

MINUTES

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

Date distributed

SPECIAL COUNCIL MEETING OF THE BREEDE VALLEY MUNICIPALITY

2020-03-26 AT 11:00

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1. OPENING AND WELCOME

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

The Speaker opened the meeting at 11:16, welcomed everyone present and requested a moment of silence for prayer and meditation.

2. OFFICIAL NOTICES**2.1 DISCLOSURE OF INTERESTS**

Item 5 of the Code of Conduct for councillors' states:

A councillor must –

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

2.2 APPLICATIONS FOR LEAVE OF ABSENCE

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

- 2.2.1 Every Councillor attending a meeting of the Council must sign his or her name in the attendance register kept for such purpose.
 - 2.2.2 A Councillor must attend each meeting except when –
 - (a) Leave of absence is granted in terms of Clause 10; or
 - (b) The Councillor is required to withdraw in terms of law.
 - 2.2.3 The Attendance Registers will be available at the meeting.
 - 2.2.4 A blank Application for Leave of Absence form is enclosed.
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3. CONSIDERATION OF AGENDA ITEMS**3.1 2020/21 DRAFT BUDGET MEDIUM TERM REVENUE AND EXPENDITURE
FRAMEWORK**

The Executive Mayor tabled the 2020/21 Draft Budget Medium Term Revenue and Expenditure Framework before Council.

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

Responsible Official: R Ontong

Directorate: Financial Services

Portfolio: Financial Services

1. Purpose

The purpose of this submission is to present the 2020/21 MTREF Draft Budget.

2. Legal Framework

Section 16 of the Municipal Finance Management Act states:

“Annual budgets

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

Contents of annual budgets and supporting documents

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

3. Financial Implications

The financial implications of the 2020/21 MTREF draft budget is captured in the Budget Report.

4. Annexures

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

Quality Certificate **(Annexure B)**

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

- Credit Control and Debt Collection Policy
 - Funding and Reserves Policy
 - Insurance Management Policy
 - Long Term Financial Plan Policy
 - Property Rates Policy
 - Tariff Policy
-

- Write-off Policy
- Asset Management Policy
- Borrowing Policy
- Budget Implementation and Management Policy
- Budget Virement Policy
- Costing Policy
- Supply Chain Management Policy
- Infrastructure Investment And Capital Projects Policy

Municipal Tariffs (**Annexure D**)

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

Demand Management Plan (**Annexure F**)

**DRAFT MEDIUM-TERM REVENUE AND
EXPENDITURE FRAMEWORK 2020/2021
– 2022/2023**



BREEDE VALLEY
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

24 MARCH 2020

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Abbreviations and Acronyms

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

NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Glossary

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

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

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

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

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

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

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

GDFI - Gross Domestic Fixed Investment

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

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

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

LM – Breede Valley Municipality.

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

mSCOA – Municipal Standard Chart of Accounts

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

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

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

TMA – Total Municipal Account

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

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

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

PART 1 – Annual Budget

1. Mayor's Report

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

Breede Valley municipality has made significant progress in fighting service delivery backlogs, but also acknowledges that there is still a lot to be done. We will continue with the good work and improve wherever improvement is needed to ensure that this municipality 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 2020/21 MTREF, and outer financial years that council approves the 2020/21 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

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

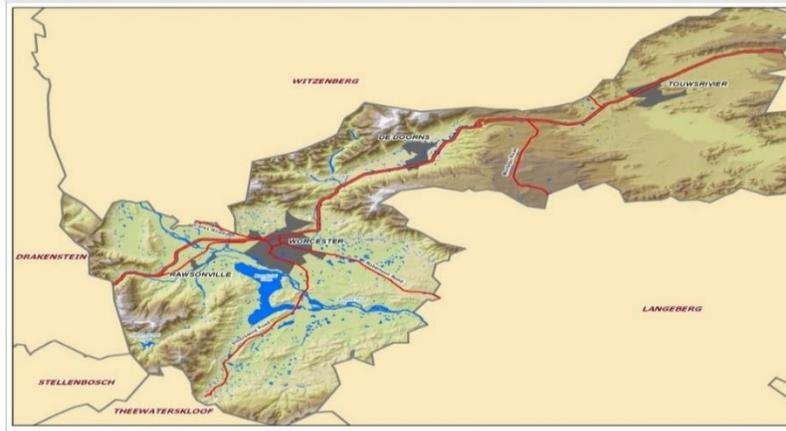
- (3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

Contents of annual budgets and supporting documents

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

3.2 Municipal General Overview

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



Strategic Framework, Pillars and Objectives of the Municipality



Strategic Pillars and Objectives

Strategic Pillars	Strategic Objectives
Opportunity	To create a unique and caring Valley of service excellence, opportunity and growth
Safety	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's People
Caring	To create an enabling environment for employment and poverty eradication through pro-active economic development and tourism
Inclusive	To provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government
Well-run municipality	To assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practises
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3.3 Budget Principles and Criteria

The 2020/21 MTREF was compiled based on the following principles and criteria:

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 2020/2021 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 includes 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 2020/21 MTREF are as follow:

- Amendments to mSCOA;
- Effect of water crisis and electricity supply (ESKOM) on the revenue generation;
- Re-categorization of properties leading to decrease in property rates revenue;
- 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; and
- Increasing cost of bulk purchases versus the electricity tariff increases, resulting in pressure to maintain a balance between sustainability, growth and affordability of services.

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

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

MFMA circular 70 highlighted examples of non-priority spending that need to be addressed by municipalities. Breede Valley Municipality remains commitment to the elimination of these non-priority items from the 2015/16 MTREF and applying zero percent increases on related items where elimination or a decrease in the 2019/20 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 2020/21 aims to address the service delivery needs within the municipal area, given the available resources internally and externally. The main source of funding remains conditional grant allocations from National and Provincial government departments, followed by either internal funding or external loans (when applicable). The 2020/21 MTREF is not funded by any external loan funding at this stage. External loan funding may however be rolled over from the current financial year in the event where projects funded from this funding source are not fully implemented and budgets fully spent by 30 June 2020.

