a commercial return.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

Non-cash generating assets are assets other than cash generating assets

The municipality reviews and tests the carrying value of non-cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Provisions

Provisions were raised and management determined an estimate based on the following information:

Professional engineers were utilised to determine the cost of rehabilitation of landfill sites, as well as the remaining useful life of each Landfill site. Additional disclosure of these estimates of provisions are included in note 20 - Provisions.

Useful lives of Property, Plant and Equipment and Other Assets

The municipality's management determines the estimated useful lives and related depreciation charges for property, plant and equipment and other assets. This estimate is based on industry norm and on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the municipality.

At the end of each reporting period the municipality assesses whether there is any indication that the municipality's expectations about the residual value and the useful life of Property, Plant and Equipment has changed since the preceding reporting period. If any such indication exists, the municipality revises the useful life and/or the residual value. These changes are accounted for as a change in accounting estimate and are disclosed in the notes to the financial statements relating to the change in estimates in terms of the Standard of GRAP on accounting policies, changes in estimates and errors.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits and other long-term benefits

The present value of the post retirement obligation and other long-term employee obligations is actuarially determined by independent qualified actuaries on an annual basis. The present value depends on a number of factors, including but not limited to discount rates, expected rate of return on assets, future salary increases, mortality rates and future pension increases, that are determined on an actuarial basis. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the municipality considers market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the municipality uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for post-retirement and other long-term employee obligations are based on current market conditions. Additional information is disclosed in note 22.

Long Service Awards

Long Service Awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans are valued by independent qualified actuaries on an annual basis and the corresponding liability is raised. Payments are set off against the liability, including notional interest, resulting from the actuarial valuation and are recognized in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the adjustments and changes in actuarial assumptions is recognized in the Statement of Financial Performance in the period that it occurs.

Staff Leave Accrual

The Municipality provides for annual leave as they accrue to employees. The liability is based on the total amount of leave days accrued to employees at year end and the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current year's entitlement is not used in full. The provision will be realized as employees take leave or when employment is terminated, whereupon the leave accrued to the employee that has not been used, is paid out.

Performance Bonus Accrual

The Municipality recognizes a provision relating to the anticipated costs of performance bonuses payable to Section 57 employees, as the costs accrue to the specific employees. Municipal bonus provisions are based on the employment contract stipulations and previous performance bonus trends.

13th Cheque Accrual

The Municipality recognizes a provision relating to the anticipated costs of 13th Cheques as they accrue to employees. The liability at year end is based on the bonus accrued to each employee at yearend

Effective Interest Rate

The municipality used the prime rate to discount future cash flows.

Allowance for impairment

On receivables an impairment loss is recognized in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services; or for
- administrative purposes; or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that is associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Subsequent to initial measurement investment property is measured at fair value.

Fair value

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (See Note 10)

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight line	
• Buildings		10 - 100 years
• Recreational facilities		15 - 100 years
Infrastructure	Straight line	
• Cemeteries		25 - 60 years
• Electricity		5 - 25 years
• Housing		20 - 100 years
• Landfill sites		1 - 55 years

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.4 Property, plant and equipment (continued)

• Pedestrian Malls		20 years
• Roads and paving		50 - 80 years
• Security		3 - 25 years
• Sewerage		15 - 75 years
• Water		15 - 100 years
Other property, plant and equipment	Straight line	
• Furniture and fixtures		2 - 20 years
• Special property, plant and equipment		5 - 20 years
• Specialist vehicles		5 - 30 years
• Other equipment		5 - 20 years
• Other vehicles		5 - 30 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the annual financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements. See Note 11.

1.5 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located;
- changes in the measurement of an existing decommissioning, restoration and similar liability that result from change in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in discount rate; and
- the obligation the municipality incurs for having used the items during a particular period for purposes other than to produce inventories during that period.

The related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the municipality intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially measured at cost.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Subsequent to initial measurement Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Right to access water	99 years
Computer software, other	3-5 years

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.6 Intangible assets (continued)

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.

1.7 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 15.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the item is derecognised.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Longterm receivables	Financial asset measured at amortised cost
Short term receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Other receivables from non exchange transactions	Financial asset measured at amortised cost
Other receivables from exchange transactions	Financial asset measured at fair value

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Long term liabilities	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Unspent Conditional grants	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.8 Financial instruments (continued)

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

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1.8 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognises the asset; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expired or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and the contractual payments are recognised as an operating lease asset or liability

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in the statement of financial performance.

BREEDE VALLEY MUNICIPALITY

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Accounting Policies

1.9 Leases (continued)

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rent is expensed in the period in which they are incurred.

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Value-added Tax (VAT)

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payments basis, in accordance with Section 15(2) of the VAT Act (Act No. 89 of 1991).

1.12 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

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Accounting Policies

1.12 Construction contracts and receivables (continued)

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by .

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

1.13 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Include the criteria how Breede distinguish between cash-generating assets from non-cash generating assets. This is a specific GRAP requirement. In the FAQ's there is a list of possible criterias

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

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Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the municipality does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

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Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.14 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset is initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.

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Accounting Policies

1.14 Impairment of non-cash-generating assets (continued)

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

Include the criteria how non-cash generating assets are distinguish. This is a specific GRAP requirement

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

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Accounting Policies

1.15 Provisions and Contingencies

Provisions are recognised when:

the municipality has a present obligation as a result of a past event;

it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is an:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- present obligation that arises from past events but is not recognised because:
 - it is not probable than an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
 - the amount of the obligation cannot be measured with sufficient reliability.

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Accounting Policies

1.15 Provisions and Contingencies (continued)

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 47.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, are accounted for as follows:

The related asset is measured using the cost model:

- changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the municipality tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.13 and 1.14.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability are recognised in surplus or deficit as they occur.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

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Accounting Policies

1.16 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered a service to the municipality during a reporting period, the municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which the entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Multi-employer plans and/or State plans and/or Composite social security programmes

The municipality classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the municipality accounts for it in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the municipality accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality accounts for the plan as if it was a defined contribution plan.

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Accounting Policies

1.16 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered services to the municipality during a reporting period, the municipality recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money are consistent with the currency and estimated term of the obligation.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the municipality recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise of assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and

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Accounting Policies

1.16 Employee benefits (continued)

- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality attributes benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

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Accounting Policies

1.16 Employee benefits (continued)

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other long-term employee benefits

The municipality has an obligation to provide long-term service allowance benefits to all of its employees.

The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term service awards are recognised in the statement of financial performance.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality recognises the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses;
- past service cost; and
- the effect of any curtailments or settlements.

Termination benefits

The entity recognises termination benefits as a liability and an expense when the municipality is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the municipality has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes (as a minimum):

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than twelve months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer.

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Accounting Policies

1.17 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of the Standard of GRAP on Statutory Receivables) means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the accounting policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the accounting policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the accounting policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the accounting policy on Revenue from exchange transactions or the accounting policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled to levy additional charges in terms of legislation, supporting regulations, by-laws or similar means on overdue or unpaid amounts, these charges are accounted for in terms of the municipality's accounting policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

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Accounting Policies

1.17 Statutory receivables (continued)

- significant financial difficulty of the receivable, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- it is probable that the receivable will enter sequestration, liquidation or other financial re-organisation.
- a breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable, or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognises the receivable; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The municipality considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.18 Revenue from exchange transactions

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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Accounting Policies

1.18 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Interest, royalties and dividends

Revenue arising from the use by others of municipal assets yielding interest, royalties and dividends or similar distributions is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

1.19 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

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Accounting Policies

1.19 Revenue from non-exchange transactions (continued)

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources.

Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognises revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in-kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.19 Revenue from non-exchange transactions (continued)

Concessionary loans received

A concessionary loan is a loan granted to or received by the municipality on terms that are not market related.

The portion of the loan that is repayable, along with any interest payments, is an exchange transaction and is accounted for in accordance with the Standard of GRAP on Financial Instruments. The off-market portion of the loan is a non-exchange transaction. The off-market portion of the loan that is recognised as non-exchange revenue is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market related rate of interest.

The recognition of revenue is determined by the nature of any conditions that exist in the loan agreement that may give rise to a liability. Where a liability exists the municipality recognises revenue as and when it satisfies the conditions of the loan agreement.

1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.21 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

BREEDE VALLEY MUNICIPALITY

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Accounting Policies

1.21 Accounting by principals and agents (continued)

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.22 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.23 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.24 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

BREEDE VALLEY MUNICIPALITY

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Accounting Policies

1.25 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

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Accounting Policies

1.26 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation are disclosed in a note to the financial statements, if both the following criteria are met:

- contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- contracts should relate to something other than the routine, steady, state business of the municipality – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.27 Grant in aid

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period that the events given rise to the transfer occurred.

1.28 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01 July 2017 to 30 June 2018.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.29 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

BREEDE VALLEY MUNICIPALITY

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Accounting Policies

1.30 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.31 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of the municipality after deducting all of its liabilities.

1.32 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 50 for detail.

1.33 Reclassifications

Reclassification of certain accounts were made in order to comply with the requirements of Municipal Standard Chart of Accounts (MSCOA). The reclassifications have no impact on the net asset value of the municipality.

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 50.

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Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 20: Related parties

GRAP 108: Statutory Receivables

GRAP 109: Accounting by Principals and Agents

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Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	13 134	13 175
Bank balances	146 706 375	94 853 665
	146 719 509	94 866 840

For the purpose of the Cash Flow Statement, Cash and cash equivalents includes Cash on hand and cash in banks. Refer to note 61 on the additional disclosures required by the Municipal Finance Management Act where the detail regarding the bank are disclosed.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at banks and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating		
Current Account (P-3)	146 706 375	94 853 665
ABSA (P-1)	-	-
Nedbank (P-3)	10 288 726	10 147 767
Standard Bank (P-1)	5 131 178	5 073 195
	162 126 279	110 074 627

P-1 Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short term debt obligations.

P-2 Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short term debt obligations.

P-3 Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short term debt obligations.

BREEDE VALLEY MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019
4. Receivables from exchange transactions		
Gross balances		
Availability charges	9 446 514	8 199 637
Electricity	61 226 567	62 998 861
Housing rental	9 390 056	8 228 955
Housing Selling Schemes	302 057	305 537
Refuse	24 060 343	21 079 220
Sewerage	39 837 075	34 164 832
Sundries	11 933 996	7 172 469
Water	43 748 503	32 653 521
	199 945 111	174 803 032
Less: Allowance for impairment		
Availability charges	(8 161 722)	(6 646 894)
Electricity	(2 783 959)	(5 347 887)
Housing Selling schemes	(144 862)	(99 972)
Housing rental	(8 369 342)	(3 696 301)
Refuse	(18 558 174)	(15 150 010)
Sewerage	(29 929 761)	(24 413 229)
Sundries	(9 761 156)	(4 556 765)
Water	(23 185 213)	(17 570 011)
	(100 894 189)	(77 480 869)
Net balance		
Availability charges	1 284 792	1 552 743
Electricity	58 442 608	57 651 174
Housing rental	1 020 714	4 532 654
Housing selling schemes	157 195	205 565
Refuse	5 502 169	5 929 210
Sewerage	9 907 314	9 751 603
Sundries	2 172 840	2 615 704
Water	20 563 290	15 083 510
	99 050 922	97 322 163
Electricity		
Current (0 -30 days)	49 555 189	56 769 812
31 - 60 days	4 036 059	3 150 281
61 - 90 days	2 280 097	351 109
91 - 120 days	1 763 852	275 027
121 - 365 days	3 591 370	2 452 635
Less: Provision for impairment	(2 783 959)	(5 347 690)
	58 442 608	57 651 174
Water		
Current (0 -30 days)	15 381 025	11 393 617
31 - 60 days	3 260 688	1 466 050
61 - 90 days	1 811 921	1 244 033
91 - 120 days	1 629 258	911 259
121 - 365 days	21 665 611	17 638 562
Less: Provision for impairment	(23 185 213)	(17 570 011)
	20 563 290	15 083 510
Sewerage		
Current (0 -30 days)	5 603 735	5 203 098
31 - 60 days	1 936 695	1 351 660

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4. Receivables from exchange transactions (continued)		
61 - 90 days	1 562 115	1 053 702
91 - 120 days	1 339 545	1 016 960
121 - 365 days	29 394 985	25 539 412
Less: Provision for impairment	(29 929 761)	(24 413 229)
	9 907 314	9 751 603
Refuse		
Current (0 -30 days)	3 171 495	3 017 532
31 - 60 days	1 112 656	794 572
61 - 90 days	898 047	627 947
91 - 120 days	775 672	592 116
121 - 365 days	18 102 473	16 047 053
Less: Provision for impairment	(18 558 174)	(15 150 010)
	5 502 169	5 929 210
Availability charges		
Current (0 -30 days)	484 213	417 788
31 - 60 days	278 766	206 729
61 - 90 days	245 585	166 250
91 - 120 days	231 087	161 667
121 - 365 days	8 206 863	7 247 203
Less: Provision for impairment	(8 161 722)	(6 646 894)
	1 284 792	1 552 743
Housing Selling Schemes		
Current (0 -30 days)	5 975	5 810
31 - 60 days	2 637	1 676
61 - 90 days	2 117	1 214
91 - 120 days	1 885	1 067
121 - 365 days	289 443	295 770
> 365 days	(144 862)	(99 972)
	157 195	205 565
Housing rental		
Current (0 -30 days)	360 444	372 519
31 - 60 days	258 868	235 893
61 - 90 days	238 096	195 838
91 - 120 days	224 198	193 330
121 - 365 days	8 308 450	7 231 375
Less: Provision for impairment	(8 369 342)	(3 696 301)
	1 020 714	4 532 654
Sundries		
Current (0 -30 days)	3 770 608	1 145 677
31 - 60 days	159 661	506 290
61 - 90 days	119 076	362 446
91 - 120 days	129 218	44 345
121 - 365 days	7 755 433	5 113 711
> 365 days	(9 761 156)	(4 556 765)
	2 172 840	2 615 704

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Figures in Rand	2020	2019
4. Receivables from exchange transactions (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	60 570 306	61 259 910
31 - 60 days	8 541 280	6 059 169
61 - 90 days	5 534 152	3 144 247
91 - 120 days	4 712 703	2 510 480
121 - 365 days	75 247 986	64 075 029
	154 606 427	137 048 835
Industrial/ commercial		
Current (0 -30 days)	14 808 994	14 203 383
31 - 60 days	14 161 611	1 398 681
61 - 90 days	3 472 561	725 809
91 - 120 days	1 889 805	579 512
121 - 365 days	3 190 291	14 790 891
	37 523 262	31 698 276
National and provincial government		
Current (0 -30 days)	3 084 447	2 592 560
31 - 60 days	2 949 609	255 303
61 - 90 days	723 272	132 483
91 - 120 days	393 612	105 779
121 - 365 days	664 480	2 699 799
	7 815 420	5 785 924
Total		
Current (0 -30 days)	78 332 685	78 325 853
31 - 60 days	11 046 030	7 713 152
61 - 90 days	7 157 054	4 002 538
91 - 120 days	6 094 714	3 195 771
121 - 365 days	97 314 628	81 565 718
	199 945 111	174 803 032
Less: Allowance for impairment	(100 894 189)	(77 480 869)
	99 050 922	97 322 163
Less: Allowance for impairment		
31 - 60 days	(9 164 197)	(6 194 436)
61 - 90 days	(5 937 758)	(3 214 440)
91 - 120 days	(5 056 402)	(2 566 524)
121 - 365 days	(80 735 832)	(65 505 469)
	(100 894 189)	(77 480 869)
Total debtor past due but not impaired		
31 - 60 days	1 881 833	1 518 716
61 - 90 days	1 219 296	788 098
91 - 120 days	1 038 313	629 246
121 - 365 days	16 578 795	16 060 248
	20 718 237	18 996 308

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4. Receivables from exchange transactions (continued)

Receivables from exchange transactions impaired

As at 30 June 2020, were receivables from exchange transactions with an amount of R 100 894 189 (2019: R 77 480 869) impaired and provided for.

Reconciliation of allowance for impairment

Balance at beginning of the year	(77 480 869)	(62 809 255)
Contributions to allowance	(42 099 330)	(34 354 634)
Debt impairment written off against allowance	18 686 010	19 683 020
	<u>(100 894 189)</u>	<u>(77 480 869)</u>

Receivables from exchange transactions past due but not impaired

The Council regards receivables from exchange transactions to be due for outstanding amounts more than 30 days to be past due. The impairment of receivables from exchange transactions is calculated based on the historic payment rate per individual receivable. It is expected that the trade receivables not impaired will be received by the municipality.

As of 30 June 2020 receivables from exchange transactions of R20 718 237 (2019: R18 996 308) were past due not impaired.

Credit quality of receivables from exchange transactions

The credit quality of consumer debtors that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

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5. Statutory Receivables		
Gross balances		
Rates	33 796 798	28 275 898
Traffic fines	62 824 154	76 833 388
	96 620 952	105 109 286
Less: Allowance for impairment		
Rates	(17 292 960)	(15 154 179)
Traffic fines	(48 404 642)	(57 100 698)
	(65 697 602)	(72 254 877)
Net balance		
Rates	16 503 838	13 121 719
Traffic fines	14 419 512	19 732 690
	30 923 350	32 854 409
Rates		
Current (0 -30 days)	8 965 652	8 195 923
31 - 60 days	2 996 023	1 025 833
61 - 90 days	1 404 704	512 051
91 - 120 days	979 268	392 196
121 - 365 days	19 451 152	18 149 896
> 365 days	(17 292 961)	(15 154 180)
	16 503 838	13 121 719
Summary of rates receivables by customer classification: Rates		
Consumers		
Current (0 -30 days)	6 843 363	6 438 416
31 - 60 days	2 286 825	805 857
61 - 90 days	1 072 192	402 248
91 - 120 days	747 463	308 094
121 - 365 days	14 846 805	14 257 891
	25 796 648	22 212 506
Industrial/ commercial		
Current (0 -30 days)	1 660 897	1 486 225
31 - 60 days	555 016	186 022
61 - 90 days	260 223	92 854
91 - 120 days	181 411	71 120
121 - 365 days	3 603 347	3 291 250
	6 260 894	5 127 471
National and provincial government		
Current (0 -30 days)	490 253	271 282
31 - 60 days	470 633	33 955
61 - 90 days	95 513	16 949
91 - 120 days	55 671	12 982
121 - 365 days	627 185	600 755
	1 739 255	935 923

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Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
5. Statutory Receivables (continued)		
Total		
Current (0 -30 days)	8 965 652	8 195 923
31 - 60 days	2 996 023	1 025 833
61 - 90 days	1 404 704	512 051
91 - 120 days	979 268	392 196
121 - 365 days	19 451 150	18 149 895
	<u>33 796 797</u>	<u>28 275 898</u>
Less: Allowance for impairment	(17 292 961)	(15 154 179)
	16 503 836	13 121 719
Less: Allowance for impairment		
Current (0 -30 days)	-	-
31 - 60 days	(2 086 497)	(774 187)
61 - 90 days	(978 267)	(386 440)
91 - 120 days	(681 984)	(295 987)
121 - 365 days	(13 546 213)	(13 697 565)
	<u>(17 292 961)</u>	<u>(15 154 179)</u>
Total receivables past due but not impaired		
31 - 60 days	909 526	251 646
61 - 90 days	426 437	125 611
91 - 120 days	297 284	96 209
121 - 365 days	5 904 938	4 452 330
	<u>7 538 185</u>	<u>4 925 796</u>
Reconciliation of Traffic fines		
Opening balance	19 732 691	31 205 214
New receivables traffic fines	49 985 595	32 218 825
Write Offs	(56 782 754)	(98 710 936)
Payments of old fines	(7 212 076)	(7 898 600)
Provision for impairment movement	8 696 056	62 918 187
	<u>14 419 512</u>	<u>19 732 690</u>
Statutory receivables impaired		
As of 30 June 2020, statutory receivables were impaired by R65 697 602 (2019: R72 254 877) and provided for.		
Reconciliation of allowance for impairment: Rates		
Balance at beginning of the year	15 154 180	17 847 672
Contributions to allowance	3 060 310	(1 650 360)
Debt impairment written off against allowance	(921 530)	(1 043 133)
	<u>17 292 960</u>	<u>15 154 179</u>
Reconciliation of allowance for impairment: Traffic Fines		
Balance at beginning of the year	57 100 698	120 018 885
Contributions to allowance	48 086 698	35 792 750
Debt impairment written off against allowance	(56 782 754)	(98 710 937)
	<u>48 404 642</u>	<u>57 100 698</u>

BREEDE VALLEY MUNICIPALITY

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5. Statutory Receivables (continued)

Credit quality of statutory receivables

The credit quality of receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Statutory receivables general information

Transaction(s) arising from statute

Property rates transactions arises from the Property Rates Act and Traffic fines transactions arises from the AARTO Act

Determination of transaction amount

Property rates amounts are determined through tariffs approved yearly by council. Traffic fines amounts are derived from a standardised table of speeding fines which is determined by a magistrate.

