MINUTES

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

Date distributed

5th COUNCIL MEETING

OF THE

BREEDE VALLEY MUNICIPALITY

2021-05-25 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 10:15, welcomed everyone present and 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 Applications for Leave from Cllrs P.B Langata and S. Mkhiwane.

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*

Mr R. Esau introduced Mr Ashley Haywood, a PhD Student at UWC.

Mr Haywood is doing his Doctorate on the topic of Food Security and will be conducting interviews with Councillors and other community leaders and representatives.

3.2 BIRTHDAYS OF COUNCILLORS

Cllr J.F. Van Zyl	4 June 2021
Cllr M.N. Bushwana	21 June 2021
Cllr A. Pietersen	9 July 2021
Cllr I. Tshabile	15 July 2021
Cllr J.D.P. Jaftha	20 July 2021
Cllr J.R. Jack	25 July 2021

The Speaker asked Cllr E. Van der Westhuizen to congratulate the Councillors on their respective birthdays.

3.3 STATEMENTS BY THE SPEAKER

The Speaker announced that he will be hospitalised for an indefinite period.

3.4 STATEMENTS BY THE EXECUTIVE MAYOR

- We are celebrating Africa month. The Mayor encouraged all local residents to work towards African cultural promotion and to further the aims of the Africa continent;
- Residents must remain vigilant in respect of Covid19 prevention as the infection rate is escalating;
- Councillors must please assist with the registration of persons over 60 years for vaccination purposes.

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 28 April 2021 (Copy enclosed)

RECOMMENDATION
That in respect of
CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING
discussed by Council at the Council Meeting held on 25 May 2021:

1. As the Minutes of the Council Meeting held on 28 April 2021 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 28 April 2021 be taken as read and confirmed.

PROPOSED: CLLR E. VAN DER WESTHUIZEN
SECONDED: CLLR W. VROLICK

RESOLVED **C50/2021**
That in respect of
CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING
discussed by Council at the Council Meeting held on 25 May 2021:

1. As the Minutes of the Council Meeting held on 28 April 2021 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 28 April 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: Alderman 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

Special Mayco Meeting held on 18 March 2021

5.7.1 DRAFT MUNICIPAL PROPERTY RATES BY-LAW

RESOLVED:

EX6/2021

That in respect of –

DRAFT MUNICIPAL PROPERTY RATES BY-LAW

as discussed by Mayco at the Special Mayco meeting held on 18 March 2021 Mayco recommend to Council that:

1. **The current Municipal Property Rates By-law be repealed in its entirety; and**

2. **that the draft Municipal Property Rates By-law (Annexure C) be considered by Council for adoption.**

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

5.9 MMC 9: Cllr J.J. Von Willingh

Cllr C.F. Wilskut asked for a 15-minute caucus.

Caucus started at 10:50

Meeting reconvened at 11:20

*****

6. CONSIDERATION OF AGENDA ITEMS

6.1 FINAL FOURTH REVIEW OF THE 4th GENERATION INTEGRATED DEVELOPMENT PLAN (2017 - 2022) FOR THE PERIOD 2021 - 2022

The Executive Mayor tabled the Final Fourth Review of the 4th Generation Integrated Development Plan (2017 - 2022) for the period 2021 – 2022 before Council for approval.

File No./s:10/3/8 **Responsible Official:** C. Malgas

Directorate: Strategic Support Services **Portfolio:** IDP/PMS/SDBIP

1. PURPOSE

To table the Final Fourth Review of the 4th Generation Integrated Development Plan (2017 - 2022) for the period 2021 – 2022 (hereafter referred to as the Final 2021-2022 IDP), as prepared in line with the prioritised needs of the Breede Valley community, in accordance with the budgetary resources available.

2. BACKGROUND

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

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

b. may amend its integrated development plan in accordance with a prescribed process

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

(i) The preparation, implementation and review of its integrated development plan; and

(ii) In execution of the above, Council endorsed a direct IDP/Budget information sharing with the public in all wards of the municipality.

To give effect to these legislative requirements, the Draft 2021-2022 IDP and supporting correspondence has been published on the municipal website and applicable social media platforms, in order to grant all sectors of society an opportunity to submit representations thereon. In addition, the municipality rolled-out public participation sessions throughout all 21 wards (combination of ward committee and public engagements in accordance with the alert level 1 Covid-19 restrictions). All inputs affecting the IDP, were considered and incorporated as far practically possible. In addition, the municipality (where applicable) considered and incorporated the recommendations made by the Provincial Government during their assessment of the Draft 2021/22 IDP. No further public input, comments or representations were received.

The complete copy of the Final 2021 – 2022 IDP is attached as Annexure "A", coupled with a concise summary depicting the key changes (Annexure "B").

3. FINANCIAL IMPLICATIONS

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

4. APPLICABLE LEGISLATION

Municipal Systems Act, Act 32 of 2000
Municipal Finance Management Act, Act 56 of 2003
Local Government: Municipal Planning and Performance Management Regulations, 2001

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 Legal Manager: Supported

RECOMMENDATION

That in respect of –

The Final Fourth Review of the 4th Generation Integrated Development Plan (2017 - 2022) for the period 2021 - 2022,

Discussed by Council at the Council meeting held on 25 May 2021:

1. That Council approves the Final 2021-2022 IDP and endorse that it be published in terms of section 21 of the MSA.

PROPOSED: ALDERMAN A STEYN
SECONDED: CLLR W.R. MEIRING

VOTES IN FAVOUR OF ALDERMAN A. STEYN'S RECOMMENDATION: 22
VOTES AGAINST: 1
THE ANC COUNCILLORS REQUESTED THAT IT BE RECORDED THAT THEY ABSTAINED FROM VOTING

RESOLVED **C51/2021**
That in respect of –

The Final Fourth Review of the 4th Generation Integrated Development Plan (2017 - 2022) for the period 2021 - 2022,

Discussed by Council at the Council meeting held on 25 May 2021:

1. That Council approves the Final 2021-2022 IDP and endorse that it be published in terms of section 21 of the MSA.

To Action
C. Malgas

6.2 2021/22 FINAL BUDGET MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

The Executive Mayor tabled the 2021/22 Final Budget Medium Term Revenue and Expenditure Framework before Council for approval.

A video depicting the various elements of the budget, was flighted

File No. /s: 3/2/2/21 **Responsible Official:** R Ontong

Directorate: Financial Services **Portfolio**: Financial Services

1. Purpose

The purpose of this submission is to present the 2021/22 MTREF Final Budget.

2. Legal Framework

Section 16 of the Municipal Finance Management Act states:

"Annual budgets

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

(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

(3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

Contents of annual budgets and supporting documents.

17. (1) An annual budget of a municipality must be a schedule in the prescribed format —

(a) setting out realistically anticipated revenue for the budget year from each revenue source;

(b) Appropriating expenditure for the budget year under the different votes of the municipality;

(c) Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;

(d) Setting out —

(i) Estimated revenue and expenditure by vote for the current year; and

(ii) Actual revenue and expenditure by vote for the financial year preceding the current year; and

(e) A statement containing any other information required by section 215(3) of the Constitution or as may be prescribed"

3. Financial Implications

The financial implications of the 2021/22 MTREF Final Budget is captured in the Budget Report.

4. Annexures

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

Quality Certificate **(Annexure B)**

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

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

- Costing Policy
- Supply Chain Management Policy
- Infrastructure Investment and Capital Projects Policy

Municipal Tariffs **(Annexure D)**

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

Demand Management Plan **(Annexure F)**

FINAL MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK 2021/2022 – 2023/2024

BREEDE VALLEY
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

25 MAY 2021

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Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt-hour
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care

PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Glossary

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

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

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

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

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

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

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

GDFI - Gross Domestic Fixed Investment

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

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

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

LM – Breede Valley Municipality.

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

mSCOA – Municipal Standard Chart of Accounts

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

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

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

TMA – Total Municipal Account

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

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

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

PART 1 – Annual Budget

1. Mayor's Report

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

This budget serves the purpose of outlining future service delivery objectives by reflecting on the past financial years in planning for anticipated future developments / realizations. The current reality that we are facing has to date had devastating effects on our communities and those in surrounding municipalities through the loss income, work and lives. This COVID 19 Pandemic changed the way in which we conduct our daily lives and how we interact with each other, posing new and unprecedented challenges to us demanding solutions in order for us to survive and progress to our vision of a '*A unique and caring Valley of service excellence, opportunity and growth'*.

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

2. Resolutions

It is recommended to council that in respect of the 2021/22 MTREF, and outer financial years that council approves the 2021/22 MTREF budget in terms of section 24 of the Municipal Finance Management Act.

3. Executive Summary

3.1 Legislative Background

Section 16 of the Municipal Finance Management Act states:

"Annual budgets

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

(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

(3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

Contents of annual budgets and supporting documents.

17. (1) An annual budget of a municipality must be a schedule in the prescribed format —

(a) setting out realistically anticipated revenue for the budget year from each revenue source;

(b) Appropriating expenditure for the budget year under the different votes of the municipality;

(c) Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;

(d) Setting out —

(i) Estimated revenue and expenditure by vote for the current year; and

(ii) Actual revenue and expenditure by vote for the financial year preceding the current year; and

(e) A statement containing any other information required by section 215(3) of the Constitution or as may be prescribed"

3.2 Municipal General Overview

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

Strategic Framework, Pillars and Objectives of the Municipality

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

STRATEGIC PILLARS	
OPPORTUNITY	Breede Valley Municipality strives to provide an opportunity for every resident to have access to all basic services and to live in a safe, caring and well-managed municipal environment.
SAFETY	Breede Valley Municipality aims to partner with the community, other government departments and community organisations to provide a safe environment in which communities, especially women and children, can thrive in pursuit of good community values.
CARING	Breede Valley Municipality will provide care to all vulnerable groups and encourage social investment with a focus on youth development and opportunities for the youth to play a meaningful role in developing a better and caring Breede Valley community.
INCLUSIVE	Breede Valley plans, in consultation with all residents and partners, to create and stimulate social cohesion, to restore hope and to break down social divisions.
WELL-RUN MUNICIPALITY	Breede Valley Municipality continues to build on being a well-run municipality, with strong and committed administration upholding the principles of good governance, maintaining a good credit rating, providing basic services to all and improving our solid productivity rating.

STRATEGIC OBJECTIVES

Section 24 of the Municipal Systems Act states:

(1) The planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of cooperative government contained in Section 41 of the Constitution.

(2) Municipalities must participate in national and provincial development programmes as required in Section 153(b) of the Constitution."

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

3.3 Budget Principles and Criteria

The 2021/22 MTREF was compiled based on the following principles and criteria taken into account, the impact of the COVID 19 pandemic and on the economy:

Credibility

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

Sustainability

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

Responsiveness

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

Affordability

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

The 2021/2022 budget is compiled in line with chapter 4 of the Municipal Finance Management Act, MFMA Budget Circulars and other relevant circulars and / or guidelines from National Treasury and Provincial Treasury. The budget strives to be consistent with the financial norms and ratios as per the MFMA Circular 71 to ensure sound and sustainable management of financial affairs of the municipality. The budget is also consistent with the Long-Term Financial Plan to ensure synergy between long term planning and implementation of planning. Other important principles include addressing the need of access to basic services and the efficient capacitation of the municipality, which is in many instances a challenge given limited financial resources.

The main challenges experienced with the compilation of the 2021/22 MTREF are as follow:

- COVID 19 Pandemic
- Amendments to mSCOA;
- Effect of electricity supply (ESKOM) on the revenue generation
- Consumers exploring alternative energy sources and using less municipal electricity
- Direct effect of the current state of the economy on larger municipalities relying on progressive economic activity
- Vandalism to strategic infrastructure assets
- Ageing infrastructure and increasing service delivery backlogs
- Increasing cost of bulk purchases versus the electricity tariff increases, resulting in pressure to maintain a balance between sustainability, growth and affordability of services

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

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

MFMA circular 70 highlighted examples of non-priority spending that need to be addressed by municipalities. Breede Valley Municipality remains commitment to the elimination of these non-priority items from the 2015/16 MTREF and applying zero percent increases on related items where elimination or a decrease in the 2021/22 MTREF budget is not possible.

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

The capital budget for 2021/22 aims to address the service delivery needs within the municipal area, given the available resources internally and externally. The main source of funding remains conditional grant allocations from National and Provincial government departments, followed by either internal funding. The 2021/22 MTREF is not funded by any external loan funding at this stage.

3.4 Rebates

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

3.4.1 Rebates: Unemployed and Indigent

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

3.4.2 Rebates: Pensioner

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

3.4.3 Rebates: Pensioner 70 years and older

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

3.4.4 Special Rating Area (SRA)

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

3.5 Budget Overview

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

COVID 19 Pandemic – Impact on the Budget
The COVID 19 pandemic had a major influence on the planning and budgeting process for the Medium-Term Revenue and Expenditure Framework for the current financial year and will

continue to do so in the 2021/22 MTREF. The current reality brought high levels of uncertainty relating to projection of the anticipated financial performance and position of the municipality in ensuring that the budget to be approved by Council adheres the requirements of credibility and sustainability.

The current situation forces us to remain prudent and continue with applying resources in a well-balanced manner.

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

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

3.5.1 Operating Revenue

The table below reflects the operating revenue in relation to the current year and 2021/22 MTREF.

Please refer to Annexure A

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

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

Property Rates: Budgeted revenue is based on the current performance realised during the 2020/21 financial year and anticipated revenue based on the new valuation roll to be implemented 1 July 2021.

Service Charges: The 2021/22 projected revenue for service charges is based on the current performance and anticipated trends over the MTREF.

Interest on External Investments: This 2020/21 budget is informed by the municipality's current investment portfolio, and the anticipated return on investments to be made during the 2021/22 financial year.

Fines: Fines are projected in accordance with the anticipated issues for the 2021/22 MTREF.

Transfers Recognised – Operational: This revenue item is based on the operational transfers (conditional and unconditional) as per the 2021/22 budget year allocations.

3.5.2 Operating Expenditure

The table below reflects the operating expenditure in relation to the current year and 2021/22 MTREF.

Please refer to Annexure A.

The operational expenditure budget was adjusted in order to accommodate the projected operational expenditure to be incurred over the MTREF. These amendments/adjustments are based on the 2020/21 Adjustment Budget.

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

- No additional positions to be funded. Current structure and funding mix to remain as is.
- No new positions
- No new temporary contracts
- EPWP workers to be used as alternative to counter staff shortages where needed.
- Review of standby and overtime
- No and/or limited travel and subsistence.
- Efficient and effective utilization of internal staff opposed to using external contractors.
- Hiring of plant and equipment limited to extreme cases.

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

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

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

Debt Impairment: The fines and corresponding write-off will be managed within the available budgets. These amounts will be reviewed with the 2021/22 adjustments budget if needed.

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

Finance charges: The finance charges are calculated based on the municipality's borrowing portfolio. It should also be noted that the interest portion of the repayment decreases over the term of the loan.

Bulk Purchases: This item comprises of electricity bulk purchases and is based on the current consumption patterns in terms of usage. The increase in this expenditure item is based on the NERSA guideline consultation paper issued in terms of budgeting for the 2021/22 MTREF.

Other materials and Contracted Services: The budget for other materials is also based on the 2019/20 Mid-year Adjustments Budget. The municipality placed significant emphasis on the funding of temporary workers that will be targeting high priority areas such as area cleaning and basic service delivery aspects where a temporary need exists. Further, maintenance of rental units / flats, relocation of outside toilets for the vulnerable, ward-based projects and maintenance of chemical toilets are projects to received high priority in terms of funding. The implementation of these projects will be closely monitored given the importance and impact it will have on the beneficiaries.

Other expenditure: The low percentage increase in other expenditure is due to the cost containment not being increased and also the conservative approach applied by the municipality.

Please refer to SA1 for the detail.

3.5.3 Capital Budget

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

Please refer to Annexure A

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

Technical Services Capital Projects

The list below represents the major / significant capital projects included in the Final MTREF.

Description	Finance Source	Finance Source Desc.	2021/22 Budget	2022/23 Budget	2023/24 Budget
Technical Services					
Not Allocated to Wards					
Worcester WwTW	-	-			
Stettynskloof Water Supply (Worcester/Rawsonville)	-	-			
Upgrading of Stettynskloof Supply Pipe Line - Phase 3 (MIG 164422)	8,0	MIG		**3 421 924**	
Rawsonville WwTW					
Extension of WwTW (0,24 Ml/day)	8,0	MIG	**6 296 742**		
-	-	-			
Klipvlakte/ Transhex Residential Development (13 000 erven)	-	-			
Electrical Reticulation	8,2	INEP	**21 000 000**	**38 000 000**	**38 000 000**
Reservoirs					
Pre-loads	8,0	MIG		**18 481 271**	
Touws River: Waste Water Treatment Works (WwTW) Augmentation					
MIG	8,0	MIG			**2 000 000**
Touws River: Water Treatment Works (WTW) Augmentation					
MIG	8,0	MIG			**2 000 000**
Touws River : Water Network Upgrades to Affordable Housing Project					
MIG	8,0	MIG			**500 000**
Touws River : Sewer Network Upgrades to Affordable Housing Project					
MIG	8,0	MIG			**500 000**
Upgrading of Gravel Roads					
Breede Valley: Roads	3,0	CRR		**10 000 000**	**10 000 000**

Resealing of Roads					
Resealing of Municipal Roads - Rawsonville	3,2	CRR	**500 000**	**500 000**	**500 000**
Resealing of Municipal Roads - Worcester					
MIG	8,0	MIG	**25 776 248**	**7 432 593**	**26 614 000**
CRR	3,0	CRR	**2 000 000**	**2 000 000**	**5 000 000**
Resealing of Municipal Roads - Avian Park	8,0	MIG	**1 124 263**		
Resealing of Municipal Roads - Zwelethemba	8,0	MIG		**420 000**	
Resealing of Municipal Roads - De Doorns					
MIG	8,0	MIG			**1 500 000**
CRR	3,0	CRR	**1 000 000**		
Resealing of Municipal Roads - Touws River					
Resealing of Municipal Roads - Touws River	8,0	MIG			**500 000**
Traffic Circles					
Traffic Circles: (High and Louis Lange)	3,0	CRR	**6 000 000**	**6 000 000**	
Traffic Circles: (De La Bat / Roux / Heyns Street)	3,0	CRR			**5 500 000**
Networks					
Replacement of Water Network (Roll-over)	3,0	CRR	**1 000 000**	**1 000 000**	**1 000 000**
Electricity (8112)					
Refurbishment of electrical system	3,0	CRR	**4 500 000**	**5 000 000**	**8 200 000**
Cherry Picker vehicles	3,0	CRR	**3 860 114**		
Refurbishment of electrical system (NERSA)					
2) Quality of supply data loggers and monitoring equipment.	3,0	CRR	**1 000 000**		
Altona new Electrical Substation	3,0	CRR	**6 000 000**	**15 000 000**	
Electricity - Vehicles	3,0	CRR	**750 000**	**750 000**	**750 000**
Electricity - Machinery and Equipment	3,0	CRR	**500 000**	**750 000**	**750 000**
Civil Engineering					
LDV	3,0	CRR	**250 000**		
Survey Equipment	3,0	CRR	**50 000**		
Office Furniture	3,0	CRR	**30 000**		
SOLID WASTE MANAGEMENT					
WORCESTER					
Wheeliebins	3,0	CRR	**1 000 000**	**1 000 000**	**1 000 000**

