



Notice is hereby given in terms of Section 29 of the Local Government: Municipal Structures Act, Act 117 of 1998, that a **COUNCIL MEETING** of the 2021/2026 term of the Garden Route District Municipality will be held at the CA Robertson Council Chambers on **TUESDAY, 30 MAY 2023** at **10:00** to consider the items as set out in the agenda.

*Kennis geskied hiermee ingevolge Artikel 29 van die Wet op Plaaslike Regering: Munisipale Strukture, 1998, Wet 117 van 1998, dat 'n **RAADSVERGADERING** van die 2021/2026 termyn van die Garden Route Distriksmunisipaliteit gehou sal word in die CA Robertson Raadsaal op **DINSDAG 30 MEI 2023** om **10:00** ten einde oorweging aan die items soos in die agenda uiteengesit, te skenk.*

Kukhutshwe isaziso ngokwemiqathango yoMhlathi 29 woRhulumente Basekhaya: Umthetho Wezolawulo loMasipala, 1998, uMthetho 117 wango 1998, sokuba **INTLANGANISO YEBHUNGA** yexesha lika 2021/2026 loMasipala Wesithili se Garden Route izakubanjelwa kwiGumbi leBhunga CA Robertson, **NGOLWESIBINI, 30 KUCANZIBE 2023** ngentsimbi ye **10:00** ukuqwalasela imiba ebekwe kwi agenda.

ALD GR WOLMARANS
SPEAKER
SPEAKER
SOMLOMO

MG STRATU
Municipal Manager
Munisipale Bestuurder
Mphathi Masipala

Date: 18 May 2023

AGENDA

1. OPENING AND WELCOMING / OPENING EN VERWELKOMING / UVULO NOLWAMKELO

C.1	INAUGURATION OF COUNCILLOR: GARDEN ROUTE DISTRICT COUNCIL: CLLR D SAPTOE / INHULDIGING VAN RAADSLID: RDL D SAPTOE / UKUFUNGISWA KOOCEBA ABATSHA: IBHUNGA LESITHILI SE GARDEN ROUTE UCEBA D SAPTOE <i>Refer from the Office of the Municipal Manager (MG Stratu)</i>	853 - 858
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2. EVACUATION PROCEDURES / ONTRUIMINGSPROSEDURES / INKQUBO YOKUFUDUSWA

3. SILENT PRAYER (MEDITATION) / STILLE GEBED (MEDITASIE) / UMTHANDAZO OTHULEYO

4. ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO

4.1 COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG / OCEBA ABAKHOYO

4.2 COUNCILLORS WITH LEAVE / RAADSLEDE MET VERLOF / OCEBA ABAKWIKHEFU

4.3 COUNCILLORS WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OCEBA ABANGEKHO KWIKHEFU

5. NOTING OF THE PROVISIONS OF SCHEDULE 7 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES AMENDMENT ACT, 2021 / KENNISNAME VAN DIE VOORSKRIFTE VAN SKEDULE 7 (GEDRAGSKODE VIR RAADSLEDE) VAN DIE PLAASLIKE REGERING MUNISIPALE AANGEPASTE STRUKTURE WET, 2021 / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOOCEBA) LOMTHETHO WORHULUMENTE BASEKHAYA WESIMO SOMASIPALA OLUNGISIWEYO WANGO 2021

6. DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE / UKUCHAZWA KOMDLA NGOOCEBA KUNYE NAMAGOSA

7	COMMUNICATIONS BY THE SPEAKER / MEDEDELINGS DEUR DIE SPEAKER / UNXIBELELWANO LUKASOMLOMO
8	COMMUNICATIONS BY THE EXECUTIVE MAYOR / MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER / UNXIBELELWANO LUKA SODOLOPHU
9.	COMMUNICATIONS BY THE MUNICIPAL MANAGER / MEDEDELINGS DEUR DIE MUNISIPALE BESTUURDER / UNXIBELELWANO LOMPHATHI MASIPALA
10.	APPROVAL OF MINUTES OF COUNCIL MEETINGS / GOEDKEURING VAN NOTULES VAN RAADSVERGADERINGS / UKUPHUNYEZWA KWEMIZUZU YENTLANGANISO YEBHUNGA

10.1	Minutes of a Council meeting dated 28 March 2023 / <i>Notule van 'n Raadsvergadering gedateer 28 Maart 2023</i> / Imizuzu yentlanganiso yeBhunga yangomhla 28 KweyoKwindla 2023	7 – 40
10.2	Minutes of a Special Council meeting dated 20 April 2023 / <i>Notule van 'n Spesiale Raadsvergadering gedateer 20 April 2023</i> / Imizuzu Yentlanganiso yeBhunga eKhethekileyo yangomhla 20 kuTshazimphuzi 2023	41 - 54
10.3	Minutes of a Special Council meeting dated 21 April 2023 / <i>Notule van 'n Spesiale Raadsvergadering gedateer 21 April 2023</i> / Imizuzu Yentlanganiso yeBhunga eKhethekileyo yangomhla 21 KuTshazimphuzi 2023	55 – 63
11.	MINUTES OF MAYORAL COMMITTEE MEETING AND SECTION 79 COMMITTEES (FOR NOTIFICATION) / NOTULES VAN BURGEMEESTERSKOMITEEVERGADERINGS EN ARTIKEL 79 A (VIR KENNISNAME) / IMIZUZU YEKOMITI KASODOLOPHU NEZINYE IKOMITI ZOMHLATHI 79 (ITHATHELWE INGQALELO)	
11.1	Mayoral Committee meeting dated 27 February 2023 / <i>Uitvoerende Burgemeesterskomiteevergadering gedateer 27 Februarie 2023</i> / Imizuzu yentlanganiso Yekomiti Kasodolophu yangomhla 27 kweyoMdumba 2023	64 – 84
11.2	Minutes of a Budget Steering Committee meeting dated 27 February 2023/ <i>Notule van 'n Begrotingsloodskomiteevergadering gedateer 27 Februarie 2023</i> / Imizuzu Yentlanganiso yeKomiti Yolawulo Lohlahlolwabiwo mali yangomhla 27 KweyoMdumba 2023	85 – 91
11.3	Minutes of a Special Governance Committee meeting dated 12 October 2022 / <i>Notule van 'n Spesiale Huiskomiteevergadering gedateer 12 Oktober 2022</i> / Imizuzu Yentlangano eKhathekileyo Yekomiti Yezolawulo yangomhla 12 KweyeDwarha 2022	92 –98
11.4	Minutes of a Municipal Public Accounts Committee (MPAC) meeting dated 06 December 2022 / <i>Notule van Munisipale Publieke Rekeningekomitee (MPRK) gedateer 06 Desember 2022</i> / Imizuzu yeKomiti Yencwadi Zoluntu (MPAC) yangomhla 06 KweyoMnga 2022	99 – 110

12.	STANDING ITEMS / STAANDE ITEMS / IMIBA EMISIWEYO	
12.1	None / Geen / Asikho	
SECTION A REPORTS FROM THE SPEAKER		
A.1	None / Geen / Asikho	
SECTION B REPORTS FROM THE EXECUTIVE MAYOR / VERSLAE VANAF DIE UITVOERENDE BURGEMEESTER / IMIBA EVELA KUSODOLOPHU		
B.1	GARDEN ROUTE DISTRICT MUNICIPALITY 2022-2027 FINAL AMENDED INTEGRATED DEVELOPMENT PLAN (IDP) / GARDEN ROUTE 2022-2027 FINALE GEWYSIGDE GEÏNTEGREERDE ONTWIKKELINGSPLAN (GOP) / ISICWANGCISO SOKUGQIBELO ESILUNGISIWEYO SENDIBANISELWANO YEZOPHULISO YOMASIPALA WESITHILI SE GARDEN ROUTE KA 2022-2027 <i>Refer Report from the Executive Mayor (Ald M Booysen) / Executive Manager Planning and Economic Development (L Menze)</i>	111 - 356
B.2	FINAL BUDGET 2023/2024 MTREF (MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK) / FINALE BEGROTING 2023/2024 MEDIUM TERMYN INKOMSTE EN UITGAWE RAAMWERK (MTIUR) / UYLO LOLWABIWO-MALI 2023/2024 MTREF (INGENISO YEXESHA ELIFUTSHANE KUNYE NENDLELA YENCITHO) <i>Refer Report from the Executive Mayor (Ald M Booysen)</i>	357 – 852
SECTION C REPORTS FROM THE OFFICE OF THE MUNICIPAL MANAGER / ITEMS VANAF DIE KANTOOR VAN DIE MUNISIPALE BESTUURDER / IMIBA EVELA KWI OFISI YOMPHATHI MASIPALA		
C.1	INAUGURATION OF GOOD COUNCILLOR: GARDEN ROUTE DISTRICT COUNCIL: CLLR D.C SAPTOE / INHULDIGING VAN “GOOD” RAADSLID: GARDEN ROUTE DISTRIKSMUNISIPALITEIT: RDL D.C SAPTOE / UKUFUNGISWA KOCEBA WE GOOD: IBHUNGA LESITHILI SE GARDEN ROUTE: UCEBA D.C SAPTOE <i>Refer Report from the Municipal Manager (MG Stratu)</i>	853 – 858
C.2	DRAFT SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN OF 2023/2024 /VERSLAG – KONSEP DIENSLEWERING EN BEGROTING IMPLEMENTERINGSPLAN VAN 2023/2024 / INGXELO – UYILO LWESICWANGCISO SOKUNIKEZELWA KWEENKONZO NOKUMISELWA KWESICWANGCISO SOLWABIWO-MALI LUKA 2023/2024 <i>Refer Report dated the Municipal Manager (MG Stratu) / Manager Performance Management (IG Saaiman)</i>	859 – 864
SECTION D REPORTS FROM THE FINANCIAL SERVICES DEPARTMENT / ITEMS VANAF DIE FINANSIËLE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZEMALI		
D.1	None / Geen / Asikho	
SECTION E		

REPORTS FROM THE CORPORATE SERVICES DEPARTMENT / ITEMS VANAF DIE KORPORATIEWE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLAWULO		
E.1	None / Geen / Asikho	
SECTION F		
REPORTS FROM THE COMMUNITY SERVICES DEPARTMENT / ITEMS VANAF DIE GEMEENSKAPSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLUNTU		
F.1	None / Geen / Asikho	
SECTION G		
REPORTS FROM THE ROADS AND TRANSPORT PLANNING SERVICES DEPARTMENT / ITEMS VANAF DIE PAAIE EN VERVOER BEPLANNINGSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZENDLELA KUNYE NEZICWANGCISO KWEZOTHUTHO		
G.1	None / Geen / Asikho	
SECTION H		
REPORTS FROM THE PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT / ITEMS VANAF DIE BEPLANNING EN EKONOMIESE DIENSTE DEPARTEMENT / IMIBA YESEBE LEZICWANGCISO KUNYE NOPHUHLISO LOQOQOSHO		
H.1	None / Geen / Asikho	
SECTION I		
NOTICE OF URGENT MOTIONS / KENNISGEWING VAN DRIGENDE MOSIES / ISAZISO SEZIPHAKAMISO		
I.1	None / Geen / Asikho	
SECTION J		
NOTICES OF MOTIONS / KENNISGEWING VAN MOSIES / ISAZISO SEZIPHAKAMISO		
J.1	None / Geen / Asikho	

SECTION K		
IN CLOSED SESSION / IN GESLOTE SESSIE / KWI-SASHONI YASEKHUSINI		
K.1	None / Geen / Asikho	
	CLOSURE / SLUITING / UQUKUNJELO	

Ald M Booyesen
 Ald GR Wolmarans
 Ald G van Niekerk
 Ald P Terblanche
 Ald S De Vries
 Ald CN Lichaba
 Cllr / Rdl / Ceba NV Gungubele
 Cllr / Rdl / Ceba J Hoogbaard
 Cllr / Rdl / Ceba JG Meiring
 Cllr / Rdl / Ceba CA Swart
 Cllr / Rdl / Ceba K Malooi
 Cllr / Rdl / Ceba C Scheepers
 Cllr / Rdl / Ceba B van Noordwyk
 Cllr / Rdl / Ceba CP Taute
 Cllr / Rdl / Ceba D Acker
 Ald JC Lambaatjeen
 Cllr / Rdl / Ceba LSS van Rooyen
 Cllr / Rdl / Ceba SM Toto
 Ald V Gericke
 Ald IC Kritzinger
 Cllr / Rdl / Ceba DL Cronje
 Cllr / Rdl / Ceba HRT Stroebeel
 Cllr / Rdl / Ceba NT Seti
 Ald NS Ndayi
 Ald RH Ruiters
 Cllr / Rdl / Ceba M Kannemeyer
 Cllr / Rdl / Ceba MA Mkonto
 Cllr / Rdl / Ceba JJ Cornelius
 Cllr / Rdl / Ceba JP Buys (as of 27 July 2022)
 Cllr / Rdl / Ceba JJ Bavuma (as of 27 July 2022)
 Cllr / Rdl / Ceba R April (as of 25 October 2022)
 Cllr / Rdl / Ceba HD Ruiters (as of 14 December 2022)
 Cllr / Rdl / Ceba RW Arends (as of 30 January 2023)
 Cllr / Rdl / Ceba PE Petros (as of 27 February 2023)
 2 X VACANT



Minutes of a **Council meeting of**
the 2021/2026 term of
Garden Route District Council held at the **CA Robertson Council Chambers**, and via
Zoom on Tuesday, 28 March 2023 at 10:00

Notule van 'n Raadsvergadering van
die 2021/2026 termyn
van Garden Route Distriksraad gehou in die CA Robertson Raadsaal en via Zoom
op Dinsdag, 28 Maart 2023 om 10:00

Imizuzu **Yentlanganiso yeBhunga**
yoMasipala Wesithili se Garden Route yexesha lika 2021/2026
nebibanjwe kwiGumbi **leBhunga CA Robertson**, kunye **nango Zoom**,
ngoLwesibini, 28 kweyoKwindla 2023, ngo 10:00

1. **OPENING AND WELCOMING / OPENING EN VERWELKOMING / UVULO
NOLWAMKELO**

The Speaker, Ald GR Wolmarans welcomed everybody present and thanked them for their attendance.

2. **EVACUATION PROCEDURES / ONTRUIMINGSPROSEDURES / IKNQUBO
YOKUFUDUSWA**

The evacuation procedure was done via audio clip that explained the evacuation procedures in case of emergency.

3. **SILENT PRAYER (MEDITATION) / STILLE GEBED (MEDITASIE) / UMTHANDAZO
OTHULEYO**

Ms P Lufele opened the meeting with scripture reading and a prayer.

4. **ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO**

4.1 **COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG /OOCEBA ABAKHOYO**

Ald M Booysen	DA
Ald GR Wolmarans	DA
Cllr / Rdl / Ceba J Hoogbaard	DA
Cllr / Rdl / Ceba K Malooi	DA
Cllr / Rdl / Ceba P Terblanche	DA
Cllr / Rdl / Ceba CA Swart	DA
Cllr / Rdl / Ceba JG Meiring	DA
Ald S De Vries	ANC
Ald CN Lichaba	ANC
Cllr / Rdl / Ceba NV Gungubele	ANC
Cllr / Rdl / Ceba JJ Cornelius	ICOSA
Cllr / Rdl / Cceba JP Buys	PBI
Cllr / Rdl / Ceba D Acker	FREEDOM FRONT PLUS
Ald GJ van Niekerk	George Municipality
Ald IC Krtzinger	George Municipality
Cllr / Rdl / Ceba D L Cronje	George Municipality
Ald V Gericke	George Municipality

Cllr / Rdl / Ceba RJ Hector
 Cllr / Rdl / Ceba SM Toto
 Cllr / Rdl / Ceba B van Noordwyk
 Cllr / Rdl / Ceba CP Taute
 Cllr / Rdl / Ceba HRT Stroebel
 Cllr / Rdl / Ceba RW Arends
 Cllr / Rdl / Ceba PE Petros
 Ald NS Ndayi
 Cllr / Rdl / Ceba NT Seti
 Ald RH Ruiters
 Cllr / Rdl / Ceba JJ Bavuma
 Cllr / Rdl / Ceba M Kannemeyer
 Cllr / Rdl / Ceba MA Mkonto
 Ald JC Lambaatjeen
 Cllr / Rdl / Ceba S van Rooyen
 Cllr / Rdl / Ceba R April
 Cllr / Rdl / Ceba HD Ruiters

George Municipality
 George Municipality
 Hessequa Municipality
 Hessequa Municipality
 Knysna Municipality
 Knysna Municipality
 Knysna Municipality
 Bitou Municipality
 Bitou Municipality
 Mossel Bay Municipality
 Mossel Bay Municipality
 Mossel Bay Municipality
 Mossel Bay Municipality
 Oudtshoorn Municipality
 Oudtshoorn Municipality
 Oudtshoorn Municipality
 Kannaland Municipality

OFFICIALS / AMPTENARE / AMAGOSA

Mr / Mnr / Mnu MG Stratu
 Ms / Me / Nkzn B Holtzhausen

Municipal Manager
 Executive Manager Corporate
 Services

Mr / Mnr / Mnu T Loliwe

Acting Executive Manager
 Financial Services

Mr / Mnr / Mnu C Africa

Executive Manager
 Community Services

Mr / Mnr / Mnu L Menze

Executive Manager Economic
 Development and Planning

Mr/Mnr /Mnu JG Daniels

Executive Manager
 Roads and Transport
 Services

Mr / Mnr / Mnu S Maqekeni

Manager Integrated Support
 Services & Legal Compliance

Ms / Me / Nkzn N Davids

Manager Legal Service

Mr / Mnr / Mnu K Nieuwoudt

Manager ICT

Mr / Mnr / Mnu C Martin	Manager Income, Bank Recons, Expenditure & Remuneration
Mnr / Mnr / Mnu T Mpuru	Manager SCM, Stores & Data
Ms / Me / Nksnz L Hoek	Manager BTO, AFS & Assets
Ms/ Me / Nksnz M James	District IDP Manager
Ms / Me / Nkzn M Wilson	Manager LED & Tourism
Ms Me / Nkzn P Lufele	Chief Audit Executive
Ms / Me / Nkzn N Klaas	Manager Policy Development and Research
Mr / Mnr / Mnu J Compion	Manager Municipal Health Services
Mr / Mnr / Mnu J Gie	District Waste Manager
Mr / Mnr / Mnu W Jacobs	Disaster Management Practitioner
Mr / Mnr / Mnu D Stoffels	Fire Chief
Ms / Me / Nksnz R Matthews	Head: Committee Services
Mr / Mnr / Mnu B Desha	Snr Committee Officer / Translator / Interpreter
Ms / Me / Nksnz C van Wyngaardt	Committee Officer
Ms / Me / Nksnz T Gauzela	Committee Officer
Ms / Me / Nksnz L James	Risk Management Manager
Mr / Mnr / Mnu J Mkunqwana	Manager Human Settlements
Mr / Mnr / Mnu R Dyantyi	Manager EPWP
Mr / Mnr / Mnu R Alberts	Chief Systems and Support Officer
Ms / Me / Nksnz S Brinkhuys	Manager: Records, Archives, Fleet & Auxiliary Services
Ms / Me / Nksnz L Janse van Rensburg	Acting Human Resources Manager

4.2 **COUNCILLORS AND OFFICIALS WITH LEAVE / RAADSLEDE EN AMPTENARE MET VERLOF / OOCÉBA ABAKWIKHEFU**

None / Geen / Azikho

4.3 **COUNCILLORS WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OCEBA ABANGEKHO**

Cllr / Rdl / Ceba D Saptoe

GOOD

5. **NOTING OF THE PROVISIONS OF SCHEDULE 7 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES AMENDMENT ACT, 2021 / KENNISNAME VAN DIE VOORSKRIFTE VAN SKEDULE 7 (GEDRAGSKODE VIR RAADSLEDE) VAN DIE PLAASLIKE REGERING MUNISIPALE AANGEPASTE STRUKTUREWET, 2021 / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOOCEBA) UMTHETHO WEZOLAWULO LOMASIPALA WORHULUMENTE WASEKHAYA, 2021**

The Code of conduct was noted.

6. **DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE / UKUCHAZWA KOMDLA NGOOCEBA KUNYE NAMAGOSA**

The Executive Mayor, Ald M Booysen, Mr MG Stratu, Mr L Menze, Mr JG Daniels, Mr C Africa and Ms B Holtzhausen declared their interest with regard to the report on the In-Closed Session Agenda, Report K.2.

7. **COMMUNICATIONS BY THE SPEAKER / MEDEDELINGS DEUR DIE SPEAKER / UNXIBELELWANO LUKASOMLOMO**

The Speaker, Ald G Wolmarans communicated the following:

The Speaker informed the Councillors that recognition will be given to officials, for long service, who worked in the various Departments. Recognition was given to the following officials:

Financial Services: LD Smith – 20 years and S Gologolo – 15 years.

Certificate of Recognition was given to the following officials, who worked in the Economic Development and Planning Department, who will be leaving GRDM on 31 March 2023:

Ms M Wilson – 27 years, Ms A Koeberg – 9 years and Ms N Boumeester – 13 years.

NB: The Speaker, the Executive Mayor, Ald M Booysen, Ald S de Vries, Ald CN Lichaba, Ald R Ruiters and Mr MG Stratu congratulated the officials for their long service and expressed their thankfulness and well wishes to the officials who will be leaving GRDM.

The Speaker informed the Councillors that she is the only Councillor that will celebrate her birthday during the month of March.

The Speaker informed Council that the reason why the date of the Council meeting has changed is because of the fact that the Executive Mayor has to attend the Provincial Coordinating forum meeting with the Premier. The Speaker alerted the Councillors that there is a possibility that the date for the Council meeting in March also might change but that will be confirmed at a later date.

The Speaker wished all our Muslim colleagues and all the residents of the Garden Route, Ramadan Mubarak.

The Speaker informed the Councillors that her office has distributed an email or a "save the date" for the Institutional Strategic Session dated to take place on 13 and 14 April 2023, and urged all Councillors to respond to the invitation and save the date.

The Speaker continued to wish all the Councillors who will be celebrating birthdays in April a very happy birthday. The Speaker wished Ald P Terblanche and his wife who celebrated their 48 year wedding anniversary.

The Speaker apologized to Cllr P Petros who has not received his tools of trade and informed Council that she is struggling to get the property of GRDM from the Mayor of Knysna Municipality, Cllr A Tswenga.

Under the Communication of the Speaker Ald S de Vries communicated the following:

Ald S de Vries, on behalf of the the ANC also wished the residents of the Garden Route, a prosperous Ramadaan Mubarak. Ald S de Vries said that he feels that it was inappropriate the manner in which the Speaker addressed the matter regarding the return of the property, by Cllr A Tswenga.

Ald S de Vries said that the changing of meetings and dates, is becoming a problem, and urged the Speaker that through her office, proper consultation take place when changes are going to take place. Ald S de Vries said that as the ANC, a Provincial Conference will take place on the same dates as the Institutional Strategic Session and that the Cllrs from the ANC will not be able to attend the strategic session and that could be have been prevented if there was proper consultation.

Ald S de Vries expressed his dissatisfaction with regards to the distribution time of the agenda and that the Councillors only had 4 days to prepare themselves for this very important Council Meeting and said that at all times the Rules of Order should be adhered to.

Ald S de Vries also expressed his dissatisfaction with regards to the Loerie Committee that is used for the ANC to caucus. Ald S de Vries urged that the office of the Speaker to ensure the Loerie Committee room is in a decent condition when they need to use the room.

The Speaker responded by saying the following:

The Speaker said that she was unaware of the ANC Provincial Conference and that none of the Cllrs informed her that the conference was going to take place the same time as the Strategic Session.

The Speaker urged the Municipal Manager to ensure that the Loerie Committee room is in a decent manner, the room is clean and environment is conducive for Councillors to work.

**8. COMMUNICATIONS BY THE EXECUTIVE MAYOR / MEDEDELINGS DEUR DIE
UITVOERENDE BURGEMEESTER / UNXIBELELWANO LUKA SODOLOPHU**

The Executive Mayor communicated the following:

The Executive Mayor reported that the draft social compact document is ready to be shared with all the stakeholders for inputs and comments.

The Executive Mayor congratulated the EHP officials and said that not too long ago, Oudtshoorn was considered one of the most polluted towns in Africa, but sampling and monitoring has been done by EHP'S and certain places and Oudtshoorn is now the least polluted area in Africa.

The Executive Mayor thanked the Fire Chief with regards to progress of the building of the fire station and said that the new fire station will ensure critical services in the Region are delivered.

**9. COMMUNICATIONS BY THE MUNICIPAL MANAGER / MEDEDELINGS DEUR DIE
MUNISIPALE BESTUURDER / UNXIBELELWANO LOMPHATHI MASIPALA**

The Municipal Manager communicated the following:

The Municipal Manger informed Council of the departing employees and said that he has spoken to them individually to understand their decision. Ms Nadia Boumeester and her family are relocating to the West Coast, Ms Amagene Koeberg is taking a different career path to teach in the TVET colleges and Ms Melanie Wilson has taken a personal decision to retire after 27 years.

The Municipal Manager informed Council that progressive discussions with Mossel Bay Municipality took place with regards to the Landfill Site. The Municipal Manager reported that at that meeting in Mosselbay, him and the staff members met with Mayco and answered all their questions. The

Municipal Manager reported that Mossel Bay Municipality is now moving ahead with GRDM. At the next Council meeting, Mossel Bay is going to start the Section 33 process. The Municipal Manager said that Mossel Bay Municipality feels that the admin fee 10% fee which is being charged is too little. The Municipal Manager reported that fruitful discussion took place with George Municipality also with regards to the Landfill Site. The Municipal Manager and staff also met with the Mayoral Committee and presented the same information that was presented to the Mossel Bay Municipality. The Municipal Manager said that all parties are ad idem on all issues. Also, the George Municipality also felt that the 10% is too little taking into consideration the risk for GRDM.

The Municipal Manager reported that there are no issues with Bitou with regards to the Landfill Site.

The Municipal Manager reported that he is very concerned about Knysna Municipality. The Municipal Manager said that he is of the understanding that Knysna Municipality issued a tender for alternative waste-to-energy solution. The Municipal Manager reported that GRDM has been invited to Knysna to attend their Council meeting on 31 March 2023 and at that Council meeting he and the officials will explain what GRDM has presented at other municipalities.

The Municipal Manager reported that GRDM has spoken to the consultants, from a financial perspective to enquire if GRDM can proceed without Knysna, and it seems that we can proceed without them but going to be difficult. "We hope it doesn't work out that way", said the MM. The Municipal Manager urged all political leaders to intervene and to try and resolve the issue relating to participation of Knysna municipality.

The Municipal Manager reported that a water services authority workshop took place with all the municipalities to explain the position of Garden Route and the Section 76 process, and reported that George Municipality does not support it and that other municipalities in the district also participated. The Municipal Manager reported that he has been contacted by the Department of Water Affairs and that a meeting is going to be arranged to explain how the interests of locals will be protected and to ensure that GRDM obtain its accreditation. The Municipal Manager reported that a situation can occur

where the water services authority status of the GRDM covers Kannaland, Oudtshoorn, Knysna and Bitou and maybe exclude George and Mosselbay municipalities.

The Municipal Manager reported that on 13 May 2023, the National Minister of Human Settlements will be visiting Garden Route. The Minister has established a steering committee which is chaired by the Director General of Human Settlements and the GRDM MM. All the Human Settlement challenges of this district, projects left unattended, waiting list crisis, title deeds, FLISP projects, etc, will be investigated. The steering committee held its meeting on 22 March 2023. All municipalities are participating, site visits took place and the next meeting will take place on Friday, 31 March 2023. The process going forward firstly is to plan for the visit of the Minister. A DCF will be organised to welcome the Minister when she is here.

The Municipal Manager reported that Council resolved that GRDM must invite independent power producers to submit proposals on certain properties, and reported that the advertisement will be placed in the newspapers over the weekend and that GRDM has finished the specifications.

The Municipal Manager reported that that GRDM has issues with properties that this Council owns that are situated in Knysna. During a meeting in February 2023 with the Knysna Municipality, GRDM brought to their attention that one of our properties is being leased by them to a private party without authority. The Municipal Manager said because of what is happening with the properties, he has decided to ask Ms Nadiema Davids to deal with matter and then asked permission from the Speaker to allow Ms Davids to give verbal feedback regarding this matter.

Adv Nadiema Davids reported the following:

On Friday, 24 March a case was opened at SAPS, George Office with regard to the lease agreement between Knysna Municipality and the lessee for leasing the portion of the Walkerspoint Backpackers and that they are using it

as a restaurant. A letter was written to Knysna Municipality regarding the fact that they are leasing the property without the consent of GRDM. Adv Nadiema Davids said that at the meeting in February, GRDM informed them of this matter as well. The lease agreement was received and the Acting Municipal Manager of Knysna then, leased the property to the lessee for an amount of R5000 per month. According to the lease agreement it was supposed to be terminated last year November. Adv Davids said that a case was opened at Knysna for the fraudulent lease agreement because GRDM is the owner as per the title deed.

The Case number has been received and Adv Nadiema Davids was contacted by the Warrant officer, who is going to liase with the commercial crimes unit. As soon as more information is received it will be shared with Council.

The Municipal Manager reported that Administration was not aware of the ANC Provincial Conference. Administration sent the dates for the Strategic Session to the Speaker's office and did not receive any feedback. If there are changes, Administration can change the dates again. The Municipal Manager expressed his concern about the financial implications, but promised that if instructed to do so, Administration will change the dates.

Under the Communications of the Municipal Manager, Ald M Booysen communicated the following:

Ald M Booysen said that he has engaged with all his peers, all the other mayors, but is of the opinion that GRDM must go ahead with all the catalytic projects, accreditations, etc. Ald M Booysen said that the landfill site project must go ahead, with or without the participating municipalities.

Under the Communications of the Municipal Manger, Ald S de Vries communicated the following:

Ald S de Vries asked with regard to the feedback from Adv N Davids he wants to know against who the case was opened at Knysna Municipality. Adv N

Dauids responded and said it was opened against Mr Adonis, Acting Municipal Manager of Knysna, who signed the lease agreement. Ald S de Vries raised his concern and said that he is hoping that GRDM are not getting into a tit-for-tat with Knysna Municipality. Ald S de Vries said that attached to our budget, there is a notice from Treasury. According to the notice, in order to strengthen good governance, municipalities are reminded of Section 31(3). Ald S de Vries said that he is not sure whether GRDM have exhausted all IGR mechanisms that are available to us.

Ald S de Vries said that in terms of the visit to Knysna Municipality on 31 March 2023, he hopes that the visit bears fruits, because Knysna Municipality is already in trouble with regards to the refuse site. Ald S de Vries said that Province has problems with bulk water and that the District is going to face problems as some municipalities do not get assistance for bulk water supply. Ald S de Vries said that he is glad to hear that the National Department is involved and that at the DCF's and other structures of government, these matters are also discussed there trying to resolve them.

The Municipal Manager concluded by saying that yesterday he received a letter from the Public Works with regards to the establishment of a National Land Forum. The Forum's terms of Reference are yet to be finalized but it is envisaged to be a platform for all stakeholders to discuss and resolve all issues related to land in our district. Council will receive further feedback as soon as information becomes available.

The Municipal Manager said that on the matter raised by Adv Nadiema Davids, he wishes not to comment on anything that she reported and said that Adv Davids is the delegated official dealing with this matter.

The Municipal Manager said that GRDM will try to pursue Knysna to reconsider their decision.

10. APPROVAL OF MINUTES OF COUNCIL MEETING / GOEDKEURING VAN NOTULES
VAN RAADSVERGADERING / UKWAMKELWA KWEMIZUZU YENTLANGANISO
ZEBHUNGA

10.1 **MINUTES OF A COUNCIL MEETING DATED 27 FEBRUARY 2023 / NOTULE VAN 'N RAADSVERGADERING GEDATEER 27 FEBRUARIE 2023 / IMIZUZU YENTLANGANISO YEBHUNGA YANGOMHLA 27 KWEYEMDUMBA 2023**

RESOLVED

That the minutes of the Council meeting dated 27 February 2023, be approved,

BESLUIT

Dat die notule van die Raadsvergadering gedateer gedateer 27 Februarie 2023, goedgekeur word.

ISIGQIBO

Sesokuba Imizuzu Yentlanganiso yeBhunga yangomhla 27 KweyeMdumba 2023 iphunyezwe.

11. **MINUTES OF MAYORAL COMMITTEE MEETING/ SECTION 79 COMMITTEES AND OTHER COMMITTEES (FOR NOTIFICATION) / NOTULE VAN DIE BURGEMEESTERSKOMITEEVERGADERING/ ARTIKEL 79 KOMITEES EN ANDER KOMITEES (VIR KENNISNAME) / IMIZUZU YEKOMITI KASODOLOPHU KUNYE NEZINYE IKOMITI ZOMHLATHI 79 (ITHATHELWE INGQALELO)**

11.1 **MAYORAL COMMITTEE DATED 30 JANUARY 2023 / UITVOERENDE BURGEMEESTERSKOMITEE VERGADERING GEDATEER 30 JANUARIE 2023 / / IMIZUZU YENTLANGANISO YEKOMITI KASODOLOPHU NGOMHLA 30 KWEYEMQUNGU 2023 (PG 36-66)**

RESOLVED

That the minutes of the Executive Mayoral Committee meeting dated 30 January 2023, be noted.

BESLUIT

Dat kennis geneem word van die notule van die Uitvoerende Burgemeesterskomitee wat plaasgevind het op 30 Januarie 2023.

ISIGQIBO

Sesokuba imizuzu yentlanganiso yeKomiti kaSodolophu nenibanjwe ngomhla 30 kweyoMqungu 2023, ithathelwe ingqalelo.

11.2 **MINUTES OF A BUDGET STEERING COMMITTEE MEETING DATED 25 JANUARY 2023/ NOTULE VAN 'N BEGROTINGSLOODSKOMITEEVERGADERING GEDATEER 25 JANUARIE 2023 / IMIZUZU YENTLANGANO YOLAWULO LOHLAHLOLWABIWO MALI NGOMHLA 25 KWEYOMQUNGU 2023 (PG 67-73)**

RESOLVED

That the minutes of the Budget Steering Committee meeting dated 25 January 2023, be noted.

BESLUIT

Dat kennis geneem word van die notule van die Begrotingsloodskomitee vergadering wat plaasgevind het op 25 Januarie 2023.

ISIGQIBO

Sesokuba imizuzu Yentlangano Yolawulo Lohlahlolwabiwo mali ngomhla 25 kweyomqungu 2023, ithathelwe ingqalelo.

12. **STANDING ITEMS / STAANDE ITEMS / IMIBA EMISIWEYO**

12.1 **APPOINTMENTS, SERVICE EXITS AND LABOUR RELATIONS INFORMATION FOR FEBRUARY 2023 / AANSTELLINGS, UITDIENSTREDINGS EN ARBEIDSVERHOUDINGE FEBRUARIE 2023 / ABAQASHIWEYO, ABASHIYE UMSEBENZI KUNYE NEMICIMBI YEZABASEBENZI KWEYEMDUMBA 2023**

Refer Report dated 10 March 2023 from the Executive Manager Corporate Services (B Holtzhausen)/ Acting Human Resources Manager (C Scheepers) (pg 74-81)

RESOLVED

That the information on the appointments, service exits, and labour relations information for February 2023, be noted.

BESLUIT

Dat kennis geneem word van die aanstellings, uitdienstredings, gelyke indiensenemingspraktyke en arbeidsverhoudinge inligting vir Februarie 2023.

ISIGQIBO

Sesokuba ulwazi ngokuqashwa, ukuphuma kwinkonzo kunye nemicimbi yezabasebenzi kwinyanga KweyeMdumba 2023 kuthathelwe inqgalelo.

12.2 **PROGRESS REPORT ON THE GARDEN ROUTE REGIONAL WASTE MANAGEMENT FACILITY PROJECT/VORDERINGSVERSLAG INSAKE DIE GARDEN ROUTE STREEK AFVALBESTUUR FASILITEIT PROJEC /INGXELO MOKUSELE KWENZIWE KWINDOWO YOLAWULO LWENKUNKUMA YENGINGI YE GARDEN ROUTE**

Refer Report dated 10 March 2023 from the Executive Manager Community Services (C Africa)/ District Waste Manager (J Gie) (pg 82-90)

RESOLVED

That Council notes the progress made on the Garden Route Regional Waste Management Facility Project.

BESLUIT

Dat die Raad kennis neem van die vordering gemaak met die Garden Route Streek Afvalbestuur Fasiliteit Projek.

ISIGQIBO

Sesokuba iBhunga liqaphela inkqubela-phambili eyenziweyo kwiprojekthi yolawulo Lwenkunkuma yenGingqi yeGarden Route.

A. **REPORTS FROM THE SPEAKER / VERSLAE VANAF DIE SPEAKER / IMIBA EVELA KU SOMLOMO**

A.1 None / Geen / Asikho

B. **REPORTS FROM THE EXECUTIVE MAYOR / VERSLAE VANAF DIE UITVOERENDE BURGEMEESTER / IMIBA EVELA KUSODOLOPHU**

B.1. **GARDEN ROUTE DISTRICT MUNICIPALITY DRAFT AMENDED 2022-2027 INTEGRATED DEVELOPMENT PLAN (IDP) / GARDEN ROUTE KONSEP GEWYSIGDE 2022-2027 GEÏNTEGREERDE ONTWIKKELINGSPLAN (GOP) / UYILO LWESICWANGCISO SENDIBANISELWANO YOPHUhLISO SOMASIPALA WESITHILI SE GARDEN ROUTE ESILUNGISIWEYO SIKa 2022/2027**

Refer Report from the Executive Mayor (Ald M Booysen) / Executive Manager Planning and Economic Development (L Menze)(pg. 912-312)

RESOLVED

- 5.1 That Council approves the proposal to amend the 2022-2027 Integrated Development Plan.
- 5.2 That the Draft Amended Integrated Development Plan be published for a period of 21 days for public comments before final approval in May 2023.

BESLUIE

- 5.1 *Dat die Raad die voorstel om die 2022 – 2027 Geïntegreerde Ontwikkelingsplan te wysig, goedkeur.*
- 5.2 *Dat die Konsep Gewysighde Geïntegreerde Ontwikkelingsplan gepubliseer word vir 21 dae vir publieke insette voor finale goedkeuring in Mei 2023.*

ISIGQIBO

- 5.1 Sesokuba iBhunga liphumeze isiphakamiso sokulungiswa Isicwangciso Sendibaniselwano Yophuhliso sika 2022-2027.
 - 5.2 Sesokuba uYilo Olu Lungisiweyo lweSicwangciso Sendibaniselwano Yophuhliso sipapashwe ixesha lentshuku ezingama 21 ukufumana izimzo zoluntu phambi kophunyezo lokugqibela kuCanzibe 2023.
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B.2. REPORT: DRAFT BUDGET 2023/2024 MTREF (MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK) / VERSLAG: KONSEP BEGROTING 2023/2024 MEDIUM TERMYN INKOMSTE EN UITGAWE RAAMWERK (MTIUR) / INGXELO: UYILO LOLWABIWO-MALI LUKA 2023/2024 MTREF (INGENISO YEXESHA ELIFUTSHANE KUNYE NENDLELA YENCITHO)

Refer Report from the Executive Mayor (Ald M Booysen) (pg. 313-698)

RESOLVED

- 1) That the draft annual budget of Garden Route District Municipality for the financial year 2023/24 as set out in the schedules contained in Section 4 and Annexure A be noted:
 - (i) Table A1 Consolidated Budget Summary;
 - (ii) Table A2 Consolidated Budget Financial Performance (by standard classification);
 - (iii) Table A3 Consolidated Budget Financial Performance (by municipal vote);
 - (iv) Table A4 Consolidated Budget Financial Performance (revenue and expenditure); and
 - (v) Table A5 Consolidated Budget Capital Expenditure (by municipal vote and funding source)
 - (vi) Table A6 Consolidated Budget Financial Position;
 - (vii) Table A7 Consolidated Budget Cash Flows
 - (viii) Table A8 Consolidated Cash backed reserves/ accumulated surplus
 - (ix) Table A9 Consolidated Asset Management
 - (x) Table A10 Consolidated basic service delivery measurement
 - 2) That Council takes note of the Operating Revenue Budget of R 519,598,230.
 - 3) That Council takes note of the Operating Expenditure budget of R 523,940,689.
 - 4) That Council takes note of the Capital budget of R 157,500,075.
 - 5) That Council takes note that R 193,150,004 operating income and expenditure as approved by Department of Public Transport for the Roads agency function has been included in the Total Operating budget as per recommendation 1 – 4.
 - 6) That Council takes note of the tariffs for all services. (Annexure B)
 - 7) That Council takes note of the amended budget related policies that have been reviewed and that have been amended, namely:
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- SCM Policy (Annexure H)
- Preferential Procurement Policy (Annexure L)

8) That council takes note of the following policies that have been reviewed and remained unchanged, namely:

- Tariff Policy (Annexure C)
- Funding and Reserve Policy (Annexure G)
- Longterm Financial Management Policy (AnnexureD)
- Borrowing Policy (Annexure K)
- Budget policy (Annexure E)
- Asset Mangement Policy (Annexure F)
- Credit Control and Debt Collection Policy and Bylaw (Annexure I)
- Banking, Cash Management and Investment Policy (Annexure J)
- Petty Cash Policy (Annexure M)
- Cost Containment Policy (Annexure M)

9) That Council takes note of the following Budget Circulars, namely:

- MFMA Circular No 122 (Annexure O)
- MFMA Circular No 123 (Annexure P)

BESLUIT

1. *Dat die Raad kennis neem van die meerjarige konsepbegroting vir Garden Route Distrik Munisipaliteit vir die finansiële jaar 2023/2024 soos uiteengesit in seksie 4 van die begrotingsverslag en Aanhangsel A:*

- (i) Tabel A1 Gekonsolideerde begrotings opsomming;*
 - (ii) Tabel A2 Gekonsolideerde Begrotings Finansiële prestasie (volgens standard klassifikasie);*
 - (iii) Tabel A3 Gekonsolideerde Begrotings Finansiële Prestasie (volgens munisipale segment);*
 - (iv) Tabel A4 Gekonsolideerde Begrotings Finansiële Prestasie (Inkomste en Uitgawes)*
 - (v) Tabel A5 Gekonsolideerde Kapitale Begrotings uitgawes (volgens munisipale segment en befondsing bron)*
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- (vi) Tabel A6 Gekonsolideerde Begroting Finansiële
 - (vii) Tabel A7 Gekonsolideerde Begroting Kontantvloei
 - (viii) Tabel A8 Gekonsolideerde kontant gerugsteunde
reserwes/opgehoopde surplus
 - (ix) Tabel A9 Gekonsolideerde Bate Bestuur
 - (x) Tabel A10 Gekonsolideerde Basiese dienslewering bepaling
2. Dat die Raad kennis neem van die Bedryfsinkomste van R 519,598,230.
 3. Dat die Raad kennis neem van die Bedryfsuitgawes van R 523,940,689.
 4. Dat die Raad kennis neem van die Kapitale Begroting van R 157,500,075.
 5. Dat die Raad kennis neem dat R 193,150,004.00 bedryfsinkomste en bedryfsuitgawes van Departement van Publieke Vervoer vir die paaië agentskapsfunksie ingesluit is by die totale bedryfsbegroting soos per aanbeveling 1 – 4.
 6. Dat die Raad kennis neem van die tariewe vir alle dienste. (Aanhangsel B)
 7. Dat die Raad kennis neem van die aangepaste begrotingsverwante beleide wat hersien en verander is, naamlik:
 - Voorsienings Kanaal Beleid (Aanhangsel H)
 - Voorkeur Verkrygings Beleid (Aanhangsel L)
 8. Dat die Raad kennis neem dat die volgende beleide hersien is en geen veranderinge is aangebring nie, naamlik:
 - Tariewe Beleid (Aanhangsel C)
 - Opgehoopde fondse en reserwe beleid (Aanhangsel G)
 - Lenings Beleid (Aanhangsel K)
 - Langtermyn Finansiële Bestuurs Beleid (Aanhangsel D)
 - Begrotings Beleid (Aanhangsel E)
 - Bate Bestuurs Beleid (Aanhangsel F)
 - Krediet Beheer en Skuld Invorderings Beleid (Aanhangsel I)
 - Bank, Kontantbestuur en beleggings Beleid (Aanhangsel J)
-

- *Kleinkas Beleid Regulasies (Aanhangsel M)*

9. *Dat die Raad kennis neem van die volgende begrotings omsendskrywes, naamlik:*

- *MFMA Omsendskrywe No 122 (Aanhangsel O)*
- *MFMA Omsendskrywe No 123 (Aanhangsel P)*

ISIGQIBO

- 1) Okokuba uyilo lolwabiwo-mali lonyaka loMasipala Wesithili se Garden Route kunyakamali ka 2022/23 njengoko ludandalazisiwe kuluhlu oluqulathwe kuMhlathi 4 nakwisiFakelo A luthathelwe ingqalelo:
 - (i) Table A1 Ushwankathelo Olulungelelanisiweyo Lolwabiwo-Mali
 - (ii) Table A2 Umsebenzi Woshwankathelo Olulungelelanisiweyo Lolwabiwo-Mali (ngokomgangatho wohlelo);
 - (iii) Table A3 Ulwabiwo-Mali Olulungelelwanisiweyo Lomsebenzi Wemali (ngokwevoti somasipala);
 - (iv) Table A4 Ulwabiwo-Mali Olulungelelanisiweyo Lomsebenzi Wezemali (ingeniso nencitho/ndleko); kunye
 - (v) Table A5 Ulungelelwaniwo Lolwabiwo-MaliIncitho/Ndleko Ezingundoqo (ngokwevoti yomasipala nangengeniso enguvimba)
 - (vi) Table A6 Ulungelelwaniwo-Lolwabiwo-Mali Isimo Sezemali
 - (vii) Table A7 Ulungelelwaniwo Lolwabiwo-Mali Ukuqukuqela Kwemali
 - (viii) Table A8 Ulungelelwaniwo Lwemali ebekwe elugcinweni/intsalelo ehlanganisiweyo
 - (ix) Table A9 Ulungelelwaniwo Lolwawulo Lwempahla
 - (x) Table A10 Ulungelelwaniwo lokuqwalaselwa dkoninezelo lwenkonzo ezingundoqo
 - 2) Sesokuba iBhunga lithathele ingqalelo Ulwabiwo Malwi Lwengeniso Eqhubayo ye R 519,598,230.
 - 3) Sesokuba iBhunga lithathele ingqalelo ulwabiwo mali lweNcitho Eqhubayo ye R 523,940,689.
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- 4) Sesokuba iBhunga lithathele ingqalelo ulwabiwo-mali Oluyinkunzi lwe R 157,500,075.
- 5) Sesokuba iBhunga lithathele ingqalelo ukuba yi R 193,150,004.00 yengeniso eqhubayo kunye nencitho nephunyezwe liSebe Lezothutho Loluntu lomsebenzi wobu Arhente iye yabandakanywa/yaqukwa kulwabiwo-mali Oluphetheleyo Oluqhubayo ngokwesizindululo 1 – 4.
- 6) Sesokuba iBhunga lithathele ingqalelo amaxabiso azo zonke iinkonzo(Annexure B).
- 7) Sesokuba iBhunga lithathele ingqalelo ulungiswa ngokutsha kwemigaqo yolwabiwo-mali nethe yaqwalaselwa ngokutsha nethe yalungiswa neyile ilandelayo:
 - Tariff Policy (Annexure C)
 - Funding and Reserve Policy (Annexure G)
 - SCM Policy (Annexure H)
 - Borrowing Policy (Annexure K)
 - Preferential Procurement Policy (Annexure L)
- 8) Sesokuba iBhunga lithathele ingqalelo lemigaqo ilandelayo nethe yaqwalaselwa iye yahlala injalo ingenazinguqu, neyile migaqo ilandelayo:
 - Long term Financial Management Policy (Annexure D)
 - Budget policy (Annexure E)
 - Asset Management Policy (Annexure F)
 - Credit Control and Debt Collection Policy and Bylaw (Annexure I)
 - Banking, Cash Management and Investment Policy (Annexure J)
 - Petty Cash Policy (Annexure M)
 - Cost Containment Policy (Annexure M)
- 9) Sesokuba iBhunga lithathele ingqalelo Izanazinge Zolwabiwo-Mali ezilandelayo, neyizezi:
 - MFMA Circular No 112 (Annexure O)
 - MFMA Circular No 115 (Annexure P)

NB: REPORT C.1 BECAME B.3 ON THE AGENDA.