Interest or other charges levied/charged

Interest is charges on overdue consumer debtors (including property rates) at prime plus 1%.

Basis used to assess and test whether a statutory receivable is impaired

The calculation in respect of the impairment of property rates receivable is based on an assessment per account holder taking into account the payment rate, levies billed and payments made. An account with a payment rate of less than 80% is deemed to be impaired and an impairment is raised as the difference between the actual payment rate and 100%. The total collectability of property rates and other services were 92.26 % (2019: 98.78%).

The calculation in respect of the impairment of fines receivable is based on an assessment of the past payment history of fines per category. The total average collectability of fines were:

Section 341 Notice	10,76%	13,51%
Section 56 Notice	36,58%	34,94%
Traffic Management Technologies	28,26%	31,98%
Provincial Authority	10,45%	11,07%

6. Other receivables from non exchange transactions

Traffic revenue receivable	24 670	59 671
Receivable fraud	-	129 999
Housing board subsidies	598 658	507 643
	623 328	697 313

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Notes to the Annual Financial Statements

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7. Other receivables from exchange transactions		
Loans granted	8 989	5 735
Other receivables	615 084	1 526 084
PAYE	1 145 403	931 731
Prepaid expenses	4 842 802	1 341 353
Recoverable expenses	412 766	319 836
Less: Allowance for impairment	(6 086)	(4 124)
	7 018 958	4 120 615

The credit quality of receivables from exchange transactions that are neither past nor due nor impaired can be assessed by reference to external ratings (if available) or to historical information about default rates.

Reconciliation of allowance for impairment

Opening Balance	(4 124)	(3 306)
Increase in provision for the year	(1 962)	(818)
	(6 086)	(4 124)

8. Inventories

Consumable stores	9 819 436	6 540 175
Water stock	612 106	541 113
	10 431 542	7 081 288

Inventories recognised as an expense during the year	13 974 030	17 260 339
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Inventory pledged as security

None of the above Inventory has been pledged as security.

9. VAT receivable (Statutory receivable)

South African Revenue Service	1 162 704	910 722
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The municipality is registered on the cash basis. No penalties and fines were incurred during the year.

10. Operating lease asset (accrual)

Lease asset	377 503	-
Lease liability	-	(107 157)
	377 503	(107 157)

Operating leases - as lessor (income)

Certain of the municipality's property are held to generate rental income. The escalation clauses for the lease income varies between 5% to 10%. Payments received under operating leases are recognised in the statement of financial performance on a straight-line basis over the period of the lease. The straight lining of leases resulted in increased current year income of R 484 660 (2019: decrease R 162 997).

Minimum lease payments due

- within one year	1 050 662	1 572 706
- in second to fifth year inclusive	705 874	1 689 736
- later than five years	-	78 026
	1 756 536	3 340 468

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11. Short term investments

Other fixed deposits	15 419 904	15 220 962
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Current assets

Short term portion of investment	15 419 904	15 220 962
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Short term fixed deposits are made with various banks for a period from 1 - 12 months. The interest rates earned vary between 6.74 % and 8.20%.

12. Investment property

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	47 144 500	-	47 144 500	44 866 400	-	44 866 400

Reconciliation of investment property - 2020

	Opening balance	Fair value adjustments	Total
Investment property	44 866 400	2 278 100	47 144 500

Reconciliation of investment property - 2019

	Opening balance	Transfers received	Fair value adjustments	Total
Investment property	21 785 500	6 761 738	16 319 162	44 866 400

Pledged as security

None of the above investment property have been pledged as security.

Details of property

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

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12. Investment property (continued)

Details of valuation

The effective date of the revaluations was Tuesday, 30 June 2020. Revaluations were performed by an independent valuer, Mr Coenraad Botha of HCB Property Valuations. Mr Botha is a Professional Valuer registered at SACVP. HCB Property Valuations is not connected to the municipality and have recent experience in location and category of the investment property being valued.

The valuation was based on open market value for existing use.

Reconciliation of valuation obtained and the valuation included in the financial statements

Amounts recognised in surplus and deficit for the year.

Rental revenue from investment property	281 400	339 369
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Maintenance of investment property

In the previous year the expenditure on investment property ran through one department who managed all repairs and maintenance on the municipality's structures and therefore an accurate split for the amount of investment properties operating expense could not be made for prior years. The operating expenses (including repairs and maintenance) incurred on the investment property for the financial were as follow :

Repairs and maintenance per class of asset type

Buildings	5 095	3 724
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Repairs and maintenance per nature of expenditure

Contracted services	5 095	3 724
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BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

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13. Property, Plant and Equipment

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	321 357 288	(186 064 410)	135 292 878	304 301 404	(180 297 779)	124 003 625
Infrastructure	2 971 429 295	(1 108 047 082)	1 863 382 213	2 818 797 045	(1 050 528 822)	1 768 268 223
Land	233 613 024	-	233 613 024	233 613 024	-	233 613 024
Other property, plant and equipment	148 747 085	(61 443 313)	87 303 772	129 656 053	(53 641 871)	76 014 182
Total	3 675 146 692	(1 355 554 805)	2 319 591 887	3 486 367 526	(1 284 468 472)	2 201 899 054

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Transfers received	Other changes, movements	Depreciation	Total
Buildings	124 003 625	8 784 244	-	8 271 640	-	(5 766 631)	135 292 878
Infrastructure	1 768 268 225	178 671 861	-	(14 260 137)	-	(69 297 736)	1 863 382 213
Land	233 613 024	-	-	-	-	-	233 613 024
Other property, plant and equipment	76 014 183	8 024 812	(398 556)	5 941 027	9 910 822	(12 188 516)	87 303 772
Total	2 201 899 057	195 480 917	(398 556)	(47 470)	9 910 822	(87 252 883)	2 319 591 887

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Transfers received	Other changes, movements	Depreciation	Impairment loss	Total
Buildings	97 962 852	32 863 114	-	(838 788)	-	(5 983 553)	-	124 003 625
Infrastructure	1 636 323 116	197 413 474	(25 745)	2 731 146	-	(68 173 768)	-	1 768 268 223
Land	239 657 087	-	-	(6 044 063)	-	-	-	233 613 024
Other property, plant and equipment	54 388 579	35 654 868	(745 456)	1 470	184 419	(13 399 353)	(70 345)	76 014 182
Total	2 028 331 634	265 931 456	(771 201)	(4 150 235)	184 419	(87 556 674)	(70 345)	2 201 899 054

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13. Property, Plant and Equipment (continued)

Pledged as security

None of the above property, plant and equipment have been pledged as security.

Work in progress

The work in progress balances included in the property plant and equipment balance is as follows:

Buildings	2 040 181	10 012 222
Infrastructure	289 986 749	234 648 448
Other Assets	76 800	-
	292 103 730	244 660 670

No funding challenges have been experienced in the 2019/20 financial year and work in progress balances were mainly as result of projects being multi-year projects

Many of the projects have also been delayed as a result of Covid 19 and the national lockdown.

The following expenditure was incurred to repair and maintain property plant and equipment:

Repairs and maintenance per allocation to asset type

Infrastructure	31 255 648	40 157 916
General Vehicles	8 779 573	8 300 143
Plant and Equipment	3 319 112	3 578 019
Furniture and other Office Equipment	4 015 114	1 371 209
Other Buildings	5 563 788	8 534 620
	52 933 235	61 941 907

Repairs and maintenance per nature of expense

Contracted Services	27 822 797	37 196 859
Labour	12 802 318	11 205 069
Material	12 308 120	13 539 979
	52 933 235	61 941 907

Change in Accounting Estimate

A review of useful lives was done on assets. During the review certain infrastructure and other property plant and equipment with R nil book values and nil remaining lives were identified. The municipality's management considered how to account for the change in the estimated useful lives. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change effects that period only; or the period of the change in future periods, if the change effects both. Management concluded that it should apply the change in estimate prospectively from the start of 2020 and therefore the depreciation charge was applied prospectively from 1 July 2019 over the remaining useful life of these assets. The effect of the change in accounting estimate is further disclosed in note 54.

Other Information

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Refer to Appendix B for more detail on property, plant and equipment.

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14. Intangible assets

	2020			2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 088 817	(669 173)	419 644	1 955 439	(1 327 782)	627 657
Right of use of water	4 275 264	(513 378)	3 761 886	4 275 264	(470 509)	3 804 755
Total	5 364 081	(1 182 551)	4 181 530	6 230 703	(1 798 291)	4 432 412

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer software	627 658	(208 013)	419 645
Right of use of water	3 804 754	(42 869)	3 761 885
	4 432 412	(250 882)	4 181 530

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	807 463	71 600	(100)	(251 305)	627 658
Right of use of water	3 847 506	-	-	(42 752)	3 804 754
	4 654 969	71 600	(100)	(294 057)	4 432 412

Pledged as security

None of the above intangible assets have been pledged as security

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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15. Heritage assets

	2020			2019		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art	12 575 100	-	12 575 100	12 575 100	-	12 575 100
Books	585 959	-	585 959	585 959	-	585 959
Land	16 770 000	-	16 770 000	16 770 000	-	16 770 000
Buildings	6 700 000	-	6 700 000	6 700 000	-	6 700 000
Total	36 631 059	-	36 631 059	36 631 059	-	36 631 059

Reconciliation of heritage assets 2020

	Opening balance	Total
Art	12 575 100	12 575 100
Books	585 959	585 959
Land	16 770 000	16 770 000
Buildings	6 700 000	6 700 000
	36 631 059	36 631 059

Reconciliation of heritage assets 2019

	Opening balance	Total
Art	12 575 100	12 575 100
Books	585 959	585 959
Land	16 770 000	16 770 000
Other (specify class)	6 700 000	6 700 000
	36 631 059	36 631 059

Other information

The municipality assessed whether there is an indication that heritage assets need to be impaired. No impairment loss on heritage assets was recognised for the period under review.

No expenditure was incurred to repair and maintain heritage assets.

None of the above heritage assets have been pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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16. Long term receivables		
Housing selling schemes loans		
Housing selling schemes	96 725	108 686
Less: Allowance for impairment	(41 882)	(39 714)
	54 843	68 972
Housing loans - personnel		
Housing personnel	188 351	213 525
Arrangements		
Arrangements	10 191 394	7 390 219
Less: Allowance for impairment	(5 153 527)	(3 986 977)
	5 037 867	3 403 242
Less: Current portion transferred to current receivables		
Housing selling schemes	(4 253)	(6 318)
Housing personnel	(18 355)	(14 431)
Arrangements	(3 938 257)	(3 787 665)
	(3 960 865)	(3 808 414)
Less: Current Portion of allowance for impairment transferred to current receivables		
Housing selling schemes	(1 842)	(2 303)
Arrangements	(1 991 476)	(2 043 422)
	(1 993 318)	(2 045 725)
Long term receivables- Net		
Long term receivables- non current portion	3 313 512	1 923 049
Long term receivables - current portion	1 967 548	1 762 689
	5 281 060	3 685 738

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16. Long term receivables (continued)

Housing selling scheme loans

Housing loans are granted to qualifying individuals in terms of the provincial administration's housing programme. These loans attract interest of prime plus 1 % per annum and are repayable over a maximum period of 30 years.

Welfare loans

Welfare loans are granted to qualifying organisations in terms of the provincial administration's housing programme. These loans attract interest at prime plus 1% per annum and are repayable over a maximum period of 30 years.

Housing loans - Personnel

Housing loans were granted to personnel and attract interest at between 7.5% and 15% per annum and are repayable over periods not exceeding 30 years.

Land sales

Loans were granted to individuals for purchasing land from the municipality. These loans attract interest at prime plus 1% and are repayable over periods not exceeding 2 years.

Arrangements

The arrangements consist of consumer receivables with whom the council has negotiated repayment terms. These arrangements attract no interest and the repayment periods of up to 30 years.

As of 30 June 2020 long term receivables of R3 202 092 (2019: R1 980 967) were impaired. The individually impaired receivables mainly relate to those receivables who have agreements with the municipality to pay their debt over a long period.

The ageing of these individually impaired receivables is more than 365 days based on the nature of long term receivables

17. Payables from exchange transactions

Credit balances closed	546 475	395 279
Ex Retentions	290 039	290 039
Other payables	1 530 043	3 069 673
Payments received in advance	10 286 221	6 913 324
Retentions	4 527 961	5 793 813
Sundry deposits	762 441	649 905
Trade payables	82 166 508	73 073 555
	100 109 688	90 185 588

BREEDE VALLEY MUNICIPALITY

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Figures in Rand	2020	2019
18. Consumer deposits		
Electricity	1 976 910	1 893 284
Water	2 254 442	2 190 055
	4 231 352	4 083 339
Guarantees		
Guarantees held in lieu of Electricity and Water deposits	20 500	20 500
<p>Consumer deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. Council policy dictates that all accounts are owner accounts. Consumer deposits are refunded to the owner when a house is sold after the municipality has issued a clearance certificate. A clearance certificate will only be issued to the old owner if the municipal account is up to date.</p>		
19. Unspent conditional grants and receipts		
Balances at year end		
Unspent conditional grants and receipts		
Unspent grants	19 739 244	18 233 831
Movement during the year		
Balance at the beginning of the year	18 233 831	44 037 854
Total Government receipts	294 317 067	268 148 507
Conditions met- capital grants	(147 061 761)	(165 737 866)
Conditions met- operating grants	(145 755 908)	(126 887 199)
Conditions met- Housing grants	-	(1 412 465)
Included in other receivables	513 658	507 643
From other receivables	(507 643)	(422 643)
	19 739 244	18 233 831

The allocations and subsidies received from National and Provincial Government as well the District Municipality, have been deposited into the Council's own bank account. The allocations received have been utilised in accordance with the conditions set. Where all the conditions have not yet been met, the total allocations have not been utilised. The outstanding conditions will be met prior to/or when the balance of the allocations is utilised. The percentage of the allocations utilised is an indication of the conditions met. Where the total of the allocations were utilised, all the conditions have been met. Also refer to Appendix D for further detail regarding unspent conditional grants.

BREEDE VALLEY MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019
20. Housing advances		
Construction contracts in progress at reporting date		
Contract revenue recognised as revenue for the period amounts to R 1 744 312 (2019: R4 976 501)		
Aggregate amount of costs incurred	94 166 096	92 391 784
Amount of advances received	2 039 797	3 067 276
Amount of retentions	-	-
	96 205 893	95 459 060
Balance unspent at the beginning of year	3 067 276	3 434 451
Current year receipts	746 833	4 609 326
Conditions met - transferred to revenue	(1 774 312)	(4 976 501)
	2 039 797	3 067 276
21. Long term liabilities		
At amortised cost		
Annuity loans	209 612 785	220 375 642
	209 612 785	220 375 642
Total other financial liabilities	209 612 785	220 375 642
Non-current liabilities		
At amortised cost	192 179 568	203 881 100
Current liabilities		
At amortised cost	17 433 217	16 494 542

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

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22. Employee benefit obligation

Reconciliation of employee benefits - 2020	Opening Balance	Additions	Benefits paid during the year	Total
Post-retirement medical aid benefits	141 719 000	5 529 266	(6 212 266)	141 036 000
Long service awards	19 887 000	1 398 636	(2 054 636)	19 231 000
Performance bonus	947 788	1 011 111	(947 788)	1 011 111
Staff leave accrual	21 734 148	7 253 525	(1 429 906)	27 557 767
13th cheque accrual	6 191 731	340 842	-	6 532 573
	190 479 667	15 533 380	(10 644 596)	195 368 451

Reconciliation of employee benefits - 2019	Opening Balance	Additions	Benefits paid during the year	Total
Post-retirement medical aid benefits	140 089 000	7 570 371	(5 940 371)	141 719 000
Long service awards	18 558 000	3 291 584	(1 962 584)	19 887 000
Performance bonus	778 941	947 787	(778 940)	947 788
Staff leave accrual	19 681 710	3 833 793	(1 781 355)	21 734 148
13th cheque accrual	5 374 398	817 333	-	6 191 731
	184 482 049	16 460 868	(10 463 250)	190 479 667

Non-current employee benefits

Provision for Post-retirement medical aid benefits	134 280 400	135 405 299
Long service awards	17 127 776	17 772 628
	151 408 176	153 177 927

Current employee benefits

Provision for Post-retirement medical aid benefits	6 755 600	6 313 701
Long service awards	2 103 224	2 114 372
Performance bonus	1 011 111	947 788
Staff leave accrual	27 557 767	21 734 148
13th cheque accrual	6 532 573	6 191 731
	43 960 275	37 301 740

Post-Retirement medical aid benefit: Movements

Opening balance	141 719 000	140 089 000
Benefits paid	(6 212 266)	(5 940 371)
Net expense recognised	5 529 266	7 570 371
	141 036 000	141 719 000

Post-Retirement medical aid benefit: Net expense recognised

Current service cost	4 956 000	4 972 000
Interest cost	15 543 000	15 043 000
Actuarial losses/(Gains)	(14 969 735)	(12 444 629)
	5 529 265	7 570 371

Long service awards: Movements

Opening balance	19 887 000	18 558 000
Benefits paid	(2 054 636)	(1 962 584)
Net expense recognised	1 398 636	3 291 584
	19 231 000	19 887 000

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
22. Employee benefit obligation (continued)		
Long service awards: Net expense recognised		
Current service cost	1 459 000	1 386 000
Interest cost	1 955 000	1 830 000
Actuarial losses/(Gains)	(2 015 364)	75 584
	1 398 636	3 291 584

Defined benefit plan

Post retirement medical aid plan

Current and continuation members receive a 60% and 70% subsidy respectively of medical and contributions in retirement. The spouse and child dependants of an employee are entitled to a 60% and 70% subsidy respectively of their contributions in the event of the principal members' death in-service. In the event of the death of the principal member, the spouse becomes the principal member.

In 2020: 69% (2019: 68%) of the employees belonged to the above plan. The plan is defined as a post-retirement medical benefit plan.

Long service awards

All permanent employees are entitled to a specified number of days additional leave based on their service. The employee may convert the additional leave into a cash amount.

In 2020: 13.2 % (2019:11.76%) of the employees qualified for long service awards.

Key assumptions used

The municipality made use of an independent firm to perform the valuation of post-retirement medical aid benefits and long service awards. Niel Fourie (B.Comm) (CERA) (FASSA) and Julian van der Spuy (B.Comm Actuarial Science) from ZAQ Consultants and Actuaries were the experts for the valuation. The key assumptions used by the experts are listed below for the last valuation on 30 June 2020:

Post Retirement medical aid benefit: Discount rate	8,72 %	10,99 %
Post Retirement medical aid benefit: Healthcare cost inflation	5,28 %	8,52 %
Long service awards: Discount rates	Yield curve	Yield curve
Long service awards: Discounts Salary inflation	CPI+1.5%	CPI+1%

The nominal and real zero curves as at 30 June 2020 supplied by the JSE are the basis used to determine the discount rate and CPI assumptions at each relevant time period.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

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22. Employee benefit obligation (continued)

Sensitivity analysis

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the service	5 853 000	3 932 000
Effect on defined interest cost	24 409 000	18 740 000
Effect on defined benefit obligation	160 897 000	124 572 000

Assumed salary inflation trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed salary inflation trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the service	1 477 000	1 259 000
Effect on defined interest cost	2 489 000	2 164 000
Effect on defined benefit obligation	20 567 000	18 021 000

Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all 876 (2019: 894) of its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

The last valuation of the Municipal Workers Retirement Fund (Previously the SAMWU National Provident Fund) was done on 30 June 2018.

The last valuation of the SALA Pension Fund was done on 1 July 2018.

The last valuation of the Consolidated Retirement Fund for Local Government (previously Cape Joint Retirement Fund) was performed on 30 June 2019.

The last valuation of the LA Retirement Fund (previously Cape Joint Pension Fund) was performed on 30 June 2019.

The valuers of the respective funds were satisfied that the plan is in a sound financial position.

