

# MINUTES

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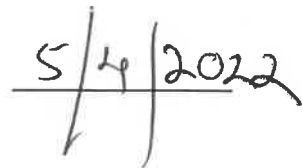
## THE 9<sup>TH</sup> COUNCIL MEETING OF THE 2021/2022 FINANCIAL YEAR

**2022-03-31 AT 10:00**

APPROVED BY SPEAKER



DATE



**BREED VALLEY**  
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

**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.

**The Speaker opened the meeting at 10:00 and welcomed everyone present. The Speaker asked Cllr A. Pietersen to open the meeting with prayer and afforded a moment of silence for all other religions.**

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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.

**The Speaker received Applications for Leave from Cllrs L. Yayi, J.M. Mokgosi and S.K. Madlolo.**

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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*

**The Public Protector's Office delivered a presentation to Council with regard to their powers and functions and what are expected of any organs of State.**

### **3.2 BIRTHDAYS OF COUNCILLORS**

Cllr J.M. Mokgosi	17 April 2022
Cllr W.M. Blom	25 April 2022

**The Speaker asked Cllr Z.M. Mangali to congratulate the Councillors on their respective birthdays.**

### **3.3 STATEMENTS BY THE SPEAKER**

None

### **3.4 STATEMENTS BY THE EXECUTIVE MAYOR**

**-Welcomed everyone present;**

**- Congratulated the Speaker, Administration, Ward Councillors and Ward Committees with the establishment of ward process of committees and training;**

**- The storm last week had a huge impact on a lot of Councillors with the pressure and the community does not always understand why things does not happen faster but thanked everyone for their hard work and assistance;**

**- Councillors and Administration need to work together to find solutions to assist the community and residents;**

**- there should be faster solutions to assist our residents in rental units but the sewerage system should be attended to urgently;**

**- Condolences to the Councillors and community members who lost loved ones during this time, may God give you all strength during this difficult time;**

**- There is a draft budget and IDP on the Agenda today and we should go out in the communities to determine the needs in the communities and the most important one is the sewerage system;**

- 
- Welcome to Mr D. Naidoo who was appointed as Director Public Services at BVM;
  - All the best for today's meeting to all Councillors.
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#### **4. CONFIRMATION OF MINUTES**

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

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

##### **4.2 Council Meeting held on 23 February 2022 (Copy enclosed)**

###### **RECOMMENDATION**

**That in respect of**

**CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING  
discussed by Council at the Council Meeting held on 31 March 2022:**

1. As the Minutes of the Council Meeting held on 23 February 2022 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 23 February 2022 be taken as read and confirmed.

**PROPOSED: CLLR E. VAN DER WESTHUIZEN**

**SECONDED: ALDERMAN W.R. MEIRING**

###### **RESOLVED**

**C32/2022**

**That in respect of**

**CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING  
discussed by Council at the Council Meeting held on 31 March 2022:**

1. As the Minutes of the Council Meeting held on 23 February 2022 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 23 February 2022 be taken as read and confirmed.

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**5. REPORT BY THE EXECUTIVE MAYOR ON DECISIONS TAKEN BY THE EXECUTIVE MAYOR, THE EXECUTIVE MAYOR TOGETHER WITH THE DEPUTY EXECUTIVE MAYOR AND THE MAYORAL COMMITTEE**

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

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

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

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**5.9 MMC 8: Cllr F. Vaughan**

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**Mayco Meeting held on 18 February 2022****5.9.1 PROPOSED AMENDMENTS OF THE TOP-LAYER KEY PERFORMANCE INDICATORS (TL KPI's) AS INDICATED IN THE 2021/22 SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN (SDBIP)****RESOLVED****EX2/2022****That in respect of:****The proposed amendments of the TL KPI's as indicated in the 2021/22 SDBIP, tabled before Mayco at the Mayco meeting held on Friday, 18 February 2022:**

- 1. That Mayco takes note of the proposed amendments of the TL KPI's as encapsulated in "Annexure A – 2021-22 Top Layer SDBIP - Proposed Amendments"**

- 
2. That Mayco recommends that Council considers and approves the TL SDBIP Amendments encapsulated in Annexure A.

**5.9.2 IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF A PORTION OF ELIZABETH STREET, RAWSONVILLE**

**RESOLVED**

**EX3/2022**

That in respect of –

**IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF A PORTION OF ELIZABETH STREET, RAWSONVILLE**

**as discussed by Mayco at the Mayco meeting held on 18 February 2022, the following recommendation be made to Council:**

1. That the direct alienation of a portion of Elizabeth Street, Rawsonville (adjacent to Erven 536 and 537), ±221.57m<sup>2</sup> in extent, for **formal parking purposes**, to the owner of the adjoining erven, at an amount of One Hundred and Ten Thousand Rand (R110 000.00), be **approved in principle**;
2. that Council take cognisance of the fact that the direct alienation is only approved as the subject portion of Elizabeth Street, Rawsonville is classified as a non-viable property;
3. that the purchaser make provision for a pedestrian thoroughfare from Elizabeth Street to Van Riebeeck Street, Rawsonville;
4. that the subject portion of Elizabeth Street, Rawsonville be consolidated with the adjoining property of the Applicant, being Erf 537, Rawsonville;
5. that the alienation of the subject portion of Elizabeth Street, Rawsonville be subject to obtaining the necessary closure, rezoning, consolidation and deproclamation approvals within **two (2) years**, as well as comply with the relevant internal departments (Directorates) comments and the right be reserved to supplement such internal comments;



6. that a reversion condition be included in the Deed of Sale and Council's pre-emptive right be registered in the title deed that the disposed property will only be utilized for the purpose stipulated in **item 1** above;
7. that all costs pertaining to the transaction be borne by the Purchaser, which may include survey, rezoning, consolidation and costs of transfer;
8. that a suspensive condition in respect of the consolidated properties be included stipulating that the subject even be subject to approval in terms of land use planning legislation;
9. that the following of a public participation process, **be approved**;
10. that the above-mentioned in principle approval be subject to a public participation process being followed due to the non-viability of the property and that an item will only be tabled in Council again should any representations/comments be received;
11. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and
12. that the Municipal Manager be authorized to sign all documents relating to the alienation and transfer of the subject portion of Elizabeth Street, Rawsonville and all necessary documents relating thereto.

#### **5.9.3 OBTAINING MOBILITY DEVICES IN TERMS OF THE POLICY ON TOOLS OF TRADE FOR COUNCILLORS**

**RESOLVED:**

**EX4/2022**

**That in respect of -**

**COUNCILLORS TO OBTAIN MOBILITY DEVICES IN TERMS OF THE POLICY ON TOOLS OF TRADE FOR COUNCILLORS**

**as discussed by Mayco at the Mayco meeting held on 18 February 2022, the following recommendation be made to Council:**

1. That Councillors be paid the allowance on the use of data bundles of R300 per month to enter into an agreement with any Service Provider of their choice to ensure that they are equipped with a device compatible for Council work and to be able to receive all official communications via their devices.

#### **5.9.4 APPROVAL OF THE WARD COMMITTEE ESTABLISHMENT REPORT**

**RESOLVED**

**EX5/2022**

**That in respect of –  
The Ward Committee Establishment report**

**as discussed by Mayco at the Mayco meeting held on 18 February 2022, the following recommendation be made to Council:**

1. That Council take note of the Ward Committee Election results
  2. That Council approve the results and report.
- 

**The ANC requested a caucus which the Speaker approved.**

**Caucas started at 11:55.**

**Meeting reconvened at 12:11.**

**6. COLLABORATOR OUTSTANDING RESOLUTIONS REPORT****6.1 OUTSTANDING COMMITTEE RESOLUTIONS PER DIRECTORATE AS  
EXTRACTED ON 28 MARCH 2022:****1. COMMUNITY SERVICES****1.1 Council resolutions**

Council		Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment
172625	<b>SUBMISSION OF BY-LAW RELATING TO THE MANAGEMENT AND CONTROL OF FLATS (rental housing units) OWNED OR ADMINISTERED BY THE BREEDE VALLEY MUNICIPALITY</b>	<p>RESOLVED C41/2015</p> <p>That in respect of the SUBMISSION OF BY-LAW RELATING TO THE MANAGEMENT AND CONTROL OF FLATS (rental housing units) OWNED OR ADMINISTERED BY THE BREEDE VALLEY MUNICIPALITY discussed by Council at the Council meeting held on 25 of June 2015:</p> <p>1. That Council approved the draft By-Law relating to the Management and Control of flats (rental housing units) owned or administer by the Breede Valley Municipality;</p> <p>2. That the administration advertises said draft By-Law for public comments;</p> <p>3. That all comments be collated submitted to Council for final approval and promulgation in the Provincial Gazette.</p> <p>4. That the draft By-Law be workshopped with all the Councillors.</p>	2015-06-25	GMAYEKI	95	<p>The item will be submitted to the councillor in order to amend the recommendation as follows; 1. Human Settlements Plan must be completed first, and all related policy be updated. 2. Council must approve the policy after this process.</p> <p>Covid-19 and the lockdown have delayed the submission. A new report we will be submitted Council when the normal business resume.</p>
767107	<b>AVIAN PARK (439) HOUSING PROJECT: OCCUPIERS AND TRANSFER OF SUBSIDIES TO TRANSHEX HOUSING</b>	<p>RESOLVED C85/2018</p> <p>That in respect of – AVIAN PARK (439) HOUSING PROJECT: OCCUPIERS AND TRANSFER OF SUBSIDIES TO TRANSHEX HOUSING PROJECT AND PROPOSED ALIENATION OF TWENTY-</p>	2018-10-30	HPOTGIETER	85	07/03/2022: Deeds of sales duly signed and provided to conveyancer. Transfers in process.

	<p><b>PROJECT AND PROPOSED ALIENATION OF TWENTY-FIVE (25) ERVEN IN AVIAN PARK FOR RESIDENTIAL PURPOSES</b></p>	<p>FIVE (25) ERVEN IN AVIAN PARK FOR RESIDENTIAL PURPOSES as discussed by Council at the Council meeting held on 30 October 2018 council decide:</p> <p>1. That Council take cognizance of the negotiations with the respective effected stakeholders;</p> <p>2. That Council resolve in respect of the occupants or owners as follows:</p> <p>2.4 Legitimate owners of the Volstruis- and Dikkop Street units to have their approved subsidies transferred to the Transhex Housing Development;</p> <p>2.5 Occupants of the Volstruis- and Dikkop Street Houses agreed to cancel the initial mediation agreement and a new agreement be concluded stipulating that they will remain in the aforementioned houses;</p> <p>2.6 Worcester West Informal Occupants cancelled the mediation agreement and application for a subsidy at the Transhex Housing Development project will be processed.</p> <p>3. That Council resolve that the alienation of the respective erven as set out in Annexure G by means of a competitive process in the open market solely for housing / residential purposes be approved in principle; subject to the following conditions:</p> <p>3.1 that the Municipal Manager be mandated to decide on the final erven to be disposed of prior to the competitive process being followed;</p> <p>3.2 that the administration be mandated to administer the process of disposal of the properties;</p> <p>3.3 that the municipality will complete the outstanding engineering services (i.e. roads, stormwater and</p>				
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		<p>electricity) and the erven thereafter be alienated at the market related value, which will serve as the residual value;</p> <p>3.4 that a reversion condition be included in the Deed of Sale as well as the Title Deed that the disposed properties be utilised for residential purposes only and should the Purchaser fail to erect a building within two (2) years from date of registration and not use the property as specified, the erf will revert back to the Municipality free of charge;</p> <p>3.5 that the Purchaser will be responsible for the payment of all municipal services including rates and taxes in respect of the property following transfer of the property;</p> <p>3.6 that the costs pertaining to the transaction, e.g. transfer costs be paid by the purchaser;</p> <p>3.7 that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement such internal comments</p> <p>4. that the following of a public participation process, be approved and should no objections / comments be received, then the item would not be referred back to Council;</p> <p>5. That provision be made in the February 2019 adjustment budget for the provision of roads, stormwater and electrical reticulation to the amount of approximately One Million Rand (R1,000,000.00);</p> <p>6. that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provisions Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003); and</p> <p>7. that the Municipal Manager be authorized to sign all</p>				
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		documents relating to the disposal and transfer of the respective municipal properties.				
913138	<b>DEVOLUTION OF 34 WESTERN CAPE HUMAN SETTLEMENTS RENTAL UNITS: ROUX PARK WORCESTER TO BREDE VALLEY MUNICIPALITY</b>	<p>RECOMMENDATION C44/2021</p> <p>That in respect of DEVOLUTION OF 34 WESTERN CAPE HUMAN SETTLEMENTS RENTAL UNITS: ROUX PARK WORCESTER TO BREDE VALLEY MUNICIPALITY as discussed by Council at the Council Meeting held on 28 April 2021:</p> <p>1. That Council approve and accept the devolution of the units indicated above and that the Western Cape Department of Human Settlements be informed of the decision.</p> <p>2. That the Municipal Manager be authorised to negotiate and finalize the terms of the proposed Deed of Alienation</p> <p>3. That it be noted that an amount of R3.4m will be transferred by the Department to BVM as a once-off contribution in respect of upgrading and maintenance of the 34 units.</p>	2021-04-28	GMAYEKI	99	The Deed of Alienation has not been concluded. The negotiation between the WCDHoS and Brede Valley (Department of Legal Services) is ongoing. The parties must review the document before the Municipal Manager allow the contract.
1043760	<b>MUNICIPAL (ADDITIONAL) COURT OPERATIONS</b>	<p>RESOLVED C20/2022</p> <p>In respect of MUNICIPAL (ADDITIONAL) COURT OPERATIONS Discussed by Council at the Council Meeting held on 25 January 2022:</p> <p>1. That Council take cognisance of the operations of the Municipal Court.</p>	2022-01-25	SSCHROEDER		
1065285	<b>APPROVAL OF THE WARD COMMITTEE ESTABLISHMENT REPORT</b>	<p>RESOLVED C27/2022</p> <p>That in respect of – The Ward Committee Establishment report as discussed by Council at the Council Meeting held on 23 February 2022:</p> <p>1. That Council take note of the Ward Committee Election results</p>	2022-02-24	WTHYS		

		2. That Council approve the results and report.				
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## 2. STRATEGIC SUPPORT SERVICES

### 2.1 Council resolutions

Council	Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment
685303	<p><b>IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF A PORTION OF ERF 1 WORCESTER, LOUIS LANGE STREET SITUATED ADJACENT TO ERF 5899, WORCESTER</b></p> <p>RESOLVED C59/2019</p> <p>In respect of IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF A PORTION OF ERF 1 WORCESTER, LOUIS LANGE STREET SITUATED ADJACENT TO ERF 5899, WORCESTER</p> <p>As discussed by Council at the Council Meeting held on 23 July 2019:</p> <p>That the direct alienation of a portion of Erf 1 Worcester (adjacent to Erf 5899), ±115m<sup>2</sup> in extent, for business purposes, to the owner of the adjoining erf, Mr. Tait, at an amount of One Hundred and Thirty Rand (R130.00) per square metre (VAT exclusive) at the total purchase price of approximately Fifteen Thousand Rand (R15 000.00) be approved in principle;</p> <p>1. that Council take cognisance of the fact that the direct alienation is only approved as the subject portion, a portion of Erf 1, Worcester is classified as a non-viable property;</p> <p>2. that the subject portion, a portion of Erf 1, Worcester be consolidated with the adjoining property of the Applicant, being Erf 5899, Worcester;</p> <p>3. that the alienation of the subject portion, a portion of Erf 1, Worcester be subject to obtaining the necessary closure, rezoning and consolidation approvals as well as comply with the relevant internal departments (Directorates) comments and the right be reserved to supplement such internal comments;</p>	2019-07-23	HPOTGIETER	95	07/03/2022: Vesting transfer in process.

		<p>4. that a reversion condition be included in the Deed of Sale and Council's pre-emptive right be registered in the title deed that the disposed property will only be utilized for the purpose stipulated in item 1 above;</p> <p>5. that all costs pertaining to the transaction be borne by the Purchaser, which may include survey, rezoning, consolidation and costs of transfer;</p> <p>6. that a suspensive condition in respect of the consolidated properties be included stipulating that the subject erven be subject to approval in terms of land use planning legislation;</p> <p>7. that the following of a public participation process, be approved;</p> <p>8. that the above-mentioned approval in principle be subject to a public participation process being followed due to the non-viability of the property and that an item will only be tabled in Council again should any representations/comments be received;</p> <p>9. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and</p> <p>10. that the Municipal Manager be authorized to sign all documents relating to the alienation and transfer of the subject property, being a portion of Erf 1, Worcester and all necessary documents relating thereto.</p>				
728886	<b>IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF FARM 319, PORTION 64 WORCESTER, TWEE FONTEINEN SITUATED ADJACENT TO</b>	<p>RESOLVED C87/2019</p> <p>That in respect of –</p> <p>IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF FARM 319, PORTION 64 WORCESTER, TWEE FONTEINEN SITUATED ADJACENT TO FARM 319 PORTION 43, WORCESTER</p> <p>Discussed by Council at the</p>	2019-10-29	HPOTGIETER	95	07/03/2022: SANRAL approval received: Transfer in process.