B.3 DRAFT SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN OF 2023/2024 /VERSLAG – KONSEP DIENSLEWERING EN BEGROTING IMPLEMENTERINGSPLAN VAN 2023/2024 / INGXELO – UYILO LWESICWANGCISO SOKUNIKEZELWA KWEENKONZO NOKUMISELWA KWESICWANGCISO SOLWABIWO-MALI LUKA 2023/2024

Refer Report dated 14 March 2023 from the Executive Mayor (Ald M Booysen) / Manager Performance Management (IG Saaiman)(pg. 699-715)

RESOLVED

That Council takes note of the draft SDBIP for the 2023/2024 financial year.

BESLUIT

Dat die Raad kennis neem van die konsep Dienslewering en Begroting Implementeringsplan vir die 2023/2024 finansiële jaar.

ISIGQIBO

Sesokuba iBhunga lithathela ingqalelo uyilo lweSDBIP yonyaka-mali ka-2023/2024.

C. REPORTS FROM THE OFFICE OF THE MUNICIPAL MANAGER / ITEMS VANAF DIE KANTOOR VAN DIE MUNISIPALE BESTUURDER / IMIBA EVELA KWI OFISI YOMPHATHI MASIPALA

C.1 None / Geen / Asikho

D. REPORTS FROM THE FINANCIAL SERVICES DEPARTMENT / ITEMS VANAF DIE FINANSIËLE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZEMALI

D.1 **DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 FEBRUARY 2023 TO 28 FEBRUARY 2023 / AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 FEBRUARIE 2023 TOT 28 FEBRUARIE 2023 / NGXELO YOTYESHELO: UKUMISELWA KOMGAQO-NKQUBO WOLAWULO LWEZEMALINKCITHO KWIXESHA LOMHLA 1 KWEYEMDUMBA 2023 UKUYA 28 KWEYOMDUMBA 2023**

Refer Report dated 14 February 2023 from the Acting Executive Manager Financial Services (T Loliwe (pg. 716-723)

RESOLVED

1. That the implementation of Section 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 February 2023 to 28 February 2023, be noted.
2. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, there was no approval of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.

BESLUIT

1. *Dat die kennis geneem word van die implementering van Artikel 36 van die Voorsieningskanaal beleid in terme van die afwykings vir die periode van 1 Februarie 2023 tot 28 Februarie 2023.*
2. *Dat kennis geneem word dat in terme van Artikel 114 van die Munisipale Finansiële Bestuurswet, Wet 56 van 2003, daar geen goedkeuring was van tenders wat nie toegeken is in die normale implementering van die Voorsieningskanaalbeleid van die munisipaliteit nie.*

ISIGQIBO

1. Sesokuba ukumiselwa komhlathi 36 woMgaqo Wolawulo Lwencitho yoMasiapala ngokwemimiselo yezotyeshelo kwixesha lomhla 01 KweyoMdumba 2023 ukuya 28 kweyoMdumba 2023, kuthathelwe ingqalelo.

2. Sesokuba kuthathelwe ingqalelo ngokwemimiselo yoMhlathi 114 woMthetho Wolawulo Lwemali zoMasipala, uMthetho 56 wango 2003, akukhange kubekho ziniki maxabiso ezingandululwanga kwinkqubo eqhelekileyo yokumiselwa uMgawo Wolawulo Lwezencitho zomasipala.

D.2 **DEBT WRITE-OFF REPORT 2022/23: QUARTER 1-2 / SKULD AFSKRYWINGSVERSLAG 2022/23: KWARTAAL 1-2 - INGXELO YOKUCINYWA KWETYALA KU 2022/23: KWIKOTA 1-2**

Refer Report dated 06 March 2023 from the Acting Executive Manager Financial Services (T Loliwe) (pg. 724-731)

RESOLVED

That Councils approves the write-off of debtors balances outstanding per category with a total of R 269 829.60 , of which R 236 692.86 was included in the debt impairment which totals for 2021/22, the actual financial implication for 2022/23 of R 33 136.74.

BESLUIT

Dat die Raad goedkeuring verleen vir die afskrywing van debiteure met balanse uitstaande per kategorie met 'n totaal van R 269 829.60, waarvan R236 692.86 alreeds ingesluit was by die voorsiening vir slegte skulde van 2021/22, dus is die werklike finansiële implikasie vir 2022/23 R33 136.74.

ISIGQIBO

Sesokuba iBhunga liphumeze ukucinywa kwamatyala angekahlawulwa ngokoluhlu lwawo nafikelela kwi R 269 829.60 nekuquka I R236 692.86 nethe yanciphisa ityala nelifikelela kuchaphazeleko lwezemali kunyaka mali ka 2022/23 lwemali eli R33 136.74.

D.3 **MID-YEAR ADJUSTMENTS BUDGET FOR THE 2022/23 FINANCIAL YEAR. / HALF JAARLIKSE AANGEPASTE BEGROTING VIR DIE 2022/23 FINANSIËLE JAAR / ULWABIWO-MALI LOMBINDI NYAKA ULUNGISO LONYAKAMALI KA 2022/23**

Refer Report dated 23 March 2023 from the Acting Executive Manager Financial Services (T Loliwe) (pg. 732-739)

RESOLVED

That Council takes note of the Adjustment Budget Assessment Report received from the Provincial Treasury.

BESLUIT

Dat die Raad kennis neem van die Aangepaste Begrotings Asseseringsverslag soos ontvang vanaf Provinsiale Tesourie.

ISIGQIBO

Sesokuba iBhunga lithathele ingqalelo Ingxelo Yoqwalaselo Lolwabiwo-Mali Olulungisiweyo evela kuNondyebo wePhondo.

E. **REPORTS FROM THE CORPORATE SERVICES DEPARTMENT / ITEMS VANAF DIE KORPORATIEWE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLAWULO**

E.1 **REPORT ON ORGANISATIONAL STRUCTURE AMENDMENTS OF FINANCIAL SERVICES DEPARTMENT / VERSLAG RAKENDE ORGANISASIE STRUKTUUR WYSIGINGS VAN FINANSIËLE DIENSTE DEPARTEMENT / INGXELO NGOLUNGISO LWESIMO SOLAWULO LWESEBE LENKONZO ZEMALI**

Refer Report from the Executive Manager Corporate Services (B Holtzhausen) / Acting Human Resources Manager (CE Scheepers) (pg. 740-743)

RESOLVED

That the amendments on the Financial Services Department Structure, be noted and approved for implementation with effect from 1 February 2023:

- That the 1 x Manager: Financial Support post reporting line change from the Executive Manager: Roads and Planning Services to the Executive Manager: Financial Services in the Financial Services Department;

- That the 1 x Clerk: Financial Support reporting line change from the Manager: Financial Support to the Chief Accountant: Procurement & Stores in the Financial Services Department;
- That the 1 x new position of Clerk: Financial Support reporting line change from the Manager: Financial Support to the Chief Accountant: Procurement & Stores in the Financial Services Department and that the Clerk designation be changed to Clerk: Procurement & Stores.

BESLUIT

Dat kennis geneem word van die struktuur wysigings van die Finansiële Dienste Departement vir goedkeuring en implementering met ingang vanaf 1 Februarie 2023.

- Dat die rapporteringslyn van die 1 x Bestuurder: Finansiële Ondersteuning gewysig word vanaf die Uitvoerende Bestuurder: Paaie en Publieke Vervoer na die Uitvoerende Bestuurder: Finansiële Dienste in die Finansiële Dienste Departement;
- Dat die rapporteringslyn van die 1 x Klerk: Finansies gewysig word vanaf die Bestuurder: Finansiële Ondersteuning na die Hoof Rekenmeester: Aankope en Store;
- Dat die rapporteringslyn van die 1 x nuwe pos, Klerk: Finansies gewysig word vanaf die Bestuurder: Finansiële Ondersteuning na die Hoof Rekenmeester: Aankope en Store en die Klerk posbenaming gewysig word na Klerk: Aankope en Store.

ISIGQIBO

Sesokuba izilungiso kuBume beSebe leeNkonzo zeZimali, ziqatshelwe kwaye zamkelwe ukuba ziphunyezwe ukususela ngomhla 01 kweyoMdumba 2023:

- sesokuba isithuba esi-1 uMphathi: weNkxaso yezeZemali sitshintshe umgca wokunika ingxelo ukusuka kuMphathi oLawulayo: liNkonzo zeNdlela noCwangciso ukuya kuMphathi oLawulayo: liNkonzo zeZemali kwiSebe leeNkonzo zeZimali;
-

- sesokuba isithuba esi-1 x UMabhalana: Inkxaso Yezemali sitshintshe ukusuka kuMphathi: Inkxaso yezeMali ukuya kuMcwangcisi-mali oyiNtloko: UkuThenga nokuGcina kwiSebe leeNkonzo zeZemali;
- sesokuba isithuba esi-1 esitsha sikaMabhalane: iNkxaso yezeMali sitshintshe umgca wokunika ingxelo ukusuka kuManejala weNkxaso yezeMali ukuya kuMcwangcisi-mali oyiNtloko: iNtengo & Nezokugcina kwiSebe leeNkonzo zeZimali kunye nokuba igama likaMabhalane litshintshwe libe nguMabhalane: iProcurement & Stores.

E.2 **GARDEN ROUTE SKILLS MECCA PROGRESS REPORT FOR QUARTER - MARCH 2023 /GARDEN ROUTE SKILLS MECCA VORDERINGSVERSLAG VIR KWARTAAL - MAART 2023/ INGXELO YEKOTA YENKUBO YE GARDEN ROUTE SKILLS MECCA – KWEYOKWINDLA 2023**

Refer Report from the Executive Manager Corporate Services (B Holtzhausen) (pg 744-754)

RESOLVED

That Council approves the quarterly progress report on the Garden Route Skills Mecca for the quarter ending March 2023

BESLUIT

Dat die Raad die kwartaalverslag rakende die Garden Route Skills Mecca goedkeur vir die kwartaal wat eindig Maart 2023.

ISIGQIBO

Sesokuba iBhunga liphumeze ingxelo yenkubela yekota kwiGarden Route Skills Mecca kwikota ephela kweyoKwindla 2023.

E.3 **EFFECTIVE STAFF UTILISATION QUARTERLY PROGRESS REPORT FOR MARCH 2023 / VORDERINGVERSLAG OP EFFEKTIEWE PERSONEEL AANWENDING VIR KWARTAAL MAART 2023 / INGXELO YEKOTA NGOKUSETYENZISWA NGOKUFANELEKILEYO KWABASEBENZI KWINYANGA YOKWINDLA 2023**

Refer Report from the Executive Manager Corporate Services (B Holtzhausen) (pg 755-767)

RESOLVED

That Council approves the report on progress with the implementation of the Effective Staff Utilisation Policy for March 2023.

BESLUIT

.Dat die Raad die vordering met die implementering van die Effektiewe Personeelaanwendingsbeleid vir Maart 2023, goedkeur.

ISIGQIBO

Sesokuba iBhunga liphumeze ingxelo ngenkqubela-phambili yokuphunyezwa koMgaqo-Nkqubo Wokusetyenziswa Kwabasebenzi Ngokufanelekileyo kweyoKwindla 2023.

E.4 **EXTENSION OF THE SYNOPSIS SOLUTIONS STRATEGIES CC CONTRACT /
VERLENGING VAN DIE SYNOPSIS SOLUTIONS STRATEGIES CC KONTRAK /
UKANDISWA KWESIVUMELWANO SOBUCHULE SE CC SYNOPSIS SOLUTIONS**

Refer Report from the Executive Manager Corporate Services (B Holtzhausen) (pg 768-811)

RESOLVED

1. That Council takes note of the contents of the report.
2. That Council approves the extension of Synopsis Solutions Strategies CC contract for a period of eighteen (18) months from 1 April 2023 until the end of September 2024.
3. That the local community is given notice of the intention to extend the Synopsis Solutions Strategies CC contract as determined by Section 116 of the Municipal Finance Act 56 of 2003.
4. That the local community is invited to submit representations to the municipality on the matter.

BESLUIE

1. *Dat die Raad kennis neem van die inhoud van die verslag.*
2. *Dat die Raad die verlenging van die huidige kontrak van Synopsis Strategies CC vanaf 1 April 2023 tot die einde van September 2024, goedkeur.*
3. *Dat die plaaslike gemeenskap in kennis gestel word rakende die voorneme om Synopsis Solutions Strategies CC kontrak te verleng soos bepaal deur Artikel 116 van die Wet op Munisipale Finansiële Bestuur 56 van 2003.*
4. *Dat die plaaslike gemeenskap uitgenooi word om verhoë rakende die aangeleentheid by die munisipaliteit in te dien.*

ISIGQIBO

1. Sesokuba iBhunga lithathele ingqalelo umongo wengxelo.
-

2. Sesokuba iBhunga liphumeze ukwandiswa kwesivumelwano se Synapsis Solutions Strategies CC ixesha elingange nyanga ezilihumi elinesibhozo(18) ukususela ngomhla 1 kuTshazimpuzi 2023 ukuya ekupheleni kwenyanga yoMsintsi 2024.
3. Sesokuba uluntu lwasekuhlaleni luyaziswa ngenjongo zokwandiso kwesivumelwano nabakwa Synapsis Solutions Strategies CC njengoko kufunwa liCandelo 116 loMthetho Wemali zoMasipala umthetho 56 wango 2003.
4. Sesokuba uluntu lwasekuhlaleni lucelwe ukuba lunikezele abameli kumasipala ngalomba.

F. REPORTS FROM THE COMMUNITY SERVICES DEPARTMENT / ITEMS VANAF DIE GEMEENSKAPSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLUNTU

F.1 None / Geen / Asikho

G. REPORTS FROM THE ROADS AND TRANSPORT PLANNING SERVICES DEPARTMENT / ITEMS VANAF DIE PAAIE EN VERVOER BEPLANNINGSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZENDLELA KUNYE NEZICWANGCISO KWEZOTHUTHO

G.1 NONE / GEEN / AZIKHO

H. REPORTS FROM THE PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT / ITEMS VANAF DIE BEPLANNING EN EKONOMIESE DIENSTE DEPARTEMENT / IMIBA YESEBE LEZOCWANGCISO KUNYE NOPHUHLISO LOQOQOSHO

H.1 **QUARTERLY REPORT (2) – DETAILED IMPLEMENTATION OF THE GRDM'S AFFORDABLE HOUSING PROGRAMMES & PROJECTS (SH/FLISP/GAP INITIATIVES) / KWARTAALV ERSLAG (2) – GEDETAILLEERDE IMPLEMENTERING VAN DIE GRDM SE BEKOSTIGBARE BEHUISINGS PROGRAM & PROJEKTE (SH/FLISP/GAP-INISIATIEWE) / INGXELO NGEKOTA (2) – INGCACISO YOKUMISELWA KWEENKQUBO KUNYE NEPROJEKTHI YEZINDLU EZIFIKELELEKAYO ZE-GRDM (AMHULO E SH/FLISP/GAP)**

Refer Report from the Executive Manager Planning and Development Services (L Menze)/ Manager Human Settlements (J Mkunqwana) (pg 812-842)

RESOLVED

- 5.1 That Council take note of the status of the GRDM' Affordable Housing programmes and projects.
- 5.2 That Council consider the related status of the GRDM's Affordable Housing Programmes and Projects which now constitute the second cycle of Quarterly reports.
- 5.3. That Council takes note that this is in line with formal reporting of Top Layer (59) Annual Performance requirements with the next 3rd Quarterly Update Report to be submitted during May 2023.

BESLUIT

- 5.1 *Dat die Raad kennis neem van die status van die GRDM se programme en projekte vir bekostigbare behuising.*
- 5.2 *Dat die Raad die verwante status van die GRDM se bekostigbare behuisingsprogramme en -projekte, wat nou die tweede siklus van kwartaallike verslae uitmaak, oorweeg.*
- 5.3. *Dat die Raad kennis neem dat dit in ooreenstemming is met die formele verslagdoening van Toplaag (59) Jaarlikse Prestasievereistes met die volgende 3de kwartaallike opdateringsverslag wat gedurende Mei 2023 ingedien moet word.*

ISIGQIBO

- 5.1 Sesokuba iBhunga lithathele ingqalelo ubume benkqubo zeZindlu ezifikelelekayo kunye neeprojekthi ze GRDM.

- 5.2 Sesokuba iBhunga lithathele ingqalelo lize liqaphele imeko enxulumeneyo yeeNkqubo neeProjekthi zeZindlu eziZifikelelekayo ze-GRDM's ngoku ezenza umjikelo wesibini weengxelo zeKota.
- 5.3. Sesokuba iBhunga liqaphele ukuba oku kuhambelana nengxelo esesikweni yoLuhlu oluPhezulu (59) lweemfuno zoMsebenzi zoNyaka kunye neNgxelo yoHlaziyo lweKota elandelayo yesi-3 eza kungeniswa ngoCanzibe 2023.

H.2 **QUARTERLY REPORT (2) – DETAILED ANALYSIS ON THE DRAFT GRDM TOWN PLANNING STRATEGIC ELEMENTS AS WELL AS PROGRESSIVE ACQUISITION OF PUBLIC /PRIVATE LAND FOR HOUSING / INGXELO YEKOYA(2)- UHLALUTYO OLUNGQALIILEYO LOYILO LWESICWANGCISO SE GRDM LWEDOLOPHU IMIPHUMELA YOCWANGCISO KUNYE NOKUFUMANA OKUQHUBEKAYO KURHULUMENTE**

Refer Report from the Executive Manager Planning and Development Services (L Menze)/ Manager Human Settlements (J Mkunqwana) (pg 843-878)

RESOLVED

- 5.1 That Council takes note of the second Quarterly Report on a proposed GRDM Town planning Framework for use of targeted Municipal and State Properties towards meeting of its long-term affordable development requirements.
- 5.2 That Council takes note that none of the properties linked to a previous Land Audit exercise undertaken by the GRDM on 24 January 2018 based on the listing of all its properties are conducive for required development of affordable housing opportunities since these are outside approved Gazetted Restructuring Zones and Priority Human Settlements Housing Development Areas (PHSHDAs) as required by the JDMA/DDM and One Plan objectives and eventuality.
- 5.3 That Council takes note that the targeted formally submitted State properties best represent an opportunity to acquire and leverage these for long-term development relative to the affordable housing commitments of the GRDM.
-

- 5.4 That Council takes note that when successfully acquired from the State and subsequent feasibility studies undertaken, these properties will subsequently be handed over to the GRDM' social housing partner, Own Haven Housing Company as well as other entities procured through the GRDM's SCM and competitive Bid processes for development and long-term management for social housing rental purposes.

BESLUIT

- 5.1 *Dat die Raad neem kennis van die tweede Kwartaallikse Verslag rakende die voorgestelde GRDM Stadsbeplanningsraamwerk vir die gebruik van geteikende Munisipale en Staatseiendomme om aan die langtermyn bekostigbare ontwikkelingsvereistes, te voldoen.*
- 5.2 *Dat die Raad neem kennis dat geen van die eiendomme wat gekoppel is aan 'n vorige Grondoudit-oefening wat deur GRDM op 24 Januarie 2018 onderneem is op grond van die lys van al sy eiendomme bevorderlik is vir die vereiste ontwikkeling van bekostigbare behuisingsgeleenthede nie aangesien dit buite goedgekeurde Staatskoerant-herstruktureringsones is, en dat die Prioriteit Menslike Nedersettings Behuisingsontwikkelingsgebiede (PHSHDA's) soos vereis deur die JDMA/DDM en Eenplan doelwitte en gebeurlikheid.*
- 5.3 *Dat die Raad neem kennis dat die geteikende formeel ingediende staatseiendomme die beste 'n geleentheid verteenwoordig om dit te bekom en te benut vir langtermynontwikkeling relatief tot die bekostigbare behuisingsverbintenisse van die GRDM.*
- 5.4 *Dat die Raad neem kennis dat, wanneer dit suksesvol van die Staat verkry word en daaropvolgende uitvoerbaarheidstudies onderneem word, hierdie eiendomme daarna oorhandig sal word aan die GRDM se maatskaplikebehuisingsvennoot, Own Haven Housing Company asook ander entiteite wat deur die GRDM se SCM en mededingende Bod verkry is. prosesse vir ontwikkeling en langtermynbestuur vir maatskaplike behuisingshuurdoeleindes.*
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ISIGQIBO

- 5.1 Sesokuba kuthathelwe ingqalelo kwiNgxelo yeKota yesibini ngeSikhokelo socwangciso seDolophu ye-GRDM ecetywayo ukuze kusetyenziswe iMihlaba kaMasipala kunye neMihlaba yoMbuso ekujoliswe kuyo ukuze kuhlangatyezwane neemfuno zophuhliso olufikelelekayo lwexesha elide.
- 5.2 Sesokuba kuthathelwe ingqalelo ukuba akukho mihlaba enxulunyaniswa nomsebenzi woPhicotho-zincwadi lwangaphambili olwenziwa yi-GRDM ngomhla wama-24 kweyoMqungu 2018 ngokusekwe kuluhlu lwayo yonke iimihlaba yayo elungele uphuhliso olufunekayo lwamathuba ezindlu ezifikelelekayo njengoko ezi zingaphandle kweZowuni eziVunyiweyo zoLungiselelo lweGazethi kunye. IiNdawo eziPhambili zoPhuhliso lweZindlu zokuHlaliswa koLuntu (PHSHDAs) njengoko kufunwa yi-JDMA/DDM kunye neenjongo zeSicwangciso esiNye kunye nekamva.
- 5.3 Sesokuba kuthathelwe ingqalelo ukuba imihlaba echongiweyo efakwe ngokusesikweni kaRhulumente imele ithuba lokufumana nokusebenzisa ezi zinto kuphuhliso lwexesha elide ngokunxulumene nezibophelo zezindlu ezifikelelekayo ze-GRDM.
- 5.4 Xa zifunyenwe ngempumelelo kuRhulumente kunye nophononongo lokunokwenzeka oluthe lwenziwa, ezi zakhiwo ziya kuthi emva koko zinikezelwe kwiqabane lezindlu zezentlalo lika-GRDM, i-Own Haven Housing Company kwakunye namanye amaqumrhu athengwe nge-SCM ye-GRDM kunye neenkqubo zokhuphiswano lweBid zophuhliso kunye nexesha elide. -ulawulo lwexesha ngeenjongo zokurentisa kwizindlu zokuhlala.

I. NOTICE OF URGENT MOTIONS / KENNISGEWING VAN DRIGENDE MOSIES / ISAZISO SEZIPHAKAMISO

- I.1 None / Geen / Azikho

J. NOTICES OF MOTIONS / KENNISGEWING VAN MOSIES / ISAZISO SEZIPHAKAMISO

- J.1 None / Geen / Azikho

K. IN CLOSED SESSION / IN GESLOTE SESSIE / KWI-SASHONI YASEKHUSINI

K.1 In-Closed Session agendas were distributed separately.

CLOSURE / SLUITING / UQUKUNJELO

The meeting closed at 13:09 with 34 Councillors present / *Die vergadering sluit om 13:09 met 34 Raadslede teenwoordig* / Intlanganiso ivalwe ngo 13:09 iNooceba abayi 34.

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.....

SPEAKER: ALD GR WOLMARANS

DATE / DATUM / UMHLA

BACK TO AGENDA



Minutes of a **Special Council meeting of**
 the 2021/2026 term of
 Garden Route District Council held at the **Premier Hotel, Knysna and on Zoom**, on
Thursday, 20 April 2023 at 10:00

*Notule van 'n **Spesiale Raadsvergadering** van*
die 2021/2026 termyn
*van Garden Route Distriksraad gehou by die **Premier Hotel, Knysna en via on Zoom***
*op **Donderdag, 20 April 2023 om 10:00***

Imizuzu **Yentlanganiso yeBhunga eKhethekileyo**
 yexesha 2021/2026 yoMasipala Wesithili se Garden Route
 nebibanjwe **ePremier Hotel, Knysna,nakuZoom, NgoLwesine, 20 KuTshazimphuzi**
2023 ngo 10:00

**1. OPENING AND WELCOMING / OPENING EN VERWELKOMING / UVULO
NOLWAMKELO**

The Speaker, Ald GR Wolmarans welcomed everybody present and thanked them for their attendance.

**2. EVACUATION PROCEDURES / ONTRUIMINGSPROSEDURES / IKNQUBO
YOKUFUDUSWA**

Evacuation procedures were explained by the Speaker

**3. SILENT PRAYER (MEDITATION) / STILLE GEBED (MEDITASIE) / UMTHANDAZO
OTHULEYO**

Cllr H Stroebel opened the meeting with a prayer.

4. ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO

4.1 COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG / OOCCEBA ABAKHOYO

Ald M Booysen	DA
Ald GR Wolmarans	DA
Cllr / Rdl / Ceba K Malooi	DA
Cllr / Rdl / Ceba P Terblanche	DA
Cllr / Rdl / Ceba CA Swart	DA
Cllr / Rdl / Ceba JG Meiring	DA
Cllr / Rdl / Ceba J Hoogbaard	DA
Ald CN Lichaba	ANC
Ald S De Vries	ANC
Cllr / Rdl / Ceba JJ Cornelius	ICOSA
Cllr / Rdl / Ceba D Saptoe	Good
Cllr / Rdl / Ceba V Gericke	PBI
Cllr / Rdl / Ceba D Acker	FREEDOM FRONT PLUS
Ald V Gericke	George Municipality
Cllr GJ van Niekerk	George Municipality
Ald IC Krtzinger	George Municipality
Cllr / Rdl / Ceba D L Cronje	George Municipality
Cllr / Rdl / Ceba SM Toto	George Municipality
Cllr / Rdl / Ceba RJ Hector	George Municipality
Cllr / Rdl / Ceba JP Buys	George Municipality

Cllr / Rdl / Ceba B van Noordwyk	Hessequa Municipality
Cllr / Rdl / Ceba CP Taute	Hessequa Municipality
Cllr / Rdl / Ceba HRT Stroebeel	Knysna Municipality
Cllr / Rdl / Ceba N Ndayi	Bitou Municipality
Cllr / Rdl / Ceba NT Seti	Bitou Municipality
Cllr / Rdl / Ceba V Bavuma	Mossel Bay Municipality
Cllr / Rdl / Ceba M Kannemeyer	Mossel Bay Municipality
Cllr / Rdl / Ceba MA Mkonto	Mossel Bay Municipality
Ald JC Lambaatjeen	Oudtshoorn Municipality
Cllr / Rdl / Ceba S van Rooyen	Oudtshoorn Municipality
Cllr / Rdl / Ceba RJ April	Oudtshoorn Municipality

OFFICIALS / AMPTENARE / AMAGOSA

Mr / Mnr / Mnu MG Stratu	Municipal Manager
Ms / Me / Nkzn B Holtzhausen	Executive Manager Corporate Services
Mr / Mnr / Mnu T Loliwe	Acting Executive Manager Financial Services
Mr / Mnr / Mnu L Menze	Executive Manager Economic Development and Planning
Mr / Mnr / Mnu C Africa	Executive Manager Community Services
Mr/Mnr /Mnu JG Daniels	Executive Manager Roads and Transport Services
Adv. S Magekeni	Manager Integrated Support Services & Legal Compliance
Adv. N Davids	Manager Legal Service
Mr / Mnr / Mnu S Dladla	Chief of Staff: Office of the Executive Mayor
Mr / Mnr / Mnu B Desha	Snr Committee Officer / Translator / Interpreter
Ms / Me / Nkszn T Gauzela	Committee Officer
Ms / Me /Nkszn C van Wyngaardt	Committee Officer
Mr / Mnr / Mnu H Pieters	Manager Communications
Ms / Me / Nkszn I Saaiman	Manager: Performance Management
Ms / Me / Nkszn L James	Chief Risk Officer

Ms / Me / Nkszn N Klaas	Manager: Policy Researcher, Development & Coordinator
Mr / Mnr / Mnu S Dladla	Chief of Staff: Office of the Executive Mayor
Mr / Mnr / Mnu C Martin	Manager: Income, Bank Recon, Expenditure and Remuneration
Mr / Mnr / Mnu R Dyantyi	Manager EPWP
Mr / Mnr / Mnu T Mpuru	Manager SCM, Data and Stores
Ms / Me / Nkszn M James	Manager: IDP
Mr / Mnr / Mnu G Otto	Disaster Management Manager
Ms / Me / Nkszn S Sims	Manager: Human Settlements
Mr / Mnr / Mnu J Mkunqwana	Manager: Human Settlements
Mr / Mnr / Mnu J Compion	Manager Municipal Health Services
Mr / Mnr / Mnu J Gie	District Waste Manager
Dr J Schoemann	Manager Air Quality
Mr / Mnr / Mnu L Shoto	Acting Manager Human Resources
Mr / Mnr / Mnu D Stoffels	Fire Chief
Ms / Me / Nkszn L Jansen van Rensburg	Acting Manager: HR

4.2 **COUNCILLORS AND OFFICIALS WITH LEAVE / RAADSLEDE EN AMPTENARE MET VERLOF / OCEBA ABAKWIKHEFU**

Cllr / Rdl / Ceba NV Gungubele	ANC
Cllr / Rdl / Ceba HD Ruiters	ICOSA
Cllr / Rdl / Ceba S Toto	George Municipality
Ald RH Ruiters	Mossel Bay Municipality

4.3 **COUNCILLORS ABSENT WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OCEBA ABANGEKHO**

Cllr / Rdl / Ceba D Saptoe	GOOD
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5. **NOTING OF THE PROVISIONS OF SCHEDULE 7 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES AMENDMENT ACT, 2021 / KENNISNAME VAN DIE VOORSKRIFTE VAN SKEDULE 7 (GEDRAGSKODE VIR RAADSLEDE) VAN DIE PLAASLIKE REGERING MUNISIPALE AANGEPASTE STRUKTUREWET, 2021 / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOOCEBA) UMTHETHO WEZOLAWULO LOMASIPALA WORHULUMENTE WASEKHAYA, 2021**

The Code of conduct was noted.

6. **DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE / UKUCHAZWA KOMDLA NGOOCEBA KUNYE NAMAGOSA**

Mr Thembani Loliwe declared his interest with regards to report E.1 on the agenda.

7. **COMMUNICATIONS BY THE SPEAKER / MEDEDELINGS DEUR DIE SPEAKER / UNXIBELELWANO LUKASOMLOMO**

The Speaker reported the following:

The Speaker informed the Councillors that she received a resignation letter from Cllr D Saptoe, effective 30 April 2023.

The Speaker informed the Councillors that there will be a slight change on the agenda. Report B.1 will be dealt with first, secondly report E.2 and report E.1 will be dealt with last.

Under the Communications of the Speaker, Ald CN Lichaba communicated the following:

Ald CN Lichaba expressed her dissatisfaction with regard to the late receipt of the Council agenda and said that GRDM should adhere to the time line of the agendas.

**8. COMMUNICATIONS BY THE EXECUTIVE MAYOR / MEDEDELINGS DEUR DIE
UITVOERENDE BURGEMEESTER / UNXIBELELWANO LUKA SODOLOPHU**

The Executive Mayor reported the following:

The Executive Mayor reported that Council made a decision to have Council meetings on a monthly basis and then it was changed to bi-monthly, and suggested that the decision may have to be revisited to accommodate both the Councillors and the Officials in light of the complaint from Ald Lichaba.

Under the Communications of the Executive Mayor, the Municipal Manager responded by saying the following:

The Municipal Manager enquired about the rules of distributing Special Council Agendas. The Municipal Manager said that the Speaker has never informed him that his Administration is distributing agendas late.

The Speaker then responded by saying that the request to host this Special Council was presented to her office late, but because of the important nature of the content of the reports on the agenda, she agreed. The Speaker then quoted Rule number 7 of the Rules of Order and said that for Special Council meetings, 3 days is allowed for the distribution of agendas.

The Executive Mayor said that this was a very busy week. There was the "Walk a Child to School" campaign. The Executive Mayor reported that this year, 21 schools were assisted and that 40 pairs of school shoes per school were distributed. He said that the GRDM would like to assist every school in the region, but the resources are limited. The Executive Mayor thanked all the partners who assisted with the campaign, the Road Accident Fund, the Friends of the George Museum, Eden FM, Garden Route Mall, Vodacom, officials and councillors of GRDM and CCMA. The Executive Mayor said that his office has been receiving a lot of phone calls with regard to this initiative and that hopefully by next year, this campaign will take another form, and that dignity packs will be distributed with this initiative, especially for girls. The Executive Mayor said that this is a very sensitive issue. When you distribute the sanitary pads to the girls they might be

embarrassed to receive it. The Executive Mayor then concluded by saying as soon as more information is available, he will inform Council about the next years campaign.

The Executive Mayor requested that when the second part of this day, commences (strategic session) that Cllrs support, provide positive inputs, etc to take this district forward.

Under the Communications of the Executive Mayor, Ald S de Vries communicated the following:

Ald S de Vries said that at a previous Council meeting, GRDM concluded that a social compact be developed and that Executive Mayor, will start this process which will include all the parties of this Council. Ald de Vries then asked the Executive Mayor how far the social compact project is and whether it will still continue.

Ald S de Vries said that he is appreciative of this donations to schools and that the matter of the distribution of the sanitary pads to girls must be dealt with very carefully.

Under the Communication of the Executive Mayor, Ald V Gericke communicated the following:

Ald V Gericke also expressed his gratitude with regards of the project of the Executive Mayor, the distribution of school shoes to learners in the GRDM area and said that he attended the function yesterday and encouraged the Executive Mayor to continue with this campaign.

Ald V Gericke said that he understands the protection of rights especially when posting pictures of children and requested the Administration to ask advice from the legal section with regard to this matter because it is also important to show what GRDM does in terms of social impact in societies.

The Executive Mayor responded by saying that the draft document on the Social Compact is in draft form and that it will be distributed to all the parties for discussion.

9. COMMUNICATIONS BY THE MUNICIPAL MANAGER / MEDEDELINGS DEUR DIE MUNISIPALE BESTUURDER / UNXIBELELWANO LOMPHATHI MASIPALA

The Municipal Manager congratulated the Communications Department with the award that they won at the SALGA communicators Conference for the most updated social media platform in South Africa out of all 44 District Municipalities in the country.

B. REPORTS FROM THE EXECUTIVE MAYOR / VERSLAE VANAF DIE UITVOERENDE BURGEMEESTER / IMIBA EVELA KUSODOLOPHU

B.1. REPORT: SECTION 52 – RESPONSIBILITIES OF MAYOR / VERSLAG: ARTIKEL 52 VERANTWOORDELIKHEDE VAN DIE BURGEMEESTER / INGXELO: U MHLATHI 52 - UXANDUVA LUKA SODOLOPHU

Refer Report from the Executive Mayor (Ald M Booysen) (pg 6-69)

RESOLVED

That Council notes the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 31 March 2023.

BESLUIT

Dat die Raad kennis neem van die kwartaalverslag rakende die implementering van die begroting en die finansiële posisie van die munisipaliteit vir die jaar tot datum en die kwartaal wat eindig 31 Maart 2023.

ISIGQIBO

Sesokuba iBhunga lithathele ingqalelo ingxelo ngokumiselwa kolwabiwo-mali kunye nemivimbi yezemali zomasiapala kunyaka uzakuthi ga ngomhla kunye Nekota ephela 31 kweyoKwindla 2023.

NB: Report E.2 was dealt with first.

E. REPORTS FROM THE CORPORATE SERVICES DEPARTMENT / ITEMS VANAF DIE KORPORATIEWE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLAWULO

E.2 PROPOSED CLOSURE OF OFFICES ON 28 APRIL 2023 / VOORGESTELDE SLUITING VAN DIE KANTORE VIR 28 APRIL 2023 / ISIPHAKAMISO SOKUVALWA KWE OFISI NGE 28 APRIL 2023

Refer Report from the Executive Manager Corporate Services (B Holtzhausen) (pg 134-136)

RESOLVED

- 5.1 That Council takes note of the report.
- 5.2 That Council approves that the Garden Route District Municipality offices be closed on 28 April 2023.
- 5.3 That the notices of the closure be published on notice boards and municipal website.
- 5.4 That departments ensure that all essential services continue as per arrangement on the day.
- 5.5 That all officials submit annual leave on Friday, 28 April 2023.

BESLUIE

- 5.1 *Dat die Raad kennis neem van die verslag.*
 - 5.2 *Dat die Raad die sluiting van kantore van die Garden Route Distriksmunisipaliteit op 28 April 2023, goedkeur.*
 - 5.3 *Dat die kennisgewings van die sluiting van kantore gepubliseer sal word op kennisgewingsborde en die munisipale webtuiste.*
 - 5.4 *Dat departemente verseker dat alle essensiële dienste voortgaan volgens reëlins op die dag.*
 - 5.5 *Dat alle amptenare jaarlikse verlof indien vir Vrydag, 28 April 2023.*
-

ISIGQIBO

- 5.1 Sesokuba iBhunga liyithathela ingqalelo ingxelo.
- 5.2 Sesokuba iBhunga liphumeze ukuba ii-ofisi zikaMasipala weSithili saseGarden Route zivaliwe ngomhla wama-28 kuTshazimpuzi 2023.
- 5.3 Sesokuba izaziso zokuvalwa zipapashwe kwiibhodi zezaziso kwiibhodi zezaziso nakwiiwebhusayithi.
- 5.4 Sesokuba amasebe aqinisekise ukuba zonke iinkonzo eziyimfuneko ziyaqhubeka ngokwamalungiselelo osuku.
- 5.5 Sesokuba onke amagosa afake ikhefu ngoLwesihlanu, 28 kuTshazimpuzi 2023.

NB: A Caucus was requested by the Executive Mayor, ALD M Booysen. The meeting paused at 11:15 and resumed at 12:15.

A Caucus was requested by Ald De Vries. The meeting paused 12:17 and resumed at 12:32

E.2 APPOINTMENT PROCESS FOR THE EXECUTIVE MANAGER: FINANCIAL SERVICES / AANSTELLINGSPROSES VIR DIE UITVOERENDE BESTUURDER: FINANSIËLE DIENSTE / INKQUBO YOKUQESHA KOMPETHI OLAWULAYO: IINKONZO ZEZIMALI *report from the Executive Manager: Corporate Services (B. Holtzhausen)/Acting Manager: Human Resources (C Scheepers) (pg 70-133)*

After the caucus by the Multi Party, the following discussions took place

Ald M Booysen said that a number of questions came out from the caucus based on what is presented, Ald M Booysen then proposed that the report be referred back and that the expert panel members and consultant that formed part of the interview be invited to the Meeting to answer the clarity seeking questions that arose during the caucus, especially on how the panel derived to the recommendations in the report that is currently presented in the report. The Executive Mayor said that during discussions in the caucus some of the Councillors is of the belief that there is information outstanding that should have formed part of the documentation that was distributed to Councillors. The Executive Mayor said the caucus questions will be given to the Municipal Manager so when the invitation is distributed to the panel members, they are aware of questions and to provide the necessary outstanding document in order for Councillors to apply their mind and make informed a decision.

The Municipal Manager informed Council that it appointed a panel in terms of Legislation. The Panel consist of himself, Ald JC Lambaatjeen and Mr Memani (Municipal Manager of Bitou Municipality). The Municipal Manager asked a

clarity seeking question and asked who is the expert panel member that the Executive Mayor is referring to?

The Speaker asked when this Council meeting must take place and the Executive Mayor responded by saying as soon as possible.

The Municipal Manager said that he is still unclear with regard to the proposal from the Executive Mayor. The report on the agenda is the recommendations from the panel. The Municipal Manager said that Council appointed the panel and said that Administration must seek the assistance of consultants for the appointment of the CFO.

The Executive Mayor asked if the consultants are still in possession of documents.

The Municipal Manager responded and said that the consultants is done doing their work and that all the documentation that was send to the consultants was returned to the municipality. If anything is outstanding it can be provided to the Councillors.

The Executive Mayor made an example with regards to the information on the report and made reference to the score sheet of the applicants, and said that the preferred did not score the highest at certain areas and that leads to questions from the Councillors.

The Municipal Manager responded and said that Council has not given the panel an opportunity to present its report.

The Executive Mayor responded and said that the panel has presented its report and is contained in the agenda. The Councillors has gone through the report. The Executive Mayor said that usually when reports of this nature is being dealt with and the Councillors are not satisfied, the request more information from administration or the panellist.

Ald S de Vries said that in terms of the Mayors' proposal Council should thread very carefully. Ald S de Vries said that he will support the recommendation of the Executive Mayor, but with caution and not to set a president. Ald S de Vries said that Council must at all times deal with matters within the different processes. Ald S de Vries concluded by saying Council is not aware of the questions that the Multi Party has, but if it is to assist Council to deal with this matter diligently, the ANC will support such a request.

Ald V Gericke asked if Council is currently In-Closed? The Speaker responded and said no this is an open meeting. Ald V Gericke said that Council is currently discussing staff matters and should in In-Closed and that the law requires it.

Ald V Gericke said that he is confused because he listened to the Executive Mayor and what the Municipal Manager has said and agrees that Council recommended the panel member and that Administration has appointed the consultant. Ald V Gericke then asked if it is not going to be considered interference in Administration if Council request the Consultants to present? Ald V Gericke said Council can only ask the panel clarity questions if there are any outstanding matters. Ald V Gericke said that panel must inform Council with regards to how they have arrived at their recommendations and if there is grey areas to defer the matter until proper consultation is provided.

