

# NOTICE

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

Date distributed: 20/03/2024.

**NOTICE OF THE 7<sup>th</sup> COUNCIL MEETING OF 2023/2024  
FINANCIAL YEAR OF THE COUNCIL OF BREEDE VALLEY MUNICIPALITY  
TUESDAY, 2024-03-26 AT 10:00**

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

**COUNCILLORS**

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

Notice is hereby given in terms of Section 29, read with Section 18(2) of the *Local Government: Municipal Structures Act, 117 of 1998*, as amended, that the **7<sup>th</sup> COUNCIL MEETING** of the **2023/2024 FINANCIAL YEAR of the COUNCIL of BREEDE VALLEY MUNICIPALITY** will be held at **CAPE WINELANDS DISTRICT MUNICIPALITY, TRAPPE STREET WORCESTER** on **TUESDAY, 2024-03-26** at **10:00** to consider the items on the agenda.



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



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

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**1. OPENING AND WELCOME**

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

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**2. OFFICIAL NOTICES****2.1 Disclosure of Interests**

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

A councillor must –

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

**2.2 APPLICATIONS FOR LEAVE OF ABSENCE**

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

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

2.2.2 A Councillor must attend each meeting except when –

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

2.2.3 The Attendance Registers will be available at the meeting.

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

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

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

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

**3.2 BIRTHDAYS OF COUNCILLORS**

Cllr C. T. Nyithana                      08 March 2024

Cllr L. R. Yayi                              16 March 2024

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

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**4. CONFIRMATION OF MINUTES****4.1** In terms of the Rules of Order for Internal Arrangement By-Law 2012 (as amended).

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

**4.2 Minutes of Council Meeting held on 28 February 2024. (Copy enclosed)****RECOMMENDATION**

That in respect of

**CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETINGS**

discussed by Council at the Council Meeting held on 26 March 2024:

1. As the Minutes of the Council Meeting held on 28 February 2024 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 28 February 2024 be taken as read and confirmed.

**5. REPORT BY THE EXECUTIVE MAYOR ON DECISIONS TAKEN BY THE EXECUTIVE MAYOR, THE EXECUTIVE MAYOR TOGETHER WITH THE DEPUTY EXECUTIVE MAYOR AND THE MAYORAL COMMITTEE****5.1 The Deputy Executive Mayor: Cllr J.J. von Willingh****5.1.1 INTEGRATED DISASTER RISK MANAGEMENT FRAMEWORK AND DISASTER RISK MANAGEMENT PLAN REVIEW: 2024****RESOLVED:**

That in respect of

**INTEGRATED DISASTER RISK MANAGEMENT FRAMEWORK AND DISASTER RISK MANAGEMENT PLAN REVIEW: 2024**

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Discussed by Mayco at the meeting held on 19 March 2024 with resolution number **EX38/2024**:

That Mayco approves the: -

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

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

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

### **5.2.1 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF FEBRUARY 2024**

#### **RESOLVED:**

That in respect of

#### **REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF FEBRUARY 2024**

Discussed by Mayco at the meeting held on 19 March 2024 with resolution number **EX35/2024**:

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

### **5.2.2 SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2024,**

#### **RESOLVED:**

That in respect of

#### **SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2024,**

discussed at the Mayco meeting held on the 19 March 2024 with resolution number **EX36/2024**:

1. That the committee take note of the in-year financial management report for the period ended 29 February 2024.
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## **5.3 MMC 2: Cllr. P.C. Ramokhabi**

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

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## **5.5 MMC 4: Cllr. E. Van der Westhuizen**

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

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

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**5.7.1 BREDE VALLEY MUNICIPALITY SPORT FACILITIES INFRASTRUCTURE  
MASTER PLAN****RESOLVED:**

That in respect of

**BREDE VALLEY MUNICIPALITY SPORT FACILITIES INFRASTRUCTURE  
MASTER PLAN**

Discussed by Mayco at the meeting held on 19 March 2024 with resolution number **EX37/2024**:

That MayCo approves the purposed Breede Valley Municipality Sport Facility Master Plan for implementation as and when the sufficient funds comes available.

**5.8 MMC 7: Cllr. J.P. Kritzinger****5.9 MMC 8: Cllr F. Vaughan****6. COLLABORATOR OUTSTANDING RESOLUTIONS REPORT****MUNICIPAL MANAGER**

Council	Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment
1455552	<p><b>APPLICATION FOR WAIVER IN TERMS OF ITEM 14 (4) OF GAZETTE NUMBER 48789 NOTICE NUMBER 3541 OF 14 JUNE 2023: UPPER LIMITS OF TOTAL REMUNERATION PACKAGES PAYABLE TO MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS</b></p> <p>RESOLVED That in respect of –</p> <p>APPLICATION FOR WAIVER IN TERMS OF ITEM 14 (4) OF GAZETTE NUMBER 48789 NOTICE NUMBER 3541 OF 14 JUNE 2023: UPPER LIMITS OF TOTAL REMUNERATION PACKAGES PAYABLE TO MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS</p> <p>Discussed by Council at the Council meeting held on 04 December 2023, resolution number C107/2023, Council decided that:</p> <p>1. an application to waive a requirement of the Local Government: Upper Limits of Total Remuneration packages payable to Municipal Managers and Managers directly accountable to Municipal Managers should be made to the Minister after consultation with the MEC responsible for local government (the MEC);</p> <p>2. the Executive Mayor should</p>	2023-12-04	NM MONYELA	70	The MEC for local government in the Western Cape supported the waiver application with recommendations. Subsequently, an application was sent to the National Minister for her consideration and approval.

		review of new total remuneration packages of the Municipal Managers and Directors in terms of section 60(1)(b) of the Local Government: Municipal Systems Act, 2000 after consultation with the MEC and approval by the Minister; 3. the Executive Mayor must provide feedback on the waiver application at a next meeting of Council.				
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**COMMUNITY SERVICES**

Council	Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment
172625	<p><b>SUBMISSION OF BY-LAW RELATING TO THE MANAGEMENT AND CONTROL OF FLATS (rental housing units) OWNED OR ADMINISTERED BY THE BREEDE VALLEY MUNICIPALITY</b></p> <p>RESOLVED C41/2015 That in respect of the SUBMISSION OF BY-LAW RELATING TO THE MANAGEMENT AND CONTROL OF FLATS (rental housing units) OWNED OR ADMINISTERED BY THE BREEDE VALLEY MUNICIPALITY discussed by Council at the Council meeting held on 25 of June 2015:</p> <p>1. That Council approved the draft By-Law relating to the Management and Control of flats (rental housing units) owned or administer by the Breede Valley Municipality;</p> <p>2. That the administration advertises said draft By-Law for public comments;</p> <p>3. That all comments be collated submitted to Council for final approval and promulgation in the Provincial Gazette.</p> <p>4. That the draft By-Law be workshopped with all the Councillors.</p>	2015-06-25	GMAYEKI	96	<p>The draft bylaw has been amended and reflects the most recent legislative changes. The modified draft document has been circulated throughout internal departments for comments the amended document will be discussed in the next workshop.</p> <p>The workshop date has not been decided, but it will be included alongside other policy discussions. The process will be finished by June 30, 2024.</p>

**STRATEGIC SUPPORT SERVICES**

Council	Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment
1352782	<p><b>2023 CUSTOMER SERVICE CHARTER</b></p> <p>RESOLVED: That in respect of - The 2023 Customer Service Charter tabled before Council at the Council meeting held on 30 May 2023 with resolution number C37/2023:</p> <p>1. That Council, having noted the content of the 2023 Customer Service Charter, provides in principle approval thereof subject to the following conditions: a. The Customer Service Charter be referred to a</p>	2023-05-30	CMALGAS	75	<p>The draft review of the Customer Service Charter is in process. The final version will serve before Council in May 2024.</p>

		<p>Council Workshop to be held on 8 June 2023;</p> <p>b. The Customer Service Charter be made public in terms of section 21 of the MSA;</p> <p>c. That such public comments (if any) be tabled at Council for consideration; and</p> <p>d. The Customer Service Charter be resubmitted to Council for final consideration and approval.</p>				
1352783	<b>2022/2023 COMMUNICATION STRATEGY</b>	<p>RESOLVED: That in respect of - The 2022/2023 Communication Strategy tabled before Council at the Council meeting held on 30 May 2023 with resolution number C38/2023:</p> <p>1. That Council, having noted the content of the 2022/23 Communications Strategy, provides in principle approval thereof subject to the following conditions:</p> <p>a. The strategy be referred to a Council Workshop to be held on 8 June 2023 ;</p> <p>b. The strategy be made public in terms of section 21 of the MSA and submitted to the relevant stakeholders (i.e. relevant National &amp; Provincial Government Departments as well as the Cape Winelands District Municipality) for input;</p> <p>c. That such public comments (if any) be tabled at Council for consideration; and</p> <p>d. The strategy be resubmitted to Council for final consideration and approval.</p>	2023-05-30	CMALGAS	75	<p>The draft review of the Communications Strategy is in process. The final version is will serve before Council in May 2024.</p>
1455526	<b>STAFF ESTABLISHMENT REVIEW AND PROPOSED CHANGES FOR IMPLEMENTATION ON 1 MARCH 2024</b>	<p>RESOLVED That in respect of - STAFF ESTABLISHMENT REVIEW AND PROPOSED CHANGES FOR IMPLEMENTATION ON 1 MARCH 2024 as discussed by the Council at the Council Meeting held on 14 December 2023, resolution number C115/2023:</p> <p>1. that Council note the input of the MEC on the draft Staff Establishment as per Annexure A .</p> <p>2. that the Municipal Manager refer the MEC's input to the minister of Local Government for her consideration and reply</p> <p>3. That the response from the minister of Local Government be tabled at the next Council meeting following the reply for consideration.</p>	2023-12-14	NM MONYELA	80	<p>A letter was sent to the National Minister and the municipality is still awaiting the response.</p>

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**7. CONSIDERATION OF AGENDA ITEMS****7.1 2024/25 DRAFT BUDGET MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK****File No. /s:** 3/2/2/24**Responsible Official:** R Ontong**Directorate:** Financial Services**Portfolio:** Financial Services

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**Purpose**

The purpose of this submission is to present the 2024/25 MTREF Draft Budget.

