

# MINUTES

Ref no. 2/1/4/4/2  
Date distributed:

**MINUTES OF THE 9<sup>th</sup> COUNCIL  
MEETING OF 2024/2025  
FINANCIAL YEAR  
OF THE  
COUNCIL OF BREEDE VALLEY  
MUNICIPALITY TUESDAY,  
2025-05-27 AT 09:00**

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

**DATE APPROVED**



**BREED VALLEY**  
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**1. OPENING AND WELCOME**

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

The Speaker welcomed all to the meeting. He led the meeting in prayer with the Our Father and observed a moment of silence for all beliefs and religions.

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

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

A councillor must –

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

None

**2.2 APPLICATIONS FOR LEAVE OF ABSENCE**

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

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

2.2.2 A Councillor must attend each meeting except when –

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

2.2.3 The Attendance Registers will be available at the meeting.

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

Cllr M. Swartz and Cllr T. P. Sibozo rendered an apology.

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

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

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

**3.2 BIRTHDAYS OF COUNCILLORS**

Cllr S.J. Mei

4 May 2025

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Cllr J.P. Kritzinger	8 May 2025
Cllr T.P. Sibozo	8 May 2025
Cllr C. N. Snyders	12 May 2025

The Speaker requested Cllr M. Jacobs to congratulate the councillors on their birthdays. Psalm 91 was given as text to the councillors.

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

None

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

The mayor welcomed all and complimented the ANC councillors on their African attire. Our sports and culture codes are doing good across the board. Matric ball season is around the corner, good luck with all the preparations.

The mayor thanked all the councillors for their hard work within their wards and communities. Thanks for the information about ups and downs in the community.

She conveyed her heartfelt condolences to those who suffered a loss. The late Springbok rugby player Connel Hendricks was mentioned.

On the point of the African attire, Cllr Mimi Williams explained the reason behind the dress code. This is the month where Africa and Mother's day was celebrated.

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## **4. CONFIRMATION OF MINUTES**

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

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

### **4.2 Minutes of Council Meeting held on 17 April 2025. (Copy enclosed)**

#### **RECOMMENDATION**

That in respect of

#### **CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING**

discussed by Council at the Council Meeting held on 27 May 2025:

- 
1. As the Minutes of the Council Meeting held on 17 April 2025 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 17 April 2025 be taken as read and confirmed.

Proposed: Cllr. E. Botha

Seconded: Cllr. M. Jacobs

## **RESOLVED**

That in respect of

### **CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING**

discussed by Council at the Council Meeting held on 27 May 2025, **resolution number C140/2025:**

1. As the Minutes of the Council Meeting held on 17 April 2025 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 17 April 2025 be taken as read and confirmed.

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

### **5.1 THE DEPUTY EXECUTIVE MAYOR: CLLR J.J. Von Willingh**

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

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### **5.3 MMC 2: Cllr. P.C. Moso**

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

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### **5.5 MMC 4: Cllr. E. Botha**

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

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

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

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## 5.9 MMC 8: Cllr F. Vaughan

## 6. COLLABORATOR OUTSTANDING RESOLUTIONS REPORT

## COMMUNITY SERVICES

Council	Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment
<a href="#">172625</a>	<b>SUBMISSION OF BY-LAW RELATING TO THE MANAGEMENT AND CONTROL OF FLATS (rental housing units) OWNED OR ADMINISTERED BY THE BREEDE VALLEY MUNICIPALITY</b>  RESOLVED C41/2015 That in respect of the SUBMISSION OF BY-LAW RELATING TO THE MANAGEMENT AND CONTROL OF FLATS (rental housing units) OWNED OR ADMINISTERED BY THE BREEDE VALLEY MUNICIPALITY discussed by Council at the Council meeting held on 25 of June 2015:  1. That Council approved the draft By-Law relating to the Management and Control of flats (rental housing units) owned or administer by the Breede Valley Municipality;  2. That the administration advertises said draft By-Law for public comments;  3. That all comments be collated submitted to Council for final approval and promulgation in the Provincial Gazette.  4. That the draft By-Law be workshopped with all the Councillors.	2015-06-25	GMAYEKI	96	The draft by-law has been circulated to the Directorates for comments/review. The final document will be submitted to the Council for approval. It is anticipated that the entire process will be completed by 30 March 2025.
<a href="#">1591078</a>	<b>LAND FOR HUMAN SETTLEMENTS RAWSONVILLE: CONSIDERATION TO PURCHASE PRIVATELY OWNED LAND</b>  RESOLVED That in respect of –  LAND FOR HUMAN SETTLEMENTS RAWSONVILLE: CONSIDERATION TO PURCHASE PRIVATELY OWNED LAND  as discussed by Council at the Council meeting held on 20 August 2024, resolution number C68/2024 council decide:  1. The Council should note the content of the report as an update of progress  2. That the administration be mandated to follow a public participation process to invite expressions of interest from additional private landowners in Rawsonville to potentially sell land for human settlement	2024-08-23	GMAYEKI	30	The expression of interest was advertised and closed in November 2024. Two parties submitted interest/ proposals and comments are being sought from internal departments. The final report will be submitted at the next ordinary Council meeting.

		<p>purposes to the Breede Valley Municipality;</p> <p>3. that following the public participation process, an internal stakeholder's engagement be undertaken to consider the submissions received;</p> <p>4. that after the implementation of item 2, an item be resubmitted to Council to resolve on the most suitable offer received during the expression of interest process; and</p> <p>5. that upon council resolving on the most suitable offer, the administration be authorised to submit a project application to the Western Cape Department of Infrastructure as part of the Land Acquisition Process.</p>				
<a href="#">1694428</a>	<b>LAND FOR HUMAN SETTLEMENTS RAWSONVILLE: CONSIDERATION TO PURCHASE PRIVATELY OWNED LAND</b>	<p>RESOLVED</p> <p>That in respect of – LAND FOR HUMAN SETTLEMENTS RAWSONVILLE: CONSIDERATION TO PURCHASE PRIVATELY OWNED LAND RAWSONVILLE HOUSING: CONSIDERATION TO PURCHASE PRIVATELY OWNED LAND</p> <p>Discussed by council at the Council meeting held on 27 February 2025, resolution number C121/2025:</p> <p>1. That Council note the progress made in respect of the negotiations with private landowners in Rawsonville; and</p> <p>2. that Directorate: Community Services resubmit a comprehensive item at the Council Meeting within a period of three (3) months as outlined in point (4 &amp; 5) of the Council resolution</p>	2025-02-27	GMAYEKI		

**STRATEGIC SUPPORT SERVICES**

Council		Resolution	Meeting Date	Allocate To	% Compl.	Feedback Comment
1352782	<b>2023 CUSTOMER SERVICE CHARTER</b>	<p>RESOLVED: That in respect of - The 2023 Customer Service Charter tabled before Council at the Council meeting held on 30 May 2023 with resolution number C37/2023:</p> <p>1. That Council, having noted the content of the 2023 Customer Service Charter, provides in principle approval thereof subject to the following conditions:</p>	2023-05-30	CMALGAS	95	The final user input on the proposed CSC, has been received on 17 May 2025. Unfortunately, there is not sufficient time to incorporate and finalise the CSC for submission to Council at the meeting scheduled on 27 May 2025. Resultantly, the final CSC will be served at the next Council meeting (i.e. July 2025).



		<p>a. The Customer Service Charter be referred to a Council Workshop to be held on 8 June 2023;</p> <p>b. The Customer Service Charter be made public in terms of section 21 of the MSA;</p> <p>c. That such public comments (if any) be tabled at Council for consideration; and</p> <p>d. The Customer Service Charter be resubmitted to Council for final consideration and approval.</p>				
1648536	<b>7.14 PROPOSED APPROVAL OF STAFF ESTABLISHMENT IMPLEMENTATION ON 1 JANUARY 2025</b>	<p>RESOLVED</p> <p>That in respect of –</p> <p>PROPOSED APPROVAL OF STAFF ESTABLISHMENT IMPLEMENTATION ON 1 JANUARY 2025</p> <p>as discussed by the Council at the Council Meeting held on 4 December 2024 with resolution number C100/2024 :</p> <ol style="list-style-type: none"> <li>1. That the Council notes the response from the National Minister on the draft staff establishment.</li> <li>2. That the Council notes that the draft staff establishment does not comply with organisational metrics as prescribed by the MSR.</li> <li>3. That the administration compiles an Implementation Plan of how the municipality will achieve compliance with the MSR, Structural layers and Span of control and submit the Implementation Plan at the Council meeting in February 2025.</li> <li>4. That the Council approves the Staff Establishment for Breede Valley Municipality in terms of the MSR for implementation on 1 January 2025.</li> <li>5. That the Municipal Manager initiates the review of the approved staff establishment in preparation for the next financial year, 2025/2026.</li> </ol>	2024-12-04	NM MONYELA	85	HR has commenced with the development of the implementation plan.
1694411	<b>RESUBMISSION ITEM: ERVEN 8645 AND 194, WORCESTER, COMMONLY KNOWN AS "KLEINPLASIE"</b>	<p>RESOLVED</p> <p>That in respect of –</p> <p>RESUBMISSION ITEM: ERVEN 8645 AND 194, WORCESTER, COMMONLY KNOWN AS "KLEINPLASIE"</p> <p>as discussed by Council at the Council meeting held on 27 February 2025, resolution number C116/2025, Council decided:</p> <ol style="list-style-type: none"> <li>1. That council duly considered the representations / comments received during the public participation process followed</li> </ol>	2025-02-27	HPOTGIETER	75	<p>10/04/2025: Notice duly placed inviting development proposals. Due date for submissions is 30 April 2025.</p> <p>15/05/2025: Resubmission item to be tabled at the 27 May 2025 Council meeting to consider the proposals.</p>

		<p>(Annexures A – D) in respect of Erven 8645 and 194, Worcester, commonly known as “Kleinplasia”;</p> <p>2. that based on the consideration by council of item 1, council resolves and mandate the administration to call for development proposals before the end of March 2025 with the closing date of the submission before the end of April 2025 for purposes of disposal, or the right to use (a long-term lease) the subject property;</p> <p>3. that the purpose of the invitation is for the gathering of ideas for the optimal future use of the municipal property;</p> <p>4. that the preferred proposal may be used as a basis to formulate the specifications for a tender or the conditions of a future public auction;</p> <p>5. that no rights and/or obligations and/or legitimate expectations will be created or implied by the submission of any proposals;</p> <p>6. that no compensation will be payable by the Municipality to any party due to a specific idea or proposal being accepted or declined by Council;</p> <p>7. that an item be resubmitted for council to consider the development proposals in order to identify the most suitable future utilisation of the subject property; and</p> <p>8. that Council has taken cognisance of the fact that the municipal property is not required for the provision of basic municipal services in terms of the provisions Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003).</p>				
1720074	<b>SUBMISSION OF THE 2025/26 COMMUNICATION STRATEGY</b>	<p>RESOLVED:</p> <p>That in respect of –</p> <p>THE 2025/26 COMMUNICATION STRATEGY</p> <p>tabled before Council at the Council meeting held on 17 April 2025, resolution number C133/2025:</p> <p>1. That Council, having noted the content of the 2025/26 Communications Strategy, provides in principle approval thereof subject to the following</p>	2025-04-17	CMALGAS	95	The Communications Strategy is scheduled for a Council Workshop on 20 May 2025. Hereafter, it will be publicised for public input and resubmitted to Council for final consideration and approval at the next Council meeting (i.e. July 2025).

		<p>conditions:</p> <p>a. The strategy be referred to a Council Workshop on 20 May 2025;</p> <p>b. The strategy be made public in terms of section 21 of the MSA and submitted to the relevant stakeholders (i.e. relevant National &amp; Provincial Government Departments as well as the Cape Winelands District Municipality) for input;</p> <p>c. That such public comments (if any) be tabled at Council for consideration; and</p> <p>d. The strategy be resubmitted to Council for final consideration and approval.</p> <p>2. That Council notes that this iteration of the Communications Strategy will rescind and replace prior versions thereof.</p>				
1720084	<b>AMENDED BUSINESS PLAN OF THE WORCESTER CENTRAL IMPROVEMENT DISTRICT (SPECIAL RATINGS AREA) BUSINESS PLAN (2023 – 2028)</b>	<p>On the proposal of Cllr. J. Kritzinger the item was removed from the agenda.</p> <p>Seconded by Cllr. N.J. Wullschleger</p>	2025-04-17	CJANUARY2		To be workshopped on 20 May 2025
1720085	<b>REVIEW OF THE EXPANDED PUBLIC WORKS PROGRAMME (EPWP) POLICY</b>	<p>RESOLVED</p> <p>That in respect of –</p> <p>DRAFT EXPANDED PUBLIC WORKS PROGRAMME (EPWP) POLICY</p> <p>as discussed by Council at the Council meeting held on 17 April 2025, resolution C137/2025, the following recommendation is made:</p> <p>a) That the Council takes note of the Draft Expanded Public Works Programme (EPWP) Policy for the Breede Valley Municipality.</p> <p>b) That the Draft Expanded Public Works Programme (EPWP) Policy be workshopped with Councillors to invite further input.</p> <p>c) That the Draft Expanded Public Works Programme (EPWP) Policy be resubmitted to the Municipal Council for final approval.</p>	2025-04-17	CHILL		To be workshopped on 20 May 2025

DA caucus requested for 15 minutes.

The Speaker informed the meeting that the ANC's motion would be addressed first, as there are members of the public who need to be elsewhere.

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## 7. CONSIDERATION OF AGENDA ITEMS

### 7.1 FINAL THIRD REVIEW OF THE 5<sup>th</sup> GENERATION INTEGRATED DEVELOPMENT PLAN (2022 - 2027) FOR THE PERIOD 2025 – 2026

**File No./s:**10/3/8

**Responsible Official:** C. Malgas

**Directorate:** Strategic Support Services

**Portfolio:** IDP/PMS/SDBIP

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#### 1. PURPOSE:

To table the Final Third Review of the 5<sup>th</sup> Generation Integrated Development Plan (2022 - 2027) for the period 2025 - 2026 (hereafter referred to as the Final 2025-2026 IDP) and its associated supporting documents to Council, as prepared in line with the applicable legislative prescripts, prioritised needs of the Breede Valley community, and in accordance with municipal resource framework (financial and non-financial).