Ward Priorities					
Speed Humps	3,0	CRR	**2 000 000**		
High Mast lights	3,0	CRR	**3 900 000**		
Development of Playparks	3,0	CRR	**1 000 000**		
Fencing of Substations	3,0	CRR	**250 000**		
Bus Stop / Shelter	3,0	CRR	**100 000**		
Outdoor Gym	3.0	CRR	**98 000**		
Ward 1	-	-			
Rehabilitation of Bok River Pipe Line - Phase 6	8,0	MIG			**7 000 000**
Touws River: Bok River Solar System	8,0	MIG		**500 000**	
Ward 2	-	-			
De Doorns : Transfer Station	8,0	MIG	**516 145**		
New Retention Ponds - De Doorns: South of N1 (MIG Number 202347)	8,0	MIG		**956 814**	
De Doorns Water Purification Works : Augmentation of DAF Unit (MIG funding)	8,0	MIG	**2 546 602**	**7 773 398**	
Ward 8	-	-			
Upgrading of Gravel Roads	3,0	CRR	**3 000 000**	**3 000 000**	**3 000 000**
	-	-			
Erosion Protection of Hex River (Zweletemba)	-	-			
Erosion Protection of Hex River : Phase 2 (300m @ R13,333.33/m)	3,0	CRR	**3 150 000**		
Ward 12	-	-			
Upgrading of Gravel Road	3,0	CRR	**6 000 000**		
Ward 21	-	-			
Upgrading of gravel roads	3,0	CRR	**1 000 000**	**1 000 000**	**1 000 000**
High Mast Light	3,0	CRR	**600 000**		
SERVICE CONNECTIONS (Depending on Public Contr)					
Sewer Connections	3,3	CRR	**1 120 000**	**1 120 000**	**1 120 000**
Electricity Connections	3.3	CRR	**1 000 000**	**1 000 000**	**1 000 000**
Water Connections	3,3	CRR	**2 719 200**	**2 719 200**	**2 719 200**
Machinery and Equipment	3,0	CRR	**1 000 000**	**2 000 000**	**2 000 000**
Municipal 32ehicles (LDV)	3,0	CRR	**1 500 000**		
ROADS AND STORMWATER					

Machinery and Equipment	3,0	CRR	**1 000 000**	**2 000 000**	**2 000 000**
Public Services – Vehicles	3,0	CRR	**1 500 000**	**1 500 000**	**1 500 000**
Town Planning and Building Control					
Land Infill Developments					
Johnsons Park – Water	3,0	CRR	**292 085**		
Johnsons Park – Sewer	3,0	CRR	**876 009**		
Johnsons Park – Stormwater	3,0	CRR	**189 856**		
Johnsons Park – Electricity	3,0	CRR	**1 980 000**		
Avian Park Industrial – Water	3,0	CRR	**100 000**	**146 043**	**146 043**
Avian Park Industrial – Sewer	3,0	CRR	**100 000**	**438 005**	**438 005**
Avian Park Industrial – Stormwater	3,0	CRR	**100 000**	**94 928**	**94 928**
Avian Park Industrial – Electricity	3,0	CRR	**100 000**	**990 000**	**990 000**
Avian Park Industrial - Sewer Pumpstation	3,0	CRR	**600 000**	**9 000 000**	**10 000 000**
Somerset Park - Water	3,0	CRR	**50 000**	**146 043**	
Somerset Park - Sewer	3,0	CRR	**50 000**	**438 005**	
Somerset Park - Stormwater	3,0	CRR	**100 000**	**94 928**	
Somerset Park - Electricity	3,0	CRR	**50 000**	**990 000**	
SWIMMING POOL: Zwelethemba - 5125					
Zwelethemba - New Swimming Pool	3,0	CRR	**15 500 000**		
Municipal Manager					
Admin -0603					
Furniture and Equipment	3,0	CRR	**5 000**	**5 000**	**5 000**
Community Services					
ADMIN - 0903					
Furniture & Equipment	4,0	CRR	**5 000**	**5 000**	**5 000**
HOUSING					
Unallocated DoRA projects - TRANSHEX					
SWIMMING Pool: Zweletemba - 5125					
SWIMMING Pool: De Doorns					
New Swimming Pool	3,0	CRR		**500 000**	**15 000 000**

SPORT: Boland Park - 5130					
Replacement of fence perimeter	3,0	CRR		**6 000 000**	
SPORT: Esselen Park					
Replacement of fence perimeter	3,0	CRR	**6 000 000**		
SPORT: Zwelthemba					
Replacement of fence perimeter	3,0	CRR			**6 000 000**
SPORT: Steenvliet					
Machinery and Equipment	3,0	CRR	**100 000**		
WATERLOO LIBRARY - 4506					
Replace equipment	3,0	CRR	**30 000**		
Replace equipment	6,1	Libraries	**100 000**		
TRAFFIC					
Buildings					
Machinery and Equipment	3,0	CRR	**100 000**		
Traffic - Vehicles	3,0	CRR	**500 000**		
FIRE DEPARTMENT: ADMIN - 4203					
Machinery and Equipment	3,0	CRR	**500 000**		
FINANCIAL SERVICES					
Admin					
Furniture and Equipment	4,0	CRR	**5 000**	**5 000**	**5 000**
Financial Planning					
Safeguarding of Assets	12,0		**400 000**	**400 000**	**400 000**
Insurance claims	12,0		**400 000**	**400 000**	**400 000**
COUNCIL & MAYCO					
MAYORAL OFFICE - 0306					
Furniture and Equipment	3,0	CRR	**5 000**	**5 000**	**5 000**
STRATEGIC SUPPORT SERVICES					
STRATEGIC SUPPORT - ADMIN - 2103					
Furniture and Equipment	4,0	CRR	**5 000**	**5 000**	**5 000**
WORCESTER TOWN HALL					

CIVIC CENTRE WORCESTER - 3903					
Solar pannel - conversion	3,0	CRR	**500 000**		
INFORMATION TECHNOLOGY - 2114					
ICT - Computer Equipment	3,0	CRR	**3 000 000**		
Call Center & Telephone (PBX) System	3,0	CRR	**2 500 000**		
Biometric system	3,0	CRR	**150 000**		
Fire Alarm (DR site)	3,0	CRR	**150 000**		
Infrastructure Replacement & Upgrades (Servers, Storage and Connectivity)	3,0	CRR		**10 000 000**	
Airconditioner (DR Site)	3,0	CRR	**50 000**		

Kindly refer to SA36 for the detail capital budget.

4. Annual Budget Tables

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

- ***Table A1*** *Budget Summary*

WC025 Breede Valley - Table A1 Budget Summary

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Financial Performance										
Property rates	126 476	135 728	145 107	146 998	146 998	146 998	146 998	154 348	162 066	170 169
Service charges	508 227	564 827	622 044	646 947	644 447	644 447	644 447	722 633	778 990	839 985
Investment revenue	16 556	13 134	11 508	3 112	6 000	6 000	6 000	10 686	11 221	11 782
Transfers recognised - operational	130 203	133 233	141 850	208 112	171 213	171 213	171 213	147 172	186 730	172 727
Other own revenue	146 197	93 986	91 210	150 326	153 721	153 721	153 721	267 249	280 236	293 866
Total Revenue (excluding capital transfers and contributions)	**927 659**	**940 908**	**1 011 719**	**1 155 495**	**1 122 380**	**1 122 380**	**1 122 380**	**1 302 088**	**1 419 242**	**1 488 528**
Employee costs	252 675	278 623	297 258	317 416	324 693	324 693	324 693	344 581	365 203	387 063
Remuneration of councillors	16 891	17 675	18 413	18 780	19 473	19 473	19 473	20 356	21 470	22 650
Depreciation & asset impairment	85 049	88 009	87 504	95 246	95 246	95 246	95 246	100 988	107 078	113 534
Finance charges	26 039	24 682	23 643	23 653	23 653	23 653	23 653	23 653	23 653	23 653
Materials and bulk purchases	278 170	314 601	345 745	346 130	366 545	366 545	366 545	428 242	464 701	504 364
Transfers and grants	12 807	19 661	6 938	65 605	8 158	8 158	8 158	4 365	39 583	24 287
Other expenditure	282 452	207 838	231 691	208 045	259 495	259 495	259 495	364 990	377 435	399 432
Total Expenditure	**954 082**	**951 089**	**1 011 191**	**1 074 875**	**1 097 264**	**1 097 264**	**1 097 264**	**1 287 175**	**1 399 123**	**1 474 982**
Surplus/(Deficit)	**(26 423)**	**(10 182)**	**528**	**80 619**	**25 117**	**25 117**	**25 117**	**14 913**	**20 120**	**13 546**
Transfers and subsidies - capital (monetary allocations) (	131 654	164 210	146 877	82 337	53 468	53 468	53 468	57 360	76 986	78 614
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	1 528	185	1 147	1 597	1 597	1 597	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**105 231**	**155 556**	**147 589**	**164 104**	**80 182**	**80 182**	**80 182**	**72 273**	**97 106**	**92 160**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**105 231**	**155 556**	**147 589**	**164 104**	**80 182**	**80 182**	**80 182**	**72 273**	**97 106**	**92 160**
Capital expenditure & funds sources										
Capital expenditure	**201 022**	**266 003**	**195 481**	**99 914**	**132 990**	**132 990**	**132 990**	**151 230**	**162 988**	**159 147**
Transfers recognised - capital	131 654	165 738	147 062	83 484	55 065	55 065	55 065	57 360	76 986	78 614
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	21 325	6 281	159	–	–	–	–	–	–	–
Internally generated funds	48 042	93 984	48 260	16 429	77 925	77 925	77 925	93 870	86 002	80 533
Total sources of capital funds	**201 022**	**266 003**	**195 481**	**99 914**	**132 990**	**132 990**	**132 990**	**151 230**	**162 988**	**159 147**
Financial position										
Total current assets	328 298	254 837	313 695	238 547	266 649	266 649	266 649	319 279	315 809	319 150
Total non current assets	2 095 716	2 289 752	2 410 862	2 498 469	2 513 070	2 513 070	2 513 070	2 499 055	2 554 441	2 600 237
Total current liabilities	201 833	170 630	190 720	131 650	131 650	131 650	131 650	154 174	163 221	172 864
Total non current liabilities	446 569	444 660	447 981	424 474	424 474	424 474	424 474	434 708	433 627	431 566
Community wealth/Equity	1 775 611	1 929 299	2 085 857	2 234 758	2 174 445	2 174 445	2 174 445	2 229 452	2 273 403	2 314 958
Cash flows										
Net cash from (used) operating	180 097	225 963	143 019	34 810	36 690	36 690	36 690	50 395	143 346	146 444
Net cash from (used) investing	(150 256)	(227 022)	(82 049)	(99 864)	(132 780)	(132 780)	(132 780)	(151 180)	(162 938)	(159 097)
Net cash from (used) financing	(16 968)	(9 525)	(10 400)	(11 652)	(11 652)	(11 652)	(11 652)	(12 941)	(14 436)	(16 091)
Cash/cash equivalents at the year end	**105 451**	**94 867**	**160 437**	**23 325**	**53 978**	**53 978**	**53 978**	**86 287**	**52 259**	**23 514**
Cash backing/surplus reconciliation										
Cash and investments available	151 376	110 088	162 139	23 325	51 807	51 807	51 807	86 287	52 259	23 514
Application of cash and investments	14 279	(16 328)	(27 070)	16 941	(26 185)	(26 185)	(26 185)	(7 420)	(33 794)	(56 853)
Balance - surplus (shortfall)	**137 097**	**126 416**	**189 210**	**6 385**	**77 992**	**77 992**	**77 992**	**93 707**	**86 054**	**80 368**
Asset management										
Asset register summary (WDV)	2 054 772	2 251 198	2 407 549	2 460 011	2 474 612	2 474 612		2 495 576	2 550 788	2 596 402
Depreciation	85 049	88 009	87 504	95 246	95 246	95 246		100 988	107 078	113 534
Renewal of Existing Assets	42 303	25 695	53 016	3 000	57 652	57 652		43 631	27 753	51 714
Repairs and Maintenance	61 957	61 942	52 933	32 524	50 993	50 993		55 398	58 026	61 902
Free services										
Cost of Free Basic Services provided	28 756	38 649	46 337	40 688	40 688	40 688	40 688	45 808	49 237	52 831
Revenue cost of free services provided	21 568	27 175	25 972	28 759	28 759	28 759	28 759	41 033	43 085	45 239
Households below minimum service level										
Water:	924	924	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

- ***Table A2*** *Budgeted Financial Performance (Revenue and Expenditure by standard classification)*

WC025 Breede Valley - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue - Functional										
Governance and administration		**186 089**	**308 364**	**300 853**	**212 426**	**217 335**	**217 335**	**213 203**	**222 814**	**232 177**
Executive and council		1 270	1 044	2 449	108	108	108	112	117	122
Finance and administration		184 645	307 275	298 404	212 318	217 227	217 227	213 091	222 697	232 055
Internal audit		174	44	–	–	–	–	–	–	–
Community and public safety		**167 430**	**107 604**	**42 087**	**213 570**	**159 530**	**159 530**	**264 651**	**311 332**	**309 350**
Community and social services		10 709	15 025	11 080	11 323	11 456	11 456	10 140	10 341	10 548
Sport and recreation		3 696	3 461	3 034	1 811	2 126	2 126	2 211	2 301	2 393
Public safety		120 663	47 478	3 140	118 761	119 447	119 447	230 807	241 087	254 114
Housing		32 362	41 640	24 833	81 675	26 501	26 501	21 493	57 603	42 295
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**35 274**	**7 496**	**86 944**	**24 568**	**20 343**	**20 343**	**14 911**	**14 461**	**15 035**
Planning and development		8 990	5 464	6 666	3 209	3 857	3 857	1 353	1 278	1 331
Road transport		23 558	817	79 465	19 109	13 109	13 109	13 558	13 183	13 704
Environmental protection		2 725	1 215	813	2 250	3 378	3 378	–	–	–
Trading services		**670 521**	**683 181**	**728 897**	**788 416**	**780 138**	**780 138**	**866 683**	**947 621**	**1 010 580**
Energy sources		365 297	403 650	434 289	483 733	480 132	480 132	552 484	616 949	668 321
Water management		117 794	109 201	108 331	114 878	112 627	112 627	102 167	135 027	118 606
Waste water management		135 671	109 615	128 062	129 575	123 063	123 063	147 556	128 082	153 698
Waste management		51 759	60 716	58 215	60 230	64 316	64 316	64 476	67 564	69 955
Other	4	**–**	**–**	**–**	**–**	**100**	**100**	**–**	**–**	**–**
Total Revenue - Functional	2	**1 059 314**	**1 106 645**	**1 158 781**	**1 238 979**	**1 177 446**	**1 177 446**	**1 359 448**	**1 496 228**	**1 567 142**
Expenditure - Functional										
Governance and administration		**180 012**	**191 117**	**206 846**	**212 835**	**259 051**	**259 051**	**262 202**	**271 479**	**286 499**
Executive and council		35 702	37 073	42 639	34 332	38 664	38 664	40 098	41 787	44 104
Finance and administration		141 632	150 896	160 944	175 111	216 673	216 673	218 212	225 569	238 027
Internal audit		2 677	3 148	3 263	3 392	3 713	3 713	3 891	4 123	4 369
Community and public safety		**209 318**	**165 812**	**132 945**	**231 844**	**188 670**	**188 670**	**309 857**	**361 998**	**366 744**
Community and social services		20 256	23 007	23 513	22 611	26 706	26 706	26 949	28 498	30 172
Sport and recreation		26 074	27 592	27 661	24 623	26 069	26 069	27 026	28 203	29 860
Public safety		133 815	85 065	58 427	110 989	112 838	112 838	225 937	238 748	253 999
Housing		29 075	29 981	23 184	73 516	22 971	22 971	29 855	66 452	52 611
Health		97	166	161	105	85	85	91	96	102
Economic and environmental services		**69 654**	**68 538**	**107 095**	**77 584**	**79 003**	**79 003**	**79 306**	**83 396**	**88 241**
Planning and development		14 353	15 428	15 655	16 594	17 360	17 360	18 626	19 620	20 776
Road transport		52 221	51 474	90 316	58 304	57 781	57 781	60 221	63 291	66 952
Environmental protection		3 080	1 637	1 125	2 685	3 863	3 863	459	485	513
Trading services		**494 094**	**524 126**	**563 108**	**550 593**	**569 822**	**569 822**	**635 190**	**681 599**	**732 813**
Energy sources		325 777	350 328	378 176	387 435	401 464	401 464	462 271	500 371	541 953
Water management		57 694	64 010	68 515	58 613	63 823	63 823	65 812	69 305	72 997
Waste water management		61 247	64 772	66 446	58 922	62 284	62 284	63 890	67 033	70 363
Waste management		49 376	45 015	49 970	45 623	42 251	42 251	43 218	44 889	47 499
Other	4	**1 005**	**1 497**	**1 197**	**2 019**	**718**	**718**	**619**	**652**	**686**
Total Expenditure - Functional	3	**954 082**	**951 089**	**1 011 191**	**1 074 875**	**1 097 264**	**1 097 264**	**1 287 175**	**1 399 123**	**1 474 982**
Surplus/(Deficit) for the year		**105 231**	**155 556**	**147 589**	**164 104**	**80 182**	**80 182**	**72 273**	**97 106**	**92 160**

- ***Table A3*** *Budgeted Financial Performance (revenue and expenditure by municipal vote)*

WC025 Breede Valley - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote	1									
Vote 1 - Council General		3 290	358	449	108	108	108	112	117	122
Vote 2 - Municipal Manager		8 608	4 770	7 434	14 734	15 067	15 067	500	–	–
Vote 3 - Strategic Support Services		477	2 508	3 094	1 110	1 766	1 766	1 651	1 569	1 612
Vote 4 - Financial Services		179 070	300 915	291 867	195 113	199 335	199 335	208 487	218 931	228 162
Vote 5 - Community Services		169 578	109 909	101 230	226 081	172 372	172 372	277 467	324 105	322 630
Vote 6 - Technical Services		698 291	688 186	754 706	801 832	788 798	788 798	–	–	–
Vote 7 - Engineering Services		–	–	–	–	–	–	552 474	616 939	668 310
Vote 8 - Public Services		–	–	–	–	–	–	318 757	334 568	346 306
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	**1 059 314**	**1 106 645**	**1 158 781**	**1 238 979**	**1 177 446**	**1 177 446**	**1 359 448**	**1 496 228**	**1 567 142**
Expenditure by Vote ***to be appropriated***	1									
Vote 1 - Council General		32 119	30 440	37 996	30 588	34 878	34 878	36 147	38 130	40 230
Vote 2 - Municipal Manager		8 799	9 807	11 268	9 732	11 504	11 504	9 628	9 669	10 241
Vote 3 - Strategic Support Services		51 388	56 938	59 431	55 026	70 439	70 439	71 745	75 352	79 463
Vote 4 - Financial Services		61 792	62 206	66 397	88 279	106 277	106 277	133 357	136 546	144 094
Vote 5 - Community Services		216 078	171 962	178 895	244 134	196 224	196 224	315 481	367 863	372 967
Vote 6 - Technical Services		583 906	619 737	657 203	647 117	677 942	677 942	–	–	–
Vote 7 - Engineering Services		–	–	–	–	–	–	471 099	509 716	551 845
Vote 8 - Public Services		–	–	–	–	–	–	249 717	261 847	276 144
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	**954 082**	**951 089**	**1 011 191**	**1 074 875**	**1 097 264**	**1 097 264**	**1 287 175**	**1 399 123**	**1 474 982**
Surplus/(Deficit) for the year	2	**105 231**	**155 556**	**147 589**	**164 104**	**80 182**	**80 182**	**72 273**	**97 106**	**92 160**