	<p><b>FARM 319 PORTION 43, WORCESTER.</b></p>	<p>Council meeting held on 29 October 2019 council decide:</p> <ol style="list-style-type: none"> <li>1. That the direct alienation of Farm 319 Portion 64 Worcester (adjacent to Farm 319 Portion 43), ±4300m<sup>2</sup> in extent, for the purpose of building a lined dam for irrigation, to the owner of the adjoining erf, De Wet Cellar (Pty) Ltd, at the total purchase price of approximately Thirty-Four Thousand Rand (R34 000.00) be approved in principle;</li> <li>2. that Council take cognisance of the fact that the direct alienation is only approved as Farm 319 Portion 64, Worcester is classified as a non-viable property;</li> <li>3. that Farm 319 Portion 64, Worcester be consolidated with the adjoining property of the Applicant, being Farm 319 Portion 43, Worcester;</li> <li>4. that the alienation of Farm 319 Portion 64, Worcester be subject to obtaining the necessary rezoning and consolidation approvals as well as comply with the relevant internal departments (Directorates) comments and the right be reserved to supplement such internal comments;</li> <li>5. that a reversion condition be included in the Deed of Sale and Council's pre-emptive right be registered in the title deed that the disposed property will only be utilized for the purpose stipulated in item 1 above;</li> <li>6. that all costs pertaining to the transaction be borne by the Purchaser, which may include survey, rezoning, consolidation and costs of transfer;</li> <li>7. that a suspensive condition in respect of the consolidated properties be included stipulating that the subject erven be subject to approval in terms of land use planning legislation;</li> <li>8. that the following of a public participation process, be approved;</li> <li>9. that the above-mentioned approval in principle be subject to a public participation process being</li> </ol>				
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		<p>followed due to the non-viability of the property in that an item will only be tabled in Council again should any representations/comments be received;</p> <p>10. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and</p> <p>11. that the Municipal Manager be authorized to sign all documents relating to the alienation and transfer of the subject portion of Farm 319 Portion 64 Worcester and all necessary documents relating thereto.</p>				
886395	<p><b>IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF MUNICIPAL PROPERTY: ERF 5595, SITUATED AT 1 PHILLY MAPUTANE STREET, DE DOORNS</b></p>	<p>RESOLVED C20/2021</p> <p>That in respect of –</p> <p><b>IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF MUNICIPAL PROPERTY: ERF 5595, SITUATED AT 1 PHILLY MAPUTANE STREET, DE DOORNS</b></p> <p>as discussed by Council at the Council meeting held on 23 February 2021 Council decide:</p> <p>1. that the disposal of erf 5595, De Doorns for purposes permitted under Institutional Zone I be approved in principle by means of a competitive bidding process in the open market at the market related value as determined by HCB Property Valuations in the amount of R95 000.00 (Ninety-Five Thousand Rand), VAT Excluded, VAT Excluded;</p> <p>2. should the Purchaser be a registered social care organization/institution the purchase price be fixed at a minimum of 50% of the fair market value;</p> <p>3. that all costs pertaining to the transaction be borne by the Purchaser, e.g. transfer costs, survey, rezoning, provision of services and a direct access road;</p> <p>4. that the development of the erf</p>	2021-02-23	HPOTGIETER	85	07/03/2022: Deed of sale duly signed and provided to conveyancer. Transfer in process.

		<p>be completed within two (2) years of registration and be included in the Deed of Sale;</p> <p>5. that the following of a public participation process, be approved;</p> <p>6. that an item will only be resubmitted to Council should any representations/objections be received;</p> <p>7. that the administration be mandated to administer the process of disposal of the municipal property following the public participation process;</p> <p>8. that a reversion condition be included in the Deed of Sale and that Council's pre-emptive right be registered in the title deed that the disposed property will only be utilised for the purpose stipulated in item 1 above;</p> <p>9. that the Purchaser be responsible for the payment of all municipal services including rates and taxes in respect of the property following transfer of the property;</p> <p>10. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;</p> <p>11. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and the community value as well as the economic value in exchange for the asset was weighed against the market related purchase price; and</p> <p>12. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the subject property.</p>				
886398	<b>IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF THE REMAINDER OF ERF 5940, SITUATED</b>	<p>RESOLVED C22/2021</p> <p>That in respect of –</p> <p>IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF THE REMAINDER OF ERF 5940,</p>	2021-02-23	HPOTGIETER	85	07/03/2022: Deed of sale duly signed and provided to

	<p><b>AT CHURCH STREET, WORCESTER</b></p>	<p><b>SITUATED AT CHURCH STREET, WORCESTER</b></p> <p>as discussed by Council at the Council meeting held on 23 February 2021 council decide:</p> <ol style="list-style-type: none"> <li>1. That, the disposal of the remainder of erf 5940 Worcester currently permitted under Transport Zone I be approved in principle by means of a competitive bidding process in the open market at the market related value as determined by HCB Property Valuations as HCB Property Valuations determined the market related value of the property in the amount of R300 000.00 (Three Hundred Thousand Rand), VAT Excluded.</li> <li>2. that the Purchaser be permitted to apply for the rezoning of the municipal property, provided that the application follows proper Town Planning procedures;</li> <li>3. that all costs pertaining to the transaction be borne by the Purchaser, e.g. transfer costs, survey, rezoning, provision of services and a direct access road;</li> <li>4. that the development of the erf be completed within two (2) years of registration and be included in the Deed of Sale;</li> <li>5. that the following of a public participation process, be approved;</li> <li>6. that an item will only be resubmitted to Council should any representations/objections be received;</li> <li>7. that the administration be mandated to administer the process of disposal of the municipal property following the public participation process;</li> <li>8. that a reversion condition be included in the Deed of Sale and that Council's pre-emptive right be registered in the title deed that the disposed property will only be utilised for the purpose stipulated in item 1 above;</li> <li>9. that the Purchaser will be responsible for the payment of all municipal services including rates</li> </ol>				<p>conveyancer. Transfer in process.</p>
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		<p>and taxes in respect of the property following transfer of the property;</p> <p>10. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;</p> <p>11. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and the community value as well as the economic value in exchange for the asset was weighed against the market related purchase price; and</p> <p>12. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the respective municipal properties.</p>				
886399	<p><b>IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF A PORTION OF ERF 1 (ALSO KNOWN AS YSSEL STREET THOROUGHFARE), SITUATED AT YSSEL STREET, WORCESTER</b></p>	<p>RESOLVED C23/2021</p> <p>That in respect of –</p> <p>IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF A PORTION OF ERF 1 (ALSO KNOWN AS YSSEL STREET THOROUGHFARE) SITUATED AT YSSEL STREET, WORCESTER as discussed by Council at the Council meeting held on 23 February 2021 Council decide:</p> <p>1. That the disposal of a portion of erf 1 (also known as Yssel Street thoroughfare), Worcester for purposes permitted under Residential Zone I be approved in principle by means of a competitive bidding process in the open market at the market related value as determined by HCB Property Valuations in the amount of R105 500.00 (One hundred and Five Thousand Five Hundred Rand), VAT Excluded;</p> <p>2. that the erf be offered to first time homeowners with the means to purchase and develop the property;</p> <p>3. that all costs pertaining to the transaction be borne by the Purchaser, e.g. transfer costs, survey, rezoning, provision of</p>	2021-02-23	HPOTGIETER	85	07/03/2022: Deed of sale duly signed and provided to conveyancer. Transfer in process.

		<p>services and a direct access road;</p> <p>4. that the development of the erf be completed within two (2) years of registration and be included in the Deed of Sale;</p> <p>5. that a suspensive condition in respect of the subdivision of the property be included in the Deed of Sale stipulating that the disposal of the property be made subject to approval of the subdivision (Town Planning) processes in terms of land use planning legislation;</p> <p>6. that the following of a public participation process, be approved;</p> <p>7. that an item will only be resubmitted to Council should any representations/objections be received;</p> <p>8. that the administration be mandated to administer the process of disposal of the municipal property following the public participation process;</p> <p>9. that a reversion condition be included in the Deed of Sale and that Council's pre-emptive right be registered in the title deed that the disposed property will only be utilised for the purpose stipulated in item 1 above;</p> <p>10. that the Purchaser will be responsible for the payment of all municipal services including rates and taxes in respect of the property following transfer of the property;</p> <p>11. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;</p> <p>12. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and the community value as well as the economic value in exchange for the asset was weighed against the market related purchase price; and</p>				
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		13. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the subject property.				
913139	<b>IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF A PORTION OF REMAINDER OF FARM 576 RHOODE HOOGE OUTSPAN, WORCESTER</b>	<p>RESOLVED C45/2021</p> <p>That in respect of –</p> <p><b>IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF A PORTION OF REMAINDER OF FARM 576 (RHOODE HOOGE OUTSPAN), WORCESTER</b></p> <p>as discussed by Council at the Council meeting held on 28 April 2021 Council decide:</p> <p>1. That the disposal of a portion of remainder of Farm 576 (Rhoode Hoogte Outspan), Worcester, ±15.2400ha in extent for purposes permitted under Agricultural Zone I be approved in principle by means of a competitive process in the open market at least at a fair market price as determined by HCB Valuers in the amount of Seventy-Five Thousand Rand (R75 000.00);</p> <p>2. That the prospective purchaser be liable for all costs related to the disposal, e.g. rehabilitation- and transfer costs, EIA if required, registration of a right of way and the installation of municipal services;</p> <p>3. that the following of a public participation process, be approved;</p> <p>4. that an item will only be resubmitted to Council should any representations/comments be received;</p> <p>5. that the administration be mandated to administer the process of disposal of the municipal properties following the public participation process;</p> <p>6. that a reversion clause be included in the Deed of Sale as well as the Title Deed that the disposed property be utilized for Agricultural Zone I Purposes only and should the Purchaser not use the property as specified, the erf will revert back to the Municipality free of charge;</p> <p>7. that the Purchaser will be responsible for the payment of all municipal services including rates</p>	2021-04-28	HPOTGIETER	85	07/03/2022: Item to be resubmitted to Council for consideration, following in loco inspection.

		<p>and taxes in respect of the property following transfer of the property;</p> <p>8. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;</p> <p>9. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003); and</p> <p>10. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the municipal property.</p>				
977287	<b>IN-PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION AND TRANSFER OF A PORTION OF ERF 4014 AND A PORTION OF ERF 4015, SITUATED ON THE R43 VILLIERSDORP ROAD, WORCESTER, TO CAPE WINELANDS DISTRICT MUNICIPALITY</b>	<p>RESOLVED C85/2021</p> <p>That in respect of –</p> <p>IN-PRINCIPLE, APPROVAL FOR THE DIRECT ALIENATION AND TRANSFER OF A PORTION OF ERF 4014 AND A PORTION OF ERF 4015, SITUATED ON THE R43 VILLIERSDORP ROAD, WORCESTER, TO CAPE WINELANDS DISTRICT MUNICIPALITY as discussed by Council at the Special Council meeting held on 28 September 2021, Council decide:</p> <p>1. That the capital asset to be transferred is not needed for the provision of the minimum level of basic municipal services and is considered to be surplus to the requirements of the municipality;</p> <p>2. That the direct alienation and transfer of the property being a portion of Erf 4014 and a portion of Erf 4015, situated on the R43 Villiersdorp Road, Worcester ±47.23 ha in extent, at the market-related value of R1 890 000.00 (One Million Eight Hundred And Ninety Thousand Rand), alternatively R40 000.00 (Forty Thousand Rand) per hectare, for the primary purpose of establishing a Regional Landfill Site or for alternative utilisation identified and approved by Breede Valley Municipality to the Cape Winelands District Municipality, be</p>	2021-09-28	HPOTGIETER	65	<p>07/03/2022:</p> <p>Confirmation received from CWDM on 10/02/2022 that the item will serve at their Council meeting scheduled for 28 February 2022. Obtain further feedback from CWDM in order to update resolution percentage / comment.</p>



		<p>approved in principle;</p> <p>3. that the transfer of the property be subject to obtaining the necessary rezoning and subdivision approvals as well as compliance with the relevant internal departments (Directorates) comments with the right to supplement same;</p> <p>4. that all costs pertaining to the transaction be borne by the Cape Winelands District Municipality; and</p> <p>5. that the Municipal Manager be authorized to sign all documents relating to the alienation and transfer of the property and all necessary documents relating to it.</p>				
977287	<p><b>IN-PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION AND TRANSFER OF A PORTION OF ERF 4014 AND A PORTION OF ERF 4015, SITUATED ON THE R43 VILLIERSDORP ROAD, WORCESTER, TO CAPE WINELANDS DISTRICT MUNICIPALITY</b></p>	<p>RESOLVED C85/2021</p> <p>That in respect of –</p> <p>IN-PRINCIPLE, APPROVAL FOR THE DIRECT ALIENATION AND TRANSFER OF A PORTION OF ERF 4014 AND A PORTION OF ERF 4015, SITUATED ON THE R43 VILLIERSDORP ROAD, WORCESTER, TO CAPE WINELANDS DISTRICT MUNICIPALITY as discussed by Council at the Special Council meeting held on 28 September 2021, Council decide:</p> <p>1. That the capital asset to be transferred is not needed for the provision of the minimum level of basic municipal services and is considered to be surplus to the requirements of the municipality;</p> <p>2. That the direct alienation and transfer of the property being a portion of Erf 4014 and a portion of Erf 4015, situated on the R43 Villiersdorp Road, Worcester ±47.23 ha in extent, at the market-related value of R1 890 000.00 (One Million Eight Hundred And Ninety Thousand Rand), alternatively R40 000.00 (Forty Thousand Rand) per hectare, for the primary purpose of establishing a Regional Landfill Site or for alternative utilisation identified and approved by Breede Valley Municipality to the Cape Winelands District Municipality, be approved in principle;</p> <p>3. that the transfer of the property be subject to obtaining the</p>	2021-09-28	HPOTGIETER	70	<p>07/03/2022: CWDM Council resolved on 28 February 2022 to purchase the BVM property. CWDM resolution ("file") duly uploaded on this resolution.</p>

		<p>necessary rezoning and subdivision approvals as well as compliance with the relevant internal departments (Directorates) comments with the right to supplement same;</p> <p>4. that all costs pertaining to the transaction be borne by the Cape Winelands District Municipality; and</p> <p>5. that the Municipal Manager be authorized to sign all documents relating to the alienation and transfer of the property and all necessary documents relating to it.</p>				
1065283	<p><b>IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF A PORTION OF ELIZABETH STREET, RAWSONVILLE</b></p>	<p>RESOLVED C26/2022</p> <p>That in respect of –</p> <p><b>IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF A PORTION OF ELIZABETH STREET, RAWSONVILLE</b></p> <p>as discussed by Council at the Council Meeting held on 23 February 2022:</p> <p>That the direct alienation of a portion of Elizabeth Street, Rawsonville (adjacent to Erven 536 and 537), ±221.57m<sup>2</sup> in extent, for formal parking purposes, to the owner of the adjoining erven, at an amount of One Hundred and Ten Thousand Rand (R110 000.00), be approved in principle;</p> <p>1. that Council take cognisance of the fact that the direct alienation is only approved as the subject portion of Elizabeth Street, Rawsonville is classified as a non-viable property;</p> <p>2. that the purchaser make provision for a pedestrian thoroughfare from Elizabeth Street to Van Riebeeck Street, Rawsonville;</p> <p>3. that the subject portion of Elizabeth Street, Rawsonville be consolidated with the adjoining property of the Applicant, being Erf 537, Rawsonville;</p> <p>4. that the alienation of the subject portion of Elizabeth Street, Rawsonville be subject to obtaining the necessary closure, rezoning, consolidation and deproclamation approvals within two (2) years, as well as comply with the relevant</p>	2022-02-24	HPOTGIETER	20	22/03/2022: Notice placed in CW Standard on 17/02/2022 to invite public comments.