#### 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 MSA prescribes that a municipality must develop a culture of municipal governance that complements representative government with a system of participatory governance, and must for this purpose-

- a. encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in (amongst others):
  - i The preparation, implementation and review of its integrated development plan; and
- b. contribute to building the capacity of-
  - i the local community to enable it to participate in the affairs of the municipality.

To give effect to these legislative requirements, the Draft 2025-2026 IDP and its associated supporting documents have been published on the municipal website and applicable social media platforms, to grant all stakeholders and members of society an opportunity to submit representations thereon. In addition, the municipality rolled-out public participation engagements (throughout all 21 wards) to engage stakeholders on the Draft 2025-2026 IDP and corresponding MTREF (Budget) and allow for representations thereon.

All inputs and representations received on these statutory documents, including those submitted by the Provincial Government during their oversight of the Draft 2025–2026 IDP and corresponding MTREF (Budget), have been duly considered and incorporated (where practically feasible) in the statutory documents as well as the planned implementation of approved actions/programmes/initiatives encapsulated therein.

Council should take cognisance of the following key annexures linked to this item:

Annexure Reference	Description
A	A copy of the Final 2025-2026 IDP.
B	A list of revised sectoral plans of which the submission due date to Council coincides with the tabling due date of the Final 2025-2026 IDP. Council should note that these sectoral plans inform the corresponding sub-components contained in the Final 2025-2026 IDP.
C	A summary of public representations on the Final 2025-2026 IDP.
D	A concise summary of the revisions/changes applied in the Final 2025-2026 IDP.

**3. FINANCIAL IMPLICATIONS:**

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

**4. APPLICABLE LEGISLATION:**

Municipal Systems Act, Act 32 of 2000

Municipal Finance Management Act, Act 56 of 2003

Local Government: Municipal Planning and Performance Management Regulations, 2001

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

**Municipal Manager:** Recommendation Supported.

**Director: Strategic Support Services:** Recommendation Supported.

**Director: Financial Services:** Recommendation Supported.

**Director: Engineering Services:** Recommendation Supported.

**Director: Community Services:** Recommendation Supported.

**Director: Planning, Development & Integrated Services:** Recommendation Supported.

**Senior Manager: Legal Services:** Recommendation Supported.

**RECOMMENDATION:**

That in respect of –

**FINAL THIRD REVIEW OF THE 5<sup>th</sup> GENERATION INTEGRATED DEVELOPMENT PLAN  
(2022 - 2027) FOR THE PERIOD 2025 - 2026**

tabled before Council at the Council meeting held on 27 May 2025:

1. That Council approves the Final 2025-2026 IDP and endorse that it be published in terms of section 21 of the MSA;
2. That Council takes note of and, where applicable, approves the revised sectoral plans per Annexure B;
3. That Council takes note of Annexures C & D.

Proposed: Ald. A. Steyn

Seconded: Ald. W. R. Meiring

Votes in favour of the recommendation: 36

Votes against: 0

Votes abstain: 2

## **RESOLVED**

That in respect of –

### **FINAL THIRD REVIEW OF THE 5<sup>th</sup> GENERATION INTEGRATED DEVELOPMENT PLAN (2022 - 2027) FOR THE PERIOD 2025 - 2026**

tabled before Council at the Council meeting held on 27 May 2025, **resolution number C141/2025:**

1. That Council approves the Final 2025-2026 IDP and endorse that it be published in terms of section 21 of the MSA;
2. That Council takes note of and, where applicable, approves the revised sectoral plans per Annexure B;
3. That Council takes note of Annexures C & D.

Caucus requested by GOOD: 15 min.

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## 7.2 2025/26 FINAL BUDGET MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

**File No. /s:** 3/15/1

**Responsible Official:** R Ontong

**Directorate:** Financial Services

**Portfolio:** Financial Services

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### PURPOSE

The purpose of this submission is to present the 2025/26 MTREF Budget.

### Legal Framework

Section 16 of the Municipal Finance Management Act states:

“Annual budgets

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

### Contents of annual budgets and supporting documents

17. (1) An annual budget of a municipality must be a schedule in the prescribed format —
  - (a) setting out realistically anticipated revenue for the budget year from each revenue source;
  - (b) Appropriating expenditure for the budget year under the different votes of the municipality;
  - (c) Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;
  - (d) Setting out —
    - (i) Estimated revenue and expenditure by vote for the current year; and

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

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

## **FINANCIAL IMPLICATIONS**

The financial implications of the 2025/26 MTREF Budget are captured in the Budget Report.

## **ANNEXURES**

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

Quality Certificate (**Annexure B**)

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

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

Municipal Tariffs (**Annexure D**)

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

Demand Management Plan (**Annexure F**)



# **MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK 2025/2026 – 2027/2028**



**BREED VALLEY**  
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

**27 MAY 2025**

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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

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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.

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

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

## **PART 1 – Annual Budget**

### **1. Mayor's Report**

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

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

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

### **2. Resolutions**

It is recommended to council that in respect of the 2025/26 MTREF, and outer financial years that council approves the 2025/26 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
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 2025/26 MTREF was compiled based on the following principles and criteria considering, the impact of the loadshedding, aftermath of COVID 19 pandemic and on the economy:

#### **Credibility**

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

#### **Sustainability**

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

#### **Responsiveness**

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

#### **Affordability**

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

The 2025/2026 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 2025/26 MTREF are as follow:

- Loadshedding implemented by Eskom and associated disruptions (revenue generation and economic activity)
- Consequences of COVID 19 Pandemic
- Amendments to mSCOA;
- Consumers exploring alternative energy sources and using less municipal electricity

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

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

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

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

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

The capital budget for 2025/26 aims to address the service delivery needs within the municipal area, given the available resources internally and externally. The main sources of funding are external loans, conditional grant allocations from National and Provincial government departments and internal funding.

### 3.4 Rebates

Rebates relating to Unemployed, Indigent and Pensioners (under and over 65 years of age) are displayed below:

#### 3.4.1 Rebates: Unemployed and Indigent

Household Income	Rates	Sewer	Refuse	Rental
R0 - R5 250	50%	50%	50%	50%
Max Valuation	R 270 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilolitre			

**3.4.2 Rebates: Pensioner / Disability Rebate Category 1**

Household Income	Rates	Sewer	Refuse	Rental
Government Pension & Disability / Pensioners 60 years and older R0 - R5 250	100%	100%	100%	100%
Max Valuation	R 450 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilolitre			

**3.4.3 Rebates: Pensioner / Disability Rebate Category 2**

Household Income	Rates	Sewer	Refuse	Rental
Government Pension & Disability / Pensioners 60 years and older R5 251 - R6 250	20%	20%	20%	20%
Max Valuation	R 450 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilolitre			

**3.4.4 Rebates: Pensioner 65 years and older**

Pensioners falling in this category are eligible for an additional R360 000.00 rebate on the calculation of their property rates bill. This overall rebate is capped at R450 000.00

**3.4.5 Special Rating Area (SRA)**

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

**3.5 Budget Overview**

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

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

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

most households are prepaid electricity users, whom have been using significantly less electricity. Post the 2024 national election, loadshedding was observed to not be actively applied until recently where stage 6 was also applied on a very short notice. This unpredictability in the provision of electricity makes planning and budgeting for this important revenue source very challenging.

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

### 3.5.1 Operating Revenue

The table below reflects the operating revenue in relation to the current year and 2025/26 MTREF.

WC025 Breede Valley - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	492 826	474 632	543 810	612 204	623 822	623 822	623 822	721 887	815 733	921 778
Service charges - Water	2	104 101	105 610	110 405	115 599	117 264	117 264	117 264	127 877	135 549	143 683
Service charges - Waste Water Management	2	84 271	90 274	99 186	92 642	101 541	101 541	101 541	120 306	127 525	135 176
Service charges - Waste Management	2	43 844	46 941	54 422	50 190	56 500	56 500	56 500	76 326	80 906	85 760
Sale of Goods and Rendering of Services		5 639	5 521	5 736	6 164	5 741	5 741	5 741	6 315	6 466	6 630
Agency services		9 061	9 463	8 949	9 391	9 391	9 391	9 391	9 823	10 275	10 532
Interest		(259)	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		8 032	13 266	13 962	16 030	16 030	16 030	16 030	16 768	17 540	17 979
Interest earned from Current and Non Current Assets		11 227	14 384	18 373	19 522	19 522	19 522	19 522	20 420	21 360	21 894
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		8 178	7 478	8 979	9 109	9 109	9 109	9 109	9 529	9 970	10 221
Licence and permits		-	-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		4 818	10 197	7 753	7 700	6 914	6 914	6 914	8 056	8 118	8 322
Non-Exchange Revenue											
Property rates	2	173 037	180 018	197 548	200 977	207 468	207 468	207 468	226 949	240 566	255 000
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		28 741	94 924	72 714	253 897	242 897	242 897	242 897	242 897	253 828	260 175
Licences or permits		2 619	3 123	2 926	4 468	3 485	3 485	3 485	4 674	4 889	5 012
Transfer and subsidies - Operational		153 754	171 643	185 954	198 836	196 144	196 144	196 144	217 912	205 312	218 387
Interest		1 782	2 785	3 436	3 643	3 643	3 643	3 643	3 811	3 986	4 086
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	7 633	7 763	7 932	7 932	7 932	8 120	8 494	8 706
Gains on disposal of Assets		56	280	2 155	1 555	1 555	1 555	1 555	1 627	1 702	1 745
Other Gains		519	41 703	9 834	(0)	(0)	(0)	(0)	10 000	10 000	10 250
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 132 247	1 272 244	1 353 773	1 609 689	1 628 958	1 628 958	1 628 958	1 833 296	1 962 218	2 125 333
Expenditure											
Employee related costs	2	335 127	366 251	396 107	456 828	425 824	425 824	425 824	469 245	493 727	512 499
Remuneration of councillors		18 315	19 066	20 467	21 757	21 757	21 757	21 757	21 653	22 792	23 648
Bulk purchases - electricity	2	383 068	372 993	454 652	487 184	522 184	522 184	522 184	598 611	690 034	747 285
Inventory consumed	8	41 188	50 978	50 154	46 872	52 333	52 333	52 333	69 008	72 276	96 095
Debt impairment	3	80 796	116 518	115 605	220 011	121 511	121 511	121 511	86 508	90 401	92 662
Depreciation and amortisation		88 566	94 561	101 941	105 208	105 208	105 208	105 208	110 079	115 174	118 085
Interest		20 974	19 437	31 254	39 842	39 842	39 842	39 842	41 676	43 594	44 685
Contracted services		96 851	112 123	126 490	127 393	128 450	128 450	128 450	148 230	151 772	175 656
Transfers and subsidies		3 767	3 419	3 069	7 711	7 556	7 556	7 556	13 606	5 868	4 990
Irrecoverable debts written off		-	-	-	19	87 519	87 519	87 519	122 522	128 036	131 238
Operational costs		50 713	78 862	94 100	100 614	108 754	108 754	108 754	111 609	116 599	119 616
Losses on disposal of Assets		2 141	741	1 370	4 125	4 125	4 125	4 125	4 320	4 523	4 642
Other Losses		519	1 434	1 150	67	67	67	67	70	74	76
Total Expenditure		1 122 025	1 236 383	1 396 358	1 617 631	1 625 131	1 625 131	1 625 131	1 797 137	1 934 869	2 071 176
Surplus/(Deficit)		10 222	35 861	(42 585)	(7 942)	3 827	3 827	3 827	36 159	27 349	54 157
Transfers and subsidies - capital (monetary allocations)	6	55 756	67 525	97 746	54 410	78 806	78 806	78 806	77 246	92 558	72 316
Transfers and subsidies - capital (in-kind)	6	-	17 917	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		65 978	121 303	55 162	46 468	82 634	82 634	82 634	113 405	119 907	126 473
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		65 978	121 303	55 162	46 468	82 634	82 634	82 634	113 405	119 907	126 473
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		65 978	121 303	55 162	46 468	82 634	82 634	82 634	113 405	119 907	126 473
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	65 978	121 303	55 162	46 468	82 634	82 634	82 634	113 405	119 907	126 473

Please refer to Annexure A

Based on the current economic climate within the Breede Valley municipal area, tariffs increases are based anticipated costs and expenses to be honoured over the MTREF. Tariffs increases is anticipated to not compromise the sustainability of the revenue sources and will therefore not be counterproductive and having a negative impact on the collection rate.

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 2024/25 financial year and anticipated revenue based on the current valuation roll. The current performance in the 2024/25 financial year suggests revenue generation above the initially anticipated budget, leading to the adjustments made during the February Adjustments Budget process.

**Service Charges:** The 2025/26 projected revenue for service charges is based on the current performance and anticipated trends over the MTREF. Revenue in the 2024/25 financial year is anticipated to be greater than the Original Budget allocation. Therefore, amendments have been affected during the Adjustments Budget process to align the budget with the revenue trends. Notable additional revenue growth was also noticed during the current financial year, positively impacting the revenue projections for the MTREF.

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

**Fines:** Fines revenue is adjusted to gradually align revenue and write-off in line with realistic expectations given current and prior performance on this revenue source. This will be reviewed during the Final Budget and also the Mid-year Adjustments Budget to align budget with realistically anticipated revenues.

**Transfers Recognised – Operational:** This revenue item is based on the operational transfers (conditional and unconditional) available while compiling the final budget. The final allocations for the 2025/26 MTREF were not available given the current delays with the National Budget process, and the submission of the budget to councillors in preparation of the council meeting.

### 3.5.2 Operating Expenditure

The table below reflects the operating expenditure in relation to the current year and 2025/26 MTREF.