References

1. Insert 'Vote', e.g. department, if different to functional classification structure

2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)

3. Assign share in 'associate' to relevant Vote

- ***Table A4*** *Budgeted Financial Performance (revenue and expenditure)*

WC025 Breede Valley - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source											
Property rates	2	126 476	135 728	145 107	146 998	146 998	146 998	146 998	154 348	162 066	170 169
Service charges - electricity revenue	2	351 233	389 167	416 707	452 478	452 478	452 478	452 478	522 613	569 649	620 918
Service charges - water revenue	2	56 725	70 217	91 484	75 888	75 888	75 888	75 888	79 712	83 712	87 912
Service charges - sanitation revenue	2	65 381	67 133	73 688	76 490	73 990	73 990	73 990	76 112	79 223	82 428
Service charges - refuse revenue	2	34 887	38 310	40 166	42 092	42 092	42 092	42 092	44 197	46 407	48 727
Rental of facilities and equipment		9 052	24 456	10 671	2 223	5 618	5 618	5 618	5 845	6 080	6 325
Interest earned - external investments		16 556	13 134	11 508	3 112	6 000	6 000	6 000	10 686	11 221	11 782
Interest earned - outstanding debtors		6 278	6 198	8 133	6 467	6 467	6 467	6 467	6 770	7 001	7 243
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		111 978	37 240	51 034	118 474	118 474	118 474	118 474	230 513	242 038	254 141
Licences and permits		3 108	2 952	2 211	3 797	3 797	3 797	3 797	3 949	4 107	4 272
Agency services		7 630	8 507	7 543	8 641	8 641	8 641	8 641	8 987	9 346	9 720
Transfers and subsidies		130 203	133 233	141 850	208 112	171 213	171 213	171 213	147 172	186 730	172 727
Other revenue	2	8 246	11 560	11 618	9 406	9 405	9 405	9 405	9 786	10 182	10 593
Gains		(95)	3 073	–	1 320	1 320	1 320	1 320	1 399	1 483	1 572
Total Revenue (excluding capital transfers and contributions)		**927 659**	**940 908**	**1 011 719**	**1 155 495**	**1 122 380**	**1 122 380**	**1 122 380**	**1 302 088**	**1 419 242**	**1 488 528**
Expenditure By Type											
Employee related costs	2	252 675	278 623	297 258	317 416	324 693	324 693	324 693	344 581	365 203	387 063
Remuneration of councillors		16 891	17 675	18 413	18 780	19 473	19 473	19 473	20 356	21 470	22 650
Debt impairment	3	112 245	62 896	90 509	85 167	95 167	95 167	95 167	198 257	210 152	222 762
Depreciation & asset impairment	2	85 049	88 009	87 504	95 246	95 246	95 246	95 246	100 988	107 078	113 534
Finance charges		26 039	24 682	23 643	23 653	23 653	23 653	23 653	23 653	23 653	23 653
Bulk purchases	2	264 821	287 305	318 842	326 798	337 798	337 798	337 798	388 335	422 897	460 535
Other materials	8	13 348	27 296	26 904	19 332	28 748	28 748	28 748	39 907	41 804	43 829
Contracted services		97 988	72 243	64 401	64 602	85 537	85 537	85 537	89 923	87 960	93 283
Transfers and subsidies		12 807	19 661	6 938	65 605	8 158	8 158	8 158	4 365	39 583	24 287
Other expenditure	4, 5	72 219	72 678	76 388	54 773	75 288	75 288	75 288	73 045	75 332	79 158
Losses		–	21	394	3 504	3 504	3 504	3 504	3 766	3 991	4 230
Total Expenditure		**954 082**	**951 089**	**1 011 191**	**1 074 875**	**1 097 264**	**1 097 264**	**1 097 264**	**1 287 175**	**1 399 123**	**1 474 982**
Surplus/(Deficit)		**(26 423)**	**(10 182)**	**528**	**80 619**	**25 117**	**25 117**	**25 117**	**14 913**	**20 120**	**13 546**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		131 654	164 210	146 877	82 337	53 468	53 468	53 468	57 360	76 986	78 614
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	–	–	1 147	1 147	1 147	1 147	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	1 528	185	–	450	450	450	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**105 231**	**155 556**	**147 589**	**164 104**	**80 182**	**80 182**	**80 182**	**72 273**	**97 106**	**92 160**
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		**105 231**	**155 556**	**147 589**	**164 104**	**80 182**	**80 182**	**80 182**	**72 273**	**97 106**	**92 160**
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**105 231**	**155 556**	**147 589**	**164 104**	**80 182**	**80 182**	**80 182**	**72 273**	**97 106**	**92 160**
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		**105 231**	**155 556**	**147 589**	**164 104**	**80 182**	**80 182**	**80 182**	**72 273**	**97 106**	**92 160**

References

1. Classifications are revenue sources and expenditure type

2. Detail to be provided in Table SA1

3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment

4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs

5. Repairs & maintenance detailed in Table A9 and Table SA34c

6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)

7. Equity method (Includes Joint Ventures)

8. All materials not part of 'bulk' e.g road making materials, pipe, cable etc.

Total Revenue	***1 059 314***	***1 106 645***	***1 158 781***	***1 238 979***	***1 177 446***	***1 177 446***	***1 177 446***	***1 359 448***	***1 496 228***	***1 567 142***

- ***Table A5*** *Budgeted Capital Expenditure by vote, standard classification and funding*

WC025 Breede Valley - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Council General		–	–	4	–	–	–	–	5	5	5
Vote 2 - Municipal Manager		–	–	3 333	10	889	889	889	5	5	5
Vote 3 - Strategic Support Services		–	–	305	5	600	600	600	3 155	5	5
Vote 4 - Financial Services		–	–	167	–	1 233	1 233	1 233	–	–	–
Vote 5 - Community Services		–	–	2 153	5	10 860	10 860	10 860	15 635	505	15 005
Vote 6 - Technical Services		–	–	113 128	61 701	28 856	28 856	28 856	–	–	–
Vote 7 - Engineering Services		–	–	–	–	–	–	–	33 600	59 000	47 200
Vote 8 - Public Services		–	–	–	–	–	–	–	50 394	56 029	55 614
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		**–**	**–**	**119 091**	**61 721**	**42 438**	**42 438**	**42 438**	**102 794**	**115 549**	**117 834**
Single-year expenditure *to be appropriated*	2										
Vote 1 - Council General		1 702	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		8 181	4 143	2 103	1 900	1 764	1 764	1 764	–	–	–
Vote 3 - Strategic Support Services		5 352	25 349	334	–	928	928	928	3 200	10 000	–
Vote 4 - Financial Services		795	1 426	8	1 005	1 813	1 813	1 813	805	805	805
Vote 5 - Community Services		3 770	10 232	811	700	1 150	1 150	1 150	7 200	6 000	6 000
Vote 6 - Technical Services		181 222	224 853	73 134	34 588	84 897	84 897	84 897	–	–	–
Vote 7 - Engineering Services		–	–	–	–	–	–	–	12 220	3 480	2 490
Vote 8 - Public Services		–	–	–	–	–	–	–	25 011	27 154	32 018
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		**201 022**	**266 003**	**76 390**	**38 193**	**90 552**	**90 552**	**90 552**	**48 436**	**47 439**	**41 313**
Total Capital Expenditure - Vote	3,7	**201 022**	**266 003**	**195 481**	**99 914**	**132 990**	**132 990**	**132 990**	**151 230**	**162 988**	**159 147**
Capital Expenditure - Functional											
Governance and administration		**21 772**	**30 488**	**838**	**1 625**	**5 331**	**5 331**	**5 331**	**7 005**	**10 825**	**825**
Executive and council		356	15	6	5	60	60	60	10	10	10
Finance and administration		21 416	30 473	832	1 620	5 271	5 271	5 271	6 995	10 815	815
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		**5 171**	**13 958**	**3 874**	**100**	**12 109**	**12 109**	**12 109**	**23 828**	**6 500**	**21 000**
Community and social services		1 006	8 059	818	100	10 305	10 305	10 305	728	–	–
Sport and recreation		1 011	2 190	2 497	–	31	31	31	22 600	6 500	21 000
Public safety		3 153	3 709	559	–	1 774	1 774	1 774	500	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**41 317**	**40 510**	**69 869**	**19 546**	**72 603**	**72 603**	**72 603**	**51 601**	**33 853**	**57 114**
Planning and development		–	–	5 434	1 900	1 483	1 483	1 483	–	–	–
Road transport		41 317	40 510	64 435	17 646	71 120	71 120	71 120	51 601	33 853	57 114
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		**132 762**	**181 047**	**120 901**	**78 642**	**42 947**	**42 947**	**42 947**	**68 797**	**111 811**	**80 208**
Energy sources		12 418	27 408	20 710	28 212	26 706	26 706	26 706	45 490	62 480	49 690
Water management		52 928	55 824	29 044	24 984	5 476	5 476	5 476	7 308	43 188	23 365
Waste water management		59 378	83 000	49 695	25 446	9 443	9 443	9 443	14 483	5 143	6 153
Waste management		8 039	14 816	21 452	–	1 322	1 322	1 322	1 516	1 000	1 000
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3,7	**201 022**	**266 003**	**195 481**	**99 914**	**132 990**	**132 990**	**132 990**	**151 230**	**162 988**	**159 147**
Funded by:											
National Government		41 783	37 488	34 373	56 337	50 820	50 820	50 820	57 260	76 986	78 614
Provincial Government		88 028	128 219	112 433	26 000	2 648	2 648	2 648	100	–	–
District Municipality		–	31	71	–	450	450	450	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		1 843	–	185	1 147	1 147	1 147	1 147	–	–	–
Transfers recognised - capital	4	**131 654**	**165 738**	**147 062**	**83 484**	**55 065**	**55 065**	**55 065**	**57 360**	**76 986**	**78 614**
Public contributions & donations	5	–	–	–	–	–	–	–	–	–	–
Borrowing	6	21 325	6 281	159	–	–	–	–	–	–	–
Internally generated funds		48 042	93 984	48 260	16 429	77 925	77 925	77 925	93 870	86 002	80 533
Total Capital Funding	7	**201 022**	**266 003**	**195 481**	**99 914**	**132 990**	**132 990**	**132 990**	**151 230**	**162 988**	**159 147**

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).

2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year

3. Capital expenditure by functional classification must reconcile to the appropriations by vote

4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)

5. Must reconcile to Budgeted Financial Performance (revenue and expenditure)

6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17

7. Total Capital Funding must balance with Total Capital Expenditure

8. Include any capitalised interest (MFMA section 46) as part of relevant capital budget

- ***Table A6*** *Budgeted Financial Position*

WC025 Breede Valley - Table A6 Budgeted Financial Position

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
ASSETS											
Current assets											
Cash		105 451	94 867	146 720	13 325	41 807	41 807	41 807	41 287	27 259	8 514
Call investment deposits	1	45 925	15 221	15 420	10 000	10 000	10 000	10 000	45 000	25 000	15 000
Consumer debtors	1	90 178	110 444	115 555	175 866	175 487	175 487	175 487	195 191	223 859	253 960
Other debtors		71 238	25 461	23 602	26 734	26 734	26 734	26 734	24 782	26 021	27 322
Current portion of long-term receivables		551	1 763	1 968	1 675	1 675	1 675	1 675	2 066	2 169	2 278
Inventory	2	14 956	7 081	10 432	10 946	10 946	10 946	10 946	10 953	11 501	12 076
Total current assets		**328 298**	**254 837**	**313 695**	**238 547**	**266 649**	**266 649**	**266 649**	**319 279**	**315 809**	**319 150**
Non current assets											
Long-term receivables		4 313	1 923	3 314	1 827	1 827	1 827	1 827	3 479	3 653	3 836
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		21 786	44 866	47 145	43 750	43 750	43 750	43 750	47 145	47 145	47 145
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	2 028 332	2 201 899	2 319 592	2 412 290	2 426 875	2 426 875	2 426 875	2 408 787	2 464 638	2 510 929
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		4 655	4 432	4 182	3 971	3 986	3 986	3 986	3 013	2 374	1 697
Other non-current assets		36 631	36 631	36 631	36 631	36 631	36 631	36 631	36 631	36 631	36 631
Total non current assets		**2 095 716**	**2 289 752**	**2 410 862**	**2 498 469**	**2 513 070**	**2 513 070**	**2 513 070**	**2 499 055**	**2 554 441**	**2 600 237**
TOTAL ASSETS		**2 424 014**	**2 544 589**	**2 724 558**	**2 737 016**	**2 779 720**	**2 779 720**	**2 779 720**	**2 818 334**	**2 870 250**	**2 919 387**
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	15 781	16 495	17 433	13 041	13 041	13 041	13 041	14 536	16 191	18 023
Consumer deposits		3 912	4 083	4 231	4 328	4 328	4 328	4 328	4 738	4 763	4 788
Trade and other payables	4	147 244	111 594	121 889	73 515	73 515	73 515	73 515	92 096	97 322	102 862
Provisions		34 897	38 458	47 167	40 765	40 765	40 765	40 765	42 804	44 944	47 191
Total current liabilities		**201 833**	**170 630**	**190 720**	**131 650**	**131 650**	**131 650**	**131 650**	**154 174**	**163 221**	**172 864**
Non current liabilities											
Borrowing		214 291	203 881	192 180	179 139	179 139	179 139	179 139	164 603	148 411	130 388
Provisions		232 278	240 779	255 801	245 335	245 335	245 335	245 335	270 105	285 215	301 177
Total non current liabilities		**446 569**	**444 660**	**447 981**	**424 474**	**424 474**	**424 474**	**424 474**	**434 708**	**433 627**	**431 566**
TOTAL LIABILITIES		**648 402**	**615 290**	**638 701**	**556 123**	**556 123**	**556 123**	**556 123**	**588 882**	**596 847**	**604 430**
NET ASSETS	5	**1 775 611**	**1 929 299**	**2 085 857**	**2 180 893**	**2 223 596**	**2 223 596**	**2 223 596**	**2 229 452**	**2 273 403**	**2 314 958**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1 775 611	1 929 299	2 085 857	2 180 893	2 120 580	2 120 580	2 120 580	2 175 587	2 219 538	2 261 093
Reserves	4	–	–	–	53 865	53 865	53 865	53 865	53 865	53 865	53 865
TOTAL COMMUNITY WEALTH/EQUITY	5	**1 775 611**	**1 929 299**	**2 085 857**	**2 234 758**	**2 174 445**	**2 174 445**	**2 174 445**	**2 229 452**	**2 273 403**	**2 314 958**

References

1. Detail to be provided in Table SA3

2. Include completed low cost housing to be transferred to beneficiaries within 12 months

3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)

4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.

5. Total Assets must balance with Total Liabilities

6. Net Assets must balance with Total Community Wealth/Equity

- **Table A7** Budgeted Cash Flows

WC025 Breede Valley - Table A7 Budgeted Cash Flows

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		90 609	–	100 740	96 634	111 334	111 334	111 334	131 196	145 859	161 661
Service charges		470 599	734 584	620 705	488 603	551 456	551 456	551 456	641 866	731 237	799 830
Other revenue		65 391	–	176 012	44 147	47 543	47 543	47 543	40 959	42 393	43 871
Transfers and Subsidies - Operational	1	149 312	130 191	140 434	208 112	166 964	166 964	166 964	147 172	186 730	172 727
Transfers and Subsidies - Capital	1	129 655	139 510	50 052	83 484	54 417	54 417	54 417	57 360	96 986	78 614
Interest		20 825	14 983	17 405	7 315	10 850	10 850	10 850	17 456	18 221	19 025
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(707 447)	(753 939)	(925 131)	(805 204)	(875 040)	(875 040)	(875 040)	(959 913)	(1 018 656)	(1 090 747)
Finance charges		(26 039)	(24 682)	(23 996)	(22 676)	(22 676)	(22 676)	(22 676)	(21 336)	(19 841)	(14 249)
Transfers and Grants	1	(12 807)	(14 684)	(13 202)	(65 605)	(8 158)	(8 158)	(8 158)	(4 365)	(39 583)	(24 287)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**180 097**	**225 963**	**143 019**	**34 810**	**36 690**	**36 690**	**36 690**	**50 395**	**143 346**	**146 444**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		31	3 735	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		3 736	4 816	(13)	50	50	50	50	–	–	–
Decrease (increase) in non-current investments		45 000	30 704	–	–	–	–	–	50	50	50
Payments											
Capital assets		(199 022)	(266 277)	(82 036)	(99 914)	(132 830)	(132 830)	(132 830)	(151 230)	(162 988)	(159 147)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(150 256)**	**(227 022)**	**(82 049)**	**(99 864)**	**(132 780)**	**(132 780)**	**(132 780)**	**(151 180)**	**(162 938)**	**(159 097)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–		–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–		–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		232	171	10	50	50	50	50	100	100	100
Payments											
Repayment of borrowing		(17 200)	(9 696)	(10 410)	(11 702)	(11 702)	(11 702)	(11 702)	(13 041)	(14 536)	(16 191)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(16 968)**	**(9 525)**	**(10 400)**	**(11 652)**	**(11 652)**	**(11 652)**	**(11 652)**	**(12 941)**	**(14 436)**	**(16 091)**
NET INCREASE/ (DECREASE) IN CASH HELD		**12 873**	**(10 584)**	**50 570**	**(76 705)**	**(107 742)**	**(107 742)**	**(107 742)**	**(113 726)**	**(34 027)**	**(28 745)**
Cash/cash equivalents at the year begin:	2	**92 578**	**105 451**	**109 867**	100 031	161 720	161 720	161 720	**200 013**	**86 287**	**52 259**
Cash/cash equivalents at the year end:	2	**105 451**	**94 867**	**160 437**	**23 325**	**53 978**	**53 978**	**53 978**	**86 287**	**52 259**	**23 514**

References
1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less
3. The MTREF is populated directly from SA30.