Contributions by Council in respect of employees retirement funding. The contributions have been expensed which amounted to R 31 451 270 (2019: R 29 481 628).

Councillors who are elected are members of different pension schemes. The contributions have been expensed which amounted to R1 563 234 (2019: R1 516 148).

Contributions to medical aid funds

Contributions to medical aid funds for employees	18 669 342	17 232 205
Contributions to medical aid funds for councillors	298 700	261 200
Contributions to medical aid funds for pensioners	6 212 266	5 940 371
	25 180 308	23 433 776

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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22. Employee benefit obligation (continued)

Cape Joint Retirement and Pension Fund for Local Government

This multi-employer fund was established with effect from 1 May 1996 to provide insured death, disability and pension benefits to its members.

The contribution rate for members is 9% of basic salary, whilst the respective Local Authorities are contributing 18%.

This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.

The last statutory valuation performed as at 30 June 2019 revealed that the funding level of the share account was 100.3 % and the pension account was 124.9%. At the valuation date the municipality had 779 members (Fund: 47 400 members) and nil pensioners (Fund: 550 pensioners) belonging to the fund.

23. Provisions: Landfill Site

Reconciliation of provisions - 2020

	Opening Balance	Change in estimates	Closure Cost	Unwinding of the discount	Total
Provision for the rehabilitation of landfill site	87 601 261	9 910 826	-	6 880 893	104 392 980
Closure site	1 156 110	-	2 050 277	-	3 206 387
	88 757 371	9 910 826	2 050 277	6 880 893	107 599 367

Reconciliation of provisions - 2019

	Opening Balance	Change in estimates	Closure Cost	Unwinding of the discount	Total
Provision for the rehabilitation of landfill site	82 582 249	184 420	-	4 834 592	87 601 261
Closure site	1 219 978	-	(63 868)	-	1 156 110
	83 802 227	184 420	(63 868)	4 834 592	88 757 371

Non-current liabilities	104 392 979	87 601 261
Current liabilities	3 206 387	1 156 110
	107 599 366	88 757 371

The provision for landfill site for De Doorns was done for a 27.83 year period, the Worcester has no remaining airspace. The Municipality are currently in process of applying for a height extension .

Touwsriver is a closure site and is expected to be closed in the following 5 year period. No expenses have been incurred to date and the only movement is the contribution for the year. An assessment was done by JPCE (Pty) Ltd (Specialist Waste Management Consultants), an independent expert.

The unwinding of the provision for landfill site for the current year amounting to R 6 880 893 (2019: R 4 834 592) was included in the rehabilitation figure in the statement of financial performance as well as the Touwsriver closure cost as a provision reversal of R 2 050 277 (2019: provision of R 63 868).

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

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Figures in Rand	2020	2019
24. Service charges		
Electricity	416 549 906	389 166 342
Water	91 640 654	70 217 003
Sewerage and sanitation	73 688 225	67 133 021
Refuse removal	40 165 695	38 310 223
	622 044 480	564 826 589

25. Sales of Goods and Rendering of Services

Advertisement	116 866	182 865
Building Plan Approval	953 826	924 674
Camping Fees	205 383	364 592
Cemetery and Burial	928 996	931 519
Clearance Certificate	195 842	166 380
Entrance Fees	1 176 980	1 172 961
Fire Services	198 595	188 731
Photocopies and Faxes	47 619	56 665
Removal of Restrictions	-	304
Prints	16 553	18 962
Tender Documents	6 771	114 617
Sub-division and Consolidation Fees	41 945	160 282
Recycling of Waste	11 482	13 667
Valuation Services	91 917	107 562
	3 992 775	4 403 781

26. Agency services

Vehicle Registration	7 542 919	8 507 083
Insurance	227 275	229 756
	7 770 194	8 736 839

The municipality entered into an arrangement with the Department of Transport and Public Works to collect revenue in respect of the registration and licencing of motor vehicles.

The municipality has assessed the criteria set out in GRAP 109 par 25 as well as the arrangements entered into and concluded that the municipality is an agent for both of the arrangements.

At reporting date the municipality had no debtor for the vehicle registration.

Reconciliation of the carrying amount of the receivable:

Opening balance	-	-
Revenue received	41 683 258	47 193 036
Payments made to the department	(41 683 258)	(47 193 036)
	-	-

27. Rental income

Operating lease rentals

Housing Rentals	4 635 228	4 463 336
Other rental revenue	5 989 977	5 526 483
	10 625 205	9 989 819

BREEDE VALLEY MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019
28. Operational revenue		
Incidental Cash surpluses	3 754	2 498
Breakages and losses recovered	13 963	10 014
Administrative handling fees	4 720 261	4 032 738
Insurance refund	304 420	891 935
Merchandising jobbing and contracts	14 295	32 315
Municipal information and statistics	9 533	6 473
Staff Recoveries	99 038	97 199
Request for information	30	280
	5 165 294	5 073 452
29. Finance income		
Bank	11 737 049	11 232 875
Outstanding debtors	6 444 322	4 454 449
	18 181 371	15 687 324
30. Property rates		
Rates received		
Residential	69 430 128	64 721 653
Commercial	37 656 991	34 538 497
State	14 703 588	13 817 299
Small holdings and farms	14 221 297	13 524 499
Other	916 152	1 068 830
Industrial	8 178 626	8 057 313
	145 106 782	135 728 091
Valuations		
	R'000	R'000
Land	6 309 896	6 350 850
Improvements	18 184 734	18 054 745
	24 494 630	24 405 595

The valuations for land and improvements include De Doorns, Rawsonville, Touwsriver, Worcester and rural areas. Valuations on land and buildings are performed every five years. The last general valuation came into effect on 1 July 2016. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations, subdivision and categories.

Rates are levied on an annual basis with the final date for payment being Monday, 30 September 2019 Interest at prime plus one per annum and a collection fee, is levied on rates outstanding two months after due date. Monthly levies are allowed on application. A differentiated rebate up to 100% is granted to owners under certain circumstances. The basic rates for the above mentioned areas were charged for land and improvements at 0.9302 c/R (2019:0.8278 c/R) and for industrial and commercial sites at 1.8603 c/R (2019: 1.6556c/R).

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
31. Government grants and subsidies		
Operating grants		
Equitable share	117 997 000	108 977 000
Financial management grant	1 550 000	1 550 000
Housing projects	-	1 412 465
Municipal disaster management grant	138 000	-
Other grants and donations	3 215 000	3 066 000
Provincial government	17 175 300	13 250 577
	140 075 300	128 256 042
Capital grants		
Capital Grants	147 061 761	165 737 865
Total Government grants & subsidies	287 137 061	293 993 907
Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
Balance unspent at beginning of year	-	-
Current year receipts	117 997 000	108 977 000
Conditions met- transferred to revenue	(117 997 000)	(108 977 000)
	-	-
Financial Management Grant		
Current-year receipts	1 550 000	1 550 000
Conditions met - transferred to revenue	(1 550 000)	(1 550 000)
	-	-
Conditions still to be met - remain liabilities (see note 19).		
Provide explanations of conditions still to be met and other relevant information.		
EPWP		
Current-year receipts	3 215 000	3 066 000
Conditions met - transferred to revenue	(3 215 000)	(3 066 000)
	-	-
Conditions still to be met - remain liabilities (see note 19).		
Provide explanations of conditions still to be met and other relevant information.		
Housing projects		
Balance unspent at beginning of year	6 930 107	8 009 577
Current-year receipts	314 000	1 782 000
Conditions met - transferred to revenue	-	(1 412 465)
Other	(3 439 283)	(1 449 005)
	3 804 824	6 930 107
Conditions still to be met - remain liabilities (see note 19).		
Provide explanations of conditions still to be met and other relevant information.		

BREEDE VALLEY MUNICIPALITY

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Figures in Rand	2020	2019
31. Government grants and subsidies (continued)		
LGWSETA Staff Development Grant		
Balance unspent at beginning of year	-	95 827
Current-year receipts	631 121	638 557
Conditions met - transferred to revenue	(631 121)	(734 384)
Other	-	-
	<u>-</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 19).

Provide explanations of conditions still to be met and other relevant information.

Provincial government

Balance unspent at beginning of year	1 360 000	67 453
Current-year receipts	13 555 220	12 094 082
Conditions met - transferred to revenue	(14 456 123)	(12 016 193)
Other	624 015	1 214 658
	<u>1 083 112</u>	<u>1 360 000</u>

Conditions still to be met - remain liabilities (see note 19).

Provide explanations of conditions still to be met and other relevant information.

Cape Winelands

Current-year receipts	2 100 000	500 000
Conditions met - transferred to revenue	(2 000 000)	(500 000)
	<u>100 000</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 19).

Provide explanations of conditions still to be met and other relevant information.

Capital Grants

Balance unspent at beginning of year	9 943 724	34 691 715
Current-year receipts	154 816 726	139 540 869
Conditions met - transferred to revenue	(147 129 611)	(165 737 865)
Other	(85 000)	1 449 005
	<u>17 545 839</u>	<u>9 943 724</u>

Conditions still to be met - remain liabilities (see note 19).

Provide explanations of conditions still to be met and other relevant information.

Services in kind

The municipality received services in kind under voluntary or non voluntary schemes which included free training, workshops, cleaning services and technical assistance from government departments and entities. These services have not been recognised as they were assessed not to be significant to the municipality's operations and/or basic service delivery objectives. The cost and fair value of these services in-kind could also not be measured reliably

BREEDE VALLEY MUNICIPALITY

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Figures in Rand	2020	2019
32. Fines, penalties and forfeits		
Damaged meters	166 316	351 004
Library	30 529	50 199
Traffic fines	50 165 085	36 336 704
Retentions	672 233	502 380
	51 034 163	37 240 287
33. Employee related costs		
Basic	180 316 133	168 799 409
Group life insurance	1 658 672	2 741 959
Bonus	14 369 458	13 354 179
Medical aid contributions	24 881 607	23 172 576
Unemployment Insurance Fund	1 592 129	1 640 570
Service Related Benefits	26 306 212	22 889 541
Travel and car allowances	9 038 813	7 843 996
Overtime payments	18 376 330	18 536 520
Acting allowances	2 625 350	1 785 975
Housing benefits and allowances	2 044 410	1 975 262
Other Allowances	10 359 848	8 752 216
Contribution to employee benefits	31 995 506	29 972 937
	323 564 468	301 465 140
Municipal Manager: D Mc Thomas		
Annual Remuneration	1 546 896	1 508 758
Car Allowance	95 000	124 008
Performance Bonuses	237 800	225 617
Contributions to UIF, Medical and Pension Funds	48 831	50 933
Group life insurance	9 631	16 829
	1 938 158	1 926 145
Chief Financial Officer: R Ontong		
Annual Remuneration	1 049 110	1 016 809
Car Allowance	158 880	151 326
Performance Bonuses	194 401	184 441
Contributions to UIF, Medical and Pension Funds	211 351	205 317
Group life insurance	9 902	17 082
	1 623 644	1 574 975

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Figures in Rand	2020	2019
33. Employee related costs (continued)		
Director - Technical Services: J Steyn		
Annual Remuneration	1 187 459	1 148 579
Car Allowance	240 000	240 000
Performance Bonus	194 401	184 441
Contributions to UIF, Medical and Pension Funds	1 785	1 955
	1 623 645	1 574 975
Director - Strategic Support Service: R Esau		
Annual Remuneration	988 577	991 057
Car Allowance	206 880	168 000
Performance Bonus	194 401	184 441
Contributions to UIF, Medical and Pension Funds	233 787	231 477
Group life insurance	9 342	16 316
Acting Allowance	-	46 985
	1 632 987	1 638 276
Director - Community Service: J Marthinus		
Annual Remuneration	-	18 157
Car Allowance	-	2 401
Contributions to UIF, Medical and Pension Funds	-	7 388
Leave	-	86 083
	-	114 029
Community Service Director: S. Swartz		
Annual Remuneration	901 150	646 564
Car Allowance	192 000	144 000
Performance Bonus	126 783	-
Contributions to UIF, Medical and Pension Funds	143 057	107 379
Group life insurance	6 846	9 076
	-	-
	1 369 836	907 019

Employee costs as percentage of total expenditure for 2020 is 34.59% (2019:33.52 %). The industry norm is between 30-35%. This figure excludes the remuneration of councillors, as disclosed in note 33 to the Financial Statements. The remuneration of the employees is within the upper limits of the SALGA Bargaining Council determinations.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

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Figures in Rand	2020	2019
34. Remuneration of councillors		
Executive mayor	805 252	776 603
Deputy Executive Mayor	642 486	620 527
Chief whip	562 568	545 371
Speaker	645 486	622 330
Mayoral committee members	4 950 902	4 698 813
Councillors	8 944 136	8 633 682
Councillors pension contribution	1 563 234	1 516 148
Councillors medical aid contribution	298 700	261 200
	18 412 764	17 674 674

Remuneration of Councillors:

The remuneration of the political office-bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution.

Executive Mayor	Salary	Allowances	Pension fund and Medical Aid	Total
A Steyn	664 991	140 261	132 998	938 250
Deputy Executive Mayor				
JD Levendal	584 958	57 529	116 991	759 478
Speaker				
NP Mecuur	569 958	75 529	113 991	759 478
Chief Whip				
Goedeman	483 122	79 445	152 219	714 786

BREEDE VALLEY MUNICIPALITY

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34. Remuneration of councillors (continued)

Mayco Members

R Farao	528 743	80 296	105 749	714 788
JP Kritzinger	552 743	51 496	110 549	714 788
SJ Mei	596 553	80 896	37 338	714 787
WR Meiring	552 566	51 708	110 513	714 787
M Sampson	489 208	105 408	120 171	714 787
EY Sheldon	534 743	55 816	124 229	714 788
JF Van Zyl	504 743	109 096	100 949	714 788
JJ Von Willingham	541 573	115 316	57 898	714 787
	4 300 872	650 032	767 396	5 718 300

Councillors

MN Bushwana	220 928	89 772	16 570	327 270
EN Isaacs	240 004	65 989	21 277	327 270
C Ismail	237 498	89 772	-	327 270
N Ismail	23 397	3 819	-	27 216
JR Jack	262 880	64 390	-	327 270
J Jafta	263 135	44 400	19 735	327 270
P Langata	263 135	44 400	19 735	327 270
ZM Mangali	263 135	44 400	19 735	327 270
T Maridi	263 135	44 400	19 735	327 270
ESC Matjan	264 780	44 400	18 090	327 270
SM Mkhawane	263 135	44 400	19 735	327 270
VI Mngcele	263 135	44 400	19 735	327 270
CM Mohobo	263 135	44 400	19 735	327 270
N Nel	308 716	81 421	17 280	407 417
A Pietersen	253 852	54 379	19 039	327 270
PC Ramokhabi	241 540	44 400	41 330	327 270
J Robinson	263 135	44 400	19 735	327 270
IL Tshabile	242 452	66 634	18 184	327 270
P Tyira	237 498	89 772	-	327 270
E van der Westhuizen	234 693	52 646	39 931	327 270
W Vrolick	263 135	44 400	19 735	327 270
TM Wehr	237 498	89 772	-	327 270
NP Williams	236 776	55 456	35 038	327 270
MT Williams	227 714	44 400	55 156	327 270
CF Wilskut	263 135	44 400	19 735	327 270
NJ Wullschleger	263 135	44 400	19 735	327 270
MR Jacobs (Solomons)	260 643	44 400	22 227	327 270
LG Willemse	260 643	44 400	22 227	327 270
TP McThomas	247 573	41 774	18 568	307 915
KDG Benjamin	217 817	36 753	16 336	270 906
	7 351 387	1 592 749	578 338	9 522 474

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Figures in Rand	2020	2019
35. Debt impairment		
Impairments		
Receivables from exchange transactions	39 117 033	28 996 745
Receivables from non-exchange transactions	51 391 612	33 899 030
	90 508 645	62 895 775
36. Depreciation and amortisation		
Property, plant and equipment	87 252 884	87 556 677
Amortisation: Intangible assets	250 881	294 057
Impairment	-	70 345
	87 503 765	87 921 079
37. Bulk purchases		
Electricity - Eskom	312 387 843	281 236 011
Water	6 454 063	6 069 184
	318 841 906	287 305 195
38. Finance costs		
External borrowings	23 642 881	24 682 411
39. Contracted services		
Consultants and Professional Services		
Accounting and Auditing	3 942 802	3 248 254
Audit Committee	99 857	115 040
Human Resources	116 891	720 544
Legal Advice and Litigation	1 361 229	1 338 307
Medical Examinations	27 277	22 597
Research and advisory	646 640	682 801
Laboratory Services	-	31 830
Infrastructure and planning	114 358	714 038
	6 309 054	6 873 411
Outsourced Services		
Administrative and Support Staff	172 211	224 965
Alien Vegetation Control	150 300	491 404
Animal Care	-	-
Burial Services	339 209	535 754
Business and Advisory	259 800	325 252
Commissions and Committees	-	-
Call Centre	42 000	36 000
Catering Services	145 807	289 496
Clearing and Grass Cutting Services	387 105	801 145
Cleaning Services	5 103	1 696
Drivers Licence Cards	549 952	671 974
Litter Picking and Street Cleaning	980 060	2 423 113
Hygiene Services	211 799	314 464
Meter Management	1 220 783	385 170
Personnel and Labour	14 660 321	15 184 878
Refuse Removal	1 213 896	1 514 516
Sewerage Services	1 784 965	2 057 857
Security Services	192 159	447 862
Translators Scribes and Editors	51 780	80 434

BREEDE VALLEY MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019
39. Contracted services (continued)		
Traffic Fines Management	-	-
Veterinary Services	588	2 365
Valuer	848 485	396 973
Transport Services	106 700	122 600
	23 323 023	26 307 918
Contractors		
Catering Services	1 980	4 000
Electrical Services	3 162 030	6 995 517
Employee Wellness	11 250	747
Event Promoters	1 965 650	1 004 311
Gardening Services	55 850	67 220
Graphic Designers	50 640	117 465
Maintenance of Buildings and Facilities	2 352 976	5 563 584
Maintenance of Equipment	5 236 406	5 314 437
Maintenance of Unspecified Assets	10 217 105	10 970 356
Medical Services	57 531	106 362
Municipal services	-	-
Pest Control and Fumigation	-	8 000
Plants Flowers and Other Decorations	5 176	41 521
Prepaid Electricity Vendors	2 888 968	737 481
Tracing Agents and Debt Collectors	221 797	85 100
Transportation	5 893	8 460
Sewerage Services	-	25 000
Safeguard and Security	8 535 294	8 002 472
Safeguard and Security	-	-
Forestry	-	9 500
	34 768 546	39 061 533
	64 400 623	72 242 862
40. Grants and subsidies paid		
Other subsidies		
Grants in aid	5 163 293	5 071 526
Other grants and donations	-	9 612 778
	5 163 293	14 684 304

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
41. Operational cost		
Achievements and Awards	1 366 905	224 178
Advertising, Publicity and Marketing	634 640	1 331 940
Assets less than the Capitalisation Threshold	106 232	161 897
Drivers Licences and Permits	8 583	14 787
Bank Charges	1 067 337	849 480
Bargaining Council	109 816	108 983
Cleaning services	91 456	113 611
Communication - Postage/Stamps	753 790	1 037 813
Communication - Telephone and fax	2 550 098	2 722 878
Courier and Delivery Services	3 148	5 073
Entertainment	41 356	144 086
External Audit Fees	3 490 134	4 551 118
External Computer Service	6 853 398	5 170 541
Resettlement Cost	34 460	45 329
Full Time Union Representative	242 378	201 173
Hire Charges	3 610 469	4 387 903
Insurance (Premiums)	3 836 482	3 822 012
Insurance (excess payments)	226 464	304 148
Learnerships and Internships	1 978 192	2 842 749
Licences (Radio and Television)	19 855	84 193
Motor Vehicle Licence and Registrations	751 805	699 100
Municipal Activities	-	18 350
Municipal Services	1 644 332	1 588 478
Printing Publications and Books	73 190	126 295
Professional Bodies Membership and Subscription	3 544 008	3 218 302
Provisions for rehabilitation of landfill sites	8 931 171	4 770 723
Registration fees	181 923	238 423
Remuneration to Ward Committees	1 104 000	447 335
Protective clothing	1 326 512	1 340 291
Rewards Incentives	1 600	4 300
Skills Development Fund Levy	2 698 123	3 071 251
Travel and Subsistence	449 300	671 734
Water Resource Management Charges	1 478 729	1 549 044
Workmen's Compensation Fund	1 571 716	1 552 247
Bursaries	749 029	707 708
System Access and Information Fees	32 779	48 287
Communication - SMS Bulk Message Service	79 950	-
Signage	1 681	6 512
	51 645 041	48 182 272
42. Agency fees paid		
Prepaid electricity - third party vendor	7 190 586	5 293 151
Easypay	354 912	344 939
	7 545 498	5 638 090
43. Fair value adjustments		
Fair value adjustment on investment property	2 278 099	16 319 162
Other financial assets		
• Discounting of long term receivables: Movement for the year	(228 730)	1 901 088
	2 049 369	18 220 250

BREED VALLEY MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019
44. Service related benefits		
Performance Bonus	1 011 111	947 787
Post retirement medical aid benefit	(683 000)	1 630 000
Long service awards	1 398 636	3 291 584
Provision for leave payments	7 253 525	3 833 793
Provision for 13th cheques	340 842	817 333
Actuarial gain/(loss)	16 985 099	12 369 045
	26 306 213	22 889 542
45. Cash generated from operations		
Surplus	147 589 288	156 574 844
Adjustments for:		
Depreciation, amortisation and impairment	87 503 764	87 921 079
Loss/ (Profit) on sale of assets and liabilities	393 547	(2 963 506)
Loss/Profit on sale of intangible assets	101	-
Fair value adjustments	(2 049 368)	(18 220 250)
Finance income	-	(703 847)
Debt impairment	90 508 645	62 895 775
Actuarial gain/loss	(16 985 099)	(12 369 045)
Movements in retirement benefit assets and liabilities	32 518 479	28 829 913
Movements in provisions	-	3 936 206
Rehabilitation	8 931 174	120 552
Inventory losses	(70 994)	(28 037)
Donated assets	(185 000)	(31 000)
Other non-cash items	8 968 679	(758 949)
Changes in working capital:		
Inventories	(3 279 260)	5 290 876
Receivables from exchange transactions	(40 845 792)	(45 977 879)
Receivables from non-exchange transactions	(49 460 553)	(27 532 218)
Short term investments	-	-
Other receivables from non exchange	(2 824 358)	22 294 373
Payables from exchange transactions	8 411 961	(9 478 481)
VAT receivable	(251 982)	12 797 299
Unspent conditional grants and receipts	1 505 413	(29 238 474)
(Decrease) / Increase in Housing advances	-	3 067 276
Employee benefit obligation	(10 644 595)	(10 463 251)
	259 734 050	225 963 256

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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46. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Infrastructure	7 236 658	27 626 385
• Community	924 857	-
	8 161 515	27 626 385

Total capital commitments

Already contracted for but not provided for	8 161 515	27 626 385
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All capital commitments exclude VAT

This committed expenditure relates to infrastructure and will be financed through external loans, reserves and grants.