Ald G van Niekerk said that when the multi party came to their conclusion during the caucus they assumed that the outstanding documentation is with the initiator. After listening to the Municipal Manager, it seems that all the information that the multi party is requesting is with the panel. Ald G van Niekerk said Council has a short list with four possible candidates and after scrutinizing the information that is contained in the agenda, clarity seeking questions arose because due to the fact that information does not form part of the agenda. Ald G van Niekerk said that if the opposition party has questions with regards to the report, they must put it on the table in order for the Municipal Manager to be more prepared when discussions take place at the next Council meeting.

Ald V Gericke said that the Municipal Manager is the Chairperson of the panel and why is he not given the opportunity to discuss the report now at this meeting. Ald V Gericke said that they do not have any reservations only a couple of concerns. Ald V Gericke said that it would be pointless to refer the matter back, why not just deal with it now at this meeting.

Ald M Booysen said that there is a reason why this report is not on the In-Closed Agenda and that it is the first time ever that it is happening but there is a reason why he is proposing this route to be taken. Ald M Booysen said that Council has never questioned outcomes of a process of this nature and the believe was this matter would have taken Council 5 minutes to make a decision. This puts us Council in a predicament. Usually staff matters are dealt with in-committee and does not want to expose the Municipal Manager and unintentionally disadvantage the councillors that are currently online because Council has made a decision that whenever Council is in-committee no zoom link will be available and cant be part of it, hence the referral of this report and that can be done in-committee

Ald S de Vries then proposed an additional recommendation and said that all the parties submit their questions to the office of the Executive Mayor and that the questions then be forwarded to the office of the Municipal Manager. In order to avoid issues when Council resumes again to discuss the matter.

RESOLVED

1. That the report be referred back and that the panel members be invited to a Special Council meeting to answer all the questions and provide the relevant documentation with regards to their final conclusion and recommendations with regards to the appointment process for the Executive Manager: Financial Services.
2. That the Councillors forward their respective questions to the Office of the Executive Mayor, whereafter the questions will be submitted to the Office of the Municipal Manager and then be discussed at an In-Closed Special Council meeting that will be called.

BESLUIT

1. *Dat die verslag terugverwys word en dat die paneellede uitgenooi word na 'n Spesiale Raadsvergadering om al die vrae te beantwoord en die relevante dokumentasie te verskaf met betrekking tot hul finale gevolgtrekking / aanbeveling rakende die aanstellingsproses vir die Uitvoerende Bestuurder: Finansiële Dienste.*
2. *Dat die Raadslede hulle onderskeie vrae na die Kantoor van die Uitvoerende Burgemeester verwys, waarna die vrae aan die Kantoor van die Munisipale Bestuurder voorgelê word en dan tydens 'n In-geslote Spesiale Raadsvergadering bespreek word, wat bepaal sal word.*

ISIGQIBO

1. Sesokuba lengxelo ibuyiselwe umva kwaye amalungu esigqeba esiqashayo amenywelwe kwintlanganiso eKhethekileyo yeBhunga ukuze bazokuphendula yonke imibuzo kwaye banikezele ngamaxhwebhu
-

afanelekileyo ngokuphathelele nesigqibo sabo sesindululo sokugqibela malunga nenkqubo yokuchonga uMphathi Oyintloko: Inkonzo ZezeMali.

2. Sesokuba ooCeba banikezele imibuzo yabo kwi Ofisi kaSodophu Olalwulayo, ze emveni koko lemibuzo inikezelwe kwiOfisi yoMphathi Masipala ze ixoxwe kwiSashoni Esekhosini kwiNtlanganiso eKhathekileyo yeBhunga ezakubanjwa.

CLOSURE / SLUITING / UQUKUNJELO

The meeting closed at 12:30 with 28 Councillors present / *Die vergadering sluit om 12:30 met 28 Raadslede teenwoordig* / Intlanganiso ivalwe ngo 12:30 iNooceba abayi 28.

.....

SPEAKER: ALD GR WOLMARANS

.....

DATE / DATUM / UMHLA

BACK TO AGENDA



Minutes of a **Special Council meeting of**
the 2021/2026 term of
Garden Route District Council held at the **Premier Hotel, Knysna and via Zoom**, on
Friday, 21 April 2023 at 08:00

*Notule van 'n **Spesiale Raadsvergadering** van
die 2021/2026 termyn
van Garden Route Distriksraad gehou by die **Premier Hotel, Knysna en via Zoom**
op **Vrydag, 21 April 2023 om 08:00***

Imizuzu **Yentlanganiso yeBhunga eKhathekileyo**
yexesha 2021/2026 yoMasipala Wesithili se Garden Route
nebibanjwe kwiGumbi **Premier Hotel, Knysna,nakuZoom, NgoLwesihlanu, 21**
KuTshazimphuzi 2023 ngo 08:00

**1. OPENING AND WELCOMING / OPENING EN VERWELKOMING / UVULO
NOLWAMKELO**

The Speaker, Ald GR Wolmarans welcomed everybody present and thanked them for their attendance.

**2. EVACUATION PROCEDURES / ONTRUIMINGSPROSEDURES / IKNQUBO
YOKUFUDUSWA**

The evacuation procedures were explained by the Speaker, Ald G Wolmarans.

**3. SILENT PRAYER (MEDITATION) / STILLE GEBED (MEDITASIE) / UMTHANDAZO
OTHULEYO**

A moment of silence was observed.

4. ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO

4.1 COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG / OCEBA ABAKHOYO

Ald M Booysen	DA
Ald GR Wolmarans	DA
Cllr / Rdl / Ceba K Malooi	DA
Cllr / Rdl / Ceba P Terblanche	DA
Cllr / Rdl / Ceba CA Swart	DA
Cllr / Rdl / Ceba JG Meiring	DA
Cllr / Rdl / Ceba J Hoogbaard	DA
Ald CN Lichaba	ANC
Ald S De Vries	ANC
Cllr / Rdl / Ceba JJ Cornelius	ICOSA
Cllr / Rdl / Ceba D Saptoe	Good
Cllr / Rdl / Ceba V Gericke	PBI
Cllr / Rdl / Ceba D Acker	FREEDOM FRONT PLUS
Ald V Gericke	George Municipality
Cllr GJ van Niekerk	George Municipality
Ald IC Krtzinger	George Municipality
Cllr / Rdl / Ceba D L Cronje	George Municipality

Cllr / Rdl / Ceba SM Toto	George Municipality
Cllr / Rdl / Ceba JP Buys	George Municipality
Cllr / Rdl / Ceba B van Noordwyk	Hessequa Municipality
Cllr / Rdl / Ceba HD Ruiters	Kannaland Municipality
Cllr / Rdl / Ceba RW Arends	Knysna Municipality
Cllr / Rdl / Ceba N Ndayi	Bitou Municipality
Cllr / Rdl / Ceba V Bavuma	Mossel Bay Municipality
Cllr / Rdl / Ceba M Kannemeyer	Mossel Bay Municipality
Cllr / Rdl / Ceba MA Mkonto	Mossel Bay Municipality
Alderman JC Lambaatjeen	Oudtshoorn Municipality
Cllr / Rdl / Ceba S van Rooyen	Oudtshoorn Municipality
Cllr / Rdl / Ceba RJ April	Oudtshoorn Municipality

OFFICIALS / AMPTENARE / AMAGOSA

Mr / Mnr / Mnu MG Stratu	Municipal Manager
Ms / Me / Nkzn B Holtzhausen	Executive Manager Corporate Services
Mr / Mnr / Mnu L Menze	Executive Manager Economic Development and Planning
Mr / Mnr / Mnu C Africa	Executive Manager Community Services
Mr/Mnr /Mnu JG Daniels	Executive Manager Roads and Transport Services
Adv. S Maqekeni	Manager Integrated Support Services & Legal Compliance
Adv. N Davids	Manager Legal Service
Mr / Mnr / Mnu S Dladla	Chief of Staff: Office of the Executive Mayor
Mr / Mnr / Mnu B Desha	Snr Committee Officer / Translator / Interpreter
Ms / Me / Nkszn T Gauzela	Committee Officer
Ms / Me /Nkszn C van Wyngaardt	Committee Officer
Mr / Mnr / Mnu H Pieters	Manager Communications
Mr / Mnr / Mnu T Mpuru	Manager SCM, Data and Stores
Ms / Me / Nkszn L Hoek	Manager: Income, Bank Recon, Expenditure and Remuneration

Mr / Mnr / Mnu C Martin	Manager: Income, Bank Recon, Expenditure and Renumeration
Mr / Mnr / Mnu G Otto	Disaster Management Manager
Mr / Mnr / Mnu K Niewoudt	Manager: ICT
Ms / Me / Nkszn M Nqumse	Senior Communication Officer
Ms / Me / Nkszn S Brinkhuys	Manager Records, Archives, Fleet and Auxiliary Services
Mr / Mnr / Mnu J Mkhuqwana	Manager: Human Settlement
Ms / Me / S Sims	Manager: Human Settlement

4.2 **COUNCILLORS AND OFFICIALS WITH LEAVE / RAADSLEDE EN AMPTENARE MET VERLOF / OOCBA ABAKWIKHEFU**

Cllr / Rdl / Ceba NV Gungubele	ANC
Ald RH Ruiters	Mossel Bay Municipality
Cllr / Rdl / Ceba CP Taute	Hessequa Municipality
Cllr / Rdl / Ceba NT Seti	Bitou Municipality
Cllr / Rdl / Ceba PE Petros	Knysna Municipality
Mr T Loliwe	Acting Executive Manager
Financial Services	

4.3 **COUNCILLORS ABSENT WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OCEBA ABANGEKHO**

Cllr / Rdl / Ceba D Saptoe	GOOD
Cllr / Rdl / Ceba RJ Hector	George Municipality
Cllr / Rdl / Ceba S Toto	George Municipality
Cllr / Rdl / Ceba HRT Stroebe	Knysna Municipality

5. **NOTING OF THE PROVISIONS OF SCHEDULE 7 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES AMENDMENT ACT, 2021 / KENNISNAME VAN DIE VOORSKRIFTE VAN SKEDULE 7 (GEDRAGSKODE VIR RAADSLEDE) VAN DIE PLAASLIKE REGERING MUNISIPALE AANGEPASTE STRUKTUREWET, 2021 / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOOCEBA) UMTHEHO WEZOLAWULO LOMASIPALA WORHULUMENTE WASEKHAYA, 2021**

The Code of conduct was noted.

6. DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE / UKUCHAZWA KOMDLA NGOOCEBA KUNYE NAMAGOSA

None / Geen / Azikho

7. COMMUNICATIONS BY THE SPEAKER / MEDEDELINGS DEUR DIE SPEAKER / UNXIBELELWANO LUKASOMLOMO

The Speaker expressed her dissatisfaction with regard to the meeting starting late.

8. COMMUNICATIONS BY THE EXECUTIVE MAYOR / MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER / UNXIBELELWANO LUKA SODOLOPHU

None / Geen / Azikho

9. COMMUNICATIONS BY THE MUNICIPAL MANAGER / MEDEDELINGS DEUR DIE MUNISIPALE BESTUURDER / UNXIBELELWANO LOMPHATHI MASIPALA

The Municipal Manager thanked the staff members with the preparation of the agenda and the distribution thereof on such short notice.

10. APPROVAL OF MINUTES OF COUNCIL MEETING / GOEDKEURING VAN NOTULES VAN RAADSVERGADERING / UKWAMKELWA KWEMIZUZU YENTLANGANISO ZEBHUNGA

None / Geen / Azikho

11. MINUTES OF MAYORAL COMMITTEE MEETING/ SECTION 79 COMMITTEES AND OTHER COMMITTEES (FOR NOTIFICATION) / NOTULE VAN DIE BURGEMEESTERSKOMITEEVERGADERING/ ARTIKEL 79 KOMITEES EN ANDER KOMITEES (VIR KENNISNAME) / IMIZUZUZ YEKOMITI KASODOLOPHU KUNYE NEZINYE IKOMITI ZOMHLATHI 79 (ITHATHELWE INGQALELO)

None / Geen / Azikho

12. STANDING ITEMS / STAANDE ITEMS / IMIBA EMISIWEYO

None / Geen / Azikho

A. REPORTS FROM THE SPEAKER / VERSLAE VANAF DIE SPEAKER / IMIBA EVELA KU SOMLOMO

None / Geen / Azikho

B. REPORTS FROM THE EXECUTIVE MAYOR / VERSLAE VANAF DIE UITVOERENDE BURGEMEESTER / IMIBA EVELA KUSODOLOPHU

None / Geen / Azikho

C. REPORTS FROM THE OFFICE OF THE MUNICIPAL MANAGER / ITEMS VANAF DIE KANTOOR VAN DIE MUNISIPALE BESTUURDER / IMIBA EVELA KWI OFISI YOMPHATHI MASIPALA

None / Geen / Azikho

D. REPORTS FROM THE FINANCIAL SERVICES DEPARTMENT / ITEMS VANAF DIE FINANSIËLE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZEMALI

None / Geen / Azikho

E. REPORTS FROM THE CORPORATE SERVICES DEPARTMENT / ITEMS VANAF DIE KORPORATIEWE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLAWULO

E.1 EXTENSION OF ACTING PERIOD IN THE EXECUTIVE MANAGER: FINANCIAL SERVICES POSITION / VERLENGING VAN WAARNEMINGSPERIODE VIR DIE UITVOERENDE BESTUURDER

Refer report from the Executive Manager Corporate Services (B Holtzhausen) / Acting HR Manager (CE Scheepers) (pg 6-10)

RESOLVED

1. That, Mr Thembani Loliwe's acting period in the vacant position of Executive Manager: Financial Services, be extended until 31 July 2023 or until the filling of the positions, whichever comes first.
2. That the administration send an application to the MEC for Local Government, seeking the extension of the acting period of Mr Thembani Loliwe, for a period of not longer than three months from 1 May 2023.

BESLUIT

1. *Dat, Mnr Thembani Loliwe se waarnemings tydperk in die vakante pos van Uitvoerende Bestuurder: Finansiële Dienste, verleng word tot 31 Julie 2023 of tot die vulling van die pos, wat ook al eerste kom.*
2. *Dat Administrasie 'n aansoek aan die LUR vir Plaaslike Regering stuur, wat die verlenging van die waarnemende tydperk van mnr Thembani Loliwe verlang, en vir 'n tydperk van nie langer as drie maande vanaf 1 Mei 2023, nie.*

ISIGQIBO

1. Sesokuba, ixesha lokubambela lika Mnu Thembani Loliwe kwisikhundla ezivulekileyo soMphathi Oyintloko: Inkonzio Zemali, sandiswe de ibengumhla 31 kweyeKhala 2023 okanye de kuvalwe isikhundla, nokuba yeyiphi eza kuqala.
2. Sesokuba abalawuli banineze isicelo kuMphathiswa Worhulumente Basekhaya, ukufuna ukwandiswa kwexesha lokubambela kuka Mnu Thembani Loliwe, ixesha elingadluliyo kwinyanga ezintathu ukususela ngomhla 1 kuCanzibe 2023.

F. REPORTS FROM THE COMMUNITY SERVICES DEPARTMENT / ITEMS VANAF DIE

GEMEENSKAPSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLUNTU

F.1 None / Geen / Azikho

**G. REPORTS FROM THE ROADS AND TRANSPORT PLANNING SERVICES DEPARTMENT /
ITEMS VANAF DIE PAAIE EN VERVOER BEPLANNINGSDIENSTE DEPARTEMENT / IMIBA
YESEBE LENKONZO ZENDLELA KUNYE NEZICWANGCISO KWEZOTHUTHO**

G.1 NONE / GEEN / AZIKHO

**H. REPORTS FROM THE PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT /
ITEMS VANAF DIE BEPLANNING EN EKONOMIESE DIENSTE DEPARTEMENT / IMIBA
YESEBE LEZOCWANGCISO KUNYE NOPHUHLISO LOQOQOSHO**

H.1 NONE / GEEN / AZIKHO

**I. NOTICE OF URGENT MOTIONS / KENNISGEWING VAN DRIGENDE MOSIES / ISAZISO
SEZIPHAKAMISO**

I.1 None / Geen / Azikho

J. NOTICES OF MOTIONS / KENNISGEWING VAN MOSIES / ISAZISO SEZIPHAKAMISO

J.1 None / Geen / Azikho

K. IN CLOSED SESSION / IN GESLOTE SESSIE / KWI-SASHONI YASEKHUSINI

K.1 None / Geen / Azikho

CLOSURE / SLUITING / UQUKUNJELO

The meeting closed at 10:51 with 28 Councillors present / Die vergadering sluit om 10:51 met 28 Raadslede teenwoordig / Intlanganiso ivalwe ngo 10:51 iNooceba abayi 28.

.....

SPEAKER: ALD GR WOLMARANS

.....

DATE / *DATUM* / UMHLA

BACK TO AGENDA



Minutes of a
Mayoral Committee meeting

Held at **CA Robertson Council Chambers**, and via **Zoom**,
on **Monday, 27 February 2023** at **09:00**

*Notule van 'n **Burgemeesterskomiteevergadering***
*Gehou in die **CA Robertson Raadsaal** en via **Zoom**,*
*op **Maandag, 27 Februarie 2023** om **09:00***

Imizuzu **yeKomiti Kasodolophu**
nebibanjwe kwiGumbi **leBhunga CA Robertson**, kunye **nango Zoom**, ngo
ngoMvulo, 27 kweyoMdumba 2023 ngo **09:00**

4. OPENING AND WELCOMING / OPENING EN VERWELKOMING / UVULO NOLWAMKELO

The Executive Mayor, Ald M Booysen, opened the meeting and welcomed everyone present.

5. EVACUATION PROCEDURES / ONTRUIMINGSPROSEDURES / IKNQUBO YOKUFUDUSWA

The evacuation procedures were played via audio clip that explained the evacuation procedures in case of emergency.

6. SILENT PRAYER (MEDITATION) / STILLE GEBED (MEDITASIE) / UMTHANDAZO OTHULEYO

A moment of silence was observed.

4. ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO

4.1 COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG / OOCCEBA ABAKHOYO

Ald M Booysen

Executive Mayor

Ald IC Kritzinger

Ald RH Ruiters

Ald NS Ndayi

Ald P Terblanche

Ald JC Lambaatjeen

Cllr / Rdl / Ceba J Hoogbaard

OFFICIALS / AMPTENARE / AMAGOSA

Mr / Mnr / Mnu MG Stratu

Municipal Manager

Ms / Me / Nkzn B Holtzhausen

Executive Manager Corporate
Services

Mr / Mnr / Mnu T Loliwe

Acting Executive Manager
Financial Services

Mr / Mnr / Mnu C Africa	Executive Manager Community Services
Mr / Mnr / Mnu L Menze	Executive Manager Economic Development and Planning
Mr/Mnr /Mnu JG Daniels	Executive Manager Roads and Transport Services
Mr / Mnr / Mnu S Maqekeni	Manager Integrated Support Services & Legal Compliance
Ms / Me / Nkzn N Davids	Manager Legal Service
Mr / Mnr / Mnu K Nieuwoudt	Manager ICT
Mr / Mnr / Mnu C Martin	Manager Income, Bank Recons, Expenditure & Remuneration
Mnr / Mnr / Mnu T Mpuru	Manager SCM, Stores & Data
Ms/ Me / Nksnz M James	District IDP Manager
Ms / Me / Nkzn IG Saaiman	Manager Performance Management
Ms Me / Nkzn P Lufele	Chief Audit Executive
Ms / Me / Nkzn N Klaas	Manager Policy Development and Research
Ms / Me / Nksnz L James	Risk Management Manager
Mr / Mnr / Mnu L Shoto	Acting Manager Human Resources
Mr / Mnr / Mnu J Compion	Manager Municipal Health Services
Mr / Mnr / Mnu J Gie	District Waste Manager
Mr / Mnr / Mnu D Stoffels	Fire Chief
Mr / Mnr / Mnu W Jacobs	Disaster Management Practitioner
Ms / Me / Nksnz R Matthews	Head: Committee Services
Mr / Mnr / Mnu B Desha	Snr Committee Officer / Translator / Interpreter
Ms / Me / Nksnz C van Wyngaardt	Committee Officer
Ms / Me / Nksnz T Gauzela	Committee Officer

Mr / Mnr / Mnu J Mkunqwana

Manager Human Settlements

Mr / Mnr / Mnu R Dyantyi

Manager EPWP

4.2 **COUNCILLORS AND OFFICIALS WITH LEAVE / RAADSLEDE EN AMPTENARE MET VERLOF / OOCCEBA ABAKWIKHEFU**

None / Geen / Azikho

4.3 **COUNCILLORS WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OCEBA ABANGEKHO**

Ald G van Niekerk

Deputy Executive Mayor

5. **NOTING OF THE PROVISIONS OF SCHEDULE 7 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES AMENDMENT ACT, 2021 / KENNISNAME VAN DIE VOORSKRIFTE VAN SKEDULE 7 (GEDRAGSKODE VIR RAADSLEDE) VAN DIE PLAASLIKE REGERING MUNISIPALE AANGEPASTE STRUKTUREWET, 2021 / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOOCEBA) UMTHETHO WEZOLAWULO LOMASIPALA WORHULUMENTE WASEKHAYA, 2021**

The Code of conduct was noted.

6. **DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE / UKUCHAZWA KOMDLA NGOOCEBA KUNYE NAMAGOSA**

None / Geen / Azikho

**7. COMMUNICATIONS BY THE EXECUTIVE MAYOR / MEDEDELINGS DEUR DIE
UITVOERENDE BURGEMEESTER / UNXIBELELWANO LUKA SODOLOPHU**

The Executive Mayor reported that he attended a function last week Saturday in George. An American Delegation from the city of Tacoma is currently in George. The Delegation started their visit in Cape Town and met with the American Ambassador and Members of Parliament. The reason why they are in George is due to the fact that they are celebrating a 25 year sister city arrangement with George Municipality. The Executive Mayor informed Mayco members and the Municipal Manager that a meeting with the delegates from the City of Tacoma will take place after the conclusion of the Council meeting. The Executive Mayor informed the Mayoral Committee that feedback regarding the meeting with the delegates will be reported at the next Committee meeting.

**8. COMMUNICATIONS BY THE MUNICIPAL MANAGER / MEDEDELINGS DEUR DIE
MUNISIPALE BESTUURDER / UNXIBELELWANO LOMPHATHI MASIPALA**

None / Geen / Azikho

**9. CONFIRMATION OF THE MINUTES / BEKRAGTIGING VAN NOTULE /
UKUQINISEKISWA KWEMIZUZU**

**9.1 MINUTES OF PREVIOUS MEETING: 30 JANUARY 2023 / NOTULE VAN VORIGE
VERGADERING: 30 JANUARIE 2023 / IMIZUZU YENTLA NGANISO
YANGAPHAMBILINI 30 KWEYOMQUNGU 2023 (PG 7-36)**

RESOLVED

That the Executive Mayoral Committee approves the minutes of the Executive Mayoral Committee meeting dated 30 January 2023.

BESLUIT

Dat die Uitvoerende Burgemeesterskomitee die notule van die Uitvoerende Burgemeesterskomiteevergadering gedateer, 30 Januarie 2023, goedkeur.

ISIGQIBO

Sesokuba iKomiti Kasododlophu Obekekileyo iphumeze imizuzu yentlangansio yekomiti Kasodolophu Obekekileyo yangomhla 30 KweyoMqungu 2023.

10. MINUTES OF SECTION 80 COMMITTEES (FOR NOTIFICATION) / NOTULES VAN ARTIKEL 80 KOMITEES (VIR KENNISNAME) / IMIZUZUZ YEKOMITI KASODOLOPHU KUNYE NEZINYE IKOMITI ZOMHLATHI 80 (ITHATHELWE INGQALELO)

10.1 NONE / GEEN / AZIKHO

11. STANDING ITEMS / STAANDE ITEMS / IMIBA EMISIWEYO

11.1 APPOINTMENTS, SERVICE EXITS AND LABOUR RELATIONS INFORMATION FOR DECEMBER 2022 AND JANUARY 2023 / AANSTELLINGS, UITDIENSTREDINGS EN ARBEIDSVERHOUDINGE INLIGTING VIR DESEMBER 2022 EN JANUARIE 2023 / ABAQASHIWEYO, ABASHIYE UMSEBENZI KUNYE NEMICIMBI YEZABASEBENZI KWINYANGA YOMNGA 2022 NEYOMQUNGU 2023

Refer Report dated 06 February 2023 from the Executive Manager Corporate Services (B Holtzhausen) / Acting HR Manager (C Scheepers) (pg 37-47)

RESOLVED TO RECOMMEND TO COUNCIL

That the information on the appointments, service exits, and labour relations information for December 2022 and January 2023, be noted.

BESLUIT OM AAN DIE RAAD AAN TE BEVEEL

Dat kennis geneem word van die aanstellings, uitdienstredings, gelyke indiensenemingspraktyke en arbeidsverhoudinge inligting vir Desember 2022 en Januarie 2023.

ISIGQIBO SOKUNDULULA KWIBHUNGA

Sesokuba ulwazi ngokuqashwa, ukuphuma kwinkonzo kunye nemicimbi yezabasebenzi kwinyanga yeMnga 2022 ukuya kweyoMqungu 2023 kuthathelwe inqalelo.

11.2 PROGRESS REPORT ON THE GARDEN ROUTE REGIONAL WASTE MANAGEMENT FACILITY PROJECT/VORDERINGSVERSLAG INSAKE DIE GARDEN ROUTE STREEK AFVALBESTUUR FASILITEIT PROJEK /INGXELO MOKUSELE KWENZIWE KWINDAWO YOLAWULO LWENKUNKUMA YENGINGI YE GARDEN ROUTE

Refer Report dated 06 February 2023 from the Executive Manager Community Services (C Africa)/ District Waste Manager (J Gie) (pg. 48-55)

RESOLVED TO RECOMMEND TO COUNCIL

That Council notes the progress made on the Garden Route Regional Waste Management Facility Project.

BESLUIT OM AAN DIE RAAD TE BEVEEL

Dat die Raad kennis neem van die vordering gemaak met die Garden Route Streek Afvalbestuur Fasiliteit.

ISIGQIBO SOKUNDULULA KWIBHUNGA

Sesokuba iBhunga liqaphela inkqubela-phambili eyenziweyo kwiprojekthi yolawulo Lwenkunkuma yenGingqi yeGarden Route.

12. REPORTS FROM THE SPEAKER / VERSLAE VANAF DIE SPEAKER / IMIBA EVELA KU SOMLOMO

12.1 REPORT ON THE COUNCIL RESOLUTION REGISTER FOR THE MONTHS OF AUGUST UNTIL DECEMBER 2022 / VERSLAG RAKENDE DIE RAADSRESOLUSIE REGISTER VIR DIE MAANDE AUGUSTUS TOT DESEMBER 2022 / INGXELO NGOLUHLU LWEZIGQIBO ZEBHUNGA KWIXESHA LENYANGA KWEYETHUPAUKUYA KWYEMNGA 2022

Refer Report dated 06 February 2023 from the Speaker (Ald G Wolmarans) (pg. 56-113)

RESOLVED TO RECOMMEND TO COUNCIL

That Council takes note of the report on the execution of Council resolutions for the period of August until December 2022.

BESLUIT OM AAN DIE RAAD TE BEVEEL

Dat die Raad kennis neem van die verslag rakende die uitvoering van Raads besluite vir die periode van Augustus tot Desember 2022.

ISIGQIBO SOKUNDULULA KWIBHUNGA

Sesokuba iBhunga lithathele ingqalelo isimo sezigqibo zeBhunga kwixesha lenyanga KweyeThupa ukuya kweyeMnga 2022.

12.2

REPORT ON THE ATTENDANCE OF COUNCIL, COMMITTEE MEETINGS AND WORKSHOPS FOR THE PERIOD AUGUST UNTIL DECEMBER 2022 BY COUNCILLORS /
VERSLAG RAKENDE DIE BYWONING VAN RAAD, KOMITEEVERGADERINGS EN
WERKSWINKELS VIR DIE PERIODE AUGUSTUS TOT DESEMBER 2022 / INXELO
NGOKUZINYASWA KWENTALANGANISO ZEBHUNGA, EZEKOMITI NAKUNYE
NEWORSHOP KWIXESHA LANGOMHLA KWEYETHUPA 2022 UKUYA KUMHLA
KWEYEMNGA **2022** **NGOOCEBA**

Refer Report dated 06 February 2023 from the Speaker (Ald G Wolmarans)(pg 114- 123)

RESOLVED TO RECOMMEND TO COUNCIL

1. That Council takes note of the report.
2. That it be recommended to Council that should there be need for correction of the report, those corrections will be done in the office of the Speaker.

BESLUIT OM AAN DIE RAAD TE BEVEEL

1. *Dat die Raad kennis neem van die verslag.*
2. *Dat aan die Raad aanbeveel word dat indien daar 'n behoefte ontstaan vir korreksies op die verslag, die korreksies gedoen sal word by die kantoor van die Speaker.*

ISIGQIBO SOKUNDULULA KWIBHUNGA

1. Sesokuba iBhunga lithathele ingqalelo ingxelo.
2. Sesokuba kundululwe kuBhunga ukuba xakuye kwanesidingo sokulungisa ingxelo, ezo zilungiso zizakwenziwa kwi-ofisi kaSomlomo.

12.3 **RESTRUCTURING OF SECTION 79 AND 80 COMMITTEES / HERSAMESTELLING VAN ARTIKEL 79 EN 80 KOMITEES / ULUNGELELWANISO LWEKOMITI ZOMHLATHI 79 KUNYE** **80**

Refer Report dated 06 February 2023 from the Speaker (Ald G Wolmarans) (pg. 124-132)

RESOLVED TO RECOMMEND TO COUNCIL

1. That Council approves the nomination of Cllr J Cornelius to serve as a member on the Governance Committee.
2. That Council approves the nomination of Cllr HD Ruiters who replaces Cllr A Steenkamp to serve as a member on the following Section 79 and 80 Committees; respectively: Financial Services and Corporate Services.
3. That Council approves the nomination of Cllr RW Arends, who replaces Cllr T Matika to serve as a member on the following Section 79 and 80 Committees respectively: Strategic Services and Property Management and Development Committee.

BESLUIT OM AAN DIE RAAD TE BEVEEL

1. *Dat die Raad die nominasie van Rdl. J Cornelius om as lid op die Huiskomitee te dien, goedkeur.*
2. *Dat die Raad die nominasie van HD Ruiters wat Rdl A Steenkamp vervang as lid op die volgende Artikel 79 en 80 Komitees onderskeidelik; Finansiële Dienste komitee en Korporatiewe Dienste Komitee, goedkeur.*
3. *Dat die Raad die nominasie van Rdl. RW Arends wat Rdl T Matika vervang om as lid op die volgende Artikel 79 en 80 Komitees onderskeidelik; Strategiese Dienste en Eiendomsbestuur en Beplanning, goedkeur.*

ISIGQIBO SOKUNDULULA KWIBHUNGA

1. Sesokuba iBhunga liphumeze ukutyunjwa kuka Ceba J Cornelius ukuba asebenze njengelungu leKomiti yoLawulo.
 2. Sesokuba iBhunga liphumeze ukutyunjwa kukaCeba HD Ruiters ongena endaweni kaCeba A Steenkamp ukuba asebenze njengelungu kwezi Komiti zeCandelo lama-79 nelama-80; ngokulandelelanayo: linkonzo zezeMali kunye neeNkonzo Zezolawulo
-

3. Sesokuba iBhunga liphumeze ukutyunjwa kukaCeba RW Arends, ongena endaweni kaCebaT Matika ukuba asebenze njengelungu kwezi Komiti zeCandelo lama-79 nelama-80; ngokulandelelanayo: linkonzo zoBuchule kunye noLawulo lweMihlaba kunye neKomiti yoPhuhliso.

13. REPORTS FROM THE EXECUTIVE MAYOR / VERSLAE VANAF DIE UITVOERENDE BURGEMEESTER / IMIBA EVELA KUSODOLOPHU

13.1. 4TH ADJUSTMENT BUDGET 2022/2023 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) / VIERDE AANSUIWERINGSBEGROTING 2022/2023 MEDIUM TERMYN EN INKOMSTE EN UITGAWE RAAMWERK (MTIUR) / UGQITHISELO LOLWABIWO-MALI OLU-LUNGISIWEYO LUKA 2022/2023 LWENGENISO YEXESHA ELIFUTSHANE KUNYE NENDLELA YENCITHO(MTREF)

Refer Report dated 18 January 2023 from the Executive Mayor (Ald M Booysen) (pg 133-172)

RESOLVED TO RECOMMEND TO COUNCIL

1. That the 4th adjustments budget of Garden Route District Municipality for the financial year 2022/2023 as set out in the schedules contained in Section 4 be **approved**:
 - i. Table B1 Adjustments Budget Summary;
 - ii. Table B2 Adjustments Budget Financial Performance (by standard classification);
 - iii. Table B3 Adjustments Budget Financial Performance (by municipal vote);
 - iv. Table B4 Adjustment Budget Financial Performance (revenue by source); and
 - v. Table B5 Adjustment Budget Capital Expenditure (by municipal vote and funding source)
 2. That Council approves the Adjustment Operating Expenditure Budget of R496,081,438.
 3. That Council approves the Adjustment Operating Revenue Budget of R487,921,059.
 4. That Council approves the Adjustment Capital Budget of R38,440, 814.
-

5. That a revised Service Delivery and Budget Implementation Plan (SDBIP) for the 2022/23 financial year be compiled and tabled to the Executive Mayor for approval.

BESLUIT OM AAN DIE RAAD TE BEVEEL

1. Dat die vierde Aangepaste Begroting van Garden Route Distriksmunisipaliteit vir die finansiële jaar 2022/2023 soos vervat in die skedules van Seksie 4, goedgekeur word:
 - i. Tabel B1 Aangepaste Begrotings Opsomming;
 - ii. Tabel B2 Aangepaste Begroting Finansiële Prestasie (volgens standaard klassifikasie);
 - iii. Tabel B3 Aangepaste Begroting Finansiële Prestasie (volgens pos);
 - iv. Tabel B4 Aangepaste Begroting Finansiële Prestasie (volgens finansieringsbron); en
 - v. Tabel B5 Aangepaste Kapitale Begroting (volgens pos en finansieringsbron.)
2. Dat die Raad die Aangepaste Uitgawe Begroting van R496,081,438 goedkeur.
3. Dat die Raad die Aangepaste Inkomste Begroting van R487,921,059 goedkeur.
4. Dat die Raad die Aangepaste Kapitaal Begroting van R38,440,814 goedkeur.
5. Dat die hersiende Dienslewerings- en Begrotings Implementerings Plan vir 2022/2023 opgestel en aan die Uitvoerende Burgermeester voorgelê word vir goedkeuring.

ISIGQIBO SOKUNDULULA KWIBHUNGA

1. Sesokuba ulwabiwo-mali olulungisiweyo(izibonelelo ezingasetyenziswanga) loMasipala Wesithili se Garden Route kunyakamali ka 2021/2022 njengoko kuchaziwe kuluhlu oluqulwathwe kuMhlathi 4 luphunyezwe:
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- i. Table B1 Ushwankathelo loLwabiwo-Mali Olu-Lungisiweyo
 - ii. Table B2 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ngokwendlela ezifanelekileyo);
 - iii. Table B3 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ngokwevoti yomasipala);
 - iv. Table B4 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ingeniso ngokovimba); kunye
 - v. Table B5 Ulwabiwo-Mali Olulungisiweyo Incitho Yenkunzi (ngokwevoti yomasipala kunye nenxaso yovimba)
2. IBhunga liphumeze Ulwabiwo-Mali Olu-Lungisiweyo Lencitho Eqhubayo ye R496,081,438.
 3. IBhunga liphumeze uLwabiwo-Mali Oluqhubayo Lwengeniso noluyi R487,921,059.
 4. IBhunga liphumeze Ulwabiwo-Mali Oluyinkunzi Olu-Lungisiweyo lwe R38,440,814.
 5. Sesokuba ulungisowe Lonikezelo Nkonzo kunye Nesicwangciso Sokumiselwa koLwabiwo-Mali(SDBIP) kunyakamali ka 2022/2023 luqulunqwe kwaye luthiwe theca kuSodolophu obekekileyo ukuze luphunyezwe.

14. REPORTS FROM THE OFFICE OF THE MUNICIPAL MANAGER / ITEMS VANAF DIE KANTOOR VAN DIE MUNISIPALE BESTUURDER / IMIBA EVELA KWI OFISI YOMPHATHI MASIPALA

14.1 REPORT ON THE REVIEW OF THE LEASE AGREEMENT BETWEEN THE GARDEN ROUTE DISTRICT MUNICIPALITY AND OUDTSHOORN MUNICIPALITY: ERF 3216, ST JOHN STREET, OUDTSHOORN / VERSLAG RAKENDE DIE HERSIENING VAN DIE HUUROOREENKOMS TUSSEN GARDEN ROUTE DISTRIKSMUNISIPALITEIT EN OUDTSHOORN MUNISIPALITEIT : ERF 3216, ST JOHNSTRAAT, OUDTSHOORN / INGXELO NGOQWALASELO LWESIVUMELWANO ESIPHAKATHI KOMASIPALA WESITHILI SE GARDEN ROUTE KUNYE NOMASIPALA WASE TSHORENI: ERF 3216, ST JOHN STREET, ETSORENI

Refer Report dated 12 January 2023 from the Municipal Manager (MG Stratu) / Manager Legal Services (N Davids)(pg. 173-197)

RESOLVED TO RECOMMEND TO COUNCIL

1. That Council mandates Management to enter into negotiations one last time with the Management of Oudtshoorn Municipality to find a solution and report back to Council.
2. That all Inter Governmental Relations options must be explored to ensure that a solution is found, including that the Executive Mayor of GRDM engage with the Executive Mayor of Oudtshoorn Municipality.

BESLUIT OM AAN DIE RAAD TE BEVEEL

1. *Dat die Raad die Bestuur 'n mandaat verleen om met die Bestuur van Oudtshoorn Munisipaliteit vir 'n laaste keer te onderhandel om 'n oplossing te vind en terug te rapporteer aan die Raad.*
2. *Dat alle interregeringsverhoudinge opsies ondersoek moet word om te verseker dat 'n oplossing gevind word, insluitend dat die Uitvoerende Burgemeester van GRDM met die Uitvoerende Burgemeester van Oudtshoorn Munisipaliteit in gesprek tree.*

ISIGQIBO SOKUNDULULA KWIBHUNGA

1. Sesokuba iBhunga ligunyazise Abaphathi ukuba bangenele kwingxoko okokugqibela kunye naBaphathi boMasipala wase Tshoreni ukufumana isi sombululo.

2. Sesokuba onke amalinge eNdibaniselwano Zonxibelelwano Lorhulumente iverelwe ukuqinisekisa ukuba kufunyanwa isi sombululo, kuquka uthetha thethwano Phakathi soSodolophu Obekekileyo we GRDM kunye noSodolophu Obekekileyo woMasipala wase Tshoreni.

NB: REPORT ON THE ADDENDUM WAS DEALT WITH NEXT.

14.2 INAUGURATION OF ANC COUNCILLOR: GARDEN ROUTE DISTRICT COUNCIL: CLLR PE PETROS / INHULDIGING VAN ANC RAADSLID: RDL PE PETROS/ UKUFUNGISWA KOCEBA WE ANC: IBHUNGA LESITHILI SE GARDEN ROUTE: UCEBA PE PETROS
Refer report dated 21 February 2023 from the Municipal Manager (MG Stratu)(pg. 4 – 8)

RESOLVED TO RECOMMEND TO COUNCIL

- 5.1.1 That cognizance be taken of the notice from the IEC, dated 21 February 2023.
- 5.1.2. That Cllr. Pindile Ernest Petros be inaugurated as a Councillor of Garden Route District Council with effect from 21 February 2023.
- 5.1.3. That Cllr. Pindile Ernest Petros be requested to take the Oath of Office, as required in terms of the Rules of Order.

BESLUIT OM AAN DIE RAAD TE BEVEEL

- 5.1.1 *Dat kennis geneem word van die kennisgewing van die OVK, gedateer 21 Februarie 2023.*
- 5.1.2 *Dat Rdl. Pindile Ernest Petros met ingang van 21 Februarie 2023 as Raadslid van die Gardenroute Distriksmunisipaliteit ingehuldig word.*
- 5.1.3 *Dat Rdl. Pindile Ernest Petros, versoek word om 'n eed van die kantoor te neem, soos vereis ingevolge die Reëls van Orde.*

ISIGQIBO SOKUNDULULA KWIBHUNGA

- 5.1.1 Sesokuba kuthathelwe ingqalelo isaziso se IEC, sangomhla wama 21 KweyoMdumba 2023.
 - 5.1.2 Sesokuba uCeba. Pindile Ernest Petros, afungiswe njengo Ceba weBhunga loMasipala Wesithili se Garden Route ukususela ngomhla we 21 KweyoMdumba 2023.
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5.1.3 Sesokuba uCeba. Pindile Ernest Petros, acengwe ukuba athathe Isifungo se Ofisi njengoko kufunwa yiYimithetho Yogcino Cwango.

15. REPORTS FROM THE FINANCIAL SERVICES DEPARTMENT / ITEMS VANAF DIE FINANSIËLE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZEMALI

15.1 DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 JANUARY 2023 TO 31 JANUARY 2023 / AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 JANUARIE 2023 TO 31 JANUARIE 2023/ INGXELO YOTYESHELO: UKUMISELWA KOMGAQO-NKQUBO WOLAWULO LWENCITHO KWIXESHA LOMHLA 01 KWEYOMQUNGU 2023 UKUYA 31 KWEYOMQUNGU 2023

Refer Report dated 06 February 2023 from the Acting Executive Manager Financial Services (T Loliwe) (pg. 198-203)

RESOLVED TO RECOMMEND TO COUNCIL

3. That the implementation of Section 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 January 2023 to 31 January 2023, be noted.
4. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, there was no approval of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.

BESLUIT OM AAN DIE RAAD TE BEVEEL

1. *Dat die kennis geneem word van die implementering van Artikel 36 van die Voorsieningskanaal beleid in terme van die afwykings vir die periode van 1 Januarie 2023 tot 31 Januarie 2023.*
 2. *Dat kennis geneem word dat in terme van Artikel 114 van die Munisipale Finansiële Bestuurswet, Wet 56 van 2003, daar geen goedkeuring was van tenders wat nie toegeken is in die normale implementering van die Voorsieningskanaalbeleid van die munisipaliteit nie.*
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ISIGQIBO SOKUNDULULA KWIBHUNGA

3. Sesokuba ukumiselwa kwecandelo 36 woMgaqo Wolawulo Lwencitho yoMasiapala ngokwemimiselo yezotyeshelo kwixesha lomhla 01 ngeyeMqungu 2023 ukuya 31 kweyoMqungu 2023, kuthathelwe ingqalelo.
4. Sesokuba kuthathelwe ingqalelo ngokwemimiselo yeCandelo 114 woMthetho Wolawulo Lwemali zoMasipala, uMthetho 56 wango 2003, akukhange kubekho ziniki maxabiso ezingandululwanga kwinkqubo eqhelekileyo yokumiselwa uMgawo Wolawulo Lwezencitho zomasipala.

16. REPORTS FROM THE CORPORATE SERVICES DEPARTMENT / ITEMS VANAF DIE KORPORATIEWE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLAWULO

16.1 UPDATED RECRUITMENT AND SELECTION POLICY / OPGEDATEERDE WERWINGS EN KEURINGSBELEID / UMGAQO-NKQUBO OHLAZIYIWEYO WOKULOBA KUNYE NOKUQESHA UKUZE UPHUNYEZWE LIBHUNGA

Refer Report dated 17 January 2023 from the Executive Manager Corporate Services (B Holtzhausen) / Acting Human Resources Manager (C Scheepers) (pg. 204-241)

RESOLVED TO RECOMMEND TO COUNCIL

That the Council approves the Amended Recruitment & Selection Policy.

BESLUIT OM AAN DIE RAAD TE BEVEEL

Dat die Raad die Gewysigde Werwing- en Keuringsbeleid goedkeur.

ISIGQIBO SOKUNDULULA KWIBHUNGA

Sesokuba iBhunga liphumeze uMgaqo-nkqubo oLungisiweyo wokuLoba kunye Nokuqesha.

16.2

REPORT TO COUNCIL REGARDING THE PROTECTION OF PERSONAL INFORMATION POLICY (POPI) / VERSLAG AAN RAAD OOR DIE BESKERMING VAN PERSOONLIKE INLIGTINGSBELEID (POPI) / INGXELO KWIBHUNGA KOMGAQO-NKQUBO WOKUKHUSELELWA WOLWAZI LOMNTU (POPI)

Refer Report dated 17 January 2023 from the Executive Manager Corporate Services (B Holtzhausen) (pg 242-254)

RESOLVED TO RECOMMEND TO COUNCIL

That the Protection of Personal Information Policy be approved by Council.