WC025 Breede Valley - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>										
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	492 826	474 632	543 810	612 204	623 822	623 822	623 822	721 887	815 733	921 778
Service charges - Water	2	104 101	105 610	110 405	115 599	117 264	117 264	117 264	127 877	135 549	143 683
Service charges - Waste Water Management	2	84 271	90 274	99 186	92 642	101 541	101 541	101 541	120 306	127 525	135 176
Service charges - Waste Management	2	43 844	46 941	54 422	50 190	56 500	56 500	56 500	76 326	80 906	85 760
Sale of Goods and Rendering of Services		5 639	5 521	5 736	6 164	5 741	5 741	5 741	6 315	6 466	6 630
Agency services		9 061	9 463	8 949	9 391	9 391	9 391	9 391	9 823	10 275	10 532
Interest		(259)	—	—	—	—	—	—	—	—	—
Interest earned from Receivables		8 032	13 266	13 962	16 030	16 030	16 030	16 030	16 768	17 540	17 979
Interest earned from Current and Non Current Assets		11 227	14 384	18 373	19 522	19 522	19 522	19 522	20 420	21 360	21 894
Dividends		—	—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		8 178	7 478	8 979	9 109	9 109	9 109	9 109	9 529	9 970	10 221
Licence and permits		—	—	—	—	—	—	—	—	—	—
Special rating levies		—	—	—	—	—	—	—	—	—	—
Operational Revenue		4 818	10 197	7 753	7 700	6 914	6 914	6 914	8 056	8 118	8 322
<b>Non-Exchange Revenue</b>											
Property rates	2	173 037	180 018	197 548	200 977	207 468	207 468	207 468	226 949	240 566	255 000
Surcharges and Taxes		—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		28 741	94 924	72 714	253 897	242 897	242 897	242 897	242 897	253 828	260 175
Licences or permits		2 619	3 123	2 926	4 468	3 485	3 485	3 485	4 674	4 889	5 012
Transfer and subsidies - Operational		153 754	171 643	185 954	198 836	196 144	196 144	196 144	217 912	205 312	218 387
Interest		1 782	2 785	3 436	3 643	3 643	3 643	3 643	3 811	3 986	4 086
Fuel Levy		—	—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	7 633	7 763	7 932	7 932	7 932	8 120	8 494	8 706
Gains on disposal of Assets		56	280	2 155	1 555	1 555	1 555	1 555	1 627	1 702	1 745
Other Gains		519	41 703	9 834	(0)	(0)	(0)	(0)	10 000	10 000	10 250
Discontinued Operations		—	—	—	—	—	—	—	—	—	—
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 132 247</b>	<b>1 272 244</b>	<b>1 353 773</b>	<b>1 609 689</b>	<b>1 628 958</b>	<b>1 628 958</b>	<b>1 628 958</b>	<b>1 833 296</b>	<b>1 962 218</b>	<b>2 125 333</b>
<b>Expenditure</b>											
Employee related costs	2	335 127	366 251	396 107	456 828	425 824	425 824	425 824	469 245	493 727	512 499
Remuneration of councillors		18 315	19 066	20 467	21 757	21 757	21 757	21 757	21 653	22 792	23 648
Bulk purchases - electricity	2	303 068	372 993	454 652	487 184	522 184	522 184	522 184	598 611	690 034	747 285
Inventory consumed	8	41 188	50 978	50 154	46 872	52 333	52 333	52 333	69 008	72 276	96 095
Debt impairment	3	80 796	116 518	115 605	220 011	121 511	121 511	121 511	86 508	90 401	92 662
Depreciation and amortisation		88 566	94 561	101 941	105 208	105 208	105 208	105 208	110 079	115 174	118 085
Interest		20 974	19 437	31 254	39 842	39 842	39 842	39 842	41 676	43 594	44 685
Contracted services		96 851	112 123	126 490	127 393	128 450	128 450	128 450	148 230	151 772	175 656
Transfers and subsidies		3 767	3 419	3 069	7 711	7 556	7 556	7 556	13 606	5 868	4 990
Irrecoverable debts written off		—	—	—	19	87 519	87 519	87 519	122 522	128 036	131 238
Operational costs		50 713	78 862	94 100	100 614	108 754	108 754	108 754	111 609	116 599	119 616
Losses on disposal of Assets		2 141	741	1 370	4 125	4 125	4 125	4 125	4 320	4 523	4 642
Other Losses		519	1 434	1 150	67	67	67	67	70	74	76
<b>Total Expenditure</b>		<b>1 122 025</b>	<b>1 236 383</b>	<b>1 396 358</b>	<b>1 617 631</b>	<b>1 625 131</b>	<b>1 625 131</b>	<b>1 625 131</b>	<b>1 797 137</b>	<b>1 934 869</b>	<b>2 071 176</b>
<b>Surplus/(Deficit)</b>		<b>10 222</b>	<b>35 861</b>	<b>(42 585)</b>	<b>(7 942)</b>	<b>3 827</b>	<b>3 827</b>	<b>3 827</b>	<b>36 159</b>	<b>27 349</b>	<b>54 157</b>
Transfers and subsidies - capital (monetary allocations)	6	55 756	67 525	97 746	54 410	78 806	78 806	78 806	77 246	92 558	72 316
Transfers and subsidies - capital (in-kind)	6	—	17 917	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>65 978</b>	<b>121 303</b>	<b>55 162</b>	<b>46 468</b>	<b>82 634</b>	<b>82 634</b>	<b>82 634</b>	<b>113 405</b>	<b>119 907</b>	<b>126 473</b>
Income Tax		—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after income tax</b>		<b>65 978</b>	<b>121 303</b>	<b>55 162</b>	<b>46 468</b>	<b>82 634</b>	<b>82 634</b>	<b>82 634</b>	<b>113 405</b>	<b>119 907</b>	<b>126 473</b>
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) attributable to municipality</b>		<b>65 978</b>	<b>121 303</b>	<b>55 162</b>	<b>46 468</b>	<b>82 634</b>	<b>82 634</b>	<b>82 634</b>	<b>113 405</b>	<b>119 907</b>	<b>126 473</b>
Share of Surplus/Deficit attributable to Associate	7	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>65 978</b>	<b>121 303</b>	<b>55 162</b>	<b>46 468</b>	<b>82 634</b>	<b>82 634</b>	<b>82 634</b>	<b>113 405</b>	<b>119 907</b>	<b>126 473</b>

Please refer to Annexure A.

The operational expenditure budget was adjusted to accommodate the projected operational expenditure to be incurred over the MTREF. These amendments/adjustments are based on the 2024/25 Adjustment Budget.

These amendments are informed by the following principles:

- New staff structure implemented.
- New positions budgeted for in line with the amended staff structure
- No new temporary contracts
- EPWP workers to be used as alternative to counter staff shortages where needed
- Review of standby and overtime

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

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

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

**Employee related cost:** Employee related cost is based on the current approved staff structure and collective agreement.

**Debt Impairment:** The fines and corresponding write-off will be managed within the available budgets. These amounts will be reviewed with the 2025/26 adjustments budget if needed.

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

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

**Bulk Purchases:** This item comprises of electricity bulk purchases and is based on the current consumption patterns in terms of usage. The increase in this expenditure item is based on the anticipated increase and also the increase in Bulk Purchases expenditure experienced in the 2024/25 financial year.

**Inventory consumed and Contracted Services:** The budget for other materials and contracted services is also based on the 2024/25 Mid-year Adjustments Budget and related contractual commitments. The municipality placed significant emphasis on the funding of temporary workers that will be targeting high priority areas such as area cleaning and basic service delivery aspects where a temporary need exists. Further,

maintenance of rental units / flats, relocation of outside toilets for the vulnerable, ward-based projects and maintenance of chemical toilets are projects to received high priority in terms of funding. The implementation of these projects will be closely monitored given the importance and impact it will have on the beneficiaries.

**Operational Costs:** Limited increases were applied in terms of Operational Costs except where contractual commitments are in place. The 2025/26 Budget amount is also based on the 2024/25 performance and is aimed at utilizing resources in a more cost-effective manner to positively influence the financial sustainability of the municipality.

Please refer to SA1 for the detail.

### 3.5.3 Capital budget

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

Please refer to Annexure A

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

#### **Capital Projects**

The list below represents the major / significant capital projects.

Description	Project code	Finance Source	Fund Desc	2025/26 MTREF (Budget Year)	2026/27 MTREF (Budget Year +1)	2027/28 MTREF (Budget Year +2)
<u>Engineering Services and Planning, Development and Integrated Services</u>						
<u>Not Allocated to Wards</u>						
<u>Stettynskloof Water Supply (Worcester/Rawsonville)</u>						
Increase dam Level (Stetteynskloof Dam)	CP_0461	1,1	Loans	10 000 000	0	0
<u>Klipvlakte/ Transhex Residential Development (13 000 erven)</u>						
Electrical Reticulation	CP_0009	8,2	INEP	15 596 000	17 518 000	18 310 000



<b><u>Upgrading of Sewer Network</u></b>						
External Loan	CP_0453	1,1	Loans	3 000 000	0	0
CRR	CP_0453	3,0	CRR / Own Funding	0	3 000 000	3 000 000
<b><u>Touws River: Waste Water Treatment Works (WwTW) Augmentation</u></b>						
Augmentation Touwsriver WWTW (MIG)	CP_0420	8,0	MIG	9 085 675	18 982 076	0
<b><u>Upgrading of Gravel Roads</u></b>						
Breede Valley: Roads	CP_0062	3,0	CRR / Own Funding	0	1 000 000	0
<b><u>Resealing of Roads</u></b>						
Resealing of Municipal Roads - Rawsonville	CP_0065	3,2	CRR / Own Funding	0	500 000	0
<b><u>Resealing of Municipal Roads - Worcester</u></b>						
CRR	CP_0066	3,2	CRR / Own Funding	0	3 000 000	0
<b><u>Resealing of Municipal Roads - De Doorns</u></b>						
CRR	CP_0067	3,2	CRR / Own Funding	0	1 000 000	0
<b><u>Resealing of Municipal Roads - Touws River</u></b>						
Resealing of Municipal Roads - Touws River	CP_0068	3,2	CRR / Own Funding	0	500 000	0
<b><u>Upgrading of Roads</u></b>						

Municipal Roads (Ward 1, 2, 3, 4, 16, 17 and 18)	CP_0512	3,0	CRR / Own Funding	3 500 000	0	0
<b><u>Networks</u></b>						
Pipe cracking (all wards)	CP_0513	3,0	CRR / Own Funding	7 000 000	5 000 000	5 000 000
<b><u>Electricity (8112)</u></b>						
RMU/ Main Sub Switchgear Replacements De Doorns	CP_0466	1,1	Loans	3 000 000	0	0
RMU/Main Sub Switchgear replacements Touwsrivier	CP_0467	1,1	Loans	3 000 000	0	0
Zwelethemba removal of mid-blocks	CP_0469	3,0	CRR / Own Funding	0	4 500 000	4 500 000
66KV Ripple Control	CP_0471	1,1	Loans	6 400 000	0	0
Supply and Installation of Load Shedding Solution and Solar PV	CP_0509	3,0	CRR / Own Funding	5 000 000	0	0
Upgrade of Rental Units (Roux Park)		3,0		3 400 000	0	0
<b>Refurbishment of electrical system (NERSA)</b>						
Altona new Electrical Substation	CP_0426	3,0	CRR / Own Funding	0	1 000 000	0
Electricity - Machinery and Equipment	CP_0428	3,0	CRR / Own Funding	100 000	0	0
<b>SOLID WASTE MANAGEMENT</b>						
<b>WORCESTER</b>						
Wheeliebins	CP_0178	3,0	CRR / Own Funding	1 000 000	1 000 000	700 000
<b><u>Ward Priorities</u></b>						
Speed Humps	CP_0432	3,0	CRR / Own Funding	1 000 000	0	0

Fencing of Substations	CP_0435	3,0	CRR / Own Funding	1 000 000	0	0
Playparks	CP_0606	3,0	CRR / Own Funding	1 360 000	0	0
<b><u>Ward 1</u></b>						
Upgrading Gravel Roads	CP_0268	3,2	CRR / Own Funding	6 352 250	0	0
Upgrading Gravel Roads	CP_0268	8,0	MIG	2 506 287	0	0
<b><u>Ward 2</u></b>						
De Doorns Water Purification Works : Augmentation of DAF Unit (MIG funding)	CP_0130	8,0	MIG	0	8 275 009	1 188 488
De Doorns Water Purification Works : Augmentation of DAF Unit (MIG Counter funding)	CP_0623	3,2	CRR / Own Funding	0	2 498 600	0
De Doorns Water Purification Works : Augmentation of DAF Unit (WSIG funding)	CP_0511	8,8	WSIG	20 000 000	30 000 000	7 000 000
<b><u>Ward 5</u></b>						
High Mast Light GG Camp - Ward 5	New	3,0	CRR / Own Funding	801 430	0	0
<b><u>Erosion Protection of Hex River (Zweletemba)</u></b>						
Erosion Protection of Hex River : Phase 3A (750m)	CP_0338	<u>8,0</u>	MIG	0	0	35 189 535
<b><u>Ward 10</u></b>						
Transhex Housing Development - High Mast Light - PH 2	New	<u>8,0</u>	MIG	0	1 927 225	0
<b><u>Ward 15</u></b>						
Reseal of Municipal Roads - Ward 15	CP_0533	3,0	CRR / Own Funding	1 000 000	0	0

<b>Ward 16</b>						
High Mast Light - New Mandela -Ward 16	New	3,0	CRR / Own Funding	801 430	0	0
Upgrading of Gravel Road (6250m)	CP_0268	8,0		0	10 627 977	10 627 977
<b>Ward 21</b>						
Upgrading of gravel roads	CP_0268	8,0	MIG	20 000 000	5 227 713	0
<b>SERVICE CONNECTIONS (Depending on Public Contr)</b>						
Sewer Connections	CP_0165	3,3	CRR / Own Funding	1 120 000	1 120 000	1 120 000
Electricity Connections	CP_0166	3,3	CRR / Own Funding	1 000 000	1 000 000	1 000 000
Water Connections	CP_0167	3,3	CRR / Own Funding	2 719 200	2 719 200	1 719 200
<b>Parks and Cemeteries</b>						
Parks - Machinery and Equipment	CP_0479	3,0	CRR / Own Funding	100 000	0	0
Fencing of Cemeteries - Aan De Doorns	CP_0480	3,0	CRR / Own Funding	1 225 000	0	0
<b>ROADS AND STORMWATER</b>						
Roads - Machinery and Equipment	CP_0438	3,0	CRR / Own Funding	305 000	0	0
<b>Land Infill Developments</b>						
Avian Park Industrial - Stormwater (Phase 1 Development)	CP_0392	3,0	CRR / Own Funding	0	1 932 900	1 932 900