This Expenditure will be financed from:

External loans	-	-
Government grant	8 161 516	1 834 354
Capital replacement reserve	-	25 792 031
	8 161 516	27 626 385

47. Contingent liabilities

Guarantees

Guarantee Eskom (Nedbank)	63 400	63 400
Guarantee South Africa Post Office Limited (Nedbank)	120 000	120 000
	183 400	183 400

Legal Matters

Worcester Land Trust/BVM Case No.3168/6- Contractual claim against the municipality	31 037 841	31 037 841
Workmens Compensation Act- Current investigation about a dispute regarding an outstanding amount due by Council	1 646 110	1 646 110
Public Liability Insurance claims based on quotations and could result in a lesser amount or more. It is the view of management that it is unlikely that these claims will be paid out but might realise due to past experiences.	7 369 857	6 504 443
Claims for damages- it is the view of management that it is unlikely that these claims will be paid out but might realise due to past experiences.	206 276	85 853
Ngadlela / BVM - brought a review application in the Cape High Court for an order against certain decisions taken by BVM i.r.o the valuation of the above property.	16 767	-
Salman / BVM - permanent disability claim dispute	132 000	-
	-	-
	40 408 851	39 274 247

BREED VALLEY MUNICIPALITY

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48. Related parties

Awards and payments to persons with relatives in the service of Breede Valley Municipality

1. DJ X-Zito - Xolile Vas (Spouse/Husband of Nonthando Vas-Employee Number 11028)Nonthando Vas is an Typist/Clerk - Human Resources Department within the StrategicSupport Services Directorate of the Breede Valley Municipality	16 900	28 750
2. Lee-Handro Enterprises - Sheryl Manuel (Spouse/Wife of William Manuel-EmployeeNumber 3431)William Manuel is a General worker - Public Works,Buildings & Structure at the BreedeValley Municipality	206 190	70 600
4. T H Traders - Trevor Human (Brother of Deon Human-Employee Number 3538) //(Spouse/Husband of Ashlin Human)Deon Human is a Storeman - Public Works & Parks at the Breede Valley MunicipalityAshlin Human is an Accountant - Witzenberg Municipality	27 000	113 370
5. T.S Bushwana Taxis - Thamsanqa Bushwana (Father of Letitia Bushwana)Letitia Bushwana is a Clerk at the credit control section within the Breede ValleyMunicipality	16 200	24 000
6. Golimas Pty Ltd- Goliath Jacobs (Parent/Father of Brumilda Jacobs - EmployeeNumber 2266)Brumilda Jacobs is an Intern - Internal Audit (Office of the Municipal Manager) at theBreede Valley Municipality	81 700	51 200
7. Touwsrivier Civil Construction - Ernest Lottering (brother of Ivan Lottering)IvanLottering is employed as a General Worker at cemeteries within the Breede Valley Municipality	-	26 850
8. Saadia Neethling Catering Services - Saadia Neethling (Sister to Yusuf Esau) YusufEsau is employed by the Breede Valley Municipality as a carpenter	14 775	18 500
9. April Boukontrakteur - Megan Wehr (sister to Allen Swarts) Allen Swarts is employedby the Breede Valley Municipality as a plumber	233 609	213 846
10.CJ Construction - Channelle Jaftha (spouse of JP Jaftha) JP Jaftha is a councillor for the the Breede Valley Municipality	-	30 000
11.Hexvallei Sekuriteit - Marius Pheiffer (spouse of Marinda Pheiffer)Marinda Pheiffer isa senior clerk (income) at the Breede Valley Municipality	15 547	52 350
12. Deon Xolile Tshaluza T/A Deon - Pat Marran who is a councillor at BVM is an uncle.	3 000	-
13.African Traders - Nephew Benjamin Van Royeen works for BVM.	15 298	-
14. BDK Technologies (PTY) LTD - father Matheus Boonzaaier used to work for BVM as senior manager SCM,	4 620	-
15. Astra Catering - Husband Deon C. Human works for BVM as a storeman at Parks department.	17 505	-
16. Alsu Ondernemings BK -Brother Johannes Hendrik Viljoen works for BVM as an Assistant Engineer.	749 462	-
17.Harry's Uphostery - Betronice April who is a daughter works for the traffic department as a Traffic Officer.	47 530	-
18.Nuop Pty Ltd - Aubryan Danielle Opperman who is a spouse works for BVM as a general assistant.	221 675	-
19. CJ Nasson Maintenance - Jeswill Donavon Nasson who is a son works for BVM as a general assistant	98 900	-
	1 769 911	629 466

Awards and payments to persons with relatives in the service of other Municipalities:

20.Kemanzi (Pty) Ltd - Hazel Du Toit (Wife of Jeremy Du Toit) Jeremy Du Toit isemployed by the City of Cape Town as a Traffic Inspector	550 938	580 751
21.Excellence Bodyworks - Ndudumo Elliot Fonk (Father of N.P.Memani)N.P.Memani is employed at Bitou Municipality	-	4 626

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019
48. Related parties (continued)		
22.Engineering Advise and Services cc - Anton Westerberg (a brother to Shaun andMark Westerberg) Shaun and Mark are employed by the Buffalo City and Mossel BayMunicipalities, respectively	-	80 995
23.Gryde Enterprise - Cecilia Cook (mother of Jowin Cook)	-	6 550
24.Donmic Construction and Forestry (Pty) Ltd - Donovan Thomas (spouse toMichelle Thomas) Michelle Thomas is a cashier at Theewaterskloof Municipality	-	231 811
	550 938	904 733
Awards and payments to persons with relatives in other State Departments		
25.Ikapa Reticulation and Flow - Randall Davids (Husband of Sophia Davids). Sophia Davids is an employee in the Western Cape Education Department	-	214 338
26.CS Traffic Engineering and Consulting Services - Charles Schroeder (Brother ofJohn Schroeder)John Schroeder is an Officer at Parliament	-	4 980
27.Faibridges Wertheim Becker - Adela Petersen (Sister to Shaheed Hoofmeester)Shaheed Hoofmeester is employed by the Department of Education	524 479	183 878
28.HNS Technologies - Marthinus Scheffers (Father to Linzi Petersen)Linzi Petersen isemployed by the WCED as an Educator	-	28 700
29.Masiqhame Trading 77cc - Sandile Gxilishe (father of Simpiwe Gxilishe) SimpiweGxilishe is an Educator at the WCED	51 780	80 434
30.Sannicare cc - Izak Majiet (father of Charlton Majiet) Charlton Majiet is employedby the Department of Transport as a supervisor (Test Stations),	810 091	543 381
31.Casella Holdings - Nadine Solomons (sister to Bianca Crowder) Bianca Crowder isemployed by the EMS Metro as an Ambulance Driver,	-	23 902
32.Mpumamanzi Group - Caroline Bowers (daughter of Rosslyn Bowers) RosslynBowers is a Social Worker at the Western Cape Government,	-	90 321
33.W L A CIVILS (PTY) LTD - Maxwell Amos Kekam who is an uncle/Nephew works for SAPS as an Administration Clerk.	3 800	-
34.Total Client Services Limited - Nomagcisa Racheal Tsipa Sipoyo is the wife of the CEO and is working for Western Cape Department of Public Works as a Manager Logistics,	310 500	-
35.Nareng Trading (PTY) LTD - Mardeleen Lebaea who is a spouse of the director works for Dept. of Correctional Services as a security.	15 000	-
36.Tau Le Sechaba (PTY) LTD - Mzuvukile Ningi who is a brother in law of the director is a retired magistrate,	7 500	-
37.IThuba Industries - Wendy De Money is a spouse of the director and works for the Dept. of Education as a teacher.	59 311	-
38.Jones and Tyawana Traders - Cousin Phunyezwa Sineli works for Dept. of Correctional Services as a Correctional Officer.	25 500	-
39.Hippo Wassery II - Husband Andrei Abrahams works for SAPS Worcester as a Captain.	81 067	-
40.XKK Corporation (PTY) LTD - Sister Noxolo Charmaine Magwevana works for the Dept. of Correctional Services as a Correctional Service Officer.	165 853	-
41.Animal Welfare Society Worcester - Eugene Du Plessis works for the department of Agriculture as a Chief Animal Technician.	796 962	-
42.Canopy Country BK - Mother Madelanie Fourie works for Western Cape Department of Health as an Admin Officer.	194 120	-
43.Z Marais T/A Fancy Affairz - Spouse Clarke Marais works for SAPS as an admin clerk	10 500	-
	3 056 463	1 169 934

The total related party payments for the year amounts to R 5 377 312 (2019: R 2 704 133)

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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49. Unauthorised and fruitless and wasteful expenditure

No fruitless and wasteful expenditure was incurred during the financial year ended 30 June 2020.

50. Unauthorised expenditure

No unauthorised expenditure was incurred during the financial year ended 30 June 2020.

51. Irregular expenditure

No irregular expenditure was incurred during the financial year ended 30 June 2020.

Incidents/cases identified in the current year include those listed below:

52. Deviation from supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Accounting Officer and noted by Council.

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the Accounting Officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them in the next council meeting and includes a note to the annual financial statements.

During the financial year under review goods/services totalling R10 104 447 (2019: R23 726 505) were procured and the process followed in procuring those goods/services deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the Accounting Officer that considered them and subsequently approved the deviation from the normal supply chain management regulations. The reasons were categorised as sole suppliers, emergency, exceptional and impractical cases as well as special work of art. The deviations are inclusive of awards that are rate based. The rate based deviations are kept at anticipated cost and available budget. In the individual deviations the anticipated cost and budget will be detailed.

A detailed list of deviations is disclosed in Appendix J and available on the municipality's website.

Deviations for year

Emergencies	2 250 551	170 739
Sole provider	240 588	67 791
Impractical or impossible to follow the SCM process	7 613 308	23 487 975
	10 104 447	23 726 505

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019
53. Material losses		
Water distribution losses		
Units supplied	15 309 474	13 317 770
Units sold	(10 544 650)	(11 135 455)
	4 764 824	2 182 315
Electricity distribution losses		
Units bought	290 563 916	302 916 313
Units sold	(274 831 292)	(281 171 282)
	15 732 624	21 745 031
Percentage loss in distribution		
Water distribution losses	31,12%	16,39%
Electricity distribution losses	5,41%	7,18%

54. Change in estimate

Property, plant and equipment

Property, plant and equipment: A review of useful lives was done on assets. During the review, certain infrastructure, buildings, motor vehicles and other property plant and equipment with R nil book values and nil remaining lives were identified. The municipality's management considered how to account for the change in the estimated useful lives. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change effects that period only; or the period of the change in future periods, if the change effects both. Management concluded that it should apply the change in estimate prospectively from the start of 2020 and therefore the depreciation charge was applied prospectively from 1 July 2019 over the remaining useful life of these assets.

	2019 R	2020 R	2021 R
Decrease/(Increase) in depreciation on other assets for the year	646 886	475 530	9 180
Decrease/(Increase) in depreciation on infrastructure for the year	1 148 243	1 021 194	735 288
Decrease/(Increase) in depreciation on buildings for the year	-	-	-
	1 795 129	1 496 724	744 468

The effect on the current year is to increase the carrying amount of property, plant and equipment by R1 795 129 and decrease the depreciation expense by R 1 795 129.

Property, plant and equipment- Review of Landfill Site Available Airspace

During the year experts were appointed to evaluate the available airspace remaining on the landfill sites being used by the municipality to store solid waste. The review of the airspace resulted in a increase of the estimated number of years for the De Doorns landfill sites from 8.5 to 27.83 years . The increase in the remaining number of years resulted in an decrease of depreciation of R 2 442 994 (2019:R5 061 018).

The effect on the current year is an increase in the carrying amount of property, plant and equipment by R2 618 024 and decrease the depreciation expense by R 2 618 024.

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55. Prior Period Errors

Due to incorrect accounting treatment of the following financial transactions the figures of the prior year had to be restated:
Error 1: Top structures, to the amount of R3 343 807, handed over to beneficiaries during the previous financial year has not been accounted for.

Error 2: 25 Ervens that was approved by council and held for sale was not transferred from Property Plant and Equipment to Investment Property. The initial cost of these ervens were R1 513 but has been revalued by a valuator to be R1 116 000.

Error 3: Zero book value assets that do not meet the recognition criteria of an asset have not been disposed from the asset register in the previous financial year. The disposal of these assets affected the cost and accumulated surplus of Property Plant and Equipment in the prior year but ultimately had a zero rand effect on the bookvalue of Property Plant and Equipment as reported previously.

Error 4: During the year Rental Income of R572 460 had been reclassified from Housing Rental Income to Other Rental Income. This movement was only between the two classes of Rental Income and the balance for Rental Income for the 2018/19 year remained unchanged.

Error 5: Estimated post monitoring cost for landfill sites to the amount of R1 018 937 were not included in the provision for landfill sites in prior years.

Below is a summary of the total effect of prior period errors and reclassifications of comparative figures as previously disclosed in the annual financial statements, followed by a description of each individual prior period error and reclassification with the amounts involved.

Reclassifications:

The Guideline on Accounting for Arrangements in terms of the National Housing Programme became effective as of 1 July 2019. The guideline resulted in the adoption of GRAP 11: Construction Contracts. The effect of these new standards resulted in the following reclassifications:

Government grants and subsidies to the amount of R4 976 501 are reclassified and disclosed as Construction contracts. Grants and subsidies paid to the amount of R4 976 501 are reclassified and disclosed as Construction expenditure. Unspent conditional grants and receipts to the amount of R3 067 276 are reclassified and disclosed as Housing advances.

GRAP 109: Accounting by Principals and Agents also became effective during the current year and resulted in the following reclassifications:

Operational revenue to the amount of R 229 756 are reclassified and disclosed as Income from agency services. Operational cost to the amount of R5 638 090 are reclassified and disclosed as Agency fees paid.

Statement of financial performance Revenue	Balance as previously reported	Prior period error	Reclassified	Total
Service Charges	564 826 589	-	-	564 826 589
Sales of goods and rendering of services	4 403 781	-	-	4 403 781
Income from agency services	8 507 083	-	229 756	8 736 839
Licenses	2 951 734	-	-	2 951 734
Construction contracts	-	-	4 976 501	4 976 501
Rental income	9 989 819	-	-	9 989 819
Operational revenue	5 303 208	-	(229 756)	5 073 452
Finance Income	15 687 324	-	-	15 687 324
Property rates	135 728 091	-	-	135 728 091
Property rates - penalties imposed and collection	1 743 921	-	-	1 743 921
Government grants and subsidies	298 970 408	-	(4 976 501)	293 993 907
Fines, penalties and forfeits	37 240 287	-	-	37 240 287
Gains on disposal of assets	2 963 506	-	-	2 963 506
Actuarial gains	12 369 045	-	-	12 369 045
Fair Value adjustment	17 105 763	1 114 487	-	18 220 250
Inventory reversal	28 037	-	-	28 037
	1 117 818 596	1 114 487	-	1 118 933 083

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Figures in Rand		2020		2019	
Expenses				Total	
Employee related cost	(301 465 140)	-	-	(301 465 140)	
Remuneration of councillors	(17 674 674)	-	-	(17 674 674)	
Debt impairment	(62 895 775)	-	-	(62 895 775)	
Depreciation, amortisation and impairment	(87 921 079)	-	-	(87 921 079)	
Bulk purchases	(287 305 195)	-	-	(287 305 195)	
Finance cost	(24 682 411)	-	-	(24 682 411)	
Contracted services	(72 242 862)	-	-	(72 242 862)	
Grants and subsidies paid	(16 316 998)	(3 343 807)	4 976 501	(14 684 304)	
Inventory consumed	(27 324 255)	-	-	(27 324 255)	
Operating leases	(8 384 618)	-	-	(8 384 618)	
Operational cost	(52 801 425)	(1 018 937)	5 638 090	(48 182 272)	
Agency fees paid	-	-	(5 638 090)	(5 638 090)	
Construction expenditure	-	-	(4 976 501)	(4 976 501)	
	<u>(959 014 432)</u>	<u>(4 362 744)</u>	<u>-</u>	<u>(963 377 176)</u>	
Operating (deficit)/surplus	158 804 164	(3 248 257)	-	155 555 907	
Statement of financial position Current assets		Balance as previously reported	Prior period error	Reclassified	Total
Inventory		10 425 094	(3 343 807)	-	7 081 287
Vat receivable		910 722	-	-	910 722
Receivables from exchange transactions		97 322 163	-	-	97 322 163
Statutory receivables		33 551 722	-	-	33 551 722
Other receivables from non exchange transactions		4 120 615	-	-	4 120 615
Short term investments		15 220 962	-	-	15 220 962
Long term receivables		1 762 689	-	-	1 762 689
Cash and Cash Equivalents		94 866 840	-	-	94 866 840
		<u>258 180 807</u>	<u>(3 343 807)</u>	<u>-</u>	<u>254 837 000</u>
Non-current assets					Total
Investment property		43 750 400	1 116 000	-	44 866 400
Property, plant and equipment		2 201 900 566	(1 513)	-	2 201 899 053
Intangible assets		4 432 411	-	-	4 432 411
Heritage assets		36 631 059	-	-	36 631 059
Long term receivables		1 923 049	-	-	1 923 049
		<u>2 288 637 485</u>	<u>1 114 487</u>	<u>-</u>	<u>2 289 751 972</u>
Current liabilities					Total
Payables from exchange transactions		90 292 746	-	-	90 292 746
Consumer deposits		4 083 339	-	-	4 083 339
Unspent conditional grants and receipts		21 301 107	-	(3 067 276)	18 233 831
Housing advances		-	-	3 067 276	3 067 276
Long term liabilities		16 494 542	-	-	16 494 542
Employee benefit obligation		37 301 739	-	-	37 301 739
Provisions		1 156 110	-	-	1 156 110
		<u>170 629 583</u>	<u>-</u>	<u>-</u>	<u>170 629 583</u>
Non-current liabilities					Total
Long term liabilities		203 881 100	-	-	203 881 100
Employee benefit obligation		153 177 927	-	-	153 177 927
Provision		86 582 324	1 018 937	-	87 601 261
		<u>443 641 351</u>	<u>1 018 937</u>	<u>-</u>	<u>444 660 288</u>

BREED VALLEY MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2020		2019
Nett Asset Restatement			Total
Accumulated surplus previously reported	1 932 547 362	-	1 932 547 362
Top structures transferred from inventory to expenditure	(3 343 807)	-	(3 343 807)
Investment Property transferred to Property Plant and Equipment	1 114 487	-	1 114 487
Post Monitoring Cost - Landfill sites	(1 018 937)	-	(1 018 937)
	1 929 299 105	-	1 929 299 105
			Total
Balance 1 July 2018 (previously reported)	1 775 611 344	-	1 775 611 344
Landfill Site Correction	-	(1 109 199)	(1 109 199)
	1 775 611 344	(1 109 199)	1 774 502 145
Restated Balance 1 July 2018	1 774 502 145	-	1 774 502 145
Changes in net assets	(758 947)	-	(758 947)
Surplus previously reported	158 804 164	(3 248 257)	155 555 907
Top structures transferred	-	(3 343 807)	-
Investment Property transferred to PPE	-	1 114 487	-
Landfill Site Correction	-	(1 018 937)	-
	1 932 547 362	(3 248 257)	1 929 299 105

Due to the changes as reflected above in the Statement of Financial Performance and Statement of Financial Position, the cashflow statement had to be restated. Please refer to details of each reclassification below for the nature and impact of the reclassification.

