

MINUTES

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

Date distributed

2nd COUNCIL MEETING OF THE BREEDE VALLEY MUNICIPALITY

2021-02-23 AT 10:00

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1. OPENING AND WELCOME

In terms of the Rules of Order for Internal Arrangement By-Law 2012 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 10:25 and welcomed everyone present. The Speaker allowed a moment of silence for prayer and meditation.

2. OFFICIAL NOTICES

2.1 DISCLOSURE OF INTERESTS

Item 5 of the Code of Conduct for councillors' 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;

- 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 no Applications for Leave except for Cllr E.S.C. Matjan who fell ill this morning. Cllr N. Wullscheger indicated that Cllr C.F. Wilskut will join the meeting later. Cllr I. Tshabile indicated that Cllr S. Mkhwane will join the meeting later.

3. COMMUNICATION

3.1 INTERVIEWS OR PRESENTATIONS BY DEPUTATIONS

In terms of the Rules of Order for Internal Arrangement By-Law 2012;

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

3.2 BIRTHDAYS OF COUNCILLORS

Cllr C. Mohobo	23 February 2021
Alderman A. Steyn	27 February 2021

The Speaker asked Cllr P. Ramokhabi to congratulate the Councillors on their respective birthdays.

3.3 STATEMENTS BY THE SPEAKER

“ Colleagues, the term of the current council of the Breede Valley Municipality is drawing to an end and this inevitably entails that an election is looming.

Why am I mentioning this? The answer is quite simple: It cannot be allowed that the Council Chamber is being utilized for party political campaigning. Bluntly stated, it means that political grand standing cannot be tolerated in the council meetings.

Debates and discussions in Council should be restricted to the items on the agenda paper.

As the Chairperson of the meeting it is my duty to ensure that the business of the community receives preference...and I urge you to work with me in this regard.”

3.4 STATEMENTS BY THE EXECUTIVE MAYOR

- The Executive Mayor congratulated all matriculants who passed the final exams and wished them well in their future endeavors.
- Mayor Steyn also congratulated local businesses on their achievements and in this regard specifically referred to Viljoen Jewelers for their latest award.
- Municipal employees are at the heart of BVM and the Mayor thanked all long-serving workers for being with the municipality for extended periods (10-35 years).
- The Mayor urged residents to adhere to the Covid-19 protocols and to remain vigilant.
- Alderlady Steyn expressed her condolences with the families who lost loved-ones due to sickness and accidents. The Mayor referred to the tragic death of a child in a shack fire at Roodewal and thanked councillors who have reached out to the destitute victims.
- Although many incidents occur within the BVM boundaries, it will not be fair to blame the municipal political and/or administrative leadership for each and every unfortunate occurrence.

4. CONFIRMATION OF MINUTES

- ### **4.1**
- In terms of the Rules of Order for Internal Arrangement By-Law 2012;
- (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 26 January 2021 (Copy enclosed)

RECOMMENDATION

That in respect of

CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING

discussed by Council at the Council Meeting held on 23 February 2021:

1. As the Minutes of the Council Meeting held on 26 January 2021 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 26 January 2021 be taken as read and confirmed.

NOTE : (Item 8.1 under Attachment D: the description should read a “finding of fact and in law”)

PROPOSED: CLLR J.F. VAN ZYL

SECONDED: CLLR E. VAN DER WESTHUIZEN

RESOLVED

C14/2021

That in respect of

CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING

discussed by Council at the Council Meeting held on 23 February 2021:

1. As the Minutes of the Council Meeting held on 26 January 2021 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 26 January 2021 be taken as read and confirmed.

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

5.1 The Deputy Executive Mayor: Alderman E.Y. Sheldon

5.2 MMC1: Cllr. M. Sampson

5.3 MMC 3: Cllr. J.P. Kritzinger

5.4 MMC 4: Cllr. R. Faroa

5.5 MMC 5: Cllr. S.J. Mei

5.6 MMC 6: Cllr. E.S.C Matjan

5.7 MMC 7: Cllr. W.R. Meiring

5.8 MMC 8: Cllr. J.F. Van Zyl

5.9 MMC 9: Cllr J.J. Von Willingh

6. CONSIDERATION OF AGENDA ITEMS

6.1 MID-YEAR ADJUSTMENTS BUDGET – FEBRUARY 2021

The Executive Mayor tabled the Mid-Year Adjustments Budget- February 2021 before Council for approval.

File No. /s: 3/2/2/20

Responsible Official: R Ontong

Directorate: Financial Services

Portfolio: Financial Services

1. Purpose

This serves to submit an adjustments budget for the 2020/21 financial year:

- Adjust revenue and expenditure projections after the half yearly performance (section 72 report);
- Adjust the capital program to provide for amendments to current projects, new projects to be implemented and to remove / postpone projects that will not be implemented in the 2020/21 financial year.
- Include approved unspent conditional grants of 2019/20 financial year from National and / or Provincial Government.

2. Background:

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

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

- Must adjust the revenue and expenditure estimates downwards if there is a material under-collection of revenue during the year;
- May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmed already budgeted for;

- May, within the prescribed framework, authorize unforeseen and unavoidable expenditure recommended by the Mayor;
- May authorize the utilization of projected savings in one vote towards spending under another vote;
- May authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
- May correct any errors in the annual budget, and
- May provide for any other expenditure within a prescribed framework.

Municipal Budget and Reporting Regulations further provides that;

B. Timeframes for tabling of adjustments budgets

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

3. Financial Implications:

Financial implications are contained in the detail in this report.

4. Applicable Legislation / Council Policy:

- The MFMA Section 28, 30 and 16(3)
- Municipal Budget and Reporting Regulations

- Council Budget related Policies

ADJUSTMENTS BUDGET - SCHEDULE B REPORT 23 FEBRUARY 2021



BREED VALLEY
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

Adjustments Budget of the Municipality

Prepared in terms of Section 28 of the Local Government:
Municipal Finance Management Act (56/2003) and
Municipal Budget and Reporting Regulations

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SECTION A – Part 1

1. Glossary

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

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

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

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

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

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

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.

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.

Abbreviations and Acronyms

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

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

2. Mayors 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, which is worsened by the effect of COVID-19. The pandemic will leave consequences, of which many that will not be neutralised in the short term but will require combined and integrated strategies of all the various stakeholders.

We view our role in addressing these challenges are integral to improve quality of life and will therefor continue to play part in creating a conducive environment for job creation and social upliftment. It should be taken to heart that not all plans made will be completed within the timeframes, but we as a municipality is committed in ensuring that all projects commenced are completed.

This adjustments budget serves the purpose of reflecting on the past six months of the 2020/21 financial year, and to address the areas within the budget that is not performing as planned. In addition, this adjustments budget will also approve unspent conditional grant funds of previous financial year that have since been approved by the National and Provincial government.

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

Breede Valley municipality has made significant progress in fighting service delivery backlogs, but also acknowledges that there is still a lot to be done. We will continue with the good work and improve wherever improvement is needed to ensure that this municipality improve on the quality of life for the people within Breede Valley municipal area.

3. Resolutions

That council approves the following:

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

4. Executive Summary

The Mid-year Adjustments Budget serves to address any budget amendments that require the approval of council. These amendments are imperative to service delivery to allow for unforeseen challenges to be attended to enable accelerated implementation plans.

The current economic climate of the Breede Valley Municipal area forced the municipality to relook at resource allocation to promote the optimal utilization of available resources in a prudent and financially viable manner.

The Mid-year Adjustments Budget includes provincial rollovers from the 2019/20 financial year amounting to the following per grant:

Approved Roll-overs (Operating and Capital)

- Title Deeds Restoration Grant: R314 000(2019/20) and R3 421 534.76 (from 2018/19) Total of R 3 735 534.76
- Financial Management Capacity Building Grant: R380 000
- Thusong Services Centre Grant: R83 097
- Local Government Internship Grant: R50 840
- Regional Socio-Economic Project (RSEP): R648 097

Additional / Amendment Funding (Operating and Capital)

- Work for Water (Environmental Affairs): R1 127 790
- Municipal Infrastructure Grant (MIG): (R420 000)

5. Adjustments Budget Tables – refer to Annexure A

B1 Consolidated Adjustments Budget Summary

WC025 Breede Valley - Table B1 Adjustments Budget Summary - 23/02/2021

Description	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	146 998	146 998	–	–	–	–	–	–	146 998	155 818	166 726
Service charges	646 947	646 947	–	–	–	–	(2 500)	(2 500)	644 447	682 146	738 941
Investment revenue	3 112	3 112	–	–	–	–	2 888	2 888	6 000	3 112	3 112
Transfers recognised - operational	208 112	163 725	–	–	–	5 377	–	5 377	169 102	229 803	211 349
Other own revenue	150 326	150 326	–	–	–	–	3 396	3 396	153 721	155 052	160 896
Total Revenue (excluding capital transfers and contributions)	1 155 495	1 111 108	–	–	–	5 377	3 784	9 161	1 120 269	1 225 930	1 281 023
Employee costs	317 416	307 105	–	–	–	–	22 377	22 377	329 481	336 474	356 965
Remuneration of councillors	18 780	18 780	–	–	–	–	692	692	19 473	19 909	21 304
Depreciation & asset impairment	95 246	95 246	–	–	–	–	–	–	95 246	99 634	104 225
Finance charges	23 653	23 653	–	–	–	–	–	–	23 653	23 653	23 653
Materials and bulk purchases	346 130	346 779	–	–	–	–	26 428	26 428	373 207	363 676	394 575
Transfers and grants	65 605	4 380	–	–	–	3 736	(19)	3 716	8 096	82 752	52 456
Other expenditure	208 045	218 834	–	–	–	1 642	27 692	29 333	248 167	205 914	210 794
Total Expenditure	1 074 875	1 014 777	–	–	–	5 377	77 169	82 546	1 097 324	1 132 012	1 163 971
Surplus/(Deficit)	80 619	96 331	–	–	–	–	(73 385)	(73 385)	22 946	93 918	117 052
Transfers recognised - capital	82 337	53 240	–	–	–	228	–	228	53 468	73 981	76 986
Contributions recognised - capital & contributed assets	1 147	1 147	–	–	–	–	450	450	1 597	–	–
Surplus/(Deficit) after capital transfers & contributions	164 104	150 718	–	–	–	228	(72 935)	(72 707)	78 011	167 899	194 038
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	164 104	150 718	–	–	–	228	(72 935)	(72 707)	78 011	167 899	194 038
Capital expenditure & funds sources											
Capital expenditure	99 914	94 449	–	–	–	228	38 153	38 381	132 830	84 145	94 650
Transfers recognised - capital	83 484	54 387	–	–	–	228	450	678	55 065	73 981	76 986
Public contributions & donations	–	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	16 429	40 062	–	–	–	–	37 703	37 703	77 765	10 164	17 664
Total sources of capital funds	99 914	94 449	–	–	–	228	38 153	38 381	132 830	84 145	94 650
Financial position											
Total current assets	238 547	292 315	–	–	–	(4 898)	(69 920)	(74 817)	217 498	268 703	346 974
Total non current assets	2 498 469	2 474 529	–	–	–	228	38 153	38 381	2 512 910	2 534 974	2 531 996
Total current liabilities	131 650	131 650	–	–	–	–	–	–	131 650	139 961	148 842
Total non current liabilities	424 474	424 474	–	–	–	–	–	–	424 474	416 873	407 880
Community wealth/Equity	2 234 758	2 264 585	–	–	–	(4 669)	(85 631)	(90 301)	2 174 285	2 300 708	2 376 113
Cash flows											
Net cash from (used) operating	34 810	21 424	–	–	–	(4 669)	17 765	13 095	34 519	98 089	156 740
Net cash from (used) investing	(99 864)	(94 399)	–	–	–	(228)	(38 153)	(38 381)	(132 780)	(84 095)	(94 600)
Net cash from (used) financing	(11 652)	(11 652)	–	–	–	–	–	–	(11 652)	(12 941)	(14 436)
Cash/cash equivalents at the year end	23 325	77 093	–	–	–	(4 898)	(20 388)	(25 286)	51 807	24 379	72 083
Cash backing/surplus reconciliation											
Cash and investments available	23 325	77 093	–	–	–	(4 898)	(20 388)	(25 286)	51 807	24 379	72 083
Application of cash and investments	16 941	16 941	–	–	–	–	19 874	19 874	36 815	(13 986)	(42 493)
Balance - surplus (shortfall)	6 385	60 152	–	–	–	(4 898)	(40 262)	(45 160)	14 992	38 365	114 576
Asset Management											
Asset register summary (VDV)	2 460 011	2 436 071	–	–	–	228	38 153	38 381	2 474 452	2 496 608	2 493 717
Depreciation & asset impairment	95 246	95 246	–	–	–	–	–	–	95 246	99 634	104 225
Renewal of Existing Assets	3 000	26 170	–	–	–	13 568	16 065	29 633	55 803	8 073	52 386
Repairs and Maintenance	32 524	35 815	–	–	–	83	5 282	5 365	41 180	33 990	36 272
Free services											
Cost of Free Basic Services provided	40 688	40 688	–	–	–	–	–	–	40 688	43 129	45 816
Revenue cost of free services provided	28 759	28 759	–	–	–	–	–	–	28 759	30 484	32 532
Households below minimum service level											
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–	–

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

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and

funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

B2 Consolidated Adjustments Budget Financial Performance by Standard Classification

WC025 Breede Valley - Table B2 Adjustments Budget Financial Performance (functional classification) - 23/02/2021												
Standard Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Functional												
<i>Governance and administration</i>		212 426	213 325	–	–	–	431	3 579	4 010	217 335	213 579	228 387
Executive and council		108	108	–	–	–	–	–	–	108	114	123
Finance and administration		212 318	213 217	–	–	–	431	3 579	4 010	217 227	213 465	228 264
Internal audit		–	–	–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		213 570	150 545	–	–	–	3 819	3 155	6 974	157 519	234 683	210 971
Community and social services		11 323	9 312	–	–	–	83	50	133	9 445	12 103	12 628
Sport and recreation		1 811	1 811	–	–	–	–	314	314	2 126	1 920	2 055
Public safety		118 761	118 997	–	–	–	–	450	450	119 447	120 283	124 609
Housing		81 675	20 425	–	–	–	3 736	2 341	6 076	26 501	100 378	71 679
Health		–	–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		24 568	18 568	–	–	–	1 776	–	1 776	20 343	14 176	15 157
Planning and development		3 209	3 209	–	–	–	648	–	648	3 857	1 253	1 341
Road transport		19 109	13 109	–	–	–	–	–	–	13 109	12 923	13 816
Environmental protection		2 250	2 250	–	–	–	1 128	–	1 128	3 378	–	–
<i>Trading services</i>		788 416	783 058	–	–	–	(420)	(2 500)	(2 920)	780 138	837 473	903 495
Energy sources		483 733	480 132	–	–	–	–	–	–	480 132	521 545	565 550
Water management		114 878	113 047	–	–	–	(420)	–	(420)	112 627	118 089	126 180
Waste water management		129 575	125 563	–	–	–	–	(2 500)	(2 500)	123 063	133 584	142 906
Waste management		60 230	64 316	–	–	–	–	–	–	64 316	64 255	68 860
<i>Other</i>		–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	1 238 979	1 165 495	–	–	–	5 605	4 234	9 839	1 175 335	1 299 911	1 358 009
Expenditure - Functional												
<i>Governance and administration</i>		212 835	221 882	–	–	–	431	39 324	39 755	261 636	220 689	231 226
Executive and council		34 332	34 290	–	–	–	–	4 387	4 387	38 677	35 744	38 031
Finance and administration		175 111	184 152	–	–	–	431	34 663	35 094	219 246	181 358	189 402
Internal audit		3 392	3 440	–	–	–	–	274	274	3 713	3 586	3 792
<i>Community and public safety</i>		231 844	173 809	–	–	–	3 819	8 698	12 516	186 325	253 099	229 744
Community and social services		22 611	24 034	–	–	–	83	507	590	24 624	24 023	25 214
Sport and recreation		24 623	25 589	–	–	–	–	218	218	25 807	25 956	27 386
Public safety		110 989	108 789	–	–	–	–	4 049	4 049	112 838	111 834	115 595
Housing		73 516	15 311	–	–	–	3 736	3 925	7 660	22 971	91 177	61 434
Health		105	85	–	–	–	–	–	–	85	110	115
<i>Economic and environmental services</i>		77 584	77 712	–	–	–	1 128	(590)	538	78 250	79 281	83 334
Planning and development		16 594	18 233	–	–	–	–	(936)	(936)	17 296	17 397	18 383
Road transport		58 304	56 794	–	–	–	–	337	337	57 131	60 789	63 794
Environmental protection		2 685	2 686	–	–	–	1 128	10	1 138	3 823	1 095	1 157
<i>Trading services</i>		550 593	540 752	–	–	–	–	29 737	29 737	570 489	576 885	617 568
Energy sources		387 435	382 655	–	–	–	–	18 809	18 809	401 464	406 808	439 755
Water management		58 613	58 234	–	–	–	–	10 885	10 885	69 120	61 379	64 324
Waste water management		58 922	59 472	–	–	–	–	(217)	(217)	59 255	61 335	63 906
Waste management		45 623	40 391	–	–	–	–	260	260	40 651	47 364	49 584
<i>Other</i>		2 019	622	–	–	–	–	–	–	622	2 059	2 101
Total Expenditure - Functional	3	1 074 875	1 014 777	–	–	–	5 377	77 169	82 546	1 097 324	1 132 012	1 163 971
Surplus/ (Deficit) for the year		164 104	150 718	–	–	–	228	(72 935)	(72 707)	78 011	167 899	194 038

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

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

B3 Consolidated Adjustments Budget Financial Performance By Municipal Vote

WC025 Breede Valley - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 23/02/2021												
Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - Council General		108	108	-	-	-	-	-	-	108	114	123
Vote 2 - Municipal Manager		14 734	14 734	-	-	-	648	(316)	333	15 067	2 940	3 104
Vote 3 - Strategic Support Services		1 110	1 110	-	-	-	51	506	557	1 666	511	547
Vote 4 - Financial Services		195 113	196 012	-	-	-	380	2 942	3 322	199 335	206 933	221 324
Vote 5 - Community Services		226 081	163 056	-	-	-	3 819	3 486	7 305	170 361	246 853	223 985
Vote 6 - Technical Services		801 832	790 474	-	-	-	708	(2 384)	(1 677)	788 798	842 560	908 927
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 238 979	1 165 495	-	-	-	5 605	4 234	9 839	1 175 335	1 299 911	1 358 009
Expenditure by Vote	1											
Vote 1 - Council General		30 588	30 501	-	-	-	-	4 386	4 386	34 887	32 310	34 396
Vote 2 - Municipal Manager		9 732	10 994	-	-	-	-	510	510	11 504	9 764	10 330
Vote 3 - Strategic Support Services		55 026	60 638	-	-	-	51	9 370	9 421	70 059	56 737	59 206
Vote 4 - Financial Services		88 279	90 425	-	-	-	380	18 565	18 945	109 370	91 756	95 848
Vote 5 - Community Services		244 134	184 012	-	-	-	3 819	8 393	12 211	196 224	265 538	242 840
Vote 6 - Technical Services		647 117	638 206	-	-	-	1 128	35 945	37 073	675 279	675 907	721 352
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 074 875	1 014 777	-	-	-	5 377	77 169	82 546	1 097 324	1 132 012	1 163 971
Surplus/ (Deficit) for the year	2	164 104	150 718	-	-	-	228	(72 935)	(72 707)	78 011	167 899	194 038

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

B4 Consolidated Adjustments Budget Financial Performance (Revenue and Expenditure)