- ***Table A8** Cash Backed Reserves / Accumulated Surplus Reconciliation*

WC025 Breede Valley - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash and investments available											
Cash/cash equivalents at the year end	1	105 451	94 867	160 437	23 325	53 978	53 978	53 978	86 287	52 259	23 514
Other current investments > 90 days		45 925	15 221	1 702	–	(2 171)	(2 171)	(2 171)	–	–	(0)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**151 376**	**110 088**	**162 139**	**23 325**	**51 807**	**51 807**	**51 807**	**86 287**	**52 259**	**23 514**
Application of cash and investments											
Unspent conditional transfers		47 472	21 301	21 779	5 000	5 000	5 000	5 000	5 000	5 000	5 000
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	(33 194)	(37 629)	(48 849)	(67 933)	(85 050)	(85 050)	(85 050)	(72 066)	(98 791)	(122 221)
Other provisions		–	–	–	–	–	–	–	5 781	6 132	6 504
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	79 873	53 865	53 865	53 865	53 865	53 865	53 865
Total Application of cash and investments:		**14 279**	**(16 328)**	**(27 070)**	**16 941**	**(26 185)**	**(26 185)**	**(26 185)**	**(7 420)**	**(33 794)**	**(56 853)**
Surplus(shortfall)		**137 097**	**126 416**	**189 210**	**6 385**	**77 992**	**77 992**	**77 992**	**93 707**	**86 054**	**80 368**

- ***Table A9** Asset Management'*

Please refer to Table A9

- ***Table A10** Basic Service Delivery Measurement*

WC025 Breede Valley - Table A10 Basic service delivery measurement

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Household service targets	1									
Water:										
Piped water inside dwelling		16 701	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372
Piped water inside yard (but not in dwelling)		3 803	3 879	3 879	3 879	3 879	3 879	3 879	3 879	3 879
Using public tap (at least min.service level)	2	4 989	6 949	6 949	6 949	6 949	6 949	6 949	6 949	6 949
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		25 493	30 200	30 200	30 200	30 200	30 200	30 200	30 200	30 200
Using public tap (< min.service level)	3	924	924	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		924	924	–	–	–	–	–	–	–
Total number of households	5	**26 417**	**31 124**	**30 200**	**30 200**	**30 200**	**30 200**	**30 200**	**30 200**	**30 200**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		23 834	18 555	18 555	18 555	18 555	18 555	18 555	18 555	18 555
Flush toilet (with septic tank)		100	2 687	2 687	2 687	2 687	2 687	2 687	2 687	2 687
Chemical toilet		4 415	4 263	4 263	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		28 349	25 504	25 504	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	**28 349**	**25 504**	**25 504**	**25 504**	**25 504**	**25 504**	**25 504**	**25 504**	**25 504**
Energy:										
Electricity (at least min.service level)		4 674	2 977	2 977	2 977	2 977	2 977	2 977	2 977	2 977
Electricity - prepaid (min.service level)		20 929	21 137	21 160	21 160	21 160	21 160	21 160	21 170	21 180
Minimum Service Level and Above sub-total		25 603	24 114	24 137	24 137	24 137	24 137	24 137	24 147	24 157
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**25 603**	**24 114**	**24 137**	**24 137**	**24 137**	**24 137**	**24 137**	**24 147**	**24 157**
Refuse:										
Removed at least once a week		34 804	48 995	48 995	48 995	48 995	48 995	48 995	48 995	48 995
Minimum Service Level and Above sub-total		34 804	48 995	48 995	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	**34 804**	**48 995**	**48 995**	**48 995**	**48 995**	**48 995**	**48 995**	**48 995**	**48 995**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		8 053	8 530	8 997	8 700	8 700	8 700	10 500	10 500	10 500
Sanitation (free minimum level service)		8 053	8 530	8 997	8 700	8 700	8 700	10 500	10 500	10 500
Electricity/other energy (50kwh per household per month)		8 053	8 530	8 997	10 500	10 500	10 500	10 500	10 500	10 500
Refuse (removed at least once a week)		8 053	8 530	8 997	8 700	8 700	8 700	10 500	10 500	10 500
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		6 265	9 641	11 957	9 383	9 383	9 383	9 852	10 344	10 862
Sanitation (free sanitation service to **indigent households**)		11 059	15 346	17 629	17 088	17 088	17 088	18 196	19 833	21 619
Electricity/other energy (50kwh per **indigent** household per month)		2 898	3 796	5 673	4 793	4 793	4 793	7 770	8 469	9 232
Refuse (removed once a week **for indigent households**)		8 533	9 867	11 078	9 425	9 425	9 425	9 990	10 590	11 119
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		**28 756**	**38 649**	**46 337**	**40 688**	**40 688**	**40 688**	**45 808**	**49 237**	**52 831**
Highest level of free service provided per household										
Property rates (R value threshold)		100 000	150 000	150 000	150 000	150 000	150 000	270 000	270 000	270 000
Water (kilolitres per household per month)		10	10	10	10	10	10	10	10	10
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		246	261	296	296	296	296	310	326	342
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		14 179	18 831	16 623	20 633	20 633	20 633	21 665	22 748	23 886
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	9 852	10 344	10 862
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		7 389	8 344	9 349	8 126	8 126	8 126	9 516	9 992	10 492
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		**21 568**	**27 175**	**25 972**	**28 759**	**28 759**	**28 759**	**41 033**	**43 085**	**45 239**

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)
8. Must reflect the cost to the municipality of providing the Free Basic Service
9. Reflect the cost to the municipality in terms of 'revenue foregone' of providing free services (note this will not equal 'Revenue Foregone' on SA1)

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

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

PART 2 – Supporting Documentation

5. Overview of Annual Budget Process

Step No	ISSUE	TIMEFRAME
1	IDP/Budget Process Plan/Timetable approved by council	Aug 2020
2	IDP Meetings – inputs from Ward Councilors & Ward Committees	Oct 2020
3	First IDP/ Budget Steering Committee Meeting	Nov 2020
4	Departmental inputs on Draft allocations	Nov & Dec 2020
5	2nd Budget Steering Committee – Consider Adjustment budget	Jan 2021
6	Draft Budget input captured and Budget balanced	March 2021
7	Draft IDP & Budget tabled in Council	March 2021
8	IDP & Budget workshop - Council	April 2021
9	Public Consultation	April 2021
10	Finalise Sector / Dept Strategy Plan / Budget - IDP	April 2021
11	Consideration of Comments received	April 2021
12	**Tabling of Final MTREF**	**End May 2021**

Process Plan

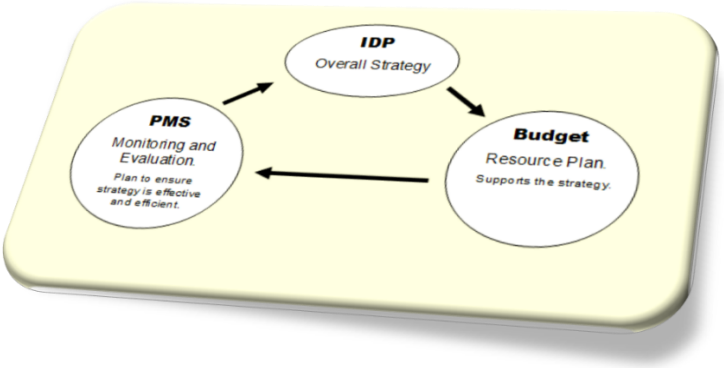
	STEP	PROCESS
1.	Planning	Schedule key dates, establish consultation forums, review previous processes
2.	Strategising	Review IDP, Determine priorities, set service delivery targets and objectives for the next three years, consult on tariffs, indigent, credit control , free basic services, etc and consult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

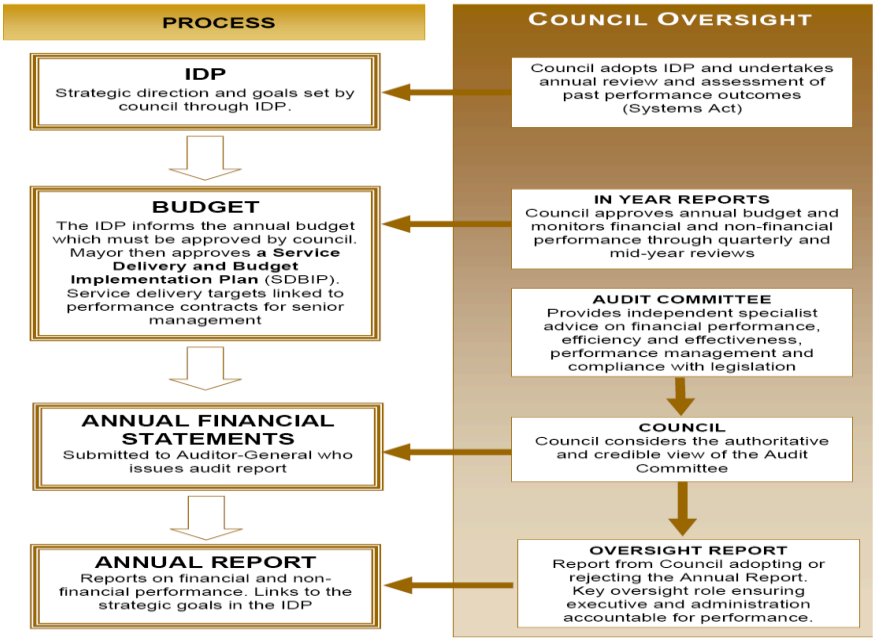
The IDP / Budget process plan was consulted with all relevant stakeholders, whom are:

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

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

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





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

WC025 Breede Valley - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1		730 782	840 029	868 306	894 403	814 334	814 334	896 237	1 013 265	1 061 255
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2		2 811	1 342	946	2 377	3 605	3 605	123	–	–
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3		124 479	50 962	63 207	132 411	133 097	133 097	244 963	255 257	268 853
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4		18 919	19 510	18 638	14 059	26 408	26 408	10 417	9 633	9 813
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5		384	838	660	616	666	666	620	625	630
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Sound financial management, viability and risk management	6		181 940	193 965	207 023	195 113	199 335	199 335	207 088	217 448	226 590
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**1 059 314**	**1 106 645**	**1 158 781**	**1 238 979**	**1 177 446**	**1 177 446**	**1 359 448**	**1 496 228**	**1 567 142**

References
1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
2. Balance of allocations not directly linked to an IDP strategic objective

Please refer to Annexure A

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

WC025 Breede Valley - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1		626 820	666 437	696 123	730 777	708 850	708 850	786 503	875 520	920 070
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2		7 497	5 364	4 841	7 242	7 439	7 439	4 182	4 317	4 561
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3		160 457	113 825	126 486	145 542	151 789	151 789	266 672	281 772	299 442
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4		85 538	91 734	103 893	90 158	105 379	105 379	109 133	114 232	120 698
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5		10 699	13 192	12 038	11 477	12 778	12 778	13 133	13 850	14 608
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Sound financial management, viability and risk management	6		63 070	60 537	67 811	89 681	111 029	111 029	107 552	109 433	115 604
Allocations to other priorities												
Total Expenditure			1	**954 082**	**951 089**	**1 011 191**	**1 074 875**	**1 097 264**	**1 097 264**	**1 287 175**	**1 399 123**	**1 474 982**

References
1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
2. Balance of allocations not directly linked to an IDP strategic objective

Please refer to Annexure A

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

WC025 Breede Valley - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1		183 185	230 426	188 463	96 289	123 337	123 337	143 325	152 163	158 322
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2		–	–	–	–	–	–	–	–	–
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3		2 492	798	562	605	2 376	2 376	1 105	5	5
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4		14 550	31 908	6 280	2 015	4 081	4 081	5 995	10 015	15
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5		–	1 950	–	–	–	–	–	–	–
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Sound financial management, viability and risk management	6		795	921	175	1 005	3 196	3 196	805	805	805
Allocations to other priorities			3									
Total Capital Expenditure			1	**201 022**	**266 003**	**195 481**	**99 914**	**132 990**	**132 990**	**151 230**	**162 988**	**159 147**

References
1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
2. Goal code must be used on Table SA36
3. Balance of allocations not directly linked to an IDP strategic objective

Please refer to Annexure A

7. Measurable performance objectives and indicators

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

Please refer to Annexure A

8. MBRR Table SA8 - Performance indicators and benchmarks

The following table sets out the municipality's main performance objectives and benchmarks for the 2021/22 MTREF.

WC025 Breede Valley - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Borrowing Management											
Credit Rating		Baa1.za	Baa1.za	Baa1.za	Baa1.za	Baa1.za	Baa1.za	Baa1.za			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4,5%	3,6%	3,4%	3,3%	3,2%	3,2%	3,2%	2,9%	2,7%	2,7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5,4%	4,3%	3,9%	3,7%	3,7%	3,7%	3,7%	3,2%	3,1%	3,0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	44,4%	6,7%	0,3%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	332,6%	332,6%	332,6%	332,6%	305,6%	275,5%	242,1%
Liquidity											
Current Ratio	Current assets/current liabilities	1,6	1,5	1,6	1,8	2,0	2,0	2,0	2,1	1,9	1,8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,6	1,5	1,6	1,8	2,0	2,0	2,0	2,1	1,9	1,8
Liquidity Ratio	Monetary Assets/Current Liabilities	0,8	0,6	0,9	0,2	0,4	0,4	0,4	0,6	0,3	0,1
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		89,0%	105,5%	94,0%	73,7%	83,8%	83,8%	83,8%	88,2%	93,2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		88,4%	104,9%	94,0%	73,7%	83,7%	83,7%	83,7%	88,2%	93,2%	95,2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17,9%	14,8%	14,3%	17,8%	18,3%	18,3%	18,3%	17,3%	18,0%	19,3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	99,0%	98,0%	98,0%	98,0%	98,0%	98,0%	98,0%	99,0%	99,0%	99,0%
Creditors to Cash and Investments		94,6%	95,1%	62,4%	293,7%	126,9%	126,9%	126,9%	100,9%	176,7%	416,2%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	24 674 626	21 745 032	15732624,4	24 674 626	24 674 626	24 674 626	24 674 626	24674626	24674626	24674626
	Total Cost of Losses (Rand '000)	19 740	25 502	20 655	19 740	19 740	19 740	19 740	19 740	19 740	19 740
	% Volume (units purchased and generated less units sold)/units purchased and generated	5,8%	7,2%	5.41%	7,5%	7,5%	7,5%	7,5%	0	0	0
Water Distribution Losses (2)	Total Volume Losses (kℓ)	2 377 000	2 182 315	4 765	2 377 000	2 377 000	2 377 000	2 377 000	2 377	2 377	2 377
	Total Cost of Losses (Rand '000)	8 079	10 434	25940599,55	8 079	8 079	8 079	8 079	8078743,196	8078743,196	8078743,196
	% Volume (units purchased and generated less units sold)/units purchased and generated	14,2%	16,4%	31,0%	16,0%	16,0%	16,0%	16,0%	0	0	0
Employee costs	Employee costs/(Total Revenue - capital revenue)	27,2%	29,6%	29,4%	27,5%	28,9%	28,9%	28,9%	26,5%	25,7%	26,0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29,1%	31,5%	31,2%	29,1%	30,7%	30,7%		28,0%	27,2%	27,5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6,7%	6,6%	5,2%	2,8%	4,5%	4,5%		4,3%	4,1%	4,2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12,0%	12,0%	11,0%	10,3%	10,6%	10,6%	10,6%	9,6%	9,2%	9,2%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	32,3	29,0	45,7	42,0	42,0	42,0	31,2	35,3	35,0	37,4
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	25,2%	19,0%	18,1%	25,7%	25,6%	25,6%	25,6%	25,2%	26,6%	27,9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1,6	1,4	2,3	0,3	0,7	0,7	0,7	0,9	0,5	0,2

References
1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

Calculation data										
Debtors > 90 days										
Monthly fixed operational expenditure	66 708	66 115	70 906	76 628	77 028	77 028	77 028	91 792	100 261	105 594
Fixed operational expenditure % assumption	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%
Own capex	48 042	93 984	48 260	16 429	77 925	77 925	77 925	93 870	86 002	80 533
Borrowing	21 325	6 281	159	–	–	–	–	–	–	–

Please refer to Annexure A

9. Overview of Budget Related Policies

The following budget related policies are in use:

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

Please refer to annexure D for the budget related policies.

10. Overview of Budget Assumptions

The following budget assumptions were used as basis for compilation of the 2021/22 MTREF:

- Tariff increases:

Service	Percentage Increase (%)
Electricity	NERSA final guideline
Water	5%
Sewerage	5%
Refuse	5%
Rates	New General Valuation

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

- CPIX = 3.9 percent (MFMA budget circular)
- Employee related cost is based on the 5% increase.
- Government Grant will be received as gazetted by National and Provincial Government.
- Electricity bulk purchases in line with NERSA guideline consultation paper.

- Minimal growth in revenue base. Mostly related to low cost housing.
- No / limited increases applied on cost containment items.
- Indigent households are anticipated be in the region of 10 000 households (formal)
- Budgeted collection rate equals to 85 percent
- Conditional grant will be fully spent.
- Credit rating: Baa1.za

11. Overview of Budget Funding

Funding sources of operating expenditure budget.

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

WC025 Breede Valley - Table A1 Budget Summary

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Financial Performance										
Property rates	126 476	135 728	145 107	146 998	146 998	146 998	146 998	154 348	162 066	170 169
Service charges	508 227	564 827	622 044	646 947	644 447	644 447	644 447	722 633	778 990	839 985
Investment revenue	16 556	13 134	11 508	3 112	6 000	6 000	6 000	10 686	11 221	11 782
Transfers recognised - operational	130 203	133 233	141 850	208 112	171 213	171 213	171 213	147 172	186 730	172 727
Other own revenue	146 197	93 986	91 210	150 326	153 721	153 721	153 721	267 249	280 236	293 866
Total Revenue (excluding capital transfers and contributions)	**927 659**	**940 908**	**1 011 719**	**1 155 495**	**1 122 380**	**1 122 380**	**1 122 380**	**1 302 088**	**1 419 242**	**1 488 528**
Employee costs	252 675	278 623	297 258	317 416	324 693	324 693	324 693	344 581	365 203	387 063
Remuneration of councillors	16 891	17 675	18 413	18 780	19 473	19 473	19 473	20 356	21 470	22 650
Depreciation & asset impairment	85 049	88 009	87 504	95 246	95 246	95 246	95 246	100 988	107 078	113 534
Finance charges	26 039	24 682	23 643	23 653	23 653	23 653	23 653	23 653	23 653	23 653
Materials and bulk purchases	278 170	314 601	345 745	346 130	366 545	366 545	366 545	428 242	464 701	504 364
Transfers and grants	12 807	19 661	6 938	65 605	8 158	8 158	8 158	4 365	39 583	24 287
Other expenditure	282 452	207 838	231 691	208 045	259 495	259 495	259 495	364 990	377 435	399 432
Total Expenditure	**954 082**	**951 089**	**1 011 191**	**1 074 875**	**1 097 264**	**1 097 264**	**1 097 264**	**1 287 175**	**1 399 123**	**1 474 982**
Surplus/(Deficit)	**(26 423)**	**(10 182)**	**528**	**80 619**	**25 117**	**25 117**	**25 117**	**14 913**	**20 120**	**13 546**
Transfers and subsidies - capital (monetary allocations) (I	131 654	164 210	146 877	82 337	53 468	53 468	53 468	57 360	76 986	78 614
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	1 528	185	1 147	1 597	1 597	1 597	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**105 231**	**155 556**	**147 589**	**164 104**	**80 182**	**80 182**	**80 182**	**72 273**	**97 106**	**92 160**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**105 231**	**155 556**	**147 589**	**164 104**	**80 182**	**80 182**	**80 182**	**72 273**	**97 106**	**92 160**
Capital expenditure & funds sources										
Capital expenditure	**201 022**	**266 003**	**195 481**	**99 914**	**132 990**	**132 990**	**132 990**	**151 230**	**162 988**	**159 147**
Transfers recognised - capital	131 654	165 738	147 062	83 484	55 065	55 065	55 065	57 360	76 986	78 614
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	21 325	6 281	159	–	–	–	–	–	–	–
Internally generated funds	48 042	93 984	48 260	16 429	77 925	77 925	77 925	93 870	86 002	80 533
Total sources of capital funds	**201 022**	**266 003**	**195 481**	**99 914**	**132 990**	**132 990**	**132 990**	**151 230**	**162 988**	**159 147**
Financial position										
Total current assets	328 298	254 837	313 695	238 547	266 649	266 649	266 649	319 279	315 809	319 150
Total non current assets	2 095 716	2 289 752	2 410 862	2 498 469	2 513 070	2 513 070	2 513 070	2 499 055	2 554 441	2 600 237
Total current liabilities	201 833	170 630	190 720	131 650	131 650	131 650	131 650	154 174	163 221	172 864
Total non current liabilities	446 569	444 660	447 981	424 474	424 474	424 474	424 474	434 708	433 627	431 566
Community wealth/Equity	1 775 611	1 929 299	2 085 857	2 234 758	2 174 445	2 174 445	2 174 445	2 229 452	2 273 403	2 314 958
Cash flows										
Net cash from (used) operating	180 097	225 963	143 019	34 810	36 690	36 690	36 690	50 395	143 346	146 444
Net cash from (used) investing	(150 256)	(227 022)	(82 049)	(99 864)	(132 780)	(132 780)	(132 780)	(151 180)	(162 938)	(159 097)
Net cash from (used) financing	(16 968)	(9 525)	(10 400)	(11 652)	(11 652)	(11 652)	(11 652)	(12 941)	(14 436)	(16 091)
Cash/cash equivalents at the year end	**105 451**	**94 867**	**160 437**	**23 325**	**53 978**	**53 978**	**53 978**	**86 287**	**52 259**	**23 514**
Cash backing/surplus reconciliation										
Cash and investments available	151 376	110 088	162 139	23 325	51 807	51 807	51 807	86 287	52 259	23 514
Application of cash and investments	14 279	(16 328)	(27 070)	16 941	(26 185)	(26 185)	(26 185)	(7 420)	(33 794)	(56 853)
Balance - surplus (shortfall)	**137 097**	**126 416**	**189 210**	**6 385**	**77 992**	**77 992**	**77 992**	**93 707**	**86 054**	**80 368**
Asset management										
Asset register summary (WDV)	2 054 772	2 251 198	2 407 549	2 460 011	2 474 612	2 474 612		2 495 576	2 550 788	2 596 402
Depreciation	85 049	88 009	87 504	95 246	95 246	95 246		100 988	107 078	113 534
Renewal of Existing Assets	42 303	25 695	53 016	3 000	57 652	57 652		43 631	27 753	51 714
Repairs and Maintenance	61 957	61 942	52 933	32 524	50 993	50 993		55 398	58 026	61 902
Free services										
Cost of Free Basic Services provided	28 756	38 649	46 337	40 688	40 688	40 688	40 688	45 808	49 237	52 831
Revenue cost of free services provided	21 568	27 175	25 972	28 759	28 759	28 759	28 759	41 033	43 085	45 239
Households below minimum service level										
Water:	924	924	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Please refer to table A1 of Annexure A