BESLUIT OM AAN DIE RAAD TE BEVEEL

Dat die Beskerming van Persoonlike Inligtingsbeleid deur die Raad goedgekeur word.

ISIGQIBO SOKUNDULULA KWIBHUNGA

Sesokuba uMgaqo-Nkqubo Wokukhusela Ulwazi Loluntu uphunyezwe liBhunga.

17.

REPORTS FROM THE COMMUNITY SERVICES DEPARTMENT / ITEMS VANAF DIE GEMEENSKAPSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLUNTU

17.1

PROGRESS REPORT WITH REGARDS TO THE ACTIVITIES OF THE DISTRICT FOOD PANTRY/ VORDERINGSVERSLAG MET BETREKKING TOT DIE BEDRYF VAN 'N DISTRIK VOEDSELSPENS / INGXELO MALUNGA NEMISEBENZI EYENZEIWE YINDAWO UOKUGCINA UKUYA YESITHILI

Refer Report dated 16 January 2023 from the Executive Manager Community Services (C Africa)/ Disaster Manager (G Otto) (pg. 255 -261)

RESOLVED TO RECOMMEND TO COUNCIL

- 5.1 That Council takes note of the activities of the District Food Pantry and the current concerns in terms of the sustainability of the Initiative.
 - 5.2 That a full review of the activities of the Food Pantry and the SLA between GRDM and the Food Pantry be prepared and submitted to Council for discussion at the next Council meeting.
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BESLUIT OM AAN DIE RAAD TE BEVEEL

- 5.1 *Dat die Raad kennis neem van die aktiwiteite vir die Distriks Voedsel Spens asook die kommer oor die volhoubaarheid van die huidige initiatief.*
- 5.2 *Dat 'n volledige oorsig van die aktiwiteite van die Voedselspens en die SLA tussen GRDM en die Voedselspens voorberei word en voorgelê word vir bespreking by die volgende Raadsvergadering.*

ISIGQIBO SOKUNDULULA KWIBHUNGA

- 5.1 Sesokuba iBhunga lithathele ingqalelo yemisebenzi yeNdawo Yokugcina Ukutya kunye nemicelimngeni ekhyo ngokwendlela yokugcina Eliphulo lisebenza.
- 5.2 Sesokuba uqwalaselo nzulu lwemisebenzi yeNdawo Yokugcina ukutya kunye ne SLA ephakathi kwe GRDM kunye Nendawo Yokugcina Ukutya iqulunqwe kwaye inikezelwe kwiBhunga ukuze ixoxwe kwintlanganiselo elandelayo yeBhunga.

**18. REPORTS FROM THE ROADS AND TRANSPORT PLANNING SERVICES DEPARTMENT /
ITEMS VANAF DIE PAAIE EN VERVOER BEPLANNINGSDIENSTE DEPARTEMENT / IMIBA
YESEBE LENKONZO ZENDLELA KUNYE NEZICWANGCISO KWEZOTHUTHO**

18.1 NONE / GEEN / AZIKHO

**19. REPORTS FROM THE PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT /
ITEMS VANAF DIE BEPLANNING EN EKONOMIESE DIENSTE DEPARTEMENT / IMIBA
YESEBE LEZOCWANGCISO KUNYE NOPHUHLISO LOQOQOSHO**

19.1 **REPORT TO EVALUATE THE ACHIEVEMENT OF THE EXPANDED PUBLIC WORKS PROGRAMME (EPWP) TARGETS/VERSLAG VIR DIE EVALUERING VAN PRESTASIE VAN DIE UITGEBREIDE OPENABARE WERKSPROGRAM (UOWP) TEIKENS / INGXELO NGOKUQWALASELWA KWEZIPHUMO ZENJONGO ZENKQUBO EYANDISIWEYO YOMSEBENZI WOLUNTU (EPWP)**

Refer Report dated 10 December 2022 from the Executive Manager Planning and Development Services (L Menze)/ Manager EPWP (R Dyantyi) (pg. 262 – 267)

RESOLVED TO RECOMMEND TO COUNCIL

1. That the Council approves the Institutional Funding for EPWP annually and the proposed own funding of two million (2) allocation from the 2023/2024 financial year budget be considered.
2. That the GRDM EPWP Database be utilized for appointment of participants for Public Employment Programmes and Skill Development Programmes as per the approved EPWP Policy on 22 June 2021.

BESLUIT OM AAN DIE RAAD TE BEVEEL

1. *Dat die Raad die Institusionele Befondsing vir EPWP jaarliks goedkeur en die voorgestelde befondsing van twee miljoen(2) vir die 2023/2024 begroting oorweeg.*
2. *Dat die GRDM EPWP-databasis gebruik moet word vir die aanstelling van deelnemers vir Openbare Indiensnemingsprogramme en Vaardigheidsontwikkelingsprogramme volgens die goedgekeurde EPWP-beleid op 22 Junie 2021.*

ISIGQIBO SOKUNDULULA KWIBHUNGA

1. Sesokuba iBhunga liphumeze Imalinxaso Yeziko ye EPWP yonyaka kunye neziphakamiso zebhunga zezigidi ezi 2 kufuneka zikqwalaselwe.
2. Sesokuba Uluhlu Lolwazi lwe EPWP ye GRDM lisetyenziselwe ukuqesha abathabathi nxaxheba kwiNkqubo zeMisebenzi Yoluntu kunye Nenkqubo zoPhuhliso Lwezakhono ngokoMgaqo-Nkqubo we EPWP ophunyezwe ngomhla 22 kweyeSilimela 2022.

19.2 **GARDEN ROUTE DISTRICT MUNICIPALITY PUBLIC PARTICIPATION STRATEGY/ GARDEN ROUTE DISTRIKSMUNISIPALITEIT PUBLIEKE DEELNAME STRATEGIE / UBUCHULE BOMASIPALA WESITHILI SE GARDEN ROUTE BOTHABATHONXAXHEBA KOLUNTU**

Refer Report dated 10 December 2022 from the Executive Manager Planning and Development Services (L Menze)/ Manager IDP (M James) (pg. 268-286)

RESOLVED TO RECOMMEND TO COUNCIL

That Council approves the GRDM Public Participation Strategy.

BESLUIT OM AAN DIE RAAD TE BEVEEL

Dat die Raad die Garden Route Distriksmunisipaliteit Publieke Deelname beleid goedkeur.

ISIGQIBO SOKUNDULULA KWIBHUNGA

Sesokuba iBhunga liphumeze Ubuchule Bothabathonxaxheba Koluntu lwe GRDM.

I. NOTICE OF URGENT MOTIONS / KENNISGEWING VAN DRIGENDE MOSIES / ISAZISO SEZIPHAKAMISO

I.1 None / Geen / Azikho

J. NOTICES OF MOTIONS / KENNISGEWING VAN MOSIES / ISAZISO SEZIPHAKAMISO

J.1 None / Geen / Azikho

K. IN CLOSED SESSION / IN GESLOTE SESSIE / KWI-SASHONI YASEKHUSINI

K.1 None / Geen / Azikho

CLOSURE / SLUITING / UQUKUNJELO

The meeting closed at 09:54 / *Die vergadering sluit om 09:54* / Intlanganiso ivalwe nge 09:54.

.....

EXECUTIVE MAYOR

ALD M BOOYSEN

BACK TO AGENDA



Minutes of a
Budget Steering Committee meeting
 of the Garden Route District Municipality, 54 York Street, George
 held on **Monday, 27 February 2023** at **08:00**
 at the **CA Robertson Council Chambers** and **via Zoom**

*Notule van `n **Begrotingsloodskomiteevergadering***
van Garden Route Distriksmunisipaliteit,
*op **Maandag, 27 Februarie 2023** om **08:00***
*in die **CA Robertson Raadsaal** en **via Zoom***

Imizuzu
Yentlangano Yolawulo Lohlahlolwabiwo mali
 Lomasipala Wesithuli se Garden Route,
ngoMvulo, 27 kweyeMdumba 2023 ngo 08:00
 nebibanjelwe **kwiGumbi leBhunga CA Robertson nango Zoom**

**1. OPENING AND WELCOME / OPENING EN VERWELKOMING / UVULO
NOLWAMKELO**

The Acting Chairperson, Ald JC Lambaatjeen, welcomed everybody present. Ald JC Lambaatjeen extended a special word of welcome to Mr T Loliwe, who is attending the meeting as the Acting Executive Manager Financial Services.

2. ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO

2.1 COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG / OOCCEBA ABAKHOYO

Ald JC Lambaatjeen	Acting Chairperson
Cllr / Rdl / Ceba RJ Hector	
Cllr / Rdl / Ceba C Taute	
Cllr / Rdl / Cllr R April	

OFFICIALS / AMPTENARE / AMAGOSA

Mr MG Stratu	Municipal Manager
Mr T Loliwe	Acting Executive Manager: Financial Services
Mr C Africa	Executive Manager: Community Services
Mr L Menze	Executive Manager: Economic Development and Planning
Mr JG Daniels	Executive Manager: Roads and Transport Services
Ms B Holtzhausen	Executive Manager: Corporate Services
Ms L Hoek	Manager: BTO, AFS & Assets
Mr T Mpuru	Manager: Stores, Data & SCM
Mr C Martin	Manager: Income, Bank Reconciliation, Expenditure & Remuneration
Mr J Compion	Manager Municipal Health Services
Mr W Jacobs	Disaster Management Practitioner
Mr J Mkunqwana	Manager Human Settlements
Mr D Stoffels	Fire Chief
Ms R Matthews	Head: Committee Services
Ms T Gauzela	Committee Officer

Ms C van Wyngaardt Committee Officer
 Mr B Desha Committee Officer / Translator / Interpreter

2.2 **COUNCILLORS AND OFFICIALS WITH LEAVE / RAADSLEDE EN AMPTENARE MET VERLOF / OOCCEBA / ABAKWIKHEFU**

None / Geen / Azikho

2.3 **COUNCILLORS WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OCEBA ABANGEKHO**

None / Geen/ Azikho

3. **NOTING OF THE PROVISIONS OF SCHEDULE 7 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES AMENDMENT ACT, 2021 / KENNISNAME VAN DIE VOORSKRIFTE VAN SKEDULE 7 (GEDRAGSKODE VIR RAADSLEDE) VAN DIE PLAASLIKE REGERING MUNISIPALE AANGEPASTE STRUKTURE WET, 2021 / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOOCEBA) LOMTHETHO WORHULUMENTE BASEKHAYA WESIMO SOMASIPALA OLUNGISIWEYO WANGO 2021**

The Code of conduct was noted.

4. **DECLARATION OF INTEREST BY COUNCILLORS AND OFFICIALS REGARDING ITEMS INCLUDED ON THE AGENDA / VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE TEN OPSIGTE VAN ITEMS IN DIE AGENDA VERVAT / UKUBHENGEZWA KWENGENELO EYINZUZO NGOOCEBA NAMAGOSA KWIMIBA EKWI AGENDA**

None / Geen/ Azikho

5. **COMMUNICATION BY THE CHAIRPERSON / MEDEDELINGS DEUR DIE VOORSITTER / UNXIBELELWANO LUKASIHLO**

The Acting Chairperson, Ald JC Lambaatjeen thanked all the Councillors and Officials for availing themselves to attend this meeting.

Ald JC Lambaatjeen informed the committee that the report that is on the agenda today, will also be discussed at the Mayoral Committee and Council meeting that is scheduled to take place on later today.

6. APPROVAL OF MINUTES DATED 25 JANUARY 2023 / GOEDKEURING VAN NOTULES GEDATEER 25 JANUARIE 2023 / UKUPHUNYEZWA KWEMIZUZU YEKOMITI YEENKONZO YEZEMALI YANGOMHLA WE 25 KWEYOMQUNGU 2023 (pg 4-10)

RESOLVED

That the minutes of the Budget Steering Committee meeting held on 25 January 2023, be approved.

BESLUIT

Dat die notule van die Begrotingsloodskomiteevergadering soos gehou op 25 Januarie 2023, goedgekeur word.

ISIGQIBO

Sesokuba kuphunyezwe imizuzu Yentangano Yolawulo Lohlahlowabiwo mali yangomhla we 25 KweyeMqungu 2023.

7. 4TH ADJUSTMENT BUDGET 2022/2023 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) / VIERDE AANSUIWERINGSBEGROTING 2022/2023 MEDIUM TERMYN EN INKOMSTE EN UITGAWE RAAMWERK (MTIUR) / UGQITHISELO LOLWABIWO-MALI OLU-LUNGISIWEYO LUKA 2022/2023 LWENGENISO YEXESHA ELIFUTSHANE KUNYE NENDLELA YENCITHO(MTREF)

Refer report dated 20 February 2023 from the Executive Mayor (Ald M Booysen) (pg 11-51)

RESOLVED

That council take the following resolutions:

- (1) That the second adjustments budget of Garden Route District Municipality for the financial year 2022/2023 as set out in the schedules contained in Section 4 be **approved**:

- vi. Table B1 Adjustments Budget Summary;
 - vii. Table B2 Adjustments Budget Financial Performance (by standard classification);
 - viii. Table B3 Adjustments Budget Financial Performance (by municipal vote);
 - ix. Table B4 Adjustment Budget Financial Performance (revenue by source); and
 - x. Table B5 Adjustment Budget Capital Expenditure (by municipal vote and funding source)
- (2) That Council approves the Adjustment Operating Expenditure Budget of R513,043,134
- (3) That Council approves the Adjustment Operating Revenue Budget of R507,251,076
- (4) That Council approves the Adjustment Capital Budget of R127,797,414
- (5) That a revised Service Delivery and Budget Implementation Plan (SDBIP) for the 2022/23 financial year be compiled and tabled to the Executive Mayor for approval.

BESLUIT

Dat die Raad die volgende resolusies aanvaar:

- (1) *Dat die tweede aangepaste Begroting van Garden Route Distriksmunisipaliteit vir die finansiële jaar 2022/2023 soos vervat in die skedules van Seksie 4 goedgekeur word:*
- vi. *Tabel B1 Aangepaste Begrotings Opsomming;*
 - vii. *Tabel B2 Aangepaste Begroting Finansiële Prestasie (volgens standaard klassifikasie);*
 - viii. *Tabel B3 Aangepaste Begroting Finansiële Prestasie (volgens pos);*
 - ix. *Tabel B4 Aangepaste Begroting Finansiële Prestasie (volgens finansieringsbron); en*
-

- x. *Tabel B5 Aangepaste Kapitale Begroting (volgens pos en finansieringsbron)*

(2) Dat die Raad die Aangepaste Uitgawe Begroting van R513,043,134 goedkeur.

(3) Dat die Raad die Aangepaste Inkomste Begroting van R507,251,076 goedkeur.

(4) Dat die Raad die Aangepaste Kapitaal Begroting van R127,797,414 goedkeur.

(5) Dat die hersiende Dienslewering- en Begrotings Implementerings Plan vir 2022/2023 opgestel en aan die Uitvoerende Burgermeester voorgelê word vir goedkeuring.

ISIGQIBO

Sesokuba iBhunga lithathe ezi zigqibo zilandelayo:

- (1) Sesokuba ulwabiwo-mali lwesibini olulungisiweyo loMasipala Wesithili se Garden Route kunyakamali ka 2022/2023 njengoko kuchaziwe kuluhlu oluqulwathwe kuMhlathi 4 luphunyezwe:
 - i. Table B1 Ushwankathelo loLwabiwo-Mali Olu-Lungisiweyo
 - ii. Table B2 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ngokwendlela ezifanelekileyo);
 - iii. Table B3 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ngokwevoti yomasipala);
 - iv. Table B4 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ingeniso ngokovimba); kunye
 - v. Table B5 Ulwabiwo-Mali Olulungisiweyo Incitho Yenkunzi (ngokwevoti yomasipala kunye nenxaso yovimba)
-

- (2) IBhunga liphumeze Ulwabiwo-Mali Olu-Lungisiweyo Lencitho Eqhubayo ye R513,043,134
- (3) IBhunga liphumeze uLwabiwo-Mali Oluqhubayo Lwengeniso noluyi R507,251,076
- (4) IBhunga liphumeze Ulwabiwo-Mali Oluyinkunzi Olu-Lungisiweyo lwe R127,797,414
- (5) Sesokuba ulungisowe Lonikezelo Nkonzo kunye Nesicwangciso Sokumiselwa koLwabiwo-Mali(SDBIP) kunyakamali ka 2022/2023 luqulunqwe kwaye luthiwe theca kuSodolophu obekekileyo ukuze luphunyezwe.

8. **DATE OF NEXT MEETING**

To be communicated.

9. **CLOSURE**

Meeting closed at 08:32 / Vergadering gesluit om 08:32 / Intlanganiso ivalwe ngo 08:32.

.....

CHAIRPERSON / VOORSITTER / USIHLALO

.....

DATE / DATUM / UMHLA

BACK TO AGENDA



Minutes of a
Special Governance Committee Meeting
 held in the **Outeniqua Committee Room, and via Zoom**
 on **Wednesday, 12 October 2022 at 13:00**

*Notule van 'n **Spesiale***
Huisreëls Komiteevergadering
*gehou in die **Outeniqua Komiteekamer en via Zoom***
*op **Woensdag, 12 Oktober 2022 om 13:00***

Imizuzu
Yentlangano Yekomiti Yezolawulo
 nebibanjelwe kwi **Gumbi Lekomiti i Outeniqua, nago Zoom,**
ngoLwesithathu, 12 kweyeDwarha 2022 ngo 13:00

OPENING EN VERWELKOMING / OPENING AND WELCOME / UVULO NOLWAMKELO

The Chairperson, Ald GR Wolmarans, declared the meeting opened and welcomed everybody present.

GC 54/12/22 **SILENT PRAYER / MEDITATION /STILLE GEBED /MEDITASIE/ UMTHANDAZO OTHULEYO**

A moment of silence / mediation was observed.

GC 55/12/22 **ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO**

1 COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG / OOCEBA ABAKHOYO

Ald GR Wolmarans - Chairperson

Ald V Gericke

Ald CN Lichaba

Cllr / Rdl / Ceba D Acker

Cllr / Rdl / Ceba D Cronje

Cllr / Rdl / Ceba B van Noordwyk

Cllr / Rdl / Ceba RJ Hector

AMPTENARE / OFFICIALS / AMAGOSA

Mrs / Me / Nkzn B Holtzhausen Executive Manager Corporate Services

Mr / Mnr / Mnu S Maqekeni Manager: Integrated Support Services and Legal Compliance

Mrs / Me / Nkzn R Matthews Head: Committee Services

2 COUNCILLORS AND OFFICIALS WITH LEAVE / RAADSLEDE EN AMPTENARE MET VERLOF / OOCEBA NAMAGOSA AKWIKHEFU

None / Geen / Abekho

**3. COUNCILLORS ABSENT WITHOUT LEAVE / RAADSLEDE AFWESIG
SONDER VERLOF / OOCCEBA ABANGEKHO KWIKHEFU**

None / Geen / Abekho

CG 56/10/22

**NOTING OF THE PROVISIONS OF SCHEDULE 7 (CODE OF CONDUCT
FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL
STRUCTURES AMENDMENT ACT, 2021 / KENNISNAME VAN DIE
VOORSKRIFTE VAN SKEDULE 7 (GEDRAGSKODE VIR RAADSLEDE) VAN
DIE PLAASLIKE REGERING MUNISIPALE AANGEPASTE STRUKTURE WET,
2021 / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7
(INDLELA YOKUZIPHATHA KOOCEBA) LOMTHETHO WORHULUMENTE
BASEKHAYA WESIMO SOMASIPALA OLUNGISIWEYO WANGO 2021**

The Code of Conduct was noted.

GC 57/10/22

**DECLARATION OF INTEREST BY COUNCILLORS AND OFFICIALS
REGARDING ITEMS INCLUDED ON THE AGENDA / VERKLARING VAN
BELANGE DEUR RAADSLEDE EN AMPTENARE TEN OPSIGTE VAN
ITEMS IN DIE AGENDA VERVAT / IZIBHENGEZO NGOMDLA
NGOOCEBA NAMAGOSA KWIMIBA EKWI AGENDA**

None / Geen / Azikho

GC 58/10/22

**APPROVAL OF MINUTES DATED 23 AUGUST 2022/ GOEDKEURING
VAN NOTULE GEDATEER 23 AUGUSTUS 2022 / UKUPHUNYEZWA
KWEMIZUZU YANGOMHLA WE 23 KWEYETHUPA 2022 (PG 4- 12)**

RESOLVED

That the minutes of the meeting dated 23 August 2022 be approved with the following corrections:

BESLUIT

Dat die notule van die vergadering gedateer 23 Augustus 2022 goedkeur word met die volgende korreksies:

ISIGQIBO

Sesokuba imizuzu yentlanganiso yangomhla 23 kweyeThupa 2022 iphunyezwe nezi zilungiso zolandelayo:

GC 59/10/22

**COMMUNICATIONS BY THE CHAIRPERSON / MEDEDELINGS DEUR
DIE VOORSITTER / INTETHO KASIHLO**

The Speaker welcomed everybody present and thanked them for attending the meeting.

The Speaker requested that in terms of pg 9 & 10 of the minutes of 23 August 2022, the Chief Whips please submit the names of the representatives to serve on the SALGA working groups, to her office.

The Speaker encouraged the Whips to request Councillors to please respond whenever invitations are being distributed to indicate if they will attend the event or if they won't be able to.

GC 60/10/22

**AMENDMENT OF RULES OF ORDER FOR COUNCILLORS /
WYSIGINGED VAN REËLS VAN ORDE VIR RAADSLEDE / ULUNGISO
LWEMITHETHO YOGCINO CWANGCO**

Refer Report from the Executive Manager Corporate Services (B Holtzhausen)(pg 13-74)

RESOLVED TO RECOMMEND TO COUNCIL

1. That the Council agenda should be distributed to Councillors at least five (5) working days before commencement of the meeting.
2. That the Speaker should be authorised to inaugurate Councillors outside the Council approved dates.

BESLUIT OM BY DIE RAAD AAN TE BEVEEL

1. *Dat die Raadsagenda ten minste vyf (5) werksdae voor die vergadering aan alle Raadslede versprei word.*
2. *Dat die Speaker Raadslede buite die Raad se goedgekeurde datums, kan inhuldig.*

ISIGQIBO SOKUNDULULA KWIBHUNGA

1. Sesokuba i-genda yeBhunga kufuneka inikezelwe kooCebe kwintsuku ezintlanu(5) zentsuku zokusebenza phambi kokuqhubekeka kwentlanganiso.

2. Sesokuba uSomlomo avunyelwe ukuba afungise ooCeba ngaphandle kwemihla eohunyeziweyo yeBhunga.

1.
GC 61/10/22

REPORT ON THE STATUS OF THE EDUCATION TRAINING AND DEVELOPMENT COMMITTEE (ETDC) IN TERMS OF THE MUNICIPAL STAFFING REGULATION / VERSLAG RAKENDE DIE STATUS VAN DIE ONDERRIG, OPLEIDING- EN ONTWIKKELINGSKOMITEE IN TERME VAN DIE MUNISIPALE PERSONEEL REGULASIE / INGXELO NGEMEKO YEKOMITI YOQEQESHO NOPHULISO LWEMFUNDO (ETDC) NGOKWEMIGAQO YEMIGAQO YABASEBENZI KAMASIPALA

Refer Report from the Executive Manager Corporate Services (B Holtzhausen)(pg 75-82)

RESOLVED TO RECOMMEND TO COUNCIL

That a legal opinion be obtained from the panel of lawyers with regard to the interpretation of the Municipal Staff Regulation especially the composition of the Education, Training and Development Committee.

BESLUIT OM BY DIE RAAD AAN TE BEVEEL

Dat die Hoofswepe die name van die Sekundis wat op die SALGA Werskgroepe moet dien so gou as moontlik aan die Kantoer van die Speaker voorsien.

ISIGQIBO SOKUNDULULA KWIBHUNGA

Sesokuba Ababhexeshi Abazintloko banikezele ngamagama Abasekeli nekufuneka bengamalungu Amaqela Asebenzayo e SALGA ngokupkhulu ukukhawuleza kwi-Ofisi kaSomlomo.

GC 47/08/22

COMMUNICATION TO COUNCILLORS / KOMMUNIKASIE AAN RAADSLEDE / UNXIBELELWANO KOCEBA

Refer Report from the Executive Manager Corporate Services (B Holtzhausen)(pg 24-26)

RESOLVED

That the Chief Whips urge their party members to respond when communication regarding the distribution of agendas are being send in the Council Whats app group, to avoid miscommunication.

BESLUIT

Dat Hoofswepe hul partylede aanmoedig om te reageer wanneer kommunikasie rakende die verspreiding van agendas in die Whats app groep gestuur word om miskommunikasie te vermy.

ISIGQIBO

Sesokuba Ababhexeshi Abazintloko bakhuthaze amalungu amaqela wabo baphendule kunxibelelwano malunga nokukhutshwa kwe agenda okuye kwakhutsha kwi WhatsApp group weBhunga, ukunqanda ukungavisisani.

GC 48/08/22

**PROPOSED CHANGES TO THE SCHEDULE OF COUNCIL MEETINGS /
VOORGESTELDE VERANDERINGE AAN DIE SKEDULE VAN
VERGADERINGS VAN DIE RAAD / ISIPHAKAMISO SENGUQU
KULUHLU LWENTLANGANISO ZEBHUNGA**

Refer Report from the Executive Manager Corporate Services (B Holtzhausen)(pg 27-28)

RESOLVED TO RECOMMEND TO COUNCIL

1. That the Governance Committee agree in principle that Council meetings take place every second month until the end of the financial year, 30 June 2022.
2. That a Special Council meeting may take place to discuss only legislative reports at the said meeting.
3. That Administration liase with all the Executive Managers and relative stakeholders to get consesus with regard to the minimization of Council meetings.
4. That after consultatation takes place with the Executive Managers and relative stakeholders, a report serve at Council to seek approval for the minimization of the Council meetings.
5. That if, in the event Council realizes that the new arrangement is not sufficient, the Governance Committee will discuss the possible implementation of monthly Council meetings again.

BESLUIT OM BY DIE RAAD AAN TE BEVEEL

1. *Dat die Huiskomitee in beginsel saamstem dat Raadsvergaderings elke tweede maand tot die einde van die finansiële jaar, plaasvind.*
2. *Dat 'n Spesiale Raadsvergadering mag plaasvind om slegs wetgewende verslae by die genoemde vergadering te bespreek.*

3. *Dat Administrasie met al die Uitvoerende Bestuurders en relatiewe belanghebbendes skakel om konsensus te kry met betrekking tot die minimalisering van Raadsvergaderings.*
4. *Dat, na konsultasie met die Uitvoerende Bestuurders en relatiewe belanghebbendes, 'n verslag by die Raad dien om goedkeuring te verkry vir die vermindering van die Raadsvergaderings.*
- 3.
5. *Dat indien, indien die Raad besef dat die nuwe reëling nie voldoende is nie, die Huiskomitee die moontlike implementering van maandelikse Raadsvergaderings weer sal bespreek.*

ISIGQIBO SOKUNDULULA KWIBHUNGA

1. Sesokuba iKomiti Yezolawulo imvumelane ngmaxhelumnye okokuba iintlanganiso zeBhunga lizakubanjwa rhoqo emveni kwenyanga ezimbini de kuphele unyakamalo, ngomhla 30 kweyeSilimela 2022.
2. Sesokuba intlanganiso eKhethekileyo yeBhunga ingabanjwa ukuxoxa imiba efunwa ngumthetho kulontlanganiso.
3. Sesokuba abalawuli banxibelelane nabo bonke Abaphathi Abazintloko kunye nabo ba bandakanyekayo ukuba bavumelane malunga nokucuthwa kweentlanganiso zeBhunga.
4. Sesokuba emveni koqhagamhselwano kunye nabaphathi Abazintloko kunye nabo ba bandakanyekayo, kunikezwe ingxelo kwiBhunga ukufuna imvume yokucuthwa kweentlanganiso zeBhunga.
5. Sesokuba ukubangaba, kuye kwenzeka iBhunga libone ukuba lamalungiselelo matsha awasebenzi, iKomiti yeZolawulo izakuxoxa injongo yokumiselwa kwentlanganiso zeBhunga kwakhona rhoqo ngenyanga.

The meeting closed at 13:07 / Die vergadering sluit om 13:07 / Intlanganiso ivalwe ngo 13:07.

.....
SPEAKER / SPEAKER / SOMLOMO

.....
DATE / DATUM / UMHLA

BACK TO AGENDA



Minutes of a

Municipal Public Accounts Committee meeting (MPAC)

of Garden Route District Municipality that was held in the CA Robertson Council

Chambers and **via Zoom** on

Tuesday, 06 December 2022 at 16:00

Notule van `n

Munisipale Publieke Rekeninge Komiteevergadering (MPRK)

van Garden Route Distriksmunisipaliteit gehou in die CA Robertson Raadsaal en via

Zoom op **Dinsdag, 06 Desember 2022 om 16:00**

Imizuzu yentlanganiso eKhethekileyo

yeKomiti yoMasipala Yencwadi Zoluntu (MPAC)

yoMasipala Wesithili se Garden Route nebibanjwe ngo Zoom

ngoLwesibini, 06 kweyoMnga 2022 ngo 16:00

MPAC 35/12/22 **OPENING EN VERWELKOMING / OPENING AND WELCOME / UVULO
NOLWAMKELO**

The Chairperson, Cllr D Acker declared the meeting opened and welcomed everyone present at the meeting.

MPAC 36/12/22 **ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO
COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG /OOCEBA
ABAKHOYO**

Cllr D Acker	Chairperson
Ald CN Lichaba	
Cllr C Swart	
Cllr K Malooi	
Cllr CP Taute	
Cllr JG Meiring	
Cllr JP Buys	
Cllr D Cronje	
Cllr M Kannemeyer	
Cllr J Hoogbaard	Observer

AMPTENARE / OFFICIALS / AMAGOSA

Mr J-W de Jager	Executive Manager Financial Services
Mr JG Daniels	Executive Manager Roads and Transport Services
Ms B Holtzhausen	Executive Manager Corporate Services
Mr T Loliwe	Strategic Manager in the Office of the Municipal Manager
Mr L Menze	Executive Manager Economic Development and Planning
Mr S Maqekeni	Manager Integrated Support Services and Legal Compliance
Ms P Lufele	Chief Audit Executive
Ms M James	District IDP Manager
Ms IG Saaiman	Manager Performance Management

Mr T Mpuru

Manager SCM, Data and Stores

Ms R Matthews

Head: Committee Services

**COUNCILLORS AND OFFICIALS WITH LEAVE / RAADSLEDE EN AMPTENARE
MET VERLOF / OOOCEBA ABAKWIKHEFU**

Cllr RJ Hector

Mr MG Stratu

Municipal Manager

**COUNCILLORS WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OOOCEBA
ABANGEKHO**

None / Geen / Asikho

MPAC 37/12/22

**NOTING OF THE PROVISIONS OF SCHEDULE 7 (CODE OF CONDUCT FOR
COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES
AMENDMENT ACT, 2021 / KENNISNAME VAN DIE VOORSKRIFTE VAN
SKEDULE 7 (GEDRAGSKODE VIR RAADSLEDE) VAN DIE PLAASLIKE REGERING
MUNISIPALE AANGEPASTE STRUKTUREWET, 2021 / UQWALASELO
LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA
KOOCEBA) UMTHETHO WEZOLAWULO LOMASIPALA WORHULUMENTE
WASEKHAYA, 2021**

The Code of conduct was noted.

MPAC 38/12/22

**DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / VERKLARING
VAN BELANGE DEUR RAADSLEDE EN AMPTENARE / UKUCHAZWA KOMDLA
NGOOCEBA KUNYE NAMAGOSA**

None / Geen / Azikho

MPAC 39/12/22 **COMMUNICATIONS BY THE CHAIRPERSON / MEDEDELINGS DEUR DIE VOORSITTER / INTETHO KASIHLO**

The Chairperson, D Acker thanked all the members for availing themselves for this meeting. The Chairperson communicated that at the meeting today only the Oversight on the Annual Report for the 2021/22 financial year will be discussed and that Councillors will be given the opportunity to provide their inputs with regard to the Report before submission to Council.

MPAC 40/12/22 **APPROVAL OF MINUTES DATED 31 OCTOBER 2022 / GOEDKEURING VAN NOTULE GEDATEER 31 OKTOBER 2022/ UKUPHUNYEZWA KWEMIZUZU YANGOMHLA 31 KWEYEDWARHA 2022 (PG 4-14)**

RESOLVED

That the minutes of the MPAC meeting dated 31 October 2022, be approved.

BESLUIT

Dat die notule van die MPRK vergadering gedateer 30 Oktober 2022 goedgekeur word.

ISIGQIBO

Sesokuba imizuzu yentlanganiso ye MPAC yangomhla 30 KweyeDwarha 2022.

MPAC 41/12/22 **OVERSIGHT REPORT ON THE ANNUAL REPORT FOR THE 2021/22 FINANCIAL YEAR / VERSLAG RAKENDE DIE OORSIGVERSLAG VIR DIE 2021/22 FINANSIËLE JAAR / INGXELO BANZI NGENGXEKO YONYAKA YONYAKAMALI KA 2021/22**
Refer Report dated 03 December 2022 from the Chairperson of MPAC (Cllr D Acker) (pg 15-33)

RECOMMENDATION

1. That Council, after having fully considered the Annual Report of the municipality and representations thereon, adopts the oversight report and the 2021/22 Annual Report without reservations.
 2. That the Accounting Officer, in accordance with Section 21 (a) of the Municipal Systems Act, make the oversight report public within seven days of its adoption.
 3. That the Accounting Officer submits the Oversight Report to the Provincial Legislature within seven days.
 4. That the Accounting Officer develop action plans to address issues raised in the Auditor General Report and monitor progress.
 5. That the Audit Action Plan progress be presented to APAC and MPAC quarterly.
 6. That Council refer Irregular Expenditure to MPAC for investigation for the current year (R16 401 746) and prior year (R 3 350 032).
 7. That Council writes off the Irregular Expenditure of R 7 566 985.48.
-

AANBEVELINGS

1. *Dat die Raad, na voldoende oorweging van die jaarverslag van die munisipaliteit en voorleggings hieroor, die Oorsigverslag aanvaar en die 2021/22 Jaarverslag goedkeur sonder voorbehoud.*
2. *Dat die rekenpligtige beampte, in gevolge die bepalings van artikel 21(a) van die Munisipale Stelselwet, die Oorsigverslag publiseer binne sewe dae na aanvaarding daarvan.*
3. *Dat die rekenpligtige beampte van die munisipaliteit die Oorsigverslag binne sewe dae aan die Provinsiale Wetgewer voorsien.*
4. *Dat die Rekenpligtige Beampte aksie-planne moet ontwerp om die aangeleenthede wat deur die Ouditeur-Generaal se verslag uitgewys is, te monitor.*
5. *Dat vordering met die Oudit Aksieplan kwartaaliks aan OPOK en MPKR voorgele word.*
6. *Dat die Raad die onreëlmatige uitgawes na MPRK vir ondersoek verwys vir die huidige jaar (R16 401 746) en die vorige jaar (R 3 350 032).*
7. *Dat die Raad die onreëlmatige uitgawes van R 7 566 985.48 afskryf.*

IZINDULULO

1. Sesokuba iBhunga, emveni kokuqwalasela ngokupheleleyo iNgxelo Yonyaka yomasipala kunye nokunikezelwa kwayo, iyamkele ingxelo banzi kunye neNgxelo Yonyaka ka 2021/22 ngaphandle kokuxhomekeka.
-

2. Sesokuba iGosa Elinoxanduva, ngokuthobela uMhlathi 21(a) Womthetho Welawulo Lomasipala, ayazise eluntwini ingxelo banzi kwisithuba sentsuku ezisixhenxe yamkelwe.
3. Sesokuba iGosa Elinoxanduva linkezele Ingxelo Banzi Kwiqumrhu LowisoMthetho lePhondo kwisithuba sentsuku ezisixhenxe.
4. Sesokuba iGosa Elinoxanduva livelise isicwangciso sothabatho manyathelo ukujingana nemiba ethe yaphawulwa kwiNngxelo Yomphicothi Jikelele kwaye liqwalasele lomsebenzi.
5. Sesokuba umsebenzi osele wenziwe Wesicwangciso Samanyathelo eZophicotho unikezelwe rhoqo ngekota kwi APAC nakwi MPAC.
6. Sesokuba iBhunga ligqithisele Incitho Enxamnye Nomthetho kwi MPAC ukuze iphandcwe.
7. Sesokuba iGosa Elinoxanduva livelise isicwsangciso sothabatho nyathelo ukujongana nomsebenzi osele wenziwe ekumiselweni kwezindululo zingasentla kunye namanyathelo esiphakamiso akhaliphileyo kumongo wengxelo.

NB: Ald CN Lichaba requested that her reservations be minuted, especially on the financial statements, i.e.

Ald CN Lichaba said that she looked at the Garden Route policy and it states that Senior Managers can encash and that the only instance is when leave was not granted, based on organizational matters.. She also said that it is also stated that you are only entitled to 48 days leave, and if a senior manager has more than that, they forfeit their leave. Therefore she has her reservations on the payment of leave. Ald CN Lichaba also said that the payment that was made in terms of the exit gratuity policy, was calculated retrospectively and was done without a council resolution and the policy also does not state that the payments must be done retrospectively. Ald CN Lichaba said that she finds that there are irregularities with regards to the payments

that were made, whether it was material or not. Ald CN Lichaba said that a legal opinion is still awaited regarding the upper limits of salaries for Senior Managers and that the Auditor General did not make an opinion about that for the 2021 financial year. The audit outcome of the Salary Waiver application is also still outstanding. Ald CN Lichaba also said that the Comments from the Audit Committee are also missing from this Oversight Report and that it should have formed part of this report for incorporation. ALD CN Lichaba said that in terms of unauthorized expenditure for the financial year under review, there is none, she does not believe that. Ald CN Lichaba said that the time limits in which the committee members had to prepare for this meeting was also not sufficient.

After the submission of Ald CN Lichaba as mentioned above, Cllr D Acker responded by saying the following:

Cllr D Acker said that it is the nature of an audit, that it is not possible to track every transaction in a municipality. So to state that the report from the Auditor General is not correct, because not every transaction is audited and therefore the Auditor General did not do a proper job, is incorrect and cannot be supported.

Cllr D Acker said that there are many things that the Auditor General has not audited and there is nothing wrong with that as they use a sample. Cllr D Acker went on to say that Ald CN Lichaba can bring back a report on the leave policy to the next meeting if she wishes.

Cllr D Acker said that with regard to the input from ALD CN Lichaba, it terms of the gratuity policy, that report has been dealt with at the previous meeting and that there is a difference with the interpretation of the policy and that council is still awaiting the feedback from Province in that regard.

Cllr JG Meiring communicated the following:

Cllr JG Meiring congratulated Administration with obtaining a clean audit again.

Cllr K Malooi communicated the following:

Cllr K Malooi said with regards to the methodology followed by the Auditor General, it is a well known and universal accounting principle that is followed. Cllr K Malooi, said that the official from the Auditor General's office did raise the two issues as identified by Ald CN Lichaba with regards to the payment of leave of senior managers as well as the gratuity policy and that the office of the Auditor General could find nothing material with regards to those two issues. Cllr K Malooi, further thanked Ald CN Lichaba for her role that she plays to ensure that there are no improper things that are happening at Garden Route District Municipality and that she has done an excellent job as previous chairperson of the MPAC. Cllr K Malooi said that he is satisfied with the report as presented and wants to accept the report without any reservations, and said that the other issues as raised by Ald CN Lichaba can be raised again. Cllr K Malooi said that in the report the Auditor General said that if something material comes up afterwards their office will take a look at it, and then change the outcome of their audit. Cllr K Malooi, then continued to propose to accept the recommendations as is.

Cllr D Cronje communicated the following:

Cllr C Cronje, congratulated the Administration with the clean audit result received and then seconded the proposal of Cllr K Malooi.

Mr Jan-Willem de Jager communicated the following:

Mr de Jager said that the Auditor General has responded to all the issues that Ald Lichaba has raised and there is nothing new.. Even though the matter with regards to the gratuity policy is still with Province, the Office of the Auditor General concluded that they were satisfied with the calculations and application thereof.

Mr de Jager said that the matter with regards to the Waiver Application and Upper limits, etc, further consultation will place once the Auditor General has come back with a legal opinion. Mr de Jager said that these matters were reported by Management to the office of the Auditor General. According to the CFO, it is unfortunate that only on 29 November, the Auditor General raised this matter of the

upper limits as a COMAF Mr de Jager said that when a COMAF is issued, administration has 5 days to respond and then the Auditor General also has time to respond, a discussion then took place that due to the tight timeframes and because of the Auditor's Report that had to be signed on 30 November 2022, the Auditor General then agreed, that in their assessment the matter of the waiver of the upper limits is not a material matter and the Auditor General office is completely happy to sign off on their audit report. Mr de Jager said that in the meeting of APAC/ MPAC on 02 December 2022, the office of the Auditor General said that they are completely confident of what they have audited and of their opinion, and that they are clear on the outstanding matter and even taking into consideration that some of the allegations are still outstanding they are completely confident in issuing their opinion.

Mr de Jager said that the Auditor General work is also audited, and the team that did the audit here, cannot by themselves decide on the outcome themselves and that there are various control measures that are in place for the Auditor General's office.

Cllr D Acker posed the following question: he asked whether the Auditor General cannot qualify his audit.

Mr T Loliwe communicated the following:

Mr T Loliwe said that the office of the Auditor General did their assessment, they investigated the allegations, they looked at non-compliance, quantifying figures, etc and are confident that regardless of the outcome of the legal opinion on waiver of the upper limits, there will not be a material outcome and will therefore not affect the audit outcome.

Ald CN Lichaba raised the following question:

Ald CN Lichaba asked what happens in the event of non disclosures that are material in nature.

Cllr D Acker responded to the question above with the following:

He said that when a functionary makes a decision they are functus office.

Mr L Menze communicated the following:

Mr L Menze said that the response as given above by Cllr D Acker is correct. The Auditor General would not have expressed an opinion in that case, because there are still some outstanding issues, but they are satisfied with what has been received, and therefore, they cannot change their decision. They would have to go to court to change their decision.

Mr L Menze said that Mr de Jager has clarified in detail the level of reviews that is happening in the office of the Auditor General before they can issue a report and any changes to a report that they have already issued, would put their integrity at risk.

Cllr D Acker said that the committee takes note of the reservations as mentioned by Ald CN Lichaba and that there is no need for voting with regard to the report as mentioned above and that it would therefore serve at Council.

Mr Jan-Willem de Jager communicated the following:

Mr de Jager said that on page 30 of the Audit Report it states: "*I did not receive the other information prior to the date of the report*". Mr de Jager said that the other information pertains to information on the Annual Report and not on the Financial Statements.

Mr T Loliwe communicated the following:

Mr T Loliwe responded to the communication above from Mr de Jager and said that the office of the Auditor General has concluded on the above and GRDM has received the outcome today and that there are no material statements to the Annual Report, and that particular paragraph will change to state that they have reviewed it and there are no material findings.

The meeting closed at 16:51 / *Die vergadering sluit om 16:51* / Intlanganiso ivalwe ngo 16:51.

.....
CHAIRPERSON /VOORSITTER / USIHLALO

.....
DATE / DATUM / UMHLA

BACK TO AGENDA

1. **GARDEN ROUTE DISTRICT MUNICIPALITY 2022-2027 FINAL AMENDED INTEGRATED DEVELOPMENT PLAN (IDP) / GARDEN ROUTE 2022-2027 FINALE GEWYSIGDE GEÏNTEGREERDE ONTWIKKELINGSPLAN (GOP) / ISICWANGCISO SOKUGQIBELO ESILUNGISIWEYO SENDIBANISELWANO YEZOPHUHLISO YOMASIPALA WESITHILI SE GARDEN ROUTE KA 2022-2027**

REPORT FROM THE EXECUTIVE MAYOR (CLLR M BOOYSEN): EXECUTIVE MANAGER: PLANNING & ECONOMIC DEVELOPMENT (L MENZE)

2. **PURPOSE**

The purpose of this report is to table the amended 2022-2027 Garden Route District Municipality's 2022-2027 Integrated Development Plan in compliance with Section 34 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) to Council for approval.

3. **DELEGATED AUTHORITY**

Council

4. **EXECUTIVE SUMMARY**

Section 34 (b) of the MSA states that a Municipal Council may amend its IDP in accordance with a prescribed process which is set out in Regulation 3, of the MSA Planning and Performance Management Regulations of 2001. The amendment can only be proposed by a member or a committee of council. The process to be followed when amending an IDP entails (1) submitting a memorandum setting out the reasons for the proposal and, (2) alignment with the framework adopted in terms of MSA Section 27 Garden Route District Municipality

On 28 March 2023, a memorandum was tabled to Council with the proposed changes.