Cash Flow Statement	Balance as previously reported	Prior period error	Reclassified	Total
Cash flows from services and rate payers	731 516 548	3 067 869	-	734 584 417
Cash flows from government and other grants	272 768 210	(3 067 276)	-	269 700 934
Finance income: investing activities	14 983 477	-	-	14 983 477
	1 019 268 235	593	-	1 019 268 828
Payments				Total
Cash paid to employees	(300 773 154)	-	-	(300 773 154)
Cash paid to suppliers	(451 532 417)	(1 633 287)	-	(453 165 704)
Finance costs	(24 682 411)	-	-	(24 682 411)
Grants paid	(16 316 998)	1 632 694	-	(14 684 304)
	(793 304 980)	(593)	-	(793 305 573)
Cash flows from investing activities				Total
Purchase of property, plant and equipment	(266 205 430)	1 512	-	(266 203 918)
Proceeds from sale of property, plant and equipment	3 734 808	-	-	3 734 808
Purchase of other intangible assets	(71 600)	-	-	(71 600)
Long term receivables	4 816 001	-	-	4 816 001
Investment property additions	-	(1 512)	-	(1 512)
Increase/ decrease in investment	30 703 847	-	-	30 703 847
	(227 022 374)	-	-	(227 022 374)

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Figures in Rand	2020	2019
Cash flows from financing activities		Total
Repayment of long term liabilities	(9 695 960)	(9 695 960)
Movement in consumer deposits	171 180	171 180
	(9 524 780)	(9 524 780)
 Net increase/(decrease) in cash and cash equivalents	 (10 583 899)	 Total (10 583 899)
Cash and cash equivalents at the beginning of the year	105 450 738	105 450 738
	94 866 839	94 866 839

56. Financial instruments disclosure

Categories of financial instruments

2020

Financial assets

	At amortised cost	Total
Cash and cash equivalents	146 719 509	146 719 509
Receivables from exchange transactions	99 050 922	99 050 922
Other receivables from non- exchange transactions	623 328	623 328
Other receivables from non- exchange transactions	2 176 156	2 176 156
Long term receivables	5 281 060	5 281 060
Short term investments	15 419 904	15 419 904
	269 270 879	269 270 879

Financial liabilities

	At amortised cost	Total
Long term Liabilities	209 612 785	209 612 785
Consumer deposits	4 231 352	4 231 352
Payables from exchange transactions	89 445 964	89 445 964
Unspent conditional grants	19 739 244	19 739 244
Housing advances	2 039 797	2 039 797
	325 069 142	325 069 142

2019

Financial assets

	At amortised cost	Total
Cash and cash equivalents	94 866 840	94 866 840
Receivables from exchange transactions	97 322 163	97 322 163
Other receivables from non- exchange transactions	697 313	697 313
Other receivables from non- exchange transactions	2 779 262	2 779 262
Long term receivables	3 685 739	3 685 739
Short term investments	15 220 962	15 220 962
	214 572 279	214 572 279

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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56. Financial instruments disclosure (continued)

Financial liabilities

	At amortised cost	Total
Long term Liabilities	220 375 642	220 375 642
Consumer deposits	4 083 339	4 083 339
Payables from exchange transactions	83 379 422	83 379 422
Unspent conditional grants	18 233 831	18 233 831
Housing advances	3 067 276	3 067 276
	329 139 510	329 139 510

57. Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities. Prudent liquidity risk management implies maintaining sufficient cash and investments, the availability of funding for service delivery through effective budgeting and availability of credit facilities. The municipality manages its risks through effective and efficient budgeting and credit control. The liquidity risk is thus limited.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	89 445 964	-	-	-
Consumer deposits	4 231 352	-	-	-
Long term liabilities	17 433 217	13 040 715	48 750 215	130 388 638
Unspent conditional grants	19 739 244	-	-	-
Housing advances	2 039 797	-	-	-
	132 899 574	13 040 715	48 750 215	130 388 638
At 30 June 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	83 379 415	-	-	-
Consumer deposits	4 083 339	-	-	-
Long term liabilities	16 494 543	11 701 644	43 767 993	148 411 462
Unspent conditional grants	18 233 831	-	-	-
Housing advances	3 067 276	-	-	-
	125 258 404	11 701 644	43 767 993	148 411 462

Credit risk

Credit risk is managed by debt collection department. The credit risks, rates and consumer receivables, are managed in terms of the credit control and debt collection as well as the indigent relief policies.

Credit risk consists mainly of cash deposits, cash equivalents and receivables. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

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57. Risk management (continued)

Receivables arise from a widespread customer base. Management evaluated credit risk relating to receivables on an ongoing basis. If receivables are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the receivable, taking into account past experience with the client's payment rate. Sales to customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument		
Receivables from exchange transactions	99 050 922	97 322 163
Other receivables from non-exchange transactions	623 328	697 313
Other receivables from exchange transactions	2 176 156	2 779 262
Long term receivables	5 281 060	3 685 739
Short term investments	15 419 904	15 220 962
Cash and cash equivalents	146 719 509	94 866 840
	<u>269 270 879</u>	<u>214 572 279</u>

Market risk

Interest rate risk

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

A potential interest rate risk may arise from the short term deposits, cash and cash equivalents, consumer receivables, other receivables and long term receivables.

The short term deposits and cash and cash equivalents has limited exposure as the municipality interacts with well-established financial institutions of high credit standing. The investments are further of a short term nature.

Consumer receivables comprise of receivables dispersed over a large geographical area. The receivables are constantly analysed and evaluated for their financial condition. Receivables are disclosed net of the allowance for impairment. Where the accounts of the receivables become in arrears, they are collected through the levying of a penalty, the charging of interest at prime or the handing over for collection.

Long term receivables comprise mainly of the deferred consumers which shown at a fair value. The remaining long term receivables if required are charged interest at a fixed rate. The long term receivables are evaluated annually for impairment.

The municipality has a low interest rate risk as a long-term borrowing are made on fixed interest rates.

As the municipality has no long term variable rate financial instruments no sensitivity analysis is required at year end.

Price risk

The municipality is not exposed to price risk.

58. In-kind donations and assistance

In-kind donations, in the form of assets, to the value of R185 000 have been received by the Municipality during the 2019/20 financial year.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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59. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Municipality assessed the going concern assumptions under the current economic climate resulting from the COVID-19 pandemic. Management considered a wide range of factors including the current and expected performance of the municipality, the amendment of government funding and where necessary potential sources of replacement funding.

60. Events after the reporting date

Summons was issued against the municipality in the High Court of South Africa (Western Cape Division) under case no: 12265/2020. The Plaintiff, Cartrack (Pty) Ltd. is demanding payment from the municipality as Defendant in an amount of R433 876.15 for fleet management services rendered to the municipality. Summons was served on the municipality on 7 September 2020.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the entity for future periods

61. COVID-19 Response Expenditure

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. On 23 March 2020 President Cyril Ramaphosa announced a nationwide lockdown to contain the spread of the virus.

Safety measures such as travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

On the 30 March 2020 the Minister of Finance issued a conditional Exemption Notice in terms of Section 177(1)(b) of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA), in order to facilitate and enable the performance of legislative responsibilities by municipalities and municipal entities during the national state of disaster.

The table below indicates the total COVID-19 expenditure for the period ending 30 June 2020.

Expenditure		
Tankering of water	139 475	-
Chemical toilets	64 860	-
Food distribution	850 000	-
Screening and testing	126 270	-
Sanitising and cleansing	455 766	-
Protective Clothing	1 439 123	-
General other	12 616	-
Communication	93 783	-
	3 181 893	-

The table below indicates the funding sources for the period ending 30 June 2020.

Funding Sources		
Own Funding	33 893	-
Municipal Disaster Relief Grant	298 000	-
Local Government Support Grant	850 000	-
CWDM Projects	2 000 000	-
	3 181 893	-

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Annual Financial Statements for the year ended 30 June 2020

Notes to the Annual Financial Statements

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62. Additional disclosure in terms of Municipal Finance Management Act			
Municipal bank accounts			
Bank statement balances	30 June 2020	30 June 2019	30 June 2018
ABSA Bank - Worcester Branch Cheque Account	-	-	82 833 362
Nedbank - Worcester Branch Cheque Account	148 605 540	97 491 252	31 524 496
	<u>148 605 540</u>	<u>97 491 252</u>	<u>114 357 858</u>
Cash book balances	30 June 2020	30 June 2019	30 June 2018
	<u>146 706 375</u>	<u>94 853 665</u>	<u>105 436 928</u>
Membership fees: SALGA			
Current year subscription / fee		3 467 911	3 128 922
Amount paid - current year		(3 467 911)	(3 128 922)
		<u>-</u>	<u>-</u>
Audit fees			
Opening balance		-	-
Current year subscription / fee		3 490 134	4 551 118
Amount paid - current year		(3 490 134)	(4 551 118)
		<u>-</u>	<u>-</u>
PAYE and UIF			
Opening balance		3 623 943	3 195 983
Current year subscription / fee		46 833 748	43 646 174
Amount paid - current year		(43 197 995)	(40 023 780)
Amount paid - previous years		(3 623 943)	(3 195 983)
		<u>3 635 753</u>	<u>3 622 394</u>
Pension and medical aid deductions			
Opening balance		362 295	(203 073)
Current year subscription / fee		91 960 536	86 443 413
Amount paid - current year		(91 423 670)	(86 081 118)
Amount paid - previous years		(362 295)	203 073
		<u>536 866</u>	<u>362 295</u>
VAT			
VAT receivable		1 162 704	910 722

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

As at 30 June 2020 there were no Councillors with arrear consumer accounts outstanding for more than 90 days.

BREEDE VALLEY MUNICIPALITY

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62. Additional disclosure in terms of Municipal Finance Management Act (continued)

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Council. The expenses incurred as listed hereunder have been condoned.

A detailed list of deviations is in Appendix J available and on the municipality's website.

63. Additional disclosure in terms of the Broad-Based Black Economic Empowerment Act

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2020
EXTERNAL LOANS

Mun Ref.		Fin Inst. Ref.	Date Received	Amount Received	Date Redeemable	Transactions for the year to date:				Less:		Add:	Balance as at 30/06/2020	Carrying Value	Short term Portion	Long term Portion
			Received			Balance as at 30/06/2019	Received	Redeemed	Interest Paid	Interest Accrued Previous Year	Interest Accrued Current Year	30/11/06030x	30/12/03097x			
EXTERNAL LOANS																
ANNUITY & STOCK LOANS																
3-9001-60725190																
B																
556			14/07/2005	21 736 259.25	31/03/2014									338 109 896.79		
DBSA: @10.55%														1 189 642.65		
557			14/11/2005	22 000 000.00	31/03/2015									8 251 450.84		
DBSA: @10.891%														11 407 888.27		
558					31/03/2009									20 482.09		
DBSA: @ 10.40%														1 731 349.49		
559			26/06/1997	9 179 000.00	31/03/2014									343 064.36		
DBSA: @ 11.00%														1 211 103.65		
560		10647/102	02/11/1999	3 000 000.00	31/03/2017	0.00								4 929 604.58		
DBSA: @12.00%		10736/102	25/07/1997	7 000 000.00	31/03/2017									13 371 960.68		
ABSA: @ Variable rate					30/06/2009									29 704 547.31		
562		102124/1	21/06/2008	25 000 000.00	30/09/2016	0.00								1 093 303.30		
DBSA: @ 8.69%			29/09/2006	50 000 000.00	30/09/2016									14 923 428.99		
INCA/FNB: @ 10.21%			29/09/2006	5 000 000.00	30/09/2012									28 962 572.27		
INCA/FNB: @ 10.14%		10283/1	31/03/2008	23 000 000.00	31/03/2018									105 310.91		
DBSA: @ 5.00%		10283/2	31/03/2008	40 000 000.00	31/03/2018									13 640 424.18		
DBSA: @ 9.46%			31/03/2008	2 000 000.00	31/03/2015									21 525 424.19		
DBSA: @ 9.46%		11097	103649/2	09/03/2010	29 000 000.00	14 568 007.19	927 583.01	1 061 698.85	2 705 435.25	(245 337.14)	229 551.52			16 863 185.33	994 042.63	12 646 381.55
DBSA: @ 6.75%					31/03/2030	22 587 121.04								24 190 511.30	1 201 788.93	20 323 635.26
DBSA: @ 12.08%		11098	103649/1	09/03/2010	29 000 000.00	39 771 293.77								40 535 019.10	2 195 152.52	35 621 713.37
DBSA: @ 11.326%		11099	103649/3	16/07/2010	50 000 000.00									42 753 307.54	2 207 307.56	36 174 202.80
DBSA: @ 11.5%		11100	103649/4	29/06/2011	50 000 000.00									46 194 215.80	2 279 488.96	38 703 885.07
DBSA: @ 12.14%		11101	103649/5	20/06/2013	51 000 000.00	42 997 012.20								35 334 314.01	859 791.13	35 087 270.60
DBSA: @ 11.431%		19975	61007341	20/05/2016	38 500 000.00	36 684 515.37								14 992 833.32	1 963 895.96	13 622 479.40
DBSA: @ 10.824%		19976	61007374	20/05/2016	21 500 000.00	17 339 823.72								15 586 475.36		

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Annual Financial Statements for the year ended 30 June 2020
EXTERNAL LOANS

INTEREST ALLOCATED INCOME & EXPENDITURE		
Department	Main Vote	Amount
Operational Services Admin	1503	316 808,07
P.W. Stormwater Drains: Worces	1533	23 790,90
P.W.: Street Lighting	1536	1 804 267,04
P.W. Streets: Worcester	1539	98 756,36
Boland Park Sportground	5130	208 883,70
R.F.: Parks (Other)	5151	39 422,58
R.R. Removal: Worcester	6803	68 684,42
Sew.:Disp.Works-Touwsrivier	6805	9 283 758,16
Sew.: Disp. Works-Worcester	6906	149 518,51
Sew.: Disp. Works-Rawsonville	6907	1 816 237,31
Sew. Networks: Worcester	6912	6 855 339,32
Elec.: Network & Substation	8112	511 759,13
Network & Pumps: Worcester	8412	2 443,84
W.M.: Fairy Glen D	8415	38 677,08
Bulk Water De Doorns	8416	2 074 651,32
W.M.: Stettyskloof Dam	8418	338 883,26
Res.: Vehicle distribution	8860	
		23 642 881,00
Interest Paid		23 995 870,13
Interest Accrued	2018/19	(6 084 638,36)
Interest Accrued	2019/20	5 731 649,23
Total		23 642 881,00

BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2020
APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets	Cost/Revaluation 2020									
	Opening balance as previously stated 30-06-2019	Prior period error	Restated opening balance 30/6/2019	Additions	Grat 12 Transfer	Fair value adjustment	Transfers	Restoration of assets	Disposals	Closing Balance 30-06-2020
LAND	233 614 537	-1 513	233 613 024				0		-	233 613 024
BUILDINGS	304 301 404		304 301 404	8 784 244			8 271 640			321 357 288
INFRASTRUCTURE	2 818 930 007	-132 962	2 818 797 045	178 671 862	-47 470		-14 172 608		(11 819 534)	2 971 429 295
HERITAGE ASSETS	36 631 059		36 631 059							36 631 059
OTHER ASSETS	129 656 053		129 656 053	8 024 812			5 900 969	9 910 822	(4 745 571)	148 747 085
INTANGIBLE ASSETS	6 230 703	-79 579	6 151 124						(787 043)	5 364 081
INVESTMENT PROPERTY	43 750 400	1 116 000	44 866 400			2 278 100	0		-	47 144 500
Total	3 573 114 162	901 946	3 574 016 108	195 480 918	-47 470	2 278 100	0	9 910 822	-17 352 147	3 764 286 331

BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets	Cost/Revaluation 2019									
	Opening balance as previously stated 30-06-2018	Prior period error	Restated opening balance 30/6/2018	Additions	Gap 12 Transfer	Fair value adjustment	Transfers	Restoration of Assets	Disposals	Closing Balance 30.6.2019
LAND	239 657 087		239 657 087				-8 042 550			233 614 537
BUILDINGS	275 630 453		275 630 453	32 863 114			-836 788		(3 353 375)	304 301 404
INFRASTRUCTURE	2 669 970 405	(49 955 236)	2 620 015 169	197 413 475	2 611 502		119 843		(1 229 782)	2 818 930 007
HERITAGE ASSETS	36 631 059		36 631 059							36 631 059
OTHER ASSETS	97 233 190		97 233 190	35 654 868			1 470	184 419	(3 417 896)	129 656 055
INTANGIBLE ASSETS	7 056 610	(893 317)	6 163 293	71 600					(4 190)	6 230 703
INVESTMENT PROPERTY	21 785 500		21 785 500			15 204 675	6 760 225			43 750 400
Total	3 347 964 304	(50 848 563)	3 297 115 751	266 003 058	2 611 502	15 204 675	-0	184 419	-8 005 243	3 573 114 162

BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2020
APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets	Accumulated Depreciation 2020									
	Opening balance as previously stated 30-06-2019	Prior period error	Restated opening balance 30-06-2019	Additions	Impairment	Disposals	Restoration of Assets	Transfers	Closing Balance 30-06-2020	Carrying Value 30-06-2020
LAND	-		-						-	233 613 024
BUILDINGS	180 297 779		180 297 779	5 766 631					186 064 410	135 292 878
INFRASTRUCTURE	1 050 661 784	(132 862)	1 050 528 822	69 297 736		(11 819 534)		40 059	1 108 047 082	1 863 382 214
HERITAGE ASSETS	-		-						-	36 631 059
OTHER ASSETS	53 641 871		53 641 871	9 745 516		(4 347 014)	2 443 000	(40 059)	61 443 313	87 303 771
INTANGIBLE ASSETS	1 798 291	(79 579)	1 718 712	250 881		(787 043)			1 182 551	4 181 530
INVESTMENT PROPERTY	-		-						-	47 144 500
Total	1 286 398 724	-212 541	1 286 187 183	85 060 765	0	-16 953 591	2 443 000	-	1 356 737 357	2 407 548 976

BREDE VALLEY MUNICIPALITY
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APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets	Accumulated Depreciation 2019									
	Opening balance as previously stated 30-06-2018	Prior period error	Restated opening balance 30-06-2018	Additions	Impairment	Disposals	Restoration of Assets	Transfers	Closing Balance 30.6.2019	Carrying Value 30.6.2019
LAND	-		-						-	233 614 537
BUILDINGS	177 667 601		177 667 601	5 983 553		(3 353 375)			180 297 779	124 003 626
INFRASTRUCTURE	1 033 647 289	(49 955 236)	983 692 053	68 173 768		(1 204 037)			1 050 661 784	1 768 268 223
HERITAGE ASSETS	-		-						-	36 631 059
OTHER ASSETS	42 844 612		42 844 612	13 399 353	70 345	(2 672 440)			53 641 871	76 014 182
INTANGIBLE ASSETS	2 401 641	(893 317)	1 508 324	294 057		(4 090)			1 798 281	4 432 412
INVESTMENT PROPERTY	-		-						-	43 750 400
Total	1 256 561 143	-50 848 553	1 205 712 590	87 650 731	70 345	-7 233 945	-3	0	1 286 399 724	2 286 714 438