**Legal Framework**

Section 16 of the Municipal Finance Management Act states:

“Annual budgets

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

**Contents of annual budgets and supporting documents**

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

**Financial Implications**

The financial implications of the 2024/25 MTREF Draft Budget is captured in the Budget Report.

**Annexures**

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

Quality Certificate (**Annexure B**)

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

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

Municipal Tariffs (**Annexure D**)

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

Demand Management Plan (**Annexure F**)

# **DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK 2024/2025 – 2026/2027**



# BREED VALLEY

MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

## 26 MARCH 2024

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### **Abbreviations and Acronyms**

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kl	kilolitre

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km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt-hour
l	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

## Glossary

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

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

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

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

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

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

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

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

**GDFI** - Gross Domestic Fixed Investment

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

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

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

**LM** – Breede Valley Municipality.

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

**mSCOA** – Municipal Standard Chart of Accounts

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

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

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

**TMA** – Total Municipal Account

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

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

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

## PART 1 – Annual Budget

### 1. Mayor's Report

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

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

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

### 2. Resolutions

It is recommended to council that in respect of the 2024/25 MTREF, and outer financial years that council approves the 2024/25 MTREF budget in terms of section 24 of the Municipal Finance Management Act.

### 3. Executive Summary

#### 3.1 Legislative Background

Section 16 of the Municipal Finance Management Act states:

“Annual budgets

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

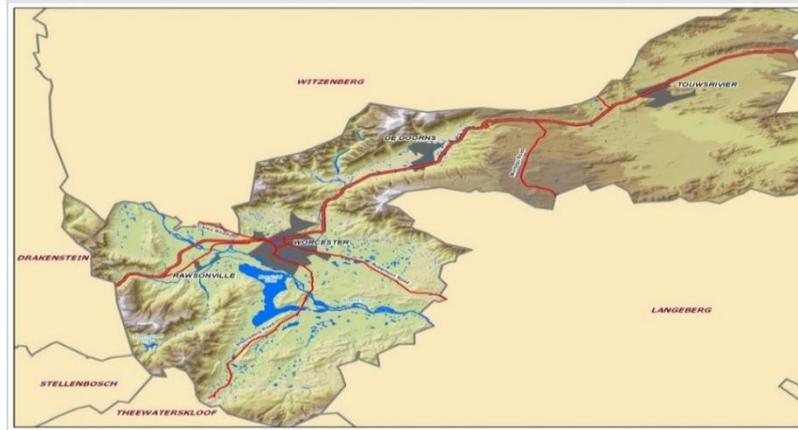
- 
- (2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.
  - (3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period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

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

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

### **3.2 Municipal General Overview**

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



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



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

STRATEGIC PILLARS	
<b>OPPORTUNITY</b>	Breede Valley Municipality strives to provide an opportunity for every resident to have access to all basic services and to live in a safe, caring and well-managed municipal environment.
<b>SAFETY</b>	Breede Valley Municipality aims to partner with the community, other government departments and community organisations to provide a safe environment in which

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

## STRATEGIC OBJECTIVES

Section 24 of the Municipal Systems Act states:

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

STRATEGIC OBJECTIVES	
<b>SO 1</b>	To provide and maintain basic services and ensure social upliftment of the Breede Valley community
<b>SO 2</b>	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism
<b>SO 3</b>	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people
<b>SO 4</b>	To provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local
<b>SO 5</b>	To ensure a healthy and productive workforce and an effective and efficient work environment
<b>SO 6</b>	To assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices

### 3.3 Budget Principles and Criteria

The 2024/25 MTREF was compiled based on the following principles and criteria taken into account, the impact of the loadshedding, aftermath of COVID 19 pandemic and on the economy:

#### **Credibility**

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

#### **Sustainability**

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

#### **Responsiveness**

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

#### **Affordability**

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

The 2024/2025 budget is compiled in line with chapter 4 of the Municipal Finance Management Act, MFMA Budget Circulars and other relevant circulars and / or guidelines from National Treasury and Provincial Treasury. The budget strives to be consistent with the financial norms and ratios as per the MFMA Circular 71 to ensure sound and sustainable management of financial affairs of the municipality. The budget is also consistent with the Long-Term Financial Plan to ensure synergy between long term planning and implementation of planning. Other important principles include addressing the need of access to basic services and the efficient capacitation of the municipality, which is in many instances a challenge given limited financial resources.

The main challenges experienced with the compilation of the 2024/25 MTREF are as follow:

- Loadshedding implemented by Eskom and associated disruptions (revenue generation and economic activity)
- Consequences of COVID 19 Pandemic
- Amendments to mSCOA;

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

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

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

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

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

The capital budget for 2024/25 aims to address the service delivery needs within the municipal area, given the available resources internally and externally. The main sources of funding are external loans, conditional grant allocations from National and Provincial government departments and internal funding.

### 3.4 Rebates

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

#### 3.4.1 Rebates: Unemployed and Indigent

Household Income	Rates	Sewer	Refuse	Rental
R0 - R5 000	50%	50%	50%	100%
Max. Valuation	R 270 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilolitre			

#### 3.4.2 Rebates: Pensioner

Household Income	Rates	Sewer	Refuse	Rental
Government Pension & Disability / Pensioners 60 years and older R0 - R5 000	100%	100%	100%	100%
Max Valuation	R 270 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilolitre			

### 3.4.3 Rebates: Pensioner 70 years and older

Pensioners falling in this category are eligible for an additional R310 000.00 rebate on the calculation of their property rates bill. This overall rebate is capped at R400 000.00

### 3.4.4 Special Rating Area (SRA)

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

## 3.5 Budget Overview

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

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

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

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

### 3.5.1 Operating Revenue

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The table below reflects the operating revenue in relation to the current year and 2024/25 MTREF.

Please refer to Annexure A

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

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

**Property Rates:** Budgeted revenue is based on the current performance realised during the 2023/24 financial year and anticipated revenue based on the current valuation roll.

**Service Charges:** The 2024/25 projected revenue for service charges is based on the current performance and anticipated trends over the MTREF.

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

**Fines:** Fines are projected in accordance with the anticipated issues for the 2023/24 MTREF based on the current performance in the 2023/24 financial year.

**Transfers Recognised – Operational:** This revenue item is based on the operational transfers (conditional and unconditional) as per the 2024/25 budget year allocations.

### 3.5.2 Operating Expenditure

The table below reflects the operating expenditure in relation to the current year and 2024/25 MTREF.

Please refer to Annexure A.

The operational expenditure budget was adjusted to accommodate the projected operational expenditure to be incurred over the MTREF. These amendments/adjustments are based on the 2023/24 Adjustment Budget.

These amendments are informed by the following principles:

- Current structure and funding mix to remain as is.
- No new positions
- No new temporary contracts
- EPWP workers to be used as alternative to counter staff shortages where needed

- 
- Review of standby and overtime
  - No and/or limited travel and subsistence
  - Efficient and effective utilization of internal staff opposed to using external contractors
  - Hiring of plant and equipment limited to extreme cases

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

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

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

**Debt Impairment:** The fines and corresponding write-off will be managed within the available budgets. These amounts will be reviewed with the 2024/25 adjustments budget if needed.

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

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

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

**Inventory consumed and Contracted Services:** The budget for other materials and contracted services is also based on the 2023/24 Mid-year Adjustments Budget. The municipality placed significant emphasis on the funding of temporary workers that will be targeting high priority areas such as area cleaning and basic service delivery aspects where a temporary need exists. Further, maintenance of rental units / flats, relocation of outside toilets for the vulnerable, ward-based projects and maintenance

of chemical toilets are projects to received high priority in terms of funding. The implementation of these projects will be closely monitored given the importance and impact it will have on the beneficiaries.

**Operational Costs:** Limited increases were applied in terms of Operational Costs. The 2024/25 Draft Budget amount is also based on the 2023/24 performance and is aimed at utilizing resources in a more cost effective manner to positively influence the financial sustainability of the municipality.

Please refer to SA1 for the detail.

### 3.5.3 Capital budget

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

Please refer to Annexure A

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

#### Capital Projects

The list below represents the major / significant capital projects.

Description	Project code	Source Finance	Fund Desc	Draft Budget – 2024/25	Draft Budget 2025/26	Draft Budget 2026/27
<b><u>Engineering Services and Public Services</u></b> <b><u>Not Allocated to Wards</u></b> <b><u>Worcester WwTW</u></b>						
<b><u>Stettynskloof Water Supply (Worcester/Rawsonville)</u></b> Increase dam Level (Stetteynskloof Dam)	CP_0461	1,1	Loans	10 000 000	10 000 000	0
<b><u>Klipvlakte/ Transhex Residential Development (13 000 erven)</u></b> Electrical Reticulation	CP_0009	8,2	INEP	14 620 000	19 431 000	17 518 000
<b><u>Upgrading of Sewer Network</u></b> External Loan	CP_0453	1,1	Loans	0	3 000 000	0
CRR	CP_0453	3,0	CRR / Own Funding	4 500 000	10 000 000	10 000 000