Following the re-adoption of the Municipal Spatial Development Framework (MSDF) in October 2022 a performance review on the implementation of the MSDF has been undertaken. The outcome of the performance review indicates that an updated MSDF is required for the Garden Route District Municipality.

5. **RECOMMENDATIONS**

- 5.1 That Council approves the amended Integrated Development Plan.
 - 5.2 That Council notes the performance review on the implementation of the GRDM MSDF.
-

- 5.3 That the MSDF be updated/amended according to the prescribed process.

AANBEVELINGS

- 5.1 *Dat die Raad die gewysigde Geïntegreerde Ontwikkelingsplan goedkeur.*
- 5.2 *Dat die Raad kennis neem van die prestasie oorsig wat gedoen is in terme van die Munisipale Ruimetelike Ontwikkelingsraamwerk.*
- 5.3 *Dat die MROR opgedateer/gewysig word volgens die voorgestelde proses.*

IZINDULULO

- 5.1 Sesokuba iBhunga liphumeze ulungiso lweSicwangciso seNdibaniselwano Yoiphuhliso.
- 5.2 Sesokuba iBhunga lithathele ingqalelo umsebenzi woqwalaselo ekumiselweni kwe MSDF ye GRDM.
- 5.3 Sesokuba I MSDF ilungelewanise/ilungiswe ngokufanelekileyo kwinkqubo efanelekileyo.

6. DISCUSSION / CONTENTS

6.1 Background

Municipal Systems Act no 32 of 2000, Section 25: Adoption of integrated development plans

(2) An integrated development plan adopted by a municipal council in terms of subsection (1) may be amended in terms of section 34 and remains in force until an integrated development plan is adopted by the next elected council.

Section 34: Annual review and amendment of integrated development plan

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 37: Regulations and guidelines

The Draft Amended IDP was tabled to Council on 28 March 2023. The IDP was

circulated to all councillors and staff on The IDP was published for comments in the Newspaper, Website and Facebook. A radio jingle to invite comments was also broadcast on Eden FM and the public could make comments up to 30 April 2023.

An Institutional Strategic Planning Session took place on 20-21 April 2023, where the projects and strategic direction of the municipality as captured in the IDP was presented to Council by various speakers.

On 4 May 2023, the IDP Representative Forum took place in Knysna and below are some of the issues that were raised by the community members who attended:

- The need for a local economic summit
- Service delivery challenges in rural communities
- Support with equipment for neighbourhood watches
- Land for emerging farmers
- Bursaries and Economic opportunities for people in rural areas
- Affordable housing and land prices
- Empowerment of local film makers
- Inadequate public participation activities
- Capacity building for emerging entrepreneurs in renewable energy projects

The Draft Amended IDP was also submitted to the Department of Local Government, and the assessment of the IDP reflects compliance with the Municipal Systems Act and its regulations. After the engagement with DLG and public participation process the following additions to the IDP were made:

- SIME Key Findings , see 1.10
- Housing Market study, see 3.5.2
- Critical skills analysis, see 3.9
- Institutional Transformation needs, 4.7
- Workplace Skills plan, see 4.8
- MSDF Performance Review Report, see Annexure D

6.2 Discussion

The strategic objectives of Council are:

Strategic Objective 1	A Skilled Workforce and Communities
Strategic Objective 2	Bulk Infrastructure Co-ordination
Strategic Objective 3	Financial Viability & Sustainability
Strategic Objective 4	Good Governance.
Strategic Objective 5	Growing an inclusive district economy.
Strategic Objective 6	Healthy and socially stable communities
Strategic Objective 7	Sustainable Environmental Management and
Public Safety.	

Some of the key catalytic projects included in the Final 2022-2027 amended

IDP are as follows:

- Skills Mecca
- Designating the district as a Water Services Authority
- Regional Landfill Site
- Fresh Produce Market
- Renewable Energy Projects
- Affordable Housing, Student Accommodation, FLISP
- Bulk Sludge
- Digital Transformation Strategy & GIS

The amended chapter outline of the IDP is as follows:

Chapter 1: Introduction
 Chapter 2: Strategic Framework
 Chapter 3: Socio-Economic Profile of the District
 Chapter 4: Human Resources
 Chapter 5: Service Delivery and Operational Strategies
 Chapter 6: Projects and Programmes
 Chapter 7: LED Strategy
 Chapter 8: Disaster Management Plan
 Chapter 9: Spatial Development Framework
 Chapter 10: Energy Management
 Chapter 11: Good Governance
 Chapter 12: Financial Plan
 Chapter 13: Performance Management

6.3 Financial Implications

Cost of Newspaper notice to inform the public of the Final Amended IDP

6.4 Legal Implications

None, but the following legislation provides a framework for the tabling of the Integrated Development Plan

- Chapter 5 of the Municipal Systems Act, 2000 (Act 32 of 2000). Local Government: Municipal Systems Act (2000), (MSA),
- Local Government: Municipal Planning and Performance Regulations (2001),

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

There are no previous or relevant Council resolutions related to this matter.

6.7 Risk Implications

Non - compliance to legislation if IDP is not tabled

6.8 Comments from Senior Management:

6.8.1 Executive Manager: Financial Services

Supported

6.8.2 Executive Manager: Corporate Services

Noted and supported

6.8.3 Executive Manager: Community Services

Support and noted.

6.8.4 Executive Manager: Roads Services

Noted and supported.

6.8.5 Manager: Legal Services

Noted and supported the content of the report.

ANNEXURE

Final Amended 2022-2027 IDP

Performance Review Report - SDF



FINAL AMENDED IDP 2023-2024

2022-2027 Integrated Development Plan

Garden Route District Municipality
Head Office: 54 York Street, George, 6530
Tel: 044 803 1300, **Fax:** 086 555 6303
www.gardenroute.gov.za

THE STORY OF THE GARDEN ROUTE

A place of opportunities whose sole focus is serving its community.

A municipality well located on the N2 between two (2) of the country's cities.

A district with a good transport and road infrastructure network.

Situated halfway between national ports and boasts two (2) recreational ports.

Pristine beaches and a relatively unspoiled environment.

The district is well known for its tourist attractions and natural beauty.



GARDEN ROUTE GROWTH NODES

The economic growth and development of the district depend on monopolising its competitive advantages. The district has a wide range of competitive advantages ranging from its coastal line presenting opportunities of the ocean economy and tourism. The large forests and arable land for agriculture and farming.


WC:044

This municipality is situated in a district, which is informally known as the Garden Route, with its hubs, nestled among the slopes of the majestic Outeniqua Mountains and flanked by the Indian Ocean to the south. It is situated on the major transport routes between Cape Town in the south and Port Elizabeth in the east.


WC:041

Kannaland Municipality is renowned for its cheese factories and the production of world famous dairy and wine products.


WC:043

Its main economic activity is agriculture (Aloes, cattle, dairy, ostriches, sheep, timber, vegetable and wines), fishing light industry, petrochemicals and tourism.


WC:047

This municipality is situated along the Garden Route. Bitou is rife with a number of invertebrates such as anemones, nudibranchs and sponges. Bitou has over four different kinds of reefs and is particularly famous for being the best night-time diving spot.


WC:042

This municipality is nestled in the shadow of the shadows of the Langeberg Mountains and in the embrace of the warm Indian Ocean, stretching from the Breede River in the west to the Gourits River in the east.


WC:048

This municipality is one of the smallest municipalities of the seven that makes up the district, accounting for only 5% of its geographical area, main economic sectors; wholesales and retail trade, catering and accommodation, finance, insurance, real estate and business.


WC:045

The Greater Oudtshoorn area is nestled at the foot of the Swartberg Mountains in the little Karoo region. It is defined as the semi-desert area with a unique and sensitive natural environment. It was once the indigenous home of the Khoi-san people and the rock paintings on the walls of the caves in the surroundings area sends a message that survival in this area requires respect for the natural environment.

GARDEN ROUTE AT A GLANCE

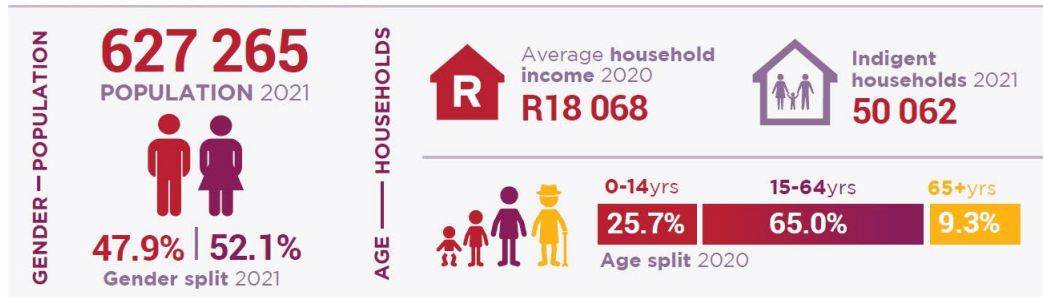


GRD GARDEN ROUTE DISTRICT

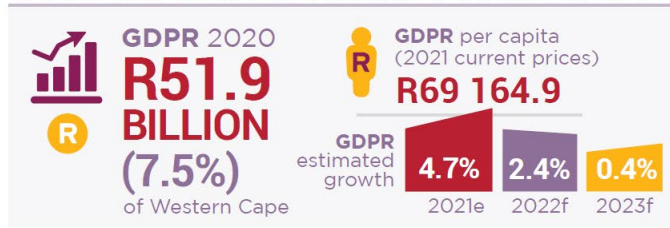
SEAT | AREA | DENSITY
George | **23 331km²** | **25/km²**

MUNICIPALITIES | KANNALAND, HESSEQUA, MOSSEL BAY, GEORGE, OUDTSHOORN, BITOU, KNYSNA

DEMOGRAPHICS



GROSS DOMESTIC PRODUCT



SERVICES



EMPLOYMENT



TRADE



TOURISM



Source: MERO 2022-2023

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EXECUTIVE MAYOR'S FOREWORD



The Municipal Systems Act, 32 of 2000 requires all municipalities to develop five (5) year Integrated Development Plans (IDP) and review them annually. Garden Route District Municipality (GRDM) adopted its predecessor's IDP without amendments in May 2022.

The IDP was developed within an approved IDP process plan and engaged in a consultation process to ensure that communities and key stakeholders become part of the planning and decision-making processes.

The GRDM Council resolved to use its Growth and Development Strategy (GDS) as its key strategic approach to respond to the call of the Joint District and Metro Approach. The GDS of the region covers seven key strategic priorities which includes: Water Security, Sustainable Tourism, Resilient Agriculture, Supported Wellbeing and Resilience, Local Energy Transition, and A connected Economy. In the spirit of "Year of Implementation" Council approved the GDS Implementation Plan which identifies key Catalytic projects that will be implemented in the region across 2-3 years.

Council also further adopted a Public Participation strategy which seeks to ensure that the public is involved from the planning to implementation and monitoring of development projects in the region.

I wish to thank all Councillors for their support, and the Administration, and all seven (7) Local Municipalities within the District for [their] cooperation and support.

MEMORY BOOYSEN
EXECUTIVE MAYOR
GARDEN ROUTE DISTRICT MUNICIPALITY

MUNICIPAL MANAGER'S MESSAGE



Section 84(1) of the Municipal Structures Act 117 of 1998 states that a district municipality has the following functions and powers: (a) Integrated development planning for the district municipality as a whole including a framework for integrated development plans of all municipalities in the area of the district municipality. The District Framework and IDP was approved by Council in May 2022.

Garden Route District Municipality is determined to ensure that all people in the region enjoys a high quality of life through focusing on bulk and socio-economic infrastructure projects in collaboration with all spheres of government. It is for this reason that the Municipality took a decision in 2017 to perform all its functions as stipulated in Section 84 of Municipal Structures Act. The funding model for district municipalities however must urgently be reviewed to enable the Garden Route District Municipality to achieve its strategic objectives at a greater scale.

STATUS OF DEVELOPMENT IN THE REGION

According to the MERO 2022-2023 the current population of the district is 627 265 with 176706 households of which 50 062 are classified as indigent. Business and Government need to take hands and implement strategies that will ensure that more people in our region are self-reliant and are less dependent on social grants.

There is still much work to be done to ensure that access to basic services is enjoyed by everyone in the region. Unemployment in our region is recorded as 21.1%.

Many of the challenges that our communities have brought under our attention during our public participation engagements relates to access to schools, clinics, community safety, policing, water and sanitation, youth development and support

for SMME's . Through our Growth and Development Strategy projects as well as other projects and programs in our sector plans we believe that we can address some of these challenges faced by our communities relevant to the functions of districts.

LOCAL ECONOMIC DEVELOPMENT

A Growth and Development Strategy Implementation Plan was approved by Council in January 2023. The key projects to be implemented over the next 2 – 5 years is thoroughly discussed in Chapter 7. Seven working clusters have been established to roll out the projects as listed in Chapter 7.

In the 2022 -2023 financial year fourteen (14) businesses will be assisted with equipment through our SMME development programme. We aim to invest in Film Development, Grading of accommodation, destination marketing and informal traders in the 2023-2024 financial year.

We are in the process of reviewing our Preferential Procurement Policy as a means of ensuring that our Supply Chain Processes effectively contributes to growing the economy in our region.

SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

The announcement of a National Disaster has exacerbated the need to focus on sustainable energy solutions for the region. Chapter 10 provides an overview of the district's energy management plans. The Energy Master Plan was approved by Council in May 2022 and various energy saving initiatives have also started at all the buildings of the district. On 25 November 2022, the district launched its solar plant system at the De Hoek Resort.

Water security is also another challenge in the region; hence the district hosted a Water security workshop on 7 March 2023, that was attended By Municipalities, and other key stakeholders. The district is currently following a Section 78 process to investigate the feasibility for the district to be designated as a Water Services Authority.

The Level 1 accreditation application for GRDM to provide affordable housing is still ongoing and further progress is discussed in Chapter 5.

Construction of the Regional Fire Station commenced and the completion of the station is expected for December 2023. The plans to build a Regional Landfill site is still in progress and should be completed by 2025.

FINANCIAL VIABILITY AND MANAGEMENT

One of the focus areas of the district in the 2023/2024 financial year will be to implement tight measures to manage its expenditure and identify alternative revenue streams. No new positions will be added to the organogram and the district will monitor and evaluate the necessity to fill positions that become vacant.

Budget policies are reviewed annually to ensure that GRDM operates within financial regulations.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

All required measures and structures are in place to ensure that Good Governance is upheld at GRDM. The district also achieved a clean audit in the 2021/2022 financial year as a result of all the internal controls and systems in place.

The IDP Budget & PMS Representative Forum took place on 24 November 2022 and the focus was on the strategic objective namely, "Growing an inclusive economy". Council also approved a Public Participation Policy in 2022, and a public participation action plan will be developed in collaboration with the communication unit and all relevant managers to ensure that the public is engaged, before during and after development projects in the region.

We will continue to work hard to ensure that we lead, and that we create an enabling environment for economic growth in our region. Our communities should feel safe and we must ensure that all have access to basic services. This administration is working hard to ensure a culture of excellence; **"We are what we repeatedly do. Excellence, then, is not an act, but a habit"**. Aristotle. I would like to thank Council and all my colleagues for always striving for excellence.

Thank you

MONDE STRATU
MUNICIPAL MANAGER
GARDEN ROUTE DISTRICT MUNICIPALITY

STRATEGIC DIRECTION

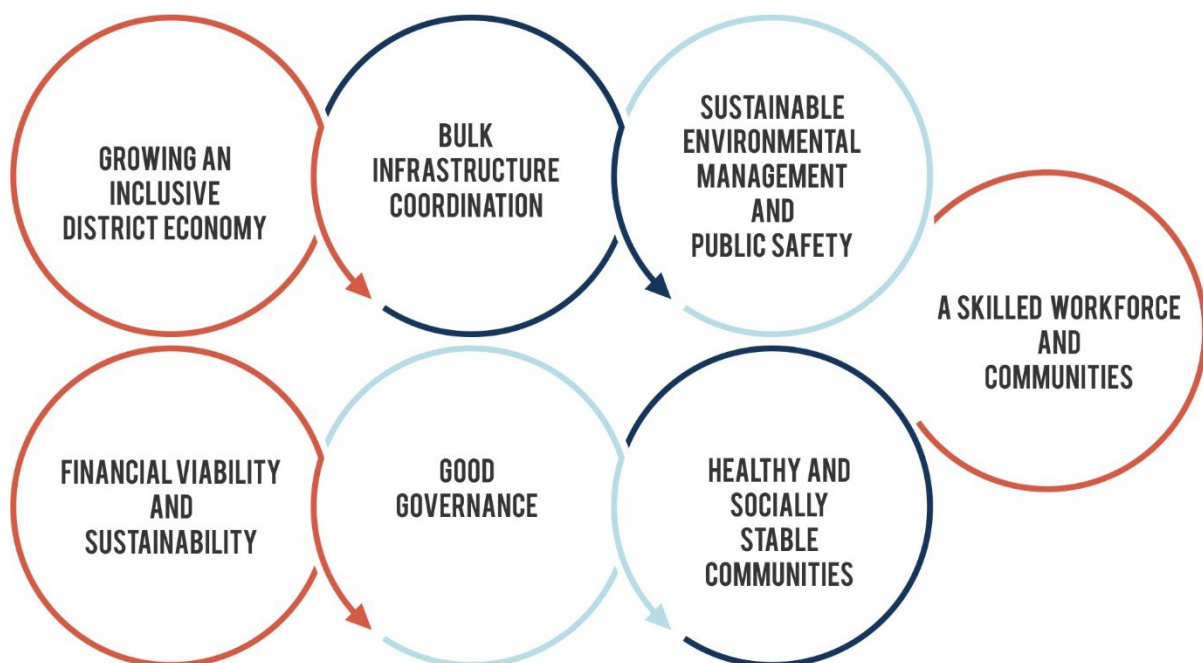
VISION

Garden Route, the leading, enabling and inclusive district, characterised by equitable and sustainable development, high quality of life and equal opportunities for all.

MISSION

- The Garden Route District Municipality, as a category C local authority, strives to deliver on its mandate through:
- Unlocking resources for equitable, prosperous and sustainable development.
- Provide the platform for coordination of bulk infrastructure planning across the district.
- Provide strategic leadership towards inclusive / radical / rigorous socio-economic transformation, to address social, economic and spatial injustice.
- Redress inequalities, access to ensure inclusive services, information and opportunities for all citizens of the district.
- Initiate funding mobilisation initiatives / programmes, to ensure financial sustainability.
- Coordinate and facilitate social development initiatives.

STRATEGIC OBJECTIVES



POLITICAL LEADERSHIP

MAYORAL COMMITTEE



Ald. Memory Booysen
Executive Mayor
(DA)



Vacant
Portfolio Chairperson:
Financial Services



Cllr Jobieth Hoogbaard
Portfolio Chairperson:
Property & Asset Mgmt.
(DA)



Ald. Jerome Lambaatjeen
Strategic Services
(DA)



Ald Nompumelelo Ndayi
Portfolio Chairperson:
Community Services
(DA)



Ald. Rosina Ruiters
Portfolio Chairperson:
Planning & Econ. Dev.
(DA)



Ald. Petru Terblanche
Portfolio Chairperson:
Roads and Transport
Planning Services (DA)



Ald. Iona Kritzinger
Portfolio Chairperson:
Corporate Services (DA)

2021/2022 - 2026/2027 COUNCIL



Ald. Memory Booysen
Executive Mayor
(DA)



Ald. Gert van Niekerk
Deputy Executive Mayor
(VF Plus)



Ald. Georlene Wolmarans
Speaker
(DA)



Cllr Betsie van Noordwyk
Whip of Council
(DA)



Vacant
MAYCO



Cllr Jobieth Hoogbaard
MAYCO
(DA)



Ald. Iona Kritzing
MAYCO
(DA)



Ald. Jerome Lambaateen
MAYCO
(DA)



Ald. Nompulelo Ndayi
MAYCO
(DA)



Ald. Rosina Ruiters
MAYCO
(DA)



Ald. Petru Terblanche
MAYCO
(DA)



Ald. Clodia Lichaba
(ANC)



Cllr Marulyn Kannemeyer
(DA)



Cllr Daniel Cronje
(DA)



Cllr Pindile Petros
(ANC)



Cllr Cobus Meiring
(DA)



Cllr Mzwandile Mkonto
(ANC)



Cllr Hyrin Ruiters
(ICOSA)



Cllr Rayno April
(DA)



Cllr Hilton Stroebel
(DA)



Cllr Daniel Acker
(VF Plus)
MPAC Chairperson



Ald. Virgil Gericke
(PBI)



Cllr Richard Hector
(GOOD)



Cllr Sharon van Rooyen
(ANC)



Cllr Russel Arends
(ANC)



Cllr Simphiwe Toto
(ANC)



Ald. Stephen de Vries
(ANC)



Cllr Christopher Taute
(ANC)



Cllr Vinolia Gungubele
(ANC)



Cllr Joseph Bavuma
(DA)



Cllr John-Patrick Buys
(PBI)



Cllr Donovan Saptsoe
(GOOD)



Cllr Koos Malool
(DA)



Cllr Coenraad Swart
(DA)



Cllr Nokuthula Seti
(ANC)



Cllr Jan Cornelius
(ICOSA)

EXECUTIVE MANAGEMENT



Monde Stratu
Municipal Manager



Clive Africa
Executive Manager
Community Services



Trix Holtzhausen
Executive Manager
Corporate Services



Thembani Loliwe
Acting Executive Manager
Financial Services



Lusanda Menze
Executive Manager
Planning & Econ. Dev. Services



John Daniels
Executive Manager
Roads Services

SECTION/DIVISION BREAKDOWN PER DEPARTMENT

Office of the Municipal Manager	<ul style="list-style-type: none"> • Strategic Services • Communication and Graphic Design Services • Internal Audit • Performance Management • Risk Management • Legal Services
Community Services	<ul style="list-style-type: none"> • Municipal Health Services • Disaster Management and Environmental Management Services • Bulk Infrastructure • Fire, Rescue and Fleet Service
Corporate Services	<ul style="list-style-type: none"> • Information and Communication Technology • Committee Services • Auxiliary Services • Human Resources
Financial Services	<ul style="list-style-type: none"> • Budget & Treasury Office • Financial Statements & Income • Bank Reconciliations • Expenditure & Remuneration • Assets & Stores • Data • Supply Chain Management
Planning & Economic Development Services	<ul style="list-style-type: none"> • District Property, Resort Management and Maintenance. • Extended Public Works initiatives and Programmes (EPWP). • Human Settlements • Integrated Development Planning. • Shared Services • Tourism and District Economic Development Services
Roads Services	<ul style="list-style-type: none"> • Technical Services • Administrative Support Services • Financial Support Services • Maintenance, Construction & Mechanical Services

CHAPTER 1: INTRODUCTION

1.1. Introduction

According to the Municipal Systems Act, No.32 of 2000 (MSA) all municipalities are obligated to prepare a five-year Integrated Development Plan (IDP) to be reviewed annually within the 5-year period. The 5-year IDP is a strategic development plan, setting strategic and budget priorities for a municipality for a five-year period. This plan is linked to the 5-year term of office of an elected council and at the end of each term; the incoming council has an option of adopting the previous Council's 5-year IDP or develop an entirely new 5-year IDP.

This IDP is informed by national and provincial government development goals and priorities, current emerging social and economic trends, an increasing demand, and social outcry of the citizens for better services and improved infrastructure as well as other compelling issues that provide a framework which guides the Municipality on its developmental local government path.

The Garden Route District Municipality in terms of Section 25 of the MSA followed section 3) (a) "A newly elected municipal council may, within the prescribed period referred to in subsection (1), adopt the integrated development plan of its predecessor".

1.2. Legal Context

Constitution of The Republic of South Africa, Act 1996

The Constitution of the Republic of South Africa, which is the supreme law of the country, mandates municipalities to encourage the involvement of communities in the affairs of government and strive within its financial and administrative capacities to achieve its constitutional mandate. The Integrated Development Plan within the local government sphere is regarded as the strategic plan that guides municipalities to fulfil its developmental role.

152 Objects of local government

(1) The objects of local government are—

- (a) to provide democratic and accountable government for local communities;
- (b) to ensure the provision of services to communities in a sustainable manner;
- (c) to promote social and economic development;
- (d) to promote a safe and healthy environment; and
- (e) to encourage the involvement of communities and community organisations in the matters of local government.

153 Developmental duties of municipalities

A municipality must—

- (a) structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- (b) participate in national and provincial development programme

Sections 152 and 153 of the Constitution prescribe that local government should oversee the development process and municipal planning and describe the following objects of local government:

White Paper on Local Government

The White Paper on Local Government (RSA, 1998A) was the first piece of legislation that sought to give structure to the notion of a developmental local government as provided for in the Constitution. In line with the design for the development of local government the White Paper on Local Government give municipalities the responsibility to “work with citizens and groups within the community to find sustainable ways to address their social, economic and material needs and improve the quality of their lives”.

Municipal System Act, 32 of 2000

The Municipal Systems Act 32 of 2000 provides for core principles, mechanisms and processes that are necessary to enable municipalities to facilitate and coordinate the social and economic upliftment of local communities. Furthermore, the Act obligates that municipalities undertake a process of preparing and implementing IDP`s. Section 25 of the MSA reflects that (1) each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which:

- (a) links, integrates and co-ordinates plans and considers proposals for the development of the municipality.

(b) aligns the resources and capacity of the municipality with the implementation of the plan.

(c) forms the policy framework and general basis on which annual budgets must be based.

(d) complies with the provisions of this Chapter; and

(e) is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

Section 26 of this Act further outlines the core components of the IDP which highlights the content that an IDP must contain and comply with as listed below:

Council's Vision	Development Strategies	Operational Strategies
Assessment of the level of development and access to basic services	Spatial Development Framework	Financial Plan
Development Priorities and Objectives, including internal transformation needs	Disaster Management Plan	Key Performance Indicators and Targets

Figure 1: Core Components

Municipal Finance Management Act, No 56 of 2003

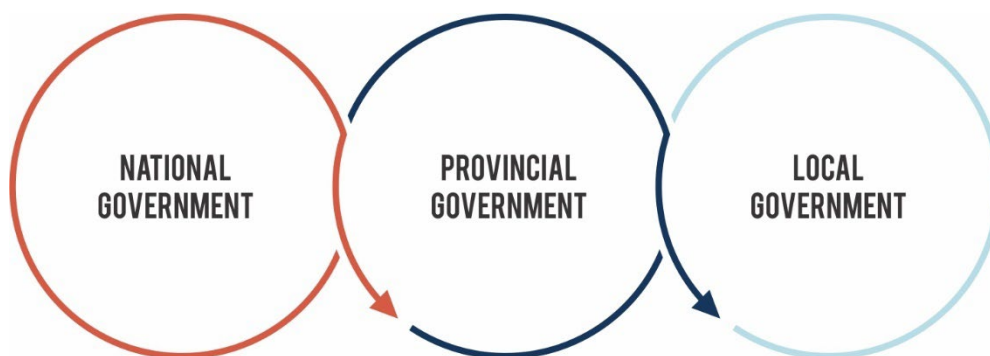
Chapter 4 and Section 21(1) of the Municipal Finance Management Act, 56 of 2003 (MFMA) stipulates that the mayor of a municipality must at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget and the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act. The elected Council is the ultimate IDP decision-making authority. In addition, Section 21(2) of the MFMA states that, when preparing the annual budget, the Mayor of a Municipality must:

When preparing the annual budget, the mayor of a municipality must -

- (a) take into account the municipality's integrated development plan;
- (b) take all reasonable steps to ensure that the municipality revises the integrated development plan in terms of section 34 of the Municipal Systems Act, taking into account realistic revenue and expenditure projections for future years;
- (c) take into account the national budget, the relevant provincial budget, the national government's fiscal and macro-economic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum;
- (d) consult—
 - (i) the relevant district municipality and all other local municipalities within the area of the district municipality, if the municipality is a local municipality;
 - (ii) all local municipalities within its area, if the municipality is a district municipality;
 - (iii) the relevant provincial treasury, and when requested, the National Treasury; and
 - (iv) any national or provincial organs of state, as may be prescribed.

Intergovernmental Relations Framework Act No 13 of 2000

The Act recognizes the importance of local government's full participation in intergovernmental relations, as it is the key site of service delivery and development. Therefore, the Act encourages for the IDP to reflect the integrated planning and development intent of all spheres of government relevant to a municipal geographic space. The effective implementation of the IDP can only be attained if all spheres of government are committed towards the common goal of rendering quality services. Therefore, the Intergovernmental Relations Act No 13 of 2000 (IGR) seeks to enhance this alignment between the three spheres of government. The diagram highlights the three spheres of government that is important during the IDP processes:



1.3. Amendments to the 2022-2027 GRDM IDP

In terms of Section 34(b) of the MSA, a Municipal Council may amend its IDP in accordance with the prescribed process. The need to amend the IDP could arise from

the two different scenarios:

- (a) the annual performance review; or
- (b) changing circumstances.

Based on the findings of the annual performance review of the IDP, the Municipality may decide to amend its IDP. The following factors within the annual performance review may be evaluated when considering to amend the IDP:

- Whether the aims and objectives of the IDP are reached by the Municipality.
- Whether the direction provided within the IDP is incorporated within the sectoral plans; and
- Whether the Municipal budget being spent is in line with the planned expenditure.

The following amendments were made to the 2022-2027 IDP:

- Outlay of the entire document
- Strategic Objective Financial Viability to Financial Viability & Sustainability
- Catalytic Projects and Programmes aligned to Growth and Development Strategy
- SDBIP aligned to Growth and Development Strategy where resources are available.

1.4. Alignment of IDP with other policy directives

Policy alignment between national, provincial government, district, and local government is critical to collaboratively achieve development goals and implement effective service delivery.

GRDM IDP Strategic Objectives and Growth and Development Strategy, strategic priorities align with the following key policy documents.

GRDM IDP Strategic Objectives	GRDM Strategic Priorities
• Skilled Workforce and Communities	• Supporting wellbeing and resilience
• Bulk Infrastructure Co-ordination	• A circular economy
	• A water secure future
	• Sustainable local energy transition
• Financial Viability & Sustainability	• Supporting wellbeing and resilience
• Good Governance	• Supporting wellbeing and resilience

<ul style="list-style-type: none"> • Growing an inclusive district economy 	<ul style="list-style-type: none"> • A connected economy: transport and rural-urban integration and ICT • Resilient agriculture • Sustainable tourism
<ul style="list-style-type: none"> • Healthy and socially stable communities 	<ul style="list-style-type: none"> • Supporting wellbeing and resilience
<ul style="list-style-type: none"> • Sustainable Environmental Management and Public Safety 	<ul style="list-style-type: none"> • Supporting wellbeing and resilience

National Development Plan 2030	Western Cape Development Priorities	Sustainable Development Goals
1. Education 2. Health 3. Safety & Security 4. Economic growth and employment 5. Skills development 6. Infrastructure 7. Rural Development 8. Human Settlements 9. Local government 10. Environment 11. International relations 12. An effective Public sector 13. Social Protection 14. Nation Building and	1. Safe and Cohesive Communities 2. Growth and Jobs 3. Empowering people 4. Mobility and Spatial Transformation 5. Innovation and Culture	1. No Poverty 2. Zero Hunger 3. Good Health and Wellbeing 4. Quality Education 5. Gender Equality 6. Clean Water and Sanitation 7. Affordable and Clean Energy 8. Decent Work and Economic growth 9. Industry innovation and infrastructure 10. Reduced inequalities 11. Sustainable Cities and communities 12. Responsible Consumption and production 13. Climate Action 14. Life Below water 15. Life on land 16. Peace, Justice, and strong institutions 17. Partnerships for the goals

Table 1: Alignment to the NDP, WC Development Priorities, Sustainable Development Goals

Agenda 2063	Medium Term Strategic Framework	Integrated Urban Development Framework
<ol style="list-style-type: none"> 1. A prosperous Africa based on inclusive growth and sustainable development. 2. An integrated continent, politically united and based on the ideals of Pan Africanism and the vision of Africa's Renaissance. 3. An Africa of good governance, democracy, respect for human rights, justice and the rule of law. 4. A peaceful and secure Africa. 5. An Africa with a strong cultural identity, common heritage, values and ethics. 6. An Africa where development is people-driven, unleashing the potential of its women and youth. 7. Africa as a strong, united and influential global player and partner. 	<ol style="list-style-type: none"> 1. Building a capable, ethical and developmental state. 2. Economic transformation and job creation. 3. Education skills and health. 4. Consolidating the social wage through reliable and quality basic services. 5. Spatial integration human settlements and local government. 6. Social cohesion and safe communities. 7. A better Africa and world. 	<ol style="list-style-type: none"> 1. Integrated urban planning and management. 2. Integrated transport and mobility. 3. Integrated sustainable human settlements. 4. Integrated urban infrastructure. 5. Efficient land governance and management. 6. Inclusive economic development. 7. Empowered active communities. 8. Effective urban governance. 9. Sustainable finance.

Table 2: Alignment to Agenda 2063, the Medium Term Strategic Framework and the Integrated Urban Development Framework

1.5. State of the Nation Address



In his State of the Nation Address, President Cyril Ramaphosa outlined several key priorities for the 2023/2024 financial year that will be focused on by the government. These priorities are also aligned with the Garden Route District Municipality's (GRDM) goals. One of the main priorities is addressing load shedding, which has been a major challenge for the country. The national state of disaster will enable the government to implement practical measures to support businesses in the food production, storage, and retail supply chain. This will include the rollout of generators, solar panels, and uninterrupted power supply. Through the Just Energy Transition (JET) Investment Plan, the government plans to invest R1.5 trillion in the economy over the next five years in new frontiers such as renewable energy, green hydrogen, and electric vehicles.

Another priority is growing the economy and creating jobs. The Presidential Employment Stimulus has already created over 1 million work and livelihood opportunities, and the government plans to continue creating work opportunities using the capability of organizations beyond government. The Small Enterprise Finance Agency (SEFA) will also provide R1.4 billion in financing to over 90,000 entrepreneurs.

Building better lives is also a priority, and the Department of Basic Education is streamlining the requirements for early childhood learning and development centers as part of a long-term solution to reducing inequality. The government is also taking measures to address poverty and counter the rising cost of living.

Making communities safer is another priority, and the government is implementing new legislation to strengthen the criminal justice system and put more effective deterrents in place to promote accountability. The government is also working to empower the Witness Protection Unit through the introduction of stronger legislation to protect whistleblowers and witnesses.

Fighting corruption is a priority as well, and the government is taking steps to further empower the Witness Protection Unit. The government is also making efforts to make government work more efficiently, by amending legislation and introducing mandatory requirements to ensure the appointment of qualified public servants. The government is also implementing interventions to address failures at local government level and improve basic service delivery.

1.6. State of the Province Address



During his State of the Province Address, Western Cape Premier Alan Winde outlined his plan to address the province's most pressing issues. His priorities include combating crime, tackling the housing crisis, delivering quality education, creating jobs, and investing in transformative health infrastructure.

To deal with the province's high crime rates, Winde emphasized the need for safe communities where individuals can thrive without fear of becoming a victim of crime. To this end, the provincial government has introduced the Law Enforcement Advancement Plan (LEAP) to supplement the police force. Winde believes that devolving police powers to the province could be the answer to tackling crime.

In terms of education, Winde stressed the importance of providing a dignified learning environment for pupils and teachers. The province's rapid school build program aims to deliver 842 new classrooms this year, with 662 already delivered. Winde also highlighted the need for online learning options, ensuring that every child has access to safe and inspiring spaces for learning.

To boost economic growth and reduce unemployment, Winde's government has developed a growth for jobs strategy. This strategy aims to achieve a R1 trillion provincial GDP target by 2035, translating into 600,000 new jobs. The plan is currently undergoing external consultation with stakeholders, with a finalization target of the end of March.

Winde also addressed the housing crisis, noting the impact of illegal occupations and extortionists on critical housing developments. The province aims to create 9,395 housing opportunities in the year ahead, with a focus on social housing and mixed developments.

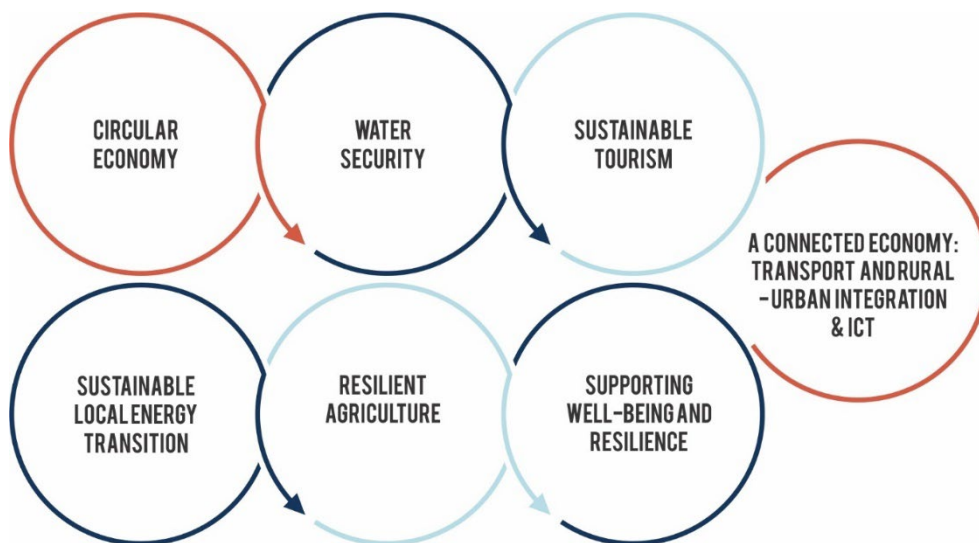
Finally, Winde emphasized the need to invest in transformative health infrastructure. The Tygerberg Hospital, the largest hospital in the Western Cape and the second largest in South Africa, is making steady progress through its public-private sector partnership. The Klipfontein Regional Hospital, another crucial mega-project, is in the conceptual and professional services phase.

While the Western Cape faces several challenges, Premier Alan Winde's State of the Province Address demonstrated a clear plan of action to address these pressing issues.

1.7. Joint District & Metro Approach

During SONA 2019, the President directed the sixth administration to develop and implement a new integrated district-based approach (DDM) to address service delivery challenges. In response, the Western Cape Premier's Coordinating Forum (PCF) endorsed the Joint District and Metro Approach (JDMA), a geographical and team based, citizen focused approach to provide government services with an outcome of improving the living conditions of citizens. To achieve the goals of developmental local government a strong working relationship between politician's administration and citizens is imperative.

In response to the JDMA, the Garden Route region embarked on process of using the existing Growth and Development Strategy and Investment Prospectus as the vehicle for the implementation for the JDMA in the region. The Garden Route Growth and Development Strategy focusses on the following seven (7) priorities:



1.8. IDP Process Plan

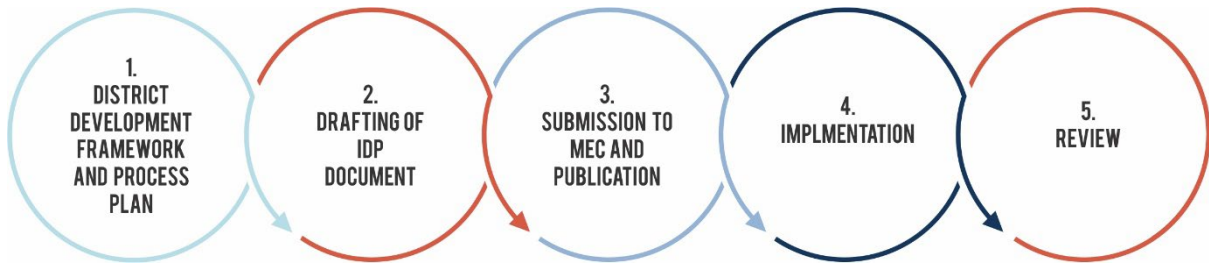


Figure 2:IDP Process

The 5 year IDP development process involves the following key steps, summarised in Figure 2: the development of a district framework (in case of category C municipalities), the development of process plans (applies to all categories of municipalities), drafting of the IDP document, adoption of the draft document for public consultation, adoption of the final IDP document, submission of the IDP to the MEC for local government and publication, implementation and review of the IDP. The Municipal Systems Act (2000), Chapter 4 encourages community participation in the affairs of the municipality. Further one of the main features of the integrated development planning is the involvement of community and stakeholder organizations in the process of developing the IDPs. Participation of affected and interested parties is very important to ensure that the IDP addresses the real issues that are experienced by the citizens of a municipality.

The process of the development of the GRDM IDP started after the adoption by Council of Section 27 District Framework and the Process Plan which outlined the processes that will be carried out by Council during the development and the Implementation of the IDP. The district framework and IDP process plan were adopted on 27 May 2022.

1.9. Public Participation Process

The Municipality embarked on an intensive public participation drive under the theme "Year of Implementation". Various engagement platforms were adopted to encourage communities to be involved in the affairs of the Municipality.

IDP PHASE	TIME	ALIGNMENT ACTIVITY	ROLE PLAYERS
PREPARATION	July - August 2022	<ul style="list-style-type: none"> IDP District Alignment Working session. Municipal Managers Forum and District Co-ordinating Forum District IDP & Public Participation Managers Forum. IDP Budget & PMS Steering Committee Meeting 	<ul style="list-style-type: none"> IDP Managers Municipal Managers, Executive Mayors and Senior Managers. IDP Managers and Public Participation Managers Management Committee
ANALYSIS	September - November 2022	<ul style="list-style-type: none"> B-municipalities conduction ward committee meetings IDP, Budget & PMS Representative Forum 	<ul style="list-style-type: none"> B-municipalities. Sector Departments with B-municipalities
STRATEGIES	October – December 2022	<ul style="list-style-type: none"> Strategic Planning Session District IDP Managers Meeting 	<ul style="list-style-type: none"> B Municipalities B Municipalities and District IDP office
PROJECTS	November – December 2022	<ul style="list-style-type: none"> MMF & DCF Management Meetings 	<ul style="list-style-type: none"> Municipal Managers, Executive Mayors and Senior Managers Management Committee
INTEGRATION	December 2022 – April 2023	<ul style="list-style-type: none"> MMF&DCF Strategic Sessions: Departmental, Technical and Institutional 	<ul style="list-style-type: none"> Municipal Managers, Executive Mayors and Senior Managers Sector Departments and B-municipalities Council and administration
APPROVAL	March 2022 – May 2023	<ul style="list-style-type: none"> Council meetings SIME and TIME Engagements IDP, Budget and PMS Representative Forum Budget Policy Workshop 	<ul style="list-style-type: none"> Provincial Treasury & Department of Local Government Sector Departments Council

Table 3: Public Participation drive

During this financial year, working groups were also established per cluster to implement the Growth and Development strategy.

1.9.1. Media and Social Media Platforms

Media and social media platforms are part of the key mechanisms used by GRDM to engage its citizens. The district's municipal website and Facebook page were utilised to communicate and inform the community on the integrated development planning of the Municipality. Copies of the IDP and Budget were placed on the website for communities and stakeholders working with the Municipality. In addition, the Municipality utilizes the local radio stations to invite the members of the public to participate in the IDP, Budget & PMS representative forum. The Municipality also uses the local radio stations to provide an overview to the citizens of the region on the progress of implementation of the Catalytic and IDP projects adopted by Council. The Draft 2022-2027 Amended IDP will be advertised for public comments also will be placed on notice boards, including Libraries, Satellite Offices including the final adopted IDP.

1.10 SIME Key Findings and Recommendations

The Municipality complied with all the core components of an IDP and as provided for in section 26 of the MSA and Regulation 2 of the MSA Regulations;

Key Findings and Recommendations	GRDM Response
It is recommended that the Municipality: Develops and approves an Infrastructure Growth Plan for integration into the IDP.	Noted. Dependent on availability of funding
There is no indication that a performance review of the implementation of the 2017 District SDF has been performed. However, the draft IDP (on p. 189) states that the SDF will be reviewed in 2023.	Addressed. Performance review appended to the IDP and a note is included on page 129.

<p>DEADP completed Housing Market Studies for George and Mossel Bay LM's. The findings from these studies are not reflected in the current draft IDP and should be noted, specifically indicating the housing market gap that currently exists. This should be included in the socio-economic profile section of the IDP</p>	<p>Addressed. Please see under 3.5.2 page 52 of this IDP.</p>
<p>The IDP does not include an 'integration' component that shows how the different sector plans are to be integrated into a cohesive whole. i.e., the IDP reports in a silo' d manner.</p>	<p>Noted.</p>
<p>The GRDM should assist Municipalities with implementation of their waste minimisation plans (including their organic waste diversion plans) to ensure that waste awareness and the diversion of waste is addressed</p>	<p>To be addressed through Circular Economy Cluster</p>

CHAPTER 2: STRATEGIC FRAMEWORK

2.1. Vision

The Garden Route District Municipality adopted its Vision for the 2022-2027 term of office and highlighted key aspects that should be driving the administration for effective implementation of projects and programmes adopted by Council for the terms of office.