BREEDE VALLEY MUNICIPALITY

APPENDIX C

STATISTICAL INFORMATION

		2020	2019	2018	2017
(1) General Statistics					
(a) Population.	±				
(b) Valuation					
(i) Taxable					
Land		6 309 895 800	6 902 659 400	6 015 586 900	6 494 921 900
Improvements		18 184 733 500	17 502 936 000	18 038 844 300	17 348 304 300
(ii) Non Taxable					
Land					
Improvements					
(iii) Date of Last General Valuation		2016/07/01	2016/07/01	2016/07/01	2016/07/01
(c) Number of properties					
Residential		21 083	21 065	20 932	20 713
Commercial		1 063	1 065	1 038	1 125
Welfare Institutions		241	244	238	4 579
Agri/Farms		1 874	1 863	1 883	1 903
Industrial		236	235	236	
Public Serv. Infrastructure		338	336	335	
National Monuments		26	28	27	
Municipal Properties		3 879	3 890	3 979	
State		106	106	104	
Mine		5	-	-	
(d) Assessment Rate: Cent in the Rand		0.9302 + 1.8603	0.8278 + 1.6556	0.7809 + 1.5618	0.7360 + 1.4720
(e) Number of Employees					
Employed		932	940	934	879
Vacancies		227	182	149	178
(2) Electrical Statistics					
(a) Number of users	±	27 653	28 000	27 653	27 653
(b) Units bought	kWh	290 563 916,40	302 916 313,19	300 068 505,13	317 011 404,30
(c) Units sold	kWh	274 831 292,00	281 171 281,50	280 162 315,00	297 326 393,70
(d) Units lost in distribution	kWh	15 732 624,40	21 745 031,69	19 906 190,13	19 685 010,60
(e) Percentage of units lost in distribution		5,4145%	7,1786%	6,6339%	6,2096%
(f) Cost per unit bought	R	1,312900	1,172764	1,077257	1,119742
(g) Loss in distribution	R	20 655 363	25 501 799	21 444 083	22 042 128
(h) Cost per unit sold	R	1,388056268	1,263463	1,153799	1,193876
(i) Income per unit sold	R	1,515657	1,384090	1,302097	1,316579
(3) Water Statistics					
(a) Number of users	±	27 864	28 000	27 864	28 273
(b) Units supplied	Kl	15 309 473,97	13 317 770,00	12 569 124,00	12 993 400,00
(c) Units sold	Kl	10 544 650,49	11 135 455,00	10 802 841,00	10 705 472,00
(d) Units lost in distribution	Kl	4 764 823,48	2 182 315,00	1 766 283,00	2 287 928,00
(e) Percentage of units lost in distribution		31,1234%	16,3865%	14,0526%	17,6084%
(f) Cost per unit supplied	R	5,444189	4,781119	4,573842	5,674011
(g) Loss in distribution	R	25 940 600	10 433 907	8 078 699	12 981 730
(h) Cost per unit sold	R	7,731312	5,718117	5,321673	6,886637
(i) Income per unit sold	R	8,437124	6,305673	5,250956	6,484819
(4) Sundry Statistics					
(a) Area in km²		3 833	3 833	3 833	3 833
(b) Previous election		70002	70002	70002	70002
Number of registered voters					
% poll					
(c) Building survey:					
(i) Building plans					
Number passed		504	496	568	674
Value passed (R '000)	±	389 418 000	360 039 000	442 154 000	475 154 000
(ii) Inspections performed	±	3 100	2 500	3 500	2 188
(d) Housing					
(i) Number of dwelling units	±	2 696	2 688	2 688	2 682
(ii) Number of people acc	±	495	13 440	12 096	102
(iii) Number of people on waiting list		19 945	26 116	25 659	26 000
(e) Fire service stations		3	3	2	2

BREDE VALLEY MUNICIPALITY																			
Annual Financial Statements for the year ended 30 June 2020																			
APPENDIX D: GRANTS AND SUBSIDIES RECEIVED																			
NAME OF GRANTS	Name of origin of state or Municipality Entity	Balance 1 July 2019	Quarterly Receipts				Quarterly Expenditures				Balance 30 June 2020	Grants and subsidies delayed/ withheld				Reason for delay/ withholding of funds	Comply with the grant conditions in terms of latest DOBA	Reason for non compliance	
			Sept 19	Dec 19	March 20	June 20	Sept 19	Dec 19	March 20	June 20		Sept 19	Dec 19	March 20	June 20				
Equitable Share	National	-	49 185 000	39 332 000	29 500 000		29 499 000	32 778 687	33 598 333	22 125 000	-	-	-	-	Not applicable	Yes	None		
Financial Management grant	National	-	1 550 000					1 048 811	294 973	206 216	-	-	-	-	Not applicable	Yes	None		
EPW: National	National	-	804 000		2 411 000		703 887	680 643	863 044	967 416	-	-	-	-	Not applicable	Yes	None		
Mun. Infrastr. Grant (MIG)	National	1 321 839	9 189 000			25 174 944		2 976 914	4 742 620	17 615 085	10 151 163	-	-	-	Not applicable	Yes	Project ongoing		
Mun. Infrastr. Grant (MIG)	National	-			-	88 056				88 056	-	-	-	-	Not applicable	Yes	None		
NT Disaster grant	National	-				138 000				138 000	-	-	-	-	Not applicable	Yes	None		
NT Disaster grant	National	-				180 000				180 000	-	-	-	-	Not applicable	Yes	None		
Integrated National Electrification Grant	National	-	4 000 000	5 000 000	1 000 000		450 908	851 290	293 792	8 404 010	-	-	-	-	Not applicable	Yes	None		
Public Libraries- Operational	Provincial	-	3 246 000	3 246 000	3 246 000		2 282 804	2 517 713	2 302 978	2 634 505	-	-	-	-	Not applicable	Yes	None		
Public Libraries- Capital	Provincial	-									-	-	-	-	Not applicable	Yes	None		
National Roads Agency	Provincial	-			146 000				146 000		-	-	-	-	Not applicable	Yes	None		
CDW Grant Support 0809	Provincial	-			186 000				186 000		-	-	-	-	Not applicable	Yes	None		
FMSG: Revenue Enhancement	Provincial	1 000 000			800 000					1 800 000	-	-	-	-	Not applicable	Yes	None		
FMSG: Man Capacity grant	Provincial	380 000			380 000		30 000				710 000	-	-	-	Not applicable	Yes	Project ongoing		
FMSG: Implemen. of mSCOA	Provincial	-			280 000			233 560	22 864	23 577	-	-	-	-	Not applicable	Yes	None		
Local Government Internship	Provincial	-			80 000				19 872	9 288	50 840	-	-	-	Not applicable	Yes	Project ongoing		
RSEP Projects- Operational	Provincial	(85 000)				-				-	(85 000)	-	-	-	Not applicable	Yes	None		
RSEP Projects Capital	Provincial	1 067 225		5 100 000		-	1 522 530	2 949 524	85 133	781 938	818 098	-	-	-	Not applicable	Yes	Project not completed		
LG Graduate Internship Grant	Provincial	-									-	-	-	-	Not applicable	Yes	None		
Thusong Centre	Provincial	-		220 000			9 821		127 082		83 097	-	-	-	Not applicable	Yes	Project ongoing		
PT Disaster grant	Provincial	-				850 000				850 000	-	-	-	-	Not applicable	Yes	None		
Zwelethamba 242 erven	Provincial	767 968						767 968			-	-	-	-	Not applicable	Yes	None		
De Doorns 1400 PLS	Provincial	259 510								259 510	-	-	-	-	Not applicable	Yes	None		
Housing mun service delivery	Provincial	448 000				238 000				446 825	239 175	-	-	-	Not applicable	Yes	Project ongoing		
Avlan park 438 Houses	Provincial	2 039 797									2 039 797	-	-	-	Not applicable	Yes	Project ongoing		
De Nova Town Development	Provincial	-		190 633						190 633	-	-	-	-	Not applicable	Yes	None		

BREEDIE VALLEY MUNICIPALITY																			
Annual Financial Statements for the year ended 30 June 2020																			
APPENDIX D: GRANTS AND SUBSIDIES RECEIVED																			
NAME OF GRANTS	Name of organ of state or Municipality Entity	Balance 1 July 2019	Quarterly Receipts				Quarterly Expenditures				Balance 30 June 2020	Grants and subsidies delayed/ withheld				Reason for delay/ withholding of funds	Comply with the grant conditions in terms of latest DORA	Reason for non compliance	
			Sept 19	Dec 19	March 20	June 20	Sept 19	Dec 19	March 20	June 20		Sept 19	Dec 19	March 20	June 20				
SunnySide Orchard De doorns	Provincial	-			556 200							556 200					Not applicable	Yes	None
Avian Park 205 Houses	Provincial	-															Not applicable	Yes	None
Tittle Deeds	Provincial	3 421 535				314 000											Not applicable	Yes	Project ongoing
PAWC Fire equipment	Provincial	3 481															Not applicable	Yes	None
Housing : transhex operating	Provincial	-																	
Housing: Transhex	Provincial	6 102 174			69 568 470	34 851 256											Not applicable	Yes	Project ongoing
Housing: Transhex	Provincial	-															Not applicable	Yes	None
58 Houses for staff (SAMWU)	Housing grant	44 824																	
1800 Zwelethemba Housing Project	Housing grant	1 449 005																	
350 Houses Avian Park	Housing grant	(422 643)																	
339 Houses	Housing grant	24 464																	
708 Avianpark	Housing grant	466 876																	
331 People Housing Proj. Zwelethemba	Housing grant	2 524 407																	
LOWSETA	Other	-			467 100	164 021													
Work for Water Projects	Other	-				637 220	152 499	152 500	204 928	303 308	(176 015)								
CWD: Toerisme	Other	-			100 000	2 000 000				2 000 000	100 000								
CWD: Toerisme	Other	-			500 000					71 245	428 755								
Donated Assets: Verhivels	Private Donation	-				185 000													
		-																	
		20 793 462	67 954 000	53 088 633	109 220 770	64 800 497	34 851 460	44 959 071	112 824 209	102 157 161	21 285 382								
SUMMARY			Balance 01/07/19	Dec 19	March 20	June 20	Sept 19	Dec 19	March 20	June 20	Balance 30/06/2020								
			20 793 462	295 063 900					294 591 979		21 285 382								
Register summary	Unutilised Balance - 01/07/2019	Debit Balance 01/07/2019	Recollected 01/07/2019 - 30/06/20	Other Income	Capital Donated	Written - off	Conditions met Income statement Operating	Conditions met Income statement Capital	Refundad	To Other Debtors	Balance 30/06/2020								
	21 301 107	(507 643)	190 459 174	104 604 726	-	(4 355 288)	(141 849 613)	(147 061 761)	(1 325 320)	(513 658)	21 779 041								
		20 793 464		295 063 900			(294 591 981)				21 265 393								

Appendix E A2

WC025 Breede Valley - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2019/20										2018/19	
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Adjustment Budget 11 June 2020	Approved Virements (Budget Virement Policy 2019/2020)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome	
R thousand	1	2	3	4	5	6	7	8	9	10	14	
Revenue - Standard												
Governance and administration	202 484	5 899	208 383	328	208 711	300 853		92 142	144,1%	148,6%	308 364	
Executive and council	147	2 500	2 647	(500)	2 147	2 449		302	114,1%	1670,5%	1 044	
Finance and administration	202 337	3 399	205 736	828	206 564	298 404		91 840	144,5%	147,5%	307 275	
Internal audit	-	-	-	-	-	-		-	-	-	44	
Community and public safety	169 899	(75 244)	94 655	157 424	252 080	42 087		(209 993)	16,7%	24,8%	107 604	
Community and social services	11 585	-	11 585	-	11 585	11 080		(505)	95,6%	95,6%	15 025	
Sport and recreation	11 374	-	11 374	(5 330)	6 044	3 034		(3 010)	50,2%	26,7%	3 461	
Public safety	1 577	-	1 577	207 174	208 751	3 140		(205 611)	1,5%	199,1%	47 478	
Housing	145 363	(75 244)	70 119	(44 420)	25 700	24 833		(867)	96,6%	17,1%	41 640	
Health	-	-	-	-	-	-		-	-	-	-	
Economic and environmental services	153 865	89 703	243 568	(168 118)	75 450	86 944		11 494	115,2%	56,5%	7 496	
Planning and development	6 823	1 067	7 890	-	7 890	6 666		(1 224)	84,5%	97,7%	5 464	
Road transport	144 780	88 636	233 416	(168 118)	65 297	79 465		14 167	121,7%	54,9%	817	
Environmental protection	2 262	-	2 262	-	2 262	813		(1 449)	35,9%	35,9%	1 215	
Trading services	759 614	4 575	764 190	10 366	774 556	728 897		(45 659)	94,1%	96,0%	883 181	
Energy sources	437 077	4 723	441 800	1 113	442 912	434 289		(8 623)	98,1%	99,4%	403 650	
Water management	122 146	353	122 499	(253)	122 246	108 331		(13 915)	88,6%	88,7%	109 201	
Waste water management	134 983	(500)	134 483	16 250	150 733	128 062		(22 671)	85,0%	94,9%	109 615	
Waste management	65 408	-	65 408	(6 743)	58 665	58 215		(450)	99,2%	89,0%	60 716	
Other	-	100	100	-	100	-		(100)	-	-	-	
Total Revenue - Standard	1 285 862	25 034	1 310 896	-	1 310 896	1 158 781		(152 115)	88,4%	90,1%	1 106 645	
Expenditure - Standard												
Governance and administration	226 021	4 550	230 571	(1 265)	229 306	206 846		(22 460)	90,2%	91,5%	191 117	
Executive and council	35 162	3 376	38 538	-	38 538	42 639		4 101	110,6%	121,3%	37 073	
Finance and administration	186 804	1 651	188 455	(1 265)	187 190	160 944		(26 246)	86,0%	86,2%	150 896	
Internal audit	4 055	(477)	3 577	-	3 577	3 263		(314)	91,2%	80,5%	3 148	
Community and public safety	227 544	(79 208)	148 336	124 032	272 368	132 945		(139 423)	48,8%	58,4%	165 812	
Community and social services	24 705	(1 036)	23 669	120	23 789	23 513		(276)	98,8%	95,2%	23 007	
Sport and recreation	29 926	(507)	29 420	133	29 553	27 661		(1 892)	93,6%	92,4%	27 592	
Public safety	31 462	(682)	30 780	166 659	197 438	58 427		(139 012)	29,6%	185,7%	85 065	
Housing	141 345	(76 977)	64 368	(42 880)	21 488	23 184		1 696	107,9%	16,4%	29 981	
Health	106	(6)	100	-	100	161		61	160,6%	151,5%	166	
Economic and environmental services	173 603	69 963	243 566	(165 099)	78 467	107 095		28 628	136,5%	61,7%	68 538	
Planning and development	15 789	(143)	15 646	190	15 836	15 655		(181)	98,9%	99,2%	15 428	
Road transport	154 155	70 963	225 118	(165 289)	59 829	90 316		30 486	151,0%	58,6%	51 474	
Environmental protection	3 658	(855)	2 802	-	2 802	1 125		(1 677)	40,1%	30,7%	1 637	
Trading services	543 855	(10 806)	533 049	(1 091)	531 958	563 108		31 150	105,9%	103,5%	524 126	
Energy sources	373 300	(5 819)	367 480	(595)	366 885	378 176		11 291	103,1%	101,3%	350 328	
Water management	61 945	(1 345)	60 600	(1 588)	59 012	68 515		9 503	116,1%	110,6%	64 010	
Waste water management	61 754	(2 925)	58 829	325	59 154	66 446		7 292	112,3%	107,6%	64 772	
Waste management	46 856	(717)	46 139	768	46 906	49 970		3 063	106,5%	106,6%	45 015	
Other	882	1 603	2 485	(1 000)	1 485	-		(288)	80,6%	135,7%	1 497	
Total Expenditure - Standard	1 171 905	(13 898)	1 158 007	(44 423)	1 113 584	1 011 191		(102 393)	90,8%	86,3%	951 089	
Surplus/(Deficit) for the year	113 957	38 932	152 889	44 423	197 312	147 589		(49 723)	74,8%	129,5%	155 556	

Appendix F A3

WC025 Breede Valley - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2019/20										2018/19
	Original Budget	Budget Adjustments (i.l.o. MFMA s28)	Adjustment Budget 11 June 2020	Approved Virements (Budget Virement Policy 2019/2020)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11
Revenue by Vote											
Vote 1 - Council General	147	-	147	-	147	449		302	306,3%	306,3%	358
Vote 2 - Municipal Manager	7 103	3 067	10 170	(500)	9 670	7 434		(2 236)	76,9%	104,7%	4 770
Vote 3 - Strategic Support Services	1 896	365	2 261	-	2 261	3 094		833	136,8%	163,2%	2 508
Vote 4 - Financial Services	195 104	2 948	198 052	740	198 792	291 867		93 074	146,8%	149,6%	300 915
Vote 5 - Community Services	298 864	13 578	312 442	(48 425)	264 017	101 230		(162 766)	38,3%	33,9%	109 909
Vote 6 - Technical Services	782 748	5 075	787 823	48 185	836 009	754 706		(81 302)	90,3%	96,4%	688 186
Example 7 - Vote7								-	-	-	
Example 8 - Vote8								-	-	-	
Example 9 - Vote9								-	-	-	
Example 10 - Vote10								-	-	-	
Example 11 - Vote11								-	-	-	
Example 12 - Vote12								-	-	-	
Example 13 - Vote13								-	-	-	
Example 14 - Vote14								-	-	-	
Example 15 - Vote15								-	-	-	
Total Revenue by Vote	1 285 862	25 034	1 310 896	-	1 310 896	1 158 781		(152 115)	88,4%	90,1%	1 106 645
Expenditure by Vote to be appropriated											
Vote 1 - Council General	31 992	(155)	31 837	-	31 837	37 996		6 160	119,3%	118,8%	30 440
Vote 2 - Municipal Manager	10 657	2 673	13 330	0	13 330	11 268		(2 061)	84,5%	105,7%	9 807
Vote 3 - Strategic Support Services	59 013	1 785	60 798	(810)	59 988	59 431		(557)	99,1%	100,7%	56 938
Vote 4 - Financial Services	89 078	(384)	88 693	790	89 483	66 397		(23 086)	74,2%	74,5%	62 206
Vote 5 - Community Services	334 757	(3 593)	331 164	(45 672)	285 492	178 895		(106 597)	62,7%	53,4%	171 962
Vote 6 - Technical Services	646 409	(14 224)	632 185	1 269	633 454	657 203		23 750	103,7%	101,7%	619 737
Example 7 - Vote7								-	-	-	
Example 8 - Vote8								-	-	-	
Example 9 - Vote9								-	-	-	
Example 10 - Vote10								-	-	-	
Example 11 - Vote11								-	-	-	
Example 12 - Vote12								-	-	-	
Example 13 - Vote13								-	-	-	
Example 14 - Vote14								-	-	-	
Example 15 - Vote15								-	-	-	
Total Expenditure by Vote	1 171 905	(13 898)	1 158 007	(44 423)	1 113 584	1 011 191	-	(102 393)	90,8%	86,3%	951 089
Surplus/(Deficit) for the year	113 957	38 932	152 889	44 423	197 312	147 589		(49 723)	74,8%	129,5%	155 556