		<p>internal departments (Directorates) comments and the right be reserved to supplement such internal comments;</p> <p>5. that a reversion condition be included in the Deed of Sale and Council's pre-emptive right be registered in the title deed that the disposed property will only be utilized for the purpose stipulated in item 1 above;</p> <p>6. that all costs pertaining to the transaction be borne by the Purchaser, which may include survey, rezoning, consolidation and costs of transfer;</p> <p>7. that a suspensive condition in respect of the consolidated properties be included stipulating that the subject erven be subject to approval in terms of land use planning legislation;</p> <p>8. that the following of a public participation process, be approved;</p> <p>9. that the above-mentioned in principle approval be subject to a public participation process being followed due to the non-viability of the property and that an item will only be tabled in Council again should any representations/comments be received;</p> <p>10. that it is confirmed that Council has taken cognisance of the fact that the Municipal property herewith alienated is not required for the provision of basic municipal services in terms of the provision Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003), and</p> <p>11. that the Municipal Manager be authorized to sign all documents relating to the alienation and transfer of the subject portion of Elizabeth Street, Rawsonville and all necessary documents relating thereto.</p>				
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**3. PUBLIC SERVICES****3.1 Council resolutions**

None

**4. ENGINEERING SERVICES****4.1 Council resolutions**

None

**5. FINANCIAL SERVICES****5.1 Council resolutions**

Council		Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment
1043736	<b>ADDITIONAL / AMENDMENT ALLOCATIONS - ADJUSTMENTS BUDGET 2021/22 – 25 JANUARY 2022</b>	RESOLVED C8/2022 That in respect of ADJUSTMENTS BUDGET FOR 2021/22 – JANUARY 2022 discussed by Council at the Council meeting held on 25 January 2022 that: 1. Council resolves that the Adjustment Budget of Breede Valley Municipality for the financial year 2021/22 be adjusted and approved with amendments as set out in the following. a. Municipal Budget tables B1-B10 b. Municipal Budget supporting documentation SB1 - SB19	2022-01-25	ACROTZ		
1065279	<b>MID-YEAR ADJUSTMENTS BUDGET – FEBRUARY 2022</b>	RESOLVED C22/2022 That in respect of Adjustments budget for the Financial Year 2021/22 discussed by council at the Council meeting held on 23 February 2022 1. Council resolves that the budget of Breede Valley Municipality for the financial year 2021/22 be adjusted and approved with amendments as set out in the following Municipal Budget tables B1- B10 and	2022-02-24	ACROTZ		

		Municipal Budget supporting documentation SB1 - SB19. 2. Council resolves that the Detailed Project Implementation Plan (DPIP) relating to the Municipal Infrastructure Grant (MIG) be revised as per approved budget.				
1065279	<b>MID-YEAR ADJUSTMENTS BUDGET – FEBRUARY 2022</b>	RESOLVED C22/2022 That in respect of Adjustments budget for the Financial Year 2021/22 discussed by council at the Council meeting held on 23 February 2022 1. Council resolves that the budget of Breede Valley Municipality for the financial year 2021/22 be adjusted and approved with amendments as set out in the following Municipal Budget tables B1- B10 and Municipal Budget supporting documentation SB1 - SB19. 2. Council resolves that the Detailed Project Implementation Plan (DPIP) relating to the Municipal Infrastructure Grant (MIG) be revised as per approved budget.	2022-02-24	RONTONG2		
1065281	<b>REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF JANUARY 2022</b>	RESOLVED C24/2022 In respect of REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF JANUARY 2022 as discussed by Council at the Council Meeting held on 23 February 2022:  1. That the deviations from the procurement processes, approved in terms of the delegated authority for the month of January 2022, be noted.	2022-02-24	MPOTGIETER		

## 6. MUNICIPAL MANAGER

### 6.1 Council resolutions

Council	Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment:
874260	<b>NOTICE OF MOTION: CLLR N. WULLSCHLEGER</b> RESOLVED C13/2021	2021-01-26	DCTHOMAS		

		That the Municipal Manager be requested and mandated to report to the Transhex Steering Committee on the status of compliance with the conditions of the Environmental Authorisation as issued on 25 October 2016 by the Western Cape Department of Environmental Affairs and Planning, in respect of the proposed residential, business and civic development with associated infrastructure on erf 1, Worcester.(TRANSHEx)				
913134	<b>SUBMISSION OF FINAL ANNUAL REPORT, ANNUAL FINANCIAL STATEMENTS, AUDITOR GENERAL'S REPORT, AUDIT AND PERFORMANCE AUDIT COMMITTEE REPORT; AND THE ADOPTION OF THE OVERSIGHT REPORT FROM THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE FOR THE PERIOD 2019-2020 FINANCIA</b>	<p>RESOLVED C41/2021</p> <p>That in respect of - SUBMISSION OF FINAL ANNUAL REPORT, ANNUAL FINANCIAL STATEMENTS, AUDITOR GENERAL'S REPORT, AUDIT AND PERFORMANCE AUDIT COMMITTEE REPORT; AND THE ADOPTION OF THE OVERSIGHT REPORT FROM THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE FOR THE PERIOD 2019-2020 FINANCIAL YEAR discussed by Council at the Council meeting held on 28 April 2021:</p> <ol style="list-style-type: none"> <li>1. That MPAC, having fully considered the 2019-2020 Annual Report of the BVM and the representations thereon, recommends the adoption of the Oversight Report and the approval of the Annual Report without reservations.</li> <li>2. To improve the levels of morale of the workers corps, administration led by the office of the Municipal Manager should identify the gaps and implement formal employee wellness programme, while developing a system to recognise employee excellence from Council decision.</li> <li>3. To improve service delivery, management must improve the level of supervision and communication with regards to time, quality and standard of services to communities.</li> <li>4. To ensure the effective functioning of the ward committees in support of the Ward Councillor and the municipality, we recommend that the Speakers Office investigate non-functioning</li> </ol>	2021-04-28	ECLOETE		

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		<p>or underperforming committees and put corrective measures in place.</p> <p>5. Since Local Economic Development (LED) is such a critical function of the municipality, especially considering the impact of COVID-19 on the economic wellbeing of the residents of the Breede Valley and their ability to pay for services, LED component should be requested to submit a programme which will facilitate LED focused on the development of informal economy and SMME's.</p> <p>6. Due to low levels of skills and high levels of youth unemployment, we recommend that all wards must be consulted and be provided with equal training and development opportunities.</p> <p>7. We recommend council be provided with an interim report on COVID-19 spending and programmes.</p> <p>8. Assistance provided to residents in need by means of the emergency housing kit should be improved through a policy review.</p>				
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**7. CONSIDERATION OF AGENDA ITEMS****7.1 2022/23 DRAFT BUDGET MEDIUM TERM REVENUE AND EXPENDITURE  
FRAMEWORK****File No. /s:** 3/2/2/22**Responsible Official:** R Ontong**Directorate:** Financial Services**Portfolio:** Financial Services

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**1. Purpose**

The purpose of this submission is to present the 2022/23 MTREF Draft Budget.

**2. 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"

### **3. Financial Implications**

The financial implications of the 2022/23 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 2022/2023  
– 2024/2025**



**BREDE VALLEY**

MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

**31 MARCH 2022**

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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

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EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt-hour
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

## Glossary

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

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

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

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

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

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

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

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

**GDFI** - Gross Domestic Fixed Investment

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

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

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

**LM** – Breede Valley Municipality.

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

**mSCOA** – Municipal Standard Chart of Accounts

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

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

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

**TMA** – Total Municipal Account

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

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

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

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## PART 1 – Annual Budget

### 1. Mayor's Report

The Breede Valley Municipality remains committed to the cause of bringing respectable services to all households. We as a municipality acknowledge the fact that households are faced with numerous difficulties, ranging from social to economic challenges. We view our role as integral in addressing these challenges to improve quality of life and will therefore continue to play our part by creating a conducive environment for job creation and social development in our community. It should be understood that 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 current reality that we are facing has to date had devastating effects on our communities and those in surrounding municipalities through the loss income, work and lives. This COVID 19 Pandemic changed the way in which we conduct 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 2022/23 MTREF, and outer financial years that council approves the 2022/23 MTREF budget in terms of section 24 of the Municipal Finance Management Act.

### 3. Executive Summary

#### 3.1 Legislative Background

Section 16 of the Municipal Finance Management Act states:

“Annual budgets

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

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

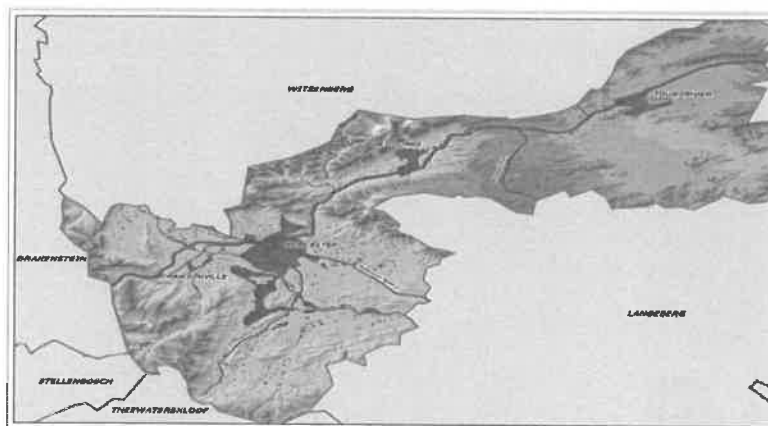
### **Contents of annual budgets and supporting documents**

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

### **3.2 Municipal General Overview**

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





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



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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 government

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SO 5	To ensure a healthy and productive workforce and an effective and efficient work environment
SO 6	To assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices

### 3.3 Budget Principles and Criteria

The 2022/23 MTREF was compiled based on the following principles and criteria taken into account, the impact of the 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 2022/2023 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 2022/23 MTREF are as follow:

- COVID 19 Pandemic
- Amendments to mSCOA;
- Effect of electricity supply (ESKOM) on the revenue generation
- 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 committed to the elimination of these non-priority items from the 2015/16 MTREF and applying zero percent increases on related items where elimination or a decrease in the 2021/22 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 2022/23 aims to address the service delivery needs within the municipal area, given the available resources internally and externally. The main source of funding are external loans, conditional grant allocations from National and Provincial government departments, followed by either internal funding.

### 3.4 Rebates

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

#### 3.4.1 Rebates: Unemployed and Indigent

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

**3.4.2 Rebates: Pensioner**

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

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

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

**3.4.4 Special Rating Area (SRA)**

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

**3.5 Budget Overview**

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

**COVID 19 Pandemic – Impact on the Budget**

The COVID 19 pandemic had a major influence on the planning and budgeting process for the Medium-Term Revenue and Expenditure Framework for the current financial year and will continue to do so in the 2022/23 MTREF. The current reality 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 situation forces us to remain prudent and continue with applying resources in a well-balanced manner.

The pandemic also brought about a reduction in the collection rate which is largely contributed by the suspension of economic activity. Given the various levels of restrictions and activities allowed within each respective level, many households, businesses, and other rate payers were negatively affected which influenced their ability to settle the municipal accounts. This results in business closing and workers losing employment, having an adverse effect on the

municipality's cash position and contributes to increases in the debt portfolio and indigent portfolio.

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

### 3.5.1 Operating Revenue

The table below reflects the operating revenue in relation to the current year and 2022/23 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 consultation paper. This inflation linked increase in tariffs aim to promote sustainability of the revenue, other than the counterproductive method of increasing tariffs to such an extent that the collection rate deteriorates.

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

**Property Rates:** Budgeted revenue is based on the current performance realised during the 2020/21 financial year and anticipated revenue based on the current valuation roll.

**Service Charges:** The 2022/23 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 2022/23 MTREF.

**Transfers Recognised – Operational:** This revenue item is based on the operational transfers (conditional and unconditional) as per the 2022/23 budget year allocations.

### 3.5.2 Operating Expenditure

The table below reflects the operating expenditure in relation to the current year and 2022/23 MTREF.

Please refer to Annexure A.

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The operational expenditure budget was adjusted in order to accommodate the projected operational expenditure to be incurred over the MTREF. These amendments/adjustments are based on the 2021/22 Adjustment Budget.

Further, additional amendments given the COVID 19 pandemic are still in place. These amendments are informed by the following principles:

- No additional positions to be funded. 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 in these unprecedented times. 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 2022/23 adjustments budget if needed.

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

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

**Bulk Purchases:** This item comprises of electricity bulk purchases and is based on the current consumption patterns in terms of usage. The increase in this expenditure item is based on the NERSA guideline consultation paper issued in terms of budgeting for the 2022/23 MTREF.

**Other materials and Contracted Services:** The budget for other materials is also based on the 2021/22 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.

**Other expenditure:** The amendment in other expenditure is due to the cost containment not being increased and also the conservative approach applied by the municipality, while also attending to operational expenditure that is needed to effectively and efficiently conduct municipal operations.

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	Finance Source	UKey	2022/23 Financial Year	2023/24 Financial Year	2024/25 Financial Year
<b>Engineering Services and Public Services</b>					
<b><u>Not Allocated to Wards</u></b>					
<b><u>Stettynskloof Water Supply (Worcester/Rawsonville)</u></b>	-	-			
Upgrading of Stettynskloof Supply Pipe Line - Phase 3 (MIG 164422)	8,0	MIG	3 421 924	0	0
Increase dam Level (Stetteynskloof Dam)	1,1	Loans	5 000 000	20 000 000	25 000 000
<b><u>Rawsonville WwTW</u></b>					
Extension of WwTW (0,24 Ml/day)	1,1	Loans	27 000 000	0	0



	-	-			
<b>Klipvlakte/ Transhex Residential Development (13 000 erven)</b>	-	-			
Electrical Reticulation	8,2	INEP	15 000 000	38 000 000	39 706 000
<b>Reservoirs</b>					
Pre-loads	8,0	MIG	18 481 271	0	0
Pre-loads	1,1	Loans	55 000 000	0	0
<b>Upgrading of Sewer Network</b>					
External Loan	1,1	Loans	18 000 000	0	0
CRR	3,0	CRR / Own Funding	0	10 000 000	10 000 000
<b>Touws River: Waste Water Treatment Works (WwTW) Augmentation</b>					
MIG	8,0	MIG	500 000	2 000 000	26 000 000
MIG Counter Funding (CRR)	3,2	CRR / Own Funding	0	0	18 000 000
WSIG	8,8	WSIG	0	17 000 000	0
<b>Touws River: Water Treatment Works (WTW) Augmentation</b>					
MIG	8,0	MIG	0	2 000 000	1 000 000
<b>Touws River : Water Network Upgrades to Affordable Housing Project</b>					
MIG	8,0	MIG	0	500 000	0
MIG Counter Funding (CRR)	3,2	CRR / Own Funding	0	175 000	0
<b>Touws River : Sewer Network Upgrades to Affordable Housing Project</b>					
MIG	8,0	MIG	0	500 000	0
MIG Counter Funding (CRR)	3,2	CRR / Own Funding	0	175 000	0
<b>Upgrading of Gravel Roads</b>					
Breed Valley: Roads	3,0	CRR / Own Funding	2 000 000	2 000 000	2 000 000
<b>Resealing of Roads</b>					
Resealing of Municipal Roads - Rawsonville	3,2	CRR / Own Funding	500 000	500 000	0
<b>Resealing of Municipal Roads - Worcester</b>					
MIG	8,0	MIG	13 353 593	26 614 000	15 346 000
CRR	3,0	CRR / Own Funding	2 000 000	3 000 000	3 000 000
Resealing of Municipal Roads - Avian Park	8,0	MIG	0	0	0
<b>Resealing of Municipal Roads - De Doorns</b>					

MIG	8,0	MIG	0	1 500 000	0
<b>Resealing of Municipal Roads - Touws River</b>					
Resealing of Municipal Roads - Touws River	8,0	MIG	0	500 000	0
<b>Traffic Circles</b>					
Traffic Circles: (High and Louis Lange)	3,0	CRR / Own Funding	6 000 000	0	0
Traffic Circles: (De La Bat / Roux / Heyns Street)	3,0	CRR / Own Funding	0	5 500 000	0
<b>Networks</b>					
Replacement of Water Network (Roll-over)	3,0	CRR / Own Funding	3 000 000	3 000 000	3 000 000
<b>Electricity (8112)</b>					
Refurbishment of electrical system	3,0	CRR / Own Funding	5 000 000	0	0
Refurbishment of Touwsriver Substation and Safeguarding	1,1	Loans	0	4 000 000	4 000 000
Robertson Road Substation	1,1	Loans	5 000 000	0	0
Alternative Electricity Supply Zwelethemba	1,1	Loans	10 000 000	0	0
RMU/ Main Sub Switchgear Replacements De Doorns	1,1	Loans	0	0	3 000 000
RMU/Main Sub Switchgear replacements Touwsriver	1,1	Loans	0	0	3 000 000
Roux Park capacity/equipment upgrade	1,1	Loans	5 000 000	0	0
Zwelethemba removal of mid-blocks	3,0	CRR / Own Funding	2 000 000	6 000 000	0
Office and Storage Space Upgrade	3,0	CRR / Own Funding	500 000	0	0
66KV Ripple Control	1,1	Loans	6 900 000	0	0
Upgrading of High Mast Lights	8,7	EEDMG	1 400 000	1 400 000	0
Upgrading of Street Lights	8,7	EEDMG	2 600 000	2 600 000	0
<b>Refurbishment of electrical system (NERSA)</b>					
Altona new Electrical Substation	1,1	Loans	20 000 000	0	0
Electricity - Machinery and Equipment	3,0	CRR / Own Funding	600 000	600 000	0
<b>Civil Engineering</b>					
Survey Equipment	3,0	CRR / Own Funding	400 000	0	0
Office Furniture	3,0	CRR / Own Funding	100 000	0	0
<b>SOLID WASTE MANAGEMENT</b>					
<b>WORCESTER</b>					
Wheeliebins	3,0	CRR / Own Funding	1 000 000	1 000 000	1 000 000
Solid Waste - Radios	3,0	CRR / Own Funding	150 000	0	0
Solid Waste - Furniture and Office Equipment	3,0	CRR / Own Funding	50 000	0	0
<b>Ward Priorities</b>					