WC025 Breede Valley - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 23/02/2021												
Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	146 998	146 998	-	-	-	-	-	-	146 998	155 818	166 726
Service charges - electricity revenue	2	452 478	452 478	-	-	-	-	-	-	452 478	476 007	518 373
Service charges - water revenue	2	75 888	75 888	-	-	-	-	-	-	75 888	80 441	86 072
Service charges - sanitation revenue	2	76 490	76 490	-	-	-	-	(2 500)	(2 500)	73 990	81 080	86 756
Service charges - refuse revenue	2	42 092	42 092	-	-	-	-	-	-	42 092	44 618	47 741
Service charges - other		-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		2 223	2 223	-	-	-	-	3 396	3 396	5 618	2 356	2 522
Interest earned - external investments		3 112	3 112	-	-	-	-	2 888	2 888	6 000	3 112	3 112
Interest earned - outstanding debtors		6 467	6 467	-	-	-	-	-	-	6 467	6 855	7 336
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		118 474	118 474	-	-	-	-	-	-	118 474	121 285	124 761
Licences and permits		3 797	3 797	-	-	-	-	-	-	3 797	4 025	4 307
Agency services		8 641	8 641	-	-	-	-	-	-	8 641	9 160	9 801
Transfers and subsidies		208 112	163 725	-	-	-	5 377	-	5 377	169 102	229 803	211 349
Other revenue	2	9 406	9 406	-	-	-	-	-	-	9 406	9 973	10 673
Gains on disposal of PPE		1 320	1 320	-	-	-	-	-	-	1 320	1 399	1 497
Total Revenue (excluding capital transfers and contributions)		1 155 495	1 111 108	-	-	-	5 377	3 784	9 161	1 120 269	1 225 930	1 281 023
Expenditure By Type												
Employee related costs		317 416	307 105	-	-	-	-	22 377	22 377	329 481	336 474	356 965
Remuneration of councillors		18 780	18 780	-	-	-	-	692	692	19 473	19 909	21 304
Debt impairment		85 167	85 167	-	-	-	-	10 000	10 000	95 167	86 216	87 314
Depreciation & asset impairment		95 246	95 246	-	-	-	-	-	-	95 246	99 634	104 225
Finance charges		23 653	23 653	-	-	-	-	-	-	23 653	23 653	23 653
Bulk purchases		326 798	326 798	-	-	-	-	11 000	11 000	337 798	343 748	374 021
Other materials		19 332	19 981	-	-	-	-	15 428	15 428	35 409	19 928	20 554
Contracted services		64 602	68 963	-	-	-	1 211	7 563	8 774	77 736	61 294	63 871
Transfers and subsidies		65 605	4 380	-	-	-	3 736	(19)	3 716	8 096	82 752	52 456
Other expenditure		54 773	61 214	-	-	-	431	10 129	10 560	71 773	54 901	56 105
Loss on disposal of PPE		3 504	3 491	-	-	-	-	-	-	3 491	3 504	3 504
Total Expenditure		1 074 875	1 014 777	-	-	-	5 377	77 169	82 546	1 097 324	1 132 012	1 163 971
Surplus/(Deficit)		80 619	96 331	-	-	-	-	(73 385)	(73 385)	22 946	93 918	117 052
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		82 337	53 240	-	-	-	228	-	228	53 468	73 981	76 986
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		1 147	1 147	-	-	-	-	-	-	1 147	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	450	450	450	-	-
Surplus/(Deficit) before taxation		164 104	150 718	-	-	-	228	(72 935)	(72 707)	78 011	167 899	194 038
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		164 104	150 718	-	-	-	228	(72 935)	(72 707)	78 011	167 899	194 038
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		164 104	150 718	-	-	-	228	(72 935)	(72 707)	78 011	167 899	194 038
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		164 104	150 718	-	-	-	228	(72 935)	(72 707)	78 011	167 899	194 038

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

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the Total Revenue, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

B5 Consolidated Adjustments Budget Capital Expenditure Vote and Funding

WC025 Breede Valley - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 23/02/2021												
Description	Ref	Budget Year 2020/21										Budget Year +1 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Council General		–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		10	95	–	–	–	784	10	794	889	10	10
Vote 3 - Strategic Support Services		5	482	–	–	–	–	118	118	600	5	5
Vote 4 - Financial Services		–	1 233	–	–	–	–	–	–	1 233	–	–
Vote 5 - Community Services		5	240	–	–	–	1 324	9 297	10 621	10 860	5	5
Vote 6 - Technical Services		61 701	55 373	–	–	–	(1 736)	(23 252)	(24 988)	30 385	30 423	12 000
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	3	61 721	57 422	–	–	–	372	(13 827)	(13 455)	43 967	30 443	12 020
Single-year expenditure to be adjusted	2											
Vote 1 - Council General		–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		1 900	1 900	–	–	–	(136)	–	(136)	1 764	–	–
Vote 3 - Strategic Support Services		–	928	–	–	–	–	–	–	928	–	–
Vote 4 - Financial Services		1 005	1 805	–	–	–	–	8	8	1 813	805	805
Vote 5 - Community Services		700	700	–	–	–	–	450	450	1 150	–	–
Vote 6 - Technical Services		34 588	31 694	–	–	–	(8)	51 522	51 514	83 208	52 897	81 825
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		38 193	37 027	–	–	–	(144)	51 980	51 836	88 863	53 702	82 630
Total Capital Expenditure - Vote		99 914	94 449	–	–	–	228	38 153	38 381	132 830	84 145	94 650
Capital Expenditure - Functional												
Governance and administration		1 625	5 098	–	–	–	–	233	233	5 331	825	825
Executive and council		5	60	–	–	–	–	–	–	60	5	5
Finance and administration		1 620	5 038	–	–	–	–	233	233	5 271	820	820
Internal audit		–	–	–	–	–	–	–	–	–	–	–
Community and public safety		100	415	–	–	–	1 944	9 750	11 694	12 109	–	–
Community and social services		100	385	–	–	–	620	9 300	9 920	10 305	–	–
Sport and recreation		–	31	–	–	–	–	–	–	31	–	–
Public safety		–	–	–	–	–	1 324	450	1 774	1 774	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		19 546	20 540	–	–	–	13 596	35 779	49 374	69 915	2 173	38 986
Planning and development		1 900	1 900	–	–	–	(417)	–	(417)	1 483	–	–
Road transport		17 646	18 640	–	–	–	14 013	35 779	49 791	68 432	2 173	38 986
Environmental protection		–	–	–	–	–	–	–	–	–	–	–
Trading services		78 642	68 396	–	–	–	(15 312)	(7 609)	(22 920)	45 476	81 147	54 839
Energy sources		28 212	32 399	–	–	–	(8)	(5 685)	(5 693)	26 706	37 009	38 000
Water management		24 984	19 276	–	–	–	–	(11 111)	(11 111)	8 165	22 169	3 719
Waste water management		25 446	15 243	–	–	–	(15 304)	9 504	(5 800)	9 443	21 581	13 120
Waste management		–	1 478	–	–	–	–	(316)	(316)	1 162	388	–
Other		–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	99 914	94 449	–	–	–	228	38 153	38 381	132 830	84 145	94 650
Funded by:												
National Government		56 337	51 240	–	–	–	(420)	–	(420)	50 820	73 981	76 986
Provincial Government		26 000	2 000	–	–	–	648	–	648	2 648	–	–
District Municipality		–	–	–	–	–	–	450	450	450	–	–
Other transfers and grants		1 147	1 147	–	–	–	–	–	–	1 147	–	–
Transfers recognised - capital	4	83 484	54 387	–	–	–	228	450	678	55 065	73 981	76 986
Public contributions & donations		–	–	–	–	–	–	–	–	–	–	–
Borrowing		–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		16 429	40 062	–	–	–	–	37 703	37 703	77 765	10 164	17 664
Total Capital Funding		99 914	94 449	–	–	–	228	38 153	38 381	132 830	84 145	94 650

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

B6 Consolidated Adjustments Budget Financial Position

WC025 Breede Valley - Table B6 Adjustments Budget Financial Position - 23/02/2021

Description	Ref	Budget Year 2020/21									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash		13 325	67 093		–	–	(4 898)	(20 388)	(25 286)	41 807	9 379	47 083
Call investment deposits	1	10 000	10 000	–	–	–	–	–	–	10 000	15 000	25 000
Consumer debtors	1	175 866	175 866	–	–	–	–	(49 531)	(49 531)	126 335	203 169	231 836
Other debtors		26 734	26 734	–	–	–	–	–	–	26 734	28 071	29 475
Current portion of long-term receivables		1 675	1 675	–	–	–	–	–	–	1 675	1 591	1 511
Inventory		10 946	10 946	–	–	–	–	–	–	10 946	11 494	12 068
Total current assets		238 547	292 315	–	–	–	(4 898)	(69 920)	(74 817)	217 498	268 703	346 974
Non current assets												
Long-term receivables		1 827	1 827	–	–	–	–	–	–	1 827	1 736	1 649
Investments		–	–	–	–	–	–	–	–	–	–	–
Investment property		43 750	43 750	–	–	–	–	–	–	43 750	43 750	43 750
Investment in Associate		–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	1	2 412 290	2 388 334	–	–	–	228	38 153	38 381	2 426 715	2 449 479	2 447 208
Agricultural		–	–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–	–
Intangible		3 971	3 986	–	–	–	–	–	–	3 986	3 378	2 758
Other non-current assets		36 631	36 631	–	–	–	–	–	–	36 631	36 631	36 631
Total non current assets		2 498 469	2 474 529	–	–	–	228	38 153	38 381	2 512 910	2 534 974	2 531 996
TOTAL ASSETS		2 737 016	2 766 844	–	–	–	(4 669)	(31 767)	(36 436)	2 730 408	2 803 677	2 878 970
LIABILITIES												
Current liabilities												
Bank overdraft		–	–	–	–	–	–	–	–	–	–	–
Borrowing		13 041	13 041	–	–	–	–	–	–	13 041	14 536	16 191
Consumer deposits		4 328	4 328	–	–	–	–	–	–	4 328	4 588	4 863
Trade and other payables		73 515	73 515	–	–	–	–	–	–	73 515	77 626	81 984
Provisions		40 765	40 765	–	–	–	–	–	–	40 765	43 211	45 804
Total current liabilities		131 650	131 650	–	–	–	–	–	–	131 650	139 961	148 842
Non current liabilities												
Borrowing	1	179 139	179 139	–	–	–	–	–	–	179 139	164 603	148 411
Provisions	1	245 335	245 335	–	–	–	–	–	–	245 335	252 270	259 469
Total non current liabilities		424 474	424 474	–	–	–	–	–	–	424 474	416 873	407 880
TOTAL LIABILITIES		556 123	556 123	–	–	–	–	–	–	556 123	556 834	556 722
NET ASSETS	2	2 180 893	2 210 721	–	–	–	(4 669)	(31 767)	(36 436)	2 174 285	2 246 843	2 322 248
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		2 180 893	2 210 721	–	–	–	(4 669)	(85 631)	(90 301)	2 120 420	2 246 843	2 322 248
Reserves		53 865	53 865	–	–	–	–	–	–	53 865	53 865	53 865
Minorities' interests		–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY		2 234 758	2 264 585	–	–	–	(4 669)	(85 631)	(90 301)	2 174 285	2 300 708	2 376 113

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

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

B7 Consolidated Adjustments Budget Cash Flows

WC025 Breede Valley - Table B7 Adjustments Budget Cash Flows - 23/02/2021

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		96 634	96 634	-	-	-	-	14 700	14 700	111 334	110 223	134 611
Service charges		488 603	488 603	-	-	-	-	62 853	62 853	551 456	572 949	643 291
Other revenue		44 147	44 147	-	-	-	-	3 396	3 396	47 543	46 725	49 777
Government - operating	1	208 112	163 725	-	-	-	1 128	-	1 128	164 853	229 803	211 349
Government - capital	1	83 484	54 387	-	-	-	(420)	450	30	54 417	73 981	76 986
Interest		7 315	7 315	-	-	-	-	3 535	3 535	10 850	8 253	9 347
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(805 204)	(806 331)	-	-	-	(1 642)	(67 188)	(68 830)	(875 161)	(839 757)	(896 324)
Finance charges		(22 676)	(22 676)	-	-	-	-	-	-	(22 676)	(21 336)	(19 841)
Transfers and Grants	1	(65 605)	(4 380)	-	-	-	(3 736)	19	(3 716)	(8 096)	(82 752)	(52 456)
NET CASH FROM/(USED) OPERATING ACTIVITIES		34 810	21 424	-	-	-	(4 668)	17 765	13 095	34 519	98 089	156 740
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		50	50	-	-	-	-	-	-	50	50	50
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets		(99 914)	(94 449)	-	-	-	(228)	(38 153)	(38 381)	(132 830)	(84 145)	(94 650)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(99 864)	(94 399)	-	-	-	(228)	(38 153)	(38 381)	(132 780)	(84 095)	(94 600)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		50	50	-	-	-	-	-	-	50	100	100
Payments												
Repayment of borrowing		(11 702)	(11 702)	-	-	-	-	-	-	(11 702)	(13 041)	(14 536)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(11 652)	(11 652)	-	-	-	-	-	-	(11 652)	(12 941)	(14 436)
NET INCREASE/(DECREASE) IN CASH HELD		(76 705)	(84 627)	-	-	-	(4 898)	(20 388)	(25 286)	(109 913)	1 053	47 705
Cash/cash equivalents at the year begin:	2	100 031	161 720	-	-	-	-	-	-	161 720	23 325	24 379
Cash/cash equivalents at the year end:	2	23 325	77 093	-	-	-	(4 898)	(20 388)	(25 286)	51 807	24 379	72 083

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

B8 Consolidated Cash Backed Reserves/Accumulated Surplus Reconciliation

WC025 Breede Valley - Table B8 Cash backed reserves/accumulated surplus reconciliation - 23/02/2021

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands												
Cash and investments available												
Cash/cash equivalents at the year end	1	23 325	77 093	-	-	-	(4 898)	(20 388)	(25 286)	51 807	24 379	72 083
Other current investments > 90 days		-	-	-	-	-	-	-	-	0	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		23 325	77 093	-	-	-	(4 898)	(20 388)	(25 286)	51 807	24 379	72 083
Applications of cash and investments												
Unspent conditional transfers		5 000	5 000	-	-	-	-	-	-	5 000	5 000	5 000
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(67 933)	(67 933)	-	-	-	-	19 874	19 874	(48 059)	(98 860)	(127 367)
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		79 873	79 873	-	-	-	-	-	-	79 873	79 873	79 873
Total Application of cash and investments:		16 941	16 941	-	-	-	-	19 874	19 874	36 815	(13 986)	(42 493)
Surplus(shortfall)		6 385	60 152	-	-	-	(4 898)	(40 262)	(45 160)	14 992	38 365	114 576

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and

investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

B9 Consolidated Asset Management

Please refer to Annexure A

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

B10 Consolidated Basic Service Delivery Measurement

WC025 Breede Valley - Table B10 Basic service delivery measurement - 23/02/2021

Description	Ref	Budget Year 2020/21										Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H			
Household service targets	1												
Water:													
Piped water inside dwelling		19 372	19 372	—	—	—	—	—	—	19	19 372	19 372	19 372
Piped water inside yard (but not in dwelling)		3 879	3 879	—	—	—	—	—	—	4	3 879	3 879	3 879
Using public tap (at least min.service level)	2	6 949	6 949	—	—	—	—	—	—	7	6 949	6 949	6 949
Other water supply (at least min.service level)		—	—	—	—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total		30	30	—	—	—	—	—	—	30	30	30	30
Using public tap (< min.service level)	3	—	—	—	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	3,4	—	—	—	—	—	—	—	—	—	—	—	—
No water supply		—	—	—	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—	—	—	—
Total number of households	5	30	30	—	—	—	—	—	—	30	30	30	30
Sanitation/sewerage:													
Flush toilet (connected to sewerage)		18 555	18 555	—	—	—	—	—	—	18 555	18 555	18 555	18 555
Flush toilet (with septic tank)		2 687	2 687	—	—	—	—	—	—	2 687	2 687	2 687	2 687
Chemical toilet		4 263	4 263	—	—	—	—	—	—	4 263	4 263	4 263	4 263
Pit toilet (ventilated)		—	—	—	—	—	—	—	—	—	—	—	—
Other toilet provisions (> min.service level)		—	—	—	—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total		25 504	25 504	—	—	—	—	—	—	25 504	25 504	25 504	25 504
Bucket toilet		—	—	—	—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)		—	—	—	—	—	—	—	—	—	—	—	—
No toilet provisions		—	—	—	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—	—	—	—
Total number of households	5	25 504	25 504	—	—	—	—	—	—	25 504	25 504	25 504	25 504
Energy:													
Electricity (at least min. service level)		2 977	2 977	—	—	—	—	—	—	2 977	2 977	2 977	2 977
Electricity - prepaid (> min.service level)		21 150	21 150	—	—	—	—	—	—	21 150	21 150	21 150	21 150
Minimum Service Level and Above sub-total		24 127	24 127	—	—	—	—	—	—	24 127	24 127	24 127	24 127
Electricity (< min.service level)		—	—	—	—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)		—	—	—	—	—	—	—	—	—	—	—	—
Other energy sources		—	—	—	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—	—	—	—
Total number of households	5	24 127	24 127	—	—	—	—	—	—	24 127	24 127	24 127	24 127
Refuse:													
Removed at least once a week (min.service)		48 995	48 995	—	—	—	—	—	—	48 995	48 995	48 995	48 995
Minimum Service Level and Above sub-total		48 995	48 995	—	—	—	—	—	—	48 995	48 995	48 995	48 995
Removed less frequently than once a week		—	—	—	—	—	—	—	—	—	—	—	—
Using communal refuse dump		—	—	—	—	—	—	—	—	—	—	—	—
Using own refuse dump		—	—	—	—	—	—	—	—	—	—	—	—
Other rubbish disposal		—	—	—	—	—	—	—	—	—	—	—	—
No rubbish disposal		—	—	—	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—	—	—	—
Total number of households	5	48 995	48 995	—	—	—	—	—	—	48 995	48 995	48 995	48 995
Households receiving Free Basic Service	15												
Water (6 kilolres per household per month)		8 700	8 700	—	—	—	—	—	—	8 700	8 700	8 700	8 700
Sanitation (free minimum level service)		8 700	8 700	—	—	—	—	—	—	8 700	8 700	8 700	8 700
Electricity/other energy (50kwh per household per month)		10 500	10 500	—	—	—	—	—	—	10 500	10 500	10 500	10 500
Refuse (removed at least once a week)		8 700	8 700	—	—	—	—	—	—	8 700	8 700	8 700	8 700
Cost of Free Basic Services provided (R'000)	16												
Water (6 kilolres per household per month)		9 383	9 383	—	—	—	—	—	—	9 383	9 946	10 642	10 642
Sanitation (free sanitation service)		17 088	17 088	—	—	—	—	—	—	17 088	18 113	19 200	19 200
Electricity/other energy (50kwh per household per month)		4 793	4 793	—	—	—	—	—	—	4 793	5 081	5 385	5 385
Refuse (removed once a week)		9 425	9 425	—	—	—	—	—	—	9 425	9 990	10 590	10 590
Total cost of FBS provided (minimum social package)		40 688	40 688	—	—	—	—	—	—	40 688	43 129	45 816	45 816
Highest level of free service provided													
Property rates (R'000 value threshold)		150 000	150 000	—	—	—	—	—	—	150 000	150 000	150 000	150 000
Water (kilolres per household per month)		10	10	—	—	—	—	—	—	10	10	10	10
Sanitation (kilolres per household per month)		—	—	—	—	—	—	—	—	—	—	—	—
Sanitation (Rand per household per month)		296	296	—	—	—	—	—	—	296	313	332	332
Electricity (kw per household per month)		50	50	—	—	—	—	—	—	50	50	50	50
Refuse (average litres per week)		240	240	—	—	—	—	—	—	240	240	240	240
Revenue cost of free services provided (R'000)	17												
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		—	—	—	—	—	—	—	—	—	—	—	—
Property rates: exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		20 633	20 633	—	—	—	—	—	—	20 633	21 871	23 402	23 402
Water (in excess of 6 kilolres per indigent household per month)		—	—	—	—	—	—	—	—	—	—	—	—
Sanitation (in excess of free sanitation service to indigent households)		—	—	—	—	—	—	—	—	—	—	—	—
Electricity/other energy (in excess of 50 kwh per indigent household per month)		—	—	—	—	—	—	—	—	—	—	—	—
Refuse (in excess of one removal a week for indigent households)		—	—	—	—	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates		8 126	8 126	—	—	—	—	—	—	8 126	8 613	9 130	9 130
Housing - top structure subsidies		—	—	—	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—	—	—
Total revenue cost of subsidised services provided	6	28 759	28 759	—	—	—	—	—	—	28 759	30 484	32 532	32 532

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

SECTION A – Part 2

- **Adjustments to Budget Inputs and assumptions**

The 2020/21 Adjustments Budget was compiled in line with Chapter 4 Municipal Finance Management Act and Chapter 2 Part 4 of the Municipal Budget and Reporting Regulations.