Uitvlug Industrial Zone - Water (Phase 1)	CP_0555	3,0	CRR / Own Funding	500 000	0	1 281 230
Uitvlug Industrial Zone - Sewer (Phase 1)	CP_0556	3,0	CRR / Own Funding	500 000	0	1 839 715
Uitvlug Industrial Zone - Electricity (Phase 1)	CP_0557	3,0	CRR / Own Funding	8 500 000	0	5 578 144
Uitvlug Industrial Zone - Roads (Phase 1)	CP_0558	3,0	CRR / Own Funding	500 000	0	14 463 618
Uitvlug Industrial Zone - Stormwater (Phase 1)	CP_0559	3,0	CRR / Own Funding	500 000	0	1 932 908
Uitvlug Industrial Zone - Fencing (Phase 1)	CP_0638	3,0	CRR / Own Funding	500 000	0	4 022 700
<b><u>SPORT: Boland Park - 5130</u></b>						
Replacement of fence perimeter	CP_0326	3,0	CRR / Own Funding	300 000	8 000 000	0
Boland Park - Tartan Track	CP_0640	3,0	CRR / Own Funding	0	200 000	3 000 000
<b>FANIE OTTO SPORTGROUND</b>						
Upgrading of Fanie Otto Sportground	CP_0604	8,0	MIG	3 283 663	0	0
<b>RAWSONVILLE SPORTGROUND</b>						
Upgrading of Rawsonville Sportground	CP_0603	8,0	MIG	6 774 375	0	0
<b><u>Fleet Management - 8860</u></b>						
Municipal Vehicles - LDV's	CP_0541	3,0	CRR / Own Funding	1 250 000	1 000 000	1 000 000
Municipal Vehicles - Sedans	CP_0542	3,0	CRR / Own Funding	0	1 000 000	1 000 000
Municipal Vehicles - Specialized	CP_0543	3,0	CRR / Own Funding	6 300 000	2 000 000	2 000 000

<b><u>Municipal Manager</u></b>						
<b><u>Admin -0603</u></b>						
Furniture and Equipment	CP_0021	3,0	CRR / Own Funding	10 000	5 000	5 000
<b><u>Community Services</u></b>						
<b><u>ADMIN - 0903</u></b>						
Furniture & Equipment	CP_0181	4,0	CRR / Own Funding	10 000	10 000	10 000
<b><u>HUMAN SETTLEMENTS</u></b>						
Rental Unit Upgrade	CP_0600	3,0	CRR / Own Funding	9 600 000	5 000 000	0
<b><u>COMMUNITY DEVELOPMENT</u></b>						
Upgrading of roof - Thusong Centre	CP_0639	3,0	Unfunded	500 000	0	0
<b><u>WATERLOO LIBRARY - 4506</u></b>						
Furniture and Office equipment	CP_0631	3,0	CRR / Own Funding	100 000	0	0
<b><u>TRAFFIC</u></b>						
<b><u>Buildings</u></b>						
Machinery and Equipment	CP_0443	3,0	CRR / Own Funding	100 000	0	0
Traffic - Furniture and Office Equipment	CP_0490	3,0	CRR / Own Funding	50 000	0	0
Traffic Vehicles	CP_0444	3,0	CRR / Own Funding	1 000 000	1 600 000	0
<b><u>FIRE DEPARTMENT: ADMIN - 4203</u></b>						

Major Fire Engine (Pumper)	CP_0494	3,0	CRR / Own Funding	7 000 000	0	8 764 000
Equipment for Fire Engine	CP_0495	3,0	CRR / Own Funding	1 500 000	0	150 000
Fire Services - Machinery and Equipment	CP_0500	3,0	CRR / Own Funding	200 000	0	0
4x4 veld and bush Fire Engine with tank and pump	CP_0632	3,0	CRR / Own Funding	0	900 000	0
Worcester Fire Station Carport	CP_0634	3,0	CRR / Own Funding	0	265 000	0
Water Tender 6000l	CP_0641	3,0	CRR / Own Funding	1 100 000	0	0
<b><u>FINANCIAL SERVICES</u></b>						
<b><u>Admin</u></b>						
Furniture and Equipment	CP_0182	4,0	CRR / Own Funding	10 000	10 000	10 000
<b><u>Financial Planning</u></b>						
Safeguarding of Assets	CP_0115	12,0	Insurance Reserve	400 000	400 000	400 000
FS FP - Insurance claims : Other Assets	CP_0193	12,0	Insurance Reserve	400 000	400 000	400 000
FS FP - Insurance claims : Mach & Equipment	CP_0193	12,0	Insurance Reserve	500 000	500 000	500 000
FS FP - Insurance claims : Comp Equipment	CP_0193	12,0	Insurance Reserve	100 000	100 000	100 000
<b><u>Revenue</u></b>						
Revenue - Upgrading of Municipal Building	CP_0502	3,0	CRR / Own Funding	1 250 000	0	0
<b><u>COUNCIL</u></b>						
<b><u>MAYORAL OFFICE - 0306</u></b>						

Furniture and Equipment	CP_0183	3,0	CRR / Own Funding	10 000	10 000	10 000
<b><u>STRATEGIC SUPPORT SERVICES</u></b>						
<b><u>STRATEGIC SUPPORT - ADMIN - 2103</u></b>						
Furniture and Equipment	CP_0183	4,0	CRR / Own Funding	10 000	10 000	10 000
<b><u>Local Economic Development</u></b>						
LED - Furniture and Office Equipment	CP_0507	4,0	CRR / Own Funding	5 000	0	0
<b><u>INFORMATION TECHNOLOGY</u></b>						
ICT - Computer Equipment	CP_0120	3,0	CRR / Own Funding	2 000 000	500 000	500 000
Fibre Links	CP_0544	3,0	CRR / Own Funding	10 000	10 000	10 000
Call Center & Telephone (PBX) System	CP_0445	3,0	CRR / Own Funding	50 000	50 000	50 000
Biometric system	CP_0117	3,0	CRR / Own Funding	150 000	150 000	150 000

Capital projects funded by national and provincial grants remain a priority for the municipality although challenges may arise that may result in underperformance. Borrowings are another significant funding source of the capital budget that is primarily used for infrastructure investments that aims to increase service delivery capacity and promote revenue generation and economic growth. In addition to the R10 million allocated to the Increase dam Level (Stetteynskloof Dam) project, the remainder of the external loan to be taken up will be allocated to the project over the medium.

There has been a notable decreased in the allocation from own funds towards the capital budget when compared to recent years. The municipality invested significantly over recent years to address the backlog of infrastructure needs. This investment was made knowing what the impact on the municipality's balance sheet would be in terms of cash and investments. The capital budget over the MTREF aims to improve this position without compromising too much on the level of capital investment.



Significant contributions and investment in basic services has been made over the past financial year, contributing positively towards the minimization of technical and distribution loss on both water and electricity. Capital investment is done in an sustainable and responsive manner that aims not to compromise the financial health of the municipality, and to keep the increase on consumer tariffs as low as possible.

Kindly refer to SA36 for the detail capital budget.

#### 4. Annual Budget Tables

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

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

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

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

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

Step No	ISSUE	TIMEFRAME
1	IDP/Budget Process Plan/Timetetable approved by council	Aug 2024
2	IDP Meetings – inputs from Ward Councilors & Ward Committees	Oct 2024
3	First IDP/ Budget Steering Committee Meeting	Nov 2024
4	Departmental inputs on Draft allocations	Nov & Dec 2024
5	2 <sup>nd</sup> Budget Steering Committee – Consider Adjustment budget	Jan 2025
6	Draft Budget input captured and Budget balanced	March 2025
7	Draft IDP & Budget tabled in Council	March 2025
8	IDP & Budget workshop – Council	April 2025
9	Public Consultation	April 2025
10	Finalise Sector / Dept Strategy Plan / Budget - IDP	April 2025
11	Consideration of Comments received	April 2025
12	Tabling of Final MTREF	End May 2025

**Process Plan**

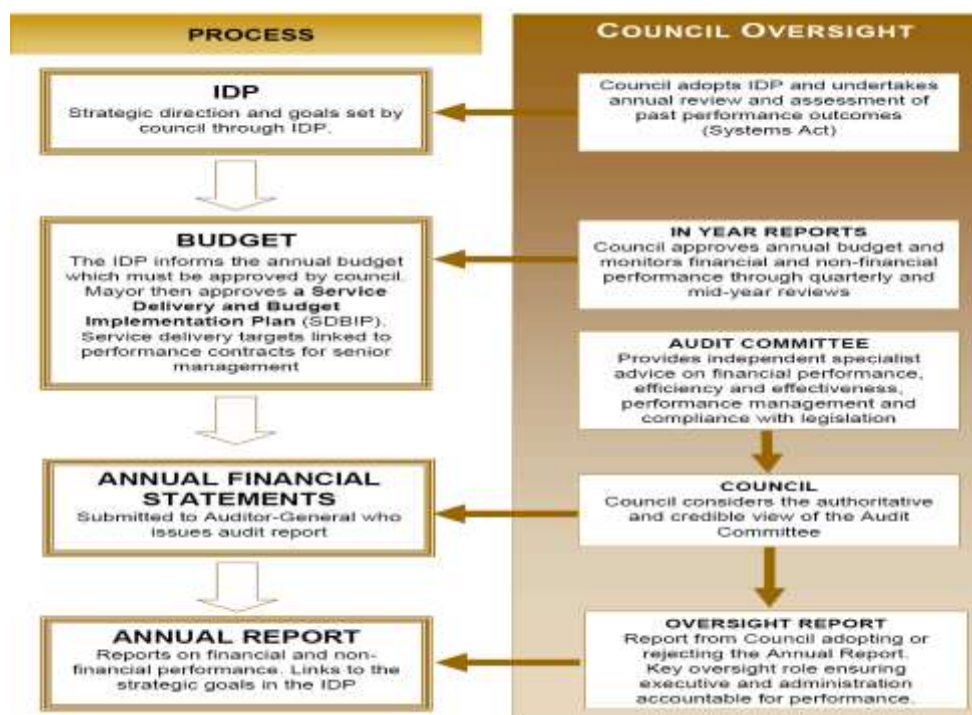
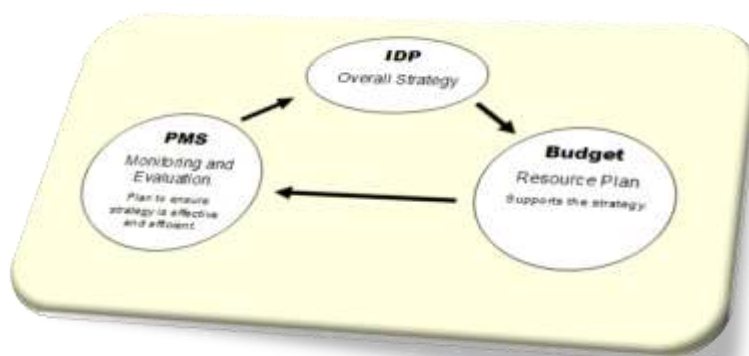
	STEP	PROCESS
1.	Planning	Schedule key dates, establish consultation forums, review previous processes.
2.	Strategising	Review IDP, Determine priorities, set service delivery targets and objectives for the next three years, consult on tariffs, indigent, credit control, free basic services, etc and consult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

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

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

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

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



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

Please refer to Annexure A

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

Please refer to Annexure A

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

Please refer to Annexure A

**7. Measurable performance objectives and indicators**

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

Please refer to Annexure A

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

The following table sets out the municipality's main performance objectives and benchmarks for the 2025/26 MTREF.

Please refer to Annexure A

**9. Overview of Budget Related Policies**

The following budget related policies are in use:

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

Please refer to annexure D for the budget related policies.

**10. Overview of Budget Assumptions**

The following budget assumptions were used as basis for compilation of the 2025/26 MTREF:

- Tariff increases:

<b>Service</b>	<b>Percentage Increase (%)</b>
Electricity	15% (based on the cost of supply)
Water	11%
Sewerage	8%
Refuse	25%
Rates	8%

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

- CPIX = 4.3% (MFMA budget circular 130)
- Employee related cost is based on the collective agreement
- Government Grant will be received as gazetted by National and Provincial Government.
- Electricity bulk purchases in line with NERSA guideline.
- Limited growth in revenue base. Mostly related to low cost housing.
- No / limited increases applied on cost containment items.
- Indigent households is anticipated be in the region of 10 000 households (formal)
- Budgeted collection rate equals to 90 percent
- Conditional grant will be fully spent
- Credit rating: Baa1.za
- All comments and inputs from the public and stakeholders were taken into consideration during the compilation of the 2025/26 Final Budget.

**11. Overview of Budget Funding****Funding sources of operating expenditure budget.**

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

Please refer to table A1 of Annexure A

**Funding sources of capital expenditure budget**

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

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

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

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

Kindly refer to table SA19 of Annexure A.

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

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

Kindly refer to table SA21 of Annexure A.

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

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

Kindly refer to table SA23 of Annexure A.

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

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

Please refer to table SA25 of annexure A.

**16. Contracts having future budgetary implications**

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

Please refer to table SA33 of annexure A.

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

Please refer to table SA35 of annexure A.

**18. Capital expenditure details**

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

Please refer to table SA36 of annexure A.

**19. Legislation compliance status**

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

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

**20. Other supporting documents**

Please refer to annexures E for MFMA budget circular

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

No municipal entities.