<b><u>Touws River: Waste Water Treatment Works (WwTW) Augmentation</u></b>						
Augmentation Touwsriver WWTW (MIG)	CP_0420	8,0	MIG	39 790 000	2 913 920	0
Augmentation Touwsriver WWTW (External Loans)	CP_0420	1,1	Loans	10 629 200	8 979 530	0
<b><u>Upgrading of Gravel Roads</u></b>						
Breede Valley: Roads	CP_0062	3,0	CRR / Own Funding	0	0	5 000 000
<b><u>Resealing of Roads</u></b>						
Resealing of Municipal Roads - Rawsonville	CP_0065	3,2	CRR / Own Funding	0	0	500 000
<b><u>Resealing of Municipal Roads - Worcester</u></b>						
MIG	CP_0066	8,0	MIG	0	0	13 850 616
CRR	CP_0066	3,2	CRR / Own Funding	2 608 700	0	7 000 000
<b><u>Resealing of Municipal Roads - De Doorns</u></b>						
CRR	CP_0067	3,2	CRR / Own Funding	0	0	2 000 000
<b><u>Resealing of Municipal Roads - Touws River</u></b>						
Resealing of Municipal Roads - Touws River	CP_0068	3,2	CRR / Own Funding	0	0	500 000
<b><u>Upgrading of Roads</u></b>						
Municipal Roads (Ward 1, 2, 3, 4, 16, 17 and 18)	CP_0512	3,0	CRR / Own Funding	4 500 000	5 000 000	0
<b><u>Networks</u></b>						
Pipe cracking (all wards)	CP_0513	3,0	CRR / Own Funding	3 000 000	3 000 000	3 000 000
<b><u>Electricity (8112)</u></b>						
Refurbishment of Touwsriver & De Doorns Substation and Safeguarding	CP_0463	1,1	Loans	8 000 000	0	0
Robertson Road Substation	CP_0464	1,1	Loans	14 377 173	0	0
RMU/ Main Sub Switchgear Replacements De Doorns	CP_0466	1,1	Loans	0	3 000 000	0
RMU/Main Sub Switchgear replacements Touwsrivier	CP_0467	1,1	Loans	0	3 000 000	0
Roux Park capacity/equipment upgrade	CP_0468	1,1	Loans	3 200 000	0	0
66KV Ripple Control	CP_0471	1,1	Loans	0	6 900 000	0
Supply and Installation of Load Shedding Solution and Solar PV	CP_0509	3,0	CRR / Own Funding	8 200 000	6 807 000	0

<b>Refurbishment of electrical system (NERSA)</b>						
Altona new Electrical Substation	CP_0426	3,0	CRR / Own Funding	0	0	6 000 000
Electricity - Machinery and Equipment	CP_0428	3,0	CRR / Own Funding	400 000	600 000	0
<b><u>SOLID WASTE MANAGEMENT</u></b>						
<b><u>WORCESTER</u></b>						
Wheeliebins	CP_0178	3,0	CRR / Own Funding	1 000 000	1 000 000	1 000 000
<b><u>Ward Priorities</u></b>						
Speed Humps	CP_0432	3,0	CRR / Own Funding	500 000	500 000	500 000
Fencing of Substations	CP_0435	3,0	CRR / Own Funding	600 000	600 000	600 000
Playparks	CP_0606	3,0	CRR / Own Funding	500 000	500 000	500 000
<b><u>Ward 1</u></b>						
Upgrading Gravel Roads	CP_0268	3,2	CRR / Own Funding	5 272 516	10 852 250	0
Upgrading Gravel Roads	CP_0268	8,0	MIG	0	12 176 433	0
<b><u>Ward 2</u></b>						
De Doorns Water Purification Works : Augmentation of DAF Unit (MIG funding)	CP_0130	8,0	MIG	0	0	25 145 384
De Doorns Water Purification Works : Augmentation of DAF Unit (MIG funding)	CP_0623	3,2	CRR / Own Funding	0	0	3 498 600
<b><u>Ward 5</u></b>						
High Mast Light GG Camp - Ward 5	CP_0625	3,0	CRR / Own Funding	0	801 430	0
<b><u>Ward 7</u></b>						
Upgrading of Gravel Roads (Smith str.)	CP_0607	3,0	CRR / Own Funding	1 401 750	0	0
<b><u>Ward 8</u></b>						
Upgrading of Gravel Roads - Industrial Area	CP_0608	3,0	CRR / Own Funding	5 935 250	0	0
High Mast Light Makoala Park - Ward 8	CP_0626	3,0	CRR / Own Funding	798 000	0	0
<b><u>Ward 10</u></b>						
Reseal of Roads - Ward 10	CP_0524	3,0	CRR / Own Funding	500 000	0	0
<b><u>Ward 11</u></b>						
Reseal of Roads - Ward 11	CP_0526	3,0	CRR / Own Funding	500 000	0	0
<b><u>Ward 12</u></b>						
		-	-			

Reseal of Municipal Roads - Ward 12	CP_0527	3,0	CRR / Own Funding	2 500 000	0	0
<b><u>Ward 13</u></b>						
Reseal of Municipal Roads - Ward 13	CP_0529	3,0	CRR / Own Funding	500 000	0	0
<b><u>Ward 15</u></b>						
Reseal of Municipal Roads - Ward 15	CP_0533	3,0	CRR / Own Funding	2 500 000	1 000 000	0
<b><u>Ward 16</u></b>						
High Mast Light - New Mandela -Ward 16	CP_0627	3,0	CRR / Own Funding	0	801 430	0
<b><u>Ward 20</u></b>						
High Mast Light - Ward 20	CP_0537	3,0	CRR / Own Funding	700 000	0	0
<b><u>Ward 21</u></b>						
Upgrading of gravel roads	CP_0268	3,2	CRR / Own Funding	8 326 701	0	0
Upgrading of gravel roads	CP_0268	<u>8,0</u>	MIG	0	26 518 647	0
<b><u>SERVICE CONNECTIONS</u></b> <b><u>(Depending on Public Contr)</u></b>						
Sewer Connections	CP_0165	3,3	CRR / Own Funding	1 120 000	1 120 000	0
Electricity Connections	CP_0166	3,3	CRR / Own Funding	1 000 000	1 000 000	0
Water Connections	CP_0167	3,3	CRR / Own Funding	1 219 200	2 719 200	0
<b><u>Water and Waste Water Treatment Works</u></b>						
WWTW and WTW Generators	CP_0476	3,0	CRR / Own Funding	800 000	0	0
Fencing and safeguarding of WTW and WWTW pumpstations	CP_0477	3,0	CRR / Own Funding	1 000 000	0	0
WWTW Pump station upgrading and refurbishment	CP_0478	1,1	Loans	2 000 000	0	0
<b><u>Parks and Cemeteries</u></b>						
Parks - Machinery and Equipment	CP_0479	3,0	CRR / Own Funding	100 000	100 000	0
Fencing of Cemeteries - Aan De Doorns	CP_0480	3,0	CRR / Own Funding	0	1 225 000	0
Fencing of Cemeteries - De Wet Str.	CP_0481	3,0	CRR / Own Funding	237 500	0	0
<b><u>Water and Sewerage</u></b>						
Water - Machinery and Equipment	CP_0281	3,0	CRR / Own Funding	300 000	0	0
<b><u>ROADS AND STORMWATER</u></b>						
Roads - Machinery and Equipment	CP_0438	3,0	CRR / Own Funding	300 000	305 000	0

<b><u>Land Infill Developments</u></b>						
Uitvlug Industrial Zone - Water	CP_0555	3,0	CRR / Own Funding	100 000	500 000	0
Uitvlug Industrial Zone - Sewer	CP_0556	3,0	CRR / Own Funding	100 000	500 000	0
Uitvlug Industrial Zone - Electricity	CP_0557	3,0	CRR / Own Funding	100 000	10 000 000	0
Uitvlug Industrial Zone - Roads	CP_0558	3,0	CRR / Own Funding	100 000	500 000	0
Uitvlug Industrial Zone - Stormwater	CP_0559	3,0	CRR / Own Funding	100 000	500 000	0
<b><u>Municipal Manager</u></b>						
<b><u>Admin -0603</u></b>						
Furniture and Equipment	CP_0021	3,0	CRR / Own Funding	5 000	0	0
<b><u>Community Services</u></b>						
<b><u>ADMIN - 0903</u></b>						
Furniture & Equipment	CP_0181	4,0	CRR / Own Funding	5 000	0	0
<b><u>COMMUNITY DEVELOPMENT</u></b>						
Youth Café - Furniture and Office Equipment	CP_0486	3,0	CRR / Own Funding	1 000 000	1 000 000	0
Airconditioners	CP_0628	3,0	CRR / Own Funding	50 000	0	0
<b><u>NEKKIES</u></b>						
UPGRADE OF RECEPTION OFFICE	CP_0628	3,0	CRR / Own Funding	300 000	0	0
<b><u>DE LA BAT SWIMMING POOL</u></b>						
FENCING AROUND PUMPING ROOM	CP_0630	3,0	CRR / Own Funding	90 000	0	0
<b><u>SPORT: Boland Park - 5130</u></b>						
Replacement of fence perimeter	CP_0326	3,0	CRR / Own Funding	0	3 000 000	7 000 000
<b><u>Bowling Green</u></b>						
Bowling Green - Renewal of Roof	CP_0616	3,0	CRR / Own Funding	250 000	0	0
<b><u>TOUWSRIVER STADION</u></b>						
1X Walk Behind vibrating Roller	CP_0636	3,0	CRR / Own Funding	300 000	0	0
<b><u>DE DOORNS WEST SPORTGROUND</u></b>						
<b><u>DE WET SPORTGROUND</u></b>						
Upgrading of De Wet Sportground	CP_0604	8,0	MIG	0	0	1 100 000
Upgrading of De Wet Sportground		3,2	CRR / Own Funding	200 000	0	0
<b><u>RAWSONVILLE SPORTGROUND</u></b>						