Speed Humps	3,0	CRR / Own Funding	500 000	0	0
Fencing of Substations	3,0	CRR / Own Funding	250 000	0	0
<b>Ward 1</b>	-	-			
Rehabilitation of Bok River Pipe Line - Phase 6	8,0	MIG	0	7 000 000	0
Touws River: Bok River Solar System	8,0	MIG	500 000	0	0
Augmentation of Water treatment works (MIG Counter funding)	8,8	WSIG	2 557 000	0	0
<b>Ward 2</b>	-	-			
New Retention Ponds - De Doorns: South of N1 (MIG Number 202347)	8,0	MIG	956 814	0	0
De Doorns Water Purification Works : Augmentation of DAF Unit (MIG funding)	8,0	MIG	7 773 398	0	0
De Doorns WWTW Reactor	8,8	WSIG	2 550 000	0	0
<b>Ward 8</b>	-	-			
Upgrading of Gravel Roads	3,0	CRR / Own Funding	3 000 000	3 000 000	0
	-	-			
<b>Erosion Protection of Hex River (Zweletemba)</b>	-	-			
Erosion Protection of Hex River : Phase 2 ( 300m @ R13,333.33/m)	1,1	Loans	0	30 000 000	30 000 000
<b>Ward 12</b>	-	-			
Upgrading of Routes (Visually Impaired)	3,0	CRR / Own Funding	1 000 000	0	0
<b>Ward 21</b>	-	-			
Upgrading of gravel roads	3,0	CRR / Own Funding	3 000 000	3 000 000	3 000 000
<b>SERVICE CONNECTIONS (Depending on Public Contr)</b>					
Sewer Connections	3,3	CRR / Own Funding	1 120 000	1 120 000	1 120 000
Electricity Connections	3,3	CRR / Own Funding	1 000 000	1 000 000	1 000 000
Water Connections	3,3	CRR / Own Funding	2 719 200	2 719 200	2 719 200
Water - Machinery and Equipment	3,0	CRR / Own Funding	2 000 000	2 000 000	0
<b>Waste Water Treatment Works</b>					
WWTW - Mobile Generator	3,0	CRR / Own Funding	0	800 000	800 000
Fencing and safeguarding of WWTW and pumpstations	3,0	CRR / Own Funding	2 000 000	2 000 000	2 000 000
Pump station upgrading and refurbishment	3,0	CRR / Own Funding	2 000 000	2 000 000	2 000 000
Pump station upgrading and refurbishment	1,1	Loans	2 000 000	0	0
<b>Parks and Cemeteries</b>					
Parks - Machinery and Equipment	3,0	CRR / Own Funding	1 100 000	0	0
Fencing of Cemeteries - Aan De Doorns	3,0	CRR / Own Funding	1 000 000	0	0

Fencing of Cemeteries - De Wet Str.	3,0	CRR / Own Funding	100 000	0	0
<b><u>Water and Sewerage</u></b>					
Upgrading of Offices (Fairbairn Street)	3,0	CRR / Own Funding	1 500 000	0	0
Water - Furniture and Office Equipment	3,0	CRR / Own Funding	0	30 000	0
<b>ROADS AND STORMWATER</b>					
Roads - Machinery and Equipment	3,0	CRR / Own Funding	1 000 000	500 000	500 000
<b>Land Infill Developments</b>					
Avian Park Industrial - Water	1,1	Loans	146 043	146 043	0
Avian Park Industrial - Sewer	1,1	Loans	438 005	438 005	0
Avian Park Industrial - Stormwater	1,1	Loans	94 928	94 928	0
Avian Park Industrial - Electricity	1,1	Loans	990 000	990 000	0
Avian Park Industrial - Sewer Pumpstation	1,1	Loans	9 000 000	10 000 000	0
Somerset Park – Water	1,1	Loans	146 043	0	0
Somerset Park – Sewer	1,1	Loans	438 005	0	0
Somerset Park - Stormwater	1,1	Loans	94 928	0	0
Somerset Park - Electricity	1,1	Loans	990 000	0	0
<b><u>Municipal Manager</u></b>					
<b><u>Admin -0603</u></b>					
Furniture and Equipment	3,0	CRR / Own Funding	5 000	5 000	5 000
<b><u>RISK MANAGEMENT</u></b>					
Risk Management - Furniture and Office Equipment	3,0	CRR / Own Funding	50 000	0	0
<b><u>Community Services</u></b>					
<b><u>ADMIN - 0903</u></b>					
Furniture & Equipment	4,0	CRR / Own Funding	5 000	5 000	5 000
<b><u>COMMUNITY DEVELOPMENT</u></b>					
Youth Café - Furniture and Office Equipment	3,0	CRR / Own Funding	200 000	0	0
<b><u>SWIMMING Pool: De Doorns</u></b>					
New Swimming Pool	3,0	CRR / Own Funding	500 000	15 000 000	15 000 000
<b><u>SPORT: Boland Park - 5130</u></b>					
Replacement of fence perimeter	3,0	CRR / Own Funding	0	6 000 000	0

<b>SPORT: Esselen Park</b>					
Replacement of fence perimeter	3,0	CRR / Own Funding	6 000 000	0	0
<b>SPORT: Zwelthemba</b>					
Replacement of fence perimeter	3,0	CRR / Own Funding	0	0	6 000 000
<b>WATERLOO LIBRARY - 4506</b>					
Waterloo Library - Airconditioners	3,0	CRR / Own Funding	48 000	0	0
Upgrade ramp	6,1	Libraries Grant	100 000	0	0
ICT Equipment	6,1	Libraries Grant	144 000	0	0
<b>TRAFFIC</b>					
<b>Buildings</b>					
Machinery and Equipment	3,0	CRR / Own Funding	358 000	0	0
Traffic - Furniture and Office Equipment	3,0	CRR / Own Funding	89 600	0	0
Traffic – Generator	3,0	CRR / Own Funding	400 000	0	0
Upgrading of Cash Office	3,0	CRR / Own Funding	250 000	0	0
Queuing System	3,0	CRR / Own Funding	150 000	0	0
<b>FIRE DEPARTMENT: ADMIN - 4203</b>					
Major Fire Engine (Pumper)	3,0	CRR / Own Funding	5 000 000	5 000 000	5 000 000
Equipment for Fire Engine	3,0	CRR / Own Funding	1 500 000	1 000 000	1 000 000
Fire Services – Radios	3,0	CRR / Own Funding	55 000	0	0
Fire Services - Furniture and Office Equipment	3,0	CRR / Own Funding	200 000	0	0
De Doorns Communication Equipment	3,0	CRR / Own Funding	350 000	0	0
Fire Services - Airconditioners	3,0	CRR / Own Funding	50 000	0	0
Fire Services - Machinery and Equipment	3,0	CRR / Own Funding	34 000	0	0
<b>FINANCIAL SERVICES</b>					
<b>Admin</b>					
Furniture and Equipment	4,0	CRR / Own Funding	25 000	5 000	5 000
<b>Financial Planning</b>					
Safeguarding of Assets	12,0	Insurance Reserve	400 000	400 000	400 000
Insurance claims	12,0	Insurance Reserve	400 000	400 000	400 000
Financial Planning - Upgrading of Buildings	3,0	CRR / Own Funding	200 000	0	0
<b>Revenue</b>					
Revenue - Upgrading of Municipal Building	3,0	CRR / Own Funding	200 000	0	0
Credit Control - Upgrading of Municipal Building -	3,0	CRR / Own Funding	100 000	0	0
Revenue – Airconditioners	3,0	CRR / Own Funding	200 000	0	0

Revenue - Machinery and Equipment	3,0	CRR / Own Funding	400 000	0	0
Revenue - Furniture and Office Equipment	3,0	CRR / Own Funding	50 000	0	0
<b>COUNCIL &amp; MAYCO</b>					
<b>MAYORAL OFFICE – 0306</b>					
Furniture and Equipment	3,0	CRR / Own Funding	5 000	5 000	5 000
<b>STRATEGIC SUPPORT SERVICES</b>					
<b>STRATEGIC SUPPORT - ADMIN - 2103</b>					
Furniture and Equipment	4,0	CRR / Own Funding	5 000	5 000	5 000
<b>Local Economic Development</b>					
LED - Furniture and Office Equipment	4,0	CRR / Own Funding	20 000	0	0
Zwelethemba Economic Facility	3,0	CRR / Own Funding	1 000 000	0	0
Zwelethemba Economic Facility	6,4	RSEP	800 000	0	0
<b>Other Buildings</b>					
Supply and Installation of Load Shedding Solution and Solar PV	3,0	CRR / Own Funding	13 420 000	12 884 000	6 807 000
<b>WORCESTER TOWN HALL</b>					
Airconditioner	3,0	CRR / Own Funding	3 420 000	0	0
<b>INFORMATION TECHNOLOGY - 2114</b>					
ICT - Computer Equipment	3,0	CRR / Own Funding	12 000 000	0	0
Call Center & Telephone (PBX) System	3,0	CRR / Own Funding	150 000	0	0
Biometric system	3,0	CRR / Own Funding	150 000	0	0
Airconditioner (DR Site)	3,0	CRR / Own Funding	50 000	0	0

Kindly refer to SA36 for the detail capital budget.

In addition to the projects as per the table above, the municipality is also in the process of looking into alternative finance options for vehicles and specialised equipment.

The municipality has earmarked R10 million in respect of ward priorities (capital and operating). These priorities are currently being considered and after the reprioritization process will be included as part of the Final Budget.

#### 4. Annual Budget Tables

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

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

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

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

**PART 2 – Supporting Documentation****5. Overview of Annual Budget Process**

Step No	ISSUE	TIMEFRAME
1	IDP/Budget Process Plan/Timetable approved by council	Aug 2021
2	IDP Meetings – inputs from Ward Councilors & Ward Committees	Oct 2021
3	First IDP/ Budget Steering Committee Meeting	Nov 2021
4	Departmental inputs on Draft allocations	Nov & Dec 2021
5	2 <sup>nd</sup> Budget Steering Committee – Consider Adjustment budget	Jan 2022
6	Draft Budget input captured and Budget balanced	March 2022
7	Draft IDP & Budget tabled in Council	March 2022
8	IDP & Budget workshop - Council	April 2022
9	Public Consultation	April 2022
10	Finalise Sector / Dept Strategy Plan / Budget - IDP	April 2022
11	Consideration of Comments received	April 2022
12	Tabling of Final MTREF	End May 2022

**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

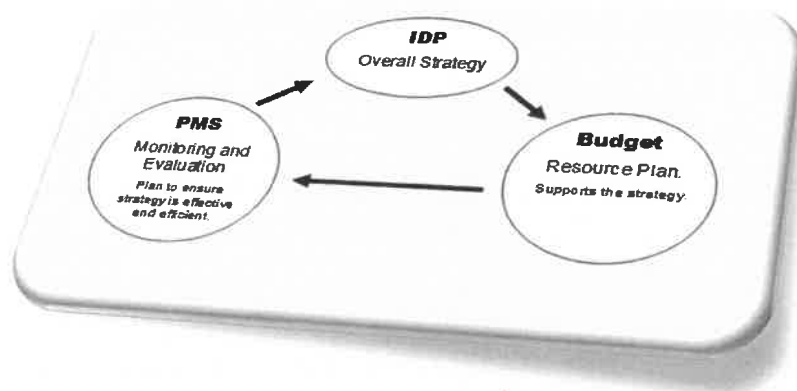


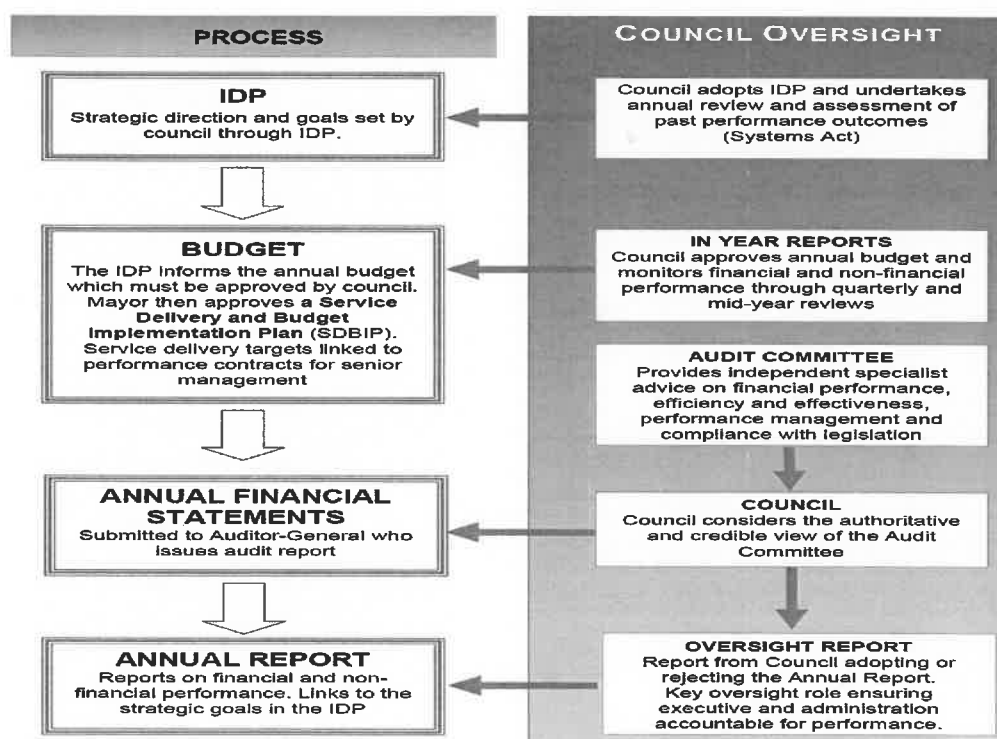
The IDP / Budget process plan was consulted with all relevant stakeholders, whom are:

- 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





**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 2022/23 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 2022/23 MTREF:

- Tariff increases:

Service	Percentage Increase (%)
Electricity	NERSA final guideline
Water	5.45% - 5.76%
Sewerage	5.60%
Refuse	5.44%
Rates	5.43%

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

- CPIX = Approximately 5% (MFMA budget circular)
- Employee related cost is based collective agreement
- Government Grant will be received as gazetted by National and Provincial Government.
- Electricity bulk purchases in line with NERSA guideline.
- Minimal growth in revenue base. Mostly related to low cost housing.
- No / limited increases applied on cost containment items.

- Indigent households is anticipated be in the region of 10 000 households (formal)
- Budgeted collection rate equals to 90 percent
- Conditional grant will be fully spent
- Credit rating: Baa1.za

## **11. Overview of Budget Funding**

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

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

Please refer to table A1 of Annexure A

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

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

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

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

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

Kindly refer to table SA19 of Annexure A.

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

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

Kindly refer to table SA21 of Annexure A.

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

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

Kindly refer to table SA23 of Annexure A.

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

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

Please refer to table SA25 of annexure A.

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

Please refer to table SA33 of annexure A.

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

Please refer to table SA35 of annexure A.

**18. Capital expenditure details****MBRR SA36 - Detailed capital budget per municipal vote**

Please refer to table SA36 of annexure A.

**19. Legislation compliance status**

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

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

**20. Other supporting documents**

Please refer to annexures E for MFMA budget circular

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

No municipal entities.

**COMMENTS BY OTHER DIRECTORATES**

**Municipal Manager** – Recommendation supported

**Director Strategic Services** – Recommendation supported

**Director Community Services** – Recommendation supported

**Director Engineering Services** – Recommendation supported

**Director Public Services** – Recommendation supported

**RECOMMENDATION**

In respect of

**2022/23 DRAFT BUDGET MEDIUM TERM REVENUE AND EXPENDITURE  
FRAMEWORK**

discussed by Council at the Council Meeting of 31 March 2022:

1. Council approves the tabling of the draft annual budget tables 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. The above tabled draft budget and tariffs may be amended after the public participation process and the workshop of council is held.