**COMMENTS BY OTHER DIRECTORATES**

**Municipal Manager** – Recommendation supported

**Director Strategic Services** – Recommendation supported

**Director Engineering Services** – Recommendation supported

**Director Community Services** - Recommendation supported

**Director: Planning, Development and Integrated Services** - Recommendation supported

**RECOMMENDATION**

That in respect of the-

**2025/26 FINAL BUDGET MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK**

discussed by Council at the Council Meeting of 27 May 2025:

1. Council approves the annual budget and annual budget supporting tables as prescribed by the Municipal Budget and Reporting Regulations, as set out in Annexure A.
2. Council approves the Quality Certificate to the 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 tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D
5. Council approved the Revenue Enhancement and Implementation Plan as per Annexure E
6. That the detail Project Implementation Plan (DPIP) in terms of the MIG be aligned with the approved budget MTREF.

Proposed: Ald. A. Steyn

Seconded: Ald. W. R. Meiring

Votes in favour of the recommendation: 32

Votes against: 0

Votes abstain:8

*The ANC supports the budget based on the following recommendations albeit it is not a counter proposal (sic).*

1. *The spending of the budget according to the needs of the wards.*
2. *Relook of the tariffs to accommodate the indigent/ disadvantage communities.*

**RESOLVED**

That in respect of the-



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**2025/26 FINAL BUDGET MEDIUM TERM REVENUE AND EXPENDITURE  
FRAMEWORK**

discussed by Council at the Council Meeting of 27 May 2025, **resolution number C142/2025**:

1. Council approves the annual budget and annual budget supporting tables as prescribed by the Municipal Budget and Reporting Regulations, as set out in Annexure A.
2. Council approves the Quality Certificate to the 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 tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D
5. Council approved the Revenue Enhancement and Implementation Plan as per Annexure E
6. That the detail Project Implementation Plan (DPIP) in terms of the MIG be aligned with the approved budget MTREF.

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### 7.3 SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORTS FOR THE PERIOD ENDED 30 APRIL 2025 MFMA SECTION 71 Report

File No. /s: 3/15/1

Responsible Officials: R. Ontong

Directorate: Financial Services

Portfolio: Financial Services

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#### 1. PURPOSE

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

#### 2. BACKGROUND

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

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

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

(2) The statement must include-

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
- (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to

the national or provincial organ of state or municipality which transferred the allocation.

- (6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.
- (7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

### 3. FINANCIAL IMPLICATIONS

None

### 4. APPLICABLE LEGISLATION/ COUNCIL POLICY

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

Municipal Budget and Reporting Regulations, 2009

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

**Municipal Manager:** Recommendation supported

**Director: Strategic Support Services:** Recommendation supported

**Director: Financial Services:** Recommendation supported

**Acting Director: Community Services:** Recommendation supported

**Director: Engineering Services:** Recommendation supported

**Director: Planning Development and Integrated Services:** Recommendation supported

### RECOMMENDATION

That in respect of

### SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 30 APRIL 2025: MFMA SECTION 71 Report.

discussed by Council at the Council meeting held on 27 May 2025:

1. That Council take note of the in-year financial management report for the periods ended 30 April 2025.

Proposed: Ald. W.R. Meiring

Seconded: Ald. A. Steyn

Council unanimously agreed on the recommendation

## **RESOLVED**

That in respect of

### **SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 30 APRIL 2025: MFMA SECTION 71 Report.**

discussed by Council at the Council meeting held on 27 May 2025, **resolution number C143/2025:**

1. That Council takes note of the in-year financial management report for the periods ended 30 April 2025.

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**7.4 REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF APRIL 2025****File No./s:** 2/1/1/1**Responsible Official:** R. Ontong**Directorate:** Financial Services**Portfolio:** Supply Chain Management

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**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 2025.

**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 2025, are attached as **Annexure A**.

**FINANCIAL IMPLICATIONS**

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

**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**

<b>Municipal Manager:</b>	Noted
<b>Director: Strategic Support Services:</b>	Noted
<b>Director: Planning, Development and Integrated Services:</b>	Noted
<b>Director: Financial Services:</b>	Noted
<b>Director: Engineering Services:</b>	Noted

Director: Community Services: Noted

Senior Manager: Legal Services: Noted

## RECOMMENDATION

That in respect of

### REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF APRIL 2025

Discussed by Council at the Council meeting held on 27 May 2025, Council decides:

1. That the deviations from the procurement processes, approved in terms of the delegated authority for the month of April 2025, **be noted**.

Proposed: Ald. W.R. Meiring

Seconded: Ald. A. Steyn

Council unanimously agreed on the recommendation.

## RESOLVED

That in respect of

### REPORT TO COUNCIL ON DEVIATIONS FOR THE MONTH OF APRIL 2025

Discussed by Council at the Council meeting held on 27 May 2025, **resolution number C144/2025**, Council decides:

1. That the deviations from the procurement processes, approved in terms of the delegated authority for the month of April 2025, **be noted**.

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## **7.5 DETERMINATION OF A DATE OF VALUATION AS WELL AS THE DESIGNATION OF THE MUNICIPAL VALUER IN TERMS OF MUNICIPAL PROPERTY RATES ACT NO 6 OF 2004 AS AMENDED.**

**File No./s:** 5/2/5/3

**Responsible Official:** M. Magadla

**Directorate:** Financial Services

**Portfolio:** Revenue

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### **1. PURPOSE**

The purpose is to request Council to:

- a) Determine the date of valuation as required by the Municipal Property Rates Act (MPRA), No. 6 of 2004, as amended.
- b) Designate a Municipal Valuer as required by the Municipal Property Rates Act (MPRA), No. 6 of 2004, as amended.

### **2. BACKGROUND**

Municipalities are mandated to raise revenue by the Local Government Property: Municipal Property Rates Act, Act No 6 of 2004 and its amendments. Chapter 4 of the MPRA requires local municipalities to compile and implement a new General Valuation Roll at least once every five (5) years.

The current General Valuation Roll will expire on 30 June 2026 and the new General Valuation roll must be ready for implementation on 01 July 2026 to comply with the provisions of the Municipal Property Rates Act No 6 of 2004, as amended.

In terms of Municipal Property Rates Act No 6 of 2004 (MPRA) as amended, the municipality must designate its municipal valuer (section 33(1)) prior to the date of valuation (section 31(1)), both of which should be tabled to and approved by the Municipality's Council.

### **3. DETERMINING OF A DATE OF VALUATION**

In terms of section 31(1) of the MPRA a municipality must, for the purposes of a general valuation, determine a date that may not be more than 12 months before the start of the financial year in which a valuation roll is to be implemented.

In terms of the above requirement, it is recommended that Council must determine the 1<sup>st</sup> of July 2025 as the date of Valuation while the 1<sup>st</sup> of July 2026 will be the date of implementation.

#### 4. DESIGNATION OF A MUNICIPAL VALUER

Section 33(1) of the MPRA requires that a municipality must, before the date of valuation, designate a person as a Municipal Valuer. In terms of Section 33(1), a municipality may designate a person in private practice or one of its own officials as a Municipal Valuer.

Bid BV-1072/2024: *Service Provider for Compilation and Maintenance of General Valuation Roll, Supplementary Valuation Roll and other Related Valuation Services for Breede Valley Municipality*, was awarded to HCB Valuations and Services (Pty) Ltd for a period ending 30 June 2031. Council approved the long-term contract through Council Resolution number C73/2024, adopted on a meeting held on 22 October 2024.

In terms of the contract HCB Valuations and Services (Pty) Ltd nominated Mr. Coenraad Botha to be appointed as the designated Municipal Valuer. He is registered as a Professional Valuer with the South African Council for the Property Valuers since 28 January 2020 (Registration No. 5601). He previously held the designation of Candidate Valuer (2003–2013) and Professional Associated Municipal Valuer (2013–2020).

Mr. Botha is also a member of the following professional bodies:

- South African Institute of Valuers
- The Institute of Estate Agents of South Africa – Non-Principal Estate Agent (FFC Registration Number 1216100)

Mr Botha has completed a National Diploma in Real Estate. He has compiled over 25 Municipal General Valuation Rolls while he has also been an assistant municipal valuer at 16 municipalities across the country. He has also been a member of Municipal Valuations Appeal Boards at 13 municipalities as a municipal valuer. He also participated as a member of Municipal Valuations Appeal Boards in 7 municipalities in his capacity as an Assistant Municipal Valuer. Mr Botha also has experience in other valuation fields such as compilation of GRAP compliant asset registers for various municipalities.

It is therefore recommended that Council should approve the designation of Mr Coenraad Botha as the Municipal Valuer in terms of Section 33(1) of the Municipal Property Rates Act number 6 of 2004, as amended.



## 5. APPLICABLE LEGISLATION

1. Municipal Property Rates Act No.6 of 2004, as amended.

## 6. FINANCIAL IMPLICATIONS

There are **no additional financial implications** to Council except for the obligations that are already committed to in terms of Bid BV1072/2024 approved by resolution C73/2024 on 22 October 2024.

## 7. ECONOMIC BENEFITS FROM THE CONTRACT

The valuation of properties within the jurisdiction of the municipality forms part of the municipality's long term financial sustainability as well as revenue protection. It is a significant revenue source, and it is critical for the municipality to ensure that it complies with the requirements of the Municipal Property Rates Act No 6 of 2004, as amended.

## 8. COMMENTS OF DIRECTORS AND LEGAL SERVICES

- **Municipal Manager:** Supported.
- **Director Engineering Services:** Supported.
- **Director Planning Development and Integrated Services:** Supported.
- **Chief Financial Officer:** Supported.
- **Director Community Services:** Supported.
- **Director Strategic Support Services:** Noted and supported.
- **Senior Manager Legal Services:** Recommendation supported.

## 9. ANNEXURES

Annexure A: BV 1072/2024 award letter

Annexure B: Council Resolution C73/2024.

Annexure C: Registration Certificate and Curriculum Vitae of Mr Coenraad Botha

**RECOMMENDATION**

That in respect of-

**DETERMINATION OF A DATE OF VALUATION AS WELL AS THE DESIGNATION OF THE MUNICIPAL VALUER IN TERMS OF MUNICIPAL PROPERTY RATES ACT NO 6 OF 2004 AS AMENDED.**

Discussed by Council at the Council meeting held on 27 May 2025:

- a) That council determines the 1<sup>st</sup> of July 2025 as the valuation date, in terms of section 31(1) of the Municipal Property Rates Act, No.6 of 2004, as amended. That Council designates the implementation date as the 1<sup>st</sup> of July 2026.
- b) That Council designates Mr. Coenraad Botha as the Municipal Valuer in terms of section 33(1) of the Municipal Property Rates Act, No.6 of 2004, as amended.

Proposal: Ald. W.R. Meiring

Seconded: Cllr. J.J. Von Willingh

Council unanimously agreed.

**RESOLVED**

That in respect of-

**DETERMINATION OF A DATE OF VALUATION AS WELL AS THE DESIGNATION OF THE MUNICIPAL VALUER IN TERMS OF MUNICIPAL PROPERTY RATES ACT NO 6 OF 2004 AS AMENDED.**

Discussed by Council at the Council meeting held on 27 May 2025, **resolution number C145/2025:**

- a) That council determines the 1<sup>st</sup> of July 2025 as the valuation date, in terms of section 31(1) of the Municipal Property Rates Act, No.6 of 2004, as amended. That Council designates the implementation date as the 1<sup>st</sup> of July 2026.
- b) That Council designates Mr. Coenraad Botha as the Municipal Valuer in terms of section 33(1) of the Municipal Property Rates Act, No.6 of 2004, as amended.

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## 7.6 PRESUMED STRATEGIC RISKS AND OPPORTUNITIES ASSESSMENT REPORT 2025

**File No. /s:** 3/15/1

**Responsible Official:** E Cloete

**Directorate:** Municipal Manager

**Portfolio:** ERM

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### 1. PURPOSE

To report to Council on the outcome of the annual risk identification and assessment process which took place during 2024-2025 financial year for the Presumed Strategic Risks and Opportunities Register; the result of which is the BVM Presumed Strategic Risks and Opportunities Assessment Report 2025. The Risk, Fraud and Corruption Management Committee (RiskCom) members support and recommend to Council for the approval of the Strategic Risks and Opportunities Assessment Report 2025.

### 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.

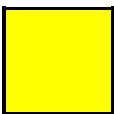
**Share** – Action is taken to reduce risk likelihood or impact by transferring or otherwise sharing a portion of the risk. Common risk sharing techniques include purchasing insurance products, pooling risks, engaging in hedging transactions, or outsourcing an activity.

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

The Risk assessment process was conducted in consultation with the various stakeholders.

The following tables provide the risk ratings:

<b>LIKELIHOOD</b>	<b>5</b>	<b>LOW</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>EXTREME</b>	<b>EXTREME</b>
	<b>4</b>	<b>LOW</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>	<b>EXTREME</b>
	<b>3</b>	<b>LOW</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>
	<b>2</b>	<b>LOW</b>	<b>LOW</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>MEDIUM</b>
	<b>1</b>	<b>LOW</b>	<b>LOW</b>	<b>LOW</b>	<b>LOW</b>	<b>LOW</b>
<b>Risk Matrix</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
		<b>IMPACT/ CONSEQUENCE</b>				

 Risk Appetite Level  
3 X 3 = 9 Level

Annexure: A copy of the Presumed Strategic Risks and Opportunities Assessment Report.

### **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, Fraud and Corruption 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 / Manager: Governance, Risk and compliance)**

The Chief Risk Officer / Manager: Governance, Risk and Compliance 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. Internal Auditors:

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;*

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*(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 an 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.



**FINANCIAL IMPLICATIONS:**

None

**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.
- Local Government Risk Management Framework.

**COMMENT OF DIRECTORATES / DEPARTMENTS CONCERNED:****Risk, Fraud and Corruption Management Committee-**

<b>Municipal Manager:</b>	Supported
<b>Director: Strategic Support Services:</b>	Supported
<b>Director: Financial Services:</b>	Supported
<b>Director: Community Services / Acting:</b>	Supported
<b>Director: Engineering Services:</b>	Supported
<b>Director: Planning, Development and Integrated Services:</b>	Supported

**RECOMMENDATION:**

That in respect of the

**PRESUMED STRATEGIC RISKS AND OPPORTUNITIES ASSESSMENT REPORT  
2025**

discussed by Council at the Council meeting held on 27 May 2025:

1. That Council takes note of the outcome of the Strategic Risks and Opportunities identification and assessment process, the result of which is captured in the Strategic Risks and Opportunities Assessment Report 2025.
2. That Council approve the Strategic Risks and Opportunities Assessment Report 2025.