The 2020/21 Adjustments Budget remain consistent with the Long-Term Financial Plan to ensure continued synergy between long term planning and implementation planning.

Revenue and Expenditure (operational and capital) projections to be revised in line with current and anticipated performance for the current year.

Addition of approved rollover grant allocations from the 2019/20 financial year.

The municipality budgeted on a 75% collection rate.

Decrease in general expenditure to curb and eliminate non-priority spending.

Operational Revenue and Expenditure

The additions made to the capital and operational expenditure budget is due to an increased collection rate than initially anticipated. This was calculated on the budgeted versus actual collections over the first six months of the financial year. This trend is anticipated to continue for the remainder of the 2020/21 financial year.

WC025 Breede Valley - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 23/02/2021												
Description	Ref	Budget Year 2020/21								Budget Year		Adjusted Budget
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	146 998	146 998	-	-	-	-	-	-	146 998	155 818	166 726
Service charges - electricity revenue	2	452 478	452 478	-	-	-	-	-	-	452 478	476 007	518 373
Service charges - water revenue	2	75 888	75 888	-	-	-	-	-	-	75 888	80 441	86 072
Service charges - sanitation revenue	2	76 490	76 490	-	-	-	-	(2 500)	(2 500)	73 990	81 080	86 756
Service charges - refuse revenue	2	42 092	42 092	-	-	-	-	-	-	42 092	44 618	47 741
Service charges - other		-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		2 223	2 223	-	-	-	-	3 396	3 396	5 618	2 356	2 522
Interest earned - external investments		3 112	3 112	-	-	-	-	2 888	2 888	6 000	3 112	3 112
Interest earned - outstanding debtors		6 467	6 467	-	-	-	-	-	-	6 467	6 855	7 336
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		118 474	118 474	-	-	-	-	-	-	118 474	121 285	124 761
Licences and permits		3 797	3 797	-	-	-	-	-	-	3 797	4 025	4 307
Agency services		8 641	8 641	-	-	-	-	-	-	8 641	9 160	9 801
Transfers and subsidies		208 112	163 725	-	-	-	5 377	-	5 377	169 102	229 803	211 349
Other revenue	2	9 406	9 406	-	-	-	-	-	-	9 406	9 973	10 673
Gains on disposal of PPE		1 320	1 320	-	-	-	-	-	-	1 320	1 399	1 497
Total Revenue (excluding capital transfers and contributions)		1 155 495	1 111 108	-	-	-	5 377	3 784	9 161	1 120 269	1 225 930	1 281 023
Expenditure By Type												
Employee related costs		317 416	307 105	-	-	-	-	22 377	22 377	329 481	336 474	356 965
Remuneration of councillors		18 780	18 780	-	-	-	-	692	692	19 473	19 909	21 304
Debt impairment		85 167	85 167	-	-	-	-	10 000	10 000	95 167	86 216	87 314
Depreciation & asset impairment		95 246	95 246	-	-	-	-	-	-	95 246	99 634	104 225
Finance charges		23 653	23 653	-	-	-	-	-	-	23 653	23 653	23 653
Bulk purchases		326 798	326 798	-	-	-	-	11 000	11 000	337 798	343 748	374 021
Other materials		19 332	19 981	-	-	-	-	15 428	15 428	35 409	19 928	20 554
Contracted services		64 602	68 963	-	-	-	1 211	7 563	8 774	77 736	61 294	63 871
Transfers and subsidies		65 605	4 380	-	-	-	3 736	(19)	3 716	8 096	82 752	52 456
Other expenditure		54 773	61 214	-	-	-	431	10 129	10 560	71 773	54 901	56 105
Loss on disposal of PPE		3 504	3 491	-	-	-	-	-	-	3 491	3 504	3 504
Total Expenditure		1 074 875	1 014 777	-	-	-	5 377	77 169	82 546	1 097 324	1 132 012	1 163 971
Surplus/(Deficit)		80 619	96 331	-	-	-	-	(73 385)	(73 385)	22 946	93 918	117 052
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		82 337	53 240	-	-	-	228	-	228	53 468	73 981	76 986
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		1 147	1 147	-	-	-	-	-	-	1 147	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	450	450	450	-	-
Surplus/(Deficit) before taxation		164 104	150 718	-	-	-	228	(72 935)	(72 707)	78 011	167 899	194 038
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		164 104	150 718	-	-	-	228	(72 935)	(72 707)	78 011	167 899	194 038
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		164 104	150 718	-	-	-	228	(72 935)	(72 707)	78 011	167 899	194 038
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		164 104	150 718	-	-	-	228	(72 935)	(72 707)	78 011	167 899	194 038

1. Operational Revenue

Operational revenue and amendments made with the Adjustments Budget is informed by the performance trends over the past six months.

Service Charges – Sanitation Revenue – Based on the performance trends, lower than initially anticipated revenue performance will be realized at the end of the financial year. This is attributed to the recycling initiatives employed by businesses, thus putting lower quantities in the sewer network.

Rental of Facilities and Equipment – Higher than anticipated performance on this revenue source has been noted and therefor the budget is adjusted accordingly to accommodate for the above anticipated increase in revenue.

Interest Earned – External Investment – Interest on investments is adjusted in line with the current and anticipated performance of the municipality's investment portfolio.

Transfers subsidies - (Operational and Capital) increased with the rollover grant allocations from the 2020/21 financial year.

2. Operational Expenditure

Employee Related Cost - A significant number of positions on the approved organogram were unfunded in the 2020/21 financial year due to the anticipated impact of COVID-19 on municipal financial resources. However, given the demand for service delivery these positions are to a significant extent being re-financed in a very conservative manner to carefully balance service delivery and financial sustainability.

Debt Impairment - Debt Impairment is adjusted as per B4 to accommodate the anticipated movement in the provision as calculated at the end of January 2021. This relates mainly to traffic fines, and to a lesser extent to service debtor accounts. Current and improved credit control and debt collection mechanisms and strategies are in place in order to minimize the risk over unauthorized expenditure on the 2020/21 contribution towards the provision for debt impairment.

Bulk Purchases – Bulk Purchases are adjusted in line with the past performance and anticipated future performance trends.

Other Materials – The additions to the Other Materials budget relates largely to Materials and Supplies needed for service delivery functions and to a lesser extent fuel cost.

Contracted Services – Significant additions to Contracted Services are in the form of additional EPWP workers, Security Services, Hygiene Services, Insurance Related Expenses, and GMT (Government Motor Transport) services.

Other Expenditure – Significant additions to the expenditure category is in the form of Software Licenses, Operating Leases (printers and photocopiers), Rental of Chemical Toilets and Insurance Premiums.

Capital Expenditure

WC025 Breede Valley - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 23/02/2021

Budget Year 2020/21											Budget Year +1 2021/22	Budget Year +2 2022/23
Description	Ref	Original Budget A	Adjusted 5 A1	Accum. Funds 6 B	Multi-year capital 7 C	Unavoid. 8 D	Nat. or Prov. Govt 9 E	Other Adjusts. 10 F	Total Adjusts. 11 G	Adjusted Budget 12 H	Adjusted Budget	Adjusted Budget
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted												
Vote 1 - Council General	2	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		10	95	–	–	–	784	10	794	889	10	10
Vote 3 - Strategic Support Services		5	482	–	–	–	–	118	118	600	5	5
Vote 4 - Financial Services		–	1 233	–	–	–	–	–	–	1 233	–	–
Vote 5 - Community Services		5	240	–	–	–	1 324	9 297	10 621	10 860	5	5
Vote 6 - Technical Services		61 701	55 373	–	–	–	(1 736)	(23 252)	(24 988)	30 385	30 423	12 000
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	3	61 721	57 422	–	–	–	372	(13 827)	(13 455)	43 967	30 443	12 020
Single-year expenditure to be adjusted												
Vote 1 - Council General	2	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		1 900	1 900	–	–	–	(136)	–	(136)	1 764	–	–
Vote 3 - Strategic Support Services		–	928	–	–	–	–	–	–	928	–	–
Vote 4 - Financial Services		1 005	1 805	–	–	–	–	8	8	1 813	805	805
Vote 5 - Community Services		700	700	–	–	–	–	450	450	1 150	–	–
Vote 6 - Technical Services		34 588	31 694	–	–	–	(8)	51 522	51 514	83 208	52 897	81 825
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		38 193	37 027	–	–	–	(144)	51 980	51 836	88 863	53 702	82 630
Total Capital Expenditure - Vote		99 914	94 449	–	–	–	228	38 153	38 381	132 830	84 145	94 650
Capital Expenditure - Functional												
Governance and administration		1 625	5 098	–	–	–	–	233	233	5 331	825	825
Executive and council		5	60	–	–	–	–	–	–	60	5	5
Finance and administration		1 620	5 038	–	–	–	–	233	233	5 271	820	820
Internal audit		–	–	–	–	–	–	–	–	–	–	–
Community and public safety		100	415	–	–	–	1 944	9 750	11 694	12 109	–	–
Community and social services		100	385	–	–	–	620	9 300	9 920	10 305	–	–
Sport and recreation		–	31	–	–	–	–	–	–	31	–	–
Public safety		–	–	–	–	–	1 324	450	1 774	1 774	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		19 546	20 540	–	–	–	13 596	35 779	49 374	69 915	2 173	38 986
Planning and development		1 900	1 900	–	–	–	(417)	–	(417)	1 483	–	–
Road transport		17 646	18 640	–	–	–	14 013	35 779	49 791	68 432	2 173	38 986
Environmental protection		–	–	–	–	–	–	–	–	–	–	–
Trading services		78 642	68 396	–	–	–	(15 312)	(7 609)	(22 920)	45 476	81 147	54 839
Energy sources		28 212	32 399	–	–	–	(8)	(5 685)	(5 693)	26 706	37 009	38 000
Water management		24 984	19 276	–	–	–	–	(11 111)	(11 111)	8 165	22 169	3 719
Waste water management		25 446	15 243	–	–	–	(15 304)	9 504	(5 800)	9 443	21 581	13 120
Waste management		–	1 478	–	–	–	–	(316)	(316)	1 162	388	–
Other		–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	99 914	94 449	–	–	–	228	38 153	38 381	132 830	84 145	94 650
Funded by:												
National Government		56 337	51 240	–	–	–	(420)	–	(420)	50 820	73 981	76 986
Provincial Government		26 000	2 000	–	–	–	648	–	648	2 648	–	–
District Municipality		–	–	–	–	–	–	450	450	450	–	–
Other transfers and grants		1 147	1 147	–	–	–	–	–	–	1 147	–	–
Transfers recognised - capital	4	83 484	54 387	–	–	–	228	450	678	55 065	73 981	76 986
Public contributions & donations		–	–	–	–	–	–	–	–	–	–	–
Borrowing		–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		16 429	40 062	–	–	–	–	37 703	37 703	77 765	10 164	17 664
Total Capital Funding		99 914	94 449	–	–	–	228	38 153	38 381	132 830	84 145	94 664

Significant amendments to the capital budget:

- Reseal of Municipal Roads: Please refer to the table below containing the budget per Town and / or area. Funded by MIG and internal funding.
- Zwelethemba Swimming Pool: R9.00 million budgeted for the 2020/21 financial year. Total budget for the project is R25.00 million.
- Building of Roads – Avian Park: R8.00 million for Ward 12.

- Erosion Protection of Hex River: R3.00 million
- Fire Fighting Equipment (Donated Asset) – R450 000.00
- Furniture and Equipment and Computer Equipment – Various projects. Please refer to table below containing detailed projects.
- RSEP projects (Rollover and reprioritization of projects – see Detailed Capital Budget below).
- Re-prioritization and amendment of MIG allocations – Please see below.

Please refer to Finance Source **8.0** and Finance Code **CNMIG**

- Funded Projects:
 - Pre-loads
 - Resealing of Municipal Roads: Rawsonville, De Doorns, Touwsrivier and Worcester (Avian Park, Riverview, Roodewal and Zwelethemba). See details below.
 - Rawsonville WWTW - Upgrade Wastewater Treatment Works
 - Fire Station: De Doorns

Detailed Capital Budget

Description	Finance Source	Finance Code	Final Budget / Original Budget	Roll overs from 2019/20	Veriments/ Additional funding	Other Adjustments	Adjustments Feb 2021	Total Funded budget 2020/21
Engineering and Public Services								
<u>Not Allocated to Wards</u>								
		-						
<u>Klipvlakte/ Transhex Residential Development (13 000 erven)</u>		-						
External Stormwater pipeline (MIG)	8,0	CNMIG	6 948 409		-2 778 500		-4 169 909	0
New Bus Route (Local Distributor Class 4) Transhex	8,0	CNMIG	11 646 365		-11 646 365			0
Electrical Reticulation	8,2	CNINE	22 097 000			-5 097 000		17 000 000
New High Mast Lighting - Worcester: Zweletemba Housing Project (MIG number 207755)	8,0	CNMIG	7 871				-7 871	0
<u>Reservoirs</u>								
Pre-loads	8,0	CNMIG	12 053 101				-7 899 657	4 153 444
<u>Transhex Sewer Pumpstation and rising main</u>								
Sewer pumpstation and rising main (MIG Counter funding)	3,1	CRR		100 000			-100 000	0
<u>Resealing of Roads</u>								
Resealing of Municipal Roads – Rawsonville	3,2	CRR		1 000 000				1 000 000
Resealing of Municipal Roads – Rawsonville	8,0	CNMIG					724 297	724 297
Resealing of Municipal Roads - Worcester	3,0	CRR		869 175			25 000 000	25 869 175
Resealing of Municipal Roads - Worcester	8,0	CNMIG			14 424 865		-14 424 865	0
Resealing of Municipal Roads - Avian Park	8,0	CNMIG					2 188 394	2 188 394
Resealing of Municipal Roads - Riverview	8,0	CNMIG					886 325	886 325
Resealing of Municipal Roads - Roodewal	8,0	CNMIG					3 797 524	3 797 524
Resealing of Municipal Roads – Zweletemba	8,0	CNMIG					5 670 775	5 670 775
Resealing of Municipal Roads - De Doorns	3,0	CRR		1 000 000				1 000 000
Resealing of Municipal Roads - De Doorns	8,0	CNMIG					4 797 843	4 797 843
Resealing of Municipal Roads - Touws River	3,2	CRR		1 000 000				1 000 000
Resealing of Municipal Roads - Touws River	8,0	CNMIG					9 927 359	9 927 359
<u>Networks</u>								
Replacement of Water Network (Roll-over)	3,0	CRR	1 000 000					1 000 000

Electricity (8112)								
Refurbishment of electrical system	3,0	CRR		2 000 000			-300 000	1 700 000
Cherry Picker vehicles	3,0	CRR	3 860 114				-3 860 114	0
Refurbishment of electrical system (NERSA)								
2) Quality of supply data loggers and monitoring equipment.	3,0	CRR	1 000 000				-1 000 000	0
Durban street. - Replace overhead network to underground network complete.	3,1	CRR		0				0
Area Lighting	7,1	CPDLG	1 147 275					1 147 275
Refuse Removal (6603)								
Worcester : Material Recovery Facility (MIG Counter funding)	3,0	CRR		488 506	-257 124			231 382
SOLID WASTE MANAGEMENT								
WORCESTER								
Worc - Wheeliebins	3,0	CRR		91 740				91 740
Ward 2								
New Retention Ponds - De Doorns: South of N1 (MIG Number 202347)	8,0	CNMIG	372 512				-372 512	0
De Doorns Water Purification Works : Augmentation of DAF Unit (MIG funding)	8,0	CNMIG	3 211 741				-3 211 741	0
Ward 5								
Development of Parks	3,0	CRR		30 731				30 731
Ward 6								
Ward6 - Fencing of substation	3,0	CRR		44 000			-5 277	38 723
Ward6 - Speed humps	3,0	CRR		40 000				40 000
Ward 7								
High to Protea Str. slip lane	3,0	CRR		500 000				500 000
Ward 8								
Replace 11 Kv cable from Mc Allistor to Field Sub (1 600 m @ 185 mm Al PILC)	3,1	CRR		4 484 301			-520 000	3 964 301
Erosion Protection of Hex River : Phase 2 (300m @ R13,333.33/m)	3,0	CRR	1 500 000				1 500 000	3 000 000
Ward 11								
Fencing of Electrical Boxes	3,0	CRR		60 000				60 000
Ward 12								
Ward12 - Upgrading of gravel roads	3,0	CRR					8 000 000	8 000 000
Ward 14								
Fencing of Electrical Boxes	3,0	CRR		60 000				60 000

Speed humps within ward	3,0	CRR		30 000				30 000
<u>Ward 16</u>								
Speed Humps	3,0	CRR		40 000				40 000
<u>Ward 18</u>								
Speed Humps	3,0	CRR		40 000				40 000
<u>Ward 19</u>								
Ward 19 - Development of Playpark								
Speed humps - Goedeman str	3,0	CRR		30 000				30 000
<u>Ward 20</u>								
Bus Stop - Rawsonville Primary School	3,0	CRR		30 000				30 000
<u>Ward 21</u>								
Ward21 - Upgrading of gravel roads	3,0	CRR		1 954 704				1 954 704
Ward21 - Speed Humps	3,0	CRR		30 000	173 000			203 000
<u>SERVICE CONNECTIONS (Depending on Public Contr)</u>								
Sewer Connections	3,3	CRR	1 120 000					1 120 000
Electricity Connections	3,3	CRR		260 659				260 659
Water Connections	3,3	CRR	2 719 200					2 719 200
<u>Others</u>								
Jet Vac truck	3,0	CRR	3 500 000			-814 724		2 685 276
<u>Purchasing of Vehicle & Machinery in lieu of Rental</u>								
Tipper landfillsite (5 cum)	3,0	CRR		340 000	-300 000	814 724	-15 518	839 206
<u>Water & Sewer Networks</u>								
Water & sewer -Upgrading of Building and Facilities	3,0	CRR		412 169	350 000		-222 044	540 125
Water & sewer -Construction of Building for vehicles and equipment	3,0	CRR		350 000	-350 000			0
<u>Waste Water Treatment Works</u>								
<u>Worcester</u>								
Worc WWTW - Machinery and Equipment (Lab incl)	3,0	CRR		319 752			-5 984	313 768
<u>TOUWSRIVER</u>								
Touwsrivier WWTW - Machinery and Equipment	3,0	CRR		62 731	25 964			88 695
Upgrading of the Touwsrivier WWTW	3,0	CRR		41 194	-41 194			0
<u>Rawsonville</u>								
Rawsonville WWTW - Upgrade Waste Water Treatment Works	8,0	CNMIG					350 000	350 000