Appendix G A4

W025 Breede Valley - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2019/20										2018/19	
	Original Budget	Budget Adjustments (i.o. MFMA s28)	Adjustment Budget 11 June 2020	Approved Virements (Budget Virement Policy 2019/2020)	Final Adjustments Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome	
	1	2	3	4	5	6	7	8	9	10		14
Revenue By Source												
Property rates	139 998	-	139 998	-	139 998	145 107		5 109	103,6%	103,6%	135 728	
Service charges - electricity revenue	418 573	-	418 573	-	418 573	416 707		(1 866)	99,6%	99,6%	389 167	
Service charges - water revenue	72 274	-	72 274	-	72 274	91 484		19 210	126,6%	126,6%	70 217	
Service charges - sanitation revenue	72 847	-	72 847	-	72 847	73 688		841	101,2%	101,2%	67 133	
Service charges - refuse revenue	40 088	-	40 088	-	40 088	40 166		78	100,2%	100,2%	38 310	
Rental of facilities and equipment	10 589	-	10 589	-	10 589	10 671		82	100,8%	100,8%	24 456	
Interest earned - external investments	11 854	-	11 854	0	11 854	11 508		(346)	97,1%	97,1%	13 134	
Interest earned - outstanding debtors	6 158	-	6 158	(0)	6 158	8 133		1 975	132,1%	132,1%	6 198	
Dividends received	-	-	-	-	-	-		-	-	-	-	
Fines, penalties and forfeits	118 474	88 636	207 109	-	207 109	51 034		(156 075)	24,6%	43,1%	37 240	
Licences and permits	3 616	-	3 616	-	3 616	2 211		(1 405)	61,1%	61,1%	2 952	
Agency services	8 230	-	8 230	-	8 230	7 543		(687)	91,7%	91,7%	8 507	
Transfers and subsidies	259 006	(69 680)	189 327	(44 332)	144 995	141 850		(3 145)	97,8%	54,8%	133 233	
Other revenue	12 798	(0)	12 798	-	12 798	11 618		(1 181)	90,8%	90,8%	11 560	
Gains on disposal of PPE	1 257	-	1 257	-	1 257	-		(1 257)	-	-	3 073	
Total Revenue (excluding capital transfers and contributions)	1 175 760	18 956	1 194 716	(44 332)	1 150 385	1 011 719		(138 666)	87,9%	86,0%	940 908	
Expenditure By Type												
Employee related costs	336 104	(20 766)	315 338	-	315 338	297 258		(18 080)	94,3%	88,4%	278 623	
Remuneration of councillors	18 780	-	18 780	-	18 780	18 413		(368)	98,0%	98,0%	17 675	
Debt impairment	98 058	75 340	173 398	-	173 398	90 509		(82 890)	52,2%	92,3%	62 896	
Depreciation & asset impairment	91 139	-	91 139	-	91 139	87 504		(3 635)	96,0%	96,0%	88 009	
Finance charges	23 654	-	23 654	-	23 654	23 643		(11)	100,0%	100,0%	24 682	
Bulk purchases	296 838	5 690	302 528	-	302 528	318 842		16 314	105,4%	107,4%	287 305	
Other materials	24 425	6 729	31 154	720	31 874	26 904		(4 970)	84,4%	110,1%	27 296	
Contracted services	82 705	(3 547)	79 158	(894)	78 464	64 401		(14 063)	82,1%	77,9%	72 243	
Transfers and subsidies	125 484	(71 495)	53 989	(44 500)	9 489	6 938		(2 551)	73,1%	5,5%	19 661	
Other expenditure	71 229	(5 849)	65 381	39	65 420	76 388		10 968	116,8%	107,2%	72 678	
Loss on disposal of PPE	3 489	-	3 489	13	3 501	394		(3 108)	11,2%	11,3%	21	
Total Expenditure	1 171 905	(13 898)	1 158 007	(44 423)	1 113 584	1 011 191		(102 393)	90,8%	86,3%	951 089	
Surplus/(Deficit)	3 855	32 854	36 710	91	36 801	528		(36 273)	1,4%	13,7%	(10 182)	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	110 102	5 893	115 995	44 332	160 326	146 877		(13 450)	91,6%	133,4%	164 210	
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-		-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	113 957	38 932	152 889	44 423	197 312	147 589		(49 723)	74,8%	129,5%	155 556	
Taxation	-	-	-	-	-	-		-	-	-	-	
Surplus/(Deficit) after taxation	113 957	38 932	152 889	44 423	197 312	147 589		(49 723)	74,8%	129,5%	155 556	
Attributable to minorities	-	-	-	-	-	-		-	-	-	-	
Surplus/(Deficit) attributable to municipality	113 957	38 932	152 889	44 423	197 312	147 589		(49 723)	74,8%	129,5%	155 556	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-		-	-	-	-	
Surplus/(Deficit) for the year	113 957	38 932	152 889	44 423	197 312	147 589		(49 723)	74,8%	129,5%	155 556	

Appendix H A5

WC025 Breede Valley - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2019/20								2018/19
	Original Budget	Total Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8	12
Capital expenditure - Vote									
Multi-year expenditure									
Example 1 - Vote1	-	5	5	4		(1)	85%	#DIV/0!	-
Example 2 - Vote2	-	3 920	3 920	3 333		(587)	85%	#DIV/0!	-
Example 3 - Vote3	-	1 243	1 243	305		(938)	25%	#DIV/0!	-
Example 4 - Vote4	-	1 400	1 400	167		(1 233)	12%	#DIV/0!	-
Example 5 - Vote5	8 480	(5 157)	3 324	2 153		(1 170)	65%	25%	-
Example 6 - Vote6	76 043	59 766	135 810	113 128		(22 681)	83%	149%	-
Example 7 - Vote7	-	-	-	-		-	-	-	-
Example 8 - Vote8	-	-	-	-		-	-	-	-
Example 9 - Vote9	-	-	-	-		-	-	-	-
Example 10 - Vote10	-	-	-	-		-	-	-	-
Example 11 - Vote11	-	-	-	-		-	-	-	-
Example 12 - Vote12	-	-	-	-		-	-	-	-
Example 13 - Vote13	-	-	-	-		-	-	-	-
Example 14 - Vote14	-	-	-	-		-	-	-	-
Example 15 - Vote15	-	-	-	-		-	-	-	-
Capital multi-year expenditure	84 523	61 179	145 702	119 091	-	(26 611)	82%	141%	-
Single-year expenditure									
Vote 1 - Council General	5	(5)	-	-		-	-	-	-
Vote 2 - Municipal Manager	5 105	(2 853)	2 252	2 103		(149)	93%	41%	4 143
Vote 3 - Strategic Support Services	1 422	(158)	1 263	334		(929)	26%	23%	25 349
Vote 4 - Financial Services	2 255	(1 430)	825	8		(817)	1%	0%	1 426
Vote 5 - Community Services	7 986	(5 650)	2 336	811		(1 525)	35%	10%	10 232
Vote 6 - Technical Services	90 426	(119)	90 307	73 134		(17 173)	81%	81%	224 853
Example 7 - Vote7	-	-	-	-		-	-	-	-
Example 8 - Vote8	-	-	-	-		-	-	-	-
Example 9 - Vote9	-	-	-	-		-	-	-	-
Example 10 - Vote10	-	-	-	-		-	-	-	-
Example 11 - Vote11	-	-	-	-		-	-	-	-
Example 12 - Vote12	-	-	-	-		-	-	-	-
Example 13 - Vote13	-	-	-	-		-	-	-	-
Example 14 - Vote14	-	-	-	-		-	-	-	-
Example 15 - Vote15	-	-	-	-		-	-	-	-
Capital single-year expenditure	107 199	(10 215)	96 984	76 390	-	(20 594)	79%	71%	266 003
Total Capital Expenditure - Vote	191 723	50 963	242 686	195 481	-	(47 205)	81%	102%	266 003
Capital Expenditure - Standard									
Governance and administration	3 312	1 097	4 409	838	-	(3 571)	19%	25%	30 488
Executive and council	10	-	10	6		(4)	60%	60%	15
Budget and treasury office	3 302	1 097	4 399	832		(3 567)	19%	25%	30 473
Corporate services	-	-	-	-		-	-	-	-
Community and public safety	17 561	(9 951)	7 610	3 874	-	(3 736)	51%	22%	13 958
Community and social services	7 766	(6 187)	1 579	818		(761)	52%	11%	8 059
Sport and recreation	7 971	(3 436)	4 535	2 497		(2 038)	55%	31%	2 190
Public safety	1 824	(328)	1 496	559		(937)	37%	31%	3 709
Housing	-	-	-	-		-	-	-	-
Health	-	-	-	-		-	-	-	-
Economic and environmental services	27 560	50 163	77 723	69 869	-	(7 854)	90%	254%	40 510
Planning and development	5 100	1 067	6 167	5 434		(733)	88%	107%	-
Road transport	22 460	49 095	71 555	64 435		(7 120)	90%	287%	40 510
Environmental protection	-	-	-	-		-	-	-	-
Trading services	143 290	9 655	152 945	120 901	-	(32 044)	79%	84%	181 047
Electricity	30 595	6 250	36 845	20 710		(16 135)	56%	68%	27 408
Water	40 727	(1 062)	39 665	29 044		(10 621)	73%	71%	55 824
Waste water management	48 665	4 903	53 568	49 695		(3 873)	93%	102%	83 000
Waste management	23 303	(435)	22 867	21 452		(1 415)	94%	92%	14 816
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	191 723	50 963	242 686	195 481	-	(47 205)	81%	102%	266 003
Funded by:									
National Government	44 502	110	44 612	34 373		(10 239)	77%	77%	37 488
Provincial Government	65 100	50 202	115 302	112 433		(2 870)	98%	173%	128 219
District Municipality	500	-	500	71		(429)	14%	14%	31
Other transfers and grants	-	185	185	185		-	100%	#DIV/0!	-
Transfers recognised - capital	110 102	50 497	160 599	147 062	-	(13 538)	92%	134%	165 738
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	162	162	159	-	(3)	98%	#DIV/0!	6 281
Internally generated funds	81 621	304	81 925	48 260	-	(33 665)	59%	59%	93 984
Total Capital Funding	191 723	50 963	242 686	195 481	-	(47 205)	81%	102%	266 003

Appendix I Budget Cash Flow

WC025 Breede Valley - Reconciliation of Table A7 Budgeted Cash Flows

Description	2019/20							2018/19
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	791 900	3 102	795 002	765 971	(29 030)	96,3%	96,7%	734 584
Government - operating	259 006	(76 296)	182 710	141 396	(41 315)	77,4%	54,6%	130 191
Government - capital	110 102	295	110 397	147 062	36 665	133,2%	133,6%	139 510
Interest	18 012	-	18 012	18 181	169	100,9%	100,9%	14 983
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(833 571)	15 180	(818 391)	(784 070)	34 321	95,8%	94,1%	(753 939)
Finance charges	(23 996)	-	(23 996)	(23 643)	353	98,5%	98,5%	(24 682)
Transfers and Grants	(125 484)	71 495	(53 989)	(5 163)	48 825	9,6%	4,1%	(14 684)
NET CASH FROM/(USED) OPERATING ACTIVITIES	195 970	13 776	209 745	259 734	49 989	123,8%	132,5%	225 963
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	(347)	(347)	#DIV/0!	#DIV/0!	3 735
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	50	-	50	(1 824)	(1 874)	-3648,1%	-3648,1%	4 816
Decrease (increase) in non-current investments	-	-	-	(199)	(199)	#DIV/0!	#DIV/0!	30 704
Payments								
Capital assets	(191 723)	(6 549)	(198 271)	(194 897)	3 375	98,3%	101,7%	(266 277)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(191 673)	(6 549)	(198 221)	(197 267)	955	99,5%	102,9%	(227 022)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	50	-	50	148	98	296,0%	296,0%	171
Payments								
Repayment of borrowing	(10 410)	-	(10 410)	(10 763)	(353)	103,4%	103,4%	(9 696)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(10 360)	-	(10 360)	(10 615)	(255)	102,5%	102,5%	(9 525)
NET INCREASE/ (DECREASE) IN CASH HELD	(6 062)	7 227	1 164	51 853				(10 584)
Cash/cash equivalents at the year begin:	120 450	(10 583)	109 867	94 867				105 451
Cash/cash equivalents at the year end:	114 388	(3 356)	111 031	146 720	35 688	132,1%	128,3%	94 867

BREED VALLEY MUNICIPALITY						
Annual Financial Statements for the year ended 30 June 2020						
Appendix J: DEVIATIONS FOR THE 2019 2020 FINANCIAL YEAR						
July						
Deviation Reference	Amount	Service Provider	Deviation Category	Directorate	Department	Number
BVD 294/ 2020	R35 178,50	Bradely Conradie Halton Cheadle	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	Strategic Support Services		1
BVD 295/ 2020	R158 155,08	First Technology (Pty) Ltd	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	Strategic Support Services		1
BVD 296/ 2020	R78 956,13	Power Transformers (Pty) Ltd	Emergency	Technical Services		1
BVD 298/2020	R2 556,02	FRAMA (Pty) Ltd	Sole Provider	Strategic Support Services		1
BVD 299/2020	R2 679,50	FRAMA (Pty) Ltd	Sole Provider	Strategic Support Services		1
BVD 300/2020	R4 284,40	WP Chipper (ABC)	Sole Provider	Technical Services		1
	R281 809,63					6
August						
BVD 301/2020	R68 494,80	Meycom	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	Strategic Support Services		1
BVD 302/2020	Rates	Various Fuel stations in the Breede Valley Area	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	FINANCIAL SERVICES		1
BVD 303/ 2020	R24 432,93	Vision Elevators	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	Strategic Support Services		1
BVD 304/ 2020	R186 520,00	Mpeke Plant Hire	Emergency	Technical Services		1
	R279 447,73					4
September						
BVD 306/ 2020	R5 439,50	Winterbach Broers	Emergency	Technical Services		1
BVD 307/ 2020	R174 857,50	Fulcrum Technologies	Sole Provider	Community Services		1
	R180 297,00					2
October						
BVD 305/ 2020	R121 665,40	Muruku Suppliers	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	Technical Services		1
BVD 308/2020	R176 400,00	Mpeke Plant Hire	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	Technical Services		1
BVD 309/ 2020	R34 500,00	Civil Designer SA	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	Strategic Support Services		1

BREDE VALLEY MUNICIPALITY						
Annual Financial Statements for the year ended 30 June 2020						
Appendix J: DEVIATIONS FOR THE 2019 2020 FINANCIAL YEAR						
BVD 311/2020	R44 062,25	Rawsonville Mobiele Dienste	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	Community Services		1
	R376 627,65					4
November						
BVD 310/2020	R10 949,15	De Kock & Cronje MV Switchgear	Emergency	Technical Services		1
BVD 312/ 2020	R25 416,15	Lexis Nexis (Pty) Ltd	Sole Provider	Strategic Support Services		1
BVD 316/ 2020	R39 954,35	Fairbridges Wertheim Becker	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	Strategic Support Services		1
	R76 319,65					3
BVD 287	R11 606,79	Fairbridges Wertheim Becker	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	Strategic Support Services		1
BVD 294	R77 917,10	Bradley Conradie Attorneys	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	Strategic Support Services		1
	R89 523,89					2
December & January						
BVD 313/ 2020	R21 298,49	SCHINDLERS LIFTS	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	Administration and Support Services	1
BVD 314/ 2020	R29 820,88	VISION ELEVATORS	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	Administration and Support Services	1
BVD 315/ 2020	R4 936,95	VISION ELEVATORS	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	Administration and Support Services	1
BVD 317/ 2020	R11 562,10	BNIT	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	ICT	1
BVD 318/ 2020	R21 298,49	SCHINDLERS LIFTS	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	Administration and Support Services	1
BVD 319/ 2020	R140 139,35	DATATEGRA	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	ICT	1

BREDE VALLEY MUNICIPALITY						
Annual Financial Statements for the year ended 30 June 2020						
Appendix J: DEVIATIONS FOR THE 2019 2020 FINANCIAL YEAR						
BVD 320/ 2020	R34 356,56	FAIRBRIDGES	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	Legal Services	1
BVD 321/ 2020	R25 272,60	BRADLEY CONRADIE	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	Legal Services	1
BVD 322/ 2020	R20 556,25	CONRADIE INC	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	Legal Services	1
BVD 323/ 2020	R43 766,76	FAIRBRIDGES	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	Legal Services	1
BVD 324/ 2020	R27 394,21	CONRADIE INC	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	Legal Services	1
BVD 325/ 2020	R5 420,00	MANIE'S VERKOELING	Emergency	SSS	ICT	1
BVD 326/ 2020	R37 483,74	ADENCO CONSTRUCTION	Emergency	TECHNICAL SERVICES	Bulk Services	1
BVD 327/ 2020	R5 227,90	STRYDOM ARMATURE	Emergency	TECHNICAL SERVICES	Bulk Services	1
	R428 534,28					13
INCREASE on BVD 273/ 2019	R14 424,49	ANDREWS WATT AND NEL	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	Legal Services	1
	R14 424,49					1
February						
BVD 328	R24 863,00	BREERIVIER KOMMUNIKASIE	Emergency	SSS	ICT	1
BVD 329/ 2020	R360 000,00	INDEPENDENT NEWSPAPER	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	ALL	ALL	1
BVD 330/ 2020	R800 000,00	MEDIA 24	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	ALL	ALL	1
BVD 331/ 2020	R34 500,00	ETL CONSULTING	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	COMMUNITY SERVICES	SPORTS AND RECREATIONAL	1
BVD 333/ 2020	R220 000,00	CARTRACK	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	TECHNICAL SERVICES	PUBLIC WORKS	1
	R1 439 363,00					5

BREDE VALLEY MUNICIPALITY						
Annual Financial Statements for the year ended 30 June 2020						
Appendix J: DEVIATIONS FOR THE 2019 2020 FINANCIAL YEAR						
March						
BVD 332/ 2020	R85 402,34	SCHINDLER LIFTS	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	ADMINISTRATION	1
BVD 334/2020	R22 421,56	MULLER TERBLANCH EN BEYERS	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	LEGAL SERVICES	1
BVD 335/ 2020	R172 308,53	WITELS HIRING	Emergency	TECHNICAL SERVICES	PUBLIC WORKS	1
BVD 338/ 2020	R28 548,75	IMPERIAL TRUCK	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	TECHNICAL SERVICES	ELECTRICAL SUPPORT SERVICES	1
BVD 336/2020	R16 900,00	DR CW GILFILLAN	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	HUMAN RESOURCES	1
BVD 337/2020	Rates(1900/ HOUR 65 000)	DU BOIS ATTORNEYS	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	LEGAL SERVICES	1
BVD 339/ 2020	R19 837,50	WINTERBACH BROERS	Emergency	TECHNICAL SERVICES	DE DOORNS	1
BVD 340/ 2020	R25 000,00	BRADLEY ATTORNEYS	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	LEGAL SERVICES	1
BVD 341/ 2020	R905 855,86	WITELS HIRING	Emergency	TECHNICAL SERVICES	PUBLIC WORKS	1
BVD 342/ 2020	R65 000,00	FAIRBRIGES	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	LEGAL SERVICES	1
BVD 343/ 2020	R50 000,00	TONY'S TRUCK CENTRE	Emergency	TECHNICAL SERVICES	PUBLIC WORKS	1
BVD 344/ 2020	R200 000,00	TYREMART	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	TECHNICAL SERVICES	PUBLIC WORKS	1
BVD 345/ 2020	R8 659,50	VISION ELEVATORS	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	ADMINISTRATION	1
BVD 346/ 2020	R3 417 813,60	SECURITEM	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	COMMUNITY SERVICES	TRAFFIC SERVICES	1
BVD 347/ 2020	R185 656,00	MARCE PROJECTS	Emergency	COMMUNITY SERVICES	TRAFFIC SERVICES	1
	R5 203 403,64					15
April						