Upgrading of Rawsonville Sportground	CP_0603	8,0	MIG	0	0	4 900 000
Upgrading of Rawsonville Sportground		3,2	CRR / Own Funding	200 000	0	0
<b><u>SPORT: Esselen Park</u></b>						
Replacement of fence perimeter	CP_0441	3,0	CRR / Own Funding	9 150 000	0	0
<b><u>WATERLOO LIBRARY - 4506</u></b>						
Waterloo Library - Airconditioners						
Air conditioners - variety of libraries	CP_0619	3,0	CRR / Own Funding	500 000	0	0
Furniture and Office equipment	CP_0631	3,0	CRR / Own Funding	150 000	0	0
<b><u>TRAFFIC</u></b>						
<b><u>Buildings</u></b>						
Traffic Vehicles	CP_0444	3,0	CRR / Own Funding	0	2 100 000	1 600 000
<b><u>FIRE DEPARTMENT: ADMIN - 4203</u></b>						
Major Fire Engine (Pumper)	CP_0494	3,0	CRR / Own Funding	7 000 000	8 000 000	0
Equipment for Fire Engine	CP_0495	3,0	CRR / Own Funding	1 500 000	2 000 000	0
Fire Services - Machinery and Equipment	CP_0500	3,0	CRR / Own Funding	40 000	0	0
4x4 veld and bush Fire Engine with tank and pump	CP_0632	3,0	CRR / Own Funding	850 000	0	0
Zwelethemba Fire Station - Fence	CP_0633	3,0	CRR / Own Funding	240 000	0	0
Worcester Fire Station Carport	CP_0634	3,0	CRR / Own Funding	250 000	0	0
Touwsrivier Fire Station - Fence	CP_0634	3,0	CRR / Own Funding	150 000	0	0
<b><u>FINANCIAL SERVICES</u></b>						
<b><u>Admin</u></b>						
Furniture and Equipment	CP_0182	4,0	CRR / Own Funding	5 000	0	0
<b><u>Financial Planning</u></b>						
Safeguarding of Assets	CP_0115	12,0	Insurance Reserve	400 000	400 000	0
FS FP - Insurance claims : Other Assets	CP_0193	12,0	Insurance Reserve	400 000	400 000	0
FS FP - Insurance claims : Mach & Equipment	CP_0193	12,0	Insurance Reserve	500 000	500 000	0
FS FP - Insurance claims : Comp Equipment	CP_0193	12,0	Insurance Reserve	100 000	100 000	0
<b><u>Fleet Management - 8860</u></b>						
Municipal Vehicles - LDV's	CP_0541	3,0	CRR / Own Funding	500 000	0	0
Municipal Vehicles - Sedans	CP_0542	3,0	CRR / Own Funding	500 000	0	0
Municipal Vehicles - Specialized	CP_0543	3,0	CRR / Own Funding	1 500 000	0	0
<b><u>COUNCIL &amp; MAYCO</u></b>						

<b><u>MAYORAL OFFICE - 0306</u></b>						
Furniture and Equipment	CP_0183	3,0	CRR / Own Funding	5 000	0	0
<b><u>STRATEGIC SUPPORT SERVICES</u></b>						
<b><u>STRATEGIC SUPPORT - ADMIN - 2103</u></b>						
Furniture and Equipment	CP_0183	4,0	CRR / Own Funding	5 000	5 000	5 000
<b><u>Local Economic Development</u></b>						
LED - Furniture and Office Equipment	CP_0507	4,0	CRR / Own Funding	5 000	5 000	0
<b><u>INFORMATION TECHNOLOGY</u></b>						
ICT - Computer Equipment	CP_0120	3,0	CRR / Own Funding	3 000 000	500 000	500 000
Fibre Links	CP_0544	3,0	CRR / Own Funding	10 000	10 000	10 000
Call Center & Telephone (PBX) System	CP_0445	3,0	CRR / Own Funding	50 000	50 000	50 000
Biometric system	CP_0117	3,0	CRR / Own Funding	150 000	150 000	150 000

Kindly refer to SA36 for the detail capital budget.

#### 4. Annual Budget Tables

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

- **Table A1 Budget Summary**
- **Table A2 Budgeted Financial Performance (Revenue and Expenditure by standard classification)**
- **Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**
- **Table A4 Budgeted Financial Performance (revenue and expenditure)**
- **Table A5 Budgeted Capital Expenditure by vote, standard classification and funding**
- **Table A6 Budgeted Financial Position**
- **Table A7 Budgeted Cash Flows**
- **Table A8 Cash Backed Reserves / Accumulated Surplus Reconciliation**
- **Table A9 Asset Management'**
- **Table A10 Basic Service Delivery Measurement**

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

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

## PART 2 – Supporting Documentation

## 5. Overview of Annual Budget Process

Step No	ISSUE	TIMEFRAME
1	IDP/Budget Process Plan/Timetable approved by council	Aug 2023
2	IDP Meetings – inputs from Ward Councilors & Ward Committees	Oct 2023
3	First IDP/ Budget Steering Committee Meeting	Nov 2023
4	Departmental inputs on Draft allocations	Nov & Dec 2023
5	2 <sup>nd</sup> Budget Steering Committee – Consider Adjustment budget	Jan 2024
6	Draft Budget input captured and Budget balanced	March 2024
7	Draft IDP & Budget tabled in Council	March 2024
8	IDP & Budget workshop - Council	April 2024
9	Public Consultation	April 2024
10	Finalise Sector / Dept Strategy Plan / Budget - IDP	April 2024
11	Consideration of Comments received	April 2024
12	Tabling of Final MTREF	End May 2024



## Process Plan

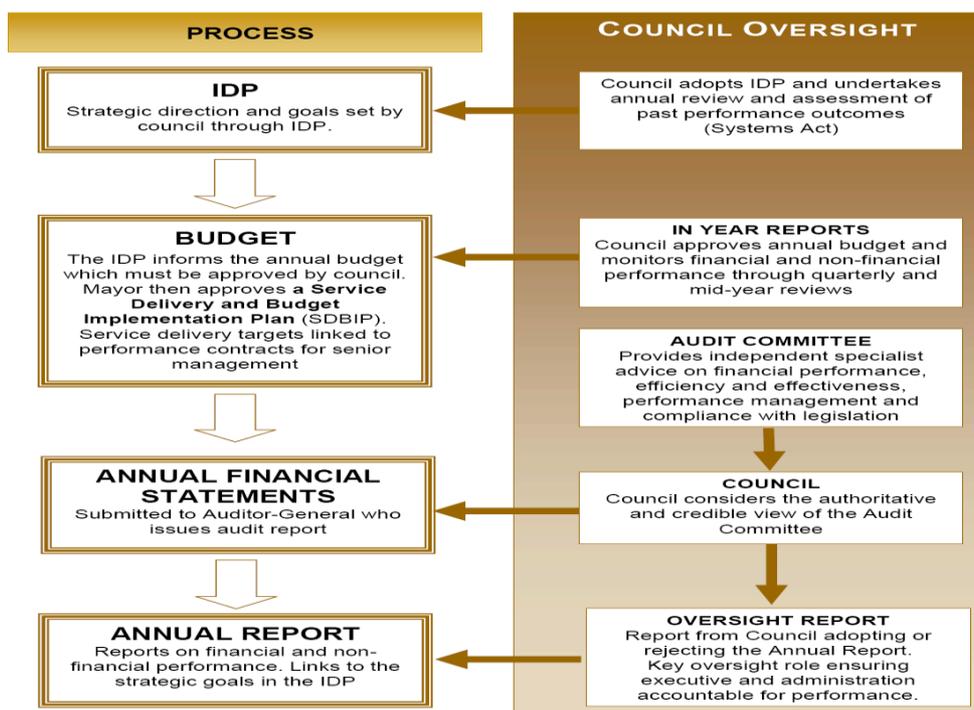
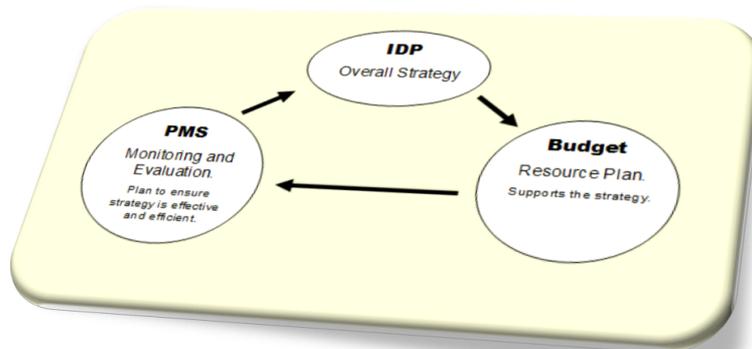
	STEP	PROCESS
1.	Planning	Schedule key dates, establish consultation forums, review previous processes
2.	Strategising	Review IDP, Determine priorities, set service delivery targets and objectives for the next three years, consult on tariffs, indigent, credit control, free basic services, etc and consult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

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

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

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

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



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

Please refer to Annexure A

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

Please refer to Annexure A

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

Please refer to Annexure A

**7. Measurable performance objectives and indicators**

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

Please refer to Annexure A

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

The following table sets out the municipality's main performance objectives and benchmarks for the 2024/25 MTREF.

Please refer to Annexure A

**9. Overview of Budget Related Policies**

The following budget related policies are in use:

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

Please refer to annexure D for the budget related policies.

**10. Overview of Budget Assumptions**

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

- Tariff increases:

Service	Percentage Increase (%)
Electricity	11.02% (subject to final approval by NERSA)
Water	5.78%
Sewerage	5.78%
Refuse	5.78%
Rates	5.78%

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

- CPIX = 4.9% (MFMA budget circular)
- Employee related cost is based collective agreement
- Government Grant will be received as gazetted by National and Provincial Government.
- Electricity bulk purchases in line with NERSA guideline.
- Minimal growth in revenue base. Mostly related to low cost housing.
- No / limited increases applied on cost containment items.
- Indigent households is anticipated be in the region of 10 000 households (formal)
- Budgeted collection rate equals to 90 percent
- Conditional grant will be fully spent
- Credit rating: Baa1.za

## 11. Overview of Budget Funding

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

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

Please refer to table A1 of Annexure A

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

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

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

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

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

Kindly refer to table SA19 of Annexure A.

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

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

Kindly refer to table SA21 of Annexure A.

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

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

Kindly refer to table SA23 of Annexure A.

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

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

Please refer to table SA25 of annexure A.

**16. Contracts having future budgetary implications**

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

Please refer to table SA33 of annexure A.

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

Please refer to table SA35 of annexure A.

**18. Capital expenditure details**

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

Please refer to table SA36 of annexure A.

**19. Legislation compliance status**

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

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

## 20. Other supporting documents

Please refer to annexures E for MFMA budget circular

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

No municipal entities.

## COMMENTS BY OTHER DIRECTORATES

<b>Municipal Manager –</b>	Recommendation supported
<b>Director Strategic Services –</b>	Recommendation supported
<b>Director Engineering Services –</b>	Recommendation supported
<b>Director Community Services (Acting) -</b>	Recommendation supported

## RECOMMENDATION

That in respect of

### **2024/25 DRAFT BUDGET MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK**

discussed by Council at the Council Meeting of 26 March 2024:

1. Council approves the tabling of the draft annual budget and annual budget supporting tables as prescribed by the Municipal Budget and Reporting Regulations, as set out in Annexure A.