Land Infill Developments								
Site A - Meirings Park (Erven 1, 6920, 6921)Water	3,0	CRR		292 085				292 085
Site A - Meirings Park (Erven 1, 6920, 6921)Sewer	3,0	CRR		876 009				876 009
Site A - Meirings Park (Erven 1, 6920, 6921)Stormwater	3,0	CRR		189 856				189 856
Site A - Meirings Park (Erven 1, 6920, 6921)Electricity	3,0	CRR		1 980 000				1 980 000
Site D - Avian Park (25 Erven)Roads	3,0	CRR		257 109				257 109
Site D - Avian Park (25 Erven)Stormwater	3,0	CRR		275 000				275 000
Site D - Avian Park (25 Erven)Electricity	3,0	CRR		450 000				450 000
<u>SWIMMING POOL: Zwelethemba - 5125</u>								
Zwelethemba - New Swimming Pool	3,0	CRR		150 453	384 124		9 000 000	9 534 577
<u>Waste Water Treatment Works</u>								
Office furniture chairs and table	3,0	CRR	5 000				-1 119	3 881
<u>Municipal Manager</u>								
<u>Admin -0603</u>								
Furniture and Equipment	3,0	CRR	5 000		55 000			60 000
<u>Project Management -0615</u>								
Play parks Touwsrivier	6,4	CPRSE	240 000	39 212				279 212
Upgrade of soccer pitch in Rawsonville	6,4	CPRSE	420 000				-420 000	0
De Doorns tar-surfaced netball court	6,4	CPRSE	330 000					330 000
Upgrading of playparks in Avian Park, Riverview, Roodewal and Zwelethemba	6,4	CPRSE	260 000					260 000
Sewer connection for neighbourhood centre in Riverview	6,4	CPRSE	450 000					450 000
Upgrade of rugby field in Stofland	6,4	CPRSE	200 000				-200 000	0
Upgrade of rugby field in De Doorns West (Sunnyside Orchards)	6,4	CPRSE					620 000	620 000
Speed humps in Avian Park, Roodewal, Riverview, Touwsrivier and Zwelethemba	6,4	CPRSE		445 000				445 000
Shared Economic Infrastructure Facility for informal traders in Zwelethemba	6,4	CPRSE		163 885				163 885
<u>Community Services</u>								
<u>ADMIN – 0903</u>								
Furniture & Equipment	4,0	CRR	5 000				-3 265	1 735
Youth Café	3,0	CRR	600 000					600 000
<u>HOUSING</u>								
<u>Unallocated DoRA projects - TRANSHEX</u>								
Water Reticulation	20,0	CPHSD	6 000 000			-6 000 000		0
Sewer Reticulation	20,0	CPHSD	6 000 000			-6 000 000		0
Roads	20,0	CPHSD	6 000 000			-6 000 000		0

Stormwater	20,0	CPHSD	6 000 000			-6 000 000		0
<u>WATERLOO LIBRARY - 4506</u>								
Upgrade library	6,1	CPLIB	100 000					100 000
<u>FIRE DEPARTMENT: ADMIN - 4203</u>								
Fire Fighting Equipment - Donated Assets	5,0	CGRDM					450 000	450 000
Fire Station: De Doorns	8,0	CNMIG	0				1 324 039	1 324 039
<u>FINANCIAL SERVICES</u>								
<u>Admin</u>								
Furniture and Equipment	4,0	CRR	5 000		8 000			13 000
Computer Equipment	4,0	CRR					150 000	150 000
<u>Financial Planning</u>								
Safeguarding of Assets	12,0	IF	500 000	400 000				900 000
Insurance claims	12,0	IF	500 000	400 000				900 000
<u>SCM</u>								
FS SCM - Upgrade of new municipal offices	3,0	CRR		1 232 929				1 232 929
<u>Logistics and Mechanical Workshop</u>								
Machinery and Equipment	3,0	CRR					100 000	100 000
<u>COUNCIL & MAYCO</u>								
<u>MAYORAL OFFICE - 0306</u>								
Furniture and Equipment	3,0	CRR	5 000		40 000			45 000
<u>STRATEGIC SUPPORT SERVICES</u>								
<u>STRATEGIC SUPPORT - ADMIN - 2103</u>								
Furniture and Equipment	4,0	CRR	5 000		30 000		-31 727	3 273
<u>CIVIC CENTRE WORCESTER - 3903</u>								
Solar pannel - conversion	3,0	CRR	100 000		-55 000			45 000
<u>WORCESTER TOWN HALL</u>								
Town Hall Roof	3,0	CRR		50 000				50 000
<u>INFORMATION TECHNOLOGY - 2114</u>								
ICT - Computer Equipment	4,0	CRR		381 385	15 230			396 615
Wi-Fi Access Points	3,1	CRR		928 129				928 129

2. Adjustments to Budget Funding

Budget funding in terms of operating and capital expenditure is set out on tables B4 and B5.

WC025 Breede Valley - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 23/02/2021												
Description	Ref	Budget Year 2020/21									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2021/22 Adjusted Budget	+2 2022/23 Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	146 998	146 998	-	-	-	-	-	-	146 998	155 818	166 726
Service charges - electricity revenue	2	452 478	452 478	-	-	-	-	-	-	452 478	476 007	518 373
Service charges - water revenue	2	75 888	75 888	-	-	-	-	-	-	75 888	80 441	86 072
Service charges - sanitation revenue	2	76 490	76 490	-	-	-	-	(2 500)	(2 500)	73 990	81 080	86 756
Service charges - refuse revenue	2	42 092	42 092	-	-	-	-	-	-	42 092	44 618	47 741
Service charges - other		-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		2 223	2 223	-	-	-	-	3 396	3 396	5 618	2 356	2 522
Interest earned - external investments		3 112	3 112	-	-	-	-	2 888	2 888	6 000	3 112	3 112
Interest earned - outstanding debtors		6 467	6 467	-	-	-	-	-	-	6 467	6 855	7 336
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		118 474	118 474	-	-	-	-	-	-	118 474	121 285	124 761
Licences and permits		3 797	3 797	-	-	-	-	-	-	3 797	4 025	4 307
Agency services		8 641	8 641	-	-	-	-	-	-	8 641	9 160	9 801
Transfers and subsidies		208 112	163 725	-	-	-	5 377	-	5 377	169 102	229 803	211 349
Other revenue	2	9 406	9 406	-	-	-	-	-	-	9 406	9 973	10 673
Gains on disposal of PPE		1 320	1 320	-	-	-	-	-	-	1 320	1 399	1 497
Total Revenue (excluding capital transfers and contributions)		1 155 495	1 111 108	-	-	-	5 377	3 784	9 161	1 120 269	1 225 930	1 281 023
Expenditure By Type												
Employee related costs		317 416	307 105	-	-	-	-	22 377	22 377	329 481	336 474	356 965
Remuneration of councillors		18 780	18 780	-	-	-	-	692	692	19 473	19 909	21 304
Debt impairment		85 167	85 167	-	-	-	-	10 000	10 000	95 167	86 216	87 314
Depreciation & asset impairment		95 246	95 246	-	-	-	-	-	-	95 246	99 634	104 225
Finance charges		23 653	23 653	-	-	-	-	-	-	23 653	23 653	23 653
Bulk purchases		326 798	326 798	-	-	-	-	11 000	11 000	337 798	343 748	374 021
Other materials		19 332	19 981	-	-	-	-	15 428	15 428	35 409	19 928	20 554
Contracted services		64 602	68 963	-	-	-	1 211	7 563	8 774	77 736	61 294	63 871
Transfers and subsidies		65 605	4 380	-	-	-	3 736	(19)	3 716	8 096	82 752	52 456
Other expenditure		54 773	61 214	-	-	-	431	10 129	10 560	71 773	54 901	56 105
Loss on disposal of PPE		3 504	3 491	-	-	-	-	-	-	3 491	3 504	3 504
Total Expenditure		1 074 875	1 014 777	-	-	-	5 377	77 169	82 546	1 097 324	1 132 012	1 163 971
Surplus/(Deficit)		80 619	96 331	-	-	-	-	(73 385)	(73 385)	22 946	93 918	117 052
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		82 337	53 240	-	-	-	228	-	228	53 468	73 981	76 986
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		1 147	1 147	-	-	-	-	-	-	1 147	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	450	450	450	-	-
Surplus/(Deficit) before taxation		164 104	150 718	-	-	-	228	(72 935)	(72 707)	78 011	167 899	194 038
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		164 104	150 718	-	-	-	228	(72 935)	(72 707)	78 011	167 899	194 038
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		164 104	150 718	-	-	-	228	(72 935)	(72 707)	78 011	167 899	194 038
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		164 104	150 718	-	-	-	228	(72 935)	(72 707)	78 011	167 899	194 038

WC025 Breede Valley - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 23/02/2021

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget A	Prior Adjusted 5 A1	Accum. Funds 6 B	Multi-year capital 7 C	Unfore. Unavoid. 8 D	Nat. or Prov. Govt 9 E	Other Adjusts. 10 F	Total Adjusts. 11 G	Adjusted Budget 12 H	Adjusted Budget	Adjusted Budget
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Council General		—	—	—	—	—	—	—	—	—	—	—
Vote 2 - Municipal Manager		10	95	—	—	—	784	10	794	889	10	10
Vote 3 - Strategic Support Services		5	482	—	—	—	—	118	118	600	5	5
Vote 4 - Financial Services		—	1 233	—	—	—	—	—	—	1 233	—	—
Vote 5 - Community Services		5	240	—	—	—	1 324	9 297	10 621	10 860	5	5
Vote 6 - Technical Services		61 701	55 373	—	—	—	(1 736)	(23 252)	(24 988)	30 385	30 423	12 000
Vote 7 - [NAME OF VOTE 7]		—	—	—	—	—	—	—	—	—	—	—
Vote 8 - [NAME OF VOTE 8]		—	—	—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—	—	—
Capital multi-year expenditure sub-total	3	61 721	57 422	—	—	—	372	(13 827)	(13 455)	43 967	30 443	12 020
Single-year expenditure to be adjusted	2											
Vote 1 - Council General		—	—	—	—	—	—	—	—	—	—	—
Vote 2 - Municipal Manager		1 900	1 900	—	—	—	(136)	—	(136)	1 764	—	—
Vote 3 - Strategic Support Services		—	928	—	—	—	—	—	—	928	—	—
Vote 4 - Financial Services		1 005	1 805	—	—	—	—	8	8	1 813	805	805
Vote 5 - Community Services		700	700	—	—	—	—	450	450	1 150	—	—
Vote 6 - Technical Services		34 588	31 694	—	—	—	(8)	51 522	51 514	83 208	52 897	81 825
Vote 7 - [NAME OF VOTE 7]		—	—	—	—	—	—	—	—	—	—	—
Vote 8 - [NAME OF VOTE 8]		—	—	—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—	—	—
Capital single-year expenditure sub-total		38 193	37 027	—	—	—	(144)	51 980	51 836	88 863	53 702	82 630
Total Capital Expenditure - Vote		99 914	94 449	—	—	—	228	38 153	38 381	132 830	84 145	94 650
Capital Expenditure - Functional												
Governance and administration		1 625	5 098	—	—	—	—	233	233	5 331	825	825
Executive and council		5	60	—	—	—	—	—	—	60	5	5
Finance and administration		1 620	5 038	—	—	—	—	233	233	5 271	820	820
Internal audit		—	—	—	—	—	—	—	—	—	—	—
Community and public safety		100	415	—	—	—	1 944	9 750	11 694	12 109	—	—
Community and social services		100	385	—	—	—	620	9 300	9 920	10 305	—	—
Sport and recreation		—	31	—	—	—	—	—	—	31	—	—
Public safety		—	—	—	—	—	1 324	450	1 774	1 774	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		19 546	20 540	—	—	—	13 596	35 779	49 374	69 915	2 173	38 986
Planning and development		1 900	1 900	—	—	—	(417)	—	(417)	1 483	—	—
Road transport		17 646	18 640	—	—	—	14 013	35 779	49 791	68 432	2 173	38 986
Environmental protection		—	—	—	—	—	—	—	—	—	—	—
Trading services		78 642	68 396	—	—	—	(15 312)	(7 609)	(22 920)	45 476	81 147	54 839
Energy sources		28 212	32 399	—	—	—	(8)	(5 685)	(5 693)	26 706	37 009	38 000
Water management		24 984	19 276	—	—	—	—	(11 111)	(11 111)	8 165	22 169	3 719
Waste water management		25 446	15 243	—	—	—	(15 304)	9 504	(5 800)	9 443	21 581	13 120
Waste management		—	1 478	—	—	—	—	(316)	(316)	1 162	388	—
Other		—	—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional	3	99 914	94 449	—	—	—	228	38 153	38 381	132 830	84 145	94 650
Funded by:												
National Government		56 337	51 240	—	—	—	(420)	—	(420)	50 820	73 981	76 986
Provincial Government		26 000	2 000	—	—	—	648	—	648	2 648	—	—
District Municipality		—	—	—	—	—	—	450	450	450	—	—
Other transfers and grants		1 147	1 147	—	—	—	—	—	—	1 147	—	—
Transfers recognised - capital	4	83 484	54 387	—	—	—	228	450	678	55 065	73 981	76 986
Public contributions & donations		—	—	—	—	—	—	—	—	—	—	—
Borrowing		—	—	—	—	—	—	—	—	—	—	—
Internally generated funds		16 429	40 062	—	—	—	—	37 703	37 703	77 765	10 164	17 664
Total Capital Funding		99 914	94 449	—	—	—	228	38 153	38 381	132 830	84 145	94 650

3. Adjustments to Expenditure on Allocations and Grant

Please refer to Annexure A.

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

4. Adjustment to Allocations or Grants made by the Municipality

None.

5. Adjustment to Councilor Allowances and Employees

The changes to councilor allowances and employee related cost is provided on table B4.

WC025 Breede Valley - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 23/02/2021												
Description	Ref	Budget Year 2020/21									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H	+1 2021/22	+2 2022/23
Revenue By Source												
Property rates	2	146 998	146 998	—	—	—	—	—	—	146 998	155 818	166 726
Service charges - electricity revenue	2	452 478	452 478	—	—	—	—	—	—	452 478	476 007	518 373
Service charges - water revenue	2	75 888	75 888	—	—	—	—	—	—	75 888	80 441	86 072
Service charges - sanitation revenue	2	76 490	76 490	—	—	—	—	(2 500)	(2 500)	73 990	81 080	86 756
Service charges - refuse revenue	2	42 092	42 092	—	—	—	—	—	—	42 092	44 618	47 741
Service charges - other		—	—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment		2 223	2 223	—	—	—	—	3 396	3 396	5 618	2 356	2 522
Interest earned - external investments		3 112	3 112	—	—	—	—	2 888	2 888	6 000	3 112	3 112
Interest earned - outstanding debtors		6 467	6 467	—	—	—	—	—	—	6 467	6 855	7 336
Dividends received		—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		118 474	118 474	—	—	—	—	—	—	118 474	121 285	124 761
Licences and permits		3 797	3 797	—	—	—	—	—	—	3 797	4 025	4 307
Agency services		8 641	8 641	—	—	—	—	—	—	8 641	9 160	9 801
Transfers and subsidies		208 112	163 725	—	—	—	5 377	—	5 377	169 102	229 803	211 349
Other revenue	2	9 406	9 406	—	—	—	—	—	—	9 406	9 973	10 673
Gains on disposal of PPE		1 320	1 320	—	—	—	—	—	—	1 320	1 399	1 497
Total Revenue (excluding capital transfers and contributions)		1 155 495	1 111 108				5 377	3 784	9 181	1 120 269	1 225 930	1 281 023
Expenditure By Type												
Employee related costs		317 416	307 105	—	—	—	—	22 377	22 377	329 481	336 474	356 965
Remuneration of councillors		19 780	19 780	—	—	—	—	692	692	19 473	19 909	21 304
Debt impairment		85 167	85 167	—	—	—	—	10 000	10 000	95 167	86 216	87 314
Depreciation & asset impairment		95 246	95 246	—	—	—	—	—	—	95 246	99 634	104 225
Finance charges		23 653	23 653	—	—	—	—	—	—	23 653	23 653	23 653
Bulk purchases		325 798	325 798	—	—	—	—	11 000	11 000	337 798	343 748	374 021
Other materials		19 332	19 981	—	—	—	—	15 428	15 428	35 409	19 928	20 554
Contracted services		64 602	68 963	—	—	—	1 211	7 963	8 774	77 736	61 294	63 871
Transfers and subsidies		65 605	4 380	—	—	—	3 736	(19)	3 716	8 096	82 752	52 456
Other expenditure		54 773	61 214	—	—	—	431	10 129	10 560	71 773	54 901	56 105
Loss on disposal of PPE		3 504	3 491	—	—	—	—	—	—	3 491	3 504	3 504
Total Expenditure		1 074 875	1 014 777				5 377	77 169	82 546	1 097 324	1 132 012	1 163 971
Surplus/(Deficit)		80 619	96 331					(73 385)	(73 385)	22 946	93 918	117 052
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		82 337	53 240	—	—	—	228	—	228	53 468	73 981	76 986
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		1 147	1 147	—	—	—	—	—	—	1 147	—	—
Transfers and subsidies - capital (in-kind - all)		—	—	—	—	—	—	450	450	450	—	—
Surplus/(Deficit) before taxation		164 104	150 718	—	—	—	228	(72 935)	(72 707)	78 011	167 890	194 038
Taxation		—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation		164 104	150 718	—	—	—	228	(72 935)	(72 707)	78 011	167 890	194 038
Attributable to minorities		—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		164 104	150 718	—	—	—	228	(72 935)	(72 707)	78 011	167 890	194 038
Share of surplus/(deficit) of associate		—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year		164 104	150 718				228	(72 935)	(72 707)	78 011	167 890	194 038

6. Adjustment to Service Delivery and Budget

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

WC025 Breede Valley - Table B10 Basic service delivery measurement - 23/02/2021												
Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7	8	9	10	11	12	13	14		
Household service targets	1											
Water:												
Piped water inside dwelling		19 372	19 372	–	–	–	–	–	–	19	19 372	19 372
Piped water inside yard (but not in dwelling)		3 879	3 879	–	–	–	–	–	–	4	3 879	3 879
Using public tap (at least min.service level)	2	6 949	6 949	–	–	–	–	–	–	7	6 949	6 949
Other water supply (at least min.service level)		–	–	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	3	30	30	–	–	–	–	–	–	30	30	30
Using public tap (< min.service level)	3,4	–	–	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)		–	–	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–	–	–
Total number of households	5	30	30	–	–	–	–	–	–	30	30	30
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		18 555	18 555	–	–	–	–	–	–	18 555	18 555	18 555
Flush toilet (with septic tank)		2 687	2 687	–	–	–	–	–	–	2 687	2 687	2 687
Chemical toilet		4 263	4 263	–	–	–	–	–	–	4 263	4 263	4 263
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		25 504	25 504	–	–	–	–	–	–	25 504	25 504	25 504
Bucket toilet		–	–	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–	–	–
Total number of households	5	25 504	25 504	–	–	–	–	–	–	25 504	25 504	25 504
Energy:												
Electricity (at least min. service level)		2 977	2 977	–	–	–	–	–	–	2 977	2 977	2 977
Electricity - prepaid (> min.service level)		21 150	21 150	–	–	–	–	–	–	21 150	21 150	21 150
Minimum Service Level and Above sub-total		24 127	24 127	–	–	–	–	–	–	24 127	24 127	24 127
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–	–	–
Total number of households	5	24 127	24 127	–	–	–	–	–	–	24 127	24 127	24 127
Refuse:												
Removed at least once a week (min.service)		48 995	48 995	–	–	–	–	–	–	48 995	48 995	48 995
Minimum Service Level and Above sub-total		48 995	48 995	–	–	–	–	–	–	48 995	48 995	48 995
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–	–	–
Total number of households	5	48 995	48 995	–	–	–	–	–	–	48 995	48 995	48 995
Households receiving Free Basic Service	15											
Water (6 kilolites per household per month)		8 700	8 700	–	–	–	–	–	–	8 700	8 700	8 700
Sanitation (free minimum level service)		8 700	8 700	–	–	–	–	–	–	8 700	8 700	8 700
Electricity/other energy (50kwh per household per month)		10 500	10 500	–	–	–	–	–	–	10 500	10 500	10 500
Refuse (removed at least once a week)		8 700	8 700	–	–	–	–	–	–	8 700	8 700	8 700
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolites per household per month)		9 383	9 383	–	–	–	–	–	–	9 383	9 946	10 642
Sanitation (free sanitation service)		17 088	17 088	–	–	–	–	–	–	17 088	18 113	19 200
Electricity/other energy (50kwh per household per month)		4 793	4 793	–	–	–	–	–	–	4 793	5 081	5 385
Refuse (removed once a week)		9 425	9 425	–	–	–	–	–	–	9 425	9 990	10 590
Total cost of FBS provided (minimum social package)		40 688	40 688	–	–	–	–	–	–	40 688	43 129	45 816
Highest level of free service provided												
Property rates (R'000 value threshold)		150 000	150 000	–	–	–	–	–	–	150 000	150 000	150 000
Water (kilolites per household per month)		10	10	–	–	–	–	–	–	10	10	10
Sanitation (kilolites per household per month)		–	–	–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		296	296	–	–	–	–	–	–	296	313	332
Electricity (kw per household per month)		50	50	–	–	–	–	–	–	50	50	50
Refuse (average litres per week)		240	240	–	–	–	–	–	–	240	240	240
Revenue cost of free services provided (R'000)	17											
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		–	–	–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		20 633	20 633	–	–	–	–	–	–	20 633	21 871	23 402
Water (in excess of 6 kilolites per indigent household per month)		–	–	–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		8 126	8 126	–	–	–	–	–	–	8 126	8 613	9 130
Housing - top structure subsidies		–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	6	28 759	28 759	–	–	–	–	–	–	28 759	30 484	32 532

7. Adjustment to Capital Spending Detail

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

Please refer to Annexure A.