BREDE VALLEY MUNICIPALITY						
Annual Financial Statements for the year ended 30 June 2020						
Appendix J: DEVIATIONS FOR THE 2019 2020 FINANCIAL YEAR						
BVD 348/ 2020	R54 980,13	Fairbridges	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	Legal services	1
BVD 349/ 2020	R8 660,81	Fairbridges	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	Legal services	1
BVD 350/ 2020	R560,00 per hour	Genadendal Jackies Bezaar	Emergency	Technical Services	Solid Waste and Area Cleaning	1
BVD 351/ 2020	R3500.00 per hour	Genadendal Jackies Bezaar	Emergency	Technical Services	Solid Waste and Area Cleaning	1
BVD 352/ 2020	R1, 012,00 per hour	HN Landbou Kontrakteurs	Emergency	Technical Services	Solid Waste and Area Cleaning	1
BVD 353/ 2020	R124 675,85	Fairbridges	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	Legal services	1
BVD 354/ 2020	R75 054,75	Adapt IT	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	Financial Services	Financial Planning	1
BVD 355/ 2020	rates	Vaious Suppliers (Auto Repair Import Export, Pienaar Brothers, etc,)	Emergency	Financial Services	Stores	1
BVD 356/ 2020	R64 860,00	Sanitech	Emergency	Community Services	Housing and Human Settlements	1
BVD 357/2020	R13, 018,00 per unit	Visser's Ingenieurswerke	Emergency	Technical Services	Bulk Services	1
	R328 231,54					10
May						
BVD 358/ 2020	R96 593,10	Neo technologies	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	ICT	1
BVD 359/ 2020	R7 309,70	BARLOWORLD EQUIPMENT	Sole Provider	TECHNICAL SERVICES	PUBLIC WORKS	1
BVD 360/ 2020	R75 269,80	FIAB MECHANICAL	Emergency	TECHNICAL SERVICES	BULK SERVICES	1
BVD 361/ 2020	R198 500,00	BENZMARK PUMPS	Emergency	TECHNICAL SERVICES	BULK SERVICES	1
BVD 362/ 2020	R29 497,50	LAZAR CIIL ENGINEERING	Emergency	TECHNICAL SERVICES	BULK SERVICES	1
BVD 363/ 2020	R76 176,00	WINTERBACH BROERS	Emergency	TECHNICAL SERVICES	DE DOORNS	1
BVD 364/ 2020	R23 484,73	BARLOWORLD EQUIPMENT	Sole Provider	TECHNICAL SERVICES	PUBLIC WORKS	1
BVD 365/ 2020	R60 730,00	BENZMARK PUMPS	Emergency	TECHNICAL SERVICES	BULK SERVICES	1
	R567 560,83					8
June						
BVD 366/ 2020	R199 410,00	WYNLAND SKIPHIRE	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	TECHNICAL SERVICES	SOLID WASTE AND AREA CLEANING	1
BVD 367/ 2020	R35 728,06	AUTACS	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	FINANCIAL SERVICES	REVENUE	1

BREED VALLEY MUNICIPALITY						
Annual Financial Statements for the year ended 30 June 2020						
Appendix J: DEVIATIONS FOR THE 2019 2020 FINANCIAL YEAR						
BVD 368/2020	R2,300 (PER HOUR)	BRADLEY ATTORNEYS	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	LEGAL SERVICES	1
BVD 369/2020	R546 765,20	FIRST TECHNOLOGY	Exceptional case whereby it is impossible or impractical to follow a normal procurement process	SSS	ICT	1
BVD 370/ 2020	R57 000,00	BENZMARK PUMPS	Emergency	TECHNICAL SERVICES	BULK SERVICES	1
	R838 903,26					5
Total	R10 104 446,59				Total	78
Summary of Deviations		Total Number allocated	Total Amount			
Emergency		25	R2 250 550,61			
Sole Provider		7	R240 588,00			
acquisition of special works of art or historical objects where specifications are difficult to compile		0	R0,00			
Acquisition of animals for zoos and/or nature and game reserves		0	R0,00			
exceptional case where it is impractical or impossible to follow the official procurement processes		46	R7 613 307,98			
		78	R10 104 446,59			

BREDE VALLEY MUNICIPALITY															
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020															
APPENDIX K: INVESTMENTS															
Date Invested	Institution	ID	Account Number	Confirmation Received	Rate	Period	Amount	Maturity Date	Withdrawn	Date Received	Receipt Number	Expected Interest	Interest Received	Difference	
												0,00		0,00	
25-Apr-19	NEDBANK	313	03/7881531576/264	YES	7,90%	91	5 000 000	25-Jul-19	5 000 000	25-Jul-19	4000412558	98 479,45	98 479,45	0,00	
												0,00		0,00	
													98 479,45	0,00	
												0,00		0,00	
25-Apr-19	STANDARD	314	288460898-041	YES	7,975%	123	5 000 000	26-Aug-19	5 000 000	26-Aug-19	5000406307	134 373,29	134 373,29	0,00	
24-Jul-19	NEDBANK	316	03/7881531576/266	YES	7,35%	33	5 000 000	26-Aug-19	5 000 000	26-Aug-19	5000406309	33 226,03	33 226,03	0,00	
24-Jul-19	STANDARD	317	288460898-042	YES	7,225%	33	5 000 000	26-Aug-19	5 000 000	26-Aug-19	5000406308	32 660,96	32 660,96	0,00	
												0,00		0,00	
													200 260,28	0,00	
												0,00		0,00	
24-Jul-19	ABSA	318	2078627759	YES	7,215%	61	5 000 000	23-Sep-19	5 000 000	23-Sep-19	4000415214	60 289,73	60 289,73	0,00	
25-Apr-19	NEDBANK	315	03/7881531576/265	YES	8,20%	153	5 000 000	25-Sep-19	5 000 000	25-Sep-19	3000411337	171 863,01	171 863,01	0,00	
24-Jul-19	NEDBANK	319	03/7881531576/267	YES	7,40%	63	10 000 000	25-Sep-19	10 000 000	25-Sep-19	3000411338	127 726,03	127 726,03	0,00	
24-Jul-19	STANDARD	320	288460898-043	YES	7,325%	63	5 000 000	25-Sep-19	5 000 000	26-Sep-19	4000415310	63 215,75	63 215,75	0,00	
												0,00		0,00	
													423 094,52	0,00	
24-Jul-19	ABSA	321	2078627733	YES	7,315%	92	5 000 000	24-Oct-19	5 000 000	24-Oct-19	4000417186	92 189,04	92 189,04	0,00	
												0,00		0,00	
													92 189,04	0,00	
												0,00		0,00	
24-Jul-19	NEDBANK	322	03/7881531576/268	YES	7,70%	124	5 000 000	25-Nov-19	5 000 000	25-Nov-19	5000409550	130 794,52	130 794,52	0,00	
												0,00		0,00	
													130 794,52	0,00	
												0,00		0,00	
27-Nov-19	ABSA	326	2078891538	YES	6,99%	61	5 000 000	27-Jan-20	5 000 000	28-Jan-20	5000411700	58 409,59	58 409,59	0,00	
27-Nov-19	NEDBANK	327	03/7881531576/270	YES	7,30%	61	5 000 000	27-Jan-20	5 000 000	28-Jan-20	5000411701	61 000,00	61 000,00	0,00	
28-Oct-19	STANDARD	323	288460898-044	YES	7,375%	92	5 000 000	28-Jan-20	5 000 000	28-Jan-20	4000422127	92 945,21	92 945,21	0,00	
27-Nov-19	STANDARD	328	288460898-046	YES	7,30%	62	5 000 000	28-Jan-20	5 000 000	28-Jan-20	4000422126	62 000,00	62 000,00	0,00	
												0,00		0,00	
													274 354,80	0,00	
												0,00		0,00	
27-Nov-19	STANDARD	329	288460898-047	YES	7,40%	90	5 000 000	25-Feb-20	5 000 000	25-Feb-20	2000317560	91 232,88	91 232,88	0,00	
27-Nov-19	NEDBANK	330	03/7881531576/271	YES	7,40%	91	5 000 000	26-Feb-20	5 000 000	26-Feb-20	4000423623	92 246,58	92 246,58	0,00	
28-Oct-19	NEDBANK	324	03/7881531576/269	YES	7,65%	123	5 000 000	28-Feb-20	5 000 000	28-Feb-20	5000412471	128 897,26	128 897,26	0,00	
												0,00		0,00	
													312 376,72	0,00	
												0,00		0,00	
29-Jan-20	STANDARD	337	288460898-049	YES	6,925%	33	5 000 000	02-Mar-20	5 000 000	02-Mar-20	5000412691	31 304,79	31 304,79	0,00	
27-Nov-19	NEDBANK	331	03/7881531576/272	YES	7,65%	121	5 000 000	27-Mar-20	5 000 000	24-Mar-20	4000425156	126 801,37	126 801,37	0,00	
27-Nov-19	FNB	336	71834653802	YES	7,38%	121	5 000 000	27-Mar-20	5 000 000	24-Mar-20	4000425155	122 326,03	122 326,03	0,01	
27-Nov-19	STANDARD	333	288460898-048	YES	7,65%	121	5 000 000	27-Mar-20	5 000 000	24-Mar-20	4000425154	126 801,37	126 801,37	0,00	
28-Oct-19	STANDARD	325	288460898-045	YES	7,825%	154	5 000 000	30-Mar-20	5 000 000	24-Mar-20	4000425157	165 075,34	165 075,34	0,00	
29-Jan-20	NEDBANK	338	03/7881531576/274	YES	7,05%	61	5 000 000	30-Mar-20	5 000 000	24-Mar-20	4000425158	58 910,96	58 910,96	0,00	
												0,00		0,00	
													631 219,85	0,00	
												0,00		0,00	
27-Nov-19	FNB	334	71834654769	YES	7,52%	153	5 000 000	28-Apr-20	5 000 000	30-Apr-20	4000425542	157 610,96	157 610,96	0,01	
29-Jan-20	ABSA	339	2079015305	YES	6,74%	90	5 000 000	28-Apr-20	5 000 000	30-Apr-20	4000425543	83 095,89	83 095,89	0,00	
26-Feb-20	STANDARD	345	288460898-051	YES	7,000%	62	5 000 000	28-Apr-20	5 000 000	30-Apr-20	4000425541	59 452,05	59 452,05	0,00	
29-Jan-20	FNB	340	74841051415	YES	7,04%	91	5 000 000	29-Apr-20	5 000 000	30-Apr-20	4000425540	87 758,90	87 758,90	0,00	
												0,00		0,00	
													387 917,79	0,00	
												0,00		0,00	
27-Nov-19	NEDBANK	335	03/7881531576/273	YES	7,85%	182	5 000 000	27-May-20	5 000 000	27-May-20	4000426125	195 712,33	195 712,33	0,00	
26-Feb-20	NEDBANK	346	03/7881531576/277	YES	7,15%	91	5 000 000	27-May-20	5 000 000	27-May-20	4000426124	89 130,14	89 130,14	0,00	
29-Jan-20	NEDBANK	341	03/7881531576/275	YES	7,40%	121	5 000 000	29-May-20	5 000 000	29-May-20	4000426189	122 657,53	122 657,53	0,00	
29-Jan-20	INVESTEC	342	JB10259350	YES	7,10%	121	5 000 000	29-May-20	5 000 000	29-May-20	4000426190	117 684,93	117 684,93	0,00	
												0,00		0,00	
													525 184,93	0,00	
												0,00		0,00	
26-Feb-20	FNB	347	71844738149	YES	7,12%	121	5 000 000	26-Jun-20	5 000 000	26-Jun-20	4000426770	118 016,44	118 016,44	0,01	
26-Feb-20	STANDARD	348	288460898-052	YES	7,350%	121	5 000 000	26-Jun-20	5 000 000	26-Jun-20	4000426771	121 828,77	121 828,77	0,00	
29-Jan-20	NEDBANK	343	03/7881531576/276	YES	7,55%	152	5 000 000	29-Jun-20	5 000 000	29-Jun-20	4000426790	157 205,48	157 205,48	0,00	
												0,00		0,00	
													397 050,68	0,00	
												0,00		0,00	
29-Jan-20	STANDARD	344	288460898-050	YES	7,550%	154	5 000 000	01-Jul-20				159 273,97		159 273,97	
26-Feb-20	STANDARD	349	288460898-053	YES	7,500%	154	5 000 000	29-Jul-20				158 219,18		158 219,18	
												0,00		0,00	
													0,00	0,00	
												0,00		0,00	
26-Feb-20	NEDBANK	350	03/7881531576/278	YES	7,60%	182	5 000 000	26-Aug-20				189 479,45		189 479,45	
												0,00		0,00	
													0,00	0,00	
							190 000 000		175 000 000			3 979 895,21	3 472 922,58	506 972,63	
														0,00	
							15 000 000							0,00	

Annexure B



Report of the auditor-general to Western Cape Provincial Parliament and council of Breede Valley Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Breede Valley Municipality set out on pages 1 to 96, which comprise the statement of financial position as at 30 June 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of budget comparison with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Breede Valley Municipality as at 30 June 2020 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the of the Municipal Finance Management Act of South Africa 56 of 2003 (MFMA) and the Division of Revenue Act of South Africa 1 of 2018 (Dora).

Basis for the opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Material impairment of receivables

7. As disclosed in note 35 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions, amounting to R39,11 million (2018-19: R28,99 million).

8. As disclosed in note 35 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions, amounting to R 51,39 million (2018-19: R33,89 million).

Uncertainty relating to the future outcome of exceptional litigation

9. As disclosed in note 47 of the financial statements, the municipality is the defendant in a R31 million contractual claim and a public liability insurance claim of R7,3 million which the municipality is opposing. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Material losses – water

10. As disclosed in note 53 to the financial statements, material water losses of 4 756 824 units (2018-2019: 2 182 315) were incurred, which represents 31% (2018-2019: 16%) of the total water purchased.

Other matters

11. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure note

12. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, we do not express an opinion thereon.

Unaudited supplementary

13. The supplementary information set out on pages 97-117 does not form part of the financial statements and is presented as additional information. We have not audited these schedules and, accordingly, we do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA and Dora and for such internal control as the accounting officer determines is necessary to enable the preparation financial statements that are free from material misstatement, whether due to fraud or error.
15. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

16. My objectives are to obtain reasonable assurance about whether financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
19. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the municipality's annual performance report for the year ended 30 June 2020:

Strategic objectives	Pages in the annual performance report
Strategic objective 1 – to provide and maintain basic services and ensure social upliftment of the Breede Valley community	109-115

21. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and

related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

22. I did not identify any material findings on the usefulness and reliability of the reported performance information for this objective:

- Strategic objective 1 – to provide and maintain basic services and ensure social upliftment of the Breede Valley community

Other matter

I draw attention to the matter below.

Achievement of planned targets

23. Refer to the annual performance report on pages 109 to 115 for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

25. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the mayor's report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.

27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Internal control deficiencies

29. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it I did not identify any significant deficiencies in internal control.

Auditor- General

Cape Town

28 February 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected objectives and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Breede Valley Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
 - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, the actions taken to eliminate threats or the safeguards applied.

Annexure C



REPORT OF THE AUDIT COMMITTEE TO THE EXECUTIVE MAYORAL COMMITTEE AND COUNCIL OF THE BREEDE VALLEY MUNICIPALITY

The Audit Committee has been established as an independent Committee, in terms of S166 of the MFMA Act No. 56 of 2003. The Committee has adopted a formal term of reference, which are regularly updated and approved by Council.

The Committee presents its report for the financial year ended 30 June 2020.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Committee, consisting of the members listed below, should meet at least four times per annum as per its approved Terms of Reference (TOR), although additional special meetings may be called as the need arises. During the year under review, five Audit Committee meetings were held.

The Committee also met with Internal Audit separately and representatives from Senior Management, Risk Fraud & Corruption Management Committee and the Auditor-General attended audit committee meetings held during the year under review.

Name of member	Qualifications	Tenure Period	Capacity	Number of meetings attended
Judy Gunther	CIA, CRMA, AGA, BCompt, Masters in Cost Accounting	1st term: 1 July 2017 Resignation 28 February 2020	Chairperson	4
Mariaan Roos	CA(SA), Higher Diploma in Company Law, Masters of Commerce in Auditing, Qualified Public Sector Chief Financial Manager	1st term: 1 July 2017 Appointed Chairperson on 27 May 2020	Member	4
June Williams	CA(SA)	1st term: 1 March 2019	Member	5
Shahied Allied	Post Graduate Diploma Business Management, ND: Cost Accounting	1st term: 1 March 2019	Member	5

The Audit Committee has one vacant position.

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from **Sections 165 and 166** of the **Municipal Finance Management Act (MFMA)**.

The Audit Committee reports that it has adopted an appropriate TOR, has regulated its affairs in compliance with the TOR and has discharged all its responsibilities as contained therein. The outbreak of the COVID-19 pandemic and the subsequent lock-down had a significant impact on the country, the people and local government including the Breede Valley

Municipality for the 2019/20 and beyond financial years. This report covers the period 1 July 2019 to 30 June 2020.

REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

One of the key responsibilities of the Audit Committee is the review and evaluation of the Annual Financial Statements. As a result of the impact of the pandemic municipalities and municipal entities have been exempted, for the 2019/2020 financial year, from complying with the deadlines in sections 126(1) and (2); 127(1) and (2); 129(1) and 133(2) of the MFMA and provision was made to submit the Annual Financial Statements within two months after the deadline in the applicable provision.

As a result, the Audit Committee reviewed the 2019/20 Annual Financial Statements during the meeting held on 30 September 2020 prior to submission to the Auditor-General (SA).

These financial statements are prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2009 (Act No 12 of 2009) (DORA).

Report of the Auditor-General South Africa

As a result of the extension of the reporting deadline the Audit Committee received the Final Management Report and Draft Audit Report on 26 February 2021 and will address it in the 2020/2021 Audit Committee Report.

EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The Committee has considered the work performed by Internal Audit on a quarterly basis. From the reports issued by Internal Audit regarding follow-up on implementation of audit findings, it appears as if the implementation has improved.

In line with section 62 (1) (c) (ii) of the MFMA, Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

As a result of the COVID-19 impact Internal Audit had to revise the risk-based audit plan. Planned audits on the organogram, mSCOA (ad hoc audit) and a consulting engagement on Water, Safety and Security did not materialise. This was mainly due to emerging COVID-19 risks, the impact of COVID-19 due to work from home functionality, remote access, and connectivity challenges as well as availability of audit clients. Despite the challenges Internal Audit was able to complete 100% of the revised plan. The following assurance engagements were completed in accordance with the revised 2019/20 Internal Audit Plan:

- Asset Management
- Enterprise Risk Management
- Auditing of Performance Information
- Inventory Management
- IT General Controls
- Indigent Management
- Revenue Enhancement

The Committee further wishes to draw attention to the following areas:

Information Systems

The Municipality continued with the implementation of the ERS Biometric system an automated Time & Attendance and Access Control System. The automated solution is cloud-based and fully integrates with the payroll and human resource management functions that eliminates many of the manual processes. Internal Audit reported on some shortcomings in the project planning and project management of the system and lessons learnt from this should be taken into consideration in future projects.

The Municipality has made progress to improve control over IT systems including user access, security management and disaster recovery.

Resolving Internal Control Findings

The audit committee noted improvement in the extent of external and internal audit findings resolved. The different oversight bodies and individuals improved the monitoring of implementation of corrective actions and took required action where audit findings were not adequately addressed.

Combined Assurance Framework

The municipality has adopted a formal combined assurance framework and has started embedding this with the coordination of internal and external audit efforts. For the 2019/20 audit external audit placed reliance on some of the work performed by the IAF on performance information, a positive step towards implementing combined assurance. The audit committee will continue to monitor the progress in this regard.

ASSESSING AUDIT EFFECTIVENESS

The IAF received the most positive outcome (general conformance) by an independent qualified internal audit assessor that can be obtained during an assessment and the Audit Committee congratulates the IAF on this achievement.

The Committee also reviews internal audit quality throughout the year with an emphasis on audit governance, methodology, independence, scope of work and outputs in terms of value add. The committee is impressed with the work ethics and high standard of the work performed.

INDEPENDENCE STATEMENT

The External Audit activities are performed by the Office of the Auditor-General (SA).

The Internal Audit activities are completed by the Internal Audit Function that performs the work in terms of an Internal Audit Charter and a risk-based internal audit plan approved by the Audit Committee.

The independence statements of both service providers are tabled at the Audit Committee on an annual basis.

PERFORMANCE MEASUREMENT

The Committee has reviewed and given consideration to the in-year performance reports and performance results reported by management. Continuous improvements were noted in the effectiveness of the processes and the quality of information reported. Some audit findings were raised on the preparation of accurate and complete performance reports supported and evidenced by reliable information that needs attention by management. The Audit Committee will continue to review the implementation of controls to ensure accurate and complete recording.

RISK MANAGEMENT

Risk management has been fully embedded at the municipality. During the latter part of the 2019/20 year the focus for risk management moved to managing COVID-19 related risks. The Audit Committee reviewed the minutes of the Risk Committee together with other risk information. Reports on risk management submitted to the Audit Committee on a quarterly basis requires fine tuning in terms of focus and the volume of information provided.

FINANCIAL MANAGEMENT

The Audit Committee, on a quarterly basis, review the financial management reports that are submitted to Council. The Audit Committee provides a continuous oversight role into the financial performance of the Municipality throughout the year.

CONCLUSION

The Audit Committee expresses its gratitude to the Municipal Manager, Management, the IAF and all other personnel the Committee deals with for the support and positive relationship maintained during the challenging time of COVID-19.

A handwritten signature in dark ink, appearing to read 'M. Roos', is positioned above the printed name.

Mariaan Roos
APAC Chairperson