3.4 Rebates

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

3.4.1 Rebates: Unemployed and Indigent

Household Income	Rates	Sewer	Refuse	Rental
R0 - R4 500	50%	50%	50%	100%
Max. Valuation	R 150 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilolitre			

3.4.2 Rebates: Pensioner

Household Income	Rates	Sewer	Refuse	Rental
Government Pension & Disability / Pensioners 60 years and older				
R0 - R4 500	100%	100%	100%	100%
Max Valuation	R 150 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilolitre			

3.4.3 Rebates: Pensioner 70 years and older

Pensioners falling in this category are eligible for an additional R65 000.00 rebate on the calculation of their property rates bill. This overall rebate is capped at R150 000.00.

3.4.4 Special Rating Area (SRA)

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

3.5 Budget Overview

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

The 2020/21 MTREF has a strong focus on the following areas

- Building / upgrading / resealing of municipal roads
- Swimming Pools
- Implementation of the EPWP plan - service delivery projects
- Maintenance / improvement of flats / rental units
- Chemical toilets
- Relocation of outside toilets for the vulnerable (elderly, disabled etc.)
- Ward based projects
- Security and safeguarding of municipal assets and infrastructure
- Erosion protection of Zwelethemba bridge
- Upgrading of water networks – Pipe cracking project
- Solar conversion for the administrative head office
- Youth Café

3.5.1 Operating Revenue

The table below reflects the operating revenue in relation to the current year and 2020/21 MTREF.

Please refer to Annexure A

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

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

Property Rates: Budgeted revenue is based on the current performance realised during the 2019/20 financial year.

Service Charges: The 2019/20 performance on service charges are in line with projected estimations, which informs the 2020/21 Draft Budget figures. The current years' performance anticipated growth in the within the municipal boundaries strongly suggests an conservative approach in revenue generation. This is supported by the increase in income inequality and low GDP per capita as highlighted by the Socio-Economic Profile Report (2019).

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

Fines: The municipality appointed a service provider in the current (2019/20) financial year which will have a positive effect on this revenue source. This increase, together with the collection of monies can yield significant results which can contribute to improved cash position and funding mix of municipal expenditure and savings for future spending.

Transfers Recognised – Operational: This revenue item is based on the operational transfers (conditional and unconditional) as per the 2020/21 budget year allocations.

3.5.2 Operating Expenditure

The table below reflects the operating expenditure in relation to the current year and 2020/21 MTREF.

Please refer to Annexure A.

The operational expenditure budget was adjusted in order to accommodate the projected operational revenue to be generated over the MTREF. These amendments were mainly effected during the 2019/20 Adjustment Budget, which was used as basis for the 2020/21 MTREF.

Employee related cost: Employee related cost is based on the Salary and Wage Collective Agreement and amendments in terms of the staff structure.

The personnel budget is calculated for the full 12 months of the financial year, regardless of when the post are to be filled. The savings that arise from filling vacancies later than the start of the financial year, are then used during the adjustment budget to finance other priorities and as contributions to the CRR.

In the 2019/20 MTREF, the municipality reprioritised other operational expenditures to finance additional positions within the Technical Services directorate. These positions are mainly service delivery related with the aim of improving the level of service to communities.

Debt Impairment: The fines and corresponding write-off will be managed within the available budgets. These amounts will be reviewed with the 2020/21 adjustments budget if needed. This budgeted amount is also reflective

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: No borrowings will be taken up in 2020/21. The finance charges are calculated based on the municipality's borrowing portfolio. It should also be noted that the interest portion of the repayment decreases over the term of the loan.

Bulk Purchases: This item comprises of electricity and water bulk purchases and is based on the current consumption patterns in terms of usage. The municipality also have boreholes that is making a significant contribution in terms of decreasing water bulk purchases.

Other materials and Contracted Services: The budget for other materials is also based on the 3019/20 Mid-year Adjustments Budget. The municipality placed significant emphasis on the funding of temporary workers that will be targeting high priority areas such as area cleaning and basic service delivery aspects where a temporary need exists. Further, maintenance of rental units / flats, relocation of outside toilets for the vulnerable, ward-based projects and maintenance of chemical toilets are projects to received high priority in terms of funding. The implementation of these projects will be closely monitored given the importance and impact it will have on the beneficiaries.

Other expenditure: The low percentage increase in other expenditure is due to the cost containment not being increased and also the decreased revenue as mentioned.

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 majority of funding is allocated to trading services which will ultimately promote service delivery and revenue generation.

The municipality implemented quarterly budget engagements where performance of the capital budget & Grant funding are tracked. Grant funding is planned to be 100% implemented in the current financial year.

Technical Services Capital Projects

The list below represents the major capital projects included in the Draft MTREF

Description	Finance Source	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
<u>Not Allocated to Wards</u>				
<u>Worcester WwTW</u>	-			
-	-			
<u>Rawsonville WwTW</u>				
Extension of WwTW (0,24 Ml/day)	8,0	0	7 473 685	0
-	-			
<u>Klipvlakte/ Transhex Residential Development (13 000 erven)</u>				
External Stormwater pipeline (MIG)	8,0	6 948 409	8 055 266	0
New Bus Route (Local Distributor Class 4) Transhex	8,0	11 646 365	0	0
Electrical Reticulation	8,2	22 097 000	37 000 000	38 000 000
New High Mast Lighting - Worcester: Zweletemba Housing Project (MIG number 207755)	8,0	7 871	0	0
<u>Reservoirs</u>				
Langerug	8,0	0	484 571	0
Pre-loads	8,0	12 053 101	12 940 864	0