2. Council approves the tabling of the Quality Certificate to the draft budget signed by the Accounting Officer, as per Annexure B.
3. Council approves the tabling of revised budget related policies as per Annexure C.
4. Council approves the tabling of the draft tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D
5. Council approves the tabling of Revenue Enhancement Implementation Plan as per Annexure G.

**7.2 DRAFT SECOND REVIEW OF THE 5<sup>th</sup> GENERATION INTEGRATED DEVELOPMENT PLAN (2022 - 2027) FOR THE PERIOD 2024 - 2025****File No./s:**10/3/8**Responsible Official:** C. Malgas**Directorate:** Strategic Support Services**Portfolio:** IDP/PMS/SDBIP

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**1. PURPOSE:**

To table the Draft Second Review of the 5<sup>th</sup> Generation Integrated Development Plan (2022 - 2027) for the period 2024 – 2025 (hereafter referred to as the Draft 2024/2025 IDP), as prepared in line with the prioritised needs of the Breede Valley community, in accordance with the budgetary resources available.

The Draft 2024/2025 IDP will be consulted with the local community and all relevant stakeholders as required by legislation.

**2. BACKGROUND:**

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

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

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

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

**For ease of reference, the table below depicts the current status pertaining to the information/sections within the Draft 2024/2025 IDP:**

<b>Chapter</b>	<b>Section Description</b>	<b>Summary of Change</b>
	<b>MAYOR'S FOREWORD</b>	To be updated/provided in the final IDP (May 2024)
	<b>MUNICIPAL MANAGER'S FOREWORD</b>	To be updated/provided in the final IDP (May 2024)
	<b>INTRODUCTION</b>	The purpose of the document has been updated
<b>1</b>	<b>PROCESS PLAN / TIME SCHEDULE FOR THE 5TH GENERATION IDP ADOPTED BY COUNCIL</b>	The time schedule which prescribed the process for compiling the 2024/25 Budget & IDP, has been removed. Hyperlinks to the respective documents have been included, which stakeholders could follow to view the Council-approved versions thereof
<b>2</b>	<b>DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILE</b>	Review and update of socio-economic statistics in line with the latest provincial as well as municipal sources (i.e. latest Census data, Municipal Economic Review & Outlook - Province, Breede Valley Socio-economic Profile - Province, 2022/23 Annual Report – Municipal). This process will continue until the final tabling, as the IDP unit is currently engaging StatsSA on the availability of lower-level data (i.e. ward-level)
<b>5</b>	<b>THE OPPORTUNITY MUNICIPALITY (PROGRAMME 5.1 – 5.9)</b>	Information revised and aligned to latest municipal/departmental strategic implementation plans and statistics (where input has been received). A detailed summary of all changes will be provided in the Council item relating to the final IDP
<b>6</b>	<b>THE SAFE MUNICIPALITY (PROGRAMME 6.1 (a-j))</b>	Information revised and aligned to latest municipal/departmental strategic implementation plans and statistics (where input has been received). A detailed summary of all changes will be provided in the Council item relating to the final IDP
<b>7</b>	<b>THE CARING MUNICIPALITY (PROGRAMME 7.1 (a-e))</b>	Information revised and aligned to latest municipal/departmental strategic implementation plans and statistics (where input has been received). A detailed summary of all changes will be provided in the Council item relating to the final IDP

<p>8</p>	<p><b>THE INCLUSIVE MUNICIPALITY (PROGRAMME 8.1)</b></p>	<p>IDP &amp; Budget public engagement methodology &amp; schedules for October-November 2023 were updated accordingly. The March-April 2024 public engagement schedule and methodology will be updated in the final IDP submission to Council. In addition, the ward-based plans (particularly 2024/25 ward priorities) have been updated for each ward, as obtained during the October-November 2023 public consultations</p>
<p>9</p>	<p><b>THE WELL-RUN MUNICIPALITY (PROGRAMME 9.1 – 9.2)</b></p>	<p>The HR Strategy (in accordance with the Municipal Staff Regulations) has been revised and updated accordingly.</p> <p>Under programme 9.2, the administrative staff establishment (macro structure) was also reviewed and aligned to the draft staff establishment proposed by the municipality</p>
<p>10</p>	<p><b>BUDGETARY INFORMATION</b></p>	<p>The draft budget, budget &amp; financial management principles and related information will be incorporated into Chapter 10 as part of the final IDP submission to Council in May 2024.</p>
<p>11</p>	<p><b>INTER-GOVERNMENTAL ALIGNMENT</b></p>	<p>The Covid-19 JOC has been removed from the list of IGR structures, as this structure is no longer active (operations ceased upon conclusion of the Covid-19 state of disaster).</p> <p>The Cape Winelands District JDMA Implementation/One Plan has been updated in accordance with the current project status.</p> <p>National and Provincial funding allocations (in terms of the DORB and planned/estimated provincial expenditure for infrastructure) will be incorporated in the final IDP, as certain provincial allocations and planned expenditure are being clarified with the province</p>

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12	<b>PERFORMANCE MANAGEMENT (DRAFT SDBIP 2024/2025)</b>	The draft SDBIP for 2024/2025 has been included. At this stage, the submission of this SDBIP is merely for compliance purposes. Administration is in process of finalising the SDBIP for submission to the Executive Mayor (for approval) and Council (for notification) by May 2024. A final review of the chapter will be done and incorporated in the final IDP, aligned to the final Performance Management Framework.
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A copy of the Draft 2024/2025 IDP (Annexure "A") will be circulated as addendum.

The Draft 2024/2025 IDP and its related components will be subjected to public participation to (amongst others) solicit public views and input hereon. A copy of the IDP/Budget engagement methodology (scheduled in April 2024) is attached for Council's notification (Annexure "B"). The latter served before Council in February 2024 and has subsequently been confirmed with each ward Councillor per the resolution. It is imperative to note that the engagements scheduled in De Doorns have been called-off due to the current volatility within the community and to protect the safety of all stakeholders and constituents involved. The municipality will revert to alternative means of engaging the community of De Doorns and remains in close contact with the respective ward Councillors.

### **Sectoral Plans:**

- **Water Services Development Plan - IDP Water Sector Input Report**

Sections 12 and 13 of the Water Services Act (Act No. 108 of 1997) places an obligation on each Water Services Authority (WSA) to prepare and maintain a Water Services Development Plan (WSDP) - also known as a sector plan - every 5 years and update it annually (i.e. as part of- and aligned to the IDP process).

In addition to its legislative status, the WSDP enables WSA's to adequately plan and execute its primary mandate within its jurisdictioned area, as it provides information on (amongst others) water sources and quality, water balances, water services infrastructure and institutional arrangements for water services. This in turn, underpins the development of realistic long-term water services investment plan(s) which:

- identifies shortfalls and gaps within current levels of water service provisions,
- prioritises the provision of optimal basic water services,
- encourages long-term affordability and sustainability,
- promotes economic development, and ultimately
- pursues the overarching municipal strategic objectives, particularly from a water services perspective.

On this premise, a copy of Breede Valley Municipality's WSDP is attached as Annexure "C".

### **3. FINANCIAL IMPLICATIONS:**

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

### **4. APPLICABLE LEGISLATION:**

Municipal Systems Act, Act 32 of 2000

Municipal Finance Management Act, Act 56 of 2003

Local Government: Municipal Planning and Performance Management Regulations, 2001

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

**Municipal Manager:** Supported

**Director: Strategic Support Services:** Supported



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<b>Director: Financial Services:</b>	Supported
<b>Director: Engineering Services:</b>	Supported
<b>Acting Director: Community Services:</b>	Supported
<b>Senior Legal Manager:</b>	Supported

**RECOMMENDATION:**

That in respect of –

**The Draft Second Review of the 5th Generation Integrated Development Plan (2022 - 2027) for the period 2024 - 2025,**

tabled before Council at the Council meeting held on 26 March 2024:

1. That Council takes note of the Draft 2024-2025 IDP (Annexure A) and endorse that it be and made public in terms of section 21 of the MSA.
2. That Council be reminded of the IDP/Budget Public Engagement methodology and note the final engagement schedule (Annexure B), that will be rolled-out from 8 – 23 April 2024.
3. That Council provides in principal approval of the Water Services Development Plan – IDP Water Sector Input Report for 2024-2025

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**7.3 SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2024.  
MFMA SECTION 71 Report****File No. /s:** 3/15/1**Responsible Officials:** R. Ontong**Directorate:** Financial Services**Portfolio:** Financial Services

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**Purpose**

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

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

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

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

(2) The statement must include-

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and

- 
- (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).
- (3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.
- (4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.
- (5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.
- (6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.
- (7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

**Financial Implications:**

None

**Applicable Legislation/ Council Policy:**

Municipal Finance Management Act, 56 of 2003 (Section 71);

Municipal Budget and Reporting Regulations, 2009

**Comment of Directorates/ Departments concerned:**

<b>Municipal Manager:</b>	Recommendation supported
<b>Director: Strategic Support Services:</b>	Recommendation supported
<b>Director: Financial Services:</b>	Recommendation supported
<b>Acting Director: Community Services:</b>	Recommendation supported

**Director: Engineering Services:**

Recommendation supported

**RECOMMENDATION:**

That in respect of

**SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2024,**

discussed by Council at the Council meeting held on 26 March 2024:

1. That Council take note of the in-year financial management report for the period ended 29 February 2024.

**To Action**

R. Ontong

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## 7.4 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF FEBRUARY 2024

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

**Responsible Official:** R. Ontong

**Directorate:** Financial Services

**Portfolio:** Supply Chain Management

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### 1. Purpose

To report to Council on all deviations and their reasons, approved by the delegated authority in terms of paragraph 36(2) of the Supply Chain Management Policy, for the month of February 2024.

### 2. Background

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

Deviations approved in terms of paragraph 36(1)(a) for the month of November 2023, are attached as **Annexure A**.