“Garden Route the leading, enabling, and inclusive district, characterised by equitable, sustainable development, high quality of life and equal opportunities for all. “

The vision of the Municipality is reflecting on the key aspects as follows:

Leading	The district municipality aims to be at the forefront of innovative and effective solutions for addressing the complex challenges of the region. It implies that the district is proactive and aims to take the lead in promoting development that is equitable, inclusive, and sustainable.
Enabler	The district aims to create an environment that enables businesses, communities, and individuals to thrive. This may involve providing infrastructure, services, and policies that support economic growth, social development, and environmental sustainability.
Inclusive district	The district is committed to creating a society that is open, welcoming, and free from discrimination. It aims to create a sense of belonging for everyone, irrespective of their race, gender, religion, or other characteristics. The district wants to create an environment where everyone feels valued and included, and where diversity is celebrated
Equitable and Sustainable Development	District aims to create a fair and just society, where resources and opportunities are distributed fairly and where everyone has access to the basic necessities of life. This implies a commitment to reducing inequality, poverty, and social exclusion.

High quality of life	Means that the district aims to create an environment where everyone can enjoy a good standard of living, clean and safe.
Equal opportunities for all	Means that the district is committed to creating a society where everyone has access to the same opportunities, regardless of their background. This means promoting education, training, and employment opportunities, as well as access to housing, healthcare, and other essential services, to ensure that everyone has a fair chance to succeed.

Table 4: The GRDM Vision

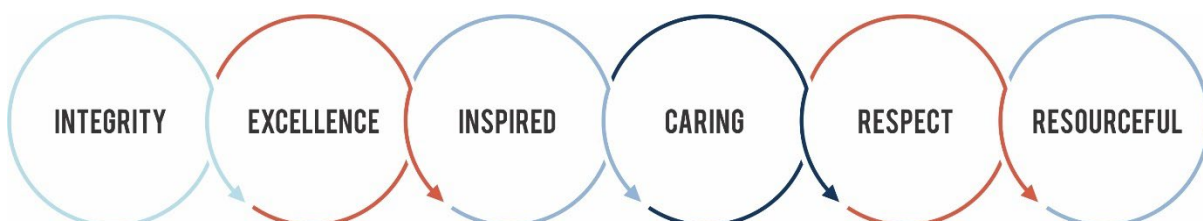
2.2. Mission

The Mission Statement of Garden Route District Municipality on the vision and adopted the following mission statement in order to achieve it:

Unlocking resources for equitable, prosperous and sustainable development:

- Providing the platform for co-ordination of bulk infrastructure planning across the district,
- Providing strategic leadership towards inclusive /radical / rigorous socioeconomic change,
- Transformation to address social economic and spatial injustice,
- Redressing inequalities and access to ensure inclusive services, information and opportunities for all citizens of the district,
- Initiating funding mobilisation initiatives / programmes to ensure financial sustainability,
- Co-ordinating and facilitating social development initiatives.

2.3. Core Values



2.4. Strategic Objectives

The Municipality adopted Seven (7) key strategic objectives that guides the institution for the five years term of Council for the period of 2022-2027. The infographic below features the strategic objectives."



Strategic Objectives Per Municipality in the Region

The table below illustrates the strategic objectives that was adopted by the councils of municipalities in the region, which are aligned with the National Key Performance Indicators. All the B-municipalities strategic objectives across the district demonstrates alignment with the strategic direction of the district over the 5-year term of Council.

BITOU MUNICIPALITY	HESSEQUA MUNICIPALITY	GEORGE MUNICIPALITY	MOSSEL BAY MUNICIPALITY	OUDTSHOORN MUNICIPALITY	KNYSNA MUNICIPALITY	KANNALAND MUNICIPALITY
❖ Provide Excellent Service Delivery to the residents of Bitou Municipality.	❖ Good governance and public participation	❖ Develop and grow George.	❖ Continued service delivery excellence for you	❖ To create sustainable integrated human settlements and safe neighbourhoods where communities can prosper.	❖ To improve and maintain current basic service delivery through specific Infrastructural development projects.	❖ Reliable infrastructure
❖ Re-establish, grow and expand tourism within the municipality.	❖ Cost effective service delivery	❖ Safe Clean and Green	❖ Cross section inclusive partnerships	❖ To provide basic services to all residents in an environmentally sustainable manner.	❖ To create an enabling environment for social development and economic growth	❖ Service delivery
❖ Put relevant control measures in place to ensure	❖ Financial Management	❖ Affordable Quality Services	❖ Credibility for economic growth=jobs	❖ To achieve financial sustainability and strengthen municipal transformation and	❖ To promote a safe and healthy environment through the	❖ Safe Communities

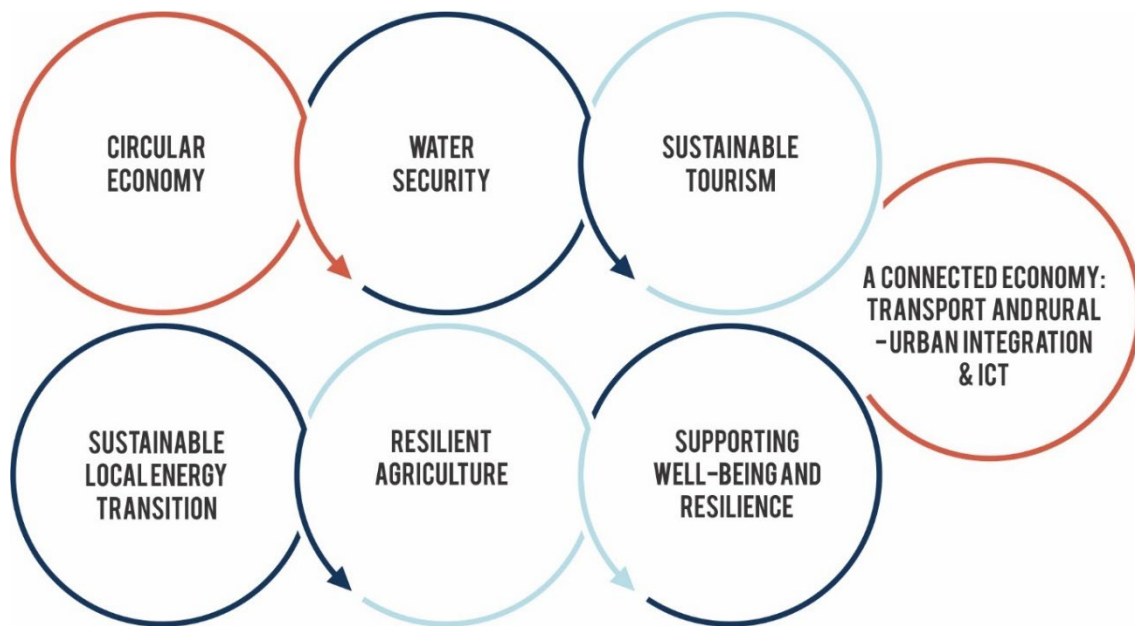
BITOU MUNICIPALITY	HESSEQUA MUNICIPALITY	GEORGE MUNICIPALITY	MOSSEL BAY MUNICIPALITY	ODTSHOORN MUNICIPALITY	KNYSNA MUNICIPALITY	KANNALAND MUNICIPALITY
efficiency and excellence.				development. To promote social, rural and spatial economic development.	protection of our natural resources	
❖ Provide basic service delivery to informal settlements and the poor.		❖ Participative Partnership	❖ Confidence in a safer environment for you	❖ An ethical and transparent local government that is responsive to the needs of the community and encourage public participation	❖ To grow the revenue base of the municipality.	❖ Socio-Economic Development
❖ Facilitate growth, jobs and empowerment of the people of Bitou	❖ Social and Economic Management	❖ Good Governance and human capital	❖ Invest in future generations through our environment		❖ To structure and manage the municipal administration to ensure efficient service delivery	❖ Effective and Efficient governance
❖ To ensure the safety of residents and	❖ Environmental Management				❖ To encourage the involvement of communities in the matters of local government,	❖ Efficient workforce

BITOU MUNICIPALITY	HESSEQUA MUNICIPALITY	GEORGE MUNICIPALITY	MOSSEL BAY MUNICIPALITY	OUTDSHOORN MUNICIPALITY	KNYSNA MUNICIPALITY	KANNALAND MUNICIPALITY
visitors of Bitou municipality					through the promotion of open channels of communication	
❖ To build institutional and financial sustainability						❖ Financial sustainability

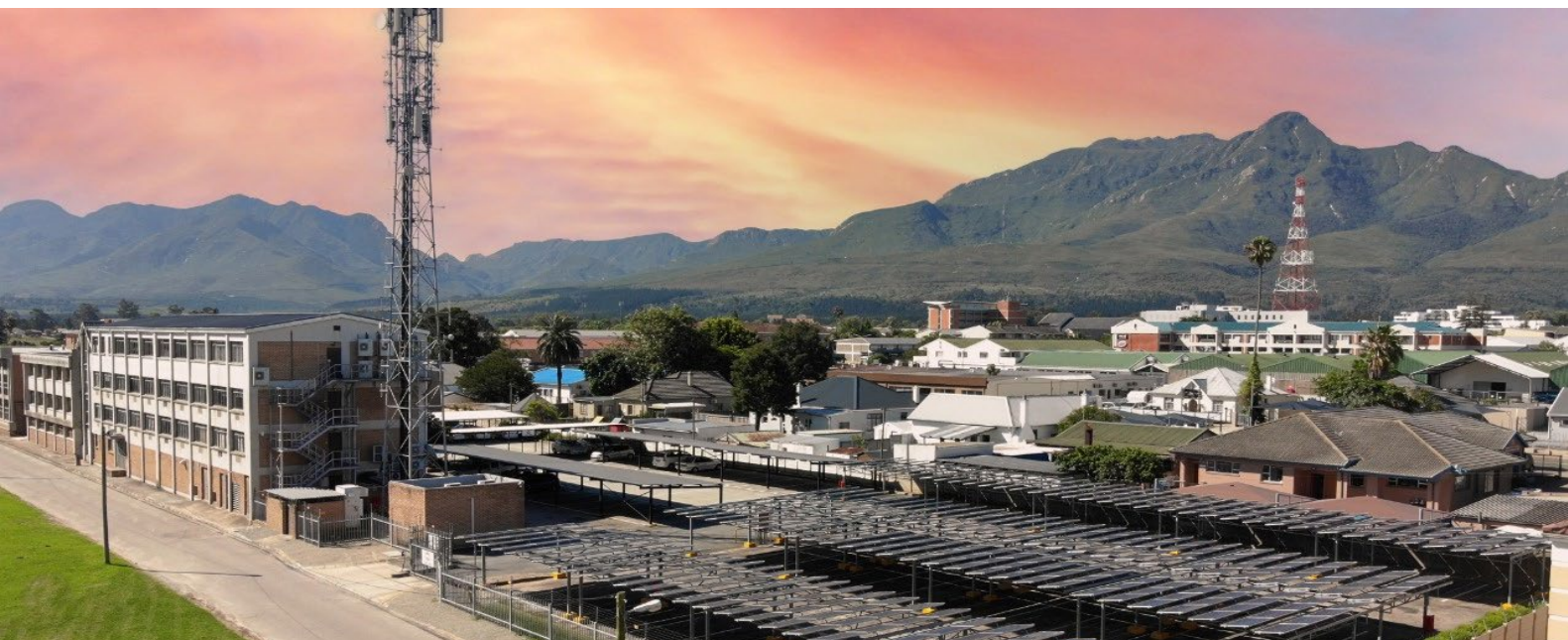
2.5. Garden Route Strategic Priorities

The Garden Route Growth and Development Strategy (GDS) provides a framework for growth and development planning in the Garden Route District for 2020-2040. The Garden Route Region adopted a long-term approach to the development that is sensitive to the requirements of the region and its people. Furthermore, the adopted strategic priorities for the region is intended to drive local growth and development.

There are seven (7) key strategic priorities that was adopted as listed below:



These priorities have been identified based on a long-term vision for the Garden Route, as well as on the existing work, strengths, and potential of the region. Each one is also aligned to existing policies and strategies. This strategy draws on the significant work that went into the Southern Cape Regional Spatial Implementation Framework (RSIF).



2.6. Functions Of District Municipality

Section 84 of the Local Government: Municipal Structures Act 117 of 1998 stipulated the functions and powers for a district municipality (Category C Municipality). The table below demonstrates those functions and make an indication on function that GRDM is performing on:

A district municipality has the following functions and powers	Performed by GRDM
a) Integrated development planning for the district municipality, including a framework for integrated development plans of all municipalities in the area of the district municipality	✓
(b) Potable water supply systems	No. In Process. Conducting Section 78 process. Working towards becoming a Water Services Authority.
(c) Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity.	No. In process. Energy Masterplan adopted in May 2022. The Municipality will leverage on its assets for Bulk Supply through alternative forms of energy generation
(d) Domestic wastewater and sewage disposal systems	No. In Process. Conducting Section 78 process. Working towards becoming a Water Services Authority.
(e) Solid waste disposal sites, in so far as it relates to- (i) the determination of a waste disposal strategy. (ii) the regulation of waste disposal. (iii) the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.	No. In process. Currently establishing a Regional Landfill site. Due to be operational from 1 July 2025
(f) Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole.	✓

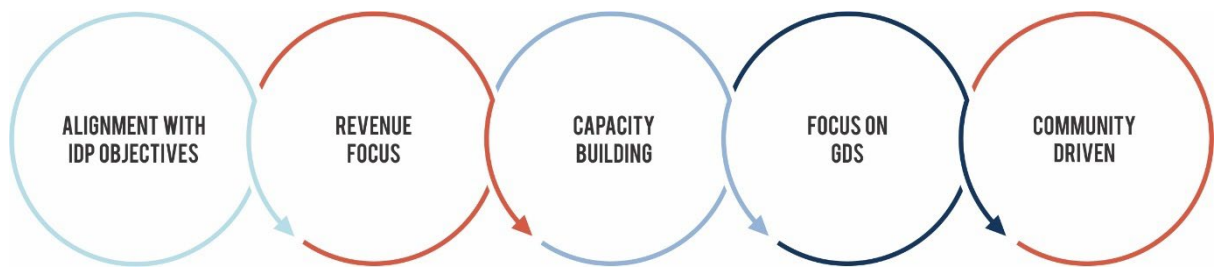
A district municipality has the following functions and powers	Performed by GRDM
(g) Regulation of passenger transport services.	No.
(h) Municipal airports serving the area of the district municipality as a whole.	No.
(i) Municipal health services	✓
(j) Firefighting services serving the area of the district municipality, which includes- (i) planning, co-ordination and regulation of fire services. (ii) specialised firefighting services such as mountain, veld and chemical fire services. (iii) co-ordination of the standardisation of infrastructure, vehicles, equipment, and procedures. (iv) training of fire officers.	Yes. In process of building a Fire Station that will include the establishment of a Fire Service Training Academy as part of the district Skills Mecca project, with the strategy to train and educate holistically across the area of jurisdiction, inclusive of vulnerable and remotely located communities and enhanced education and training of Fire Managers & responders in dealing with emergencies and understanding the science of fire ecology.
(k) The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district.	No. In Process. Feasibility study and business plan completed. Municipality is now in the process of raising funds to operationalise the fresh produce market and the CAPEX for the infrastructure
(l) The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.	No.
(m) Promotion of local tourism for the area of the district municipality	✓
(n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality	✓
(o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality	✓
(p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms.	✓

Table 5: Functions of the District

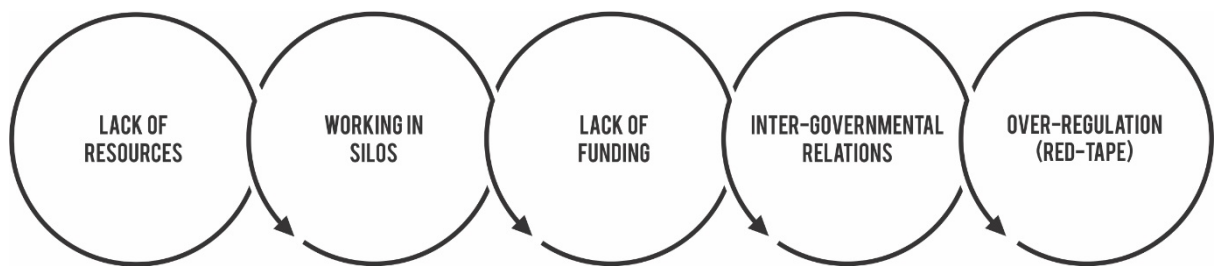
2.7. 2023/24 Technical Strategic Session Outcomes

On 2 & 3 March 2023, Management held a technical strategic planning session to plan for the 2023/2024 financial year. The strategic session was guided by a theme for 2023/24: “ A Year of Implementation.” The Municipality identified the following milestone that needs consideration to achieve the set goals and targets:

Approach for 2023/24



Threats for successful implementation



CHAPTER 3: SOCIO ECONOMIC PROFILE OF THE DISTRICT

3.1 District Demographic profile

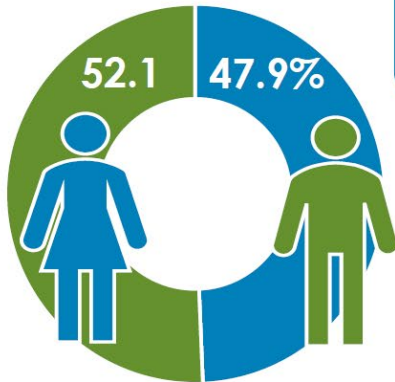
SUBJECT	ANALYSIS
POPULATION	As of 2022, 8.8 per cent of the Western Cape's population resides in the Garden Route District municipal area. The population of the district area totals 632 329 persons in 2022 and is estimated to reach 657 395 persons by 2026. This equates to an estimated average annual growth rate of 1.0 per cent for the period. Growth rates across the district varied greatly, from a contraction (average annual for period) of 1.7 per cent in Kannaland to a high of 2.9 per cent in Bitou.
SEX RATIO	The overall sex ratio (SR) depicts the number of males per 100 females in the population. The data indicates that as of 2022, there are more females than males in the Garden Route District municipal area with a ratio of 52.1 per cent (females) to 47.9 per cent (males). The sex ratio (2022) is therefore 92.0, meaning that for every 100 women there are 92 men. The ratio increases slightly over the following years, reaching 92.9 in 2026.
AGE COHORTS	Between 2022 and 2026, the largest growth (1.1 per cent) was recorded in the 0 - 14 years, children age category. Growth rates for other age cohorts are similar, at 1.0 per cent for the aged category (65 years and older) and 0.9 per cent for the working aged population (15 – 64 years).
HOUSEHOLD SIZE	The average size of households is expected to drop from 3.5 people per household in 2022 to 3.3 in 2026. Contributing factors include but are not limited to cultural patterns surrounding intergenerational co- residence, divorce, as well as socioeconomic factors that shape trends in employment, education and housing markets.

Population density

Population density is the measurement of the number of people that make up a population in a defined area. Factors affecting population density include economic, social, connectivity/location and accessibility factors. These figures improve responsiveness and assists municipalities with planning and budgeting for effective service delivery and combatting environmental risks. In 2022, the population density of the Garden Route District municipal area was 27 persons per square kilometre. The population densities of the various local municipal areas within the Garden Route District compare as follows:

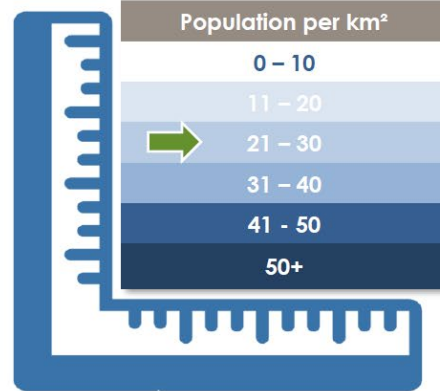
- A) Kannaland 5 people/ km²
 - B) Hessequa 9 people/ km²
 - C) Oudtshoorn 25 people/ km²
 - D) George 43 people/ km²
 - E) Mossel Bay 48 people/ km²
 - F) Knysna 69 people/ km²
 - G) Bitou 72 people/km²
-

DEMOGRAPHICS



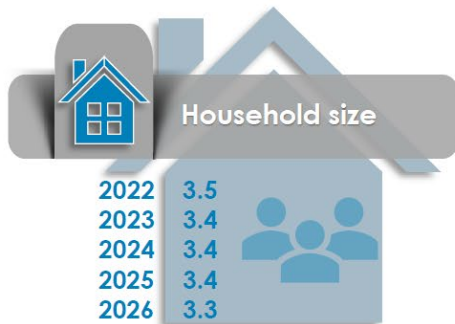
Number of males
per 100 females

	2022	2023	2024	2025	2026
Western Cape	97.4	98.2	98.4	98.5	98.7
City of Cape Town	97.8	98.6	98.8	99.0	99.2
West Coast	98.3	99.1	99.2	99.4	99.6
Cape Winelands	98.0	98.7	98.8	98.9	99.0
Overberg	102.3	102.9	103.0	103.0	103.0
Garden Route	92.0	92.6	92.7	92.8	92.9
Central Karoo	89.0	89.4	89.5	89.5	89.5

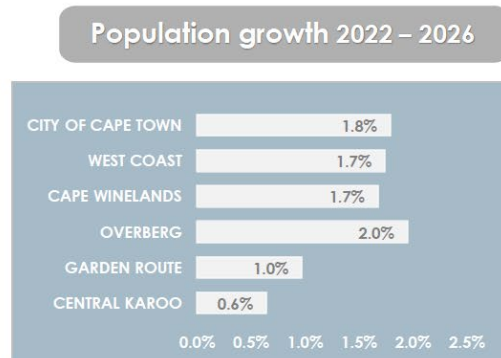
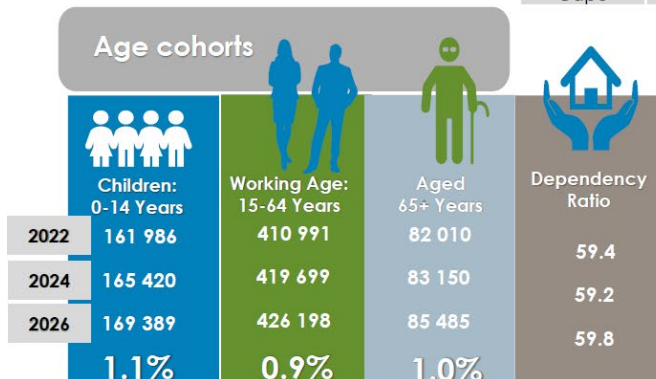


Current Population
2022
632 329

Estimated Population
2026
657 395



	2022	2023	2024	2025	2026
Garden Route District	1.8	1.1	0.9	0.9	0.9
Western Cape	2.9	1.8	1.7	1.7	1.6



3.2. Education

Access to education, learner enrolment and learner-teacher ratio

Education is one of the primary resources of change, aiding people to acquire knowledge and skills, which can in turn be used to acquire jobs. In 2021, there was a total of 170 schools in the Garden Route District municipal area, of which 77.6 per cent are no fee schools. The No-fee Schools Policy abolishes school fees in the poorest 40 per cent of schools nationally for learners from Grade R to Grade 9. The Policy specifies that schools that do not charge fees will be allocated a larger total of funding per learner from the national budget to make up for the fees that would have been levied.

A total of 110 610 learners were enrolled across the Garden Route District in 2021, a steady increase from the 107 367 enrolled in 2019. For the same period, the learner-teacher ratio decreased marginally from 30.2 in 2019 to 30.1 in 2020, and back to 30.2 in 2021. This is lower than the recommended norm of up to 40:1 for ordinary primary schools and 35:1 for ordinary high schools as set by the Department of Education.



Learner retention

With a learner retention rate (Grade 10 to 12) of 72.0 per cent (2021), learner retention remains a critical challenge across the Garden Route District. This is slightly below the overall Provincial figure of 74.6 per cent. Retention rates within the district (2021) ranges from a low of 58.4 per cent in Kannaland, to 77.8 per cent in Mossel Bay.

The learner retention rate is influenced by a wide array of factors, including economic influences such as unemployment, poverty/very low household income/indigent households, as well as social concerns such as teenage pregnancies, overcrowded classrooms, student attitudes towards education, as well as other personal circumstances which can make it difficult for learners to focus on education.

Retention rates should be kept in mind when considering education outcomes/results, as low retention rates are likely to skew outcomes, as drop-outs are automatically excluded from any outcomes/results. Being able to retain learners is essential for overall positive education outcomes.

Education outcomes (Matric Pass Rates)

Education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagement in the labour market, policy choices and decisions in the sphere of education play a critical role in determining the extent to which future economic and poverty reduction plans can be realised. The Garden Route District's matric pass rate increased from 80.1 per cent in 2020 to 84.4 per cent in 2021, which is slightly higher than the Provincial average of 80.7 per cent.

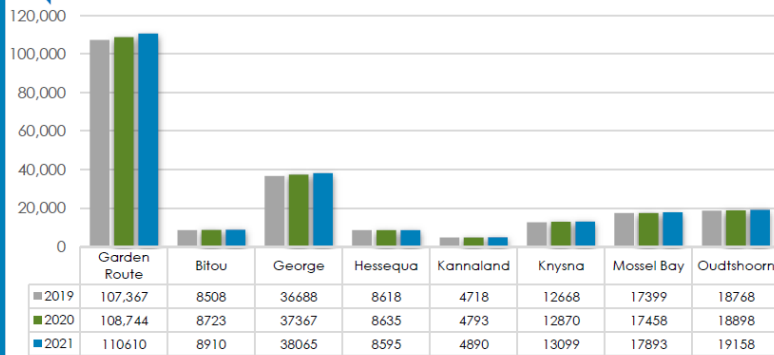
Education infrastructure, schools with libraries

The availability of library facilities within schools contributes towards improvement in the overall quality of education, narrowing the academic attainment gap by allowing students access to information which is in turn directly linked to improved education outcomes. Within the Garden Route District area, there were a total of 170 schools, of which 94 (55.3 per cent) were equipped with libraries. There is considerable scope for the extension of libraries to more schools in the region.

The Department of Education has over the 2022/23 MTEF indicated a number of infrastructure projects within the Garden Route District region, of which the larger projects are the Concordia Primary School in Knysna (R83 million over the 3-year MTEF), the De Wallville Primary School in Hessequa (R50 million over MTEF) and the Panorama Primary School (R44 million over the MTEF), also in Hessequa.

EDUCATION

Learner enrolment



Educational facilities 2021

170

Number of schools

77.6%

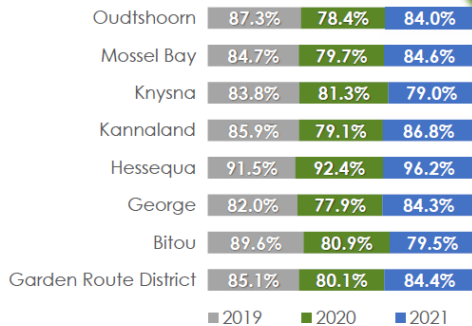
Proportion of no-fee schools

Number of schools with libraries

94



Education outcomes



Learner retention 2019 - 2021

	2019	2020	2021
Garden Route District	62.9%	67.6%	72.0%
Oudtshoorn	59.4%	69.1%	73.6%
Mossel Bay	73.7%	69.0%	77.8%
Knysna	51.2%	55.0%	62.5%
Kannaland	57.1%	54.8%	58.4%
Hessequa	62.0%	69.4%	72.2%
George	66.8%	72.0%	75.3%
Bitou	52.4%	65.3%	66.1%



Learner-Teacher Ratio 2019 - 2021

Oudtshoorn	29.7	29.6	29.7
Mossel Bay	30.9	30.2	30.9
Knysna	30.3	30.1	30.3
Kannaland	31.7	30.9	31.7
Hessequa	28.9	29.1	28.9
George	29.7	30.0	29.7
Bitou	32.4	32.3	32.4
GRD	30.2	30.1	30.2



3.3 Health

HEALTH FACILITIES	In 2021/22, the Garden Route region had 40 primary healthcare facilities, which comprised of 33 fixed clinics and 7 community day centres; there were also 35 mobile/satellite clinics. In addition to these primary healthcare facilities, there is also one regional hospital, 6 district hospitals as well as 69 ART clinics/ treatment sites and 62 TB clinics/treatment sites.
HIV/AIDS & TUBERCULOSIS	<p>The total number of registered patients receiving antiretroviral treatment in the Garden Route region increased by 829 patients, from 26 996 in 2021/22 to 27 825 in 2021/22. However, the number of new antiretroviral patients was slightly higher at 2 120 in 2021/22 compared with 2 068 in 2020/21, indicating that a number of patients have returned, as the possibility of the COVID-19 infections and risk diminished.</p> <ul style="list-style-type: none"> • There has also been an increase of 632 registered patients receiving TB treatment in the Garden Route area, from 3 430 in 2020/21 to 4 062 in 2021/22.
CHILD HEALTH	<p>The immunisation rate in the Garden Route region dropped marginally, from 68.9 per cent in 2020/21- to 68.0 per cent in 2021/22, keeping the rate at a less than ideal level. There was also an increase in the proportion of malnourished children under five years in the Garden Route area, from 1.6 (per 100 000 people) in 2020/21 to 2.3 in 2021/22; it was particularly high in the Oudtshoorn and Kannaland areas at 7.0 and 5.6 per 100 000 people respectively.</p> <p>While the low birth weight (less than 2 500 g) indicator presented a slight deterioration, the neonatal mortality rate (per 1 000 live births) registered marginal improvement. The low birth weight increased from 16.1 in 2020/21 to 16.6 in 2021/22, while the neonatal mortality rate declined from 7.8 in 2020/21 to 7.7 in 2021/22.</p>
MATERNAL HEALTH	When considering maternal health in the Garden Route area, 56.8 deaths per 100 000 live births were recorded in 2021/22 (maternal mortality ratio), a significant improvement from the previous years' 121.5. For the same period, the delivery rate to women under 20 years in the Garden Route District increased

	slightly from 14.7 per cent in 2020/21 to 15.4 in 2021/22, while the termination of pregnancy rate remained at 0.5 per cent for 2021/22.
EMERGENCY MEDICAL SERVICES	The provision of more operational ambulances can provide greater coverage of emergency medical services. The Garden Route region has a total of 28 ambulances servicing the region, which translates into 0.4 ambulances per 10 000 people in 2021/22. It is worth noting that this number only refers to Provincial ambulances and excludes all private service providers.

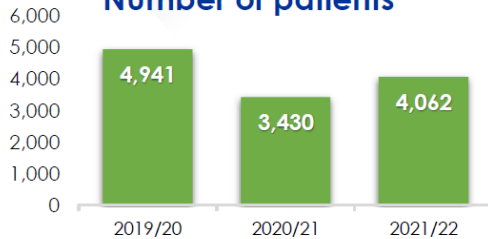


HEALTH

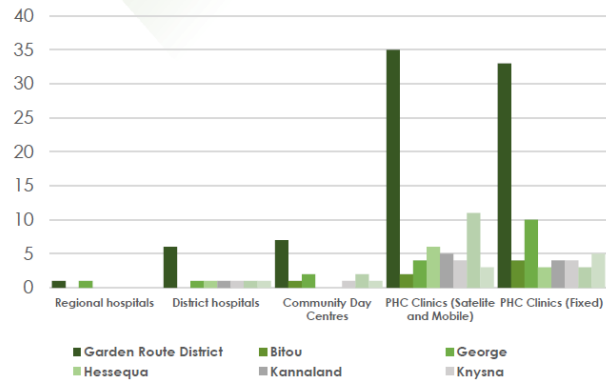


Tuberculosis

Number of patients



Healthcare facilities



Maternal health

	Maternal Mortality Ratio		Delivery rate to women under 20 years		Termination of pregnancy rate	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Bitou	0.0	0.0	0.0	0.0	0.1	0.1
George	230.6	122.4	13.2	13.6	0.9	0.8
Hessequa	0.0	0.0	18.5	17.6	0.0	0.0
Kannaland	0.0	0.0	13.2	9.3	0.0	0.0
Knysna	119.5	61.3	12.7	13.5	0.6	0.6
Mossel Bay	0.0	0.0	15.2	16.0	0.6	0.6
Oudtshoorn	55.5	0.0	17.9	19.6	0.3	0.3
Garden Route District	121.5	56.8	14.7	15.4	0.5	0.5



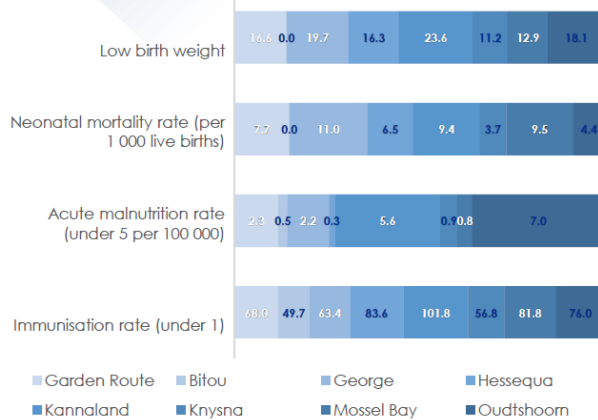
Emergency medical services

2021

Health indicator	Bitou	George	Hessequa	Kannaland	Knysna	Mossel Bay	Oudtshoorn	Garden Route District
EMS Operational Ambulances	4	7	4	4	3	2	4	28
No. of operational ambulances per 10 000 people	0.6	0.3	0.7	1.8	0.4	0.2	0.4	0.4



Child health



HIV/AIDS

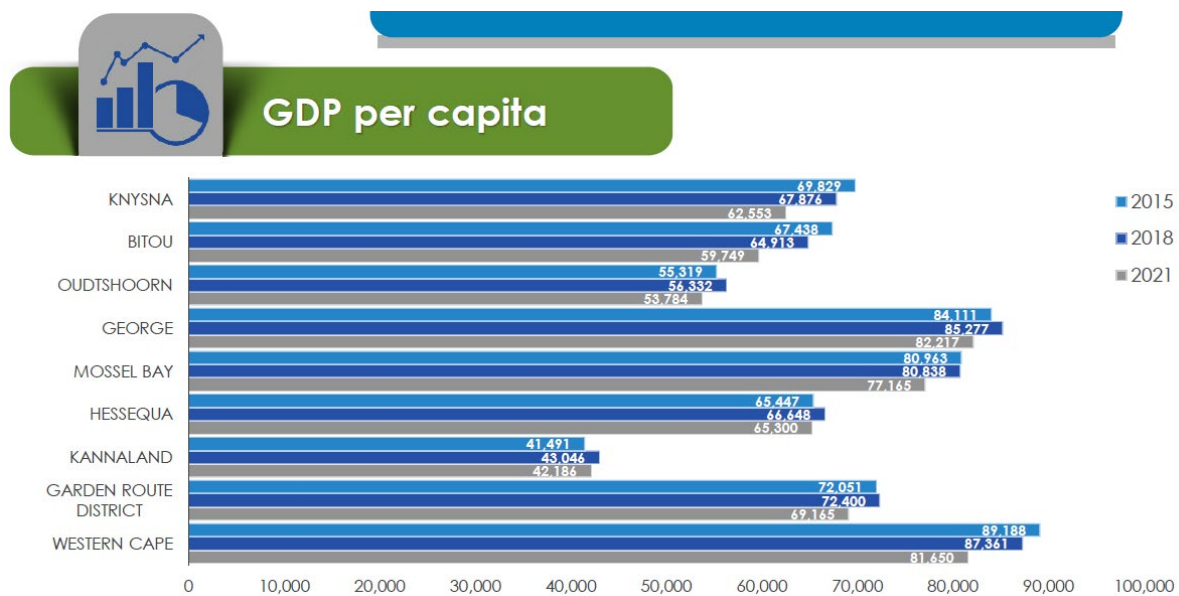
Area	Registered patients receiving ART		Number of new ART patients	
	2020/21	2021/22	2020/21	2021/22
Bitou	3 502	3 677	240	229
George	9 959	10 175	795	833
Hessequa	934	1 016	72	70
Kannaland	726	778	50	59
Knysna	4 624	4 975	301	279
Mossel Bay	5 326	5 243	478	522
Oudtshoorn	1 925	1 961	132	128
Garden Route	26 996	27 825	2068	2 120

3.4. Poverty

GDPR Per Capita

An increase in real regional gross domestic product (GDPR) per capita, i.e. GDPR per person is experienced only if the real economic growth rate exceeds the population growth rate. Even though real GDPR per capita reflects changes in the overall well-being of the population, not everyone within an economy will earn the same amount of money as estimated by the real GDPR per capita indicator.

At a per capita GDPR of R69 165 in 2021, the Garden Route municipal area remains significantly below the Province's R81 650. Within the region, George stands out with a relatively high per capita GDPR of R82 217, with Kannaland at the lower end, with a per capita GDPR of R42 186.

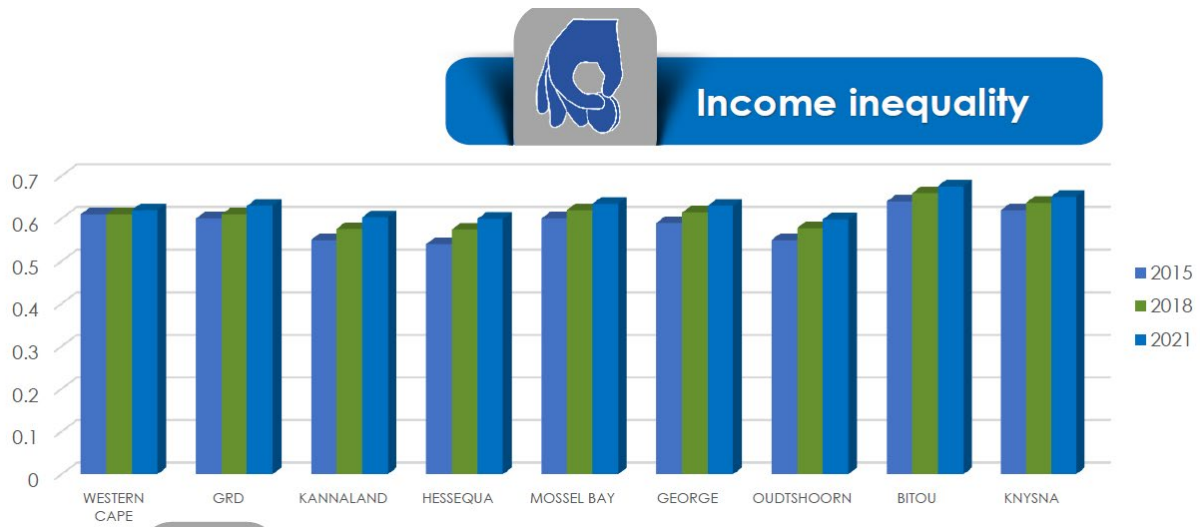


Socio Economic Profile, 2022

Income Inequality

South Africa suffers among the highest levels of inequality in the world when measured by the commonly used Gini index. Inequality manifests itself through a skewed income distribution, unequal access to opportunities, and regional disparities. The NDP has set a target of reducing income inequality in South Africa from a Gini coefficient of 0.7 in 2010 to 0.6 by 2030. However, between 2015 and 2021, income inequality in the Garden Route area has worsened, with the Gini-coefficient increasing from 0.60 in

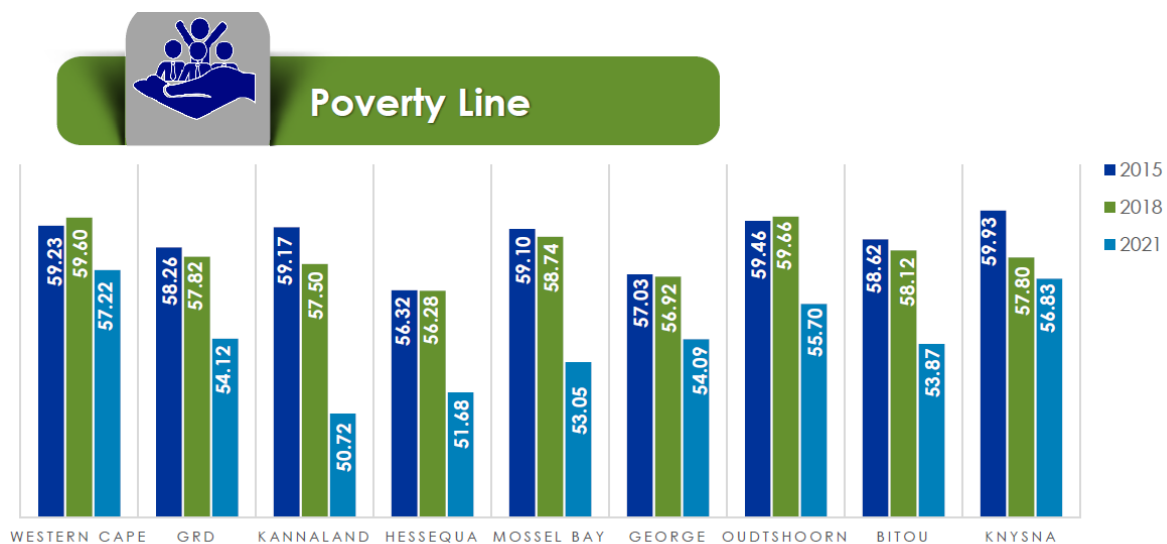
2015 to 0.63 in 2021. Worsening income inequality could also be seen across the province (0.61 in 2015 and 0.62 in 2021) over the same period.



Socio Economic Profile, 2022

Poverty Line

In 2021, 54.12 per cent of the district's population fell below the UBPL. This figure improved somewhat from the 58.26 and 57.82 per cent recorded for the periods 2015 and 2018, respectively. Within the Garden Route region, Knysna (56.83 per cent in 2021) represents the highest proportion of people living in poverty, however, the other local municipal areas all clustered close to this figure with very similar proportions.