<u>Upgrading of Gravel Roads</u>				
Breede Valley: Roads	3,0	15 000 000	0	3 000 000
<u>Resealing of Roads</u>				
Resealing of Municipal Roads - Rawsonville	3,2	500 000	500 000	500 000
<u>Resealing of Municipal Roads - Worcester</u>				
External Loan	1,2			
MIG	8,0	0	2 173 396	9 500 000
CRR	3,0	9 500 000	7 326 604	0
<u>Resealing of Municipal Roads - De Doorns</u>				
External Loan	1,2	0	0	0
MIG	8,0	0	0	1 500 000
CRR	3,0	1 000 000	1 500 000	0
Resealing of Municipal Roads - Touws River	8,0	0	0	500 000
Resealing of Municipal Roads - Touws River	3,2	500 000	500 000	0
<u>Speed Humps</u>				
Speed Humps	3,0	700 000	0	0
<u>Traffic Circles</u>				
Traffic Circles: (High and Louis Lange)	3,0	0	0	6 000 000
Traffic Circles: (De La Bat / Roux / Heyns Street)	3,0	500 000	5 500 000	0
<u>Networks</u>				
Replacement of Water Network (Roll-over)	3,0	1 000 000	1 000 000	1 000 000
<u>Electricity (8112)</u>				
Refurbishment of electrical system	3,0	0	9 500 000	8 200 000
Cherry Picker vehicles	3,0	3 860 114	0	0
2) Quality of supply data loggers and monitoring equipment.	3,0	1 000 000	0	0
Area Lighting	11,0	1 147 275		
SOLID WASTE MANAGEMENT				
WORCESTER				
Refuse Compactor Trucks (19m³)	3,0	0	0	5 247 019
<u>Playparks</u>				
Playparks - All wards	3,0	720 000	0	0

<u>Ward 1</u>	-			
Rehabilitation of Bok River Pipe Line - Phase 6	3,2	3 000 000	4 000 000	7 000 000
Augmentation of Water treatment works (MIG Counter funding)	3,2	0	2 500 000	7 500 000
		0	0	0
<u>Ward 2</u>	-	0	0	0
De Doorns : Transfer Station	8,0	0	388 269	0
New Retention Ponds - De Doorns: South of N1 (MIG Number 202347)	8,0	372 512	431 852	0
De Doorns Water Purification Works : Augmentation of DAF Unit (MIG funding)	8,0	3 211 741	5 023 972	0
Stormwater : New Retention Ponds (MIG 202347 - Counter funding)	3,2	1 500 000	1 000 000	1 500 000
Bus Route (MIG 201624 - Counter funding)	3,2	0	0	11 359 746
<u>Ward 8</u>	-			
Abbotoir Street Rehabilitation	<u>3,0</u>	0	1 700 000	0
Upgrading of Gravel Roads	<u>3,0</u>	3 000 000	3 000 000	3 000 000
	-			
<u>Erosion Protection of Hex River (Zweletemba)</u>	-			
Erosion Protection of Hex River : Phase 2 (300m @ R13,333.33/m)	<u>3,0</u>	3 000 000	9 000 000	24 000 000
<u>Ward 12</u>	-			
Upgrading of Gravel Road	3,0	5 000 000	0	0
<u>Ward 16</u>	-			
High mast (flood) lighting	8,0	0	9 125	0
High mast (flood) lighting	3,0	500 000	0	0
<u>Ward 20</u>	-			
Extension of WwTW (0,561 Ml/day extension) (MIG)	3,2	3 000 000	2 000 000	2 353 894
<u>Ward 21</u>	-			
Upgrading of gravel roads	3,0	1 000 000	1 000 000	1 000 000
<u>SERVICE CONNECTIONS (Depending on Public Contr)</u>				
Sewer Connections	3,3	1 120 000	1 120 000	1 120 000
Water Connections	3,3	2 719 200	2 719 200	2 719 200
<u>Others</u>				
Jet Vac trok	3,0	3 500 000	0	0

Machinery and Equipment	3,0	0	675 000	0
Road and Safety signs	3,0	0	60 000	0
Municipal Vehicles (LDV)	3,0	0	630 000	0
5 Ton trok	3,0	0	890 000	0
Crane Truck	3,0	0	700 000	0
Upgrading of Builing and Facilities	3,0	0	350 000	0
Waste Water Treatment Works				
Lockers (10 x 2 tier)	3,0	0	5 000	0
Office furniture chairs and table	3,0	0	200 000	0
Machinery and Equipment	3,0	0	50 000	0
Lockers (10 x 2 tier)	3,0	0	10 000	0
Office furniture	3,0	0	10 000	0
TOUWSRIVER				
Upgrading of the WWTW	3,0	500 000	9 500 000	0
RAWSONVILLE				
Generator	3,0	0	500 000	0
Laboratory				
Machinery and Equipment	3,0	0	195 000	0

Description	Finance Source	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
<u>Municipal Manager</u>				
<u>Admin -0603</u>				
Furniture and Equipment	3,0	5 000	5 000	5 000
<u>Project Management -0615</u>				