Funding sources of capital expenditure budget

Similar to the operating revenue, the capital funding indicates how the capital programme of the municipality will be financed in future years. Based on the above table, it is clear that the municipality is largely grant dependant when external funding (loans) are not being taken up.

However, it should be noted that significant progress was made with regards to the contribution of own resources to the capital programme in recent years.

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

12. Expenditure on allocations and grant programmes

MBRR SA19 - Expenditure on transfers and grant programmes

Kindly refer to table SA19 of Annexure A.

13. Allocations or grants made by the municipality

MBRR SA21- Transfers and grants made by the municipality

WC025 Breede Valley - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash Transfers to other municipalities											
Operational	1	–	–	–	–	100	100	100	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Municipalities:		**–**	**–**	**–**	**–**	**100**	**100**	**100**	**–**	**–**	**–**
Cash Transfers to Entities/Other External Mechanisms											
Operational	2	–	–	13	14	98	98	98	94	99	104
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Entities/Ems'		**–**	**–**	**13**	**14**	**98**	**98**	**98**	**94**	**99**	**104**
Cash Transfers to other Organs of State											
Operational	3	–	–	1 774	61 725	4 211	4 211	4 211	503	35 527	20 027
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Other Organs Of State:		**–**	**–**	**1 774**	**61 725**	**4 211**	**4 211**	**4 211**	**503**	**35 527**	**20 027**
Cash Transfers to Organisations											
Operational		12 807	19 661	2 673	1 737	1 939	1 939	1 939	1 933	2 030	2 132
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Organisations		**12 807**	**19 661**	**2 673**	**1 737**	**1 939**	**1 939**	**1 939**	**1 933**	**2 030**	**2 132**
Cash Transfers to Groups of Individuals											
Operational		–	–	2 440	1 710	1 761	1 761	1 761	1 735	1 822	1 913
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Groups Of Individuals:		**–**	**–**	**2 440**	**1 710**	**1 761**	**1 761**	**1 761**	**1 735**	**1 822**	**1 913**
TOTAL CASH TRANSFERS AND GRANTS	6	**12 807**	**19 661**	**6 900**	**65 185**	**8 108**	**8 108**	**8 108**	**4 265**	**39 478**	**24 177**
Non-Cash Transfers to other municipalities											
Operational	1	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Municipalities:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Non-Cash Transfers to Entities/Other External Mechanisms											
Operational	2	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Entities/Ems'		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Non-Cash Transfers to other Organs of State											
Operational	3	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Other Organs Of State:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Non-Cash Grants to Organisations											
Operational	4	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Organisations		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Non-Cash Transfers to Groups of Individuals											
Operational	5	–	–	37	420	50	50	50	100	105	110
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Groups Of Individuals:		**–**	**–**	**37**	**420**	**50**	**50**	**50**	**100**	**105**	**110**
TOTAL NON-CASH TRANSFERS AND GRANTS		**–**	**–**	**37**	**420**	**50**	**50**	**50**	**100**	**105**	**110**
TOTAL TRANSFERS AND GRANTS	6	**12 807**	**19 661**	**6 938**	**65 605**	**8 158**	**8 158**	**8 158**	**4 365**	**39 583**	**24 287**

Kindly refer to table SA21 of Annexure A.

14. Councillors and board members allowances and employee benefits

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

WC025 Breede Valley - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4	1	649 100	126 900	79 100	–	–	855 100
Chief Whip		1	541 400	168 600	80 700	–	–	790 700
Executive Mayor		1	760 200	148 100	131 100	–	–	1 039 400
Deputy Executive Mayor		1	648 300	147 700	59 100	–	–	855 100
Executive Committee		8	4 903 400	820 300	600 800	–	–	6 324 500
Total for all other councillors		29	8 260 600	596 200	1 634 700	–	–	10 491 500
Total Councillors	8	**41**	**15 763 000**	**2 007 800**	**2 585 500**			**20 356 300**
								–
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1 983 700	77 000	163 100	–	–	2 223 800
Chief Finance Officer		1	1 341 800	292 900	352 800	–	–	1 987 500
Director: Strategic Support Services		1	1 274 000	316 100	259 200	–	–	1 849 300
Director: Community Services		1	1 109 500	199 500	288 000	–	–	1 597 000
Director: Engineering Services		1	1 478 200	1 900	349 600	–	–	1 829 700
Director: Public Services		1	1 109 500	199 500	288 000	–	–	1 597 000
List of each offical with packages >= senior manager								
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
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		–	–	–	–	–	–	–
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		–	–	–	–	–	–	–
Total Senior Managers of the Municipality	8,10	**6**	**8 296 700**	**1 086 900**	**1 700 700**	**–**		**11 084 300**
								–
A Heading for Each Entity	6,7							
List each member of board by designation								
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
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		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
Total for municipal entities	8,10	**–**	**–**	**–**	**–**	**–**		**–**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	**47**	**24 059 700**	**3 094 700**	**4 286 200**	**–**		**31 440 600**

References
1. Pension and medical aid
2. Total package must equal the total cost to the municipality
3. List each political office bearer by designation. Provide a total for all other councillors
4. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)
5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation
6. List each entity where municipality has an interest and state percentage ownership and control
7. List each senior manager reporting to the CEO of an Entity by designation
8. Must reconcile to relevant section of Table SA24
9. Must reconcile to totals shown for the budget year of Table SA22
10. Correct as at 30 June

Kindly refer to table SA23 of Annexure A.

15. Monthly targets for revenue, expenditure and cash flow

MBRR SA25 - Budgeted monthly revenue and expenditure

WC025 Breede Valley - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	September	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source																
Property rates		40 040	9 966	10 473	10 368	10 472	10 422	10 431	10 454	10 285	10 451	10 518	10 468	154 348	162 066	170 169
Service charges - electricity revenue		16 429	50 570	54 030	44 414	45 033	41 643	46 712	45 096	46 818	46 584	40 581	44 702	522 613	569 649	620 918
Service charges - water revenue		(854)	6 626	5 231	8 784	6 061	6 514	8 147	7 930	7 674	7 523	6 943	9 133	79 712	83 712	87 912
Service charges - sanitation revenue		8 879	6 034	6 085	5 903	6 482	5 956	5 634	7 083	5 933	5 870	5 908	6 345	76 112	79 223	82 428
Service charges - refuse revenue		9 455	3 558	3 461	(269)	3 467	3 499	3 513	3 471	3 511	3 509	3 511	3 510	44 197	46 407	48 727
Rental of facilities and equipment		713	535	517	532	497	470	543	541	513	257	374	353	5 845	6 080	6 325
Interest earned - external investments		772	997	887	769	866	1 038	1 015	1 060	1 014	895	760	614	10 686	11 221	11 782
Interest earned - outstanding debtors		492	476	475	479	671	601	646	600	618	584	571	556	6 770	7 001	7 243
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		954	1 154	30 799	13 496	13 120	13 001	1 041	995	98 928	18 924	19 087	19 016	230 513	242 038	254 141
Licences and permits		445	453	219	725	278	259	86	489	728	–	69	199	3 949	4 107	4 272
Agency services		954	874	725	1 156	1 169	872	391	1 397	619	–	–	829	8 987	9 346	9 720
Transfers and subsidies		–	57 072	–	4 461	861	41 747	535	6 214	–	31 914	272	4 095	147 172	186 730	172 727
Other revenue		702	1 152	805	989	879	402	1 059	983	354	30	141	2 290	9 786	10 182	10 593
Gains		–	–	–	–	–	–	–	–	–	–	–	1 399	1 399	1 483	1 572
Total Revenue (excluding capital transfers and contributions)		**78 981**	**139 469**	**113 708**	**91 805**	**89 857**	**126 425**	**79 754**	**86 313**	**176 995**	**126 541**	**88 734**	**103 507**	**1 302 088**	**1 419 242**	**1 488 528**
Expenditure By Type																
Employee related costs		28 157	25 949	28 786	29 654	29 458	29 085	29 345	28 997	28 731	29 137	28 270	29 011	344 581	365 203	387 063
Remuneration of councillors		1 613	1 622	1 640	1 642	1 642	1 642	1 642	1 640	1 640	1 640	1 647	2 345	20 356	21 470	22 650
Debt impairment		–	–	32 065	8 456	8 456	8 456	–	–	91 260	16 521	16 521	16 521	198 257	210 152	222 762
Depreciation & asset impairment		–	5	(5)	–	–	–	61 026	–	17 020	8 503	8 789	5 650	100 988	107 078	113 534
Finance charges		(48)	–	6 133	1 965	1 965	1 965	1 965	1 965	1 997	1 915	1 915	1 915	23 653	23 653	23 653
Bulk purchases		33	56 002	53 031	31 614	32 629	30 747	29 263	32 902	31 564	32 511	27 926	30 114	388 335	422 897	460 535
Other materials		2 356	2 924	3 245	4 378	3 922	3 851	4 945	2 658	2 704	2 164	3 015	3 745	39 907	41 804	43 829
Contracted services		996	6 009	5 295	11 678	6 718	9 482	10 398	6 759	12 281	5 571	5 839	8 897	89 923	87 960	93 283
Transfers and subsidies		213	99	538	1 652	2 091	226	101	(2 789)	633	589	230	781	4 365	39 583	24 287
Other expenditure		1 692	3 308	7 508	18 159	6 553	8 290	4 379	6 875	4 776	4 192	4 719	2 595	73 045	75 332	79 158
Losses		–	–	(530)	–	–	–	–	–	4 233	–	–	63	3 766	3 991	4 230
Total Expenditure		**35 012**	**95 917**	**137 706**	**109 198**	**93 434**	**93 744**	**143 064**	**79 006**	**196 839**	**102 744**	**98 872**	**101 637**	**1 287 175**	**1 399 123**	**1 474 982**
Surplus/(Deficit)		**43 969**	**43 552**	**(23 999)**	**(17 393)**	**(3 577)**	**32 681**	**(63 310)**	**7 307**	**(19 845)**	**23 797**	**(10 138)**	**1 870**	**14 913**	**20 120**	**13 546**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		–	22 244	–	1 739	336	16 271	208	2 422	–	12 439	106	1 596	57 360	76 986	78 614
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**43 969**	**65 796**	**(23 999)**	**(15 655)**	**(3 242)**	**48 952**	**(63 102)**	**9 729**	**(19 845)**	**36 236**	**(10 032)**	**3 466**	**72 273**	**97 106**	**92 160**
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**43 969**	**65 796**	**(23 999)**	**(15 655)**	**(3 242)**	**48 952**	**(63 102)**	**9 729**	**(19 845)**	**36 236**	**(10 032)**	**3 466**	**72 273**	**97 106**	**92 160**

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

Please refer to table SA25 of annexure A.

16. Contracts having future budgetary implications.

MBRR SA33 – Contracts having future budgetary implications.

Please refer to table SA33 of annexure A.

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

WC025 Breede Valley - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2021/22 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Present value
Capital expenditure	1							
Vote 1 - Council General		5	5	5				
Vote 2 - Municipal Manager		5	5	5				
Vote 3 - Strategic Support Services		6 355	10 005	5				
Vote 4 - Financial Services		805	805	805				
Vote 5 - Community Services		22 835	6 505	21 005				
Vote 6 - Technical Services		–	–	–				
Vote 7 - Engineering Services		45 820	62 480	49 690				
Vote 8 - Public Services		75 405	83 183	87 632				
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]		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		**151 230**	**162 988**	**159 147**	**–**	**–**	**–**	**–**
Future operational costs by vote	2							
Vote 1 - Council General		36 142	38 125	40 225				
Vote 2 - Municipal Manager		9 623	9 664	10 236				
Vote 3 - Strategic Support Services		65 390	65 347	79 458				
Vote 4 - Financial Services		132 552	135 741	143 289				
Vote 5 - Community Services		292 646	361 358	351 962				
Vote 6 - Technical Services		–	–	–				
Vote 7 - Engineering Services		425 279	447 236	502 155				
Vote 8 - Public Services		174 312	178 664	188 512				
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]		–	–	–				
List entity summary if applicable								
Total future operational costs		1 135 945	1 236 135	1 315 835	–	–	–	–
Future revenue by source	3							
Property rates		154 348	162 066	170 169				
Service charges - electricity revenue		522 613	569 649	620 918				
Service charges - water revenue		79 712	83 712	87 912				
Service charges - sanitation revenue		76 112	79 223	82 428				
Service charges - refuse revenue		44 197	46 407	48 727				
Service charges - other		–	–	–				
Rental of facilities and equipment		5 845	6 080	6 325				
Interest earned - external investments		10 686	11 221	11 782				
Interest earned - outstanding debtors		6 770	7 001	7 243				
Dividends received		–	–	–				
Fines, penalties and forfeits		230 513	242 038	254 141				
Licences and permits		3 949	4 107	4 272				
Agency services		8 987	9 346	9 720				
Transfers and subsidies		147 172	186 730	172 727				
Other revenue		9 786	10 182	10 593				
Gains		1 399	1 483	1 572				
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		57 360	76 986	78 614				
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–				
Transfers and subsidies - capital (in-kind - all)		–	–	–				
List entity summary if applicable								
Total future revenue		1 359 448	1 496 228	1 567 142	–	–	–	–
Net Financial Implications		**(72 273)**	**(97 106)**	**(92 160)**	**–**	**–**	**–**	**–**

References

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))

2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))

3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

Please refer to table SA35 of annexure A.

18. Capital expenditure details.

MBRR SA36 - Detailed capital budget per municipal vote

Please refer to table SA36 of annexure A.

19. Legislation compliance status

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

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

20. Other supporting documents

Please refer to annexures E for MFMA budget circular

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

No municipal entities.

COMMENTS BY OTHER DIRECTORATES

Municipal Manager – Recommendation supported

Director Strategic Services – Recommendation supported

Director Community Services – Recommendation supported

Director Engineering Services – Recommendation supported

Director Public Services (Acting) – Recommendation supported

RECOMMENDATION

That in respect of

2021/22 FINAL BUDGET MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

discussed by Council at the Council Meeting of 25 May 2021:

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

2. Council approves the Quality Certificate to the final budget signed by the Accounting Officer, as per Annexure B.

3. Council approves the revised budget related policies as per Annexure C.

4. Council approves the final tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D.

5. Council approves the Demand Management Plan as per Annexure E.

6. 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 ALDERMAN A STEYN'S RECOMMENDATION: 23

THE ANC COUNCILLORS REQUESTED THAT IT BE RECORDED THAT THEY ABSTAINED FROM VOTING

VOTES AGAINST RECOMMENDATION: 0

RESOLVED **C52/2021**

That in respect of

2021/22 FINAL BUDGET MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

discussed by Council at the Council Meeting of 25 May 2021:

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

2. Council approves the Quality Certificate to the final budget signed by the Accounting Officer, as per Annexure B.

3. Council approves the revised budget related policies as per Annexure C.

4. Council approves the final tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D.

5. Council approves the Demand Management Plan as per Annexure E.

6. Council resolves that the Detailed Project Implementation Plan (DPIP) relating to the Municipal Infrastructure Grant (MIG) be revised as per approved budget.

NOTE: The tariffs for the new swimming pool in Zwelethemba will be the same as De La Bat, Grey Street and Touwsriver Pools.

To Action

R. Ontong

6.3 DRAFT MUNICIPAL PROPERTY RATES BY-LAW: SECOND INTRODUCTION TO COUNCIL FOR ADOPTION

File No.: 1/1/3/13 **Responsible Official:** R Ontong

Directorate: Finance **Portfolio:** Revenue Section

1. PURPOSE

The purpose of this item is for Council to consider the adoption of the Municipal Property Rates By-Law in order to give effect to the implementation of its Property Rates Policy and the mandating of Directorate Finance: Revenue Section to promulgate the By-Law in the Government Gazette.

2. BACKGROUND

During the Council meeting of 30 March 2021 Council resolved as follows in respect of the Draft Municipal Property Rates By-law:

RESOLVED ***C31/2021***

That in respect of

DRAFT MUNICIPAL PROPERTY RATES BY-LAW: FIRST INTRODUCTION TO COUNCIL

discussed by Council at the Council meeting held on 30 March 2021:

1. *The current Municipal Property Rates By-law provisionally be repealed in its entirety;*

2. *the proposed draft Municipal Property Rates By-law (Annexure B) be provisionally approved subject to:*

    1. *the publication of the proposed draft by-law affording the public an opportunity to comment and/or make representations on the draft by-law; and*
    2. *a workshop being conducted with Councillors in respect of the proposed draft by-law;*
    3. *After the closing date for public comments and/or representations, an item be resubmitted to Council including any written comments to consider the final adoption of the draft Municipal Property Rates By-law.*

In implementation of the above Council resolution, the draft By-law was published, as per the attached **Annexure A.** Furthermore, a workshop was conducted with Councillors on 13 April 2021.