**PROPOSED: ALD. A. STEYN**

**SECONDED: ALD. W.R MEIRING**

**Unanimously resolved by Council.**

**RESOLVED****C34/2022**

In respect of

**2022/23 DRAFT BUDGET MEDIUM TERM REVENUE AND EXPENDITURE  
FRAMEWORK**

discussed by Council at the Council Meeting of 31 March 2022:

1. Council approves the tabling of the draft annual budget tables 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. The above tabled draft budget and tariffs may be amended after the public participation process and the workshop of council is held.

**To Action**

A. Crotz

**7.2 BUDGET 2022/2023: FINANCE LEASE (HIRE PURCHASE LOAN)  
MFMA SECTION 46 Long-term debt****File No. /s:** 3/2/2/10**Responsible Officials:** R Ontong**Directorate:** Financial Services**Portfolio:** Financial Services

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**1. Purpose of Report**

The aim of this report is to obtain approval from Council to proceed with Supply Chain processes, for the raising of a finance lease.

**2. Background**

One of Breede Valley Municipality's key challenges is the ageing of its fleet which needs to keep up with the growing service delivery demands. Fleet is key to our service delivery departments as it is a tool of trade. To achieve our objectives as a Municipality these challenges need to be addressed immediately.

**Ageing Fleet**

In January 2022 the need to replace municipal fleet was identified as high on the priority list and was discussed in Senior Management meetings and with the MAYCO. Approximately R 21 million was spent on the hiring of vehicles in a period of 12 months, this drove the decision to explore the hire purchase option. The hire purchase loan, payable over a period of three (3) years for vehicles, option was therefore decided on. The budget indicating the proposed loan amount needs to be approved by council.

**3. Applicable legislation**

The legislative framework governing borrowing is informed by the following legislation:

- a) Local Government Municipal Finance Management Act, (Act 56 of 2003); and
- b) Municipal Regulations on Debt Disclosure, Regulation R492, published under Government Gazette 29966, 15 June 2007.

The applicable legislation is as follows:

- i. In terms of the Municipal Finance Management Act, No. 56 of 2003, Chapter 6 on Debt, section 46 (1) that deals with long-term debts states, that a municipality may incur long-term debt, only in accordance with and subject to any applicable provisions of the act, including section 19 for the purposes of capital expenditure to be used for the purpose of



achieving the objectives as set out in section 152 of the Constitution or re-financing existing long-term debt.

- ii. Local Government Municipal Regulations and Debt Disclosure, Regulation R492, published under Government Gazette 29966, 15 June 2007 further regulates compulsory disclosures when incurring municipal debt and securities backed by municipal debt
- iii. A municipality's long-term debt must be consistent with its capital budget referred to in section 17(2) of the MFMA

**Information and certificates to be made available:**

The Municipality may incur short-term debt only if:

- a) a resolution of the municipal council, signed by the mayor, has approved the debt agreement; and
- b) the accounting officer has signed the agreement or other document which creates or acknowledged the debt.
- c) the accounting officer of the municipality has, in accordance with section 21A of the Municipal Systems Act:
  - i. at least twenty one (21) days prior to the meeting of the council at which approval for the debt is to be considered, made public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purpose for which the debt is to be incurred and particulars of any security to be provided; and
  - ii. invite the public, the National Treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed debt; and
- d) has submitted a copy of the information statement to the municipal council at least twenty-one (21) days prior to the meeting of the council, together with particulars of:
  - (i) the essential repayment terms, including the anticipated debt repayment schedule; and
  - (ii) the anticipated total cost in connection with such debt over the repayment period

#### **4. Financial Implications**

The hire purchase loan of vehicles will be paid as follows:

Lease amount: R 80 000 000 (facility)

Term: The term or duration of the lease agreement is for three (3) years.

Repayment: Monthly

Rates: The interest rate will be subject to an open competitive tender outcome.

**COMMENTS BY OTHER DIRECTORATES**

**Municipal Manager** – Recommendation supported

**Director Strategic Services** – Recommendation supported

**Director Community Services** – Recommendation supported

**Director Engineering Services** – Recommendation supported

**Director Public Services** – Recommendation supported

**RECOMMENDATION:**

That in respect of

**FINANCE LEASE (HIRE PURCHASE LOAN):**

discussed by Council at the Council Meeting held on 31 March 2022, Council support the intention of raising a finance lease based on the following conditions:

- 1. That the municipality made public, an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, to wit R80 million, the purpose for which the debt is to be incurred and particulars of any security to be provided, at least twenty one (21) days prior to the meeting of the council at which approval for the debt is to be considered; and**
- 2. That the municipality invite the public, the National Treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed debt; and**
- 3. That a copy of the information statements be submitted to the municipal council prior to the meeting of the council, together with particulars of:**
  - (i) the essential repayment terms, including the anticipated debt repayment schedule; and**
  - (ii) the anticipated total cost in connection with such debt over the repayment period**
- 4. That all the legislative requirements must be complied with such as;**
  - I. Local Government Municipal Finance Management Act, (Act 56 of 2003); and**
  - II. Municipal Regulations on Debt Disclosure, Regulation R492, published under Government Gazette 29966, 15 June 2007.**

**PROPOSED: ALDERMAN W.R. MEIRING**

**SECONDED: CLLR P.C. RAMOKHABI**

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**COUNTER PROPOSAL**

**CLLR C.F. WILSKIT** proposed that Council expand the loan from R80 million to R110 million to provide for the indigent communities within the BVM, R5 million per ward with squatter camps and that preference be given to pensioners, vulnerable groups, disabilities and the homeless.

**SECONDED: CLLR Z.M. MANGALI**

**VOTES IN FAVOUR OF CLLR C.F. WILSKUT'S PROPOSAL: 16**

**VOTES IN FAVOUR OF ALD. W.R. MEIRING: 22**

**THE PROPOSAL BY ALD. W.R. MEIRING CARRIES.**

**RESOLVED****C35/2022**

That in respect of

**FINANCE LEASE (HIRE PURCHASE LOAN):**

discussed by Council at the Council Meeting held on 31 March 2022, Council support the intention of raising a finance lease based on the following conditions:

1. That the municipality made public, an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, to wit R80 million, the purpose for which the debt is to be incurred and particulars of any security to be provided, at least twenty one (21) days prior to the meeting of the council at which approval for the debt is to be considered; and
2. That the municipality invite the public, the National Treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed debt; and
3. That a copy of the information statements be submitted to the municipal council prior to the meeting of the council, together with particulars of:
  - (i) the essential repayment terms, including the anticipated debt repayment schedule; and
  - (ii) the anticipated total cost in connection with such debt over the repayment period
4. That all the legislative requirements must be complied with such as;
  - III. Local Government Municipal Finance Management Act, (Act 56 of 2003); and
  - IV. Municipal Regulations on Debt Disclosure, Regulation R492, published under Government Gazette 29966, 15 June 2007.



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**7.3 DRAFT FIFTH GENERATION INTEGRATED DEVELOPMENT PLAN (2022 - 2027)****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 inform Council of the Draft 5<sup>th</sup> Generation Integrated Development Plan for the period 2022 - 2027 (hereafter referred to as the Draft 5<sup>th</sup> Generation IDP), compiled and table in accordance with the new term of Council and prepared in line with the prioritised needs of the Breede Valley community, in accordance with the budgetary resources available.

The Draft 5<sup>th</sup> Generation 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), adopt a single, inclusive and strategic plan for the development of the municipality within a prescribed period after the start of its elected term.

On this premise, BVM (after the election and inauguration of the new Council) commenced with the detailed planning processes regarding the compilation of the 5<sup>th</sup> Generation IDP. A 5<sup>th</sup> Generation IDP Process Plan (hereafter referred to as the Process Plan); which serves as a detailed guideline regarding the process of planning, drafting, adopting and reviewing the IDP of BVM during the new term of Council; was therefore drafted and submitted to Council on the 25<sup>th</sup> of January 2022, and subsequently endorsed as per resolution C16/2022.

The Process Plan encapsulated (amongst others) the importance of strategic engagements as prerequisite for informing the IDP compilation process. To this extent, comprehensive strategic engagements were scheduled (21 February 2022 – 10 March 2022) and held with members of the Council, Executive Mayoral Committee, Executive Management Team as well as Management Team to analyse and engage on (amongst others) the strategic intent of the forthcoming term, and its efficacy to respond to the core mandate of the municipality as well as the stakeholder needs identified throughout the process.

The following key take-aways were agreed upon from a procedural perspective:

- The strategic intent (i.e. municipal vision, mission, strategic pillars and strategic objectives) should remain as is, as this is still aptly aligned to the mandate and core business of the organisation. This is also testament of the Council stability and provides a sound platform for continuity planning over multiple terms of Council due to this stability

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- Detailed emphasis should be placed on the sectoral plans and subsequent programmes/interventions and requisite resources need to encourage the implementation, monitoring and reporting against the responsiveness. Unfortunately due to the limited timeframe linked to the compilation process, this important deliverable could not be fully incorporated into this
  - Developing a sound supporting framework to give effect to the implementation of sectoral plans – i.e. formulation of sound service standards, outcome and output based performance indicators adequately aligned to the sectoral planning framework and municipal resources, frequent monitoring, evaluation and review

On this premise, Council should note that an amendment as opposed to a review of the 5<sup>th</sup> Generation IDP is anticipated after the first year of implementation (i.e. 2023/24 financial period). Fortunately, the stability of Council and confirmation of the strategic intent, enables the administration to continue and build on the initiatives stemming from the 4<sup>th</sup> Generation IDP. Council should note that the Process Plan procedural legalities will be encapsulated in detail 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

Council is reminded to note a principle encapsulated in the Municipal Budget Circular for the 2021/22 MTREF and Associated Strategic Integrated Municipal Engagements: 2021, which states that there is no explicit requirement for Council to endorse or approve the tabled budget or reviewed / amended IDP tabled by the mayor for public participation purposes (i.e. Draft Tabling). The municipal Council only has the legal authority to consider a tabled budget and reviewed / amended IDP after the completion of one or more public participation processes undertaken pursuant to section 22, read with section 23 of the MFMA. Council will only consider for approval “the product of an inclusive budget preparation and consultative process” when the proposed annual budget (as amended, if applicable) is placed before Council in terms of section 24(1) of the MFMA.” Council should note that the IDP and Budget public participation processes will run from the 31<sup>st</sup> of March 2022 – 21<sup>st</sup> of April 2022.

On this premise, the following work is still anticipated to be conducted in preparation for the final tabling:

- Further refinement and integration of sectoral plans

- Further alignment of the municipal budget, in accordance with important and agreed-upon priority need requests and/or urgent projects/initiatives earmarked for implementation

A copy of the Draft 5<sup>th</sup> Generation IDP is attached as Annexure "A".

#### **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 on its primary mandate within its jurisdiction, 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

**Director: Financial Services:** Supported

**Director: Engineering Services:** Supported

**Director: Community Services:** Supported

**Director: Public Services:** Supported

Senior Legal Manager: Supported

**RECOMMENDATION**

That in respect of –

**The Draft 5<sup>th</sup> Generation IDP (2022 – 2027)**

tabled before Council at the Council meeting held on 31 March 2022:

1. That the Draft 5<sup>th</sup> Generation IDP is herewith tabled by the executive mayor by placing it before council without any debate or discussion thereon.
2. That Council note that the Draft 5<sup>th</sup> Generation IDP will it be made public in terms of section 21 of the MSA and submitted to the relevant stakeholders (i.e. relevant National & Provincial Government Departments as well as the Cape Winelands District Municipality) for input.
3. That Council take note of the Water Services Development Plan – IDP Water Sector Input Report for 2022/23 and relevant IDP sector plans as incorporated in the 2022-2027 draft IDP document.

**PROPOSED: ALDERMAN A. STEYN**

**SECONDED: ALDERMAN W.R. MEIRING**

Unanimously resolved by Council.

**RESOLVED****C33/2022**

That in respect of –

**The Draft 5<sup>th</sup> Generation IDP (2022 – 2027)**

tabled before Council at the Council meeting held on 31 March 2022:

4. That the Draft 5<sup>th</sup> Generation IDP is herewith tabled by the executive mayor by placing it before council without any debate or discussion thereon.
5. That Council note that the Draft 5<sup>th</sup> Generation IDP will it be made public in terms of section 21 of the MSA and submitted to the relevant stakeholders (i.e. relevant National & Provincial Government Departments as well as the Cape Winelands District Municipality) for input.
6. That Council take note of the Water Services Development Plan – IDP Water Sector Input Report for 2022/23 and relevant IDP sector plans as incorporated in the 2022-2027 draft IDP document.

**To Action**

C. Malgas



**7.4 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: FEBRUARY 2022****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 2022.

**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 February 2022, 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

**Comment of Directorates / Departments****Municipal Manager:** Noted

Director: Strategic Support Services: Noted  
Director: Financial Services: Noted  
Director: Engineering Services: Noted  
Director: Community Services: Noted  
Acting Director: Public Services: Noted  
Senior Manager: Legal Services: Noted

**RECOMMENDATION**

In respect of

**REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: FEBRUARY 2022**

discussed by Council at the Council Meeting held on 31 March 2022:

1. That the deviations from the procurement processes, approved in terms of the delegated authority for the month of February 2022, **be noted**.

**PROPOSED: ALD. W.R. MEIRING**

**SECONDED: CLLR L. WILLEMSE**

**Unanimously resolved by Council.**

**RESOLVED****C36/2022**

In respect of

**REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: FEBRUARY 2022**

discussed by Council at the Council Meeting held on 31 March 2022:

1. That the deviations from the procurement processes, approved in terms of the delegated authority for the month of February 2022, **be noted**.

**To Action**

K. Moteetee

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**7.5 THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017 - MINISTER OF FINANCE V AFRIBUSINESS NPC [2022] ZACC 4 / NATIONAL TREASURY AND PROVINCIAL TREASURY COMMUNIQUÉS****File no.:** 5/3/B**Responsible Official:** R Esau**Directorate:** SSS**Portfolio:** Legal Services

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**1. PURPOSE**

The purpose of this item is:

- a) To inform Council of communiqués from the Director-General at the National Treasury (NT) to all organs of state to hold all tenders advertised on or after 16 February 2022 in abeyance and that no new tenders be advertised pending National Treasury seeking clarity from the Constitutional Court on the applicability of section 18(1) of the Superior Courts Act<sup>1</sup> to a footnote in the minority judgement of the Constitutional Court in the Minister of Finance v Atribusiness NPC<sup>2</sup>, and
- b) To inform Council of the municipal manager's response to National Treasury.
- c) To inform council of a circular of the Western Cape Provincial Treasury'; and further
- d) That Council notes the stance of the municipal administration in this matter
- e) That Council resolves to adopt and put in place its own interim arrangements to mitigate the risk of non-delivery, underspending and the impact on citizens that any moratorium on procurement will create, even if only for a short period.

**2. BACKGROUND**

On 2 November 2020, the Supreme Court of Appeal (SCA) in the case of Atribusiness NPC v The Minister of Finance<sup>3</sup> declared the Preferential Procurement Regulation, 2017 invalid and set it aside. The SCA suspended the declaration of invalidity for 12 months.

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<sup>1</sup> Act 10 of 2013

<sup>2</sup> [2022] ZACC 4

<sup>3</sup> (Case no 1050/2019) [2020] ZASCA 140 (2 November 2020)

The Minister of Finance appealed to the Constitutional Court against the SCA judgement. By operation of section 18(1)<sup>4</sup>, the operation and execution of a decision of the SCA was automatically suspended pending the appeal.

On 16 February 2022, the Constitutional Court in a narrow majority in *Minister of Finance v Afribusiness NPC*<sup>5</sup> dismissed the appeal against the SCA judgement. The Constitutional Court did not pronounce on the suspension of the SCA order nor on retrospectivity or prospectiveness.

On 25 February 2022, the Director-General at National Treasury issued a communiqué to all organs of state (**see attached Annexure A**) wherein he "advised" that:

*"While awaiting the outcome of the above guidance from the Constitutional Court, organs of state are advised that –*

- *Tenders advertised before 16 February 2022 be finalized in terms of the Procurement Regulations;*
- *Tenders advertised on or after 16 February 2022 be held in abeyance; and*
- *No new tenders be advertised."*

The above "advice" are based on the Director-General at NT's view that there is uncertainty on the status of the SCA's order of suspension. According to the communiqué, the uncertainty arises due to a footnote in the minority judgement of the Constitutional Court.