8. Other Supporting Documents

- National treasury electronic revised budget report, SB1-SB19 as **Annexure A**

- Signed quality certificate as **Annexure B**

Comment of Directorates / Departments concerned:

Municipal Manager:	Recommendation Supported
Director: Strategic Support Services:	Recommendation Supported
Director: Financial Services:	Recommendation Supported
Director: Engineering Services:	Recommendation Supported
Director: Community Services:	Recommendation Supported
Acting Director: Public Services:	Recommendation Supported

RECOMMENDATION:

That in respect of

Adjustments budget for the Financial Year 2020/21

discussed by council at the Council meeting held on 23 February 2021:

1. Council resolves that the budget of Breede Valley Municipality for the financial year 2020/21 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.

PROPOSED: ALDERMAN A. STEYN

SECONDED: CLLR W.R. MEIRING

VOTES IN FAVOUR OF THE PROPOSAL BY ALDERLADY STEYN: 22

RESOLVED

C15/2021

That in respect of

Adjustments budget for the Financial Year 2020/21

discussed by council at the Council meeting held on 23 February 2021:

- 1. Council resolves that the budget of Breede Valley Municipality for the financial year 2020/21 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.**

To Action

R. Ontong

6.2 PROPOSED AMENDMENTS OF THE TOP-LAYER KEY PERFORMANCE INDICATORS (TL KPI's) AS INDICATED IN THE 2020/21 SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN (SDBIP)

File No./s: 3/15/1

Responsible Official: C. Malgas

Directorate: Strategic Support Services **Portfolio:** Performance Management

1. PURPOSE

To submit the proposed amendments of the TL KPI's, as encapsulated in the "***Annexure A - 2020-21 Top Layer SDBIP - Proposed Amendments***", to Council for approval thereof.

2. BACKGROUND:

In terms of Section 54 (1)(c) of the Municipal Finance Management Act, No. 56 of 2003, read together with MFMA Circular 13, the mayor (on receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72) must:

- consider and, if necessary, make any revision to the SDBIP, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget.

By exercising its oversight role in this regard, Council can effectively ensure that service delivery targets and indicators are not revised downwards as a result of poor performance. The proposed amendments of the TL KPI's (as per the 2020/21 SDBIP) are encapsulated in "***Annexure A - 2020-21 Top Layer SDBIP - Proposed Amendments***".

A summary of the key proposed amendments is depicted in the table below:

Directorate	TL KPI Ref	Summary of Proposed Changed
Municipal Manager	TL1 - 4	<ul style="list-style-type: none"> • TL3 reassigned to the Directorate: PS in accordance with Council Resolution C9/2021; • Ward details (TL3) have been updated; • Baseline figures (TL3 – 4) amended in accordance with the 2019/20 pre-audited actuals; and • TL4 target amended to 90%, based on prior-year targets & actual performance.
Directorate: SSS	TL5 - 9	<ul style="list-style-type: none"> • Baseline figures (TL5 - 8) amended in accordance with the 2019/20 pre-audited actuals; and • TL9 KPI Name & Targets amended to 4, as 4 SLA's have been signed with LTA's.
Directorate: FS	TL10 - 26	<ul style="list-style-type: none"> • Baseline figures (TL10 – 22, 24 & 26) amended in accordance with the 2019/20 pre-audited actuals; • Annual & corresponding quarterly targets (TL10 & 12 – 17) amended in accordance with amended & corresponding baseline figures; • KPI Name (TL20) adjusted in accordance with the description contained in circular 71 (Financial Ratios & Norms); • KPI Name & corresponding targets (TL22) amended to 25%, in accordance with mid-year performance actual. Target is still within the prescribed norm; and • KPI Name & corresponding targets (TL25 – 26) amended in accordance with the exemption notice on (amongst others) section 126 of the MFMA, as issued by National Treasury.
Directorate: CS	TL27 - 30	<ul style="list-style-type: none"> • TL27 proposed for removal due to the impact of Covid-19. Brethalysers are not permitted for use due to its risk of increased transmissions; • TL28 proposed for removal due the municipality's reliance on an external service provider appointed by Province, hence, the municipality does not have control over the output, timeframes and deliverables linked to the KPI; • Based on the proposed removals, 3 new TL KPI's proposed. This includes (1) plan & conduct 10 roadblocks (checking vehicle registration, roadworthiness & driver license validity); (2) compiling a rental unit maintenance plan & submission

		<p>to Council before 30 June 2021; and (3) review the disaster management plan and submit to Council before 31 March 2021 (KPI escalated from departmental level – D276); and</p> <ul style="list-style-type: none"> • Baseline figure (TL29) amended in accordance with the 2019/20 pre-audited actuals.
Directorate: PS	TL31 - 34	<ul style="list-style-type: none"> • TL31 – 34 reassigned to the Directorate: PS (from previous Directorate: Technical Services) in accordance with Council Resolution C9/2021; • Baseline figures (TL31 - 34) amended in accordance with the 2019/20 pre-audited actuals; and • KPI Name & Unit of Measurement (TL32) amended based on the purpose of the KPI. A review of the plan is not relevant as initially stated. The plan was developed in May 2020, approved by Council in July 2020, but not (at that stage) included as sector input into the IDP, as the IDP was already finalised during the timeframe mentioned above. As a result, the intention is to include the 4th Generation IWMP as sector input into the current (2021/22) IDP review document, after which implementation thereof can commence.
Directorate: ES	TL35 - 41	<ul style="list-style-type: none"> • TL35 – 37 & 39 – 41 reassigned to the Directorate: ES (from previous Directorate: Technical Services) in accordance with Council Resolution C9/2021; • TL38 proposed for removal as the Fleet Management function has been reassigned to the Directorate: FS. The intention of the KPI under the previous Directorate: TS, was to track the % capital expenditure on procurement of fleet within the applicable directorate. As the function has since been moved, the KPI is no longer relevant. However, reporting against the % of capital budget spent on the procurement of <u>all</u> fleet will be taken into account in TL4 (<i>“The percentage of the municipal capital budget spent on projects as at 30 June 2021”</i>) under the auspices of the Municipal Manager; • Baseline figures (TL35 – 37 & 39 – 40) amended in accordance with the 2019/20 pre-audited actuals; • Ward details (TL39) have been updated; and • Municipal KPA & Strategic Objective (TL41) amended, as higher performance achieved in this KPI, will contribute towards a safer environment, hence, the relevance of the proposed amendment

3. FINANCIAL IMPLICATIONS

None

4. APPLICABLE LEGISLATION / COUNCIL POLICY

Local government: Municipal Systems Act, No. 32 of 2000.

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

MFMA Circular 13

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

Acting Director: Public Services: Supported

Senior Manager Legal Services: Supported

RECOMMENDATION

That in respect of:

The proposed amendments of the TL KPI's as indicated in the 2020/21 SDBIP

As discussed by Council at the Council Meeting held on 23 February 2021:

- 1. That Council approves the proposed amendments of the TL KPI's as encapsulated in Annexure A - 2020-21 Top Layer SDBIP - Proposed Amendments**

PROPOSED: CLLR W.R. MEIRING

SECONDED: CLLR J.R. JACK

RESOLVED

C16/2021

That in respect of:

The proposed amendments of the TL KPI's as indicated in the 2020/21 SDBIP

As discussed by Council at the Council Meeting held on 23 February 2021:

1. That Council approves the proposed amendments of the TL KPI's as encapsulated in Annexure A - 2020-21 Top Layer SDBIP - Proposed Amendments.

To Action

C. Malgas

**6.3 PROPOSED 2021/22 IDP & BUDGET PUBLIC PARTICIPATION
METHODOLOGY – APRIL 2021****File No./s:** 10/3/8**Responsible Official:** C Malgas**Directorate:** Strategic Support Services**Portfolio:** IDP

1. PURPOSE

To inform Council of the proposed methodology linked to the 2021/22 IDP & Budget public participation methodology, specifically on the backdrop of the Covid-19 pandemic and uncertainties linked hereto and obtain subsequent endorsement of the proposed methodology.

2. BACKGROUND

The municipal IDP and Budget are statutory documents prescribed in Chapter 5 of the Local Government: Municipal Systems Act, No.32 of 2000 (hereafter referred to as the MSA) and Chapter 4 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (hereafter referred to as the MFMA) respectively. Legislation prescribes that these statutory documents be reviewed/amended on an annual basis, and (amongst others) calls for the involvement of local communities in these processes. Chapter 4 of the MSA, specifically prescribes community participation within matters of local government. Section 16(1)(a) (i) & (iv) respectively, state that a municipality must develop a culture of municipal governance that compliments formal representative government with a system of participatory governance and must for this purpose encourage and create conditions for the local community to participate in the affairs of

the municipality. This includes the preparation, implementation and review of its IDP in terms of Chapter 5 and also the preparation of its budget.

On this premise, the municipality reviews these statutory documents on a yearly basis. The draft versions are, on a yearly basis, submitted to Council by no later than the 31st of March after which, subject to Council's notification/approval hereof, the municipality embarks on a public participation process (March/April). These sessions are normally structured and conducted as full public engagement(s) per ward, open to any citizen/stakeholder within society, but specifically targeting the citizen/stakeholder residing within the applicable ward that has been scheduled on a particular date (attendance often ranges between 50 – 250 persons per ward engagement). After concluding all engagements and requisite consultations as prescribed by law, the municipality considers all inputs/representations and amends the documents accordingly (if required). The documents are then resubmitted to Council for final approval and adoption by no later than 31 May each year.

Since March/April 2020, the nature of these engagements has significantly been affected due to the Covid-19 pandemic. It is common knowledge that the risk of mass infections is greater during large gatherings, hence, the introduction of regulations restricting/limiting such gatherings. Taking due cognisance of the purpose and nature of the envisaged public participation engagements (i.e. to engage as many citizens as possible); BVM's recent status as a Covid-19 hotspot area and subsequent uncertainty linked to future infection rates (particularly on the backdrop of relaxed alert level 3 regulations); an anticipated third wave of infections and uncertainty regarding the efficacy and rollout of a vaccine, an alternative engagement methodology is proposed. These alternatives serve as precautionary mechanism against a potential spike in Covid-19 infections within the locality, that may occur as a result of a large gathering(s) and comprises of the following:

- Upon Council's notification/approval of the draft documents, hard copies will be circulated to each municipal head office per town as well as all libraries (subject to libraries being
-

permitted to operate in accordance with Covid-19 regulations). In addition, electronic copies will be uploaded on the municipal website for public access;

- Engagements will be planned & scheduled with each ward Councillor & his/her committee. The detail of these planned engagements is depicted in Annexure A;
 - An interactive video will be produced, providing a concise overview of the 2021/22 IDP and Budget. This video will be published on all municipal social media platforms as well as the municipal website;
 - Citizens/stakeholders are encouraged to scrutinise this documentation/publication and submit their inputs/representations via the following mechanisms:
 - Directly to their respective ward councillors, ward committee members and/or on the ward specific Whatsapp groups (where applicable), to ensure that inputs/representations on the draft IDP and Budget are relayed to the municipality. Ward committees, as per GN 965 “Guidelines for the establishment and operation of municipal ward committees”, may be delegated the duty and responsibility to (amongst others) disseminate information in the ward concerning municipal affairs such as the budget and IDP, and also ensure constructive and harmonious interaction between the municipality and community through the use and co-ordination of ward residents meetings
 - Official municipal e-mail addresses:
 - IDP: idp@bvm.gov.za
 - Budget: bvolschenk@bvm.gov.za or acrotz@bvm.gov.za
 - Via the link: <https://bvm.gov.za/page-templates-2/contact-us/> on the municipal website
 - By submitting relevant comments on the subject matter to be posted on municipal social media platforms (i.e. Facebook)
 - By availing relevant municipal officials at municipal offices (strict adherence to Covid-19 protocols) to capture inputs (only applicable for citizens that cannot read and/or write, and unable to access any of the means mentioned above)
-

3. COMMENT

Copies of the proposed ward committee engagement scheduled is attached for Council's perusal:

- Annexure A – Proposed IDP & Budget Ward Committee Engagement Schedule – April 2021

4. FINANCIAL IMPLICATIONS

None

5. APPLICABLE LEGISLATION / COUNCIL POLICY

Municipal Finance Management Act, No. 56 of 2003

Municipal Systems Act, No. 32 of 2000

COMMENTS OF DIRECTORATES CONCERNED

Municipal Manager: Supported

Director Strategic Support Services: Supported

Director Financial Services: Supported

Director Engineering Services: Supported

Director Community Services: Supported

Acting Director: Public Services: Supported

RECOMMENDATION

That in respect of-

The proposed 2021/22 IDP & Budget public participation methodology scheduled in April 2021

as discussed by Council at the Council meeting held on 23 February 2021:

1. That Council takes note of- & endorse the proposed public participation methodology:
 - a. Circulating hardcopies of the applicable documents (as noted by Council) to all municipal head offices & libraries and uploading soft copies thereof on the municipal website for public scrutiny & input
 - b. Planning & hosting ward committee engagements (as depicted in Annexure A and subject to confirmation by each ward Councillor)
 - c. Producing & publishing an interactive video, providing a concise overview of the 2021/22 IDP & Budget, on the municipal website and social media platforms for public scrutiny & input
 - d. That citizens be encouraged to submit their representations & inputs on these documents, via the following means:
 - All official and non-official ward committee structures and platforms
 - Official municipal email addresses (idp@bvm.gov.za / bvolschenk@bvm.gov.za / acrotz@bvm.gov.za)
 - Via the municipal website: <https://bvm.gov.za/page-templates-2/contact-us/>
 - By submitting relevant comments on the subject matter to be posted on municipal social media platforms (i.e. Facebook)
 - Relevant municipal officials availed at municipal offices (strict adherence to Covid-19 protocols) to capture inputs (only applicable for citizens that cannot read and/or write, and unable to access any of the means mentioned above)
-

PROPOSED: CLLR W.R. Meiring

SECONDED: CLLR E. VAN DER WESTHUIZEN

RESOLVED

C17/2021

That in respect of-

The proposed 2021/22 IDP & Budget public participation methodology scheduled in April 2021

as discussed by Council at the Council meeting held on 23 February 2021:

1. That Council takes note of- & endorse the proposed public participation methodology:
 - a. Circulating hardcopies of the applicable documents (as noted by Council) to all municipal head offices & libraries and uploading soft copies thereof on the municipal website for public scrutiny & input
 - b. Planning & hosting ward committee engagements (as depicted in Annexure A and subject to confirmation by each ward Councillor)
 - c. Producing & publishing an interactive video, providing a concise overview of the 2021/22 IDP & Budget, on the municipal website and social media platforms for public scrutiny & input
 - d. That citizens be encouraged to submit their representations & inputs on these documents, via the following means:
 - All official and non-official ward committee structures and platforms
 - Official municipal email addresses (idp@bvm.gov.za / bvolschenk@bvm.gov.za / acrotz@bvm.gov.za)
 - Via the municipal website: <https://bvm.gov.za/page-templates-2/contact-us/>
 - By submitting relevant comments on the subject matter to be posted on municipal social media platforms (i.e. Facebook)
 - Relevant municipal officials availed at municipal offices (strict adherence to Covid-19 protocols) to capture inputs (only applicable for citizens that cannot read and/or write, and unable to access any of the means mentioned above)
-

2. That the relevant Director/s be instructed to also investigate and implement any other acceptable measures to enhance the involvement of the public in the IDP/Budget participation process and that such measures be devised in consultation with ward councillors.

To Action

C. Malgas

**6.4 2019/2020 YEAR-END PERFORMANCE EVALUATION REPORT
OF THE SECTION 57 MANAGERS (MUNICIPAL MANAGER & MANAGERS
DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER/DIRECTORS)****File No. /s:** 3/15/1**Responsible Official:** C. Malgas**Directorate:** Strategic Support Services**Portfolio:** IDP/PMS/SDBIP

1. PURPOSE

To notify Council of the performance outcomes achieved by the Section 57 Managers (as per the Year-end Evaluation Report), as prescribed by the applicable legislative prescripts.

2. BACKGROUND**2.1 Employment Contracts & Performance Agreements:**

In terms of section 57 of the Municipal Systems Act, No. 32 of 2000 (hereafter referred to as the MSA), a person to be appointed as a Municipal Manager or Director may only be appointed in that position:

- (a) in terms of a written employment contract with the municipality; and
- (b) a separate performance agreement concluded annually.

The Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, notice 805 of 2006 (hereafter referred to as the MPRMM&M), stipulates that the Employment Contract of Section 57 Managers, subject to labour legislation, specifically delineates the terms of employment such as:

- a) details of duties;
- b) remuneration;
- c) benefits; and
- d) other terms and conditions of employment

The Performance Agreements on the other hand, provides assurance to the Municipal Council of what can and should be expected from their Municipal Manager and Directors. The purpose thereof is to:

- Comply with the provisions of Sections 57(1)(b), (4A), (4B) and (5) of the Systems Act as well as the employment contract entered into between the parties;
 - Specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's
-

performance and accountabilities in alignment with the IDP, SDBIP and the budget of the municipality;

- Specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- Monitor and measure performance against set targeted outputs;
- Use the performance agreement as the basis for the subsequent performance evaluation to assess whether the employee has met the performance expectations applicable to his or her job;
- In the event of outstanding performance, to appropriately reward the employee; and
- Give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

The following conditions should be noted when considering the employment contract and performance agreement respectively:

Type	Validity Period	Position	Parties	
			Employer	Employee
Employment Contract	5-year contract	Municipal Manager	Executive Mayor	Municipal Manager
	10-year contract	Directors	Municipal Manager	Directors
Performance Agreement	1-year agreement	Municipal Manager	Executive Mayor	Municipal Manager
		Directors	Municipal Manager	Directors

The Performance Agreements for the period under review (i.e. 2019/20), served before Council on 20 August 2019 (Council Resolution C67/2019); while the corresponding Annexure A's hereof (KPI component only), were amended and signed by the relevant parties in March 2020. Council should note that amendments are permitted subject to the mid-year evaluation, as will be elaborated on in bullet 5 of the subsequent section.