It is confirmed that on the closing date for comments, no objections / or representations were received from the public.

Section 12(3) of the Local Government: Municipal Systems Act (No. 32 of 2000) determine that:

"No by-law may be passed by a municipal council unless –

(a) all the members of the council have been given reasonable notice; and
(b) the proposed by-law has been published for public comment in a manner that allows the public an opportunity to make representations with regards to the proposed by-law."

3. FINANCIAL IMPLICATIONS

Provision has been made in the current budget for the costs of promulgating the proposed By-Law in the Government Gazette.

4. APPLICABLE LEGISLATION / COUNCIL POLICY

The Constitution of the Republic of South Africa

Local Government: Municipal Systems Act

Local Government: Municipal Finance Management Act

Local Government: Municipal Property Rates Act

5. CONCLUSION

It is proposed that Council consider the adoption of the proposed Municipal Property Rates By-law, attached as **Annexure B**.

6. COMMENTS OF DIRECTORATES / DEPARTMENTS CONCERNED:

MUNICIPAL MANAGER: Recommendations supported

CHIEF FINANCIAL OFFICER: Co-author of item

DIRECTOR: STRATEGIC SUPPORT SERVICES: Supported

DIRECTOR: COMMUNITY SERVICES: Supported

DIRECTOR: ENGINEERING SERVICES: Supported

ACTING DIRECTOR: PUBLIC SERVICES: Supported

RECOMMENDATION

That in respect of -

DRAFT MUNICIPAL PROPERTY RATES BY-LAW: SECOND INTRODUCTION TO COUNCIL FOR ADOPTION

discussed by Council at the Council meeting held on 25 May 2021 Council resolve:

1. That Council take cognizance that no comments / representations were received during the public participation process of the Draft Municipal Property Rates By-law;

2. that a workshop was conducted with Councillors in respect of the Draft Municipal Property Rates By-law;

3. that Council resolve to repeal the current Municipal Property Rates By-law;

4. that Council adopt the Draft Municipal Property Rates By-law, as set out in **Annexure B**; and

5. that Directorate: Finance Revenue Section is authorised to promulgate the Municipal Property Rates By-law in the Province of the Western Cape: Provincial Gazette; and

6. that the commencement date of the adopted Municipal Property Rates By-law will be the date of promulgation in the Province of the Western Cape: Provincial Gazette.

PROPOSED: CLLR W.R. MEIRING

SECONDED: CLLR M. JACOBS

RESOLVED **C53/2021**

That in respect of -

DRAFT MUNICIPAL PROPERTY RATES BY-LAW: SECOND INTRODUCTION TO COUNCIL FOR ADOPTION

discussed by Council at the Council meeting held on 25 May 2021 Council resolve:

1. That Council take cognizance that no comments / representations were received during the public participation process of the Draft Municipal Property Rates By-law;

1. that a workshop was conducted with Councillors in respect of the Draft Municipal Property Rates By-law;

2. that Council resolve to repeal the current Municipal Property Rates By-law;

3. that Council adopt the Draft Municipal Property Rates By-law, as set out in **Annexure B**; and

4. that Directorate: Finance Revenue Section is authorised to promulgate the Municipal Property Rates By-law in the Province of the Western Cape: Provincial Gazette; and

5. that the commencement date of the adopted Municipal Property Rates By-law will be the date of promulgation in the Province of the Western Cape: Provincial Gazette.

To Action

M Magadla / D Wagner

6.4 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: April 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 April 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 April 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: Engineering Services: Noted

Director: Community Services: Noted

Acting Director: Public Services: Noted

Senior Manager: Legal Services: Noted

RECOMMENDATION
In respect of
REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: April 2021
Discussed by Council at the Council Meeting held on 25 May 2021:

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

PROPOSED: CLLR W.R. MEIRING

SECONDED: CLLR J.D.P. JAFTHA

RESOLVED **C54/2021**
In respect of
REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF: April 2021
Discussed by Council at the Council Meeting held on 25 May 2021:

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

<u>To Action</u>

M. Potgieter

6.5 PROPOSED AMENDMENTS TO CONTRACTS IN COMPLIANCE WITH SECTION 116(3) OF THE MUNICIPAL FINANCE MANAGEMENT ACT, 56 OF 2003 (MFMA)

File No./s: 5/2/5/3 **Responsible Official:** D McThomas

Directorate: Municipal Manager **Portfolio:** Municipal Manager

1. Purpose

The purpose of this item is to table the reasons for the proposed amendments of twelve (12) procurement contracts to the Council for consideration in compliance with section 116(3) of the MFMA.

It is proposed that the following twelve (12) contracts be amended:

1. **Seven Core Financial and or Business Systems** -
   i. BVD 144/2017 - The core financial system of the Municipality
   ii. BVD 141/2017 - Document Archiving and automated process and workflow system
   iii. BVD 117/2017 - Performance management system
   iv. BVD 111/2017 - Back office fines system
   v. BVQ 275228/2017 - Works order system
   vi. BVD 17/2017 - Fully integrated governance risk compliance & audit software solution
   vii. BVD 382/2020 - ACL Software monitoring system

2. **DUCHARME CONSULTING COASTAL (PTY) LTD** (BV709 – Provision of Accounting Services to ensure completion of GRAP/MSCOA compliant Annual Financial Statements

3. **MEYER AND BOTHA ATTORNEYS** (BV 699: Provision of debt collection services)

4. **CONSOLIDATED AFRICAN TECHNOLOGIES (PTY) LTD** (BV 700: Supply and delivery of meter reading equipment and software (inclusive of support services)

5. **LINUX BASED SYSTEMS DESIGN SA (PTY) LTD** (BV728: Provision and maintenance of internet and related services)

6. **SYNTELL (PTY) LTD** BV 730/2018: Supply installation and management of an STS compliant prepayment electricity vending system)

2. Legal Requirements

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

"(3) A contract or agreement procured through the supply chain management policy of the Municipality or municipal entity may be amended by the parties, but only after -

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

b) The local community-

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

(ii) has been invited to submit representations to the Municipality or municipal entity."

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

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

3. Contracts procured through the supply chain management policy

It is confirmed that all the contracts as set out below were procured in compliance with the Municipality supply chain management policy.

1) BVD 144/2017 - The core financial system of the municipality / Solvem Consulting (Pty) Ltd, previously referred to as Bytes Systems Integration, a division of Altron TMT (Pty) Ltd
2) BVD 141/2017 - Document Archiving and automated process and workflow system / Business Engineering (Pty) Ltd
3) BVD 117/2017 - Performance management system / Ignite Advisory Services
4) BVD 111/2017 - Back office fines system / Total Client Services Ltd
5) BVQ 275228/2017 - Works order system / Pragma (Onkey)
6) BVD 17/2017 - Fully integrated governance risk compliance & audit software solution IDI Technology Solutions (Pty) Ltd
7) BVD 382/2020 - ACL Software monitoring system / Surtech Solutions RSA (Pty) Ltd
8) BV709 – Provision of Accounting Services to ensure completion of GRAP/MSCOA compliant Annual Financial Statements / Ducharme Consulting Coastal (Pty) LTD

9) BV 699: Provision of debt collection services / Meyer and Botha Attorneys
10) BV 700: Supply and delivery of meter reading equipment and software (inclusive of support services / Consolidated African Technologies (Pty) LTD
11) BV728: Provision and maintenance of internet and related services / Linux Based Systems Design SA (Pty) LTD
12) BV 730/2018: Supply installation and management of an STS compliant prepayment electricity vending system / Syntell (Pty) LTD

The acronyms above sets out the procurement process followed in compliance with the supply chain management policy.
The acronym BV means a tender process was followed in compliance with the supply chain management policy.
The acronym BVD means a compliant deviation process was followed as prescribed in the municipal supply chain management policy.
The acronym BVQ means a quotation process was followed to procure the services.

It is further confirmed that all applicable contracts above are still valid and enforceable and may be amended.

4. THE REASONS FOR THE PROPOSED AMENDMENTS

4.1 Reason for Proposed Amendments of the Contracts for the Seven Core Financial and or Business Systems

The reasons for the proposed amendments under this heading relate to the seven core financial systems, namely:

No	Ref no	Service Provider name	Description
1	BVD 144/2017	Solvem Consulting (Pty) Ltd, previously referred to Bytes Systems Integration, a division of Altron TMT (Pty) Ltd	The core financial system of the Municipality
2	BVD 141/2017	Business Engineering (Pty) Ltd	Document Archiving and automated process and workflow system.
3	BVD 117/2017	Ignite Advisory Services	Performance Management system and related services
4	BVD 111/2018	Total Client Services Ltd	Back office fines system
5	BVQ 275228/2017	Pragma (Onkey)	Works order system
6	BVD 17/2017	IDI Technology Solutions (Pty) Ltd	Fully integrated governance risk compliance & audit software solution

No	Ref no	Service Provider name	Description
7	BVD 382/2020	Surtech Solutions RSA (Pty) Ltd	ACL Software monitoring system

Per Circular 57 dated 20 October 2011, National Treasury has cautioned municipalities not to change their core financial and business systems or invite new systems proposals. It warned that such changes could only be considered once the following has been done:

i. "National and Provincial Treasuries should immediately be informed of any intention to replace the business, accounting or billing system currently operating at the Municipality.
ii. The submission should include a comprehensive motivation with specific reasons for why it is deemed necessary to replace the existing financial system.
iii. A copy of the service level agreement with minutes of the meetings between the Municipality and the current service provider (financial system vendor) during the previous twelve months must be made available.
iv. The organisational structure, specifically for the IT department/function, clearly indicating management capacity and responsibility for operating the financial system, must be submitted;
v. An assessment should be done to determine which the Municipality is utilising modules of the existing financial system, and reasons must be provided for modules, not in operation.
vi. If an existing system is not an ERP system, the Municipality must provide details of any other systems utilised by the Municipality.
vii. The date on which the existing financial system was implemented, the procurement and implementation costs and the current operational costs must be disclosed.
viii. A technical assessment must be undertaken on the server, and network requirements of the new financial system and a copy of such report should be submitted; and
ix. Copies of all IT strategies, policies, and procedural documents, including the IT disaster recovery plan, must be made available.

In line with the above, the Municipality appointed a service provider to assess all current systems and proposed a roadmap for the best IT infrastructure for the Municipality. The report shall be discussed at the Mayoral Committee, after which the same shall be submitted to Council for consideration. Thus, the accounting officer can only invite proposals for new systems once Council has adopted the completed ICT Feasibility Study Report. The views of National Treasury and Provincial Treasury have been solicited.

Further, the ability to remain constantly aligned with the strategic goals and objectives of the Municipality as well as the statements of direction from the National Government is inhibited by two significant factors:

Legacy Business Systems

Various business systems with similar functionalities are deployed in the Breede Valley Municipality, resulting in ongoing increases in and payment of annual licensing fees and support fees without receiving any substantive value-added services or functionalities as part of the

existing Agreements. Also, continuous data integration between disparate business systems results in increased complexities while maintaining data integrity between systems.

Multiple Vendor Contracts
The day-to-day management of vendor business systems contracts remains a significant challenge for all municipalities. Vendor contracts are usually very one-sided and do not adequately mitigate the potential risks, legally or otherwise, to which municipalities might be exposed during the term of such agreements.

The Proposed Contract Amendment
Implementing any new ICT Systems is a complicated and involved process and cannot occur in a period shorter than three years. Therefore, it is recommended that the core business and financial systems be amended to extend the current systems for three years.

4.2 Reasons for the Proposed Amendment of BV709 – Provision of Accounting Services to Ensure Completion of GRAP/MSCOA Compliant Annual Financial Statements / Ducharme Consulting Coastal (Pty) LTD

The Municipality currently has a tender with Ducharme Consulting Coastal (Pty) Ltd, which expires on 30 June 2021. The service provider was appointed to ensure that the Municipality compiles GRAP/ MSCOA compliant Annual Financial Statements. The Annual Financial Statements of the Municipality are being compiled in-house. Due to the technical nature and the constant development and change in the accounting framework for municipalities, a service provider is appointed to review the compliance of the Municipality's Annual Financial Statements to the accounting framework and applicable legislation. The service provider also provides skills transfer to the staff of Breede Valley Municipality in line with the relevant amendments to the Accounting Framework.

To appoint a new service provider from 1 July 2021 poses the following risks to the Municipality, namely:

a) In terms of Section 126(1)(a) the Municipality must submit the Annual Financial Statements to the Auditor-General for auditing two months after the financial year-end (31 August 2021), which implies that the new service provider will only have two months to adhere to the scope of work.

b) The service provider, in terms of its high-level review scope of work, includes testing of the integrity of data which means that the new service provider would have to familiarise itself with the current financial system of the Municipality; it further implies that the service provider would need to assess prior year data and assess possible reclassifications in terms of MSCOA and the accounting standards within that two months' timeframe.

c) The 2019-20 audit for municipalities has only been finalised on 28 February 2021 due to the two-month exemption provided by the Minister because of COVID 19.

d) The finance team commenced with the planning of the 2020/21-year end procedures in March 2021 already.
e) The current service provider is familiar with the challenges and risks experienced and identified during the previous audit cycle and is also part of the planning and preparation for financial year end and AFS submission on 31 August 2021.

The following risks associated with not having the abovementioned contract being extended are as follows:
(a) No financial year-end assistance.
(b) No skills transfer in terms of the accounting framework.
(c) No high-level review performed on Annual Financial Statements.

All the above might result in non-detection of possible misstatements in the Annual Financial Statements, which might have a negative impact on the audit outcome of the Municipality
To ensure that methodology and consistency is not being compromised throughout the preparation and implementation of the audit process, the exceptional circumstances mentioned above necessitate the extension of the current contract until 31 December 2021.

The Proposed Contract Amendment

It is therefore proposed that the contract with the current service provider (Ducharme Coastal Consulting), be amended to change the current contract end date from 30 June 2021 to 31 December 2021 for the reasons set out above.

4.3 Reasons for the Proposed Amendment of the Contract for the Provision of Debt Collection Services - BV 699: Meyer And Botha Attorneys

Meyer and Botha Attorneys were appointed through tender BV 699 to deliver the provision of debt collection services for a period ending 30 June 2021.

Meyer and Botha Attorneys are still on record with the full power of attorney because of the tender in the following matters:

- An estimated two hundred (200) summonses.
- Eighty-five (85) judgments on the court's rolls with the last date 15 June 2021.
- Fifty (50) Section 65A1 awaiting court dates
- Hundred and sixty (160) low income debtors that were 80% hard trace and need decisions on to move forward or write off. And
- Two hundred and seventy (270) current open files for down payments on record.

The above files and work cannot merely be given to another legal representative to continue work on it. It would be costly for such a legal representative to *de novo* familiarise herself with the legal files' full content over several years. This might cause delays and or non-payment in cases where arrangements are already in place to the detriment of the Council.

The most extended period for which Meyer and Botha Attorneys currently have an agreement for the down payment of areas accounts is thirty-six (36) months.

The Proposed Amendment

The proposed amendment to this contract is to:

a) Allow Meyer and Botha Attorneys to continue as attorneys of record with all files in their possession as of 30 June 2021;
b) That the exact provisions of the current contract shall continue to apply to the amended contract safe that:
    i. No new instructions may be given to Meyer and Botha Attorneys under this contract. And
    ii. The contract shall be for a period no longer than thirty-six (36) months from the date of 1 July 2021.
    iii. That all work not completed by Meyer and Botha Attorneys after the thirty-six (36) months shall revert to the Municipality, and all power of attorneys shall be terminated.

4.4 Reasons for the Proposed Amendment of BV 700: Supply and delivery of meter reading equipment and software (inclusive of support services) - Consolidated African Technologies (Pty) LTD

The Municipality is currently using the meter reading software system to record and import the meter readings to the financial system used to process the monthly billing on the accounts. The Municipality paid maintenance and annual license to operate on the meter reading software.

The contract in terms of provisioning of meter reading services (BV719) is ending 30 June 2021. The user department has decided that no new tender process is needed for these services since these services can be rendered internally and that they only require the software services in terms of contract BV700. In addition, the software provided by CAT already interfaces and integrates with the current meter reading equipment as well as the SAMRAS Billing system. Hence, they require the software to continue functioning on the meter readers' existing equipment to conduct meter reading services.

As the contract is coming to an end 30 June 2021 means that the license and well as maintenance of the devices will also expire. As part of the mSCOA system requirements that the Financial System should seamlessly intergrade the different components and modules, SAMRAS is currently in the advanced stages of developing a modernised billing system that integrates meter reading within the system. In anticipation of this development, internal planning mechanisms in the finance department decided not to start a new bidding process.

The Proposed Amendment

It is proposed that for the reasons stated above, the contract BV 700: Supply and delivery of meter reading equipment and software (inclusive of support services) with Consolidated African Technologies (Pty) LTD be extended for one year until 30 June 2022.

4.5 Reasons for Proposed Amendment of BV728: Provision and maintenance of internet and related services - Linux Based Systems Design SA (Pty) LTD

Tender BV728 for the provision and maintenance of internet and related services was awarded to Linux Based Systems Design SA (Pty) LTD, and the contract persists until 30 June 2021. Part of this infrastructure and setup is the Internet Service, allowing the municipality systems to operate optimally and data to be accessed and stored securely.

The network connectivity through the tender is paramount as all internet-related systems, including financial data (SAMRAS), the electronic record management system (Collaborator), On-Key and e-mails, are relayed via this infrastructure. It follows that in the absence of this service, the Municipality will undoubtedly be exposed to a severe risk of being unable to retrieve critical data should such need arise.

With the project initiation at the tender award, the current service provider had extensive capital outlays that are now already installed. If a new service provider is considered, such services shall include new capital investment, thus making the project more costly than just mere monthly fees which are currently paid. The ICT department intended during the 2020/2021 draft budget planning process to initiate a tender early in the current financial year, with the view of having a longer-term contract in place, but due to the uncertainty of the collection rate at the time, projects were scaled back thus impacting on a new long term procurement process for internet and related services. Regarding financial constraints in the current year, the full long-term internet tender, including additional capital input, was not feasible. The only viable option is to extend the existing service contract with the already capital outlay for a maximum period of one year, thus providing a platform to secure funding in the outer financial years commensurate with funding prioritisation.

The Proposed Amendment

The proposed amendment to contact Tender BV728 for the provision and maintenance of internet and related services with Linux Based Systems Design SA (Pty) LTD is to amend the contract end date to 30 June 2022 subject to all the same conditions of the current contract.

4.6 Proposed Amendment of contract BV 730/2018: Supply installation and management of an STS compliant prepayment electricity vending system - Syntell (Pty) LTD

Breede Valley Municipality has appointed Syntell (Pty) Ltd to provide a service to ensure that the existing prepayment meter vending footprint for about 21 298 meters operates within a legislative and industry compliant environment (financial and technical). The service provider must maintain the sound system - and engineering capacity. Syntell (Pty) Ltd is also responsible for providing the Municipality with a financial- and installation data management service and the implementation of data management – and preventative revenue protection service.