Play parks Touwsrivier	6,4	240 000	0	0
Upgrade of soccer pitch in Rawsonville	6,4	420 000	0	0
De Doorns tar-surfaced netball court	6,4	330 000	0	0
Upgrading of playparks in Avian Park, Riverview, Roodewal and Zwelethemba	6,4	260 000	0	0
Sewer connection for neighbourhood centre in Riverview	6,4	450 000	0	0
Upgrade of rugby field in Stofland	6,4	200 000	0	0
<u>Community Services</u>				
<u>ADMIN - 0903</u>				
Furniture & Equipment	4,0	5 000	5 000	5 000
Youth Café	3,0	600 000	0	0
TOTAL				
<u>HOUSING</u>				
<u>Unallocated DoRA projects - TRANSHEX</u>				
Water Reticulation	20,0	6 000 000	0	0
Sewer Reticulation	20,0	6 000 000	0	0
Roads	20,0	6 000 000	0	0
Stormwater	20,0	6 000 000	0	0
<u>SWIMMING Pool: Zweletemba - 5125</u>				
New Swimming Pool	3,0	16 600 000	0	0
<u>SWIMMING Pool: De Doorns</u>				
New Swimming Pool	3,0	500 000	8 000 000	0
<u>SPORT: Boland Park - 5130</u>				
Replacement of fence perimeter	3,0	0	6 000 000	0
<u>SPORT: Esselen Park</u>				
Replacement of fence perimeter	3,0	6 000 000	0	0
		0	0	0
<u>WATERLOO LIBRARY - 4506</u>				
Replace equipment	3,0	0	30 000	0
<u>AVIANPARK LIBRARY - 4524</u>				
replace equipment at all libraries (vacuum cleaners, laminators)				
TOTAL				
<u>TRAFFIC</u>				
<u>Buildings</u>				

Municipal Court Furniture and Equipment	3,0	250 000	0	0
Municipal Court Airconditioners	3,0	0	0	0
Upgrading of building - Municipal Court	3,0	300 000	0	0
<u>FIRE DEPARTMENT: ADMIN - 4203</u>				
Vehicle - 4x4 Response	3,0	1 500 000	500 000	0
Fire Engine Chassis	3,0	0	0	1 800 000
Fire Station - De Doorns (Ward 3) (MIG Form ID 228572, Counter Funding)	3,2	0	2 772 618	0
<u>FINANCIAL SERVICES</u>				
<u>Admin</u>				
Furniture and Equipment	4,0	5 000	5 000	5 000
<u>Financial Planning</u>				
Safeguarding of Assets	12,0	500 000	400 000	400 000
Insurance claims	12,0	500 000	400 000	400 000
<u>COUNCIL & MAYCO</u>				
<u>MAYORAL OFFICE - 0306</u>				
Furniture and Equipment	3,0	5 000	5 000	5 000
<u>STRATEGIC SUPPORT SERVICES</u>				
<u>STRATEGIC SUPPORT - ADMIN - 2103</u>				
Furniture and Equipment	4,0	5 000	5 000	5 000
<u>WORCESTER TOWN HALL</u>				
Airconditioner	3,0	3 423 650	0	0
TOTAL				
<u>CIVIC CENTRE WORCESTER - 3903</u>				
Solar pannel - conversion	3,0	2 500 000	500 000	0

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.

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

PART 2 – Supporting Documentation

5. Overview of Annual Budget Process



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



DETAIL PROCESS FOLLOWED AND MSA AND IDP CREDIBILITY REQUIREMENTS

ISSUE	TIMEFRAME
IDP/Budget Process Plan/Timetable approved by council	August 2019
IDP Meetings – Inputs from Ward Councilors & Ward Committees	Oct - Nov 2019
First IDP/ Budget Steering Committee Meeting	Oct-November 2019
Departmental inputs on Draft allocations	Nov & Dec 2019
Second Budget Steering Committee – Consider Adjustment budget	January 2019
IDP Rep Forum Consultation	November 2019 March 2020
Draft Budget Input captured and Budget balanced	March 2020
Draft IDP & Budget tabled in Council	March 2020
IDP & Budget workshop - Council	April 2020
Public Consultation	April 2020
LGMTEC 3	May 2020
Finalise Sector / Dept Strategy Plan / Budget - IDP	April 2020
Consideration of Comments received	April 2020
Tabling of Final MTREF	End May 2020

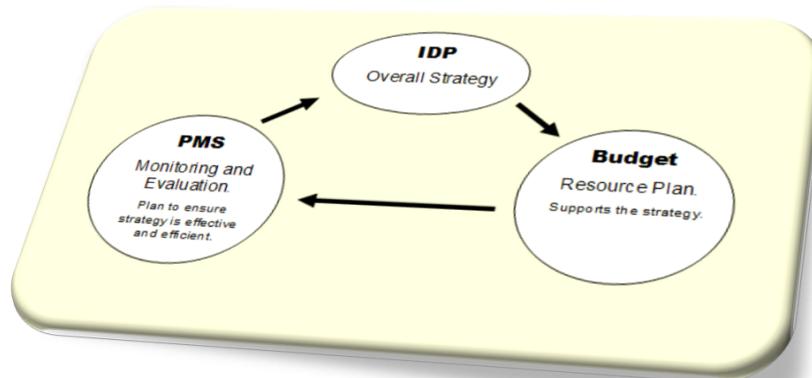
The IDP / Budget process plan was consulted with all relevant stakeholders, whom are:

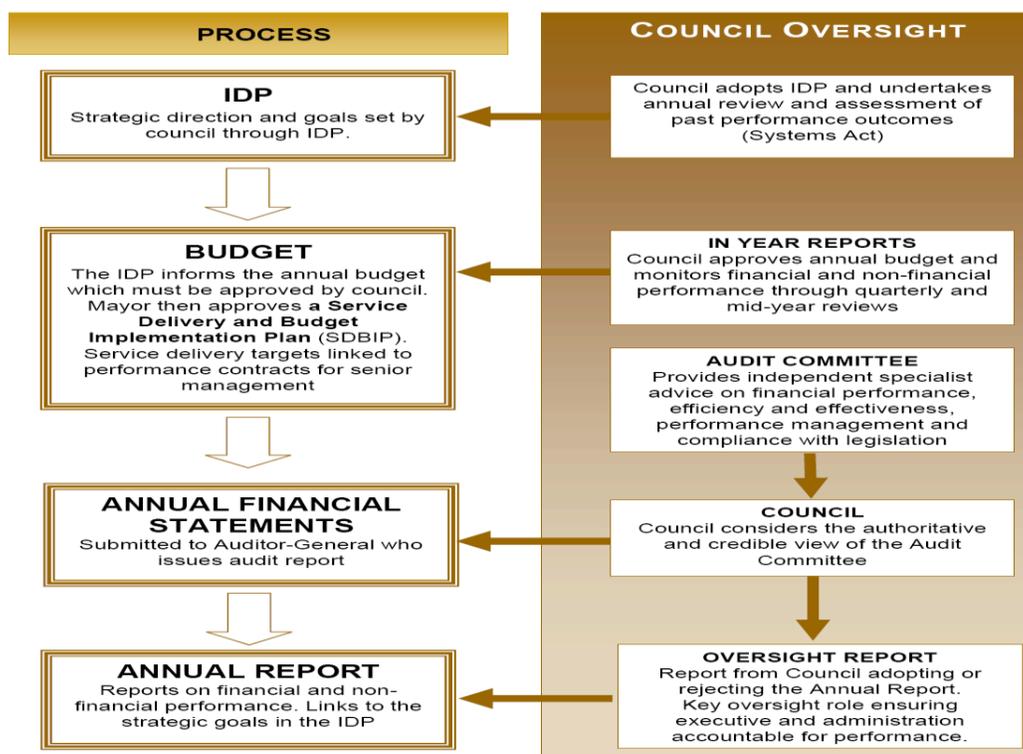
- Council

- 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 municipalities main performance objectives and benchmarks for the 2019/20 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.

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 2020/21 MTREF:

- Tariff increases:

Service	Percentage Increase (%)
Electricity	As per NERSA guideline
Water	6% - 7%
Sewerage	6% - 7%
Refuse	6% - 7%
Rates	6% - 7%

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

- CPIX = 4.5 percent (MFMA budget circular)
- Employee related cost is based on the Salary and Wage Collective Agreement.
- Government Grant will be received as gazetted by National and Provincial Government.
- Electricity bulk purchases in line with NERSA guideline (8.1 per cent for 2020/21, 5.2 per cent 2021/22 and 8.9 per cent for 2022/23).
- Minimal growth in revenue base. Mostly related to low cost housing.
- No / limited increases applied on cost containment items.
- Indigent households is anticipated to remain in the region of 8000 households (formal)
- Budgeted collection rate equals to 95 percent
- Conditional grant will be fully spent
- No borrowings to be undertaken over the MTREF
- Credit rating: Baa1.za

11. Overview of Budget Funding

Funding sources of operating expenditure budget.

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

Please refer to table A1 of Annexure A

Funding sources of capital expenditure budget

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

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 5 interns being employed under this programme. Four of the interns are
-

currently rotating within the Finance Directorate, and one being developed in our Internal Audit section / unit.

- **Budget and Treasury Office:** The Budget and Treasury Office has been established in accordance with the MFMA.
- **Audit Committee:** An Audit Committee has been established and is fully functional.
- Service Delivery and Implementation Plan
- **Annual Report:** Annual report is compiled in terms of the MFMA and National Treasury requirements.
- MFMA Training
- Policies

20. Other supporting documents

Please refer to annexures E for MFMA budget circular

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

No municipal entities.

COMMENTS BY OTHER DIRECTORATES

Municipal Manager – Recommendation supported

Director Strategic Services – Recommendation supported

Director Community Services – Recommendation supported

Director Technical Services – Recommendation supported

RECOMMENDATION

That in respect of the 2020/21 Draft Budget discussed by Council at the Council Meeting of 24 March 2020:

1. Council approves the draft annual budget tables and annual budget supporting tables as prescribed by the Municipal Budget and Reporting Regulations, as set out in Annexure A.
 2. Council approves the Quality Certificate to the draft 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 draft tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D.

PROPOSED: ALDERMAN A. STEYN

SECONDED: CLLR W.R. MEIRING

VOTES IN FAVOUR OF RECOMMENDATION: 28

RESOLVED**C22/2020**

That in respect of the 2020/21 Draft Budget discussed by Council at the Council Meeting of 24 March 2020:

1. Council approves the draft annual budget tables and annual budget supporting tables as prescribed by the Municipal Budget and Reporting Regulations, as set out in Annexure A.
2. Council approves the Quality Certificate to the draft 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 draft tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D.

To Action

R. Ontong

**3.2 DRAFT THIRD REVIEW OF THE 4th GENERATION INTEGRATED
DEVELOPMENT PLAN (2017 - 2022) FOR THE PERIOD 2020 - 2021****File No./s:** 10/3/8**Responsible Official:** C. Malgas**Directorate:** Strategic Support Services**Portfolio:** IDP/PMS/SDBIP

1. PURPOSE:

To table the Draft Third Review of the 4th Generation Integrated Development Plan (2017 - 2022) for the period 2020 – 2021 (hereafter referred to as the Draft 2020-2021 IDP), as prepared in line with the prioritised needs of the Breede Valley community, in accordance with the budgetary resources available.

The Draft 2020-2021 IDP will be consulted with the local community and all relevant stakeholders as required by legislation.

2. BACKGROUND:

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

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

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

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

For ease of reference, the table below depicts sections that have been updated within the Draft 2020 – 2021 IDP:

Page Reference	Section Description	Summary of Change
xiv – xv	MAYOR’S FOREWORD	Update provided on the Mayor’s perspective of the developmental trajectory for the new financial period.
xvi - xvii	MUNICIPAL MANAGER’S FOREWORD	Update provided on the Municipal Manager’s perspective of the developmental trajectory for the new financial period.
4 - 12	TIME SCHEDULE FOR THE 3RD REVIEW OF THE FOURTH-GENERATION IDP ADOPTED BY COUNCIL	The time schedule which prescribed the process for compiling the 2020/21 Budget & IDP, has been incorporated. Council should note that this time schedule has been endorsed in terms of Council Resolution C65/2019
14 - 38	CHAPTER 2: DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILE	Review and update of socio-economic statistics in line with the latest provincial as well as municipal sources (i.e. Municipal Economic Review & Outlook - Province, Breede Valley Socio-economic Profile - Province, 2018/19 Annual Report – Municipal
52 - 56	ALIGNMENT WITH NATIONAL AND PROVINCIAL DEVELOPMENT PROGRAMMES	The Medium-Term Strategic Framework (at a National level), coupled with the Provincial Strategic Framework has been amended by National and Provincial Government respectively. In order to ensure adequate strategic alignment, the relevant amendments were incorporated into the IDP. Council should note that its strategic objectives are still adequately aligned to the Provincial and National scope.
57 - 64	OPERATIONAL ALIGNMENT WITH NATIONAL, PROVINCIAL AND DISTRICT STRATEGIC DIRECTION	The Medium-Term Strategic Framework (at a National level), coupled with the Provincial Strategic Plan (PSP) has been reviewed and amended by National and Provincial Government respectively. In order to ensure adequate strategic alignment, the relevant amendments were incorporated into the IDP. Council should note that its strategic objectives are still adequately aligned to the Provincial and National scope.
66 - 137	PROGRAMME 5.1: ROLL-OUT OF BASIC SERVICES	Information aligned to latest municipal/departmental statistics, primarily derived from the 18/19 Annual Report. Council should note that all financial information depicted in this section, has not yet been updated. These updates will be conducted by

		May. In terms of programme 5.1 (e), the 2014 – 2019 PSP has been replaced with the latest version thereof.
145 - 146	PROGRAMME 5.2 (B): TRACKING THE NUMBER OF BUILDING PLANS PASSED	Information aligned to latest municipal/departmental statistics.
146 - 155	PROGRAMME 5.3: IMPLEMENTING THE LOCAL ECONOMIC STRATEGY	Current information was reviewed, and certain additions were made. Council should note that the additions are directly derived from the 2017 – 2022 LED Strategy, and is still inline with Council's Strategic Objectives.
177 - 178	PROGRAMME 5.7: UNLOCKING THE GREEN ECONOMY	Information provided on the BVM's approach towards renewable energy / alternative electrical supply initiatives
178 - 179	PROGRAMME 5.8: UNLOCKING THE TOWNSHIP ECONOMY	The project status has been updated. Council should note that practical project completion has been reached in October 2019.
201 - 212	PROGRAMME 6.1 (B): PARTNERING WITH THE BREDE VALLEY COMMUNITY POLICING FORUM	A progress update was provided on the projects earmarked for implementation. In addition, a brief synopsis was provided on the newly proposed Community Safety Forum and Community Safety Plan (which will formally serve before Council in due course)
250 - 289	PROGRAMME 7.1: BUILDING SOCIAL CAPITAL	Statistical information has been aligned to the 18/19 Annual Report (where applicable). In addition, progress update on listed projects have been provided.
290 - 368	PROGRAMME 8.1 (A): ENCOURAGE PUBLIC PARTICIPATION	IDP & Budget public engagements scheduled for October-November 2019 and March-April 2020 were updated accordingly. In addition, the ward-base plans (particularly 2020/21 ward priorities) have been updated for each ward, as obtained during the October-November 2019 public consultations.
376 - 387	PROGRAMME 9.2 (A): INSTITUTIONAL GOVERNANCE	Council structure has been updated (inclusion of Councillors McThomas and Benjamin to the list of Councillors). In addition, the portfolios of Mayco Councillors were reviewed and amended in line with the current structure.
480 - 483	ALIGNMENT OF SECTOR PLANS	Information on the Joint District Approach (JDA) was incorporated, which effectively replaces the JPI. The JDA is a multi-governmental approach towards co-planning, co-budgeting and co-implementation.
484 - 491	NATIONAL AND PROVINCIAL GOVERNMENT'S FOOTPRINTS IN	National and Provincial funding allocations (in terms of the draft DORB and planned/estimated provincial expenditure for infrastructure) has

	BREDE VALLEY MUNICIPAL AREA	been incorporated. Council should note that these amounts are subject to change, but will be finalised by the submission due at May 2020.
496 - 525	OVERALL ACTUAL PERFORMANCE OF INDICATORS FOR THE MID-YEAR ENDING 31 DECEMBER 2019	Actual performance achieved in relation to the Top-layer KPI's, as at mid-year 2019/20, has been updated.
526 - 549	DRAFT SDBIP 2020/2021	The draft SDBIP for 2020/21 has been included. At this stage, the submission of this SDBIP is merely for compliance purposes as requested by Province. Administration is in process of finalising the SDBIP for submission to the Executive Mayor (for approval) and Council (for notification) by May 2020.

Council should note that Chapter 10 (Financial Services) and all financial related information contained in the subsections of the document (where applicable), will be updated throughout, and fully encapsulated in the final submission (May 2020). In addition, Council should note that sections/sub-sections not included in the table above, has not changed and/or will be updated and incorporated in the final submission (May 2020).

Sectoral Plans:

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

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

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

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

3. FINANCIAL IMPLICATIONS

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

4. APPLICABLE LEGISLATION

Municipal Systems Act, Act 32 of 2000

Municipal Finance Management Act, Act 56 of 2003

Local Government: Municipal Planning and Performance Management Regulations, 2001

COMMENT OF DIRECTORATES / DEPARTMENTS CONCERNED:

Municipal Manager: Supported

Director: Strategic Support Services: Supported

Director: Financial Services: Supported

Director: Technical Services: Supported

Director: Community Services: Supported

Senior Legal Manager: Supported

RECOMMENDATION

That in respect of -

The Draft Third Review of the 4th Generation Integrated Development Plan (2017 - 2022) for the period 2020 – 2021

Discussed by Council at the Council meeting held on 24 March 2020:

1. That Council approves the Draft 2020-2021 IDP and endorse that it be and made public in terms of section 21 of the MSA.
2. That Council adopts the Water Services Development Plan – IDP Water Sector Input Report for 2020/21.