The municipality differs with this view and decided that we will implement the Preferential Procurement Regulations, 2017, for 12 months until 15 February 2023 unless it is repealed sooner. The municipal manager sent a letter to the Director-General at NT setting out the view above. **See attached Annexure B.**

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<sup>4</sup> Footnote 1 supra

<sup>5</sup> [2022] ZACC 4

On 3 March 2022, the Director-General issued another communiqué to organs of state to inform that its communiqué of 28 February 2022 was an "advisory note". It further advised that NT is developing draft regulations that will be published for comment during the week of 7 March 2022.

It argued that organs of state who need any procurement above R30,000 must apply for exemption to the Minister in compliance with section 3(c) of the Preferential Procurement Policy Framework Act, 2000. **See attached Annexure C.**

On 10 March 2022, the Minister of Finance issued new draft Preferential Procurement Regulations<sup>6</sup> for public comments. **See attached Annexure E.** The deadline for public comments is 11 April 2022. The new draft regulations deal with the following matters:

1. Definitions
2. Application
3. Identification of preference point system
4. 80/20 preference point system for acquisition of goods or services with Rand value equal to or above R30 000 and up to R50 million
5. 90/10 preference point system for acquisition of goods or services with Rand value above R50 million
6. 80/20 preference points system for tenders to generate income or to dispose of or lease assets with Rand value equal to or above R30 000 and up to Rand value of R50 million
7. 90/10 preference point system for tenders to generate income or to dispose of or lease assets with Rand value equal to or above R50 million
8. Criteria for breaking deadlock in scoring
9. Award of contracts to tenderers not scoring highest points
10. Remedies
11. Repeal of regulations
12. Short title and commencement

The new draft regulations deleted the unconstitutional provisions on pre-qualifying criteria, sub-contracting, and local content.

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<sup>6</sup> Government Gazette No. 46026 R.1851

A new feature introduced in the regulations are the preference point system for tenders to generate income or to dispose of or lease assets.

This provisions was inserted due to the judgement of the SCA in *Airports Company South Africa SOC Ltd v Imperial Group Ltd & Others*<sup>7</sup> where the court held that s217 of the Constitution and therefore the supply chain management prescripts are applicable when organs of state contracts for goods or services even where organ of state is not incurring an expenditure, like when it lease or dispose assets. However, note that the draft Regulations only take effect on the date promulgated.

On 14 March 2022, the Western Cape Provincial Treasury (PT) issued a circular to municipalities in the Western Cape seeking to offer some advice to municipalities on the way forward. (Note that although the circular is dated 11 March 2022 it was only received on 14 March 2022) **See attached Annexure D.**

### 3. DISCUSSION

The NT advisory communiqués were not issued in terms of section 168(1) of the Municipal Finance Management Act as only the Minister of Finance, acting with the concurrence of the Cabinet member responsible for local government, could issue such guidelines. In the current instance the communiqué was issued by the Director-General at NT. The communiqué therefore has no legal status and is neither peremptory on municipalities.

The municipal manager and our internal legal services are of the view that the municipality cannot implement nor agree with your advice for the reasons set out in our letter to NT.

NT correctly assert in their communiqué that the SCA's judgment and order were suspended in terms of section 18 of the Superior Courts Act, 2013.

Section 18(1) states:

*"(1) Subject to subsections (2) and (3), and unless the court under exceptional circumstances orders otherwise, the operation and execution of a decision which is the*

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<sup>7</sup> (1306/18) [2020] ZASCA 02 (31 January 2020)

*subject of an application for leave to appeal or of an appeal, is suspended pending the decision of the application or appeal."*

The initial and the subsequent communiqué provides no time frame when the application to the Constitutional Court will be launched nor whether the Constitutional Court might agree to hear it. It is our respected legal view that NT should have approached the SCA which granted the suspension order to provide clarity (if they were unclear) or ask for a further extension. It will be difficult for any court and the Constitutional Court to give clarity on something it did not pronounce.

Holding our tenders and, by implication, our service delivery abeyance in the circumstances will amount to a dereliction of fiduciary duties and constitutional obligations.

PT in its Circular of 14 March 2022 adopted the same stance as set out by the municipality in the letter to NT.

PT further argued that the current situation presents the several risks to municipalities. It asserted:

*"The primary risks for municipalities due to the lacuna created by the court ruling include the following:*

- *Increase in Irregular expenditure.*
- *Delivery of critical municipal service.*
- *Delays in procurement processes.*
- *Audit risks, non-compliance, and interpretation challenges.*
- *NT not responding or approving exemption timeously or at all.*
- *Impact on future budgetary allocations for the 2022/23 financial year.*
- *Legal implications for municipalities*
- *Some tenders for the period will be dealt with in terms of preference and the exempted ones not; and*
- *Possibility of supplier litigation risks from aggrieved suppliers who will have grounds for the municipalities applying regulations that have been declared unconstitutional with higher chances of success."*

PT therefore states:

*"It is therefore critical that municipalities and municipal entities puts in place their own interim arrangements to mitigate the risk of non-delivery, underspending and the impact on citizens that any moratorium on procurement will create, even if only for a short period."*

The interim measures as per the recommendation below, is aligned to the advice offered by PT.

Note that this item may be updated as an when additional communications are received from NT and or PT.

Further note that on 11 March 2022 an unsuccessful bidder launched an application in the Western Cape High Court against the BVM and similarly applied to join the Minister of Finance to the proceedings. The applicant challenges *inter alia* the municipal use of local content requirements in its bid document. This challenge has been instituted notwithstanding the fact that our bid was awarded before the outcome of the Constitutional Court. This matter will be heard later in the year and might provide some clarity on the interim measures to be applied. **See attached Annexure F.**

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

- a) Constitution of the Republic of South Africa, Section 217
- b) Local Government: Municipal Systems Act, No. 32 of 2000 and Regulations, section 55
- c) Local Government: Municipal Finance Management Act, No. 56 of 2003, Section 186 and section 61
- d) Preferential Procurement Policy Framework Act, 2000, section 2, 3 and 5
- e) Superior Courts Act, 10 of 2013, Section 18
- f) Preferential Procurement Regulation, 2017 (entire regulations)
- g) Draft Preferential Procurement Regulation, 2022. Government Gazette No. 46026 R.1851

#### **5. FINANCIAL IMPLICATIONS**

If implemented, it can lead the massive under expenditure on grant funding that may be lost to the municipality forever.

#### **6. COMMENT OF DIRECTORATES / DEPARTMENTS CONCERNED**

**Municipal Manager:** Item supported



**Director: Strategic Support Services:** Author

**Director: Financial Services:** Item supported

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

**Director Community Services:** Supported

**Director: Public Services:** Supported

**Senior Manager Legal Services:** Supported

**Senior Manager Supply Chain Management:** Supported

### **DECISION BY SECTION 80 COMMITTEE**

**RESOLVED**

**CS8/2022**

That in respect of –

**NATIONAL TREASURY COMMUNIQUÉS TO ORGANS OF STATE IN RE THE  
PREFERENTIAL PROCUREMENT REGULATIONS, 2017 - MINISTER OF FINANCE V  
AFRIBUSINESS NPC [2022] ZACC 4**

as discussed by the Community and Strategic Support Services Community Committee at the Community and Strategic Support Services Community Committee meeting held on 15 March 2022:

**1. The Committee concurs with the recommendation made to Council.**

### **DECISION BY MAYORAL COMMITTEE:**

**RESOLVED:**

**EX7/2022**

That in respect of –

**THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017 - MINISTER OF FINANCE V  
AFRIBUSINESS NPC [2022] ZACC 4 / NATIONAL TREASURY AND PROVINCIAL  
TREASURY COMMUNIQUÉS**

discussed by MayCo at the MayCo meeting held on 22 March 2022:  
MAYCO recommends:

1. That Council notes the content of the National Treasury and Provincial Treasury communiqués and the Municipal Manager's response to National Treasury.
2. That council approve the following interim arrangements to be in place until new Preferential Procurement Regulations are promulgated or until a Constitutional Court ruling which ever occur first, but these interim arrangements cannot lawfully be implemented after 15 February 2023:
  - a) That the status quo maintain and that the municipality shall apply the Preferential Procurement Policy Framework Regulations, 2017 (PPPFR) up until such time as the Constitutional Court clarifies the applicable date of the invalidity of said Regulations, or new Procurement Regulations come into effect.
  - b) That the municipality shall use the pre-existing points system with thresholds and associated formulas as per the PPPFR, 2017 i.e., 80/20 preference point system for procurement with a rand value equal to or above R30 000 up to R50 million and the 90/10 preference point system for procurement above R50million (all applicable taxes included);
  - c) That the municipality shall use the pre-existing mechanism to address the evidence requirements as it relates to the allocation of points for preference i.e., B-BBEE certificates and affidavits given that these matters were not in dispute.
  - d) That sub-contracting and pre-qualifying criteria as per regulation 3,4 and 9 of the 2017 Procurement Regulations have also been declared as invalid and irrational and should not be used. However, the CIDB prescripts/ regulations in terms of empowerment impact assessments may still be concluded and sub-contracting as per the CIDB prescripts/ regulations in terms of the different CIDB contracts may still be used in terms of the different contracting models for construction-related bids; and
  - e) the status quo in terms of the advertisement and evaluation and awarding of quotations below R30 000 to be maintained.

- f) That where any current Council policy provisions conflict with, the above recommendations, the recommendations above shall be used and not the conflicting policy provisions.

## RECOMMENDATION

That in respect of –

### **THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017 - MINISTER OF FINANCE V AFRIBUSINESS NPC [2022] ZACC 4 / NATIONAL TREASURY AND PROVINCIAL TREASURY COMMUNIQUÉS**

discussed by Council at the Council meeting held on 31 March 2022:

1. That Council notes the content of the National Treasury and Provincial Treasury communiqués and the Municipal Manager's response to National Treasury.
2. That council approve the following interim arrangements to be in place until new Preferential Procurement Regulations are promulgated or until a Constitutional Court ruling which ever occur first, but these interim arrangements cannot lawfully be implemented after 15 February 2023:
  - a) That the status quo maintain and that the municipality shall apply the Preferential Procurement Policy Framework Regulations, 2017 (PPPFR) up until such time as the Constitutional Court clarifies the applicable date of the invalidity of said Regulations, or new Procurement Regulations come into effect.
  - b) That the municipality shall use the pre-existing points system with thresholds and associated formulas as per the PPPFR, 2017 i.e., 80/20 preference point system for procurement with a rand value equal to or above R30 000 up to R50 million and the 90/10 preference point system for procurement above R50million (all applicable taxes included);

- c) That the municipality shall use the pre-existing mechanism to address the evidence requirements as it relates to the allocation of points for preference i.e., B-BBEE certificates and affidavits given that these matters were not in dispute.
- d) That sub-contracting and pre-qualifying criteria as per regulation 3,4 and 9 of the 2017 Procurement Regulations have also been declared as invalid and irrational and should not be used. However, the CIDB prescripts/ regulations in terms of empowerment impact assessments may still be concluded and sub-contracting as per the CIDB prescripts/ regulations in terms of the different CIDB contracts may still be used in terms of the different contracting models for construction-related bids; and
- e) the status quo in terms of the advertisement and evaluation and awarding of quotations below R30 000 to be maintained.
- f) That where any current Council policy provisions conflict with, the above recommendations, the recommendations above shall be used and not the conflicting policy provisions.

**PROPOSED: ALD.W. R. MEIRING  
SECONDED: CLLR V. BEDWORTH**

**MAJORITY VOTES OF COUNCILLORS PRESENT IN FAVOUR OF ALD. W.R. MEIRING'S PROPOSAL: 20 VOTES**

**NO OPPOSING VOTES AND / OR COUNTER PROPOSALS.**

**RESOLVED**

**C37/2022**

That in respect of –

**THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017 - MINISTER OF  
FINANCE V AFRIBUSINESS NPC [2022] ZACC 4 / NATIONAL TREASURY AND  
PROVINCIAL TREASURY COMMUNIQUÉS**

discussed by Council at the Council meeting held on 31 March 2022:

- 1. That Council notes the content of the National Treasury and Provincial Treasury communiqués and the Municipal Manager's response to National Treasury.**
- 2. That council approve the following interim arrangements to be in place until new Preferential Procurement Regulations are promulgated or until a Constitutional Court ruling which ever occur first, but these interim arrangements cannot lawfully be implemented after 15 February 2023:**
  - a) That the status quo maintain and that the municipality shall apply the Preferential Procurement Policy Framework Regulations, 2017 (PPPFR) up until such time as the Constitutional Court clarifies the applicable date of the invalidity of said Regulations, or new Procurement Regulations come into effect.**
  - b) That the municipality shall use the pre-existing points system with thresholds and associated formulas as per the PPPFR, 2017 i.e., 80/20 preference point system for procurement with a rand value equal to or above R30 000 up to R50 million and the 90/10 preference point system for procurement above R50million (all applicable taxes included);**
  - c) That the municipality shall use the pre-existing mechanism to address the evidence requirements as it relates to the allocation of points for preference i.e., B-BBEE certificates and affidavits given that these matters were not in dispute.**
  - d) That sub-contracting and pre-qualifying criteria as per regulation 3,4 and 9 of the 2017 Procurement Regulations have also been declared as invalid and irrational and should not be used. However, the CIDB prescripts/ regulations in terms of empowerment impact assessments may still be concluded and sub-contracting as per the CIDB prescripts/ regulations in terms of the different CIDB contracts may still be used in terms of the different contracting models for construction-related bids; and**

- e) the status quo in terms of the advertisement and evaluation and awarding of quotations below R30 000 to be maintained.
- f) That where any current Council policy provisions conflict with, the above recommendations, the recommendations above shall be used and not the conflicting policy provisions.

**To Action**

R. Esau

**7.6 REVIEW OF BREDE VALLEY MUNICIPALITY SPORT FACILITIES  
MASTERPLAN****File No./s:** 3/15/1**Responsible Official:** S Swartz**Directorate:** Community Services**Portfolio:** Sports and Facilities**1. PURPOSE**

To table the review of the Sport Facilities Masterplan to Council; and

that Council take note of the progress on the approved plan:

- 1) Zwelethemba Swimming pool has been complete and
- 2) The Department of Sport Arts & Culture has given approval for the following;
  - a) Upgrade of Rawsonville Sports Grounds
  - b) Upgrade of De Wet (Fanie Otto) Sportsgrounds

**2. BACKGROUND**

In 2017 a Sport Facilities Masterplan was approved by the Mayoral Committee after a need has arisen for the Municipality to look at all the existing infrastructure. The Mandate of the previously appointed Engineering Consultants was to look at the status of the facilities at that time as well as possible future development and upgrading of the facilities and to determine the possible upgrading cost.

The Sport Facilities Masterplan identify different projects with cost estimations for all Sport facilities and Swimming pools (Annexure A).

The Following cost were identified during 2017

<b>Facility Description</b>	<b>Cost Estimation</b>
Boland Park Sport Facility	R53 826 119.16
Esselen Park Sport Facility	R44 207 700.90
Zwelethemba Sport Facility	R12 912 563.40
De Wet Sport Facility	R20 232 211.56
DeDoorns West Sport	R26 219 635.20
De Doorns East Sport	R16 387 272.00
Touw Park Sport Facility	R21 477 947.70
Steenvliet Sport Facility	R19 998 541.20
Rawsonville Sport Facility	R 4 536 846.60
De La Bat Swimming Pool	R 6 797 683.20
Greystraat Swimming Pool	R 2 791 905.60
Touwsrivier Swimming Pool	R 2 351 877.00
<b>Total Cost Estimation</b>	<b>R232 400 969.72</b>

The Zwelethemba Swimming Pool has been complete in the 2021/22 financial year at a cost of approximately R30 million.