2.2 Monitoring & Evaluation of Performance:

Monitoring and evaluation of performance is conducted frequently, and in line with the applicable legislative prescripts. Regulation 26 (5) of the MPRMM&M states that performance must be measured against the Key Performance Area's/Indicators (KPA's/KPI's) and Core Competency Requirements, based on an 80:20 weighting respectively.

KPA's/KPI's – 80% of Performance Outcome

The KPA's/KPI's are encapsulated in the Service Delivery and Budget Implementation Plan (SDBIP) and approved by the Executive Mayor (in terms of Section 53 of the Municipal Finance Management Act and Circular 13 of the MFMA) prior to the commencement of a particular financial year. In addition, the approved SDBIP is submitted to Council for notification. The KPI's, as encapsulated in the SDBIP, are split between top-layer and departmental KPI's. These KPI's, as stated in bullet 3 of the preceding section, are incorporated into the Performance Agreement of

each Section 57 Manager and serves as basis for the performance monitoring and evaluation conducted throughout a particular year in review.

As the KPA/KPI component contributes 80% to the overall performance outcome, various monitoring and evaluation mechanisms are implemented to verify performance. These include:

- Quarterly/mid-yearly and yearly reporting to Council on the performance realised in relation to each top-layer KPI
 - Monthly monitoring and reporting on departmental KPI's (Section 57 Managers and appointed line Managers)
 - Independent internal scrutiny and auditing of top-layer KPI's by Internal Audit as well as the Municipal Audit & Performance Audit Committee, coupled with report back to Management and Council which specifically elaborates on:
 - the KPI's degree of compliance with the SMART-principles (i.e. Specific, Measurable, Achievable, Relevant and Time-based); and
 - each KPI's performance status/progress
 - Independent external scrutiny and auditing of top-layer KPI's by the Auditor-General, coupled with report back to Management which specifically elaborates on the Auditor-General's:
 - evaluation of the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework;
 - procedures to determine whether performance information was properly presented and whether performance was consistent with the approved performance planning documents;
 - procedures to determine whether the indicators and related targets were measurable and relevant; and
 - assessment of the reliability of the reported performance information to determine whether it was valid, accurate and complete
 - Informal & formal performance evaluations conducted as follows:
 - Informal Evaluations: Quarters 1 & 3 – evaluations conducted by Section 57 Manager, with the applicable Management team
 - Formal Evaluations: Quarters 2 (mid-year) & 4 (year-end) – evaluations conducted by a panel as constituted in terms of regulation 27 (4)(d) of the MPRMM&M. The outcomes of the year-end performance evaluation (quarter 4) is used to determine the overall performance score for a particular year under review. The mid-year evaluation serves as opportunity to reflect on performance progress realised within the first half of a particular financial year, primarily to institute proactive corrective measures as and where applicable. Amendment(s) made to the TL KPI's as a result of this evaluation, will constitute a corresponding amendment of the Performance Agreements (only Annexure A thereof). The year-end evaluation is utilised to determine the final/overall performance outcome achieved by each Section 57 Manager in that particular financial year.
-

Core Competency Requirements – 20% of Performance Outcome

Annexure A of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, notice 21 of 2014, provides a competency framework that should be portrayed by all Section 57 Managers. Consequently, Section 57 Managers are assessed, during the formal performance evaluations, on the back-drop of this competency framework. The outcome obtained during the year-end performance evaluation will contribute 20% to the overall performance outcome.

The table below, presents the performance outcomes of the Section 57 Managers as obtained at the end of the 2019/20 financial year (based on the year-end performance review)

Employee	Operational % (80%)	Competencies % (20%)	Final Score (100%)
Mr D McThomas	63.80%	19.33%	83.13%
Mr R Esau	64.80%	19.67%	84.47%
Mr R Ontong	67.00%	17.67%	84.67%
Mr J Steyn	64.90%	17.33%	82.33%
Mr S Swartz	63.00%	17.67%	80.67%

2.3 Payment of Performance Bonusses:

Section 57 (4B) of the MSA states that bonuses based on performance, be awarded to Section 57 Managers after the end of the financial year and only after an evaluation of performance and approval of such evaluation of the municipal council concerned. This section is underpinned by regulation 8 of the MPRMM&M, which states (amongst others) that performance bonuses be paid to the employee after:

- The annual report for the financial year under review has been tabled and adopted by the municipal council;
- an evaluation of performance in accordance with the provisions of regulation 23 (which elaborates on the purpose and of the performance agreement); and
- approval of such evaluation by the municipal council as a reward for outstanding performance

With regards to bullet 3 above, Council should note that it has (in terms of Section 59 of the MSA coupled with delegation P.1.05.1 of the Breede Valley Municipality's approved System of Delegations - Council Resolution C61/2016), delegated the authority of approving the performance evaluation to the Executive Mayor of Breede Valley Municipality. The performance outcome as per this report was approved by the Executive Mayor in line with this delegated authority.

Council should further note that to date, no performance bonuses have been paid for the 2019/20 financial year under review.

3. COMMENT

Copies of the following supporting documents are attached for Council's perusal:

- Annexure A – Extract of the TL KPI Annual Performance Report as per the 19/20 Draft Annual Report
- Annexure B - The 2019/20 S57 Year-end Performance Evaluation Report & Supporting Documentation

4. FINANCIAL IMPLICATIONS

Payment of performance bonuses to Section 57 Managers based on the performance outcome achieved in the 2019/20 financial year, are subject to, and aligned with the applicable legislative prescripts, contractual agreements stipulating (amongst others) the % to be paid based on performance outcomes, approval of the performance outcomes by the Executive Mayor and the approved budget. The actual calculation and payment hereof, will be facilitated by the Salary Department, subject to compliance with all the conditions stated above and in preceding sections. This transaction's compliance with the mentioned provisions, will be audited by the Auditor-General.

5. APPLICABLE LEGISLATION/COUNCIL POLICY

- Chapter 7 of the Local Government: Municipal Systems Act, No. 32 of 2000
- Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, Notice 805 of 2006 Local Government Municipal Systems Amendment Bill, No 7 of 2011
- Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, notice 21 of 2014

COMMENT OF DIRECTORATES/DEPARTMENTS CONCERNED

Municipal Manager: Supported

Chief Internal Auditor: Supported

Senior Manager – Legal Services: Supported

RECOMMENDATION

That in respect of-

The 2019/20 Section 57 Year-end Performance Evaluation Report of the Municipal Manager and Managers directly accountable to the Municipal Manager,

As discussed by Council at the Council meeting held on 23 February 2021:

1. That Council takes note of the performance outcomes achieved by the respective Section 57 Managers (as per the 2019/20 Section 57 Year-end Performance Evaluation Report) as endorsed by the Executive Mayor.

PROPOSED: CLLR W.R. MEIRING

SECONDED: CLLR P. RAMOKHABI

RESOLVED

C18/2021

That in respect of-

The 2019/20 Section 57 Year-end Performance Evaluation Report of the Municipal Manager and Managers directly accountable to the Municipal Manager,

As discussed by Council at the Council meeting held on 23 February 2021:

1. That Council takes note of the performance outcomes achieved by the respective Section 57 Managers (as per the 2019/20 Section 57 Year-end Performance Evaluation Report) as endorsed by the Executive Mayor.

To Action

C. Malgas

6.5 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: JANUARY 2021**File No./s:** 2/1/1/1**Responsible Official:** R. Ontong**Directorate:** Financial Services**Portfolio:** Supply Chain Management

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 January 2021.

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 January 2021, 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: Technical Services: Noted

Director: Community Services: Noted

Senior Manager: Legal Services: Noted

RECOMMENDATION

In respect of

REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: JANUARY 2021

as discussed by Council at the Council Meeting held on 23 February 2021:

1. That the deviations from the procurement processes, approved in terms of the delegated authority for the month of January 2021, be noted.

PROPOSED: CLLR W.R. MEIRING

SECONDED: CLLR T. WEHR

RESOLVED

C19/2021

In respect of

REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: JANUARY 2021

as discussed by Council at the Council Meeting held on 23 February 2021:

1. That the deviations from the procurement processes, approved in terms of the delegated authority for the month of January 2021, be noted.

To Action

M. Potgieter

**6.6 IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF MUNICIPAL PROPERTY:
ERF 5595, SITUATED AT 1 PHILLY MAPUTANE STREET, DE DOORNS****File no.:** 9/2/1/1/14**Responsible Official:** H Potgieter**Directorate:** SSS**Portfolio:** Legal Services

1. PURPOSE

The purpose of this item is to obtain approval for the disposal of Erf 5595, situated at 1 Philly Maputane Street, De Doorns.

2. BACKGROUND / DISCUSSION

It was previously resolved that the above erf be made available to the Department of Social Development ("DSD") for ECD purposes. Legal Services: Property Administration had multiple engagements with DSD to determine whether they will be able to take control of the erf as well as utilise it for ECD purposes. It was confirmed by DSD that they are not in the position to take control of or use the erf for ECD purposes.

Various requests were received from the community of De Doorns for the municipality to avail land for ECD purposes. It also came to light that there are no proper ECD facilities available within the Mpumelelo/Lubisi area. This is indicative that a need exists in this area, hence availing the above erf will alleviate the need for ECD facilities. The municipality also has a constitutional duty to avail childcare facilities within its municipal jurisdiction.

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

1. Erf 5595: Situated at 1 Philly Maputane Street, De Doorns ±1045m² in extent. The erf is currently zoned as Institutional Zone I.

Should Council resolve in principle to avail the erf , it is recommended that the erf only be utilised for purposes permitted under **Institutional Zone I**. This zoning scheme define said zoning as:

“Institutional Zone I: Primary use “a place of instruction” and consent use is “a place of assembly”.

EVALUATION

A. **LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003**
(“MFMA”)

“14. Disposal of capital assets

- (1) *A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.*
- (2) *A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public—*
- (a) *has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and*
-

- (b) *has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.*
- (3) *A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.*
- (4) *A municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection (2)(a) and (b) in respect of movable capital assets below a value determined by the council.*
- (5) *Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111.*
- (6) *This section does not apply to the transfer of a capital asset to another municipality or to a municipal entity or to a national or provincial organ of state in circumstances and in respect of categories of assets approved by the National Treasury, provided that such transfers are in accordance with a prescribed framework.”*

The comments from the internal departments did not indicate that the property is needed for the provision of minimum level of basic municipal services, nor for operational purposes. There will be adherence to this section in that the erf will be alienated by means of a competitive process in the open market.

HCB Property Valuations determined the market related value of the property in the amount of R95 000.00 (Ninety-Five Thousand Rand), VAT Excluded.

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

Subsection 14(2)(b) of the MFMA is articulated in the Breede Valley Land Management and Disposal Policy which relevant portion determines that the purchase price for registered social care organizations/institutions shall be fixed at a minimum of 50% of the fair market value. This provision in the Land Management and Disposal Policy only focus on specific types of organizations/institutions, however in light of the cited case above it is clear that this consideration should be applied to all disposals in terms of section 14 of the Municipal Finance Management Act. The community value and economic value may however differ from the type of property as well as the purpose the property is made available for.

In this instance, the community of De Doorns will receive a benefit in that the need for ECD facilities will be addressed. The property will also be developed into a childcare facility. This will prevent illegal dumping on the erven as well as illegal land invasions, thus by disposing this erf the issue will be resolved as the purchaser has to develop within two (2) years from the date of transfer.

B. MUNICIPAL ASSET TRANSFER REGULATIONS

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

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

The asset is not required for Municipal use.

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

The erf will be disposed of by means of a competitive process in the open market.

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

The Municipality will receive payment of the purchase price which will be a financial benefit to the Municipality as well as future payment for rates and taxes.

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

The reward for the Municipality would be receipt of the purchase price.

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

No detrimental effect will be experienced on the credit rating.

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

The property is only to be utilised for the use permitted under Institutional Zone I.

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

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

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

No transfer of reserve funds is associated with the asset.

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

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

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

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

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

The interests of the local community will be addressed, as Institutional property will be availed.

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

The proposed disposal and transfer is in compliance with:

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

Municipal Asset Transfer Regulations

It can be summarised that the erf is not required by the municipality for own use as can be seen from the internal departments' comments below. The risks are limited, and the fair market valuation will serve as the indicative value during the competitive process in the open market. The representations and comments from the local community will be obtained through the prescribed public participation process.

Regulation 13 of the Asset Transfer Regulations furthermore determine:

“13. Compensation for transfer of non-exempted municipal assets

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

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

(b) if regulation 12(2)(b) applies to the transfer, reflect fair market value.

(2) If a municipality or municipal entity on account of the public interest, in particular in relation to the plight of the poor, intends to transfer a non-exempted capital asset for less than its fair market value, the municipality or entity must, when considering the proposed transfer, take into account –

(a) the interest of –

(i) the State; and

(ii) the local community;

(b) the strategic and economic interest of the municipality or municipal entity, including the long-term effect of the decision on the municipality or entity;

(c) the constitutional rights and legal interest of all affected parties;

- (d) *whether the interest of the parties to the transfer should carry more weight than the interest of the local community, and how the individual interest is weighed against the collective interest; and*
- (d) *whether the local community would be better served if the capital asset is transferred at less than its fair market value, as opposed to a transfer of the asset at fair market value."*

C. **ADVERTISEMENT**

The necessary advertisement / notice in terms of legal prescripts will be published should it be resolved that the erf may be alienated. This is to obtain any representations / objections from the local community in respect of the proposed disposal of the erf. An item will only be resubmitted to Council should representations / objections be received.

CONCLUSION

It is recommended that erf 5595, situated at 1 Philly Maputane Street, De Doorns be alienated for purposes permitted under **Institutional Zone I**.

3. FINANCIAL IMPLICATIONS

The Municipality stand to gain the market related valuation of the municipal property. More so, the Municipality will also receive rates and taxes following the transfer of the subject property.

ANNEXURE

Annexure A: Locality map

COMMENTS OF DIRECTORATES / DEPARTMENTS

MUNICIPAL MANAGER: Item supported

DIRECTOR ENGINEERING SERVICES: As per Department Civil Engineering and Electrical Services

Department Civil Engineering Services:

1. The Department Civil Engineering has no objection subject to the following conditions:

- i. That water- and sewer connections be applied for to service Erf 5595 as per detail and requirements stipulated.
 - ii. That the developer investigates and determine the limitations of the site in terms of sewer drainage, subject to the minimum requirements of SANS 140400-P:2010:Drainage.
 - iii. That on-site parking facilities be provided as per the Planning Schedule, and to the satisfaction of the Directorate: Technical Services.
 - iv. That any additional and / or extended vehicle entrances will be for the owner's account.
 - v. Any rezoning and / or development of Erf 5595 will have an impact on municipal services and may result in service development contribution cost. Any application for rezoning should therefore be referred to the Department: Civil Engineering Services.
-

Electrical Services:

1. The Electrical department provisionally approve the application subject to the following conditions:
 - i. Applicant to obtain approval from Eskom and Telkom, as the electrical distribution jurisdiction, belongs to Eskom.

ACTING DIRECTOR PUBLIC SERVICES: Supported

Senior Manager Town Planning and Building Control:

The property is zoned as Institutional Zone I. Building plans must be lodged with Council and the Scheme regulation restrictions must be adhered to.

Building Control

Building Control has no objection. Plans must be handed in at Building Control if any structures are to be erected for formal approval.

CHIEF FINANCIAL OFFICER: Item supported

DIRECTOR COMMUNITY SERVICES: Item supported

Fire & Rescue Services

- i. Any future structure/buildings being erected on the above-mentioned premises as well as existing structure/buildings, must conform with the provisions of the National Building Regulations, SANS 10400-A:2010, Part T:2011 Fire Protection Regulations.
 - ii. Access for firefighting and rescue purposes must be provided in accordance with Regulation T1(1)(e) of the National Building Regulations, read with the Deemned to Satisfy rules, Rule T4.54 of SANS 10400-2011, Part T, and in accordance to the Fire Brigade By-Laws of the Breede Valley Municipality. A width of 3.5 meters and A height of 4.2 meters must be maintained for emergency vehicles to enter premises.
-

- iii. The applicant must lodge application and pay for the fees as determined in the Municipal Tariff Policy to the Service for the issuing of a Fire Clearance prior to the business being operational.

Traffic Department

All parking facilities should be inside the boundaries of the establishment. No objection against the application.

DIRECTOR STRATEGIC SUPPORT SERVICES: Co-author of the item

SENIOR MANAGER LEGAL SERVICES: Author of the item

RECOMMENDATION

That in respect of –

**IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF MUNICIPAL PROPERTY: ERF 5595,
SITUATED AT 1 PHILLY MAPUTANE STREET, DE DOORNS**

as discussed by Council at the Council meeting held on 23 February 2021 Council decide:

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;
 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;
-

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;
 4. that the development of the erf be completed within two (2) years of registration and be included in the Deed of Sale;
 5. that the following of a public participation process, be approved;
 6. that an item will only be resubmitted to Council should any representations/objections be received;
 7. that the administration be mandated to administer the process of disposal of the municipal property following the public participation process;
 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;
 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;
 10. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;
 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
-

12. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the subject property.

PROPOSED: CLLR J.F. VAN ZYL

SECONDED: CLLR L. WILLEMSE

RESOLVED

C20/2021

That in respect of –

**IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF MUNICIPAL PROPERTY: ERF 5595,
SITUATED AT 1 PHILLY MAPUTANE STREET, DE DOORNS**

as discussed by Council at the Council meeting held on 23 February 2021 Council decide:

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;
 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;
 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;
 4. that the development of the erf be completed within two (2) years of registration and be included in the Deed of Sale;
 5. that the following of a public participation process, be approved;
-

6. that an item will only be resubmitted to Council should any representations/objections be received;
7. that the administration be mandated to administer the process of disposal of the municipal property following the public participation process;
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;
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;
10. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;
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
12. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the subject property.

To Action

H. Potgieter

**6.7 IN PRINCIPLE APPROVAL FOR A LONG-TERM LEASE OF MUNICIPAL
PROPERTY: A PORTION OF ERF 22224 SITUATED AT 111 YABO STREET,
WORCESTER****File no.:**9/2/3/1/80**Responsible Official:** H Potgieter**Directorate:** SSS**Portfolio:** Legal Services

1. PURPOSE

The purpose of this item is to obtain approval for a long-term lease in respect of a portion of Erf 22224, situated at 111 Yabo Street, Worcester for a period of nine (9) years and eleven (11) months.

2. BACKGROUND / DISCUSSION

A short-term lease was previously approved in favour of Lukhanya Educare and After Care Centre (NPO-031-018), which expired on 31 December 2020. The Applicant indicated that they wish to apply for a long-term lease in respect of the subject property.

The applicant was identified by the Directorate: Community Services to be the beneficiary of a social upliftment project sponsored by Worcester Bakstene (Pty) Ltd ("Worcester Bakstene"). Worcester Bakstene has an obligation in terms of their mining license to participate in these projects within the area their mineworkers resides in. The amount of Two Hundred and Fifty Thousand Rand (R250 000.00) will be spent over a period of five (5) years to upgrade the current building situated on the property by installing a fence, inside and outside toilet facilities and extending the kitchen. Should the application for a long-term lease be approved, a Memorandum of Understanding ("MOU") will be entered

into between Worcester Bakstene and the Municipality in favour of the applicant. The only proviso to the MOU is that ownership of the property is not to be transferred to the applicant or any other third party within a five (5) year period.

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

2. A portion of Erf 22224: Situated at 111 Yabo Street, Worcester ±1595m² in extent

Should Council resolve in principle to avail the erf for purposes of a long-term lease, it is proposed that the erf only be utilised for purposes allowed under **Institutional Zone I**. This zoning scheme define said zoning as:

"Institutional Zone I: Primary use "a place of instruction" and consent use is "a place of assembly".