Proposed: Ald. W.R. Meiring

Seconded: Cllr. J.J. Von Willingh

Council unanimously agreed.

**RESOLVED**

That in respect of the

**PRESUMED STRATEGIC RISKS AND OPPORTUNITIES ASSESSMENT REPORT  
2025**

discussed by Council at the Council meeting held on 27 May 2025, **resolution number C146/2025:**

1. That Council takes note of the outcome of the Strategic Risks and Opportunities identification and assessment process, the result of which is captured in the Strategic Risks and Opportunities Assessment Report 2025.
2. That Council approves the Strategic Risks and Opportunities Assessment Report 2025.

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**7.7 LIBRARY SERVICE: LIBRARY OUTREACH ACTIVITIES PLANNED AND COMPLETED (January 2025 – March 2025)****Responsible Official:** C Gerber**File:** 14/14/2/3**Directorate:** Community Services**Portfolio:** Library Service

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**PURPOSE**

The purpose of the item is to:

- a) Provide an update on progress made re outreach activities planned and completed at Library Services.
- b) Statistics of the outreach activities for the period January 2025 to March 2025

**BACKGROUND**

The principle/goal of the Library Service in our communities is to provide essential information (written and electronic), reading material (written and electronic) to patrons to assist with the increase in literacy levels and social development enhancement.

The Library Service, on local municipal level, is executed via a signed implementation protocol with the Western Cape Department of Cultural Affairs and Sport (Library Service) in respect of the intergovernmental co-operation regarding the operation of public libraries in the Western Cape.

The municipality is regarded as a B 2 municipality and is therefore only partially funded by a conditional grant from the Provincial Library Service.

The municipality currently operates 13 libraries on a fulltime basis.

The municipality has 50 permanently employed library staff members. The Library Service forms part of a YearBeyond program – organised between the Western Cape Government and several partner organisations. The program aims to provide unemployed youth (18 – 25 years) with a meaningful work experience and a pathway to further studies or work, while at the same time encouraging a culture of service to your community. All libraries were included

to take part in this program again during 2024. Candidates applied online and the interviews were held, during March 2024. Candidates to be Reading Champions or ICT Champions. Candidates were recommended by Librarians and these candidates registered at libraries during the second week of April 2024. Candidates had orientation via the provincial department from 23 – 26 April 2024 and started with duties at libraries on 29 April 2024. Candidates will serve the community and take part in library outreach activities until 29 November 2024. The program was extended until 14 March 2025. Yeboneers were given the opportunity to stay in the program. They may however be released from the program if other opportunities occur. Candidates that opted for the continuation of the program, completed their work opportunity on 14 March 2025. All libraries held interviews during March 2025 for new candidates to commence duties at libraries in April/May 2025. Candidates will be registered and will attend orientation in April 2025.

They receive a daily stipend from the Western Cape Government.

#### **PROGRESS OF OUTREACH LIBRARY ACTIVITIES FROM JANUARY 2025 – MARCH 2025:**

The Library Service continuously organise educational outreach programs at the libraries, in co-operation with other government departments, NGO's and NPO's and other individual organisations/members of the community.

The Library Service does not have a special budget for outreach programs and only make use of limited budget to cover costs for outreach programs/reading competitions.

<b>Month</b>	<b>Nr of awareness programmes from January 2024 – March 2024</b>	<b>Nr. of awareness programmes from January 2025 - March 2025</b>
January	15	30
February	43	58
March	40	49

#### **STATISTICS AND HIGHLIGHTS OF THE CURRENT PERIOD:**

January 2025	February 2025	March 2025
30 activities	58 activities	49 activities

All libraries were involved in Back-to-School activities and libraries organised Basic Computer Skills training.	All libraries were involved in World Read Aloud Day activities on 5 February 2025. The main event was organised in De Doorns. All local libraries, reading groups, Nal'ibali and the Western Cape Education Department were involved.	All libraries were involved in National Library Week and Human Rights Month activities.
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**COMMENTS**

<b>Municipal Manager</b>	: Item supported.
<b>Director Community Services</b>	: Noted.
<b>Director: Engineering</b>	: Recommendation noted.
<b>Director Financial Services</b>	: Recommendation noted.
<b>Director Strategic Support Services</b>	: Noted.
<b>Director Planning, Development and Integrated Services</b>	: Recommendation noted.

**RECOMMENDATION**

That in respect of –

**LIBRARY SERVICES QUARTERLY UPDATE: THE PROGRESS OF THE  
LIBRARY SERVICES OUTREACH PROGRAMS PLANNED AND COMPLETED  
(January 2025 – March 2025)**

discussed by the Council at the Council meeting held on 27 May 2025, the following recommendations were made:

That Council take cognisance of the progress update and statistics of the outreach programs of the Library Service.

Proposed: Cllr. N. Nel

Seconded: Cllr. J.J. Von Willingh

Council unanimously agreed

**RESOLVED**

That in respect of –

**LIBRARY SERVICES QUARTERLY UPDATE: THE PROGRESS OF THE  
LIBRARY SERVICES OUTREACH PROGRAMS PLANNED AND COMPLETED  
(January 2025 – March 2025)**

discussed by the Council at the Council meeting held on 27 May 2025, **resolution number C147/2025**, the following recommendations were made:

That Council take cognisance of the progress update and statistics of the outreach programs of the Library Service.

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## 7.8 LAND FOR HUMAN SETTLEMENTS RAWSONVILLE: CONSIDERATION TO PURCHASE PRIVATELY OWNED LAND

**File no.:** 9/2/5/R

**Responsible Officials:** S Mayeki

**Directorate:** Community Services

**Portfolio:** Human Settlements

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### 1. PURPOSE

The purpose of this item is to present the offers to purchase land for human settlements to Council from private owned land in Rawsonville area.

### 2. BACKGROUND / DISCUSSION

*During the Council meeting held on Council resolved on 30 July 2024 as follows:*

**“RESOLVED”**

That in respect of –

### **RAWSONVILLE HOUSING: CONSIDERATION TO PURCHASE PRIVATELY OWNED LAND**

as discussed by Council at the Council meeting held on 30 July 2024, resolution number C60/2024:

1. That Council note the progress made in respect of the negotiations with private landowners in Rawsonville; and
3. that Directorate: Community Services resubmit a comprehensive item at the Council Meeting scheduled for August 2024.

**Council furthermore resolved on the council meeting held on 20 August 2024 as follows:**

**“RESOLVED”**

That in respect of –

Land for human settlements Rawsonville: consideration to purchase privately owned land.  
As discussed by Council at the Council meeting held on 20 august 2024, resolution number C68/2024 council decided:

- 1. The council should note the content of the report as an update of progress.*
- 2. That the administration be mandated to follow a public participation process to invite expressions of interest from additional private landowners in Rawsonville to potentially sell land for human settlement purposes to the Breede valley municipality.*
- 3. That following the public participation process, an internal stakeholder's engagement be undertaken to consider the submissions received.*
- 4. That after the implementation of item 2, an item be resubmitted to council to resolve on the most suitable offer received during the expression of interest process; and*
- 5. That upon council resolving on the most suitable offer, the administration be authorised to submit a project application to the western cape department of infrastructure as part of the land acquisition process.*

#### **4. PUBLIC PARTICIPATION PROCESS**

##### **4.1 Request For Expression Of Interest For Landowners In Rawsonville Area**

The request for expression of interest for landowners in the Rawsonville area was advertised on 22 October 2024 on our municipal website and local newspapers and closed on 15 November 2024. The Breede Valley Municipality was soliciting Expression of Interests from all property owners who own a land parcel within a 5km radius of Breede Valley Town to avail their land for Human Settlement development. Interested landowners were requested to submit a proposal and incorporate the following.

- 1) Site should be within a 5km radius of the Rawsonville Town.



- 
- 2) Site should have an estimated yield of 500 to 1000 sites for Human Settlement Development or an extent of six (6) to ten (10) hectares.
  - 3) Copy of the Title Deed
  - 4) Power of Attorney (if property owned / offered by third party)
  - 5) Zoning and Current use of the property
  - 6) Offer Price (should also reflect price per hectare).

It should be noted that the purchase of land for human settlement is the top priority for both wards in the Rawsonville. Continuous feedback was given to both wards during the public meetings and the recent IDP and Budget consultations. The need for land for human settlements has also been discussed extensively in the recent engagements between Breede Valley Municipality and the South African Human Rights Commission (SAHRC).

The expected outcomes and deliverables of each proposal are outlined in Annexure 'A' the Expression of Interest. Two proposals were received, and the subject properties are summarised below as follows.

**Offer 1 (one) – Annexure 'B'**

Ou Werf Trust - the owner of remainder of Portion 19 (portion of Portion 3) of the farm Boontjies Rivier No. 427, situated in the Breede Valley Municipality, Division of Worcester, Western Cape Province; in extent 81.3932 hectares; held by Deed of Transfer T30688/2021.

The land is currently zoned and used for agricultural purposes. The owner is interested in disposing of approximately 7.5 hectares of this property to the BVM at a price of R1,250,000.00 (One Million Two Hundred and Fifty Thousand Rand) per hectare, plus value added tax thereon.

**Offer 2 (two) – Annexure 'C'**

TC Botha Trust Land, located on Main Road, Rawsonville. The land, currently under the custodianship of TCB Wines, is available in two options: a portion of six hectares or a larger portion of eight hectares. The selling price for both options is set at a total cost for 5.159 hectares: R10,000,000.00 (excluding boundary wall). Total cost for eight hectares: R14,000,000.00 (excluding boundary wall). The land is currently zoned and used for

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agricultural purpose and incorporates an integrated development with more options for development.

#### **4.2 Internal stakeholder's engagement**

An internal memorandum was circulated on Monday 17 February 2025 to all directorates for their input professional advice. The inputs from the internal departments have been included in the comment of directorates/departments in section 5.

#### **4.3 The most suitable offer received during the expression of interest process.**

Offer 1 (one), **Ou Werf Trust** - remainder of Portion 19 (portion of Portion 3) of the farm Boontjies Rivier No. 427, is the most suitable offer. The land is situated next to an existing formal housing development and the owner is willing to dispose approximately 7.5 hectares of this property to the BVM. There still must be further engagements with the owner in respect of the conditions he put in the proposal.

#### **COMMENTS**

<b>Municipal Manager</b>	: Item supported.
<b>Director Community Services</b>	: Supported.
<b>Director: Engineering</b>	: Item and recommendation, supported.
<b>Director Financial Services</b>	: Supported.
<b>Director Strategic Support Services</b>	: Item supported.
<b>Director Planning, Development and Integrated Services:</b>	Supported.

**Town Planning:** The area indicated is included in the SDF for "Informal Settlement Upgrading" and therefore the acquisition of land for housing purposes is supported.

**Municipal Facilities:** As part of the Integrated Development Planning process, the need for a community hall in the De Nova area has been registered, however this need could not be addressed to date due to lack of available land. The proposed development is supported as it may unlock potential sites for development of the community hall.

**Water & Sewer Services:** The proposed portion of land is adjacent to the existing De Nova housing development, which is currently serviced with existing water and sewer networks. Engineering Services to comment on the capacity of existing services to service the additional development.

**Solid Waste:** The proposed portion of land is adjacent to the existing De Nova housing development, which is currently serviced regarding refuse collection and area cleaning. The proposed portion can be serviced by extension of the existing service routes and area cleaning schedules.

## RECOMMENDATION

That in respect of –

### LAND FOR HUMAN SETTLEMENTS RAWSONVILLE: CONSIDERATION TO PURCHASE PRIVATELY OWNED LAND

Discussed by Council at the Council meeting held on 27 May 2025:

1. That Council **grants in-principle approval** of both presentations relating to the proposed offer of land in Rawsonville for human settlement purposes, as set out in Council Item C148/2025, subject to the outcome of further negotiations and full compliance with the following requirements:
  - a) Confirmation of the suitability of the land for human settlement development;
  - b) Obtaining all requisite environmental and land use planning authorisations in terms of the National Environmental Management Act (NEMA) and the Spatial Planning and Land Use Management Act (SPLUMA);
  - c) Assessment and confirmation of the cost-effectiveness of the proposed acquisition and development;
  - d) Fulfilment of any additional preconditions or legislative requirements as may be prescribed by the Western Cape Department of Infrastructure; and
  - e) Formal approval by the Western Cape Department of Infrastructure of the municipal project application for the acquisition of the land.
2. That the municipal administration be authorised to prepare and submit the relevant project application to the Western Cape Department of Infrastructure as part of the required process for land acquisition.
3. That both landowners be formally notified of this Council resolution.

Proposed: Cllr. P. Moso

Seconded: Cllr. E. Botha

Council unanimously agreed on the recommendation.

**RESOLVED**

That in respect of –

**LAND FOR HUMAN SETTLEMENTS RAWSONVILLE: CONSIDERATION TO  
PURCHASE PRIVATELY OWNED LAND**

Discussed by Council at the Council meeting held on 27 May 2025, **resolution number C148/2025:**

1. That Council **grants in-principle approval** of both presentations relating to the proposed offer of land in Rawsonville for human settlement purposes, as set out in Council Item C148/2025, subject to the outcome of further negotiations and full compliance with the following requirements:
  - a) Confirmation of the suitability of the land for human settlement development;
  - b) Obtaining all requisite environmental and land use planning authorisations in terms of the National Environmental Management Act (NEMA) and the Spatial Planning and Land Use Management Act (SPLUMA);
  - c) Assessment and confirmation of the cost-effectiveness of the proposed acquisition and development;
  - d) Fulfilment of any additional preconditions or legislative requirements as may be prescribed by the Western Cape Department of Infrastructure; and
  - e) Formal approval by the Western Cape Department of Infrastructure of the municipal project application for the acquisition of the land.
2. That the municipal administration be authorised to prepare and submit the relevant project application to the Western Cape Department of Infrastructure as part of the required process for land acquisition.
3. That both landowners be formally notified of this Council resolution.