To appoint a new service provider from 1 July, 2021 poses the following risks to the Municipality, namely:

a) In terms of the Electricity Regulation Act section 15 (1)(d) the Municipality's electricity distribution license is conditionally subjected to the Regulator's approval of the Municipality's electricity tariffs. The mentioned tariff submission is reviewed by the National Energy Regulator of South Africa (NERSA) on an annual basis to determine an appropriate tariff guideline increase, which is then communicated to Municipality as a guide in deciding its yearly electricity tariffs.

The municipal internal control mechanisms provide for the pre-approval of the Municipality's electricity tariffs around April / May each year based on preliminary tariff increase benchmarks from NERSA. The next Council meeting is scheduled for May 2021. Herein an item proposal will be tabled to the Municipality's Council to approve the Municipality's Tariff Policy (pending the final tariff increase guideline for Breede Valley Municipality). The release of the mentioned NERSA tariff increase guideline will serve (should there be no conflict) as final tariff approval before any adjustments can be implemented on the various financial systems of the Municipality.

Hereafter the Municipality will be legally required to amend the electricity tariffs on the prepayment vending system before the commencement of the new financial year (01 July 2021). If it were not accompanied by real-time transaction testing, token format changes and user-acceptance-test approvals, previous tariff amendment operations would have posed a revenue risk to the Municipality.

The existing industry standard for the tariff formula adjustment (on the electrical vending system) entails the applicable system tests and municipal acceptance authorisation within a period of 3 to 4 weeks before the end of June 2021.

At the commencement of the 2018/2019 financial year on 01 July 2018, the previous service provider did not perform the necessary system tests before the adjusted tariff formulas were configured on their vending system. During the mentioned period, the system processes, at the time, did not make provision for any evaluation, production - and field tests for tariff adjustment configurations before the end of the financial year.

Hereafter a system malfunction occurred that catastrophically affected the system's transactional functions for De Doorns and Touws River (see attached incident report). Consequently, the transactional function was compromised, and municipal consumers had to be re-issued with equivalent replacement tokens to remedy the token rejections experienced by various prepayment meters. Although the malfunction mainly affected the meters in the remote towns, cases of token rejections were also received in Worcester.

Breede Valley Municipality delegated electrical – and financial personnel and dedicated resources to address the multiple consumer complaints at the time. During the said period, the image of the Municipality was severely tainted; in reaction hereto, consumer awareness activities were applied to mitigate the resultant friction between the Municipality and the public.

To prevent any reputational – and revenue risks to the Municipality, the mentioned pre-evaluations and tests addresses any possible system malfunctions that could arise during the new tariff implementation stage when the new financial year commences. A new service provider will not be able to have access to the real-time environment and will not provide the Municipality with credible transactional tests and system clearance before 01 July 2021.

b) The vending system's data migration process and system implementation require an approximate margin of about eight weeks before the implementation and commencement date. The following few months directly after that is the most critical space due to: database reviewal, various organisational business analysis, process analytics, the resultant system customisation, essential personnel training, user acceptance testing, UAT approvals and operational process set up for the revenue protection teams as well as the required directly managed – and third party prepayment meter vendors. The new service provider must ensure that the abovementioned requirements are adhered to within an approximate three-month timeline after the contract implementation date.

In compliance with section 126 (1) (a) of the Municipal Financial Management Act, the Municipality will be required to produce Annual Financial Statements to the Auditor General Office within two months after the end of the financial year. Due to the above mentioned outlined factors, the newly appointed service provider will have a limited time frame of operational exposure to our Municipality's vending system environment to sufficiently comply with the Auditor General's operational and information requests.

The required Auditor General reporting for the current financial year must be extracted from the live database after 30 June 2021. If a new service provider is appointed by the end of June 2021, customised systems scripts need to be developed to extract the system's targeted data. Additionally, the process of removing the migrated data from the existing database will be nearly impossible due to the factors listed above and because of possible system development that must be performed on the new vending system.

The above aspects might result in the non-detection of possible misstatements in the Annual Financial Statements, which might have a negative impact on the Auditor General's audit outcome of the Municipality.

The Proposed Amendment

Based on the abovementioned reasons, it is proposed that the contract with the current service provider (Syntell Pty Ltd) be extended to 31 October 2021, subject to the same conditions applicable to the current agreement.

5. Notice to the Local Community

Section 116(3)(b) oblige that the local community be given reasonable notice of the intention to amend the contract or agreement and that they are invited to submit representations to the Municipality. The sub-section is not prescriptive whether the notice should be given to the local community before the item is tabled in Council or not.

What is, however, unambiguous is that a contract can only be amended after the local community was given reasonable notice of the intention to amend and they have been offered an opportunity to provide input.

The accounting officer can thus use his discretion in this regard. For this reason, all the public notices were already placed on the municipal notice boards, and the website as set out below.

No comments were received from the public on the notices that already closed for public input.

Two notices close for public comments on 11 June 2021.

No	Ref no	Service Provider name	Description	Date of Notice and Closing date for Public Comments
1	BVD 144/2017	Solvem Consulting (Pty) Ltd, previously referred to Bytes Systems Integration a division of Altron TMT (Pty) Ltd	The core financial system of the Municipality	10 February 2021 -12 March 2021
2	BVD 141/2017	Business Engineering (Pty) Ltd	Document Archiving and automated process and workflow system.	10 February 2021 -12 March 2021
3	BVD 117/2017	Ignite Advisory Services	Performance Management system and related services	10 February 2021 -12 March 2021
4	BVD 111/2018	Total Client Services Ltd	Back office fines system	10 February 2021 -12 March 2021
5	BVQ 275228/2017	Pragma (Onkey)	Works order system	10 February 2021 -12 March 2021
6	BVD 17/2017	IDI Technology Solutions (Pty) Ltd	Fully integrated governance risk compliance & audit software solution	10 February 2021 -12 March 2021
7	BVD 382/2020	Surtech Solutions RSA (Pty) Ltd	ACL Software monitoring system	10 February 2021 -12 March 2021
8	BV709	Ducharme Consulting Coastal (Pty) LTD	Provision of Accounting Services	10 February 2021 -12 March 2021

No	Ref no	Service Provider name	Description	Date of Notice and Closing date for Public Comments
9	BV 699	Meyer and Botha Attorneys	Provision of debt collection services	16 April 2021 – 17 May 2021
10	BV 700	Consolidated African Technologies (Pty) LTD	Supply and delivery of meter reading equipment and software	16 April 2021 – 17 May 2021
11	BV728	Linux Based Systems Design SA (Pty) LTD	Provision and maintenance of internet and related services	07 May 2021 – 11 June 2021
12	BV 730/2018	Syntell (Pty) LTD	Supply installation and management of an STS compliant prepayment electricity vending system	07 May 2021 – 11 June 2021

6. Financial Implications

The proposed contractual amendments will have the following financial implications:

No	Ref no	Service Provider name	Description	Period of Amendment Proposed	Anticipated Estimated Value of Amendment
1	BVD 144/2017	Solvem Consulting (Pty) Ltd, previously referred to Bytes Systems Integration, a division of Altron TMT (Pty) Ltd	The core financial system of the Municipality	A period not exceeding 36 months from 1 July 2021	Rates based Budget Available is R 1 400 000 in 2021/2022
2	BVD 141/2017	Business Engineering (Pty) Ltd	Document Archiving and automated process and workflow system.	A period not exceeding 36 months from 1 July 2021	Support and Licence fees estimated at R 1,197,815.40 in 2021/2022
3	BVD 117/2017	Ignite Advisory Services	Performance Management	A period not exceeding 36	R 259,598.00 Licence fees and

No	Ref no	Service Provider name	Description	Period of Amendment Proposed	Anticipated Estimated Value of Amendment
			system and related services	months from 1 July 2021	R 2,094,494.72 support fees in 2021/2022
4	BVD 111/2018	Total Client Services Ltd	Back office fines system	A period not exceeding 36 months from 1 July 2021	R 580,750.00 Licence fees In 2021/2022
5	BVQ 275228/2017	Pragma Africa (Pty) Ltd (Onkey)	Works order system	A period not exceeding 36 months from 1 July 2021	R 1 145 100.72 In 2021/2022
6	BVD 17/2017	IDI Technology Solutions (Pty) Ltd	Fully integrated governance risk compliance & audit software solution	A period not exceeding 36 months from 1 July 2021	R 277,466.25 In 2021/2022
7	BVD 382/2020	Surtech Solutions RSA (Pty) Ltd	ACL Software monitoring system	A period not exceeding 36 months from 1 July 2021	R 618,416.31 In 2021/2022
8	BV709	Ducharme Consulting Coastal (Pty) LTD	Provision of Accounting Services	Until 31 December 2021	R600 000 For full extension
9	BV 699	Meyer and Botha Attorneys	Provision of debt collection services	A period not exceeding 36 months from 1 July 2021	R 222 600.00 In 2021/2022
10	BV 700	Consolidated African Technologies (Pty) LTD	Supply and delivery of meter reading equipment and software	A period not exceeding 30 June 2022	R 472 500.00 In 2021/2022
11	BV728	Linux Based Systems Design SA (Pty) LTD	Provision and maintenance of internet and related services	A period not exceeding 30 June 2022	R 768,000.00 for full extension
12	BV 730/2018	Syntell (Pty) LTD	Supply installation and management of an STS compliant prepayment electricity vending system	A period not exceeding 31 October 2021	R3 678 695.56 For full extension.

7. Applicable Legislation / Council Policy

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

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

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

(a) the reasons for the proposed amendment have been tabled in the Council of the Municipality or, in the case of a municipal entity, in the Council of its parent municipality; and
(b) the local community—
  (i) has been given reasonable notice of the intention to amend the contract or agreement; and
  (ii) has been invited to submit representations to the Municipality or municipal entity."

COMMENTS OF DIRECTORS AND LEGAL SERVICES

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

RECOMMENDATION

That in respect of -
The PROPOSED AMENDMENTS TO CONTRACTS IN COMPLIANCE WITH SECTION 116(3) OF THE MUNICIPAL FINANCE MANAGEMENT ACT, 56 OF 2003 (MFMA)
as discussed by Council at the Council meeting held on 25 May 2021, that Council:

1. Note that the contracts proposed to be amended as set out in the table of point number 2 below were procured through the Municipality's Supply Chain Management Policy.

2. Note the reasons for the proposed amendments of the contracts as set out in the table below:

No	Ref no	Service Provider name	Description	Period of Amendment Proposed	Conditions or limitations on Amendments
1	BVD 144/2017	Solvem Consulting (Pty) Ltd, previously referred to Bytes Systems Integration, a division of Altron TMT (Pty) Ltd	The core financial system of the Municipality	A period not exceeding 36 months from 1 July 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
2	BVD 141/2017	Business Engineering (Pty) Ltd	Document Archiving and automated process and workflow system.	A period not exceeding 36 months from 1 July 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
3	BVD 117/2017	Ignite Advisory Services	Performance Management system and related services	A period not exceeding 36 months from 1 July 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
4	BVD 111/2018	Total Client Services Ltd	Back office fines system	A period not exceeding 36 months from 1 July 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
5	BVQ 275228/2017	Pragma (Onkey)	Works order system	A period not exceeding 36 months from 1 July 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.

No	Ref no	Service Provider name	Description	Period of Amendment Proposed	Conditions or limitations on Amendments
6	BVD 17/2017	IDI Technology Solutions (Pty) Ltd	Fully integrated governance risk compliance & audit software solution	A period not exceeding 36 months from 1 July 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
7	BVD 382/2020	Surtech Solutions RSA (Pty) Ltd	ACL Software monitoring system	A period not exceeding 36 months from 1 July 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
8	BV709	Ducharme Consulting Coastal (Pty) LTD	Provision of Accounting Services	Until 31 December 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
9	BV 699	Meyer and Botha Attorneys	Provision of debt collection services	A period not exceeding 36 months from 1 July 2021	1. To remain attorneys of record with all files in their possession as of 30 June 2021. 2.That the exact provisions of the current contract shall continue to apply to the amended contract safe that: i. No new instructions may be given to Meyer and Botha Attorneys under from 1 July 2021. ii. The amended period shall be no longer than thirty-six (36) months from the date of 1 July 2021. iii. That all work not completed by Meyer and Botha Attorneys after the thirty-six (36) months shall revert to the Municipality, and all power of attorneys shall be terminated.
10	BV 700	Consolidated African Technologies (Pty) LTD	Supply and delivery of meter reading equipment and software	A period not exceeding 30 June 2022	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.

No	Ref no	Service Provider name	Description	Period of Amendment Proposed	Conditions or limitations on Amendments
11	BV728	Linux Based Systems Design SA (Pty) LTD	Provision and maintenance of internet and related services	A period not exceeding 30 June 2022	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
12	BV 730/2018	Syntell (Pty) LTD	Supply installation and management of an STS compliant prepayment electricity vending system	A period not exceeding 31 October 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.

3. Note that the municipal manager already gave reasonable notice of the intention to amend the contracts or agreements set out in the table of point 2 above to the local community and that they were invited to submit representations.

4. Note that no comments were received by the local community where the period for representations has already lapsed.

5. Resolve that an item only be resubmitted to Council should any comments/representations be received in the matters where the deadline for public comments have not already lapsed.

PROPOSED: CLLR W.R. MEIRING
SECONDED: CLLR F. VAUGHN

RESOLVED **C55/2021**

That in respect of -
The PROPOSED AMENDMENTS TO CONTRACTS IN COMPLIANCE WITH SECTION 116(3) OF THE MUNICIPAL FINANCE MANAGEMENT ACT, 56 OF 2003 (MFMA)
as discussed by Council at the Council meeting held on 25 May 2021, that Council:

1. Note that the contracts proposed to be amended as set out in the table of point number 2 below were procured through the Municipality's Supply Chain Management Policy.

2. Note the reasons for the proposed amendments of the contracts as set out in the table below:

No	Ref no	Service Provider name	Description	Period of Amendment Proposed	Conditions or limitations on Amendments
1	BVD 144/2017	Solvem Consulting (Pty) Ltd, previously referred to Bytes Systems Integration, a division of Altron TMT (Pty) Ltd	The core financial system of the Municipality	A period not exceeding 36 months from 1 July 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
2	BVD 141/2017	Business Engineering (Pty) Ltd	Document Archiving and automated process and workflow system.	A period not exceeding 36 months from 1 July 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
3	BVD 117/2017	Ignite Advisory Services	Performance Management system and related services	A period not exceeding 36 months from 1 July 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
4	BVD 111/2018	Total Client Services Ltd	Back office fines system	A period not exceeding 36 months from 1 July 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
5	BVQ 275228/2017	Pragma (Onkey)	Works order system	A period not exceeding 36 months from 1 July 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
6	BVD 17/2017	IDI Technology Solutions (Pty) Ltd	Fully integrated governance risk compliance & audit software solution	A period not exceeding 36 months from 1 July 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
7	BVD 382/2020	Surtech Solutions RSA (Pty) Ltd	ACL Software monitoring system	A period not exceeding 36 months from 1 July 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
8	BV709	Ducharme Consulting Coastal (Pty) LTD	Provision of Accounting Services	Until 31 December 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.

No	Ref no	Service Provider name	Description	Period of Amendment Proposed	Conditions or limitations on Amendments
9	BV 699	Meyer and Botha Attorneys	Provision of debt collection services	A period not exceeding 36 months from 1 July 2021	1. To remain attorneys of record with all files in their possession as of 30 June 2021. 2.That the exact provisions of the current contract shall continue to apply to the amended contract safe that: i. No new instructions may be given to Meyer and Botha Attorneys under from 1 July 2021. ii. The amended period shall be no longer than thirty-six (36) months from the date of 1 July 2021. iii. That all work not completed by Meyer and Botha Attorneys after the thirty-six (36) months shall revert to the Municipality, and all power of attorneys shall be terminated.
10	BV 700	Consolidated African Technologies (Pty) LTD	Supply and delivery of meter reading equipment and software	A period not exceeding 30 June 2022	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
11	BV728	Linux Based Systems Design SA (Pty) LTD	Provision and maintenance of internet and related services	A period not exceeding 30 June 2022	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
12	BV 730/2018	Syntell (Pty) LTD	Supply installation and management of an STS compliant prepayment electricity vending system	A period not exceeding 31 October 2021	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.

2. Note that the municipal manager already gave reasonable notice of the intention to amend the contracts or agreements set out in the table of point 2 above to the local community and that they were invited to submit representations.

3. Note that no comments were received by the local community where the period for representations has already lapsed.

4. Resolve that an item only be resubmitted to Council should any comments/representations be received in the matters where the deadline for public comments have not already lapsed.

To Action
M. Potgieter

6.6 SMALL SCALE EMBEDDED GENERATION (SSEG) POLICY: 2021

File No. /s: 11/2/B **Responsible Official:** H Benecke

Directorate: Engineering Services **Portfolio:** Electrical Services Department.

1. Purpose

The purpose of this item is for Council to consider the approval of the Small-Scale Embedded Generation Policy.

2. Background

This document is to give guidance regarding Breede Valley Municipality's requirements and application process for connecting all forms of embedded generation technologies such as photovoltaic systems to the Breede Valley Municipality electricity network, including renewable energy and co-generation.

3. Financial Implication

Increases in the price of electricity and rapidly decreasing costs of Embedded Generation (EG) solutions will impact negatively on municipal revenue.

4. Applicable Legislation

NRS 097-2 Grid interconnection of embedded generation. Part 2 Small scale – embedded generation.

Electricity Regulation Act, Act 4 of 2006, and Electricity Regulation Amendment Act, Act 28 of 2007 as amended.

South African Distribution Code (all parts)

South African Renewable Power Plants Grid Code.

Occupational Health and Safety Act 1993, as amended.

SANS 10142 – Parts 1 to 4. Wiring of premises.

SANS 474/NRS 057 Code of Practice for Electricity Metering

NRS 047 Electricity Supply – Quality of Services

NRS 048 Electricity Supply – Quality of Supply

NRS 097-1: Code of practice for the interconnection of embedded generation to electricity distribution networks: Part 1 MV and HV (Eskom 240-61268576/DST 34 -1765: Standard for the interconnection of embedded generation is applicable until published.

Applicable to Breede Valley Municipalities electricity tariffs

Previous Council Resolution:

"RESOLVED *C47/2021*

That in respect of –

DRAFT: SMALL SCALE EMBEDDED GENERATION (SSEG) POLICY: 2021

as discussed by Council at the Council meeting held on 28 April 2021 Council decide:

1. That the draft SSEG policy be approved;

2. that a workshop be conducted with Councillors; and

3. that the final SSEG policy be submitted to Council for approval"

Feedback regarding Councill Resolution:

Workshop dated 11 May 2021 was held with Councillors.

Comment of Directorates / Departments concerned

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 supported.

Acting Director: Public Services: Item supported.

Manager: Legal Services: Item supported.

Snr. Manager: Electrical Services: Author of item

RECOMMENDATION

That in respect of –

SMALL SCALE EMBEDDED GENERATION (SSEG) POLICY

discussed by Council at the Council meeting held on 25 May 2021:

1.That Council approve the Small Scale Embedded Generation Policy; and

2. that the implementation date of the Small Scale Embedded Generation Policy shall be 01 July 2021.

PROPOSED: ALDERMAN M. SAMPSON

SECONDED: CLLR L. WILLEMSE

RESOLVED C56/2021

That in respect of –

SMALL SCALE EMBEDDED GENERATION (SSEG) POLICY

discussed by Council at the Council meeting held on 25 May 2021:

1.That Council approve the Small Scale Embedded Generation Policy; and

2. that the implementation date of the Small Scale Embedded Generation Policy shall be 01 July 2021.