PROPOSED: ALDERMAN A. STEYN

SECONDED: CLLR W.R. MEIRING

VOTES IN FAVOUR OF RECOMMENDATION: 28

RESOLVED**C23/2020**

That in respect of -

**The Draft Third Review of the 4th Generation Integrated Development Plan (2017 - 2022)
for the period 2020 – 2021**

Discussed by Council at the Council meeting held on 24 March 2020:

3. That Council approves the Draft 2020-2021 IDP and endorse that it be and made public in terms of section 21 of the MSA.
That Council adopts the Water Services Development Plan – IDP Water Sector Input Report for 2020/21.

To ActionC. Malgas

3.3 DETERMINATION OF LANGERUG SPECIAL RATING AREA**File no.:** 9/2/1/1/28**Responsible Official:** H Potgieter**Directorate:** SSS**Portfolio:** Legal Services

1. PURPOSE

The purpose of this item is for Council to consider the determination of the Langerug Special Rating Area.

2. BACKGROUND / DISCUSSION

During the Council meeting held on 28 January 2020, it was resolved as follows:

“RESOLVED C10/2020 That in respect of – APPLICATION FOR THE ESTABLISHMENT OF A SPECIAL RATING AREA: LANGERUG as discussed by Council at the Council meeting held on 28 January 2020 council decide:

- 1. That the area as depicted on the map which includes Rabie Street to the East, Bosman-, Botha- and Alec Craven Streets to the North, Van Rensburg Crescent to the West, and Distillery-, De Vos and Tulbagh Streets to the South, be determined a Special Rating Area to be called Langerug Special Rating Area on condition that:*
-

- a. *Directorate Finance conduct a comprehensive verification process and liaise with the applicant inter alia to supplement the consents identified as containing shortfalls;*
2. *That the two written representations not be upheld; and*
3. *That the item be resubmitted at the next Council meeting for final determination.”*

During the Council meeting held on 25 February 2020, it was resolved as follows:

“RESOLVED C16/2020 That in respect of – RESUBMISSION - APPLICATION FOR THE ESTABLISHMENT OF A SPECIAL RATING AREA: LANGERUG as discussed by Council at the Council meeting held on 25 February 2020 council notes:

1. *That the verification process commenced, but has not been concluded yet; and*
2. *that an item for final determination of the Langerug SRA be tabled at the March 2020 Council meeting.”*

Resolution C16/2020 was duly implemented and Directorate: Finance confirmed that the required majority consents were obtained. Subsequently, the additional rates in terms of the Local Government: Municipal Property Rates Act, section 22(1)(b) payable was calculated by said Directorate, being a rate of R0.001112 on residential property value before VAT, for inclusion in the 2020/2021 budget, with effect from 1 July 2020.

4. FINANCIAL IMPLICATIONS

The cost for the SRA will be covered by the raising of a special rate for all residential properties within the demarcated Langerug Special Rating Area.

5. ANNEXURES

5.1 ANNEXURE A: BUSINESS PLAN

5.2 ANNEXURE B: MAP

COMMENTS OF DIRECTORATES / DEPARTMENTS

MUNICIPAL MANAGER: Recommendation Supported

DIRECTOR TECHNICAL SERVICES: Recommendation Supported

CHIEF FINANCIAL OFFICER: Recommendation Supported

DIRECTOR COMMUNITY SERVICES: Recommendation Supported

DIRECTOR STRATEGIC SUPPORT SERVICES: Co-Author of the item

Senior Manager Legal Services: Author of the item

RECOMMENDATION

That in respect of –

DETERMINATION OF LANGERUG SPECIAL RATING AREA

as discussed by Council at the Council meeting held on 24 March 2020 council decide:

1. To approve the determination of the Langerug Special Rating Area, which includes Rabie Street to the East, Bosman-, Botha- and Alec Craven Streets to the North, Van Rensburg Crescent to the West, and Distillery-, De Vos and Tulbagh Streets to the South;
-

2. that the additional rates for residential properties in terms of Section 22(1)(b) of the Local Government: Municipal Property Rates Act for inclusion in the 2020/2021 budget be applicable as follows:
 - 2.1 0,001112 excluding VAT;
 - 2.2 0.001279 including VAT; and
3. that the Langerug Special Rating Area be implemented in accordance with the motivation report and Business Plan, attached as Annexure "A".

PROPOSED: CLLR W.R. MEIRING

SECONDED: CLLR J.F. VAN ZYL

RESOLVED

C24/2020

That in respect of –

DETERMINATION OF LANGERUG SPECIAL RATING AREA

as discussed by Council at the Council meeting held on 24 March 2020 council decide:

1. To approve the determination of the Langerug Special Rating Area, which includes Rabie Street to the East, Bosman-, Botha- and Alec Craven Streets to the North, Van Rensburg Crescent to the West, and Distillery-, De Vos and Tulbagh Streets to the South;
 2. that the additional rates for residential properties in terms of Section 22(1)(b) of the Local Government: Municipal Property Rates Act for inclusion in the 2020/2021 budget be applicable as follows:
 - 2.1 0,001112 excluding VAT;
-

- 2.3 0.001279 including VAT; and
4. that the Langerug Special Rating Area be implemented in accordance with the motivation report and Business Plan, attached as Annexure "A".

To Action

H. Potgieter

3.4 REVISION OF BUDGET VIREMENT POLICY**File No. /s:****Responsible Official: R Ontong****Directorate: Financial Services****Portfolio: Financial Services**

Purpose:

This serves to submit the Revised Budget Virement Policy to Council for approval

Background:

21. (1) The mayor of a municipality must —

- (a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.