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## 7.9 BREDE VALLEY MUNICIPALITY: WORCESTER PRIORITY HUMAN SETTLEMENTS HOUSING DEVELOPMENT AREA PLAN (PHSHDA)

**File no.:** 9/2/5/R

**Responsible Officials:** S Mayeki

**Directorate:** Community Services

**Portfolio:** Human Settlements

### 1. PURPOSE

The purpose of this present to Council the draft Breede Valley Municipality Priority Human Settlements Development Area plan for approval.

### 2. BACKGROUND // DISCUSSION

The Minister of Human Settlements declared 19 priority human settlements and housing development areas (PHSHDAs) in the western cape. The declaration of PHSHDAs is done in terms of section 3 of the housing act, 1997, read in conjunction with section 7(3) of the housing development agency act, 2008 (no. 23 of 2008), and the spatial planning and land use management act, 2013 (no. 16 of 2013).

The declaration of the PHSHDA's is one of several interventions identified in the National Department of Human Settlements' (NDHS) *Human Settlements Framework for Spatial Transformation and Consolidation* (2018). The framework is based on the rationale that housing provides an important opportunity for restructuring and revitalising South African towns and cities, for overcoming apartheid spatial patterns, and for strengthen livelihoods. As a spatial targeting approach, the PHSHDAs are intended to direct public investment and housing finance to areas that will promote spatial transformation objectives and create more inclusive residential markets.

#### Study Area

The National Department of Human Settlements (NDHS) has established the Human Settlements Spatial Planning Forum as a mechanism for monitoring the implementation of the framework and to facilitate stakeholder consultation, collaboration, and decision making. The Western Cape Department of Infrastructure is a member to this forum and is committed to implementation of the Framework for Spatial Transformation and Consolidation and PHSHDAs

within the Western Cape. The preparation of Development plans for any PSHDA is an expectation of this programme.

The Western Cape Government's Regional Socio-Economic Projects (RSEP) Programme has partnered with the WCDHS, on their request to assist in the preparation of a pilot development plan for a declared PSHDA within a municipal space within which RSEP has already established a footprint. Both the scope and scale within which RSEP operates - being focused on achieving spatial transformation through a multi-sectoral approach and upgrading of neighbourhoods – have strong synergies with the objectives underlying the declaration of PSHDAs.

The Breede Valley Municipality contains one of nineteen PSHDAs declared in the Western Cape (Gazette No: 43316, 15 May 2020). The PSHDA is situated in Worcester and covers the built-up area to the south of the N1 freeway, including the proposed Transhex housing development area. The Worcester PSHDA is illustrated in Figure 1. The PSHDA boundary itself is not gazetted and is intended as a guideline only. The full area of the town presents a broader study area to inform the preparation of the PSHDA development plan.

### **APPROACH AND METHODOLOGY**

The preparation of the PSHDA development plan essentially involve a strategic planning process. The methodology partly draws on the RSEP reconstruction framework methodology, with a predominant focus on decision-making in the housing sphere to achieve normative outcomes. The approach and methodology are covered under the following sub-sections:

- The planning goals and objectives
- Project execution methodology
- The RSEP reconstruction framework

There are four main parties to the PSHDA development plan preparation, being:

- The Breede Valley Municipality (BVM).
- The Western Cape Department of Infrastructure (WCDOI).
- The Regional Socio-Economic Projects (RSEP) programme within the department of environmental affairs and development planning (DEA&DP); and the

- The Housing Development Agency (HDA)

### 3. FINANCIAL IMPLICATIONS:

Housing is a functional area of concurrent national and provincial legislative competence in terms of Schedule 4, Part A of the Constitution. National Treasury, in consultation with the Minister of Human Settlements, provides the necessary funding for the development of human settlements programmes.

A multidimensional funding model (government led, private sector led, community led, and hybrid led) will be pursued through multi-level governance, which includes the DDM and ensure that the needs and priorities of local communities are considered.

### 4. APPLICABLE LEGISLATION / COUNCIL POLICY:

**RSA Constitution** - The Constitution provides the overarching framework for all legislation in South Africa. The right to housing is enshrined in Section 26 of the Constitution,

**Housing Act (Act No. 107 of 1997)** - The Housing Act provides the guiding framework for government housing development.

**The Housing Development Agency Act (Act No. 23 of 2008)** - The act provides for the establishment of the Housing Development Agency and defines its objects, roles, powers, and duties.

**Social Housing Act (Act No. 16 of 2008)** - The Act establishes the framework for a sustainable social housing environment by providing for the Housing Regulatory Authority as an enabling and regulatory body.

**Spatial Planning and Land Use Management (Act No. 16 of 2013)** - The *SPLUMA* provides a framework for spatial planning and land use management in South Africa.

**National Environmental Management Act (Act No. 107 of 1998)** - The National Environmental Management Act (NEMA) provides the guiding framework for all environmental legislation in South Africa.

**Integrated Urban Development Framework (2016)** - The Integrated Urban Development Framework (IUDF) is the government's policy position to guide the future growth and management of urban areas.

## 5. COMMENTS

**Municipal Manager** : Supported.  
**Director Community Services** : Supported.  
**Director: Engineering** : Item and recommendation, supported.  
**Director Financial Services** : Supported.  
**Director Strategic Support Services** : Noted and supported.  
**Director Planning, Development and Integrated Services:** Supported

From a planning perspective the recommendation is supported but cognisance should be taken that any spatial planning should be included in the SDF process and not approved via any other process. Any approval of the PHSHDA can only be a recommendation / input in the SDF process.

## RECOMMENDATION

That in respect of –

### **BREEDE VALLEY MUNICIPALITY: WORCESTER PRIORITY HUMAN SETTLEMENTS HOUSING DEVELOPMENT AREA PLAN (PHSHDA)**

Discussed by Council at the Council meeting held on 27 May 2025:

1. That Council adopt the Draft Breede Valley Municipality; Worcester Priority Human Settlements Housing Development Area Plan (PHSHDA)
2. that Directorate: Community Services workshop the plans to all councillors and a public participation process and stakeholders' engagements,
3. The final plan be submitted to Council for final approval.

Proposed: Cllr. P. Moso

Seconded: Cllr. N. Nel

Council unanimously agreed on the recommendation.

## RESOLVED

That in respect of –

### **BREEDE VALLEY MUNICIPALITY: WORCESTER PRIORITY HUMAN SETTLEMENTS HOUSING DEVELOPMENT AREA PLAN (PHSHDA)**



Discussed by Council at the Council meeting held on 27 May 2025, **resolution number C149/2025**:

1. That Council adopt the Draft Breede Valley Municipality; Worcester Priority Human Settlements Housing Development Area Plan (PHSHDA)
2. that Directorate: Community Services workshop the plans to all councillors and a public participation process and stakeholders' engagements,
3. The final plan be submitted to Council for final approval.

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**7.10 RESUBMISSION ITEM: ERVEN 8645 AND 194, WORCESTER, COMMONLY KNOWN AS “KLEINPLASIE”**

File no.: 7/1/4/14

Responsible Official: H Potgieter

Directorate: SSS

Portfolio: Legal Services

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**1. PURPOSE**

The purpose of this item is to table the development proposals received and for the Council to resolve on the future use of the municipal property.

**2. BACKGROUND / DISCUSSION**

During the council meeting held on 27 February 2025 it was resolved as follows:

**“RESOLVED**

*That in respect of –*

**RESUBMISSION ITEM: ERVEN 8645 AND 194, WORCESTER, COMMONLY KNOWN AS “KLEINPLASIE”**

*as discussed by Council at the Council meeting held on 27 February 2025, resolution number C116/2025, Council decided:*

- 1. That council duly considered the representations / comments received during the public participation process followed (Annexures A – D) in respect of Erven 8645 and 194, Worcester, commonly known as “Kleinplasie”;*
- 2. that based on the consideration by council of item 1, council resolves and mandate the administration to call for development proposals before the end of March 2025 with the closing date of the submission before the end of April 2025 for purposes of disposal, or the right to use (a long-term lease) the subject property;*
- 3. that the purpose of the invitation is for the gathering of ideas for the optimal future use of the municipal property;*

- 
4. *that the preferred proposal may be used as a basis to formulate the specifications for a tender or the conditions of a future public auction;*
  5. *that no rights and/or obligations and/or legitimate expectations will be created or implied by the submission of any proposals;*
  6. *that no compensation will be payable by the Municipality to any party due to a specific idea or proposal being accepted or declined by Council;*
  7. ***that an item be resubmitted for council to consider the development proposals in order to identify the most suitable future utilisation of the subject property; and***
  8. *that Council has taken cognisance of the fact that the municipal property is not required for the provision of basic municipal services in terms of the provisions Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003)".*

Item 2 of council resolution **C116/2025** was duly implemented. Thirteen (13) development proposals were received, attached hereto as confidential **Annexures A – M**.

It follows that Council must, in implementing Council resolution **C95/2024** item 7, consider the respective proposals and identify the most suitable future utilisation of the subject property.

### **3. ANNEXURES**

Annexures A – M

### **4. APPLICABLE LEGISLATION**

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

Local Government: Municipal Asset Transfer Regulations, 2008

### **5. COMMENTS OF MUNICIPAL MANAGER AND DIRECTORS:**

Given that this is a resubmission item for consideration by council, same was not circulated for internal comments.

**RECOMMENDATION**

That in respect of –

**RESUBMISSION ITEM: ERVEN 8645 AND 194, WORCESTER, COMMONLY KNOWN AS “KLEINPLASIE”**

as discussed by Council at the Council meeting held on 27 May 2025 Council decide:

1. That council duly considered the development proposals received during the public participation process followed (**Annexures A – M**) in respect of Erven 8645 and 194, Worcester, commonly known as “Kleinplasie” (the property);
2. that based on the consideration by council of **item 1**, council resolve to **alienate / or avail the property for purposes of a long-term lease of X years**; (*Note council must decide either to alienate the property or avail the property for a long-term lease. If council decide on a long-term lease, it must further decide on the duration of the lease period.*)
3. that based on the development proposals received, council decide that the property be **alienated / or availed for a long-term lease** (*delete the one not applicable*) **for the purpose of X**; (*Note council must decide on the future purpose / utilisation of the property.*)
4. that council mandate the administration to proceed with a competitive process in the open-market (which can either be an open public tender or a public auction) for the purpose identified in **items 2 and 3**;
5. that all the costs pertaining to the disposal e.g. rezoning, transfer costs and installation of municipal services, be borne by the Purchaser;
6. that the Purchaser will be responsible for the payment of all municipal services including rates and taxes in respect of the property following transfer of the property;
7. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;
8. that the purchaser *inter alia* be responsible at its cost for the registration of any relevant servitudes over the subject property to accommodate and protect all applicable municipal services thereon;

- 
9. that Directorate: Planning, Development and Integrated Services will be responsible for the management, administration and operational maintenance of the Kleinplasie property until the **alienation / long-term lease** (*delete the one not applicable*) process is finalized;
  10. that Directorate: Community Services will ensure adequate security is deployed at the property until the **alienation / long-term lease** (*delete the one not applicable*) process is finalized; and
  11. that Council has taken cognisance of the fact that the Municipal is not required for the provision of basic municipal services in terms of the provisions Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003).

Counter proposal by Cllr. N. Wullschleger

Seconded by: Ald. C. Wilskut

In light of the purpose of the item, to table development proposals received and for the Council to resolve on the future use of the municipal property.

1) Council should include the proposal received from the WC Dept of Culture, Arts and Sports submitted to Council in September 2024 and join the proposal to the list of proposals received.

2) Council should appoint an independent expert to facilitate a transparent process which aims to assess the development proposals received.

3) Workshop the shortlisted proposals with Council. Invite the proposers to present their proposals. And thereafter bring item back to Council for a decision.

**Votes in favor of the counter proposal by Cllr. N. Wullschleger: 16**

**Votes against the counter proposal: 22**

Proposal below as recommended by Cllr. J. Kritzinger

Seconded: Ald. W.R. Meiring

**Votes in favor of the recommendation by Cllr. J. Kritzinger: 22**

**Votes against the recommendation: 16**

## RESOLVED

That in respect of –

**RESUBMISSION ITEM: ERVEN 8645 AND 194, WORCESTER, COMMONLY KNOWN AS  
“KLEINPLASIE”**

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as discussed by Council at the Council meeting held on 27 May 2025, **resolution number C150/2025** Council decided:

1. That council duly considered the development proposals received during the public participation process followed (Annexures A – M) in respect of Erven 8645 and 194, Worcester, commonly known as “Kleinplasia” (the property);
2. that based on the development proposals received, council decide that the property shall be alienated for the purpose of either or a combination of local economic development, tourism, sports and recreation and education.
3. The purchaser shall ensure that all historical buildings on the premises be maintained and renovated in compliance with the requirements that are set out by Heritage Western Cape, the BVM Town Planning Section and the Worcester Heritage and Conservation Society. This requirement specifically refers to the following historical buildings: (1) the historical Roodewal main manor house on Erf 194; as well as (2) the old historical “jonkmanshuis”, (3) the old historical wine cellar and the (4) – (5) two smaller adjacent old labourers’ cottages, (6) the old historical “werf” around the main manor house (back and front) – all of which lays on erf 8645 in close proximity around erf 194- (7) the World War 2 Italian Prisoners of War Obelisk Memorial, which is also situated on Erf 8645;
4. The purchaser shall ensure, by means of the registration of a right-of-way servitude at the purchaser’s cost, that all the employees of, and visitors to, the adjacent Worcester Museum shall continue to (1) have access, via Erf 8645, to the Museum’s main entrance and side entrance (adjacent to the main entrance); and (2) that all of the employees and visitors of Worcester Museum shall continue to be able to use the parking lot on Erf 8645 in its entirety on both sides of the main entrance to Worcester Museum. As part of such a servitude, controlled access should be allowed at the main gate on Erf 8645 (from the Robertson Road) to all Worcester Museum’s visitors and employees whenever they need to enter to go to Worcester Museum.
5. that the Purchaser will be responsible for the payment of all municipal services including rates and taxes in respect of the property following transfer of the property;
6. that the relevant internal comments be incorporated in the Deed of Sale and the right be reserved to supplement internal comments;

7. that the purchaser inter alia be responsible at its cost for the registration of any relevant servitudes over the subject property to accommodate and protect all applicable municipal services thereon;
8. that Directorate: Planning, Development and Integrated Services will be responsible for the management, administration and operational maintenance of the Kleinplasia property until the alienation process is finalized;
9. that Directorate: Community Services will ensure adequate security is deployed at the property until the alienation process is finalized; and
10. that Council has taken cognisance of the fact that the Municipality is not required for the provision of basic municipal services in terms of the provisions Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003).