### 3. Financial Implications

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

### 4. Applicable Legislation / Council Policy

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

### 5. Comment of Directorates / Departments

**Municipal Manager:** Noted

**Director: Strategic Support Services:** Noted

**Director: Financial Services:** Noted

Director: Engineering Services: Noted

Acting Director: Community Services: Noted

Senior Manager: Legal Services: Noted

**RECOMMENDATION:**

That in respect of

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

discussed by Council at the Council meeting held on 26 March 2024:

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

**To Action**

R. Ontong

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**7.5 PROPOSED AMENDMENTS TO BID BV933/ 2021: MAINTENANCE OF ALL ELECTRICAL AND MECHANICAL EQUIPMENT AT THE WATER SERVICES DIVISION, BREDE VALLEY MUNICIPALITY FOR THE PERIOD ENDING 30 JUNE 2024****File No. /s:** 11/1/B**Responsible Official:** J. D. Pekeur**Directorate:** Public Services**Portfolio:** Water Services

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**1. Purpose:**

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

BV933/ 2021: Maintenance of all electrical and mechanical equipment at the water services division, Breede Valley Municipality for the period ending 30 June 2024.

In terms of section 116(3) of the Local Government: Municipal Finance Management Act, Act No. 56 of 2003 (MFMA), Council to make an informed decision whether to consent to the amendment of the contracts.

**2. Background:**

BV933/ 2021 entails routine inspection, service, repair and maintenance as well as emergency callouts (on an ad-hoc basis) for the electrical and electrical equipment to meet the functional requirements within the Breede Valley Municipal area. The contract timeframe is: 1 August 2022 to 30 June 2024. This tender was awarded on 30 June 2022 to the upper limit of R10 million as per the SCM delegations of the Bid Adjudication Committee, based on rates, on an "as and when a need arises basis". In January 2024, a variation order was approved as per CIDB guidelines to upper limit of R2 million, totalling to R12 million.

**Comments:**

The provision of clean water (and treatment of sewage and wastewater) to the residents and business community is the core municipal function of the Breede Valley Municipality.

If the stakeholders happen to consume polluted water, there can be illnesses, deaths, claims from the public, loss of revenue by the municipality because of closure of businesses, loss of income by certain households, etc. Such incidents need to be avoided since they tend to be costly to the municipality should they arise.

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The current contract is still active however, the R12 million threshold is about to be reached prior to 30 June 2024, solely because of the following unforeseen, natural causes that are beyond the municipality's control:

(a) Load shedding that triggered and affected the useful life of the many assets including submersible pumps, which changed the patterns of their wear and tear due to inconsistent pressure.

(b) The floods of 2023 also damaged majority of the infrastructure, leading to replacements that were not planned.

(c) Increase in vandalism to infrastructure, as criminals used loadshedding as an opportunity to loot the mechanical and electrical infrastructure for scrap.

It is for this reason that the user department requires that the contract value be amended and be capped at R15 500 000.00 until 30 June 2024. A new tender process has already been followed and new tender offers will close on or before 10 April 2024.

### **Financial Implications:**

This contract is financed out of various operational votes within the Water and Wastewater Sections.

### **Legal Requirements**

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

“(3) A contract or agreement procured through the supply chain management policy of

the municipality or municipal entity may be amended by the parties, but only after

(a) the reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the Council of its parent municipality; and

(b) The local community-

(i) has been given reasonable notice of the intention to amend the contract or agreement and

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

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

a) The contracts must have been procured through the supply chain management policy of the Municipality.

b) The reasons for the proposed amendment have been tabled in the Council. And

- c) The local community has been given reasonable notice of the intention to amend the contract or agreement, and they have been invited to submit representations to the Municipality.

The notice of the intention to amend the contract will be advertised on the municipal website:

If we receive any objections to the item, the objections with the item will come back to council for final approval.

If we receive no objections this council decision will be implemented.

### **Contracts procured through the Supply Chain Management Policy**

It is confirmed that the contract under discussion was procured in compliance with the Municipality supply chain management policy.

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

### **3. Comment of Directorates / Departments concerned:**

<b>Municipal Manager:</b>	Support item
<b>Acting Director: Community Services:</b>	Item noted
<b>Director: Strategic Support Services:</b>	Item noted
<b>Senior Manager: Legal Services:</b>	Item noted
<b>Manager: IDP:</b>	Item noted
<b>Director: Financial Services:</b>	Item noted
<b>Public Services:</b>	Author of item
<b>Director: Engineering Services:</b>	Out of office no comment

The item served as Item 5.1 with resolution number PS2/2024 on the Agenda before the Public Service Committee meeting held on 12 March 2024. The Committee unanimously concurred with the recommendation and agreed that the above recommendation be tabled before Mayco for consideration.

**RECOMMENDATION:**

That in respect of

**PROPOSED AMENDMENTS TO BID BV BV933/ 2021: MAINTENANCE OF ALL ELECTRICAL AND MECHANICAL EQUIPMENT AT THE WATER SERVICES DIVISION, BREDE VALLEY MUNICIPALITY FOR THE PERIOD ENDING 30 JUNE 2024,**

in compliance with section 116(3) of the MFMA as discussed by Council at the meeting held on 26 March 2024 it is recommended:

1. That Breede Valley Municipality amend the contract amount to include the additional Works to a contract value not exceeding R 15 500 000.00 (VAT incl).
2. That feedback be given from the administration to council regarding the R3.5m after the audit process.

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## 7.6 BREDE VALLEY MUNICIPALITY SPORT FACILITIES INFRASTRUCTURE MASTER PLAN

**File No. /s:** 12/6/3/2/2 & 12/6/3/2/3

**Responsible Official:** Fanie Swartz

**Directorate:** Community Services

**Portfolio:** Community Facilities

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### 1. Purpose

To submit the Breede Valley Municipality Sport Facilities Infrastructure Master Plan to MayCo for approval.

### 2. Background

A need arose within the Breede Valley Municipality to look at our existing infrastructure with regards to Sport Facilities and Swimming Pools. The mandate was to:

- determine the current status quo of the existing facilities
- develop a Sports Facility Master Plan for each of the sport facilities within the management of the Breede Valley Municipality; and
- to determine possible cost for upgrading purposes

This will enable us to be prepared for any future Municipal Infrastructure Grant (MIG) allocation for sport facilities as well as from own funding.

Engineering Advice & Services was appointed to produce a Master Plan for the Sport Facilities and Swimming Pools managed and maintained by the municipality. Consultation and Engagement meetings were held with all relevant stakeholders to assemble information for the compilation of the plan. This was the first step in determining the long-term goal for the development of the sport fields and swimming

pools. It should be noted that details of the actual design might change over time as the need for the facilities in the years to come might change.

### Financial Implications

The following cost estimation includes an estimate of construction costs, a 10% contingency, and consultation fees escalated until June 2030, including VAT.

Facility Description	Cost Estimation
Boland Park Sports Facility	R 20 826 119
Esselen Park Sports Facility	R 6 207 700
Zweletemba Sports Facility	R 20 912 563
Fanie Otto Sports Facility	R 2 232 200
De Doorns West Sports Facility	R 5 219 635
De Doorns East Sports Facility	R10 387 272
Touw Park Sports Facility	R5 477 947
Steenvliet Sports Facility	R5 998 541
Rawsonville Sports Facility	R4 536 846
Nekkies Lake Chalets and Conference	R 3 300 000
Nekkies Resort and Campsite	R 3 500 000
De La Bat Swimming Pool	R 3 797 683
Grey Street Swimming Pool	R 2 791 905
Touws River Swimming Pool	R 1 351 877
Zwelethemba Swimming Pool	R1 660 390
<b>Total Cost Estimation</b>	<b>R98 200 679</b>

### 3. Applicable Legislation / Council Policy

- Breede Valley Sport Facilities By-Law, Provincial Gazette 6560
- National Sport and Recreation Act, 110 of 1998
- The Constitution of the Republic of South Africa, 1996. Schedule 5 Part B
- MFMA, Act 56 of 2003
- Municipal Infrastructure Grant (MIG)

### 4. Comment of Directorates / Departments concerned

**Municipal Manager:** Supported.

**Acting Director: Community Services:** In support of the recommendation subject to the following amendment:

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- Upgrading road infrastructure to chalets if Worcester Yacht Club, the more substantive road user, contributes 70% of the total construction and consulting engineering cost.

**Director Strategic Support Services:** In support of the recommendation subject to the following amendment:

- Upgrading road infrastructure to chalets provided that Worcester Yacht Club, the more substantive road user, contributes 70% of the total construction and consulting engineering cost.

**Acting Manager: Community Facilities:**

The upgrading of sport facilities and swimming pools within the Breede Valley Municipality requires sufficient funding. It is however important to keep the infrastructure in good conditions to prevent any major disasters and to mitigate risks as the facilities have mainly been utilized by the public. A Master Plan for Sport Facilities and Swimming Pools was compiled to speak to the current condition of the infrastructure and set out future developmental plans to address the needs. This will also enable us to gear for future funding from other resources. Thus, the support of Mayco on the abovementioned projects is highly needed.

**Director: Financial Services:** Supported.

**Director: Engineering Services:** Noted.

**RECOMMENDATION:**

That in respect of

**BREDE VALLEY MUNICIPALITY SPORT FACILITIES INFRASTRUCTURE  
MASTER PLAN**

Discussed by Council at the Council meeting held on 26 March 2024,

That Council approves the proposed Breede Valley Municipality Sport Facility Master Plan for implementation as and when the sufficient funds comes available.

**7.7 INTEGRATED DISASTER RISK MANAGEMENT FRAMEWORK AND  
DISASTER RISK MANAGEMENT PLAN REVIEW: 2024****File No. /s:** 12/3/111**Responsible Official:** T.C. Botha**Directorate:** Community Services**Portfolio:** Fire, Rescue & Disaster Management

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**Purpose:**

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

**Background:**

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

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

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

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

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**Financial Implications:**

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

The IDRMF in terms of its response and recovery elements will attract costs which are catered for (in a small measure) in the current General Operating Expenses Vote managed by the Fire, Rescue and Disaster Management Service. However, as experienced in past crises; the costs of response and recovery usually are greater than the current budgeted amount and virements have to be made during the budget adjustment process.