The erf is currently zoned as Institutional Zone II which is not the correct zoning the erf is being utilised for, thus the Applicant is to apply for the rezoning of the property should Council approve this application.

EVALUATION

C. ASSET TRANSFER REGULATIONS

Regulation 34 determines as follows:

"(1) A municipality may grant a right to use, control or manage a capital asset only after-

- a) the accounting officer has in terms of regulation 35 conducted a public participation process regarding the proposed granting of the right; and*
-

It is recommended that Council approve the long term right in respect of the capital asset, the following of a public participation process as well as approve in principle the right to use, i.e. the lease of the property in accordance with the zoning of **Institutional Zone I** purposes for a period

of nine (9) years and eleven (11) months. An item will only be tabled in Council again should any comments / representations in respect of the proposed lease be received.

HCB Property Valuations determined the market related value of the property in the amount of R2 700.00 per month (Thousand Seven hundred Rand), VAT Excluded.

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

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

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

- (b) **the extent to which any compensation to be received for the right together with the estimated value of any improvements or enhancements to the capital asset that the private sector party or organ of state to whom the right is granted will be required to make, will result in a significant economic or financial benefit to the Municipality;**

The community of Zwelethemba will receive a benefit in that the current ECD facility situated on the property will be upgraded and improved. This will allow the applicant to render quality services to the children attending the ECD facility. The Municipality will receive a monthly market related rental income as well as applicable rates and taxes. The area will be maintained by the Lessee absolving the Municipality from this responsibility.

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

No risks are involved.

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

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

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

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

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

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

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

The Asset Transfer Regulations has been complied with.

D. LAND MANAGEMENT AND DISPOSAL POLICY

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

In accordance with paragraph 4.4.18 the immovable property let by the Municipality shall be inspected at least once a year by Legal Services: Properties section to ensure compliance with the terms and conditions of the agreement of lease. In addition as stipulated in paragraph 4.4.29,

all costs pertaining to the transaction, eg. survey and relocation of services where necessary as well as any Town Planning procedures, shall be borne by the Lessee. The rental shall escalate annually by a percentage fixed in accordance with the prevailing consumer price index (all items) as per paragraph 4.4.34 of the policy. As per paragraph 4.4.35, the Lessee shall be liable for the payment of rates and service charges in respect of the property.

E. ADVERTISEMENT

It is recommended that approval be granted to follow a public participation process. Subsequently an advertisement is to be placed for the lease of a portion of Erf 22224, situated at 111 Yabo Street, Worcester in the local newspaper for a thirty (30) day objection / representation period. An item will only be resubmitted to Council should representations / objections be received.

CONCLUSION

In light of the above discussions and considering the previous applications received, it is recommended that the lease of a portion of Erf 22224, situated 111 Yabo Street, Worcester be approved in principle for a period of nine (9) years and eleven (11) months.

3. FINANCIAL IMPLICATIONS

The Municipality stands to gain the market related rental as determined by HCB Property Valuations in the of R2700.00 per month (Thousand Seven hundred Rand), VAT Excluded which will increase annually on the 1st of July by a percentage equal to the prevailing consumer price index (all items). More so, the Municipality will also gain rates and taxes in relation to the leased property.

ANNEXURE

1. Annexures A: Locality map
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COMMENTS OF DIRECTORATES / DEPARTMENTS

MUNICIPAL MANAGER: Supported

DIRECTOR ENGINEERING SERVICES: As per Department Civil Engineering and Electrical Services

Department Civil Engineering Services:

It is a serviced site. Municipal services (i.e. water, sewer, electricity, etc.) are available. There is no financial obligations.

Electrical Services:

1. The engineering section has no objection against the application, subject to the following conditions:
 - i. All damage to Council Property will be for the Applicant's account.
 - ii. That the application for additional electrical capacity may be declined or should network upgrades be required, it will be for the applicants' account.
 - iii. Metering requirements will be determined and specified by the Municipality and all cost will be for the applicants' account.
 - iv. Attention to be drawn to the Electrical By-law "*Right of admittance to inspect, test or to do maintenance work*" that clearly indicate our 24hour access to our metering.

ACTING DIRECTOR PUBLIC SERVICES: Recommendation supported

Senior Manager: Town Planning and Building Control:

1. The correct zoning for the proposed use is: Institutional Zone I (Place of Instruction - crèche, pre-primary school, primary school, high school, college, Technicon, university, research institution, convent, public library, public art gallery, or museum or some other premises is utilized for educational purposes and includes a hostel or place of assembly ancillary thereto).
2. There is no objection to the proposed lease of the abovementioned property, subject to the following:
 - i. That the applicant applies and gain approval from Council for the rezoning of the property to Institutional Zone I for a Place of Instruction in terms of the BVM Land Use Planning By-law;
 - ii. That all conditions imposed in the said approval will be applicable to the applicant.
 - iii. Please note that a creche is seen an ancillary use in the new Draft BVM Integrated Zoning Scheme that is in process of being approved.

Manager: Water Services and Networks:

The erf in question is serviced and there are **no objections** from the Department.

CHIEF FINANCIAL OFFICER: Item supported

DIRECTOR COMMUNITY SERVICES: Item Supported

This facility is in existence since 2007 already. The importance of the delivery of Early Childhood Development services in our communities are crucial to the development of the community and the child. This facility currently accommodates 80 kids, and they are in good standing with the Department of Social Development and are meeting all health and safety requirement expected from the local and district municipality. The longer-term lease will add more value and help ensure

the continuation of the ECD services by means of partnerships, thus contributing to the sustainability of the ECD Centre and the services to be rendered. This facility currently has a conditional Registration at the Department of Social Development due them being out of lease with the municipality. This lease agreement (once approved) will restore their full registration and give them access to all the subsidies and benefits available to them.

Fire and Rescue Services:

- i. This is to highlight the responsibility of the owner in satisfying the intent of the Fire Protection Regulations as contemplated in Part T of the SABS 0400 Code of Practice, promulgated under the National Building Regulations and Standards Act, 103 of 1977.
 - ii. Then also communicate the Fire Services statutory role in ensuring that the property complies with the Fire Protection Regulations and any other concomitant regulations.
 - iii. Any future structures/buildings being erected on the above-mentioned premises as well as existing structures/buildings, must conform with the provisions of the National Building Regulations, SANS 10400-A:2010, Part T.
 - iv. Access for fire-fighting and rescue purposes, must be provided in accordance with Regulation T1(1)(e) of the National Building Regulations, read with the Deemed to Satisfy rules, Rule T4.54 of SANS 10400 - 1990, Part T, and in accordance to the Fire Brigade By-Laws of the Breede Valley Municipality. A width of 3.5 meter and a height of 4.2 meter must be maintained for emergency vehicles to enter premises.
 - v. Provision must be made for fire-fighting equipment (fire extinguishers), in accordance to SANS 10400 -2010 Part T 4.37 Table 10.
 - vi. Escape routes must also be not be blocked so people can escape in case of emergency.
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Traffic Department:

Traffic Department: This site is already fenced off with ample parking space within the boundaries of the erf as well as ample parking space on the road reserve if needs be. Traffic has no objection against this application.

DIRECTOR STRATEGIC SUPPORT SERVICES: Co-author of the item

SENIOR MANAGER LEGAL SERVICES: Author of the item

RECOMMENDATION

That in respect of –

**IN PRINCIPLE APPROVAL FOR A LONG-TERM LEASE OF MUNICIPAL PROPERTY:
A PORTION OF ERF 22224 SITUATED AT 111 YABO STREET, WORCESTER**

as discussed by Council at the Council meeting held on 23 February 2021 Council decide:

1. That a direct lease at a market related rental as determined by HCB Property Valuations an amount of R2 700.00 per month (Two Thousand Seven hundred Rand),(VAT Excluded), of Municipal Property, being a portion of Erf 22224, situated at 111 Yabo Street, Worcester, for a period of nine (9) years and eleven (11) months, be approved in principle in favor of Lukhanya Educare (NPO-031-018), for the purpose of utilizing the subject property as an ECD facility as permitted under *Institutional Zone I purposes*;
 2. that the applicant is a registered social care organization/institution; thus, the monthly lease amount be fixed at a minimum of 50% of the fair market value;
 3. that the lease be for purposes permitted under the zoning Institutional Zone I, and that structures may only be erected with the permission of the municipality which structures will revert to the municipality upon termination of the lease;
-

4. that the lease amount annually increases on the 1st of July by a percentage equal to the prevailing consumer price index (all items);
5. that the following of a public participation process, be approved;
6. that an item will only be resubmitted to Council should any representations / objections be received during the public participation process;
7. that the administration be mandated to administer the process of the lease of the municipal property following the public participation process by means of a competitive process in the open market;
8. that all the associated costs in respect of the lease, including but not limited to Town Planning procedures, e.g. rezoning and installation of municipal services be paid by the Lessee;
9. that the Lessee will be responsible for the payment of all municipal services including rates and taxes in respect of the property;
10. that the Lessee will comply with all internal departmental requirements to be incorporated in the subsequent Lease Agreement and the right be reserved to supplement such comments; and
11. that it is confirmed that Council has taken cognisance of the fact that the municipal property herewith leased is not required for the municipality's own use in terms of the Asset Transfer Regulations.

NOTE : COUNCILLOR N.P WILLIAMS DECLARED THAT SHE HAS A FINANCIAL INTEREST IN THIS MATTER AND RECUSED HERSELF FROM THE MEETING DURING DISCUSSION OF THIS ITEM.

PROPOSED: CLLR J.F. VAN ZYL

SECONDED: CLLR N.NEL

RESOLVED

C21/2021

That in respect of –

**IN PRINCIPLE APPROVAL FOR A LONG-TERM LEASE OF MUNICIPAL PROPERTY:
A PORTION OF ERF 22224 SITUATED AT 111 YABO STREET, WORCESTER**

as discussed by Council at the Council meeting held on 23 February 2021 Council decide:

1. That a direct lease at a market related rental as determined by HCB Property Valuations an amount of R2 700.00 per month (Two Thousand Seven hundred Rand),(VAT Excluded), of Municipal Property, being a portion of Erf 22224, situated at 111 Yabo Street, Worcester, for a period of nine (9) years and eleven (11) months, be approved in principle in favor of Lukhanya Educare (NPO-031-018), for the purpose of utilizing the subject property as an ECD facility as permitted under *Institutional Zone I purposes*;
 2. that the applicant is a registered social care organization/institution; thus, the monthly lease amount be fixed at a minimum of 50% of the fair market value;
 3. that the lease be for purposes permitted under the zoning Institutional Zone I, and that structures may only be erected with the permission of the municipality which structures will revert to the municipality upon termination of the lease;
 4. that the lease amount annually increases on the 1st of July by a percentage equal to the prevailing consumer price index (all items);
 5. that the following of a public participation process, be approved;
-

6. that an item will only be resubmitted to Council should any representations / objections be received during the public participation process;
7. that the administration be mandated to administer the process of the lease of the municipal property following the public participation process by means of a competitive process in the open market;
8. that all the associated costs in respect of the lease, including but not limited to Town Planning procedures, e.g. rezoning and installation of municipal services be paid by the Lessee;
9. that the Lessee will be responsible for the payment of all municipal services including rates and taxes in respect of the property;
10. that the Lessee will comply with all internal departmental requirements to be incorporated in the subsequent Lease Agreement and the right be reserved to supplement such comments; and
11. that it is confirmed that Council has taken cognisance of the fact that the municipal property herewith leased is not required for the municipality's own use in terms of the Asset Transfer Regulations.

To Action

H. Potgieter

NOTE : COUNCILLOR N.P WILLIAMS REJOINED THE MEETING

**6.8 IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF THE REMAINDER OF
ERF 5940, SITUATED AT CHURCH STREET, WORCESTER**

File no.: 9/2/1/1/17

Responsible Official: H Potgieter

Directorate: SSS

Portfolio: Legal Services

1. PURPOSE

The purpose of this item is for Council to consider the disposal of the remainder of Erf 5940, Worcester.

2. BACKGROUND / DISCUSSION

Numerous complaints from members of the public in respect of the above-mentioned subject property were received. These complaints, amongst others, relates to the property being over-grown, acts of vandalism and posing a fire hazard.

Previously, a short-term lease was approved on this erf, however the applicant withdrew its application. Further investigations were subsequently conducted, but it was indicated that none of the potential applicants wished to proceed.

It is proposed to Council, that the subject property rather be alienated in the open market.

The subject property is described below and indicated on the locality map attached hereto marked "**Annexure A**":

2. The remainder of Erf 5940, Worcester situated at Church Street ±5049,26m² in extent

It should be noted that the erf is currently zoned as **Transport Zone I**. The primary use thereof is "**Transport**" with no consent use. The zoning is however better described in the zoning scheme to be approved and it reads as follows:

- *Transport use*

means the use of land, a building or structure for the operation of a service for the transportation of goods (including liquids and gases) or passengers by means of rail, road, or pipeline and—

- (a) includes the use of that land, building or structure for the purpose of a harbour, railway station, bus depot or taxi interchange, and a transport undertaking.*
- (b) includes a public-private undertaking including a railway station, bus depot, multiple parking garage, taxi rank, public transport interchange, harbour and ancillary purposes; and*
- (c) does not include an airport, airfield, or helicopter landing pad.*

Should Council approve the disposal of the subject property, the recommendation is that the Purchaser be permitted to apply for the rezoning of the subject property should the current zoning not be feasible, provided that the Purchaser follow the proper Town Planning procedures.

EVALUATION

F. LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003
("MFMA")**"14. Disposal of capital assets**

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

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

The comments from the internal departments did not indicate that the property is needed for the provision of minimum level of basic municipal services, nor for operational purposes. There will be adherence to this section in that the erf will be disposed by means of a competitive process in the open market.

HCB Property Valuations determined the market related value of the property in the amount of R300 000.00 (Three Hundred Thousand Rand), VAT Excluded.

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

Subsection 14(2)(b) of the MFMA is articulated in the Breede Valley Land Management and Disposal Policy which relevant portion determines that the purchase price for registered social care organizations/institutions shall be fixed at a minimum of 50% of the fair market value. This provision in the Land Management and Disposal Policy only focus on specific types of organizations/institutions, however in light of the cited case above it is clear that this consideration should be applied to all disposals in terms of section 14 of the Municipal Finance Management Act. The community value and economic value may however differ from the type of property as well as the purpose the property is made available for.

In this instance, the property is proposed to be made available for purposes permitted under Transport Zone I or any other allowed zoning should an application for rezoning be approved. Numerous complaints were received from the community with regards to this vacant erf being over-grown and posing a fire hazard. Hence, any development and/or occupation of the erf will alleviate the burden of the Municipality to maintain the erf and will address the concerns of the public as the purchaser has to develop within two (2) years from the date of transfer.

G. MUNICIPAL ASSET TRANSFER REGULATIONS

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

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

The asset is not required for Municipal use.

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

The erf will be disposed of by means of a competitive process in the open market.

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

The Municipality will receive payment of the purchase price which will be a financial benefit to the Municipality as well as future payment for rates and taxes.

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

The reward for the Municipality would be receipt of the purchase price.

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

No detrimental effect will be experienced on the credit rating.

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

The property is made available for use permitted under Transport Zone I. The Purchase will be permitted to apply for the rezoning of the subject property should the current zoning not be feasible, provided that the application follows the proper Town Planning procedures. There is a 3.15-meter pipeline servitude registered over the property that should be considered.

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

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

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

No transfer of reserve funds is associated with the asset.

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

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

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

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

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

The interests of the local community will be served as the disposal will address complaints from the community and ensure a safe and healthy environment.

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

The proposed disposal and transfer is in compliance with:

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

Municipal Asset Transfer Regulations

It can be summarised that the erf is not required by the municipality for own use as can be seen from the internal departments' comments below. The risks are limited, and the fair market valuation will serve as the indicative value during the competitive process in the open market. The representations and comments from the local community will be obtained through the prescribed public participation process.

Regulation 13 of the Asset Transfer Regulations furthermore determine:

“13. Compensation for transfer of non-exempted municipal assets

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

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

(b) *if regulation 12(2)(b) applies to the transfer, reflect fair market value.*

(4) *If a municipality or municipal entity on account of the public interest, in particular in relation to the plight of the poor, intends to transfer a non-exempted capital asset for less than its fair market value, the municipality or entity must, when considering the proposed transfer, take into account –*

(a) *the interest of –*

(i) *the State; and*

(ii) *the local community;*

(b) *the strategic and economic interest of the municipality or municipal entity, including the long-term effect of the decision on the municipality or entity;*

(c) *the constitutional rights and legal interest of all affected parties;*

- (d) *whether the interest of the parties to the transfer should carry more weight than the interest of the local community, and how the individual interest is weighed against the collective interest; and*
- (d) *whether the local community would be better served if the capital asset is transferred at less than its fair market value, as opposed to a transfer of the asset at fair market value.”*

C. **ADVERTISEMENT**

The necessary advertisement / notice in terms of legal prescripts will be published should it be resolved that the erf be alienated. This is to obtain any representations / objections from the local community in respect of the proposed disposal of the erven. An item will only be resubmitted to Council should representations / objections be received.

CONCLUSION

It is recommended that the remainder of erf 5940, Worcester be alienated for purposes permitted under Transport Zone I, however the Purchaser be permitted to apply for the rezoning of the subject property should the current zoning not be feasible, provided that the application follow the proper Town Planning procedures.

3. FINANCIAL IMPLICATIONS

The Municipality stand to gain the market related valuation of the municipal property. More so, the Municipality will also receive rates and taxes following the transfer of the subject property.

ANNEXURE

Annexure A: Locality map

Annexure B: SG-diagram

COMMENTS OF DIRECTORATES / DEPARTMENTS

MUNICIPAL MANAGER: Supported

DIRECTOR ENGINEERING SERVICES: As per Departments Civil Engineering and Electrical Services

Department Civil Engineering Services:

The Department: Civil Engineering Services have no objections to the application for, subject to the following conditions:

1. That any application for future development of the erf be referred to the Department: Civil Engineering Services for investigation of the impact of the development on civil infrastructure, and determination of a service (e.g. water, sewer, storm water, roads, etc.) development contribution. Site development plans must also be submitted for approval.
 2. The servitude be registered to protect the irrigation water pipeline situated on the property.
 3. That the Electrical, Traffic, Solid Waste and Facilities Departments do not have any objection.
 4. That the applicant obtains Telkom's and other telecommunication authorities' (Neotel, SANRAL, MTN, Vodacom etc.) approval regarding the encroachment of possible services, if any, and submits a copy of these approvals for Council's records.
 5. That the on-site parking facilities be provided as per the Planning Schedule, and to the satisfaction of the Directorate: Public Services.
 6. That any additional and/ or extended vehicle entrances will be for the owners account.
-

Electrical Services:

The Electrical Engineering Department has no objection against the proposed purchase of the subject to the following conditions:

1. Any damages to Council property will be for the applicants' account.
2. Please note should any network extensions, maintenance or repairs on municipal infrastructure or equipment be required the municipality will not be responsible for any repairs or damages caused to the contributory value (fences, harden, pave, tar, concrete) added to the terrain.
3. Your attention is drawn to the electrical bylaw "10 Right of admittance to inspect, test and do maintenance work" that clearly indicate our 24hour access to our metering.
4. Applicant to ensure the electrical services cable position has been identified before construction commences.
5. Customer must be able to show to electricity department his valid certificate of compliance (COC) for the installation.
6. Customer to consult with Telkom to obtain their approval.

ACTING DIRECTOR PUBLIC SERVICES: Supported

Senior Manager Town Planning and Building Control:

There is no objection to the proposed sale of the land, subject to the following:

1. That no structures be erected closer than 5 meters from the Roostuin development and then only single storey structures.
 2. That no heavy vehicles be parked or transport any goods closer than 5 meters from the Roostuin development.
 3. That no goods or material be stored in an uncovered manner, (exceeding 4 meters in height) closer to 5 meters from Roostuin development.
-

Building Control:

Building Control has no objection to the selling of this erf. Plans must be handed in for formal approval.