The following project has been approved by the Municipal Infrastructure Grand (MIG)(Sport) for a cost of R6 000 000.00 (**Annexure B**)

### 3. FINANCIAL IMPLICATIONS

None

### 4. APPLICABLE LEGISLATION

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

### COMMENT OF DIRECTORATES / DEPARTMENTS CONCERNED

**Municipal Manager:** Supported

**Director Strategic Support Services:**

**Director Financial Services:** Supported

**Director Engineering Services:** Supported

**Director Community Services:** Supported

**Acting Director Public Services:** Supported

**Senior Manager: Legal Services:**

### DECISION BY SECTION 80 COMMITTEE:

#### RESOLVED

CS7/2022

In respect of

### REVIEW OF BREDE VALLEY MUNICIPALITY SPORT FACILITIES MASTERPLAN

Discussed by the Community and Strategic Support Services Committee at the Community and Strategic Support Services Committee Meeting held on 15 March 2022:

1. The Committee concurs with the recommendation made to Council.

### DECISION BY MAYORAL COMMITTEE

#### RESOLVED

EX8/2022

In respect of



**REVIEW OF BREEDE VALLEY MUNICIPALITY SPORT FACILITIES MASTERPLAN**

Discussed by MayCo at the MayCo meeting held on 22 March 2022:

1. **Recommends that Council takes note of the progress with the Sports Facility Masterplan.**
2. **Recommends that Council approves the upgrading of Rawsonville Sports Grounds and De Wet Sports Grounds as stated in the MIG allocation Letter.**

**RECOMMENDATION**

In respect of

**REVIEW OF BREEDE VALLEY MUNICIPALITY SPORT FACILITIES MASTERPLAN**

discussed by Council at the Council meeting held on 31 March 2022:

1. **Recommends that Council takes note of the progress with the Sports Facility Masterplan.**
2. **Recommends that Council approves the upgrading of Rawsonville Sports Grounds and De Wet Sports Grounds as stated in the MIG allocation Letter.**

**PROPOSED: CLLR V. BEDWORTH**

**SECONDED: CLLR A. PIETERSEN**

**Unanimously resolved by Council.**

**RESOLVED****C38/2022**

In respect of

**REVIEW OF BREEDE VALLEY MUNICIPALITY SPORT FACILITIES MASTERPLAN**

discussed by Council at the Council meeting held on 31 March 2022:

1. **That Council takes note of the progress with the Sports Facility Masterplan.**
2. **That Council approves the upgrading of Rawsonville Sports Grounds and De Wet Sports Grounds as stated in the MIG allocation Letter.**

**To Action**

S. Swartz

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**7.7 SOCIAL DEVELOPMENT PLAN FOR THE BREDE VALLEY MUNICIPALITY****File No./s:** 2/1/4/3/1**Responsible Official:** W THYS**Directorate:** Community Services**Portfolio:** Community Development

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**1. Purpose**

To obtain Council's approval for the Social Development Plan for the Brede Valley Municipality.

**2. Background**

The Municipal Social Development plan was first drafted in the 2015/16 financial year. The Plan was submitted to the Director Community Services for approval and inclusion in the IDP. The revised plan is being submitted to council to serve as a guiding framework for the current term of council 2021 -2026

In this Plan, we provide a guideline for Community Development throughout the entire municipality. This guideline includes plans, programmes and projects that can be initiated to help the municipality to develop our communities and improve the quality of life.

This is a five-year plan, and we need to review some aspects in this plan for to the next few years.

**3. Financial Implications**

This plan is not funded. Implementation of this plan take place with various stakeholders and will be submitted to them for funding and support. Some programmes and projects can be funded internally from our annual operation budget.

**4. Applicable Legislation / Council Policy**

- a) South African Constitution, Act no 108 of 1996, Chapter 11, Sec 198(a)
- b) South African Police Service Act No 68 of 1995
- c) The Municipal Structures Act, No 117 of 1998
- d) The Municipal Systems Act, No 32 of 2000
- e) Inter – governmental Relations Framework Act
- f) National Crime Prevention Strategy, 1996.
- g) White Paper on Safety and Security, 1998.
- h) White Paper on Local Government 1998
- i) Aged Persons Act, Act 81 of 1967
- j) Child Care Act, 1983, act 74 of 1983
- k) Social Assistance Act, 1992, Act 59 of 1992 (2004, Act 13 of 2004)
- l) Non-Profit Organizations Act, 1997, Act 71 of 1997

- m) Social Development Act, 2001,
- n) Municipal Finance Management Act (Act 56 of 2003):
  - Section 19(1): A municipality may spend money on a capital project only if- (a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2);- (b) the project, including the total cost, has been approved by the council; - (d) the sources of funding have been considered, are available and have not been committed for other purposes.
  - Section 19(2): Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider- (a) the projected cost covering all financial years until the project is operational; and (b) the future operational costs and revenue on the project, including municipal tax and tariff implications.
  - Section 19(3): A municipal council may in terms of subsection (1)(b) approve capital projects below a prescribed value either individually or as part of a consolidated capital programme.

### **Comments of Directorates / Departments**

**Municipal Manager:** Item supported

**Director: Strategic Support Services:**

**Senior Manager: Legal Services:**

**Director: Financial Services:**

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

**Directorate: Public Services:**

**Acting Director: Public Services:** Item Supported

**Director: Community Services:** Social Development Plan is supported. It deals with all the social development issues in municipal area, mandated by SA Constitution, section 152 (1) (c), "to promote social and economic development" Roll out of programmes and projects will be in partnership with NGO's and government departments.

We submit the Social Development Plan to Council as it has the same status as other sectors plans, like the Waste Management Plan or Disaster Management Plan

**Community Development Officer:** This plan provides a general guideline to this institution to facilitate the process of sustainable community/social development. It can ultimately ensure the inclusion of the broader civil society and maintain stronger partnerships across all sectors. The Social Development Plan is supported.

**DECISION BY SECTION 80 COMMITTEE****RESOLVED****CS6/2022**

That in respect of –

**SOCIAL DEVELOPMENT PLAN FOR THE BREEDE VALLEY MUNICIPALITY**

discussed by the Community and Strategic Support Services Community Committee at the Community and Strategic Support Services Community Committee meeting held on 15 March 2022:

1. The Committee concurs with the recommendation made to Council.

**DECISION BY MAYORAL COMMITTEE****RESOLVED****EX9/2022**

That in respect of –

**SOCIAL DEVELOPMENT PLAN FOR THE BREEDE VALLEY MUNICIPALITY**

discussed by Mayco at the Mayco meeting held on 22 March 2022:

1. Recommend that Council takes note of the proposed amendments Social Development Plan as encapsulated in “Annexure A – Breede Valley Municipal Social Development Plan”

**RECOMMENDATION**

That in respect of –

**SOCIAL DEVELOPMENT PLAN FOR THE BREEDE VALLEY MUNICIPALITY**

discussed by Council at the Council meeting held on 31 March 2022:

1. Council takes note of the proposed amendments Social Development Plan as encapsulated in “Annexure A – Breede Valley Municipal Social Development Plan”

**PROPOSED: CLLR N. NEL****SECONDED: CLLR J.R. JACK**

Unanimously resolved by Council.

**RESOLVED**

**C39/2022**

That in respect of –

**SOCIAL DEVELOPMENT PLAN FOR THE BREED VALLEY MUNICIPALITY**

discussed by Council at the Council meeting held on 31 March 2022:

- 1. Council takes note of the proposed amendments Social Development Plan as encapsulated in “Annexure A – Breed Valley Municipal Social Development Plan”**

**To Action**

W. Thys

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## 7.8 DISCIPLINARY COMMITTEE FOR INVESTIGATION OF BREACHES OF THE CODE OF CONDUCT FOR COUNCILLORS

**File No./s:** 9/2/3/1/33

**Responsible Official:** I ROOS

**Directorate:** Strategic Support Services

**Portfolio:** Administration &  
Support Services

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### 1. PURPOSE OF REPORT

The purpose of this item is for Council to establish a Disciplinary Committee in terms of Section 16 of Schedule 7 (Code of Conduct for Councillors) of the Local Government: Municipal Structures Amendment Act, Act 3 of 2021 (hereafter refer to as the Act).

### 2. BACKGROUND

Section 16(1) of the Act provides the following:

- 16. (1) A municipal council may—**
- (a) investigate and make a finding on any alleged breach of a provision of this Code; or**
  - (b) establish a special committee—**
    - (i) to investigate and make a finding on any alleged breach of this Code; and**
    - (ii) to make appropriate recommendations to the council.**

### 3. FUNCTIONS OF THE COMMITTEE

Section 16(2) of the Act provides the following:

- 16. (2) If the council or a special committee finds that a councillor has breached a provision of this Code, the council may—**

- (a) *issue a formal warning to the councillor;*
- (b) *reprimand the councillor;*
- (c) *request the MEC for local government in the province to suspend the councillor for a certain period;*
- (d) *fine the councillor; or*
- (e) *request the MEC to remove the councillor from office.*

The Disciplinary Committee cannot at its own discretion investigate alleged breaches of the Code of Conduct for Councillors. The committee can only consider matters referred to it by the municipal council. The mandate and terms of reference of each investigation into an alleged breach shall be set for each matter by the municipal council. The Disciplinary Committee's power and functions will be subject to the direction of the municipal council. Council at that stage, when it refers matters to the committee, can substitute any member of the committee should that councillor be implicated or have a conflict of interest or should the committee member be a potential witness at the hearing. The Chairperson of the Disciplinary Committee will be independent and any councillor appearing before the Committee are entitled to be represented at such hearings.

#### **4. FINANCIAL IMPLICATIONS**

No financial Implications

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

Local Government: Municipal Structures Amendment Act, Act 3 of 2021

#### **COMMENT OF DIRECTORATES / DEPARTMENTS**

**Municipal Manager:** Noted

**Director: Strategic Support Services:** Noted

**Director: Financial Services:** Noted



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

**Director: Public Services:** Noted

**Director: Community Services:** Noted

**Senior Manager: Legal Services:** Recommendation to Council noted

#### **DECISION BY SECTION 80 COMMITTEE**

##### **RESOLVED**

**CS9/2022**

That in respect of –

#### **DISCIPLINARY COMMITTEE FOR INVESTIGATION OF BREACHES OF THE CODE OF CONDUCT FOR COUNCILLORS**

as discussed by the Community and Strategic Support Services Community Committee at the Community and Strategic Support Services Community Committee meeting held on 15 March 2022:

1. The Committee concurs with the recommendation made to Council.

#### **DECISION BY MAYORAL COMMITTEE**

##### **RESOLVED:**

**EX10/2022**

That in respect of -

#### **DISCIPLINARY COMMITTEE FOR INVESTIGATION OF BREACHES OF THE CODE OF CONDUCT FOR COUNCILLORS**

as discussed by Mayco at the Mayco meeting held on 22 March 2022:

1. Recommends that Council establish a Disciplinary Committee in compliance with Item 16(1)(b) of Schedule 7 of the Local Government: Municipal Structures Amendment Act.
2. The Disciplinary Committee cannot at its own discretion investigate alleged breaches of the Code of Conduct for Councillors but can only consider matters referred to it by the municipal council.
3. That council shall at the time when it refers a matter to the Disciplinary Committee set the terms of reference of each investigation into an alleged breach and

4. That Council can at that stage when it refers matters to the committee, substitute any member of the committee should a councillor be implicated or have a conflict of interest or should the committee member be a potential witness at the hearing.
5. Safe as provided above the Disciplinary Committee shall be comprised of a representative of all political parties.
6. The Disciplinary Committee may be assisted by external experts.

## **RECOMMENDATION**

That in respect of -

### **DISCIPLINARY COMMITTEE FOR INVESTIGATION OF BREACHES OF THE CODE OF CONDUCT FOR COUNCILLORS**

as discussed by Council at the Council meeting held on 31 March 2022:

1. That Council establish a Disciplinary Committee in compliance with Item 16(1)(b) of Schedule 7 of the Local Government: Municipal Structures Amendment Act.
2. The Disciplinary Committee cannot at its own discretion investigate alleged breaches of the Code of Conduct for Councillors but can only consider matters referred to it by the municipal council.
3. That council shall at the time when it refers a matter to the Disciplinary Committee set the terms of reference of each investigation into an alleged breach and
4. That Council can at that stage when it refers matters to the committee, substitute any member of the committee should a councillor be implicated or have a conflict of interest or should the committee member be a potential witness at the hearing.
5. Safe as provided above the Disciplinary Committee shall be comprised of a representative of all political parties.
6. The Disciplinary Committee may be assisted by external experts.

**PROPOSED: ALD. W.R. MEIRING**

**SECONDED: CLLR E. VAN DER WESTHUIZEN**

**Unanimously resolved by Council.**

**RESOLVED****C40/2022**

That in respect of -

**DISCIPLINARY COMMITTEE FOR INVESTIGATION OF BREACHES OF THE CODE OF CONDUCT FOR COUNCILLORS**

as discussed by Council at the Council meeting held on 31 March 2022:

5. That Council establish a Disciplinary Committee in compliance with Item 16(1)(b) of Schedule 7 of the Local Government: Municipal Structures Amendment Act.
6. The Disciplinary Committee cannot at its own discretion investigate alleged breaches of the Code of Conduct for Councillors but can only consider matters referred to it by the municipal council.
7. That council shall at the time when it refers a matter to the Disciplinary Committee set the terms of reference of each investigation into an alleged breach and
8. That Council can at that stage when it refers matters to the committee, substitute any member of the committee should a councillor be implicated or have a conflict of interest or should the committee member be a potential witness at the hearing.
5. Safe as provided above the Disciplinary Committee shall be comprised of a representative of all political parties.
6. The DC may be assisted by external experts.

**To Action**

I. Roos

**7.9 NOMINATION OF MUNICIPAL COUNCILLOR REPRESENTATIVES TO THE SALGA PROVINCIAL CHAPTER OF THE WOMEN'S COMMISSION (SWC)****File No./s:** 9/2/3/1/33**Responsible Official:** I ROOS**Directorate:** Strategic Support Services**Portfolio:** Administration &  
Support Services

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**1. PURPOSE OF REPORT**

The purpose of this item is for Council to nominate an official political representative and an official political secondi representative to serve on the Provincial SWC.

**2. BACKGROUND**

In terms of a letter received from SALGA (attached hereto as Annexure A), each municipality are requested to nominate two Councillors, one as representative and the other as secondi to serve on the Provincial SWC.

Municipalities must complete the enclosed form (Annexure B), indicating the representative representing the municipality. Completed forms, with a copy of the Council Resolution to be submitted to Mrs Marelize de Wet at [mdewet@salga.org.za](mailto:mdewet@salga.org.za) by no later than 31 March 2022.

**3. FINANCIAL IMPLICATIONS**

No financial Implications

**4. APPLICABLE LEGISLATION / COUNCIL POLICY**

United Cities Local Government of Africa (UCLGA) initiative

**COMMENT OF DIRECTORATES / DEPARTMENTS**

**Municipal Manager:** Item supported

**Director: Strategic Support Services:** Noted

**Director: Financial Services:** Noted

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

**Director: Public Services:** Noted

**Director: Community Services:** Noted

**Senior Manager: Legal Services:** Recommendation to Council noted

**DECISION BY SECTION 80 COMMITTEE****RESOLVED****CS10/2022**

That in respect of –

**NOMINATION OF MUNICIPAL COUNCILLOR REPRESENTATIVES TO THE SALGA  
PROVINCIAL CHAPTER OF THE WOMAN'S COMMISSION (SWC)**

as discussed by the Community and Strategic Support Services Community Committee at the Community and Strategic Support Services Community Committee meeting held on 15 March 2022:

1. The Committee concurs with the recommendation made to Council.

**DECISION BY MAYORAL COMMITTEE****RESOLVED:****EX11/2022**

That in respect of -

**NOMINATION OF MUNICIPAL COUNCILLOR REPRESENTATIVES TO THE SALGA  
PROVINCIAL CHAPTER OF THE WOMAN'S COMMISSION (SWC)**

as discussed by Mayco at the Mayco meeting held on 22 March 2022:

- 
1. Recommends that Council nominate an official political representative and an official political secundi representative to serve on the Provincial SWC.

**RECOMMENDATION**

That in respect of -

**NOMINATION OF MUNICIPAL COUNCILLOR REPRESENTATIVES TO THE SALGA  
PROVINCIAL CHAPTER OF THE WOMAN'S COMMISSION (SWC)**

as discussed by the Council at the Council meeting held on 31 March 2022:

1. That Council nominate an official political representative and an official political secundi representative to serve on the Provincial SWC.

**PROPOSED: ALD. A. STEYN**

**SECONDED: CLLR. F. VAUGHAN**

Unanimously resolved by Council.

**RESOLVED**

**C41/2022**

That in respect of -

**NOMINATION OF MUNICIPAL COUNCILLOR REPRESENTATIVES TO THE SALGA  
PROVINCIAL CHAPTER OF THE WOMAN'S COMMISSION (SWC)**

as discussed by the Council at the Council meeting held on 31 March 2022:

1. That Council nominate Cllr N. Nel and Cllr F. Vaughan as secundi to serve on the Provincial SWC.

**To Action**

I. Roos

**7.10 APPLICATION FOR THE ESTABLISHMENT OF A SPECIAL RATING AREA:  
FAIRWAY HEIGHTS****File no.:** 2/3/2/70**Responsible Official:** L Cupido**Directorate:** SSS**Portfolio:** Legal Services

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**1. PURPOSE**

The purpose of this item is for Council to consider an application for the establishment of a Special Rating Area ("SRA") in Fairway Heights.

**2. BACKGROUND / DISCUSSION**

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 SRA and levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area.

In terms of the aforementioned legislation, a Special Rating Area By-law was promulgated on 27 March 2015 in the Provincial Gazette (Gazette 7371) to provide for the establishment of Special Rating Areas in Breede Valley Municipality. Council also adopted a Special Rating Area policy which *inter alia* aims to set out Council's position on special rating areas and the factors that will influence Council's decision whether or not to approve a particular SRA.