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

**Applicable Legislation / Council Policy:**

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

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

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

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

**Comment of Directorates / Departments concerned:****Municipal Manager:** Supported.**Acting Director: Community Services:** Supported.**Director: Strategic Support Services:** Supported.**Director: Financial Services:** Supported.**Director: Engineering Services:** Supported.

**Head: Fire, Rescue & Disaster Management:** In detailing the Disaster Risk management Framework and the Plan; it is clear that the Disaster Management is a functional responsibility of all Departments but driven from a central point of coordination and communication. For the BVM to be successful in the implementation of the Framework and objectives of the Plan it is vital that all Departments are reminded by Council and the Municipal Manager of their obligations in this regard.

**Manager: IDP:** Supported.

**RECOMMENDATION:**

That in respect of

**INTEGRATED DISASTER RISK MANAGEMENT FRAMEWORK AND DISASTER RISK MANAGEMENT PLAN REVIEW: 2024**

Discussed by Council at the Council meeting held on 26 March 2024:

**That Council approves the:-**

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

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

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## 7.8 MUNICIPAL STAFF REGULATIONS: NEW HUMAN RESOURCES POLICIES

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

**Responsible Official:** N. Monyela

**Directorate:** SSS

**Portfolio:** HR

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### 1. PURPOSE

To obtain Council's approval of the new Human Resources Policies drafted in accordance with the specifications as contained in the Local Government: Municipal Staff Regulations, No. 890, GG45181 (hereinafter referred to as "*the Regulations*"), as published on 20 September 2021.

### 2. Background

The Regulations were promulgated setting uniform standards for municipal staff systems and procedures for municipal staff and came into operation 1 July 2022.

In terms thereof, municipalities are required to review HR policies and to align their existing HR policies to be consistent with the provisions as contained in the Regulations.

The following new HR policies were drafted, workshopped with the LLF on 1 March 2024

- a) Individual Performance Management and Development System Policy (Annexure A);
- b) Succession Planning Policy (Annexure B);
- c) Education, Training and Development Policy (Annexure C); and
- d) Study aid and Study leave Policy (Annexure D).

### 3. Financial Implications

All financial implications as addressed within the individual policies.

### 4. Applicable Legislation

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

Local Government: Municipal Staff Regulations, No. 890, GG45181

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**5. Comments of Directorates / Departments**

<b>Municipal Manager:</b>	Supported
<b>Director: Strategic Support Services/ Co-Author:</b>	Supported
<b>Director: Financial Services:</b>	Supported
<b>Director: Engineering Services:</b>	Supported
<b>Acting Director Community Services:</b>	Supported
<b>Senior Manager Legal Services:</b>	Supported

**RECOMMENDATION**

That in respect of-

**THE MUNICIPAL STAFF REGULATIONS: NEW HUMAN RESOURCES POLICIES.**  
**Discussed by Council at the Council meeting held on Tuesday, 26 March 2024,**  
**Council:**

1. approves the following policies in terms of section 11 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) with effect from the date of approval:
  - a) Individual Performance Management and Development System Policy (Annexure A);
  - b) Succession Planning Policy (Annexure B);
  - c) Education, Training and Development Policy (Annexure C); and
  - d) Study aid and Study leave Policy (Annexure D).

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**7.9 IN PRINCIPLE APPROVAL FOR A LONG-TERM LEASE OF MUNICIPAL PROPERTY: A PORTION OF ERF 17411 SITUATED AT PELIKAAN STREET, WORCESTER****File no.:** W45**Responsible Official:** H Potgieter**Directorate:** SSS**Portfolio:** Legal Services

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**PURPOSE**

The purpose of this item is to obtain in principle approval for a long-term lease in respect of a portion of erf 17411, situated at Pelikaan Street, Worcester for a period of nine (9) years and eleven (11) months.

**BACKGROUND / DISCUSSION**

The Grace Trust (hereinafter "*the Applicant*") established a bi-weekly BMX project (hereinafter "*the Project*") during February 2016 with twenty (20) BMX bicycles. The average number of children from the Avian Park community that benefited from this program is approximately eighty (80) children per day.

The Project is well established within the community as it allows the children to be exposed to positive recreation. As a result of the success of the Project, other extended programs such as netball, cricket, small group meetings and art and culture also emerged. The monthly costs for the above extended programs is approximately R 24 000.00, which includes staff salaries and maintenance. This amount does not include the equipment and gear costs for the various sports codes provided.

The Applicant made its mark within the community and has become a trusted partner within Avian Park. Prior to the Applicant commencing with the various programs, illegal dumping occurred on the subject property. The Applicant demonstrated its commitment to serving the community by purchasing erf 17418, Worcester situated adjacent to erf 17411, Worcester. The property serves as the headquarters for all activities. The Applicant spend an amount of

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R488 811.40 on erf 17418, which costs includes amongst others the purchase price, transfer fees, renovation costs and municipal rates and taxes.

As the Project together with the extended programs have proven itself as sustainable and beneficial to the community, the Applicant indicated that they wish to invest further. The Applicant intent to place three (3) containers which will be altered appropriately for an Early Childhood Development (“ECD”) centre, duly equipped with ablution facilities, water, gas, pre-school apparatus and an outside jungle gym and play area. The Applicant will also employ a teacher together with a teaching assistant on order to render ECD services. The projected cost in respect of the ECD facility and its operations is an estimate of R385 000.00.

In addition to the above, the Applicant wish to build a hard surface netball court which will be an estimate of R140 000.00, excluding the monthly running costs. Further upgrades to the mini-cricket pitch and BMX track will be done, of which the estimated costs will be R50 000.00 and R80 000.00 respectively (excluding the monthly running costs). It should be noted that the Applicant does not derive any financial benefit from the above services offered.

Previously, the municipality approved short-term lease agreements on the property. However, the Applicant indicated that a short-term lease will not be practical taking into consideration the past, current and future investment. In order for the Applicant to ensure the success of all the projects, they require a long-term lease agreement which will allow them time to implement these programs and to enjoy their investment.

The subject property is described below and indicated on the locality map attached hereto marked “**Annexure A**”.

1. A portion of erf 17411, Worcester: Situated at Pelikan Street, Worcester ±10 500m<sup>2</sup> in extent.

Should Council resolve in principle to avail the erf for purposes of a long-term lease, it is proposed that the erf only be utilised for purposes allowed under a non-conforming use as directed by the internal municipal Town Planning department. It should be noted that at the

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inception of this application comments were obtained for recreational purposes. The Applicant subsequently indicated that they have future plans of providing ECD services to the community, thus it is proposed that the internal departments reserve their rights to supplement their comments for such purposes.

The erf is currently zoned as General Residential Zone V which is not the correct zoning the erf is being utilised for, thus the Applicant to apply for a rezoning of the property should Council approve this application. Town Planning department will be requested to provide guidance in respect of the appropriate zoning which will allow for the above activities.

## EVALUATION

### A. ASSET TRANSFER REGULATIONS

Regulation 34 determines as follows:

- “(1) A municipality may grant a right to use, control or manage a capital asset only after-*
- a) the accounting officer has in terms of regulation 35 conducted a public participation process regarding the proposed granting of the right; and*
  - b) the municipal council has approved in principle that the right may be granted.*
- (2) Subregulation (1)(a) must be complied with only if –*
- a) the capital asset in respect of which the proposed right is to be granted has a value in excess of R10 million; and*
  - b) a long term right is proposed to be granted in respect of the capital asset.*
- (3) a) Only the municipal council may authorize the public participation process referred to in sub-regulation (1)(a)*
- b) A request to the municipal council for authorization of a public participation process must be accompanied by an information statement stating –*

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- i. the reasons for the proposal to grant a long term right to use, control or manage the relevant capital asset;*
  - ii. any expected benefits to the municipality that may result from granting of the right;*
  - iii. any expected proceeds to be received by the municipality from the granting of the right; and*
  - iv. any expected gain or loss that will be realized or incurred by the municipality arising from the granting of the right.*

*(4) A municipal council may delegate to the accounting officer its approval power referred to in subregulation (1)(b) excluding the power to grant long term rights to use, control or manage capital assets of a value in excess of R10 million.*

It is recommended that Council approve the long-term right in respect of the capital asset, the following of a public participation process as well as approve in principle the right to use, i.e. the lease of the property for a period of nine (9) years and eleven (11) months. An item will only be resubmitted to Council should any comments / representations in respect of the proposed lease be received.

HCB Property Valuations determined the market related value of the property which valuation report is attached hereto and marked as “**Annexure B**”. Should Council approve the lease agreement, a monthly rental amount as well as rates and taxes are applicable to the subject property.

In terms of Regulation 36 of the Asset Transfer Regulation R878, the Municipal Council must, when considering approval for any proposed granting of a right to use, control or manage a capital asset, take into account-

- (a) whether the capital asset may be required for the municipality’s own use during the period for which the right is to be granted;**

The asset is not required for municipal use as can be seen from the comments received from the internal departments.

- (b) the extent to which any compensation to be received for the right together with the estimated value of any improvements or enhancements to the capital asset**

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**that the private sector party or organ of state to whom the right is granted will be required to make, will result in a significant economic or financial benefit to the Municipality;**

The community of Avian Park will receive the benefit from the various projects and programs currently offered. These programs have shown to provide the beneficiaries with an opportunity to take part in sports and recreations. In addition, the ECD component will also provide a much-needed service within the community.

- (c) **the risks and rewards associated with the use, control or management of the capital asset in relation to the municipality's interests;**

No risks are involved.

- (d) **any comments or representations on the proposed granting of the right received from the local community and other interested persons;**

A public participation process is to be followed after the necessary in principle approval is obtained in this regard. Should there be any objections / comments the matter will revert to Council to consider same.

- (e) **any written views and recommendations on the proposed granting of the right by the National Treasury and the relevant provincial treasury;**

Should the comments be found necessary to be obtained same shall be obtained and shall the matter only revert back to council should it be material in nature.