Financial and Other Implications:

The municipality tabled and approved budget related policies for the 2019/20 financial year in line with the Municipal Finance Management Act which was approved by the municipal council. The Budget Virement Policy approved by council contained significant amendments as proposed by MFMA Circular 89. These amendments relate mainly to the transfer of fund between function or sub-function which in reality and practice results in limitations and are foreseen to negatively impact service delivery. Therefore, it is proposed that the Budget Virement Policy be amended as per Annexure A to ensure service delivery is not negatively affected. The changes as proposed by MFMA Circular 89 will be implemented via a phased-in approach to ensure minimal disruptions in service delivery.

Applicable Legislation / Council Policy:

1. Municipal Finance Management Act
2. Municipal Budget and Reporting Regulations
3. Council budget related policies
4. MFMA Circulars

Comment of Directorates / Departments concerned:

Municipal Manager:

Recommendation Supported

Director: Strategic Support Services:

Recommendation Supported

Director: Financial Services:

Recommendation Supported

Director: Technical Services:

Recommendation Supported

Director: Community Services:

Recommendation Supported

RECOMMENDATION:

That in respect of the Revised Budget Virement Policy – March 2020

Discussed by Council at the Council meeting held on 26 March 2020

- **Council resolves that the Approved Budget Virement Policy of Breede Valley Municipality for the financial year 2019/20 be revised and approved with amendments as per Annexure A (Revised Budget Virement Policy – 2019/20)**

PROPOSED: CLLR W.R. MEIRING

SECONDED: CLLR M. JACOBS

VOTES IN FAVOUR OF RECOMMENDATION: 26

RESOLVED

C25/2020

That in respect of the Revised Budget Virement Policy – March 2020

Discussed by Council at the Council meeting held on 26 March 2020

- **Council resolves that the Approved Budget Virement Policy of Breede Valley Municipality for the financial year 2019/20 be revised and approved with amendments as per Annexure A (Revised Budget Virement Policy – 2019/20)**

To Action

R. Ontong

3.5 COVID 19- READINESS OF BREDE VALLEY MUNICIPALITY AND RELATED MATTERS**File No. /s:****Responsible Official:
MUNICIPAL MANAGER****Directorate:****Portfolio: COMMUNITY SERVICES**

The Speaker allowed a special discussion on the handling and preparation of activities in relation to the COVID-19 pandemic.

Matters such as the following were debated :

- food parcels
- municipal accounts
- termination of electricity supply (blocking of meters)
- provision of water in informal areas

The communication during lockdown and the mobility of councillors were highlighted as a matter of concern.

The involvement of councillors and decision-making during the period were also discussed and it was stated by various councillors that as community representatives, councillors had to be abreast of all activities and processes related in respect of combatting COVID-19.

The Municipal Manager reported that a JOC (Joint Operational Centre) was established to deal with COVID-19 related issues and that said JOC was under the chairmanship of mr Theo Botha, BVM Chief of Fire and Rescue Services.

RESOLVED**C26/2020**

That an ad-hoc committee comprising of the councillors stipulated below be established to interact with the JOC in COVID-19 related matters :

Nik Wullschleger; Naomi Nel; Jerrie Robinson; Moses Mangali; Margie Sampson; Vanessa Mngcele. (The Executive Mayor and Speaker as ex officio members)

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

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

**DISCUSSION ON COVID-19 PANDEMIC : BVM READINESS AND SPECIAL ARRANGEMENTS
SEE ITEM 3.5**

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

- 10. CONSIDERATION OF MOTIONS OF EXIGENCY**
-

- 11. CLOSURE**

THE SPEAKER CLOSED THE MEETING AT 15:10.

- 11.1 COPY OF NOTICE PLACED ON NOTICE BOARDS**
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For information, a copy of the Notice follows:

NOTICE IS HEREBY GIVEN that a **COUNCIL MEETING**
of the **Breede Valley Municipality** will be held on
THURSDAY, 26 MARCH 2020 at 11:00 in the
COUNCIL CHAMBERS, CWDM, 51 TRAPPE STREET, WORCESTER

Members of the media and the public wishing to attend the meeting must please contact **Mr. J.R. Botha (Public Relations Officer)** at **023 348 2807** during office hours to book one of the **16 (sixteen) seats available to the public** on a first come first served basis. The list will be closed at **15:15 on Friday, 20 February 2020** and will be handed to Security officials the morning of the meeting. Only persons whose names appear on the list will be allowed to attend the meeting and they must be seated at least five minutes before the scheduled start of the meeting. Once the meeting has started, no member of the public will be allowed into the meeting. If a member of the public leaves the meeting venue during the course of the meeting, he / she will not be allowed to return to the meeting.

KENNIS GESKIED HIERMEE dat 'n **RAADSVERGADERING**
van die **Breede Vallei Munisipaliteit** op
DONDERDAG, 26 MAART 2020 om 11:00
gehou sal word in die
RAADSAAL, KWDM, TRAPPESTRAAT 51, WORCESTER

Lede van die media en die publiek wat graag die vergadering wil bywoon moet asseblief **Mnr. J.R. Botha (Skakelbeampte)** by **023 348 2807** gedurende kantoorure kontak om een van die **16 (sestien) sitplekke wat vir die publiek beskikbaar is** op 'n "first come first served basis" te bespreek. Die lys sal om **15:15 op Vrydag, 20 Maart 2020** sluit en sal aan Sekuriteitbeamptes die oggend van die vergadering gegee word. Alleenlik persone wie se name op die lys verskyn sal toegelaat word om die vergadering by te woon en hulle moet 'n sitplek inneem minstens vyf minute voor die geskeduleerde tyd van die vergadering. Niemand sal tot die vergadering toegelaat word wanneer dit reeds begin het nie. Indien 'n lid van die publiek die vergaderplek gedurende die duur van die vergadering verlaat sal hy / sy nie weer tot die vergadering toegelaat word nie.

D. MCTHOMAS
MUNICIPAL MANAGER/MUNISIPALE BESTUURDER

MAART 2020