In terms of Section 5 of the By-law an application for the determination of a SRA must be preceded by the holding of a public meeting. The purpose of the public meeting is to enable the applicant to consult with the owners within the proposed SRA with regard to the proposed boundaries of the area and the proposed improvement or upgrading of the area.

An initial public meeting was held on 01 June 2021 where the concept of a SRA was discussed. The proposed business plan as well as the proposed budget was explained in detail to the attending residence.

The application (attached as "**Annexure A**") was submitted on 30 September 2021 by Mr. A Van den Berg on behalf of the management committee of the proposed Fairway Heights SRA. The SRA is intended to be established for a period of five (5) years commencing on 1 July 2022 in terms of section 6 of the By-law. The written consent of the majority of the members in the proposed SRA must be obtained. Specifically, the SRA policy determine in paragraph 6.5 that any residential SRA must comply fully with the provisions of the by-law and with reference to the majority support, the applicant must provide written proof that owners of ratable property within the boundary of the SRA who own not fewer than **60% (sixty percent)** in number of such properties, approve the formation of the SRA.

A prescribed notice ("**Annexure B**") was placed in the local newspaper in terms of section 7 of the Special Rating Area By-Law, inviting written objections from owners of residential properties within the proposed area within thirty (30) days from the placement of the notice. The last date to lodge objections, was **15 November 2021** and no objections were received

The proposed demarcated area is indicated on the map, enclosed as "**Annexure C**". The compilation of said map followed an internal verification process and there was liaison with the applicant in respect thereof, specifically additional supporting documentation was requested where shortfalls were identified and subsequently received.

It should be noted that the Municipal Manager, Director Steyn as well as Senior Manager: Legal Services are residence within the SRA. Thus, they have a conflict of interest and can therefore not comment on this particular application.



The proposed SRA compromises of a total of **132** residential rateable properties to be affected by the SRA. The required 60% is thus **80** consents in number.

For ease of reference, the respective rateable properties were categorised on **Annexure C** as follows:

- |    |                       |           |
|----|-----------------------|-----------|
| 1. | Consent received:     | <b>80</b> |
| 2. | No Data:              | <b>50</b> |
| 3. | Do not comply:        | <b>3</b>  |
| 4. | Municipal properties: | <b>7</b>  |

The **80** consents equal **60.15%**, thus the majority consents were received.

The below compliance with the SRA by-law table was compiled:

SECTION	OBLIGATION	COMMENT	COMPLIANCE
<b>DETERMINATION OF SRA</b>			
3	SRA may be determined by resolution of Council	No council resolution yet	Item will serve at the 29 March 2022 Council meeting for resolution on the application.
<b>APPLICATION</b>			
4(1)	Application for SLA may be lodged with the Council by owner within BVM jurisdiction <u>and</u> who owns property in the proposed SRA	<p>Application dated 30 September 2021 lodged by Mr. A van den Berg on behalf of Fairway Heights Speciale Aanslag Area ("FHSA") on 30 September 2021.</p> <p>The application was submitted by Mr. A van den Berg on behalf of the</p>	<b>COMPLIED</b>

		FHSSA Management Committee. Mr. A van den Berg owns property in the proposed SRA.	
4(2)	Costs shall be for the applicant: Management body may reimburse applicant after implementation of the business plan	This relates to the applicant and it is accepted that BVM has not incurred any costs in this regard	<b>COMPLIED</b>
4(3)(a)	Application for establishment of SRA to be in writing	Application dated 30 September 2021 is in writing	<b>COMPLIED</b>
4(3)(b)	Application to be submitted not more than nine (9) months after public meeting held in terms of section (5)	The first public meeting was held on 01 June 2021.  The application was lodged within nine (9) months from the date of the meeting.	<b>COMPLIED</b>
4(3)(b)	If second public meeting was held in terms of section 6(2), application must be submitted not more than nine (9) months after the date of the second public meeting	No second public meeting held.	<b>NOT APPLICABLE</b>
4(3)(c)(i)	Application must be accompanied by a motivation report and business plan	The application was accompanied by a motivation report and business plan.	<b>COMPLIED</b>
4(3)(c)(ii)	Application must be accompanied by the written consent of the majority of the members of the local community in the proposed SRA who will be liable for paying the additional rate, in a form determined by the Accounting Officer	The written consents formed part of the application and additional supporting documentation was requested and submitted. The majority consents were received.	<b>COMPLIED</b>

	<b>*RESIDENTIAL SRA REQUIRE 60% AS MAJORITY</b>		
4(3)(c)(iii)	Application must be accompanied by payment of such fee as the Council may determine	No fee was determined by Council	<b>NOT APPLICABLE</b>
<b>PUBLIC MEETINGS</b>			
5(1)	Application must be preceded by the holding of a public meeting	The first public meeting was held on 01 June 2021, which precede the date of application.	<b>COMPLIED</b>
5(2)	Purpose of the public meeting is to enable the applicant to consult with those owners within the proposed SRA with regard to the proposed boundaries of the area and the proposed improvement or upgrading of the area.	Attendance registers and minutes of public meeting provided to confirm compliance.	<b>COMPLIED</b>
5(3)(a)	Prior to the holding of the public meeting, the applicant must give notice in a manner approved by the Accounting Officer in terms of the By-law to owners of ratable property, who will be liable for payment of the additional rate, of the applicant's intention to apply for the determination of a SRA	Notice of the meeting held on 01 June 2021 was placed in the local newspaper on 20 May 2021.	<b>COMPLIED</b>
5(3)(b)	The notice in subsection 5(3)(a) must state the purpose of meeting and contain details of place, date and time of meeting	Notice was placed in the local newspaper on 20 May 2021 providing the required details.	<b>COMPLIED</b>
5(4)	The public meeting must be held not less than seven days and not more than	The public meeting was held on a date which is in	<b>COMPLIED</b>

	thirty days after the date of the notice	accordance with the By-law.	
5(5)	The public meeting must be held at a place, date and time as stated in the notice, provided that it must be held at a place which is within the boundaries of the proposed SRA unless the Accounting Officer approves another venue in writing before the public meeting is held	The meeting was held as advertised at the Worcester Golf Club situated at 22 Kolie Nelson Street, which is located outside the <i>boundaries of the proposed SRA. The Accounting Officer approved the venue before the public meeting was held.</i>	<b>COMPLIED</b>
5(6)	The public meeting must be chaired by a suitable qualified experienced person appointed by the Accounting Officer	The meeting was chaired by Mr. A van den Berg, who is the owner of a rental agency and a qualified accountant.	<b>COMPLIED</b>
5(7)	Interested persons must at the public meeting be furnished with all relevant information relating to the proposed SRA, including the information to be set out in the motivation report and business plan; and be given an opportunity to ask questions, express their views and make representations.	According to the minutes, interested persons at the meeting were given the relevant information and an opportunity to ask questions, express their views and make representations was given.	<b>COMPLIED</b>
<b>MOTIVATION REPORT AND BUSINESS PLAN</b>			
6 (1)	Must submit a motivation report and business plan covering a period commencing 1 July of a year and ending on 30 June of the fifth year or such lesser period as determined by the Accounting Officer	<p>Motivation report and business plan submitted</p> <p>The period indicated in the Business Plan is five years, with intended date of commencement 1 July 2022</p>	<b>COMPLIED</b>

6(2)	If the motivation report or business plan be materially amended, as determined by the Accounting Officer, after the public meeting referred to in section 5, the applicant must call a second public meeting for approval of the SRA as amended	The motivational report nor the business plan was materially amended.	<b>NOT APPLICABLE</b>
6(3)	The provisions of section 5 applies with the necessary changes to the second public meeting	No second meeting was held.	<b>NOT APPLICABLE</b>
<b>ADVERTISING OF APPLICATION AND OBJECTIONS</b>			
7 (1)(a)	The applicant must within 14 days after the application is lodged in accordance with section 4, or within such further period which the Accounting Officer may approve, cause a notice of the application to be published in a manner approved by the Accounting Officer.	The date of the application is 30 September 2021 and the notice was placed in the local newspaper on 14 October 2021, thus within the prescribed 14 days.	<b>COMPLIED</b>
7(1)(b)	The applicant must either before or up to seven days after the date of publication of the notice, give written notice of the application to all owners within the proposed SRA, who will be liable for payment of the additional rate, such notice to be given by prepaid registered post, hand delivery or in any other manner approved in writing by the Accounting Office	Proof that notices were sent by registered mail was received.	<b>COMPLIED</b>
7(2)	Every notice contemplated in terms of subsection 7(1) must state that written objections to the	The notice in terms of section 7(1) state the process, date and place for the lodgment of written	<b>COMPLIED</b>

	determination of a SRA or the provisions of the motivation report and business plan may be lodged with the Council by a date specified in the notice, which shall not be less than 30 days after the date of publication in terms of subsection (1)(a), and must state where the documentation specified in subsection (5) will be available for inspection.	objections. The notice state that the documentation may be inspected at the office of the Municipal Manager and at Worcester Golf Club situated at 22 Kolie Street.	
7(3)	Any owner of rateable property who will be liable for paying the additional rate may submit written objections to the determination of the SRA, which objections must be received by the Council not later than the date stipulated in the notice referred to in subsection (1)	No objections or enquiries were received within the date stipulated in the notice.	<b>NOT APPLICABLE</b>
7(4)	An application and any objector to the application who owns property within the proposed SRA may make oral representation to Council	No requests for oral representation was received at the office of the Municipal Manager	<b>COMPLIED</b>
7(5)	The application, including the motivation report and the business plan, and all objections must be available for inspection at the office of Breede Valley Municipality and at a venue determined by the Accounting Officer within the proposed SRA, for the period referred to in subsection (2)	The documentation was availed at the office of the Municipal Manager and he office of Worcester Golf Club.	<b>COMPLIED</b>

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Section 8 and 9 of the by-law stipulate:

**8. DECISION**

- (1) *After the provisions of sections 4 and 7 have been complied with, the Council must, at a meeting of the Council held 90 days after the last date for submission of objections in accordance with section 7(2), consider the application and –*
  - a. *Determine a special rating area which must be implemented in accordance with the motivation report and business plan;*
  - b. *Determine a special rating area with such amendments or conditions as the Council considers to be in public interest;*
  - c. *Determine a special rating area in respect of a limited area in terms of section 9;*
  - d. *Refuse the application, in which event the Council must, within 30 days, furnish the applicant with written reasons for not approving the determination of a special rating area; or*
  - e. *Refer the application back to the applicant for amendments in such manner as the Council may direct.*
- (2) *If the application is refused by the Council in accordance with the provisions of subsection 1(d) or referred back to the applicant in accordance with the provisions of subsection 1(e), the applicant may, within six (6) months of the Council's decision, re-apply to the Council for the determination of the special rating area, provided that such re-application has been appropriately amended in the light of the reasons for refusal or referral, as the case may be.*
- (3) *If the motivation report or business plan is amended in any material respect at any time before the determination, the Council may require that the application be re-advertised in accordance with the provision of section 7, with the necessary changes.*

With reference to the content of section 8 above, in particular subsection (1) referring to the 90 day period, it is submitted that the 90 day period already expired. It is further submitted that, due

to the postponement of Council elections, the item was delayed and is now ready to serve. Accordingly, it is hereby requested that Council condone the non-compliance with section 8(1).

**“9. DETERMINATION OF A LIMITED SPECIAL RATING AREA**

*If an application in terms of section 4 is not accompanied by the majority of the members of the local community in the proposed special rating area required by section 4(3)(c), but the applicant can demonstrate to the satisfaction of the Council, that-*

- (a) there are such confirmations from owners of rateable properties in a limited geographical area within the proposed special rating area that would meet the requirements of section 4(3)(c) if they were to be applied to that area; and*
- (b) the level of services to be provided will not be reduced and the budget will be reduced accordingly as a result of the provision of those services in the whole of the proposed special rating area, then the Council may, subject to the other requirements of this By-Law, determine a limited special rating area.”*

**4. CONCLUSION**

Council is accordingly requested to consider the application for the formulation of the Fairway Heights SRA.

It is proposed that Council determine a SRA with conditions as the Council considers to be in public interest. Directorate: Finance confirmed that the required majority consents were obtained. Subsequently, the additional rates in terms of the Local Government: Municipal Property Rates Act, section 22(1)(b) payable was calculated by said Directorate, being a rate of R0.001502 before VAT and R0.001727 including VAT on residential property value before VAT, for inclusion in the 2022/2023 budget, with effect from 1 July 2022.



**5. FINANCIAL IMPLICATIONS**

The cost for the SRA will be covered by the raising of a special rate for all residential properties in the SRA.

**6. ANNEXURES**

Annexure A: Application

Annexure B: Prescribed notice

Annexure C: Map

**COMMENTS OF DIRECTORATES / DEPARTMENTS**

**MUNICIPAL MANAGER:** No comment, due to a conflict of interest.

**DIRECTOR ENGINEERING SERVICES:** No comment, due to a conflict of interest.

**CHIEF FINANCIAL OFFICER:** Supported.

**DIRECTOR COMMUNITY SERVICES:** Supported.

**DIRECTOR PUBLIC SERVICES:** Supported.

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

**SENIOR MANAGER: LEGAL SERVICES:** No comment, due to a conflict of interest.

**Legal Advisor:** Author of the item

**DECISION BY SECTION 80 COMMITTEE****RESOLVED****CS11/2022**

That in respect of –

**APPLICATION FOR THE ESTABLISHMENT OF A SPECIAL RATING AREA: FAIRWAY HEIGHTS**

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as discussed by the Community and Strategic Support Services Committee meeting held on 15 March 2022, the following recommendation be made to Council:

1. **The Committee concurs with the recommendation made to Council.**

**DECISION BY MAYORAL COMMITTEE****RESOLVED****EX12/2022**

That in respect of –

**APPLICATION FOR THE ESTABLISHMENT OF A SPECIAL RATING AREA: FAIRWAY HEIGHTS**

as discussed by the Community and Strategic Support Services Committee meeting held on 15 March 2022, the following recommendation be made to Council:

1. That Council condone non-compliance with the 90-day period as required in terms of section 8(1) of the Municipal Special Rating Area By-law.
2. That the area as depicted on the map which includes Victory Way, Hickory Way, Wedgewood, Fairway Heights Drive, Classic Close, St. Andrews Close and Master's Way, be determined a Special Rating Area to be called Fairway Heights Special Rating Area;
3. That the additional rates for residential properties in terms of Section 22(1)(b) of the Local Government: Municipal Property Rates Act for inclusion in the 2022/2023 budget be applied as follows:
  - 3.1 R0.001502 excluding VAT;
  - 3.2 R0.001727 including VAT;

**RECOMMENDATION**

That in respect of –

**APPLICATION FOR THE ESTABLISHMENT OF A SPECIAL RATING AREA:  
FAIRWAY HEIGHTS**

as discussed by Council at the Council meeting held on 31 March 2022:

1. That Council condone non-compliance with the 90-day period as required in terms of section 8(1) of the Municipal Special Rating Area By-law.
2. That the area as depicted on the map which includes Victory Way, Hickory Way, Wedgewood, Fairway Heights Drive, Classic Close, St. Andrews Close and Master's Way, be determined a Special Rating Area to be called Fairway Heights Special Rating Area;
3. That the additional rates for residential properties in terms of Section 22(1)(b) of the Local Government: Municipal Property Rates Act for inclusion in the 2022/2023 budget be applied as follows:
  - 3.1 R0.001502 excluding VAT;
  - 3.2 R0.001727 including VAT;

**PROPOSED: ALD.W.R. MEIRING**

**SECONDED: ALD. A. STEYN**

**Unanimously resolved by Council.**

**RESOLVED**

**C42/2022**

That in respect of –

**APPLICATION FOR THE ESTABLISHMENT OF A SPECIAL RATING AREA:  
FAIRWAY HEIGHTS**

as discussed by Council at the Council meeting held on 31 March 2022:

1. That Council condone non-compliance with the 90-day period as required in terms of section 8(1) of the Municipal Special Rating Area By-law.
2. That the area as depicted on the map which includes Victory Way, Hickory Way, Wedgewood, Fairway Heights Drive, Classic Close, St. Andrews Close and

Master's Way, be determined a Special Rating Area to be called Fairway Heights Special Rating Area;

3. That the additional rates for residential properties in terms of Section 22(1)(b) of the Local Government: Municipal Property Rates Act for inclusion in the 2022/2023 budget be applied as follows:

3.1 R0.001502 excluding VAT;

3.2 R0.001727 including VAT;

**To Action**

L. Cupido

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

None

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

None

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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**

None

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- 11. CONSIDERATION OF MOTIONS OF EXIGENCY**

None

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- 12. CLOSURE**

**The Speaker closed the meeting at 16:24.**

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