- (f) **the interests of any affected organ of state, the municipality's own strategic, legal and economic interests and the interests of the local community; and the rental of this asset is to the benefit of the local community; and**

The rental and development of the property is to the benefit of the local community as well as the Municipality.

- (g) **compliance with the legislative regime applicable to the proposed granting of the right.**

The Asset Transfer Regulations has been complied with.

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**B. LAND MANAGEMENT AND DISPOSAL POLICY**

The conditions of said policy will be complied with *inter alia* that a fair market related rental will be applicable. Paragraph 4.4.12.1 determines that the Municipality, as a rule, shall not let immovable property at a lower rental than the rental determined except for cases referred to under paragraph 4.4.9, relating to community value. In terms of paragraph 4.4.9 registered social care organisations/institutions shall be fixed at a minimum of 50% of the fair market value.

In accordance with paragraph 4.4.18 the immovable property let by the Municipality shall be inspected at least once a year by Legal Services: Properties section to ensure compliance with the terms and conditions of the agreement of lease. In addition, as stipulated in paragraph 4.4.29, all costs pertaining to the transaction, e.g. survey and relocation of services where necessary as well as any Town Planning procedures, shall be borne by the Lessee. The rental shall escalate annually by a percentage fixed in accordance with the prevailing consumer price index (all items) as per paragraph 4.4.34 of the policy. As per paragraph 4.4.35, the Lessee shall be liable for the payment of rates and service charges in respect of the property.

**C. ADVERTISEMENT**

It is recommended that approval be granted to follow a public participation process. Subsequently an advertisement is to be placed for the lease of a portion of erf 17411, situated at Pelikaan Street, Worcester in the local newspaper for a thirty (30) day objection / representation period. An item will only be resubmitted to Council should representations / objections be received.

**CONCLUSION**

In light of the above discussions and considering the previous applications received, it is recommended that the lease of a portion of erf 17411, Worcester situated Street, Worcester be approved in principle for a period of nine (9) years and eleven (11) months.

**FINANCIAL IMPLICATIONS**

The Municipality stands to gain the market related rental as determined by HCB Property Valuations and set out in the valuation report attached hereto as “**Annexure B**”. The monthly

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rental amount will increase annually on the 1<sup>st</sup> of July by a percentage equal to the prevailing consumer price index (all items). More so, the Municipality will also gain rates and taxes in relation to the leased property.

## ANNEXURE

1. Annexure A: Locality map
2. Annexure B: Valuation report

## COMMENTS OF DIRECTORATES / DEPARTMENTS

**MUNICIPAL MANAGER:** Supported.

**DIRECTOR ENGINEERING SERVICES:** Item Supported.

### Department Civil Engineering Services:

- Currently there is no municipal services (i.e. water, sewer, electricity, etc.) connection at this property. The applicant must at its own cost apply to the relevant authority for service connections.
- That the applicant investigates and determine the limitations of the site in terms of sewer drainage, subject to the minimum requirements of SANS 140400 – P: 2010: Drainage.

### Electrical Services:

The Electrical Services Department has no objection against the proposed municipal land use application, the application is conditionally approved based on the following:

1. Should it be required, ERF 17411 must be supplied from the existing supply of the Erf.
2. Should there be a need for additional capacity / additional metering point, a separate application must be made, and approval will depend on the availability of the capacity.
3. Should any municipal electrical service or infrastructure require re-location, it will be for the applicant's account where possible.
4. Applicant to ensure the electrical cable positions have been identified before construction commences where construction / excavation work will be performed.
5. Any damage to municipal property will be for the applicant's account.

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6. Developers and Residents of the Breede valley Municipality who construct new driveways must install ducting for possible future electricity services. This applies to Commercial, Industrial, and residential properties. Such ducting must be in accordance with the Municipal Electrical Engineer's specification.
  7. The new regulations (Ref: 12/1/2/1 Circular 11/2012 Western Cape Government: Publish in GG 34586 NOTICE NUMBER 711), promote and set minimum requirements for energy efficiency for new buildings and extensions to existing buildings. Applicant to comply with energy efficiency requirements, as set by the municipality.
  8. Should construction include excavation a Wayleave application will be required.

**SENIOR MANAGER: TOWN PLANNING AND BUILDING CONTROL:**

Planning has no objection to a long-term lease subject to the following conditions:

1. That the applicant apply for a non-conforming use for sports facilities on the property;
2. That all temporary structures to be erected be approved by Building Control;

**PUBLIC SERVICES:**

No objection. No municipal stormwater infrastructure will be affected. Stormwater common law applies, and other requirements in terms of town planning and buildings plans where applicable must be adhered to.

**CHIEF FINANCE OFFICER: Supported.**

**Fire and Rescue Services:**

- i. This is to highlight the responsibility of the owner in satisfying the intent of the Fire Protection Regulations as contemplated in Part T of the SABS 0400 Code of Practice, promulgated under the National Building Regulations and Standards Act, 103 of 1977.
- ii. Then also communicate the Fire Services statutory role in ensuring that the property complies with the Fire Protection Regulations and any other concomitant regulations.

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

**Traffic Department:**

Traffic support is subject to that the listed activities be fenced off to ensure the safety of participants, parking bays be availed for visitors and other road users should be able to pass the activity in safety.

**DIRECTOR STRATEGIC SUPPORT SERVICES: Co-author of the item**

**SENIOR MANAGER LEGAL SERVICES: Author of the item**

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**RECOMMENDATION**

That in respect of –

**IN PRINCIPLE APPROVAL FOR A LONG-TERM LEASE OF MUNICIPAL PROPERTY: A PORTION OF ERF 17411 SITUATED AT PELIKAAN STREET, WORCESTER.**

as discussed by Council at the Council meeting held on 26 March 2024 Council decide:

1. that a direct lease at a market related rental as determined by HCB Property Valuations as set out in the valuation report attached hereto and marked “**Annexure B**”, of Municipal Property, being a portion of erf 17411, situated at Pelikaan Street, Worcester in, for a period of nine (9) years and eleven (11) months, **be approved in principle** in favor of The Grace Trust (NPO 930-050-826), for the purposes of utilizing the subject property for sports and recreations and other relating purposes as permitted under ***a non-conforming use*** as directed by Town Planning;
2. the Applicant to submit an application for rezoning should the applicant wish to implement its future plans of establishing an ECD facility on the subject property;
3. that structures may only be erected with the permission of the municipality which structures will revert to the municipality upon termination of the lease;
4. the Applicant is a registered social care organization/institution; thus, **the monthly lease amount be fixed at a minimum of 50% of the fair market value;**
5. That the lease amount annually increases on the 1<sup>st</sup> of July by a percentage equal to the prevailing consumer price index (all items);
6. that the following of a public participation process, **be approved;**
7. that an item will only be resubmitted to Council should any representations / objections be received during the public participation process;

8. that all the associated costs in respect of the lease, including but not limited to Town Planning procedures, e.g. rezoning and installation of municipal services be paid by the Applicant;
9. that the Applicant be responsible for the payment of all municipal services including rates and taxes in respect of the property;
10. that the Applicant comply with all internal departmental requirements to be incorporated in the subsequent Lease Agreement and the right be reserved to supplement such comments; and
11. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith leased is not required for the municipality's own use in terms of Regulation 36 of the Asset Transfer Regulations.

**7.10 CORRECTION OF AN ERROR: T.A.S.K. JOB EVALUATION POLICY**

File no.: 2/3/3/1

Responsible Officials: N. Monyela

Directorate: SSS

Portfolio: Human Resources

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**1. PURPOSE**

The purpose of this item is for Council to correct an error in respect of clauses 13.11 and 13.17 of the T.A.S.K Job Evaluation Policy, adopted by council on 28 February 2024.

**2. BACKGROUND / DISCUSSION**

Council resolved as follows on 28 February 2024:

***“RESOLVED: C18/2024***

***That in respect of the –***

***REVIEWED T.A.S.K.® JOB EVALUATION POLICY***

***Council at the Council meeting held on Wednesday, 28 February 2024, Council:***

- 1. approves the reviewed T.A.S.K.® Job Evaluation Policy in terms of section 11 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) with effect from the date of approval (attached as Annexure A).***

The abovementioned resolution could not be implemented due to clauses 13.11 and 13.17 of the T.A.S.K Job Evaluation Policy containing a typographical, human error. The approved policy incorrectly indicated the year as 30 June 2024, whereas the intention was 30 June 2021, as duly consulted with the respective unions.

It is proposed that council resolve to correct the above, in that the T.A.S.K policy backpay correctly reflect that same will only be implemented up to 30 June **2021**.

**3. FINANCIAL IMPLICATIONS**

Qualifying employees will receive backdated remuneration calculated on only the basic portion of the salary, pension contributions and bonuses, but the backdated remuneration shall

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exclude all and any benefits or allowances listed on section 13.12 of the T.A.S.K.® Job Evaluation Policy.

The financial impact is estimated at R2 509 704.90. All payments shall however be within budgeted allocations.

#### **4. APPLICABLE LEGISLATION**

- a. Local Government: Municipal Systems Act, 2000 (No. 32 of 2000)
- b. Local Government: Municipal Staff Regulations, 2021

#### **5. COMMENTS OF DIRECTORATES / DEPARTMENTS**

<b>Municipal Manager:</b>	Supported
<b>Director: Strategic Support Services/ Co-Author:</b>	Supported
<b>Director: Financial Services:</b>	Supported
<b>Director: Engineering Services:</b>	Supported
<b>Acting Director: Community Services:</b>	Supported
<b>Senior Manager: Legal Services:</b>	Supported

#### **RECOMMENDATION**

That in respect of –

#### **CORRECTION OF AN ERROR: T.A.S.K. JOB EVALUATION POLICY**

as discussed by Council at the Council meeting held on 26 March 2024 Council decide:

1. That council resolve to correct the typographical error, in that the T.A.S.K policy backpay correctly reflect that same will only be implemented up to **30 June 2021**.

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

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

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

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**11. CONSIDERATION OF MOTIONS OF EXIGENCY**

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**12. CLOSURE**

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