CHIEF FINANCIAL OFFICER: Supported

DIRECTOR COMMUNITY SERVICES: Item Supported

Fire & Rescue Services

1. Any future structure/buildings being erected on the above-mentioned premises must conform with the provisions of the National Building Regulations, SANS 10400-A:2010, Part T:2011 Fire Protection Regulations.
2. The applicant must lodge an application and pay the fees as determined in the Municipal Tariffs Policy to the Services for the issuing of a clearance certificate prior to business being operational.

Traffic Department

Traffic Services has no objection to the sale of this erf. All parking should be within the boundaries of the erf.

DIRECTOR STRATEGIC SUPPORT SERVICES: Co-author of the item

SENIOR MANAGER LEGAL SERVICES: Author of the item

RECOMMENDATION

That in respect of –

**IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF THE REMAINDER OF ERF 5940,
SITUATED AT CHURCH STREET, WORCESTER**

as discussed by Council at the Council meeting held on 23 February 2021 council decide:

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.
 2. that the Purchaser be permitted to apply for the rezoning of the municipal property, provided that the application follows proper Town Planning procedures;
 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;
 4. that the development of the erf be completed within two (2) years of registration and be included in the Deed of Sale;
 5. that the following of a public participation process, be approved;
 6. that an item will only be resubmitted to Council should any representations/objections be received;
 7. that the administration be mandated to administer the process of disposal of the municipal property following the public participation process;
 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;
 9. 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;
 10. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;
-

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
12. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the respective municipal properties.

PROPOSED: CLLR J.F. VAN ZYL

SECONDED: CLLR J.P. KRITZINGER

RESOLVED

C22/2021

That in respect of –

**IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF THE REMAINDER OF ERF 5940,
SITUATED AT CHURCH STREET, WORCESTER**

as discussed by Council at the Council meeting held on 23 February 2021 council decide:

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.
-

2. that the Purchaser be permitted to apply for the rezoning of the municipal property, provided that the application follows proper Town Planning procedures;
 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;
 4. that the development of the erf be completed within two (2) years of registration and be included in the Deed of Sale;
 5. that the following of a public participation process, be approved;
 6. that an item will only be resubmitted to Council should any representations/objections be received;
 7. that the administration be mandated to administer the process of disposal of the municipal property following the public participation process;
 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;
 9. 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;
 10. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;
 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
-

12. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the respective municipal properties.

To Action

H. Potgieter

**6.9 IN PRINCIPLE APPROVAL FOR THE DISPOSAL OF A PORTION OF ERF 1
(ALSO KNOWN AS YSSEL STREET THOROUGHFARE), SITUATED AT
YSSEL STREET, WORCESTER**

File no.: 9/2/1/1/74

Responsible Official: H Potgieter

Directorate: SSS

Portfolio: Legal Services

1. PURPOSE

The purpose of this item is for Council to consider the disposal of a portion of erf 1 (also known as Yssel Street thoroughfare), Worcester for residential purposes.

2. BACKGROUND / DISCUSSION

It was previously resolved that the above erf be disposed for residential purposes. A competitive bidding process was followed, and an award was made to the successful bidder. A Deed of Sale was entered into, however same was subsequently cancelled.

Legal Services: Property Administration receives numerous enquiries about the availability of this erf. Furthermore, there is a dire need for residential erven.

The subject property is described below and indicated on the locality map attached hereto marked "**Annexure A**":

3. A portion of erf 1 (also known as Yssel Street thoroughfare): Situated at Yssel Street, Worcester ±422.61m² in extent.

The zoning of the property is Commonage as it forms part of Erf 1. Should Council resolve in principle to dispose of this erf, it is proposed that the property be utilised for purposes permitted under **Residential Zone I**. The primary use thereof is “**dwelling-house**” and the allowed consent use is “**additional dwelling unit**”.

EVALUATION

H. LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003 (“MFMA”)

“14. *Disposal of capital assets*”

- (1) *A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.*
- (2) *A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public—*
- (a) *has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and*
- (b) *has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.*
-

- (3) *A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.*
- (4) *A municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection (2)(a) and (b) in respect of movable capital assets below a value determined by the council.*
- (5) *Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111.*
- (6) *This section does not apply to the transfer of a capital asset to another municipality or to a municipal entity or to a national or provincial organ of state in circumstances and in respect of categories of assets approved by the National Treasury, provided that such transfers are in accordance with a prescribed framework.”*

The comments from the internal departments did not indicate that the property is needed for the provision of minimum level of basic municipal services, nor for operational purposes. There will be adherence to this section in that the erf will be alienated by means of a competitive process in the open market.

HCB Property Valuations determined the market related value of the property in the amount of R105 500.00 (One hundred and Five Thousand Five Hundred Rand), VAT Excluded.

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

Subsection 14(2)(b) of the MFMA is articulated in the Breede Valley Land Management and Disposal Policy which relevant portion determines that the purchase price for registered social care organizations/institutions shall be fixed at a minimum of 50% of the fair market value. This provision in the Land Management and Disposal Policy only focus on specific types of organizations/institutions, however in light of the cited case above it is clear that this consideration should be applied to all disposals in terms of section 14 of the Municipal Finance Management Act. The community value and economic value may however differ from the type of property as well as the purpose the property is made available for.

In this instance, the property is proposed to be made available to first-time homeowners for Residential purposes, which will add community value once purchased. The disposal of this erf will provide an opportunity to become a homeowner in order to develop the said property. Numerous complaints were received from the community with regards to this vacant erf being used as an illegal dumping site, thus by disposing this erf the issue will be resolved as the purchaser has to develop within two (2) years from the date of transfer.

I. MUNICIPAL ASSET TRANSFER REGULATIONS

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

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

The asset is not required for Municipal use.

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

The erf will be disposed of by means of a competitive process in the open market.

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

The Municipality will receive payment of the purchase price which will be a financial benefit to the Municipality as well as future payment for rates and taxes.

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

The reward for the Municipality would be receipt of the purchase price.

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

No detrimental effect will be experienced on the credit rating.

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

The property is only to be utilised for the use permitted under Residential Zone I.

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

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

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

No transfer of reserve funds is associated with the asset.

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

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

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

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

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

The interests of the local community will be addressed, as residential property will be availed.

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

The proposed disposal and transfer is in compliance with:

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

Municipal Asset Transfer Regulations

It can be summarised that the erf is not required by the municipality for own use as can be seen from the internal departments' comments below. The risks are limited, and the fair market valuation will serve as the indicative value during the competitive process in the open market. The

representations and comments from the local community will be obtained through the prescribed public participation process.

Regulation 13 of the Asset Transfer Regulations furthermore determine:

“13. Compensation for transfer of non-exempted municipal assets

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

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

(b) if regulation 12(2)(b) applies to the transfer, reflect fair market value.

(6) If a municipality or municipal entity on account of the public interest, in particular in relation to the plight of the poor, intends to transfer a non-exempted capital asset for less than its fair market value, the municipality or entity must, when considering the proposed transfer, take into account –

(a) the interest of –

(i) the State; and

(ii) the local community;

(b) the strategic and economic interest of the municipality or municipal entity, including the long-term effect of the decision on the municipality or entity;

- (c) *the constitutional rights and legal interest of all affected parties;*
- (d) *whether the interest of the parties to the transfer should carry more weight than the interest of the local community, and how the individual interest is weighed against the collective interest; and*
- (d) *whether the local community would be better served if the capital asset is transferred at less than its fair market value, as opposed to a transfer of the asset at fair market value.”*

C. ADVERTISEMENT

The necessary advertisement / notice in terms of legal prescripts will be published should it be resolved that the erf may be alienated. This is to obtain any representations / objections from the local community in respect of the proposed disposal of the municipal property. An item will only be resubmitted to Council should representations / objections be received.

CONCLUSION

It is recommended that a portion of erf 1 (also known as Yssel Street thoroughfare): situated at Yssel Street, Worcester be alienated for purposes permitted under **Residential Zone I**.

3. FINANCIAL IMPLICATIONS

The Municipality stand to gain the market related valuation of the municipal property. More so, the Municipality will also receive rates and taxes following the transfer of the subject property.

ANNEXURE

Annexure A: Locality map

COMMENTS OF DIRECTORATES / DEPARTMENTS

MUNICIPAL MANAGER: Supported

DIRECTOR ENGINEERING SERVICES: As per Department Civil Engineering Services and Electrical Services.

Department Civil Engineering Services:

The Department: Civil Engineering Services have no objections to the application for alienation of erf 23390, Worcester, subject to the following conditions:

1. That water-and sewer connections be applied for to service Erf 23390 as per the detail and requirements stipulated.
 2. That the new owner shall register the necessary municipal maintenance servitudes over the existing municipal services (i.e. sewer line) situated under the erf. All cost towards the registration of such servitudes will be for the owners account.
 3. That no development-or encroachment to within any such maintenance servitude of municipal pipelines, or-over such pipelines, be allowed.
 4. That the developer investigates and determine the limitations of the site in terms of sewer drainage, subject to the minimum requirements of SANS 140400-P:2010: Drainage.
 5. That the on-site parking facilities be provided as per the Planning Schedule, and to the satisfaction of the Directorate: technical Services.
 6. Any rezoning and/or development of erf 23390 will have a further impact on the civil engineering services and may result in service development contribution costs. Any application for rezoning should therefore be referred to the Department: Civil Engineering Services for further investigation and determination of relevant service development contribution costs.
 7. That any additional and/ or extended vehicle entrances will be for the owners account.
-

Electrical Services:

The Electrical Engineering Department has no objection against the proposal subject to the following conditions:

1. All cost for the new service required (includes network charges and network charges upgrade to meet the required additional demand due to a lack of Capacity and infrastructure and relocation of infrastructure) will be for the applicants account. Please note: High cost implication.
2. Applicant responsible for all cost with regards to the municipal metering requirements.
3. Electrical by-law "10 Right of admittance to inspect, test or do maintenance work" that clearly indicate our 24hour access to our metering.
4. Customer must be able to show to electricity department his valid certificate of compliance (COC) for the installation before the commissioning of supply will commence.
5. Please note should any network extensions, maintenance or repairs on municipal infrastructure or equipment be required the municipality will not be responsible for any repairs or damages caused to the contributory value (fences, harden, pave, tar, concrete) added to the terrain.
6. The new regulations (Ref: 12/1/2/1 Circular 11/2012 Western Cape Government: publish in GG 34586 NOTICE NUMBER 711, promote and set minimum requirements for energy efficiency for new buildings and extensions to existing buildings. Applicant to comply with the energy efficiency requirements, as set by the municipality)

ACTING DIRECTOR PUBLIC SERVICES: Item supported

Senior Manager Town Planning and Building Control:

The property can be alienated for residential purposes. The successful tenderer must apply for subdivision, rezoning and service installations.

Building Control

Building Control has no objection to the selling of this erf. Plans must be handed in for formal approval if it is sold for residential purposes or erecting any construction site.

CHIEF FINANCIAL OFFICER: Item supported

DIRECTOR COMMUNITY SERVICES: Item supported

Fire & Rescue Services

3. Any future structure/buildings being erected on the above-mentioned premises must conform with the provisions of the National Building Regulations, SANS 10400-A:2010, Part T:2011 Fire Protection Regulations

Traffic Department

No objection.

DIRECTOR STRATEGIC SUPPORT SERVICES: Co-author of the item

SENIOR MANAGER LEGAL SERVICES: Author of the item

RECOMMENDATION

That in respect of –

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:

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;
 2. that the erf be offered to first time homeowners with the means to purchase and develop the property;
 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;
 4. that the development of the erf be completed within two (2) years of registration and be included in the Deed of Sale;
 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;
 6. that the following of a public participation process, be approved;
 7. that an item will only be resubmitted to Council should any representations/objections be received;
 8. that the administration be mandated to administer the process of disposal of the municipal property following the public participation process;
 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;
-

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;
11. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;
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
13. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the subject property.

PROPOSED: CLLR J.F. VAN ZYL

SECONDED: ALDERMAN M. SAMPSON

RESOLVED

C23/2021

That in respect of –

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:

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;

2. that the erf be offered to first time homeowners with the means to purchase and develop the property;
 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;
 4. that the development of the erf be completed within two (2) years of registration and be included in the Deed of Sale;
 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;
 6. that the following of a public participation process, be approved;
 7. that an item will only be resubmitted to Council should any representations/objections be received;
 8. that the administration be mandated to administer the process of disposal of the municipal property following the public participation process;
 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;
 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;
-

11. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;
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
13. that the Municipal Manager be authorized to sign all documents relating to the disposal and transfer of the subject property.

To Action

H. Potgieter

Note : *Cllr N Nel requested that her vote against the resolution be recorded.*

**6.10 REGISTRATION OF THE DE DOORNS HEX VALLEY PEOPLE'S CENTRE
AS A SATELLITE THUSONG CENTRE****File No. /s:** 12/6/2/1/1**Responsible Official:** W. Thys**Directorate:** Community Service**Portfolio:** Community Development

1. Purpose

To obtain council's approval to register the De Doorns People's Centre (MPC) as a Satellite Thusong Centre.

2. Background

Breede Valley Municipality recently received a newly build extension at the Community Hall in De Doorns through a partnership with Afrimat and Worcester Bricks. As part of their CSI responsibility we can now accommodate more stakeholders, organisations, departments to host a lot more workshops, do more scheduled services in particular the Department of Labour, SASSA, Home Affairs and any other department that wishes to come to the community for any programme.

Further to the big hall available for the scheduled services, we further got assistance from SANTAM and Sasria as part of their N1 Safety initiative driven by the Cape Winelands District Municipality and the JDA, we received a Youth Resource Centre to help address some other issues that is currently contributing to the unemployment, poverty, crime and substance abuse and gangsterism.

With the lack of government departments within the De Doorns Hex Valley area, it is almost always impossible for the residents of this valley to access some of the government services they need. From the unemployed youth to the elderly.

With this facility being utilised as a satellite Thusong Centre, we will give the community of De Doorns access to the services they need. As indicated in Annexure A the business plan submitted to Provincial Government.

3. Financial Implications

No financial implication or obligation for the municipality.

The department of Local Government: Service Delivery Integration (Thusong Programme) will provide a three-year maintenance grant funding to support the facility and this amount will be determined annually

4. Applicable Legislation / Council Policy:

- a) The Constitution of the Republic of South Africa (1996)
- b) The IGR Framework
- c) The Thusong Service Centre Framework

Comment of Directorates / Departments

Municipal Manager: Item Supported

Director: Community Services: Item Supported

Director: Strategic Support Services: Item supported

Director: Financial Services: Item Supported

Director: Engineering Services: Item and recommendation noted

Acting Director: Public Services: Item Supported

Senior Manager: Legal services: Item Supported

Community Development Officer: Item is supported

RECOMMENDATION

That in respect of

**REGISTRATION OF THE DE DOORNS HEX VALLEY PEOPLE'S CENTRE AS A
SATELLITE THUSONG CENTRE**

discussed by Council at the Council meeting held on 23 February 2021:

1. Council approves the registration of the Hex Valley People Centre as a Satellite Thusong Centre.

PROPOSED: CLLR J.F. VAN ZYL

SECONDED: CLLR S.J. MEI

RESOLVED

C24/2021

That in respect of

**REGISTRATION OF THE DE DOORNS HEX VALLEY PEOPLE'S CENTRE AS A
SATELLITE THUSONG CENTRE**

discussed by Council at the Council meeting held on 23 February 2021:

1. Council approves the registration of the Hex Valley People Centre as a Satellite Thusong Centre.

To Action

W. Thys

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

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

- 9. 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**

- 9.1 ONDERSOEK NA DIE NIE-NAKOMING VAN MUNISIPALE ORDINANSIES EN BELEIDE MET BETREKKING TOT ONWETTIGE HUISWINKEL STRUKTURE**
-

KENNISGEWING: MOSIE IN TERME VAN ARTKEL 31(2).

Ek Raadslid **KIRSTEN BENJAMIN** gee hiermee kennis ingevolge artikel 31(2) van Reglement van orde afgekondig by PK 7118/12.04/2013 dat ek van voorneme is om tydens die **Raadsvergadering** gehou te word in **FEBRUARIE 2021**, die mosie soos hieronder uiteengesit, ter tafel sal lê en voorgestel word dat:

MOSIE: ONDERSOEK NA DIE NIE-NAKOMING VAN MUNISIPALE ORDINANSIES EN BELEIDE MET BETREKKING TOT ONWETTIGE HUISWINKEL STRUKTURE

Ons vra dat die Uitvoerende Burgermeester en Munisipale Bestuurder ondersoek in stel oor hoekom word die ordinansies en beleide van die Bredevallei Munisipaliteit nie toegepas word en nagekom nie, op onwettige huiswinkel strukture in ons woonbuurte nie.

AGTERGROND

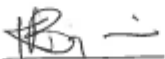
Dit is alom bekend dat ons woonbuurte oorlaai word met huiswinkels of informele winkels wat baie keer in motorhuise sonder die regte geodkeurings, gebou word. Van die probleme wat al onder ons aandag gebring is deur lede van die publiek, is onder andere; strukture word tot op die syaadjie gebou, winkeleienaars maak woonhuise van die strukture, die winkels lok benedeelde om staanplek te maak en baie keer misdaad te pleeg en daar is al gevalle van winkeleienaars wie jong minderjarige meisiekinders aanhou. Onlangs het die Speaker van die Raad in 'n epos, gedateer 9de Februarie 2021, die Raadslede gevra om wanpraktyke van elektrisiteitsvondors (baie is huiswinkel eienaars) met betrekken tot kragverkope, uitwys aan die eienaars en indien nodig hulle raporteer. Hierdie tipe aksie vanaf die munisipaliteit is nie sterk genoeg nie, ons as Raad het die beleide en wette in plek om seker te maak dat winkeleienaars wettig bly en so ons gemeenskap beskerm en n goeie diens te lewer.

RESOLUSIE

Ons vra dat die Uitvoerende Burgermeester en Munisipale Bestuurder ondersoek in stel oor hoekom word die ordinansies en beleide van die Bredevallei Munisipaliteit nie toegepas word en nagekom nie, op onwettige huiswinkel strukture in ons woonbuurte nie en terugvoering te gee aan die Raad binne 90 dae vanaf die besluit.

Met alles in ag geneem behoort die besluit soos uiteengesit in hierdie kennisgewing van mosie deur die Raad aanvaar te word.

Geteken: RDL. K BENJAMIN



Datum: 12/02/2021

Ontvang: _____ Datum: _____

**CLLR K. BENJAMIN PROPOSED HER NOTICE OF MOTION
SECONDED: CLLR N. WULLCHLEGER**

AMENDMENT TO NOTICE OF MOTION: CLLR J.P. KRITZINGER proposed the following amendment to the motion in terms of item 44 of the Rules of Order :

That the Manager Building Control in conjunction with Department of Economical Development and any other relevant Departments, taking into consideration the proposed amendments to the Zoning Scheme regulations, submit proposals to Council regarding the control and regulation of house/spaza shops and the possible approval of a policy in this regard.

SECONDED: ALDERMAN A. STEYN

VOTES IN FAVOUR OF THE MOTION BY CLLR BENJAMIN: 16

VOTES IN FAVOUR OF THE AMENDMENT BY CLLR KRITZINGER: 20

RESOLVED

C25/2021

That the Manager Building Control in conjunction with Department of Economical Development and any other relevant Departments, taking into consideration the proposed amendments to the Zoning Scheme regulations, submit proposals to Council regarding the control and regulation of house/spaza shops and the possible approval of a policy in this regard.

10. CONSIDERATION OF MOTIONS OF EXIGENCY

11. CLOSURE

The Speaker closed the meeting at 19:38.

AGENDA

**2nd COUNCIL MEETING OF THE
BREEDE VALLEY MUNICIPALITY**

2021-02-23