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## 7.11 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's:** B. Volschenk/ Wikus Du Plessis

**Directorate:** Financial Planning/ Municipal Manager

**Portfolio:** Finance/ Internal Audit

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### 1. PURPOSE

The purpose of this item is to table the reasons for the proposed amendments of four (4) procurement contracts to the Council for consideration and approval in compliance with section 116(3) of the MFMA.

It is proposed that the following four (4) contracts be amended:

**1.1 ABSA BANK LIMITED** (BV 890/2021 – Aquisition of a R300 million loan)

**1.2 NEDBANK LIMITED** (BV 955/2022 – Provision of banking service)

**1.3 MARSH (Pty) Ltd** (BV 954/2022 - Short term insurance services for the period ending 30 June 2025)

**1.4 THE INSTITUTE OF INTERNAL AUDITORS SOUTH AFRICA** (BVD 659: Renewal of membership fees)

### 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 above were procured in compliance with the Municipality supply chain management policy.

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

### 4. THE REASONS FOR THE AMENDMENTS PROPOSED

#### 4.1 Reasons for Proposed Amendments of BV 890/2021: Absa Bank Limited (Acquisition of a R300 million loan)

The contract period for the R300 million loan was for 3 financial years, 2022/2023, 2023/2024 to 2024/2025.

Capital projects were identified that would be financed by the loan. Summary below:

External Loans Capital Projects	Total
Substation Refurbishment	R 24 000 000,00
Increase of the Stetteynskloof Dam Wall	R 120 000 000,00
Alternative Supply – Zwelethemba	R 10 000 000,00
Rawsonville Sewerage Works	R 27 000 000,00
Rawsonville Sewerage Pipeline	R 27 000 000,00
Avian Park Development - Pump Station	R 19 000 000,00
Upgrading Sewerage System - Zwelethemba, Roodewal, Riverview, Avian Park, etc.	R 18 000 000,00
Preloads	R 55 000 000,00
	<b>R 300 000 000,00</b>

The above capital projects may be subject to change, due to Council's re-prioritisation.

R110 million was taken up in 2022/2023 financial year and R74 million in 23/24 financial year.

The balance therefore had to be taken up in this financial year, 2024/2025, in accordance with the contract agreement but one project – extension/ increasing of the dam wall - will not be completed within this financial year.

It is therefore recommended that the agreement with ABSA bank be extended for a period ending 30 June 2026.

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#### **4.2 Reasons for the Proposed Amendment of BV 955/2022: Nedbank Limited (Provision of banking service)**

Nedbank Limited was appointed as the successful service provider under Tender BV 1108/2024 to deliver banking services for a period not exceeding five years. The integration of banking services with the municipality's financial management systems (e.g., billing, payroll, revenue collection, and reporting) involves complex technical and regulatory configurations. A stable, long-term partnership is essential to ensure continuity, compliance, and the secure handling of public funds.

The initial award was made on 7 April 2025. However, the outcome was challenged by two of the unsuccessful bidders. After considering the objections, the final award was confirmed on 29 April 2025.

The municipality intends to initiate a Section 33 process in order to extend the contract period from three to five years. This request is motivated by the practical considerations involved in transitioning to a new banking partner. The implementation process alone typically spans approximately 18 months—constituting half of a three-year contract term—which renders a shorter contract duration inefficient and impractical.

Due to the delay caused by the appeals process, the initiation of the Section 33 process related to Tender BV 1108/2024 was postponed. As a result, the item can only be tabled before Council in August 2025, since the statutory consultation period under Section 33 will conclude in mid-June 2025.

#### **The Proposed Amendment**

The proposed amendment to this contract is to:

- a) Extend the current contract for banking services that expires on the 30 June 2025 for a period of three months until 30 September 2025.

#### **4.3 Reasons for the Proposed Amendment of BV 954/2022: Marsh (PTY) Ltd (Short term insurance services for the period ending 30 June 2025)**

The municipality issued a public tender for the provision of short-term insurance services for the period 1 July 2025 to 30 June 2028. The tender closed on 30 April 2025, by which time eight (8) submissions had been received. These were evaluated in accordance with the prescribed criteria, including eligibility, compliance, and technical requirements.

All submissions met the initial eligibility criteria and advanced to the technical evaluation stage. During this phase, three (3) submissions were found to be non-responsive due to failure to meet the minimum technical requirements. The remaining submissions were subsequently evaluated against additional requirements. However, material deviations from the tender specifications were identified, rendering all remaining submissions non-responsive.

In light of the above, it is recommended that the current contract with the existing service provider be extended. This will ensure uninterrupted insurance coverage, thereby mitigating potential risk and liability exposure to the municipality. The extension will also provide adequate time to initiate and conclude a compliant supply chain management process for the appointment of a new service provider.

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#### 4.4 Reasons for the Proposed amendment of BV 659: The Institute of Internal Auditors South Africa (Renewal of membership fees)

(i) Legislative Framework:

Section 62 of the MFMA requires amongst others, that the accounting officer of a municipality must take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of internal audit operating in accordance with any prescribed norms and standards.

Section 165 of the MFMA prescribes the establishment of the internal audit activity including the relevant responsibilities.

MFMA Circular 65 prescribe the following:

*“The chief audit executive should preferably possess any the following qualifications:*

- *Post graduate degree in Auditing and/or Accounting;*
- *Professional designation such as Certified Internal Auditor and other relevant professional designation.*

*The incumbent should preferably possess the following:*

- *At least five (5) years in internal audit management; and*
- *Membership of the Institute of Internal Auditors.”*

The activities of internal audit must be guided, monitored and supervised at each level of operation to ensure that they are consistently performed in accordance with the International Standards for the Professional Practice of Internal Audit.

BVM approved Internal Audit Charter prescribe: *“to ensure that the internal audit activity is adequately resourced for effective functioning the budget must include the following:*

- *Personnel related expenditure*
- *Capital expenditure and software*
- *Training and development*
- *Institute of internal auditors’ membership fees*
- *Quality assurance programs”*

(ii) Professional Body: IIA(SA)

The Institute of Internal Auditors, South Africa (IIASA) have as their mandate to further the profession and in particular the interest of the individuals engaged in that profession while also serving the public interest. Thus, its key activities include:

- To provide members with a set of mandatory Professional Standards either through local development or custodianship of international standards;
- To ensure that members are being held accountable against a Code of Ethics in accordance with a disciplinary code, policy and procedures;
- To provide Career Path Standards, clearly outlining the learning pathway for individuals entering the profession;
- To provide certifications and related examinations;
- To set Continuing Professional Development requirements and monitor adherence thereto.

## 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 were already closed for public input.

Three notices are still active and close for public comments in May 2025 and June 2025, respectively. (Refer to table below and Annexure B)

Note 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.

No	Ref no	Service Provider name	Description	Date of Notice and Closing date for Public Comments
1	BV 890/2021	ABSA Bank Limited	Aquisition of a R300 million loan	13 March – 14 April 2025
2	BV 995/2022	Nedbank Limited	Provision of banking service	13 May 2025 – 13 June 2025
3	BV 954/2022	Marsh (Pty) Ltd	Short term insurance services for the period ending 30 June 2025	19 May 2025 – 20 June 2025
4	BVD 659	The Institute of Internal Auditors South Africa	Renewal of membership fees	30 April 2025 – 30 May 2025

## 6. Financial Implications

The proposed contractual amendments have no additional financial implications towards the municipality, other than the fees / costs initially accepted by the municipality. The table below depicts the contract values applicable to each service provider.

The annual membership fees in terms of BVD 659 are budgeted per the normal budgeting process. See a breakdown of the estimated costs for the three-year period, taking into consideration an estimated 7% increase annually.

Please refer to the table below

Ref no	Service Provider name	Description	Period of Amendment Proposed	Contract Value Excluding VAT
BV 890/2021	ABSA Bank Limited	Aquisition of a R300 million loan	1 July 2025 – 30 June 2026	R495,494,010.20 (Total repayment over loan period)
BV 995/2022	Nedbank Limited	Provision of banking service	1 July 2025 – 30 September 2025	R632,263.66
BV 954/2022	Marsh (Pty) Ltd	Short term insurance services for the period ending 30 June 2025	1 July 2025 – 30 June 2026	R13,890,412.17
BVD 659	The Institute of Internal Auditors South Africa	Renewal of membership fees	1 July 2025 – 30 June 2027	R60,782.00

## 7. Applicable Legislation / Council Policy

Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)  
 Circular 57, National Treasury Practice note  
 Circular 62, National Treasury Practice note  
 Circular 73 National Treasury Practice 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**—

- (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.”

## 8. COMMENTS OF DIRECTORS AND LEGAL SERVICES

- **Municipal Manager:** Item supported
- **Director Engineering Services:** Item supported
- **Director PDI Services:** Item supported
- **Chief Financial Officer:** Item supported
- **Director Community Services:** Item supported
- **Director Strategic Support Services:** Noted

- **Senior Manager Legal Services:** Item supported

## 9. ANNEXURES

- **Annexure A - Intent to amend letters**
- **Annexure B - Proof of Advertisements**

## 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 27 May 2025:

#### **It is recommended that Council:**

1. Note that the contracts proposed to be amended as set out in the table below were procured through the Municipality's Supply Chain Management Policy.
2. To obtain consent in principle that the contracts as set out in the table below be amended as reflected,

No	Ref no	Service Provider name	Description	Period of Amendment Proposed	Conditions or limitations on Amendments
1	BV 890/2021	ABSA Bank Limited	Aquisition of a R300 million loan	1 July 2025 – 30 June 2026	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
2	BV 995/2022	Nedbank Limited	Provision of banking service	1 July 2024 – 30 September 2025	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
3	BV 954/2022	Marsh (Pty) Ltd	Short term insurance services for the period ending 30 June 2025	1 July 2025 – 30 June 2026	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
4	BVD 659	The Institute of Internal Auditors South Africa	Renewal of membership fees	1 July 2025 – 30 June 2027	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: Ald. W.R. Meiring

Seconded: Ald. A. Steyn

Council unanimously agreed to the recommendation.

## RESOLVED

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 27 May 2025, **resolution number C151/2025:**

#### **It is recommended that Council:**

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

2. To obtain consent in principle that the contracts as set out in the table below be amended as reflected,

No	Ref no	Service Provider name	Description	Period of Amendment Proposed	Conditions or limitations on Amendments
1	BV 890/2021	ABSA Bank Limited	Aquisition of a R300 million loan	1 July 2025 – 30 June 2026	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
2	BV 995/2022	Nedbank Limited	Provision of banking service	1 July 2024 – 30 September 2025	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
3	BV 954/2022	Marsh (Pty) Ltd	Short term insurance services for the period ending 30 June 2025	1 July 2025 – 30 June 2026	Safe for the period amended, the contract shall be subject to the same conditions as the current contract.
4	BVD 659	The Institute of Internal Auditors South Africa	Renewal of membership fees	1 July 2025 – 30 June 2027	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.



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

None

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

None

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**10. CONSIDERATION OF NOTICES OF MOTION AND NOTICES OF QUESTIONS WHICH SHALL APPEAR ON THE AGENDA IN THE ORDER IN WHICH THEY HAVE BEEN RECEIVED BY THE MUNICIPAL MANAGER****10.1 MOTION: CLOSING OF CEMETERY**

**African National Congress  
Boland Region**



C/O 41 Napier & High Street  
Worcester  
6850

Cell:0786256918

Email address: mangalimoses89@gmail.com

<b>OFFICE OF THE CHIEF WHIP</b>
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**Date : 19/05/2025**

**To : Office of Municipal manager & Speaker**

**Subject : Closing of Cemetery**

**Motion to Oppose the sudden decision to close Zwelethemba Cemetery without favorable condition.**

As the ANC Chief whip on behalf of the ANC And Zwelethemba Cemetery Committee and the entire Zwelethemba residents. I hereby submit a motion in line with the Breede Valley Municipality officials on rules of order 31.23 and 38a,b,c,d to oppose the decisions taken by the Breede Valley Municipality Officials to close Zwelethemba cemetery without adequate time frame.

**The ANC together with the Zwelethemba Cemetery Committee urge the council to consider the following:**

- Revisit the decisions and engage with the community to address the outstanding issues
- Fencing and Security to ensure the safety of visitors and graves.
- Cleaning of the Cemetery and to maintain clean and respectful environment .
- Upgrading the gravel road in order to improve accessibility .
- Water Channels to prevent erosion and ensure proper drainage.
- Alternative route to ease travel to the new Worcester cemetery.

**Furthermore, we submit to council to consider implementing the following:**

1. Enforce bi-laws to regulate and manage the erection of new Graveyard closer to Zwelethemba (Transhex)
2. Reconsider the sudden closure of the Zwelethemba cemetery and taking into account the concerns and needs of the community.

- 
3. If possible, to identify or get a closer open space to Zwelethemba that might be easily accessible and used as the Zwelethemba cemetery.

**In Conclusion**

We believe that the concerns of the community will be heard and addressed.  
We will continue to advocate for the rights and need of our people

Regards



Moses Mangali  
ANC Chief whip (BVM)

ANC requested a 25 min caucus

The motions will be held in abeyance pending feedback from the committee on the outcomes of the investigations and consultations regarding the Zwelethemba Cemetery. Council resolved that on-site visits must be conducted within seven(7) days to determine the way forward. Any urgent matters identified during this process should be implemented without delay.

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**11. CONSIDERATION OF MOTIONS OF EXIGENCY**

None

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**12. CLOSURE**

The meeting adjourned at 16:05.

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