<u>To Action</u>

H. Benecke

6.7 ADOPTION OF THE BREEDE VALLEY MUNICIPALITY ZONING SCHEME BYLAW

File No./s: 10/3/R **Responsible Official:** PSJ Hartzenberg

Directorate: Public Services **Portfolio:** Public Services

1. PURPOSE

The purpose of this report is to obtain approval from Council to adopt the Draft Breede Valley Municipal Zoning Scheme Bylaw.

2. BACKGROUND

The revision of the planning legislation, specifically for Municipalities, started with the promulgation of the Spatial Planning and Land Use Management Act (SPLUMA), Act 16 of 2013. Since then the Regulations for this Act was published as well as Western Cape Land Use Planning Act (LUPA), Act 3 of 2014 and its Regulations. SPLUMA stipulates in Section 24(1) that a municipality must adopt a single land use scheme for its entire municipal area within 5 years from the commencement of said Act.

Currently the Breede Valley Municipal area is covered by three different zoning schemes. These different zoning schemes are outdated and have also not kept track with the changing development context of the area. As a consequence, these zoning schemes complicate development management to the extent that they hamper development.

Consequently, it is necessary to consolidate the different zoning schemes into a single scheme, as well as to modernise the zoning scheme into an innovative tool which is more suited for managing the challenges of development. A zoning scheme is however a complex legal document that affects the rights of all properties and to develop and introduce a new zoning scheme is a laborious task which requires specialised expertise and can result in a costly exercise.

In order to assist municipalities, the Western Cape Provincial Government (WCPG) has embarked on a process to develop a Proposed Standard Draft Zoning Scheme By-law (SZSB). During this process many professionals from across the Provincial, Local Government and private sector spheres have participated to develop such model SZSB, which was also fully vetted by a legal team of the PGWC. The municipalities in the Western Cape had three options; to draft their own scheme, use the proposed draft scheme as basis and make amendments to suite any specific needs of the municipality or adopt the draft scheme as is. Breede Valley opted to use the draft scheme and make amendments to suite our municipal area. The zoning scheme consists of the following components namely, the BVM Zoning Scheme By-law; the zoning scheme map and the zoning register.

On 26 February 2019, per resolution number C18/2019, Council resolved to use the Proposed Draft SZSB as a basis and make any amendments and additions to this scheme to suite any specific needs that the municipality may have.

On the 28th of January 2020, per resolution number C3/2020, Council resolved as follows:

1. That the proposed Draft Breede Valley Municipal Integrated Zoning Scheme be approved as a draft By-law and be submitted to the Department of Environmental Affairs and Development Planning for preliminary evaluation.
2. That the Draft By-Law be published for public participation and comment as well as be workshopped by Council.
3. That after such public participation process all comments will be considered and the necessary changes will be affected where after the draft bylaw will be adopted for promulgation as a by-law.

3. Public participation

The draft BVM Zoning Scheme By-Law was advertised for public comment in February 2020 and the commenting period ended on the 6th of April 2020. Public open days were held in Worcester, Rawsonville, De Doorns and Touws River on the 10th and 11th of February 2020. (See Annexure B for advertisement). Comment were requested from Department of Environmental Affairs and Development Planning (DEADP) on 20/01/2020 and their comments were received on the 16th of April 2020. Comments received from DEADP are attached as Annexure C. Copies of the draft Breede Valley Zoning Scheme By-Law were made available for viewing at every municipal library and town planning municipal offices as well as the municipal website throughout the public participation process. Copies of the Draft Zoning Scheme was made Due to the National Covid-19 lockdown and restrictions, the Council workshop could not

be held in 2020. The Council workshops were held on the 9th and 10th of March 2021. (See Annexure D for Council Workshop invitation and attendance register).

No formal comments were received from the public or Council. The comments received from DEADP were addressed and final changes applied to the document. Minor changes were made to the By-law to ensure consistency between the Breede Valley Municipal Policies and development frameworks that takes into cognizance Breede Valley Municipal area specific town planning needs.

4. Financial Implications

The project is undertaken in-house at no additional financial costs to the normal annual departmental operational cost.

5. Applicable Legislation / Council Policy

- Municipal Systems Act, Act 32 of 2000
- Spatial Land Use Management Act, Act 16 of 2013
- Land Use Planning Act, Act 3 of 2014
- Breede Valley Municipal Land Use Planning Bylaw, P. N. 7485, 8 September 2015

Comment of Directorates / Departments concerned

Municipal Manager: Supported

Director: Community Services: Supported

Director: Strategic Support Services: Supported

Director: Financial Services: Supported

Director: Public Services: Supported

Manager: Town Planning: Author of item

Director: Engineering Services: Supported

RECOMMENDATION

That in respect of the

PROPOSED ADOPTION OF THE DRAFT BREEDE VALLEY MUNICIPAL ZONING SCHEME BY-LAW

Discussed by Council at the Council Meeting held on 25 May 2021, that Council

1. Approves the Breede Valley Municipality Zoning Scheme By-Law and zoning map in terms of Section 12 of the Municipal Systems Act (Act 32 of 2000);
2. That the decision to approve the Zoning Scheme By-Law be published in the Provincial Gazette.

PROPOSED: CLLR R. FARAO

SECONDED: CLLR J.KRITZINGER

VOTES IN FAVOUR OF CLLR R. FARAO'S RECOMMENDATION: 23

RESOLVED C57/2021

That in respect of the

PROPOSED ADOPTION OF THE DRAFT BREEDE VALLEY MUNICIPAL ZONING SCHEME BY-LAW

Discussed by Council at the Council Meeting held on 25 May 2021, that Council

1. Approves the Breede Valley Municipality Zoning Scheme By-Law and zoning map in terms of Section 12 of the Municipal Systems Act (Act 32 of 2000);
2. That the decision to approve the Zoning Scheme By-Law be published in the Provincial Gazette.

To Action

P. Hartzenberg

6.8 PRESUMED STRATEGIC RISK MANAGEMENT REPORT FOR THE 2021-2022 FINANCIAL YEAR

File No. /s: 3/15/1 **Responsible Official:** E Cloete

Directorate: Municipal Manager **Portfolio:** ERM

1. Purpose

To report to Council on the outcome of the annual risk identification and assessment process which took place during 2020-2021 financial year for the Presumed Strategic Risk Register; the result of which is the BVM Presumed Strategic Risk Management Report for the period 2021-2022 Financial Year.

2. Background

The implementation of the Risk Management system is prescribed by legislation which the municipality must comply with.

Enterprise risk management (ERM) in business includes the methods and processes used by organizations to manage risks and seize opportunities related to the achievement of their objectives. The ERM in Breede Valley Municipality provides the framework for Risk Management, which typically involves identifying particular events or circumstances relevant to the municipality's objectives (risks and contributing factors), assessing them in terms of likelihood and impact, determining a response strategy (action plans), and monitoring progress.

The management response strategy for the specific risks identified and analyzed, fall within the following four categories as well as the appetite of 9 as approved by Council:

Avoid – Action is taken to exit the activities giving rise to risk. Risk avoidance may involve exiting a product line, declining expansion to a new geographical market, or selling a division.

Reduce – Action is taken to reduce the risk likelihood or impact, or both. This may involve any of a myriad of everyday business decisions.

Share – Action is taken to reduce risk likelihood or impact by transferring or otherwise sharing a portion of the risk. Common risk sharing techniques include purchasing insurance products, pooling risks, engaging in hedging transactions, or outsourcing an activity.

Accept – No action is taken to affect likelihood or impact.

The Risk assessment process was conducted in consultation with the various directorates. The Risk, Fraud and Corruption Management Committee (RiskCom) supports the strategic risk management report for the period 2021-2022.

The following tables provide the risk ratings:

LIKELIHOOD	**5**	**LOW**	**MEDIUM**	**HIGH**	**EXTREME**	**EXTREME**
	4	**LOW**	**MEDIUM**	**HIGH**	**HIGH**	**EXTREME**
	3	**LOW**	**MEDIUM**	**MEDIUM**	**HIGH**	**HIGH**
	2	**LOW**	**LOW**	**MEDIUM**	**MEDIUM**	**MEDIUM**
	1	**LOW**	**LOW**	**LOW**	**LOW**	**LOW**
Risk Matrix		**1**	**2**	**3**	**4**	**5**
		IMPACT/ CONSEQUENCE				

Risk Appetite Level

3 X 3 = 9 Level

Potential Impact / Consequence

Rating	Continuity of Service	Safety & Environmental	Technical Complexity	Financial	Achievement of objectives
Catastrophic (5)	Risk event will result in widespread and lengthy reduction in continuity of service delivery to customers for a period greater than 48 hours	Major environmental damage. Serious injury (permanent disability) or death of personnel or members of the Public. Major negative media coverage.	Use of unproven technology for critical systems / project components. High level of Technical Interdependencies between system components.	Disaster with potential to lead to collapse of business and is fundamental to the achievement of objectives.	Negative outcomes or missed opportunities that are of critical importance to the achievement of objectives
Major (4)	Reduction in service delivery or disruption for a period ranging between 24 & 48 hours over a significant area	Significant injury of personnel or public. Significant environmental damage. Significant negative media coverage.	Use of new technology not previously utilised by the organisation for critical systems / project components.	Critical event which can be endured but which may have a prolonged negative impact and extensive consequences.	Negative outcomes or missed opportunities that are likely to have a relatively substantial impact on the ability to meet objectives
Moderate (3)	Reduction in service delivery or disruption for a period between 8 & 24 hours over a significant area	Lower level of environmental, safety or health impacts. Negative media coverage	Use of unproven or emerging technology for critical systems / project components.	Major events, which can be managed but requires additional resources and management effort.	Negative outcomes or missed opportunities that are likely to have a relatively moderate impact on the ability to meet objectives
Minor (2)	Brief local inconvenience (work around possible). Loss of an asset with minor impact on operations	Little environmental, safety or health impacts. Limited negative media coverage.	Use of unproven or emerging technology for systems / project components.	Event, which can be managed under normal operating conditions.	Negative outcomes or missed opportunities that are likely to have a relatively low impact on the ability to meet objectives
Insignificant (1)	No or minimal impact on business or core systems	No environmental, safety or health impacts and/or negative media coverage	Use of unproven or emerging technology for non-critical systems / project components	Consequences can be readily absorbed under normal operating conditions.	Negative outcomes or missed opportunities that are likely to have a relatively negligible impact on the ability to meet objectives

Likelihood/Probability of occurrence

Rating	Level	Description
5	Almost certain	The risk is already occurring, or is likely to occur more than once within the next 12 months
4	Likely	The risk will easily occur, and is likely to occur at least once during the next 12 months.
3	Moderate	There is an above average chance of the risk occurring more than once during the next 3 years
2	Unlikely	The risk has a low likelihood of occurring during the next 3 years
1	Rare/Remote	The risk is unlikely to occur during the next 3 years

Control Assessment

Control Adequacy		Control Effectiveness	
Rating	**Title**	**Rating**	**Title**
1	Adequate	1	Effective
2	Adequate but over controlled	2	Partially Effective
3	Partially Adequate	3	Ineffective
4	Inadequate		

Annexure: A copy of the BVM Presumed Strategic Risk Management Report for the 2021-2022 Financial Year.

Deliberation:

Definition of Risk Management:

Risk management is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the municipality's service delivery capacity.

Risk management is a management discipline with its own techniques and principles. It is a recognised management science and has been formalized by international and national codes of practice, standards, regulations and legislation.
Risk management forms part of management's core responsibilities and is an integral part of the internal processes of the municipality.

When properly executed risk management provides reasonable, but not absolute assurance, that the municipality will be successful in achieving its goals and objectives.

Definition of Risk Identification:

Risk identification is a deliberate and systematic effort to identify and document the municipality's key risks.

The objective of risk identification is to understand what is at risk within the context of the municipality's explicit and implicit objectives and to generate a comprehensive inventory of risks based on the threats and events that might prevent, degrade, delay or enhance the achievement of the objectives.

Definition of Risk Assessment:

Risk assessment is a systematic process to quantify or qualify the level of risk associated with a specific threat or event, to enrich the risk intelligence available to the Institution.

The main purpose of risk assessment is to help the municipality to prioritise the most important risks as the municipality is not expected to have the capacity to deal with all risks in an equal manner.

Risks should be formally reviewed concurrently with changes in strategy, or at least once a year to consider new and emerging risks.

Definition of Risk Register:

Risk register is the outcome of the annual risk assessment process which is a comprehensive inventory of risks based on the threats and events that might prevent, degrade, delay or enhance the achievement of the objectives of the municipality.

i. The Executive Authority/ Council:

- The Council should take an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the Institution against significant risks.
- Responsibilities of the Executive Authority in risk management should include:
  - ensuring that the Institutional strategies are aligned to the government mandate;
  - obtaining assurance from management that the Institution's strategic choices were based on a rigorous assessment of risk;
  - obtaining assurance that key risks inherent in the Institution's strategies were identified and assessed, and are being properly managed;
  - assisting the Accounting Officer / Authority to deal with fiscal, intergovernmental, political and other risks beyond their direct control and influence; and
  - insisting on the achievement of objectives, effective performance management and value for money.
  - In case of a municipality or municipal entity, in addition to the responsibilities outlined in 21(2), the Executive Authority should also: (a) approve the risk management policy, strategy, and implementation plan; and

(b) approve the fraud prevention policy, strategy and implementation plan.

Council is responsible for providing oversight and direction to the Accounting Officer on the risk management related strategy and policies; which also include an interest in the effectiveness of the process of risk management within the municipality.

Risk Management Oversight (Risk Management Committee)

The committee's role is to review the risk management progress and maturity of the municipality, the effectiveness of risk management activities, the key risks facing the municipality and the responses to address these key risks.

ii. The Accounting Officer/ Municipal Manager:

Sections 62(1)(c)(i) and 95(c)(i) of the MFMA, requires the Accounting Officer to ensure that their municipalities and municipal entities have and maintain effective, efficient and transparent systems of risk management

The **Municipal Manager** is ultimately responsible for risk management within the municipality. This includes ensuring that the responsibility for risk management vests at all levels of management. The Municipal Manager sets the tone at the top by promoting accountability, integrity and other factors that will create a positive control environment.

iii. Management, Other Personnel, Risk Manager:

Section 78 of the Municipal Finance Management Act (Act 56 of 2003):

The extension of general responsibilities in terms of Section 78 of the MFMA to all senior managers and other officials of municipalities imply that responsibility for risk management vests at all levels of management and that it is not limited to only the accounting officer and internal audit.

Risk Management Implementers (Management)

All other levels of management, support the municipality's risk management philosophy, promote compliance with the risk appetite and manage risks within their areas of responsibility.

Management takes ownership for managing the municipality's risks within their areas of responsibility and is accountable to the Municipal Manager for designing, implementing, monitoring and integrating ERM into their day-to-day activities of the municipality. This should be done in a manner that ensures that risk management becomes a valuable strategic management tool.

Risk Management Implementers (Other Officials)

Other officials are responsible for integrating risk management into their day-to-day activities i.e. by ensuring conformance with controls and compliance to procedures.

Risk Management Support (Chief Risk Officer)

The Chief Risk Officer is the custodian of the Risk Management Strategy and Implementation Plan and the coordinator of Enterprise Risk Management activities throughout Breede Valley Municipality.

Risk Management Support (Risk Champions)

A Risk Champion would generally hold a senior position within the municipality and possess the skills, knowledge and leadership qualities required to champion an aspect of risk management.

The Risk Champion assists the Chief Risk Officer to facilitate the risk assessment process and manage risks within their area of responsibility to be within the risk appetite. Their primary responsibilities are advising on, formulating, overseeing and managing all aspects of a municipality's entire risk profile, ensuring that major risks are identified and reported upwards.

iv. <u>Internal Auditors:</u>

Section 165(2)(a), (b)(iv) of the Municipal Finance Management Act (Act 56 of 2003) requires that: *"(2) The internal audit unit of a municipality or municipal entity must - (a) prepare a risk based audit plan and an internal audit program for each financial year;*

(b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:

- *(iv) risk and risk management."*

IIA Standard 2110 - Risk Management of the International Standards for the Professional Practice of Internal Auditing states:

"The internal audit activity should assist the organisation by identifying and evaluating significant exposures to risk and contributing to the improvements of risk management and control systems.

Risk Management Assurance Providers (Internal Audit)

The core role of Internal Audit in risk management is to provide an independent, objective assurance to council and the Audit Committee on the effectiveness of risk management.

Internal Audit also assists in bringing about a systematic, disciplined approach to evaluate and improve the effectiveness of the entire system of risk management and provide recommendations for improvement where necessary.

Risk Management Assurance Providers (External Audit)

External Audit (Auditor-General) provides and independent opinion on the effectiveness of Enterprise Risk Management.

v. Audit Committee:

Section 166 (2)(a)(ii) of the Municipal Finance Management Act (Act 56 of 2003) states:

"(2) An audit committee is an independent advisory body which must - (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and management staff of the municipal entity, on matters relating to - (ii) risk management."

The **Audit Committee** is an independent committee, responsible to oversee the municipality's control, governance and risk management. This committee is vital to, among other things, ensure that financial, IT and fraud risk related to financial reporting are identified and managed.

The Audit Committee's primary responsibility is providing an independent and objective view of the effectiveness of the municipality's risk management process to council and to provide recommendations to the Municipal Manager for continuous improvement and management of risks. The responsibilities of the Audit Committee with regard to risk management are formally defined in its charter.

3.Financial Implications

None

4. Applicable Legislation / Council Policy

- The Municipal Finance Management Act (Act 56 of 2003) (MFMA);
- Municipal Structures Act (Act 117 of 1998);
- Municipal Systems Act (Act 32 of 2000); and
- Public Sector Risk Management Framework (NT) published 1 April 2010.

Comment of Directorates / Departments concerned

Municipal Manager: Supported

Director: Community Services: Supported

Director: Strategic Support Services: Supported

Director: Financial Services: Supported

Director: Engineering Services: Supported

Acting Director: Public Services: Supported

RECOMMENDATION

That in respect of the

PRESUMED STRATEGIC RISK MANAGEMENT REPORT FOR THE 2021-2022 FINANCIAL YEAR

discussed by Council at the Council meeting held on 25 May 2021:

1. That Council takes note of the outcome of the Strategic Risk identification and assessment process, the result of which is captured in the BVM Strategic Risk Management Report for the period 2021-2022.

2. That Council approve the Strategic Risk Management Report for the period financial period 2021-2022.

PROPOSED: CLLR W.R. MEIRING
SECONDED: CLLR M. JACOBS

RESOLVED **C58/2021**

That in respect of the

PRESUMED STRATEGIC RISK MANAGEMENT REPORT FOR THE 2021-2022 FINANCIAL YEAR

discussed by Council at the Council meeting held on 25 May 2021:

1. That Council takes note of the outcome of the Strategic Risk identification and assessment process, the result of which is captured in the BVM Strategic Risk Management Report for the period 2021-2022.

2. That Council approve the Strategic Risk Management Report for the period financial period 2021-2022.

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To Action

E. Cloete

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

10. CONSIDERATION OF MOTIONS OF EXIGENCY

11. CLOSURE

The Speaker closed the meeting at 18:05.