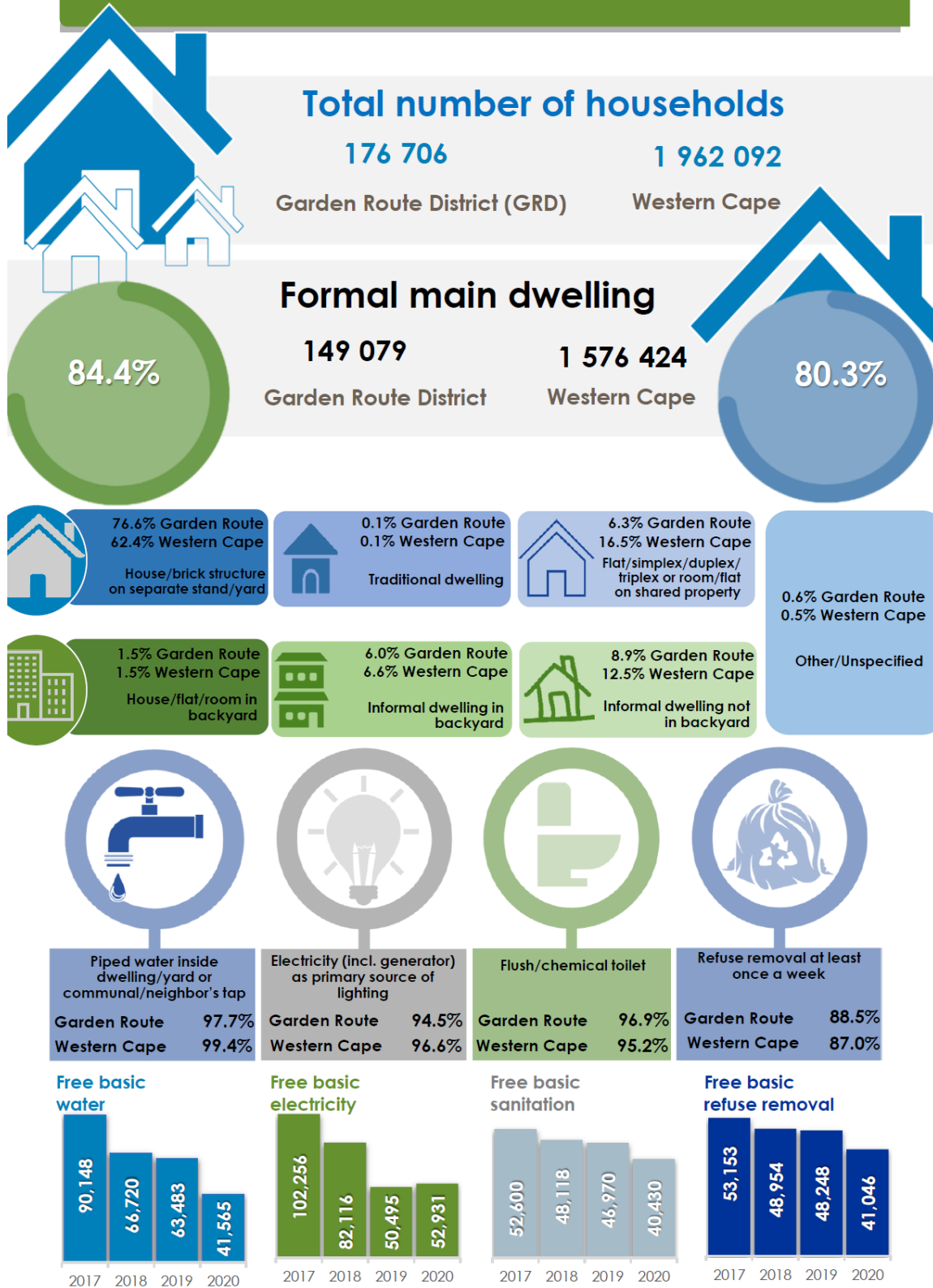
Socio Economic Profile, 2022

3.5. Basic Service Delivery

<p>Housing and household services</p>	<p>With a total of 176 706 households in the Garden Route District municipal area, 84.4 per cent (2021) had access to formal housing, which is just above the Provincial average of 80.3 per cent. Informal housing is generally high in the district (14.9 per cent informal dwellings), with particular challenges in the Knysna (25.1 per cent) and Bitou (25.0 per cent) municipal areas.</p> <ul style="list-style-type: none"> • All service access levels were higher than access to formal housing, with access to piped water inside/within 200m of the dwelling at 97.7 per cent, access to electricity (for lighting) at 94.5 per cent, access to a flush or chemical toilet at 96.9 per cent and the removal of refuse at least weekly by local authority at 88.5 per cent.
<p>Free basic services</p>	<p>The number of households receiving free basic services in the Garden Route area has decreased notably across all services areas between 2017 and 2020, with only services of free basic electricity increasing in 2020</p>



BASIC SERVICE DELIVERY



3.5.1 Access to Basic services per municipality

Municipality	Water	Refuse removal	Electricity	Sanitation	Housing
George	97.1%	90.5%	94.9%	97%	84.1%
Mossel Bay	98.5%	94.6%	95.8%	97.6%	86.1%
Knysna	98.7%	91.6%	94.6%	95.1%	74.1%
Hessequa	97.9%	86.8%	95.5%	98.6%	94.7%
Oudtshoorn	97.4%	82.3%	90.1%	95.1%	89.7%
Kannaland	95.5%	79.1%	91.4%	96.6%	97.3%
Bitou	98.1%	80.5%	96.4%	98.8%	73.8%

Socio Economic Profile, 2022

3.5.2 Housing Market Study

A Housing Market study was done for which areas of interest were Paarl, Stellenbosch, George and Mossel Bay. The study pointed to the need for Inclusionary Housing, to be developed by private developers. The study looked at supply and demand and revealed our totally dysfunctional housing market, under realisation of the economic value chain and the lack of upward mobility in the market (housing ladder).

People had the wrong idea about Social Housing claiming that Social housing will devalue property and that it is poor quality development whereas affordable housing is aimed at teachers, policemen, nurses, and the like.


Notably, valuation data was lower than sales data, negatively affecting the rates base, where 40% of houses were valued at less than R 150 000, meaning, not deriving rates from these properties. There is an unmet housing demand due to ill affordability and very little stock in the GAP market. The private developers were not getting involved, which might be due to land costs or the low rate of successful bond approvals. Private developers were building for R1, 2 million and upwards (the GAP being R300 000 to R1 200 000)

Further studies will be conducted in Bitou, Knysna and Oudtshoorn

3.6. Safety and Security

Murder

Within the Garden Route area, the number of murders increased relatively sharply from 159 to 198 between 2020/21 and 2021/22, with the murder rate (per 100 000 people) increasing from 26 to 32. The 2021/22 figure appears more in line with the 2019/20, the pre-COVID19 lockdown figure. The murder rate per 100 00 is below that of the Western Cape's 56 for the 2021/22 year.



MURDER		2019/20	2020/21	2021/22
Actual Number	Garden Route District	206	159	198
	Western Cape	3 974	3 794	3 963
Per 100 000	Garden Route District	33	26	32
	Western Cape	58	54	56

Socio Economic Profile, 2022

Sexual Offences

In 2021/22, there were 904 sexual offences in the Garden Route region. When comparing this to the Province, the Garden Route's area's incidence of sexual offences per 100 000 population was significantly higher than that of the Western Cape, at 144 compared to the province's 95.


SEXUAL OFFENCES		2019/20	2020/21	2021/22
Actual Number	Garden Route District	1 023	873	904
	Western Cape	7 472	6 588	6 765
Per 100 000	Garden Route District	166	140	144
	Western Cape	109	94	95



Socio Economic Profile, 2022

Drug-related Offences

Drug-related crime within the Garden Route increased significantly from 3 926 cases in 2020/21 to 4 689 cases in 2021/22. The province's drug-related offences also increased sharply from 47 811 in 2020/21 to 56 240 in 2021/22. However, the Garden Route area's rate of 748 per 100 000 people is below that of the province's 792.



DRUG – RELATED OFFENCES		2019/20	2020/21	2021/22
Actual Number	Garden Route District	5 825	3 926	4 689
	Western Cape	62 288	47 811	56 240
Per 100 000	Garden Route District	945	630	748
	Western Cape	907	683	792

Socio Economic Profile, 2022

Driving under the influence (DUI)

The number of cases of driving under the influence of alcohol or drugs in the Garden Route shows an increase from 899 in 2020/21 to 927 in 2021/22. This translates into a rate of 148 per 100'000 people in 2021/22, which is well above the province's 73 per 100 000 people.

DRIVING UNDER THE INFLUENCE		2019/20	2020/21	2021/22
Actual Number	Garden Route District	1 996	899	927
	Western Cape	12 428	5 220	5 209
Per 100 000	Garden Route District	324	144	148
	Western Cape	181	75	73
Fatal Crashes	Garden Route District	103	102	92
Road user Fatalities	Garden Route District	128	131	104




Socio Economic Profile, 2022

Road user fatalities

There was a steady decrease in the number of fatal road crashes, from 102 in 2020/21 to 92 in 2021/22. Concomitantly, road user fatalities in the Garden Route region decreased from 131 in 2020/21 to 104 in 2021/22.

Residential Burglaries

The number of residential burglaries in the Garden Route District area decreased from 4 307 in 2020/21 to 3 732 in 2021/22. However, the Garden Route District's rate of 595 per 100 000 population was still well above that of the province's 368 for 2021/22.

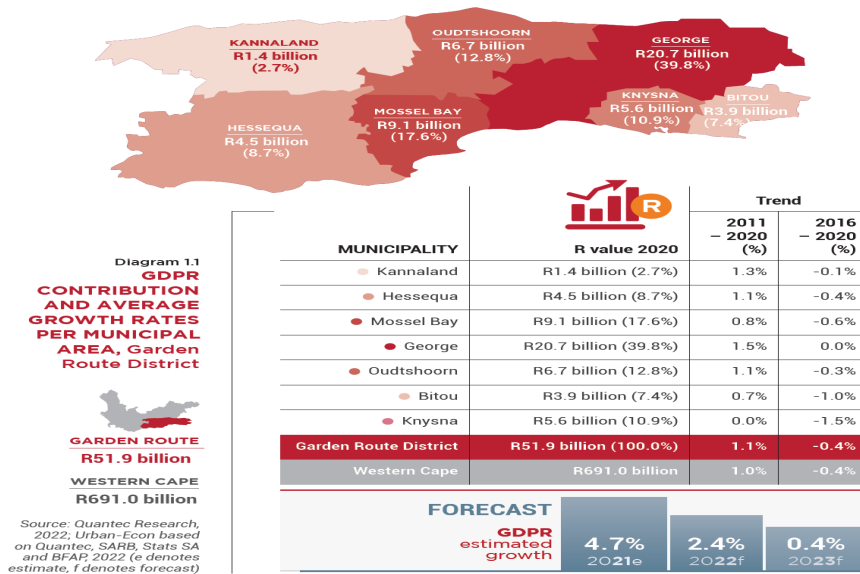


RESIDENTIAL BURGLARIES		2019/20	2020/21	2021/22
Actual Number	Garden Route District	4 893	4 307	3 732
	Western Cape	37 003	29 368	26 107
Per 100 000	Garden Route District	794	691	595
	Western Cape	539	420	368

Socio Economic Profile, 2022

3.7 Economic Analysis

3.7.1 GDP Performance



Source: MERO 2022


Valued at R51.9 billion, the GRD contributed 7.5 per cent to the Provincial economy in 2020. Between 2016 and 2020, both the District and the Province recorded an average contraction of 0.4 per cent per year.

The George municipal area was the largest contributor to the GRD economy in 2020 at 39.8 per cent. This was followed by the contributions of the Mossel Bay and Oudtshoorn municipal areas at 17.6 per cent and 12.8 per cent respectively. The Knysna municipal area contributed 10.9 per cent to the district economy, followed by the Hessequa municipal area with a contribution of 8.7 per cent.

The two smallest contributors to the district economy were the Bitou and Kannaland municipal areas, with contributions of 7.4 per cent and 2.7 per cent respectively.

3.7.2. GDP Per Sector

GDPR PERFORMANCE PER SECTOR, Garden Route District (%)

SECTOR		R million value 2020	Trend		Real GDP growth		
			2011 – 2020	2016 – 2020	2021e	2022f	2023f
PS Primary Sector		R2 857.2 (5.5%)	2.1%	0.7%	6.6%	11.0%	-0.6%
Agriculture, forestry & fishing		R2 660.4 (5.1%)	2.1%	0.7%	7.6%	10.8%	-0.4%
Mining & quarrying		R196.7 (0.4%)	2.2%	1.5%	-14.0%	17.3%	-6.5%
SS Secondary Sector		R10 555.9 (20.3%)	-0.9%	-3.2%	4.3%	2.2%	0.0%
Manufacturing		R7 126.1 (13.7%)	0.4%	-1.5%	7.3%	1.8%	0.1%
Electricity, gas & water		R1 278.7 (2.5%)	-2.1%	-3.1%	2.7%	1.4%	0.0%
Construction		R2 151.2 (4.1%)	-3.2%	-7.4%	-3.8%	3.8%	-0.4%
TS Tertiary Sector		R38 510.7 (74.2%)	1.6%	0.4%	4.6%	1.8%	0.6%
Wholesale & retail trade, catering & accommodation		R8 101.3 (15.6%)	-0.2%	-2.9%	7.0%	8.4%	1.8%
Transport, storage & communication		R3 909.6 (7.5%)	0.6%	-2.0%	5.3%	6.2%	2.3%
Finance, insurance, real estate & business services		R16 264.7 (31.3%)	3.0%	2.9%	4.3%	-1.1%	-0.1%
General government		R4 875.2 (9.4%)	1.4%	0.5%	-1.0%	-1.0%	-0.2%
Community, social & personal services		R5 360.0 (10.3%)	1.1%	0.0%	7.0%	0.3%	-0.3%
Total Garden Route District		R51 923.8 (100.0%)	1.1%	-0.4%	4.7%	2.4%	0.4%

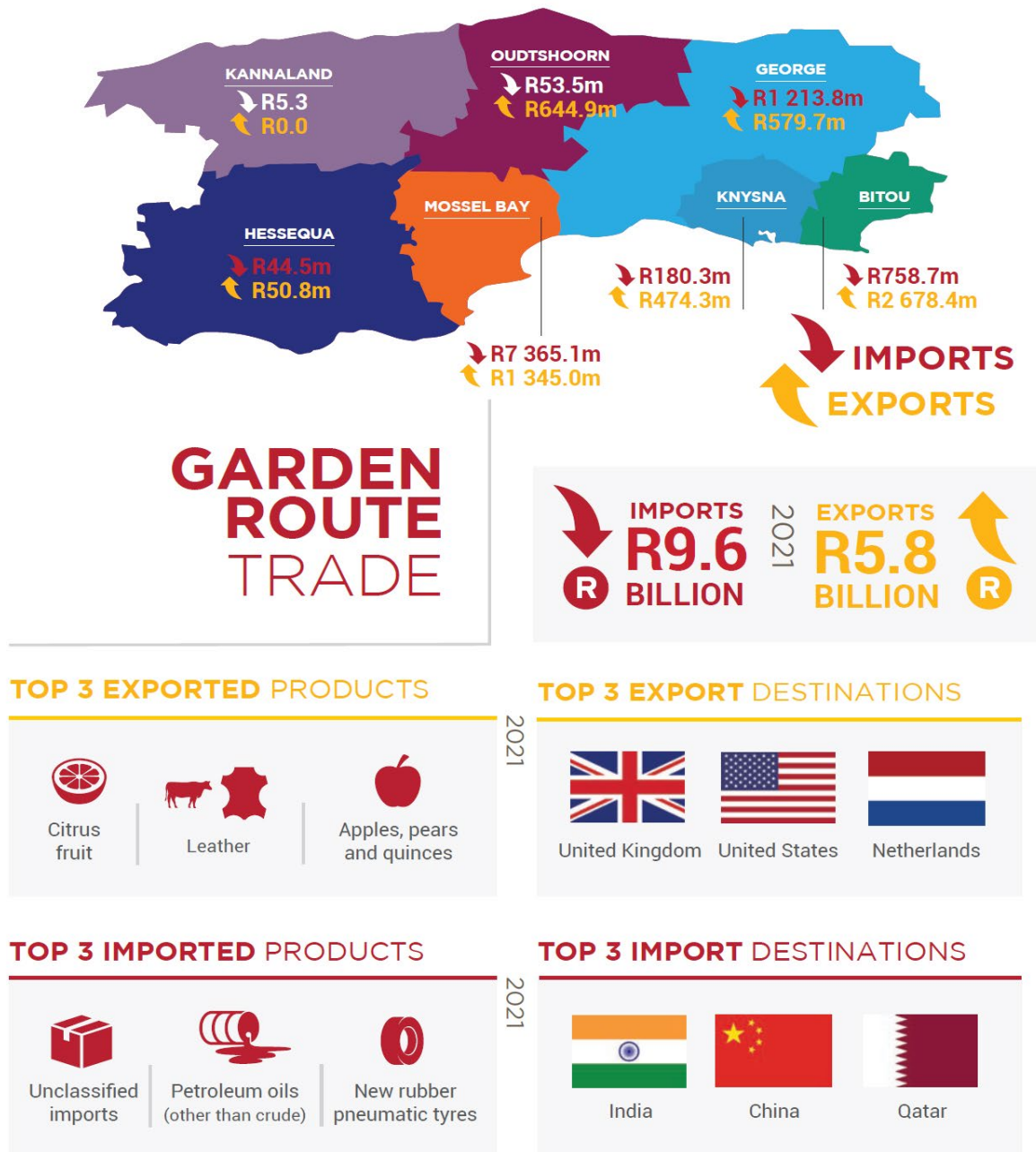
Source: MERO 2022

With a GDPR contribution of 74.2 per cent, the tertiary sector was the largest contributor in the GRD, with a total contribution of R38.5 billion in 2020. Between 2016 and 2020, the tertiary sector recorded an average growth rate of 0.4 per cent per year. As the District recorded an average contraction of 0.4 per cent over the same period, growth in the tertiary sector is likely to have mitigated contractions in the district.

Within the tertiary sector, the finance sector was the largest contributor to GDPR at 31.3 per cent in 2020. Between 2016 and 2020, the finance sector recorded the highest average growth rate across all subsectors of the tertiary sector at 2.9 per cent. This can possibly be ascribed to an increase in acquisition of properties such as land or housing in the district, which increases demand for financial, cash and risk management services.²⁷ Conversely, the trade sector recorded the highest average annual contraction over the period across all subsectors in the tertiary sector at 2.9 per cent. This was largely a result of declines in tourism activity in the district throughout the drought period, as well as during the COVID-19 pandemic. Another reason for the

decline in the trade sector was the decrease in demand within the district as a result of exogenous effects such as the technical recession, as well as endogenous effects such as the wildfires in the District.

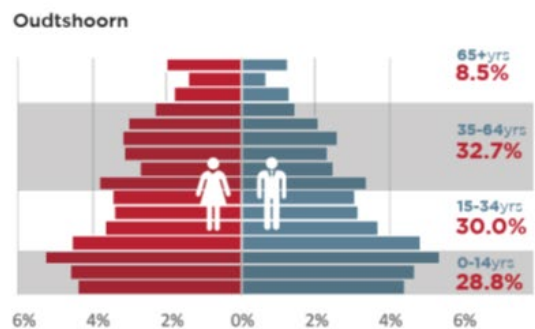
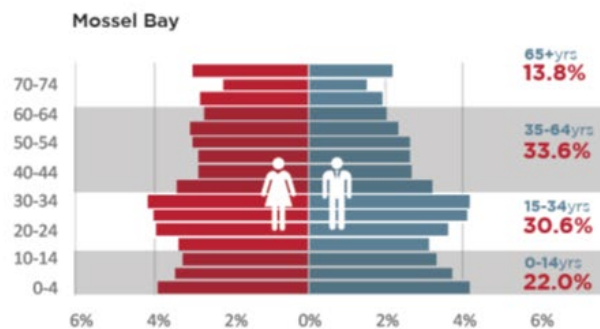
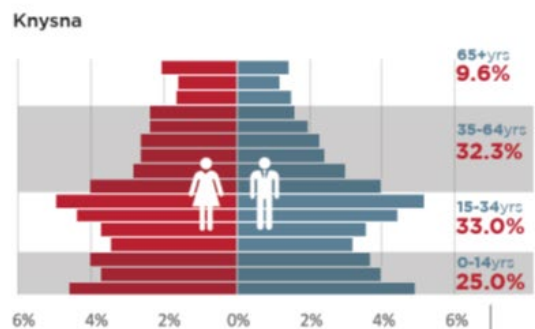
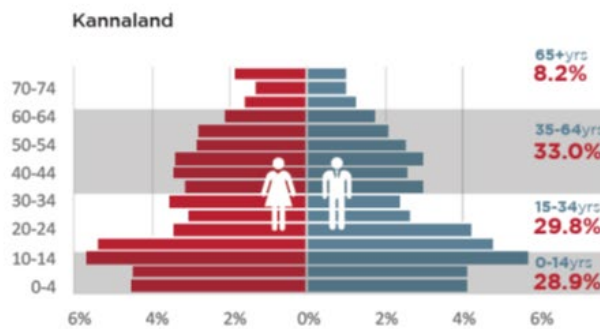
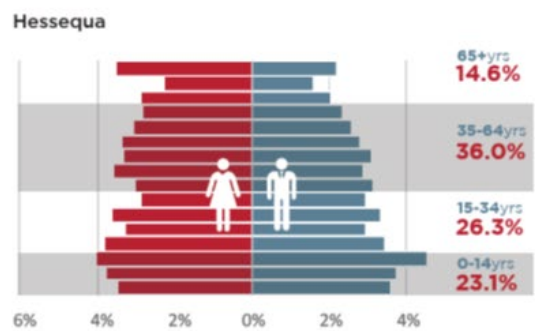
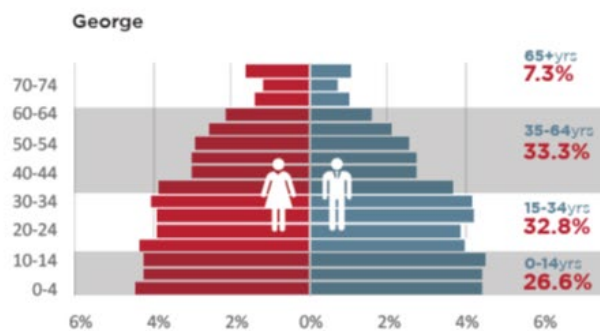
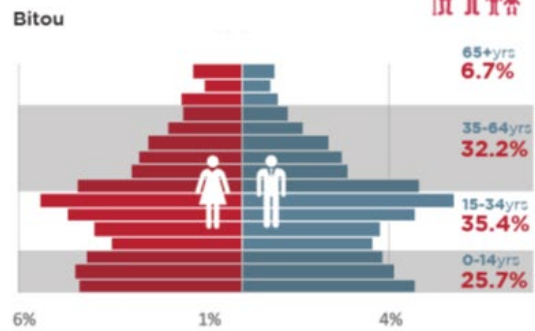
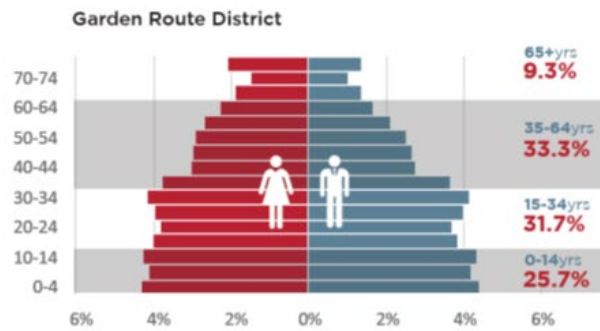
3.7.3. International Trade



Source: MERO 2022

3.8. Gender Analysis

GENDER AND AGE DYNAMICS, Garden Route District, 2021



Source: MERO 2022

3.8.1 EPWP Database

Total Data base Applications	Total Women on Data base	Total Youth on Data base
3671	2045	1835

3.9 Critical Skills Analysis

According to the 2022/2023 LG Seta Sector Skills Plan, a comprehensive analysis of WSP data and existing research projects, revealed a series of skills needs both in terms of occupational shortages (scarce skills) and skills gaps (top-up skills). The areas of concern include:

- Finance and compliance positions (such as internal audit manager and finance manager) are included in the top 20 occupational shortages. The data reveals that the highest occupational shortage within the finance and compliance category is finance manager. This highlights issues raised by the AG regarding poor capacitation of the audit and finance functions at municipalities.
- A number of technical occupations (e.g. electrical engineer, civil engineer, and electrician) have been flagged as shortages; this underlines a key source of service delivery issues in local government and the importance of skills development to bolster capability and capacity in these areas.
- A few key water and environmental services related occupations have been flagged as hard to fill, including water reticulation practitioner, water plant operator and environmental scientist. The consistent supply of water and sanitation services is vital in the context of COVID-19.

3.10 Community Issues

On 5 May and 24 November 2022 respectively, the district held IDP Rep Forums, and the following issues were brought under the attention of the district:

Theme	Issue
Community Safety and Security	<ul style="list-style-type: none"> • Issue of police vans not visible in the Mossel Bay township • What has been done to organise the communities to participate in the community safety as it is done in the affluent areas • Why is the issue of street lights not attended to in townships like its done easily in affluent areas • Why doesn't Bitou ward 1 qualify for satellite police station • There is 1 police station in Knysna and there is a huge problem with drugs

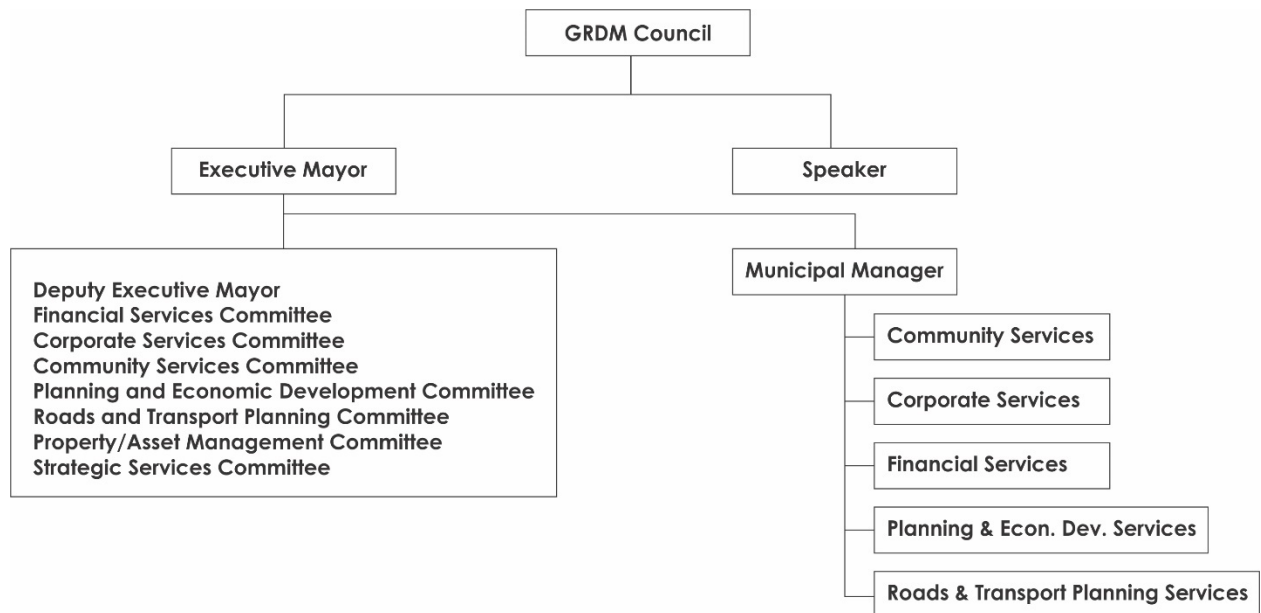
Theme	Issue
Health	<ul style="list-style-type: none"> • Why are By-laws not fully enforced within the municipal areas • Shortage of medication at Mossel Bay ward 12 • Availability of doctors in small towns like Gouritzmont with a population of 200 people in a poor community • Experiencing challenges with water shortage in Kannaland • What is being done for disabled people within the district
Water & Sanitation	<ul style="list-style-type: none"> • Request to include Knysna Percy Mdala for maintenance as they have water issues and the municipality is referring the public to the department of education • Water and sanitation the PFMA makes provision for capital projects such as CDP processes that can be followed. No linkage between projects and CDP programmes • George municipality to develop on the banks of the Garden Route dam which is the largest source of portable water in the region that poses a threat to water security. How will the District deal with the conflict with George municipality's plan to develop
Youth Employment and Skills	<ul style="list-style-type: none"> • Why is there no skills audit in the municipality areas • Plan of action to bring Chrysallis Academy closer to the Garden Route • Key issues with local municipalities are youth unemployment and leaders not being able to think outside the box • Rheneendal has a high rate of youth unemployment and travelling to Knysna is costly • Street kids to be taken into consideration when doing district planning • Youth of Mossel Bay would like to be involved in programmes to assist police and law enforcement in the area • Consideration of an Agricultural college in Kannaland for Skills development and economic development • One of the Skills Mecca initiatives should be the link between academic institutions and skills needed within the region
Economic Development	<ul style="list-style-type: none"> • Requiring assistance with WESGRO applications for tourism • Public participation should be done in the Mossel Bay area for illegal trading
Environmental Management/ Agriculture	<ul style="list-style-type: none"> • Concerned about fire protection association in Garden Route region and farmers should be invited to such engagements since its fire season

On 4 May 2023, the IDP Representative Forum took place in Knysna and below are some of the issues that were raised by the community members who attended:

- The need for a local economic summit
- Service delivery challenges in rural communities
- Support with equipment for neighbourhood watches
- Land for emerging farmers
- Bursaries and Economic opportunities for people in rural areas
- Affordable housing and land prices
- Empowerment of local film makers
- Inadequate public participation activities
- Capacity building for emerging entrepreneurs in renewable energy projects

CHAPTER 4: HUMAN RESOURCES

4.1. Macro-Organisational Structure



4.2. Objectives of Human Resource Unit

The Human Resource unit under the Corporate Services Department is cardinal in the effective functioning of the municipality. The Human Resource Unit strives to achieve the following objectives:

To review the HR Organogram to ensure effective service delivery to all departments.	To ensure capacity constraints have been addressed in the HR Section	To strive towards the full implementation of the HR Master plan.
To ensure that <u>all</u> HR policies/guidelines/legislative requirements are adhered to.	To ensure that Recruitment and selection processes and procedures function optimally to enhance turnaround times.	To ensure that HR units complies with all the relevant legislative requirements.
To ensure that all the units within the HR unit function optimally.	To ensure that all training needs of employees are included in the WSP.	Recruitment and Selection processes are revisited.
Training of Chairperson/Initiators	Task policies and implementation of Task grades reviewed.	District wide workshop for Task team to be established.

Labour relations matters dealt with timeously/training of Senior managers and other officials.

4.2.1. Occupational Health & Safety

Our overall objective is to create a positive safety culture that enables our employees to strive for safety and realize their full potential to form part of a team in establishing a healthy and safety environment in the workplace, including the visitors and contractors.

4.2.2. Employee Wellness

To enable the employer to manage all aspects of employee wellness that can have a negative impact on employees' ability to deliver on organisational objectives. Furthermore, to promote a safe and healthy working environment in pursuit of optimum productivity and preserve human life and health.



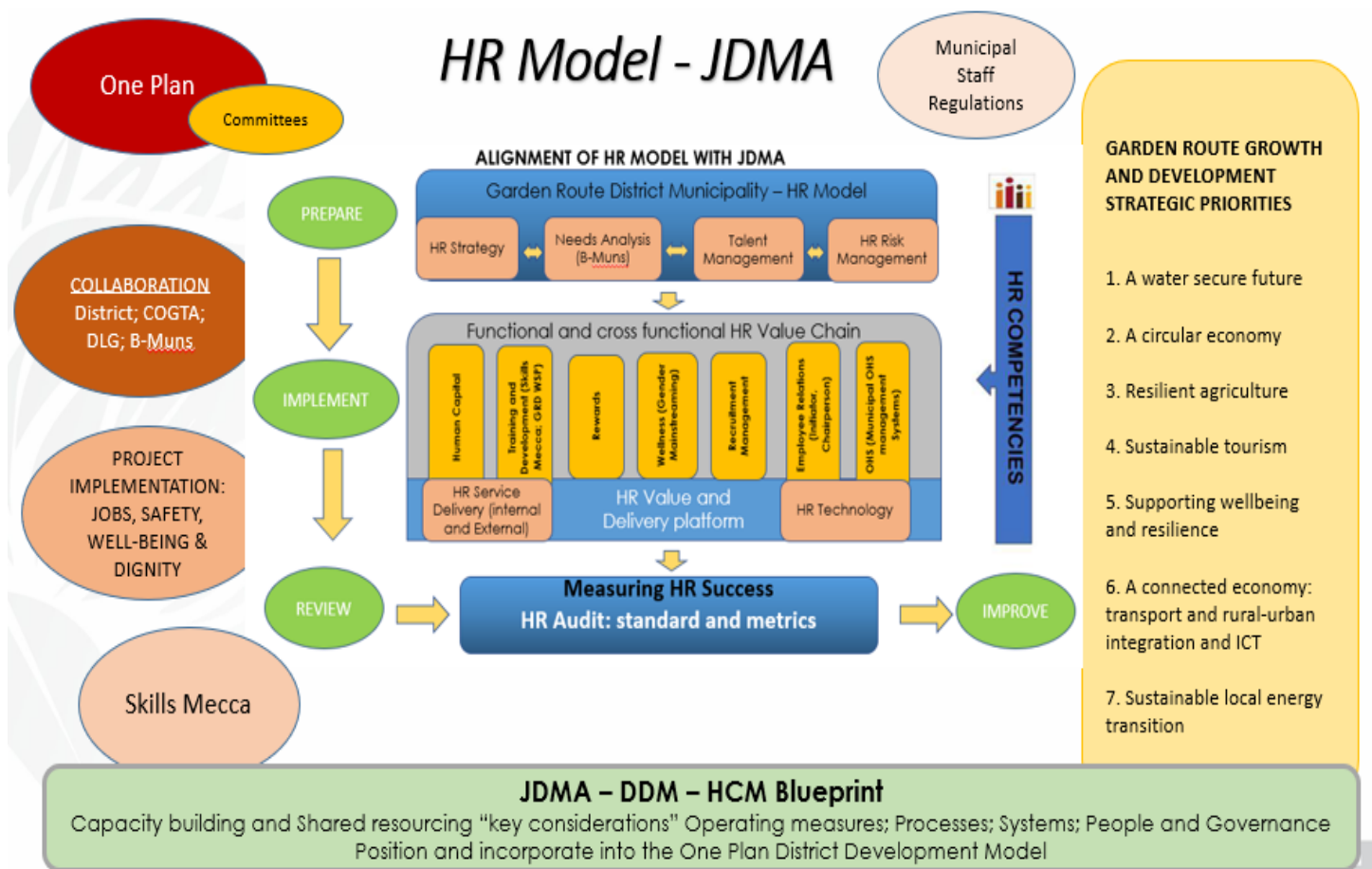
4.3. Local Government: Municipal Staff Regulations

The Minister of Cooperative Governance and Traditional Affairs (COGTA) promulgated the Local Government Municipal Staff Regulations GNR 890 as published in GG No 45181 of 20 September 2021. The objectives of the Regulations are to create a local public administration that is fair, efficient, effective, and transparent. Create a development-oriented local public administration government through good human resource management and career development practices. Furthermore, it strengthens the capacity of municipalities to perform their functions through recruitment and appointment of suitably qualified and competent persons and establish a coherent HR governance regime that will ensure adequate checks

and balances including enforcement of compliance with legislation. The Municipality adopted a plan of action to ensure that the municipality rolls out the staff regulation within the prescribed period granted to municipalities for execution.

4.4 Alignment of the HR Model to the JDMA

The below diagram depicts the HR strategic Model that forms part of the Strategic Plan and integration with the GRDM Growth and Development Strategy. The district intends to rollout this model from a regional perspective

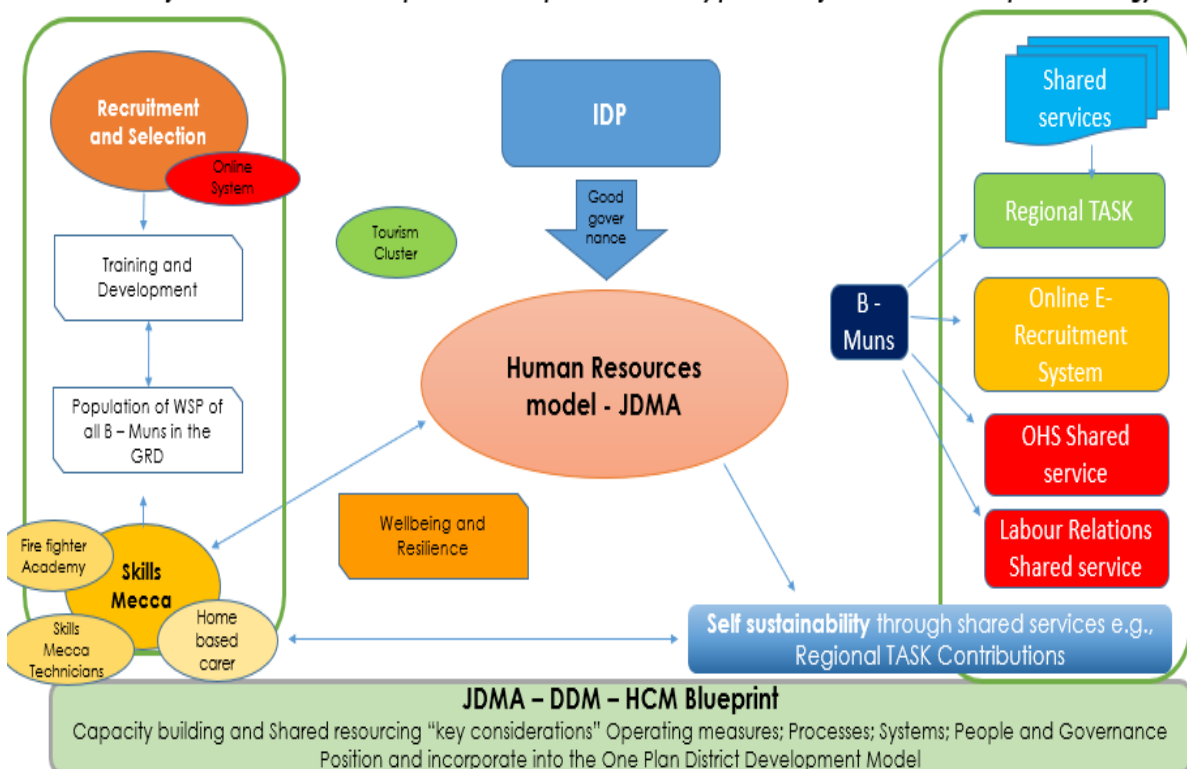


4.5. HR Institutional Arrangement

The institutional arrangement demonstrated below, depicts the integration of the HR Model with IDP of the Municipality. It also refers to the sustainability of the HR unit in terms of generating income for the District Municipality. Furthermore, it also demonstrates the possibilities of Shared Services in terms of certain disciplines whereby income can be granted.

INSTITUTIONAL ALIGNMENT

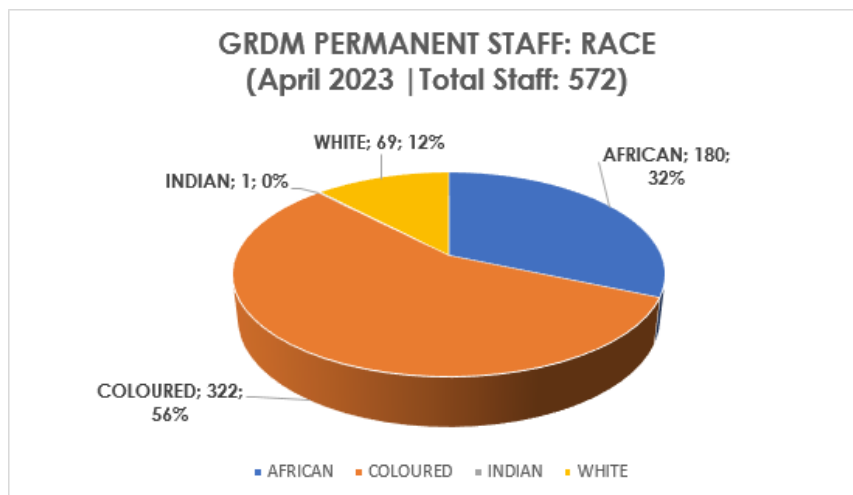
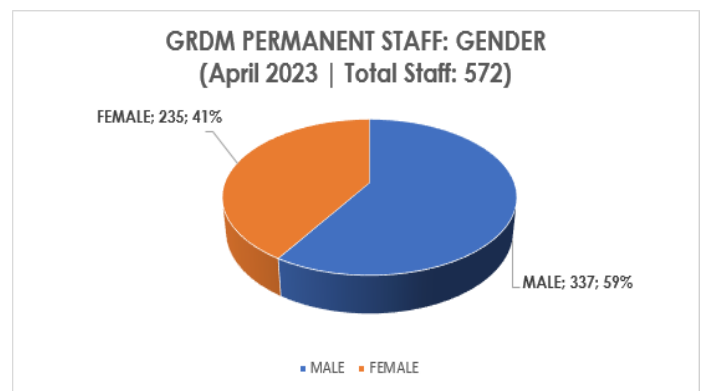
- Provide a brief overview on how the department is responsive to the key priorities of the Growth Development Strategy ⁵



4.6. Gender Mainstreaming Activities

There are various programmes that address gender equality, diversity, women empowerment and inclusivity in the municipality. The municipality through its policies also ensures that gender equality is prevalent in all activities of the institution and within each department of the organization. One of the focus areas for the 2023 /2024 financial year is to provide training to enhance gender management and raise levels of gender awareness, as well as upskilling women in the organization. Currently gender projects are facilitated through the Employee Assistance Program; there is a need to appoint a gender focal person.

4.7 Institutional Transformation needs



4.8 Workplace Skills Plan

The GRDM's Workplace Skills Plan (WSP) was submitted to the LG SETA on 24 April 2023. The skills-related projects included in the WSP are in line with the IDP's Strategic Objectives and the Growth and Development Strategy of Council, which include the Home-Based Care; Work Based Learning and Development; Renewable Workshop Assistants; Tourism and Hospitality; Water and Sanitation; Fire Fighter, Patrol Officers and Just Energy Transition Projects

4.8.1 Planned Training Budget for 1 May 2023 - 30 April 2024

Planned Training Budget						
Funding Source	Planned Training Budget - Employed	Planned Training Budget - Unemployed	Actual Expenditure - Employed	Actual Expenditure - Unemployed	Committed Expenditure - Employed	Committed Expenditure - Unemployed
Mandatory Grant Funds	250000	0			180 000	0
Outstanding Mandatory Grant funds from previous year	70000	0			0	0
Discretionary Grants funds	1 220 000	654 000			1 220 000	654 000
Additional funding (Municipality/entity, donor funds, other government funds etc)	3400000	6400000			3400000	6400000
Totals	4940000	7054000	0	0	4800000	7054000

4.8.2 Total Planned Training Beneficiaries for 1 May 2023 - 30 April 2024

Total Planned Training Beneficiaries								
LGSETA Strategic Focus Area	Municipal Key Performance Area	Main IDP Priority Linked to Key Performance Area	Female - Employed	Male - Employed	Total	Female - Unemployed	Male - Unemployed	Total
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy		39	60	99			0
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Financial Viability & Sustainability	9	19	28	2	1	3
Enhancing Infrastructure and Service Delivery	Basic Service Delivery and Infrastructure Development	Sustainable environmental management and Public Safety	58	137	195	93	90	183
Enhancing Municipal Planning	Municipal Transformation and Institutional Development	Skilled workforce and communities	20	46	66	10	2	12
Promoting Spatial Transformation and Inclusion	Sustainable Local Economic Development	Building a capacitated workforce and community	0	0	0	200	200	400
Totals			126	262	388	305	293	598

CHAPTER 5: SERVICE DELIVERY AND OPERATIONAL STRATEGIES

5.1. Introduction

Garden Route District Municipality aspires to deliver excellent services to all people in the region. However, service delivery in the Garden Route Region is severely impacted by unfunded mandates and the Garden Route District Municipality wrote a letter to SALGA to request that the funding model of district municipalities be reviewed as it is unsustainable in its current form. The unfunded mandates that have reference relates to: Municipal Health & Environmental Services, Fire Services and Environmental Management.

Key Services delivered by GRDM that will be discussed in this chapter includes:

- Municipal Health
- Air Quality
- Waste Management
- Fire Services
- Roads and Transport Planning Services

Municipal Health, Air Quality and Waste Management, are in the Community Services Department.

The following key projects and programmes delivered by the GRDM will also be discussed in this chapter:

- EPWP
- Community Safety
- Human Settlements
-

5.2. Municipal Health

Municipal Health Services focus on the monitoring of environmental conditions that may have a detrimental impact on human health. The objectives are aligned to the objects of Government as set out in Section 152(1) of the Constitution of the Republic of South Africa "To promote a safe and healthy environment.

The activities of the Municipal Health therefore are to ensure the promotion of healthy communities by assisting to reduce child mortality, increase life expectancy and

improve hygienic conditions in the district through identification, evaluation and control of environmental conditions that can have a detrimental effect on the health and well-being of communities and the provision of health and hygiene education and awareness activities to promote a healthy lifestyle in communities.

5.2.1 Predetermined Objectives



5.2.2 Projects and Programmes

Project/Program	Objective	Date from - date to 2022/07/01 – 2023/06/30
Formal and Informal food traders Project	To promote the safe handling, preparation, storage and selling of foodstuffs by all food handlers (formal and informal)	Ongoing
Five keys to Safer Food	To prevent the outbreak of food-borne diseases	Ongoing
Hand washing promotion	To educate the community on the importance of hand washing and preventing the spread of disease through proper hand hygiene.	Ongoing
Hygiene program for communities using communal toilets	To make people aware of the proper and hygienic use of communal toilets.	Ongoing
Waste and Air Pollution Prevention Campaign	Preventing waste and air pollution to promote a clean and healthy environment.	Ongoing
Tobacco and tobacco products compliance training: Spaza Shops	To ensure that Spaza shops comply with relevant legislation through informative training sessions and programs, as well as the provision of necessary signage.	Ongoing

5.3 Air Quality

An Air Quality Management Plan was approved by Council in 2019. The following four (4) goals are included in the Air Quality Management Plan of council:

1. Ensure effective and consistent air quality management.
2. Ensure effective and consistent compliance monitoring and enforcement.
3. Continually engage with stakeholders to raise awareness with respect to Air Quality Management (AQM) and Climate Change Response
4. Support AQM and CCR programmes, including promoting and facilitating the reduction of greenhouse gas emissions.

Within the Western Cape Provincial context, GRDM issued 21% of the total number of Atmospheric emission licences (AEL's) and 18% of industry registered on the National Emissions Inventory (NAEIS) within the Western Cape Government, second only to the City of Cape Town (CCT). As such, the GRDM is recognized as the second most industrialised area within the Western Cape Government.

5.3.1 Goals and Objectives

Goal	Task	Timeframe	Operational Budget per annum	Capital budget
Goal 1: Ensure effective and consistent AQM, linked to climate change				
Objective 1.1 Create awareness of AQMP implications	<ul style="list-style-type: none"> • Present the AQMP to GDRM Council for acceptance, approval and inclusion in IDP • Distribute the action plan to the applicable GRDM departments to gain insight and buy-in. • GRDM must assist each B-municipality and liaise with Provincial Department to ensure AQMP's are adopted and included in IDP's. 	<ul style="list-style-type: none"> • Completed • Completed • Completed 	Operational (salaries/transport)	
Objective 1.2 Promote cooperation amongst all spheres of municipal	<ul style="list-style-type: none"> • Western Cape Government and GRDM must initiate discussions with each B-municipality to ensure each B-municipality know their responsibility in terms of air quality management 	<ul style="list-style-type: none"> • Completed 	Operational (salaries/transport)	

Goal	Task	Timeframe	Operational Budget per annum	Capital budget
government	<ul style="list-style-type: none"> • Share annual industry emission survey reports with relevant municipal AQO. • Continue to include municipal AQO's in discussions and planning where problems exist. • Forge closer cooperation between GRDM and B-municipalities in all aspects relating to air quality management • Compile a list of air quality monitoring equipment available at each municipality with the view of sharing equipment as and when necessary 	<ul style="list-style-type: none"> • Ongoing • Ongoing • Ongoing • Completed 		
Objective 1.3 Strengthen and build capacity in AQM, compliance and enforcement	<ul style="list-style-type: none"> • Assist municipal AQOs with the interpretation of air quality reports emission reports. • Training sessions on the use of air quality monitoring equipment with municipal AQO's must be included at the GRDM's AQOFM. • Establish a comprehensive dispersion modelling system in cooperation with the B-municipal AQO's • Plan together to acquire the necessary weather data for dispersion modelling • Develop best practices guideline for industry and municipal AQO's as a frame of reference for new technology which could reduce emissions 	<ul style="list-style-type: none"> • 1 year • 1 year • Completed • Completed • 1 year 	Operational R20 000 (Professional fees)	
Objective 1.4 Develop institutional mechanisms to improve air quality and climate change response	<ul style="list-style-type: none"> • Finalise the collaborator online reporting system (COEI) and launch the platform • Provide training (in the form of SOP's) to industry, business and municipal AQO's to ensure the effective utilisation of the COEI. • Encourage the municipal AQO's 	<ul style="list-style-type: none"> • Completed • Completed • 2 years • In progress 	Professional fees R50 000 System maintenance-R24 000 per annum	

Goal	Task	Timeframe	Operational Budget per annum	Capital budget
	<p>buy-in and participation to ensure business owners make use of the COEI system.</p> <ul style="list-style-type: none"> • Use dispersion modelling to manage available air space effectively • Use available tools, i.e. COEI system, dispersion modelling and best practice guides to advise industry and businesses on new and existing developments. 	<ul style="list-style-type: none"> • In progress/ongoing 		
<p>Objective 1.5</p> <p>Develop, implement and maintain air quality management systems</p>	<ul style="list-style-type: none"> • Initiate and coordinate short-term air quality monitoring projects (where applicable) to verify the dispersion modelling results in potential problem areas • Enforce licensed industry's reporting on the National Atmospheric Emission Inventory System (NAEIS) • Conceptually develop pollution prevention plans, based on the outcomes of dispersion modelling and air quality monitoring programs as and when necessary 	<ul style="list-style-type: none"> • Ongoing • Ongoing • Ongoing 	R60 000	
<p>Objective 1.6</p> <p>Ensure adequate funding for the implementation of AQM by municipalities</p>	<ul style="list-style-type: none"> • Assist municipal AQO's (where necessary) to plan air quality budget submissions and assist with the coordination of resources between municipalities • Plan with municipal AQO's for purchase of air quality monitoring equipment which could be shared between municipalities (i.e. 4 mini-vol's in GRDM could be rotated between municipalities, the same with vehicle exhaust monitors) • Budget for a panel of specialists to review GRDM industries and develop a best practices framework as reference tool • Budget for a comprehensive dispersion modelling facility to be housed and operated by GRDM, but accessible to all municipalities 	<ul style="list-style-type: none"> • Ongoing • Ongoing • 2 years • Completed 		

Goal	Task	Timeframe	Operational Budget per annum	Capital budget
Goal 2: Ensure effective and consistent compliance monitoring and enforcement				
Objective 2.1 Improve air quality compliance monitoring and enforcement	<ul style="list-style-type: none"> • Develop customised air pollution control plans as and when required • Update and review the emission inventory during the NAEIS submission period and highlight concerns for further investigation • Implement AEL review processes in line with legislation 	<ul style="list-style-type: none"> • 4 years • Ongoing • • • Ongoing 	Operational (salaries/transport)	
Objective 2.2 Promote continuous improvement in respect of industry air quality compliance	<ul style="list-style-type: none"> • Attending of training programmes for district officials on approved emission survey technology • Provide a reference framework to industry with approved emission survey methodology 	<ul style="list-style-type: none"> • Ongoing • Ongoing 	R 20 000	
Objective 2.3 Develop and implement air quality regulatory processes	<ul style="list-style-type: none"> • Based on short term air quality assessments, amendments to the emission limits may be required. Liaise and coordinate amendments to Section 21 through Provincial and National structures • Assist local authorities with the incorporation of emission limits for fuel-burning appliances in their by-laws. 	<ul style="list-style-type: none"> • 3-5 years • 2 years 	Operational (salaries/transport)	
Goal 3: Continually engage with stakeholders to raise awareness with respect to AQM and climate change response				
Objective 3.1 Develop comprehensive education and communication mechanisms, strategies and programmes with respect to AQM and CCR	<ul style="list-style-type: none"> • Coordinate and assist with DEFF's EACs and municipal AQO's to develop and roll out a campaign to ascertain the types and quantity of fuel used in households • Use the household fuel information to refine the emissions inventory and dispersion model • • Continue with the GRDM Clean Fires campaign and health risk 	<ul style="list-style-type: none"> • 1 year • 2 years • Ongoing 	R76 000 per annum	

Goal	Task	Timeframe	Operational Budget per annum	Capital budget
	associated with illegal burning <ul style="list-style-type: none"> Assist local authorities with the development of a communication channel between fire departments and air quality officers 	<ul style="list-style-type: none"> 1 year 		
Goal 4: Support air quality and CCR programmes, including promoting and facilitating the reduction of Greenhouse gas emissions				
Objective 4.1 Reduce ozone depleting substances and Greenhouse gas emissions, in line with National and International requirements	<ul style="list-style-type: none"> Identify largest contributors of greenhouse gas emissions within GRDM through the emission inventory Engage with largest contributors to reduce greenhouse gas emissions through best practice framework where applicable. Assist local authorities to amend municipal by-laws to effect emission limits on unlicensed industries that emit greenhouse gases, e.g. small boilers. Partake in National and Provincial projects aimed at setting GHG emission limits on unlicensed fuel-burning appliances. 	<ul style="list-style-type: none"> Completed 1 year, ongoing 3 - 5 years 3 - 5 years 	Operational (salaries/transport)	

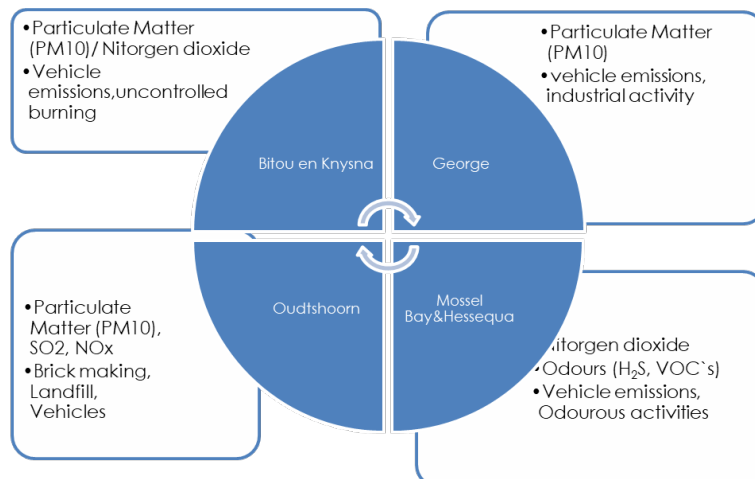
5.3.2. Air Quality areas of concern in the GRDM

A comprehensive dispersion modelling study was conducted after compilation of the emissions inventory. The aim of the study was determined if any others areas of concern existed outside the knowledge of both GRDM and municipal personnel. The dispersion model indicated potential problem areas in five of the seven municipalities within the GRDM region. The areas where these concerns arose, and the pollutants involved are:

A) Bitou: PM10 Particulate matter

- b) Knysna: Nitrogen dioxide
- c) George: PM10 Particulate matter
- d) Mossel Bay: Nitrogen dioxide and odours
- e) Oudtshoorn: PM10 Particulate matter, sulphur dioxide and nitrogen dioxide
- f) Hessequa: Offensive odours

The problem areas are shown graphically below and form the basis of LAQS's recommendations for project-based air quality monitoring actions. The pollutants involved all pose health risk problems, the exception being odours. At the estimated concentrations the odorous compounds do not pose a health risk, but are a nuisance, impacts on quality of life and tourism. I included this below because it was missing



5.4. Waste Management

Garden Route District Municipality has compiled a District Waste Management Policy that was approved by Council in 2017 followed with the promulgation of the District Waste Management By-Laws On 01 September 2017. The Garden Route District Municipality has also accepted its responsibility in accordance with Section 84(iii) and has proceeded to establish a Regional Waste Management Facility for the provision of waste disposal services for the Local Municipalities of Bitou, Knysna, George and Mossel Bay. The mentioned Local Municipalities are currently disposing of their domestic waste at the private landfill of PetroSA. The PetroSA landfill is rapidly running out of landfill remaining airspace and soon will be unable to accommodate domestic waste from the Local Municipalities.

5.4.1. Projects and Programs

Project/Program	Objective	Date from - date to
3 rd Generation integrated Waste Management Plan	Implementation and management of the 3 rd generation Integrated Waste Management Plan according to the approved implementation plan. Inclusion of the Objective and Targets (Implementation Plan) of the 3 rd generation Integrated Waste Management Plan into the next generation Integrated Development Plan. Obtaining the necessary budget for implementation of the identified goals and objectives of the 3 rd generation Integrated Waste Management Plan from the 2023/2024 budget onwards.	01 January 2020 – 31 December 2025
Regional Waste Management Facility	Finalisation of the Establishment of the Regional Waste Management Facility.	01 January 2021 – Ongoing
Waste Minimisation Plan	Implementation of the Waste Minimisation Plan and inclusion into the 3 rd generation Integrated Waste Management Plan to be included in the Integrated Development Plan. Obtaining the necessary budget to implement the goals and objectives of the Waste Minimisation Plan from the 2023/2024 budget onwards.	01 July 2021 – Ongoing

Project/Program	Objective	Date from - date to
Alternative Waste Management Technology Solutions	Ongoing investigations for feasible and sustainable Alternative Waste Management Technology Solutions to divert waste from landfill.	01 January 2020 - ongoing
Garden Route District Municipality Waste Management By-Laws PG 7818 of 01 September 2017	Enforcement of the Garden Route District Municipal Waste Management By-Laws in accordance with the functions as set out in Section 84(e) of the Local Government: Municipal Structures Act, No. 117 of 1998.	01 September 2017 - ongoing
Garden Route District Municipal Office Recycling Program	Garden Route DM officials to be aware and actively participating in minimization as an example to the residents of the Garden Route District. Incorporation of organic waste and household hazardous waste diversion into the office recycling programme.	01 April 2017 – ongoing 2023/24
Home Composting Pilot Project	Pilot projects have been implemented in all seven local municipalities to demonstrate the effectiveness of at-source organic waste diversion by means of home composting. Further pilot projects to be rolled out in schools and communal vegetable gardens.	01 July 2018 – ongoing 01 October 2019 – ongoing
Garden Route District Municipality Waste Information System – Portal upgrade	Finalisation of Health Care Waste and recycling facilities registrations. Commence with the register of scrap metal recycling facilities and waste transporters on the information system.	March 2023 – Ongoing
District Illegal Dumping Strategy	Development and implementation of a District Illegal Dumping Strategy.	2023 / 2024
Waste Characterization Studies	New Waste Characterization Studies to be conducted in each of the seven local municipalities.	

5.4.2. Integrated Waste Management Plan

All seven local municipal plans were incorporated into the district plan. All the gaps and needs identified in the local municipalities' plans that have a regional objective according to the functions of a district municipality have been incorporated in the objectives of the District Municipality. All other gaps and needs that are solely the function of a local municipality is brought into the integrated waste management plan objectives of the specific local municipality for inclusion in their Integrated Development Plan for implementation.

The main waste management concerns in the various Municipalities in the Garden Route District are as follows.

Extending waste management services to all residents of the municipalities and upgrading collections services to weekly for all residents.	Management of organic waste portion by implementing alternatives to divert all organics away from landfill.	Updating of existing outdated waste management municipal by-laws to align with the National Environmental Management Waste Act No.59 of 2008 and the Garden Route District Waste Management By-Laws 7818 of 01 September 2017
Household hazardous waste need to be properly managed by the municipalities as few municipalities have services in place to accommodate and properly disposed of or recycle household hazardous waste.	Compliance issues at some of the municipal waste management facilities. Determining of correct volume of airspace left to the municipality at landfill sites.	
Proper waste management fleet management. Replacement schedule of fleet to be implemented. Sufficient number of fleet available to properly deliver the needed service. Have standby vehicles available	Compilation and implementation of Waste Management Awareness and Education calendar for the applicable financial year	

5.5. Fire Services

The purpose of the Department is to develop and oversee the implementation of legislation, policy and strategies applicable to fire services by:

- Planning and coordinating strategies and programs in line with the requirements of the Municipal Structures Act, deliver services in terms of the Fire Brigade Services Act and support related pieces of legislation, i.e..the National Veld and Forest Fire Act, the Environmental Management Act etc.
- Performing research, develop and plan processes for the implementation of a strategic Fire Services Framework for the District.
- Establishing mechanisms for the development, implementation, monitoring and evaluation of District and Local norms and standards, relevant to district realities.
- Rendering support, cooperation and administrative guidance to other spheres of government and Fire Services stakeholders.
- Advising the national, provincial and municipal structure on Fire Brigade Services issues.
- Performing Fire Services capacity building related processes and establish a Fire Services Information Management System.

5.5.1. Projects and Programmes

Project/Program	Objective	Date from - date to
Building of New Fire Station	Standardized Central Fire Station serving the district as a whole and a permanent base	01 January 2022 – November 2023
Fire Risk Assessment	Identification of critical and high-risk areas within the district	July 2022 to June 2023
Accreditation: Skills Development: Occupation Firefighter Qualification: NQF4	Skills Development, Training of Professionals, and training of Fire Officers	July 2021 – June 2023 and continuous
Community Based Fire Awareness	Preventing the outbreak and spread of fire.	July 2022 to June 2023
Reservist Force Enhancement	Initiation of early identification and response to fires	July 2022 to June 2023
Fire Protection Officer (FPO)	Appointment of the District Chief Fire Officer as the FPO	July 2022 to June 2023
Flanders/DFFE Pilot Project: Early detection cameras, fuel load reduction and firefighting toolkits	Building Resilience and capacity	2021 - 2024

5.5.2. Mitigation and Opportunities

MILESTONE	OVERVIEW/PROGRESS
Construction of a Regional Fire Station	The construction of a new and permanent Fire Station is in advanced stages with construction underway and set to be completed by 30 November 2023. It naturally saves on costs in the long term as the current lease of a building amounts to +- R79 000 per month. The fire station will be constructed with a modern design and with features that showcases the GRDM in a positive and developmental manner
Multipurpose Training Academy	GRDM has received accreditation to be a skills development provider and in specific for the Occupational Firefighter at NQF4. This will go a long way in continuously training and developing firefighters for the region and building capacity.
Fire Reservist Force	The Fire Brigade Services Act, 99 of 1987 gives scope for the formulation of Reservist Fire Forces and the District has established this force and the intention is to strengthen and enhance this unit which will ensure a wider coverage and early detection of fires.
Early Detection Cameras	Advanced plans are in place to utilise donor funding with procurement at an advanced stage to implement a pilot project in the district by installing early detection cameras at strategic

	locations across high risk areas for early fire detection and response purposes.
Fuel Load Reduction (Firebreaks)	Advanced plans are in place to utilise donor funding with procurement at an advanced stage to implement a pilot project in the district by implementing fuel load reduction in the form of firebreaks at strategic locations across high-risk areas in the district and particularly around and adjacent to the most vulnerable communities.
Firefighting Toolkits	Advanced plans are in place to utilise donor funding with procurement at an advanced stage to procure firefighting toolkits to provide to the five (5) most remote communities in the district



5.6. Roads and Transport Planning Services

The Roads and Transport Planning Services consist of four sections namely, Technical Planning & Public Transport, Administrative Support Services, Maintenance, Construction & Mechanical Services. The Garden Route District services an area of approximately 47 000 sq. km. The area is divided into 15 wards that are serviced and 15 maintenance teams. There is also a department also a, Reseal team and a construction team.

5.6.1. 2023/2024 Projects and Programmes: Roads Maintenance and Construction

Rural Roads Asset Management System – The Department of Transport has provided grant funding, as set out in the framework for the Rural Road Asset Management Grant (RRAMG) of the Division of Revenue Act to assist district municipalities to set up rural road asset management systems (RAMS) and collect road, bridges and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA). All seven local municipalities in the district's roads will be assessed.

The strategic goal of the RRAMG is to ensure efficient and effective investment in municipal roads through the development of RAMS and collection and analysis of data. Specific outputs include:

- Road condition data (paved and unpaved)
- Traffic data
- Data on condition of structures
- Safety assessments data
- Prioritised project lists for roads

The Garden Route District Municipality has been allocated R2 754 000 for the 2023/24 financial year, R2 721 000 for the 2024/25 financial year and R2 843 000 for the 2025/26 financial year.

Roads Services 2023/2024 Projects

Reseal

Provincial Department of Transport in process of finalising the reseal and regravel projects

Regravel

Provincial Department of Transport in process of finalising the reseal and regravel projects

Upgrade					
	Road	OPTION1	OPTION1	LENGTH (km)	
George	DR01618	0	4.4	4.4	4.4

5.7. EPWP

EPWP is a nationwide government initiative aimed at alleviating poverty by utilising public sector budgets to draw significant numbers of the unemployed individuals into short to medium term employment. The main objective of the EPWP programme is to utilize line function budgets (capital, operations, and maintenance) so that expenditure by the municipality results in increased employment opportunities and training, particularly for unemployed and unskilled labour. GRDM have institutionalised EPWP within the organisation whereby relevant departmental have agreed to align EPWP under their departmental KPI's.

The thrust of the EPWP policy framework is to create work opportunities for the unemployed using the Garden Route District Municipality's expenditure in the short to medium term (about 3–5 years), in line with the government directive. It is also envisaged that the incentive will kick-in over this period and this will allow the Municipality to sustain the implementation of this programme over the long-term.

5.7.1. EPWP Project and Programme Target

Garden Route District Municipality's Council signed the EPWP protocol agreement as to implement four EPWP Sectors and the below table reflect the targets per year:

Overall EPWP Phase 4 Garden Route District Municipality Work Opportunity Targets: Per Sector and Per Financial Year							
Sectors		2019/2020	2020/2022	2021/2022	2022/2023	2023/2024	Overall Target for the whole Municipality
Infrastructure	WO	6	6	6	6	7	31
	FTE	2	2	2	2	2	10
Environment	WO	212	219	225	232	239	1 127
	FTE	65	67	69	71	73	345
Social	WO	66	66	66	66	66	330
	FTE	25	25	25	25	25	125
Total	WO	284	291	297	304	312	1 488
	FTE	92	94	96	98	100	480

SECTOR's	DISTRICT&LM's W/O	DISTRICT&LM's FTE's
Social	3 979	1 516

Infrastructure	4 159	1 374
Environmental and Culture	12 092	4 593
Non-State	6930	N/A
Total Targets	27 160	7 483

The table above reflect the breakdown of the Sectors and the targets for implementation by all local municipalities in the region. The district is required to oversee the implementation of this programme and provide capacity.

District Municipality and Local Municipalities are not limited to the projects that are implemented annually as per the Integrated Grant Incentive agreement and the inclusion of National, Provincial Department projects partnership under the JDMA/DDM. Note that the EPWP cut-across all clusters within the GDS and therefore, EPWP will guide on the alignment with the sectors.

5.7.2 Total EPWP opportunities for 2021-2022 & 2022-2023 financial years according to race and gender

Race	
Coloured Female	247
Coloured MALE	209
Black Female	183
Black Male	177
White Male	2
Youth	498
Disability	2
Gender	
Female	389
Male	416

5.8. Integrated Human Settlements

The involvement of the GRDM in Integrated Human Settlements is largely defined and outlined in the formal MoA concluded between the Western Cape Department of Human Settlements (WC DoHS) and the Garden Route District Municipality (GRDM) initially concluded in February 2020 to cover the following key objectives:

- To seek and attain formal Municipal Accreditation Level I Status.
- Enhancement of the GRDM' internal Institutional Capacity as an Integrated Human Settlements Section to ensure sustainable delivery of affordable

Housing Programmes/projects.

These objectives are largely inclined towards the following affordable housing typologies characterised by choice and preference, to be developed and realised in well located areas for ease of long-term socio-economic integration, namely:

- Social Rental Housing
- Finance Linked Individual Subsidy Programmes (FLISP/GAP) Individual Homeownership
- Inclusionary Housing opportunities in partnership with interested private developers.
- Student accommodation where feasible.
-

5.8.1. Projects and Programmes

Project/Program	Objective	Date from - date to
1.Social Housing Pilot, Erven 26823 and 3803	Development of social rental housing projects as well as FLISP/GAP Individual Home Ownership Projects	June 2023 and ongoing
2. Municipal Accreditation Level 1	Successfully apply and attain Municipal Accreditation Status (Level 1) from the WC and N Doors	May 2023 and ongoing
3. Strategic Acquisition and Leverage use of State Properties	Formal authority of the HAD and confirmation by the Inter-ministerial Committee on successful allocation of 7 targeted State properties and sites – meeting the requirements of well-located projects and long-term socio-economic integration	June 2023 and ongoing
4. Formulation and implementation of the GRDM Incentives Policy Framework	<p>Subsequent to the GRDM considering and approving its Incentives Policy framework, the B Municipalities to undertake related cost quantities on identified concessions, namely:</p> <ul style="list-style-type: none"> • Rates and utility cost reductions/concessions • Parking ratio requirements • Planning and Engineering applications - streamlined • Reduction in Development Costs (DCs) <p>The above will be critical in forging cohesive and sustainable partnerships with social housing institutions and interested private sector developers</p>	2023 on-going

5.8.2. Key Milestone to date on Human Settlements Initiatives

It was made apparent last year (2022/23 FY) that the provision of the MoA from February 2020 and onwards was oriented towards achieving the following performance milestones, namely:

1. Successful application and attainment of Municipal Accreditation from the

National Department of Human Settlements (N DoHS).

2. Enhancing the internal Institutional capacity of a dedicated Integrated Human Settlements Section of the GRDM.

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In pursuit of the afore-mentioned, the GRDM has therefore progressed from 2020/21 – 2021/22 as well as during the current ~~2023/24~~ 22/23 FYs, to attain the following key milestones in consultation and coordination with its key internal and external key stakeholders, the WC & N DoHS, 7 B Municipalities, the Social Housing Regulatory Association (SHRA), National Association of Social Housing Organizations (NASHO) and the Housing Development Agency (HDA), namely:

- **Extensive consultation with all 7 B Municipalities** – Preparatory work on the formulation of the GRDM' new Strategic Integrated Human Settlements Plan and its aligned Human Settlements Sector Plan (HSSP);
 - **Conclusion of an MoU between the WC DoHS and the GRDM** respectively represented by MEC T Simmers and Mayor Alderman Booysen – Primary focus on GRDM preparatory work on internal Capacitation and formal Accreditation.
 - Arising out of the above, **a draft GRDM Integrated Human Settlements (IHS) Strategic Plan** was approved by Management and Full Council – August 2021
 - Aligned to this will be production of **a formal written HSSP** – Detailed Human Settlements Programme and Project roll out from Planned to Implementation as well as alignment to the MSDF/IDP as well as other Sector Plans to enhance long term socio-economic integration.
 - The process to date guided by the **high-level strategic interventions – DDM/JMDA, PSHDAs, One Plan** aligned also to the GRDM' Corporate Strategic Objectives.
 - Establishment of **formal partnership arrangements with a SHRA Accredited Social Housing Company, Own Haven Housing Institution with effect from May 2022** for targeting in particular key programme interventions – Social Housing, Student accommodation, FLISP/GAP, Community Residential Units (Public Flats) and Inclusionary Housing.
-

- Formal submission of a **Municipal Accreditation Business Plan for Level 1 during March 2022 and a further updated version during October 2022** and now awaiting related consideration and confirmation from the WC & N DoHS.
- Targeting of **initial social housing pilot project by Own Haven Housing Company on erf 26823, Omega Street, George** as well as appointment of a **professional team to undertake both a Civils capacity and Geotech Studies. These interventions have since progressed to the extent of further formulation and submission of a Site Development Plan (SDP) to the George Municipality with the Civils capacity and Geotech studies now completed as of February 2023.**
- Formal recognition that **BNG and Serviced sites developments** which are primarily funded through Human Settlements Development Grants (HSDG) and Upgrading of Informal Settlements Development Grants (UISDG) defined and listed in approved Business Plans by the WC DoHS will continuously still be developed and managed by the 7 B Municipalities which constitute the GRDM. The latter will only intervene where no such capacity prevails.

To date and long before February 2020 when the GRDM became an active partner in the affordable housing delivery value chain, most of its 7 B Municipalities have concentrated their respective efforts on upgrading Informal Settlements (UISP) and providing of BNG individual homeownership opportunities (for people whose joint household monthly income does not exceed R3 500).

After the approval of the Integrated Human Settlements Strategic Plan linked to its Human Settlements Sector Plan (HSSP) by the GRDM Council during August 2020, this key milestone was workshopped with all 7 B Municipalities as well as through the District Consultative Forum (DCF) and Municipal Managers 'Forum (MMF structures). This milestone will further enhance the validity of the formal application and formal consideration and potential according of an appropriate accreditation status by both the WC DoHS and the N DoHS. This will in due course be gazetted once approved as part of the formal process.

The intent is to eventually obtain Level One (1) Accreditation in due course, which would put the GRDM in a position to do subsidy budget planning, allocation and priority program administration. The various levels of accreditation will however be pursued until level 3 is attained at which time all decision-making pertaining to housing

typology programmes could be made at district level in consultation with the WC DoHS. These interventions will complement efforts to sustainably deliver on the new DDM and PSHDAs mandate.

5.9. Community Safety

The Garden Route District Safety Plan in collaboration with critical stakeholders was revised in March 2022. The District Safety Plan is in line with the IDP Strategic Objective, Healthy and Socially Stable Communities as well as the Strategic Priority of the GDS namely, Well-being and resilience. It further also aligns with National and Provincial safety goals.

According to SAPS the main cause of crime relates to lack of cameras in hotspot areas, lack of enough LPR cameras on the main roads, lack of infrastructure (lighting), Unemployment, Open spaces and empty buildings, drugs, liquor, domestic violence, Owner's negligence (unoccupied guesthouses), repeat offenders, seasonal influx of workers and civil intolerance.

The following community safety priorities have been identified:

- Policing and law enforcement
- Gender-based violence
- Managing substance abuse drugs and (gangsterism)
- Managing the use of alcohol and liquor outlets
- School safety
- Effective Criminal Justice system
- Support to neighborhood watches
- Safety in public spaces
- Tourist safety
- Establishment of a District Safety Forum

The following Community Safety milestones were achieved in 2022-2023:

- Assisted our B municipalities with the LEO during 2022/23 especially during a festive season.
 - Launch of the District 16 days of activism against GBVF on women and Children
 - Safer Schools Summit
 - Workshop for Neighborhood and Community in blue
 - Equipment for NHW of Thembaletu to ensure a safer community
 - Launch of the local community safety structures
-

- Launch of the Mans sector in 5 local Municipalities

5.10. Sector Plans

Plan	Status	Link	Last Reviewed	Next Review
District Growth and Development Strategy	Approved 2021	District Growth and Development Strategy	n/a	25
Economic Recovery Plan	Completed 2021	Economic Recovery Plan	n/a	23
Spatial Development Framework	Adopted in October 2022	Spatial Development Framework	n/a	23
Integrated Waste Management Plan	Completed and approved in December 2019	Integrated Waste Management Plan	n/a	25
Air Quality Management Plan	Completed	Air Quality Management Plan	n/a	24
Corporate Disaster Management Plan	Adopted 2015	https://www.gardenroute.gov.za/wp-content/uploads/2022/07/GRDM-Corporate-Disaster-Management-Plan-Feb-2022.pdf	2022	2028
Integrated Transport Plan	In process of review to be completed in July	N/A	2021	24
Gouritz River Estuarine Management Plan	In Progress	Gouritz River Estuarine Management Plan	2020/21 (review in progress)	25/26
Garden Route district Coastal Management Program	In progress (Public participation process). Updated and finalized version will be uploaded	https://www.gardenroute.gov.za/wp-content/uploads/2023/03/Eden-Coastal-Management-Plan-2012-1.pdf	2014	2027
Garden Route Climate Change Adaptation Strategy	In progress (Public participation process). Updated and finalized version will be uploaded	https://www.gardenroute.gov.za/wp-content/uploads/2023/03/Climate-Change-Adaptation-Strategy-2019.pdf	2020	2023
Garden Route Alien vegetation control plan	Adopted 2015	Invasive Species Monitoring, Control and Eradication Plan (gardenroute.gov.za)	n/a	2030
Garden Route Wetland Strategy and Action plan	Completed	-	2017	22/23
Community Safety Plan	Completed	https://www.gardenroute.gov.za/wp-content/uploads/2022/07/Revised-Garden-Route-District-Safety-Plan-2022.pdf	2022	23

Plan	Status	Link	Last Reviewed	Next Review
Energy Master Plan	Completed	Microsoft Word - GDRM_FinalReport_2022Mar01 (gardenroute.gov.za)	n/a	n/a
Human Settlements Sector Plan	Adopted May 2022	GRDM-HSSP Consolidated-Report_Final.pdf (gardenroute.gov.za)	n/a	24
Workplace Skills Plan	Submitted to LG SETA on 24 April 2023		2023	April 2024
Integrated Human Settlements Strategic Plan	Adopted in October 2021	Integrated-Human-Settlements-Strategic-Plan-2021.pdf (gardenroute.gov.za)	n/a	November
Garden Route Tourism Strategy	Adopted 2019	-	n/a	24
Long Term Financial Plan	Noted 2020	Long Term Financial Plan	n/a	22/23

CHAPTER 6: PROJECTS AND PROGRAMMES

6.1. Growth and Development Strategy/ JDMA Implementation Projects

The Garden Route District Growth and Development Strategy ("GDS") resulted from a process that began in 2019, and continued through to 2023. The strategy provides a framework for growth and development planning in the Garden Route District for 2020-2040. It is therefore a long-term vision, that provides a coherent knowledge base, sense-making, and pathways for action that draws on existing policy and research (for example, the Regional Spatial Implementation Framework (RSIF)). I.

The strategy was updated in 2020 in the context of the pandemic, national response and recovery initiatives, and provincial and national efforts to support district-level development. During this reiteration, the Garden Route refined the GDS content, focusing on its seven priority areas: Wellbeing and Resilience, Sustainable Tourism, Resilient Agriculture, Local Energy Transition, A Water Secure Future, A Circular Economy and A Connected Economy.

From this base, in 2023, the GDS has been operationalised, with collaborative and catalytic projects identified. for each of the seven priority areas. Projects that are indicated in the GDS Implementation are discussed in depth in the Local Development Strategy chapter.

6.2. Catalytic Projects

Catalytic projects are projects that can be defined as being of significant scale and reach in terms of employment, service, and financial impact that will bring substantial impact to provide leverage or create a multiplier effect and activate development. One great benefit of catalytic projects is the increased economic opportunities from jobs created through these projects. A key priority of GRDM is to provide catalytic projects that are meant to contribute towards the region's long term economic and social development goals which is aligned to the seven (7) strategic priorities of the Growth and Development Strategy and the seven (7) IDP strategic objectives. GRDM in collaboration with civil society and all spheres of government is seeking to provide infrastructure and basic services that support a favorable investment climate to combat unemployment and poverty.

The Project Management Unit under Planning & Economic Development Department drives the catalytic projects of GRDM that will be discussed below:

6.2.1 Designating GRDM as a Water Services Authority

IDP Strategic Objective GDS Strategic Priority	Bulk Infrastructure Coordination A Water Secure Future
Objective	To designate Garden Route District Municipality as a Water Service Authority to be responsible for the provision of bulk water and sanitation infrastructure, including planning, designing, constructing, and maintaining such infrastructure.
Project goals/Outputs	<ul style="list-style-type: none"> • To ensure that water and sanitation services are provided efficiently and effectively to all residents and stakeholders in the region. • To facilitate greater collaboration and coordination among different stakeholders in the region, including municipalities, water utilities, industry, agriculture, civil society, and academic institutions. • To develop integrated and sustainable solutions for addressing the region's water challenges and achieving water security. • To enable the region to better coordinate and implement strategies to improve water security, such as the development of new water sources, the optimization of existing infrastructure, and the promotion of water conservation and demand management. • To achieve water security which includes the protection of water resources, the promotion of water conservation and demand management, and the development of infrastructure to ensure the efficient and effective provision of water services.
Status	GRDM is following a Section 78 process in terms of the Local Government: Municipal Systems Act, No. 32 of 2000.
Time Frame	2023 - 2030
Funding Required/Cost	To be determined
Funding Source	Own funding

6.2.2 Regional Waste Management Facility

IDP Strategic Objective GDS Strategic Priority	Bulk Infrastructure Coordination/Sustainable Environmental Management and public safety Circular Economy
Objective	Develop a regional waste management facility that meets the immediate need for landfill space, while supporting green/circular economy objectives onsite

	and in distributed initiatives within the local municipalities.
Project goals/Outputs	<ul style="list-style-type: none"> • Accommodate approximately 8 500 tons of domestic waste generated per month in the municipal areas of Bitou, Knysna, George and Mossel Bay. • Bulk waste transport services will be available to George Municipality to transport domestic waste from Uniondale and George Waste Transfer Stations to the regional facility. • Other infrastructure includes roads, stormwater pipelines, a leachate storage dam, a contaminated stormwater dam, offices, a laboratory, a weighbridge, fencing and security infrastructure. <ul style="list-style-type: none"> • Three individual domestic waste cells, and one hazardous waste cell, will be excavated to six (6) meters below ground level and filled sequentially.
Status	MFMA Sect 33 process must be concluded before being approved by the respective Councils (60 days).
Time Frame	2023 – 2025
Funding Required/Cost	R261,104,659
Funding Source	The GRDM has raised debt finance to fund facility construction; tariffs are used to generate revenues to cover cost recovery, administration and could be used to fund more innovative work.

6.2.3 Roads and Transport Planning projects

6.2.3.1 Gwaing Upgrade Project

IDP Strategic Objective	Bulk Infrastructure Coordination/Sustainable
GDS Strategic Priority	Connected Economy
Objective	Upgrade gravel to permanent surface
Project goals/Outputs	<ul style="list-style-type: none"> • Construction of 4.4km permanent surface • 44 x EPWP work opportunities. 25 x EPWP workers will be sent to formal NQF 2 accredited construction training in addition to in house training
Status	In progress
Time Frame	2022 - 2023
Funding Required/Cost	R 67 000 000, 00 R 1 664 790, 00 (EPWP expenditure)
Funding Source	Western Cape Department of Transport and Public Works

6.2.3.3 Madiba Road

IDP Strategic Objective	Bulk Infrastructure Coordination/Sustainable
GDS Strategic Priority	Connected Economy
Objective	Repair of flood damage that occurred in November 2021
Project goals/Outputs	Road Repairs <ul style="list-style-type: none"> • 12 x EPWP work opportunities
Status	In progress <ul style="list-style-type: none"> • Currently busy with concrete head & wing walls and gabion mattress
Time Frame	2022-2023
Funding Required/Cost	R7,500 000.00
Funding Source	Western Cape Department of Transport and Public Works

6.2.3.4 Upgrade Causeway Slangrivier

IDP Strategic Objective	Bulk Infrastructure Coordination/Sustainable
GDS Strategic Priority	Connected Economy
Objective	Road Upgrade
Project goals/Outputs	<ul style="list-style-type: none"> • Upgrade of Causeway in Slangrivier • Two additional structures on Malgas Road

	<ul style="list-style-type: none"> 12 x EPWP work opportunities
Status	<ul style="list-style-type: none"> In progress
Time Frame	2022-2023
Funding Required/Cost	R7, 500 000.00
Funding Source	Western Cape Department of Transport and Public Works

6.2.4 Property Portfolio Optimisation

IDP Strategic Objective	Financial Viability & Sustainability
GDS Strategic Priority	Supporting Wellbeing and Resilience
Objective	To identify the most effective use of the GRDM properties that will generate sustainable income for the municipality and contribute to the socio-economic development levels in the region.
Project goals/Outputs	<ul style="list-style-type: none"> To update the GRDM asset register so that it will align with the information of the Deeds Office Transfer identified properties to B Municipalities (Road reserves, open spaces) Ensure that transfer administration is done accurately and that the transfers will reflect in the asset registers of B Municipalities To develop the properties that are suitable for investment initiatives
Status	<ul style="list-style-type: none"> In progress
Time Frame	2022 - 2027
Funding Required/Cost	To be determined
Funding Source	Own Funding

6.2.5 Energy Efficiency Demand Side Management

IDP Strategic Objective	Financial Viability & Sustainability
GDS Strategic Priority	Sustainable Local Energy Transition
Objective	Implement energy efficient actions at various facilities in the GRDM municipal buildings
Project goals/Outputs	<ul style="list-style-type: none"> To save energy and reduce carbon footprint. To reduce monthly electricity bill Achieve a 5% reduction in overall energy consumption every year. 35x old aircons replaced with new energy efficient aircons. Old fluorescent light will be replaced with LED lights
Status	<ul style="list-style-type: none"> Implementation is in progress
Time Frame	2023-2024

Funding Required/Cost	R5 000 000
Funding Source	Energy Efficiency Demand Side Management Grant

6.2.6 Fire Station

IDP Strategic Objective	Sustainable Environmental Management & Public Safety
GDS Strategic Priority	Supporting Wellbeing and Resilience
Objective	Construction of a Fire Station which is an essential requirement in fulfilling its lawful mandate and set of diverse functions as well as ensuring that firefighting staff has an established and lasting home, which they could be proud of as well as to base their operations from.
Project goals/Outputs	<ul style="list-style-type: none"> Construction of a Fire Station
Status	<ul style="list-style-type: none"> Construction works are progressing well with preliminary work being implemented including site clearance, excavation, earth works as well as pipe layout having been affected.
Time Frame	March 2023 – December 2023
Funding Required/Cost	R11 600 000
Funding Source	Own funding & Western Cape Department of Local Government contribute R 3 000 000, 00

6.2.7 Integrated Human Settlements

IDP Strategic Objective	Healthy & Socially Stable Communities
GDS Strategic Priority	Supporting Wellbeing and Resilience
Objective	Provision of affordable housing in well located areas
Project goals/Outputs	<ul style="list-style-type: none"> Provision of Social Rental Housing and FLISP opportunities in well located areas Securing and packaging adequate land and properties for Social Rental housing, FLISP/GAP and student accommodation
Status	<ul style="list-style-type: none"> Social Rental Pilot project in planning phase, with Feasibility complete. Social Housing Partner has prepared a Site development Plan for submission to local authority. Pursuing land parcels of state-owned land under the stewardship of HDA, desktop investigations of GRDM land underway using the 2019 Land audit by Price Waterhouse and Coopers and targeting private properties.
Time Frame	2022 - 2025
Funding Required/Cost	R80 mil
Funding Source	Restructuring Capital Grant and Institutional Subsidy

6.2.7.1 Attainment of Human Settlements Accreditation (Level 1)

IDP Strategic Objective	Financial Viability & Sustainability
GDS Strategic Priority	Supporting Wellbeing and Resilience
Objective	Attainment of Human Settlements Accreditation (Level 1)
Project goals/Outputs	<ul style="list-style-type: none"> • Pursue Accreditation via WCDoHS • Capacitate a Human Settlements Unit in GRDM
Status	<ul style="list-style-type: none"> • Accreditation Business Plan Submitted • All preparations in place for Independent Assessment • Process halted due to insufficient support from B Municipalities • 4 Staff members employed on contract
Time Frame	2022 - 2025
Funding Required/Cost	R15 mil (over 3 years)
Funding Source	Municipal Accreditation and Capacity building Grant

6.2.8 Gymnasiums

IDP Strategic Objective	Healthy & Socially Stable Communities
GDS Strategic Priority	Supporting Wellbeing and Resilience
Objective	Provision of gyms in all the less affluent wards contributing to healthy and socially stable communities
Project goals/Outputs	<ul style="list-style-type: none"> • Secure Funding for construction of Gymnasiums in all less affluent wards in GRDM • Construct gyms • Determine self-sustaining model, to be managed by the community.
Status	<ul style="list-style-type: none"> • 66 Wards identified as less affluent. • High level estimation of cost complete (R20 mil each) <p>Potential donors identified; each being investigated for method by which to request funding (application form, business plan, face to face meeting etc)</p>
Time Frame	2022 - 2030
Funding Required/Cost	R1,32 bil
Funding Source	Donor

6.2.9 Renewable Energy Garden Route Energy company

IDP Strategic Objective	Bulk Infrastructure Coordination Sustainable local energy transition
GDS Strategic Priority	
Objective	To establish a company that will be responsible for energy generation and security in the region by the name of Garden Route Energy Company (GRECO) as an entity of the municipality
Project goals/Outputs	<ul style="list-style-type: none"> • To establish GRDM owned power generation sites and operationalise them as contemplated in MSA section 84 that deals with mandates of District Municipalities, which is aimed at ensuring energy security and resilience for the region. • To enter into Power Purchase Agreements (PPA) with the local municipalities in the district for the energy generated by GRECO. •
Status	Pre feasibility
Time Frame	2021- 2027
Funding Required/Cost	To be determined
Funding Source	Lobby for funding through the DBSA, BRICS BANK, ISA etc

6.2.10 Fresh Produce Market

IDP Strategic Objective	Growing an inclusive district economy/Bulk infrastructure Coordination
GDS Strategic Priority	Resilient Agriculture
Objective	To establish a Fresh Produce Market that will assist emerging vegetable and fruit producers to participate and compete in the agriculture sector
Project goals/Outputs	<ul style="list-style-type: none"> • Transforming the agri value chains • Encouraging innovation and efficiency in agricultural production • Preserving resources and ensuring a cyclic local centric economy • Increasing collaboration with public and private sector stakeholders • Providing trade and market opportunities for SMMEs including smallholder farmers
Status	Tender is currently being advertise closing date 24 March 2023
Time Frame	2020-2025
Funding Required/Cost	R50 000 000
Funding Source	Funding proposal submitted

6.2.11 Digital Transformation Strategy

IDP Strategic Objective	Good Governance
GDS Strategic Priority	Connected Economy
Objective	To standardise and integrate data and information systems and processes and allow for system interoperability.
Project goals/Outputs	<ul style="list-style-type: none"> • Assessment of data systems and business processes for all sectors/clusters for local municipalities • Development of data governance plans for all sectors/clusters for local municipalities • A Data Management structure • Data governance protocols for the clusters and workshop these protocols with clusters to ensure understanding and usability • A single Garden Route District BI platform
Status	In progress
Time Frame	2023-2027 and ongoing
Funding Required/Cost	R10 000 000
Funding Source	Own Funding

6.2.12. Skills Mecca District Wide Projects

IDP Strategic Objective: Skilled Workforce and Communities GDS Strategic Priority: Supporting Wellbeing and Resilience			
#	PPP NAME	STATUS	NEXT ACTIONS AS OF TODAY
1	HWSETA Home Based Care (140)	Service Provider Appointed Roll Out in Progress	Complete Roll out for R 5,2m Waiting for First Tranche Payment
2	Multipurpose District Training Academy	Fire Fighting Accreditation in Place – Roll Out 1 April 2023	Partnership wit TIRISANO and DCS, maybe NMU and GIZ – Also Kishugu/WOF
3	GRSM Technicians (12)	Roll Out in Progress	WBLDP & Project Management Training SIFA Proposal for next 18 months Support
4	NSF Tourism and Hospitality (400)	Award received for R30m	MoA, Recruitment & Procurement
5	LG SETA Discretionary Projects	Award received for R2,2 20 x Fir Fighters + 74 Water Practitioners	Award acceptance en route to MM Learner recruitment in process.
6	Align & Link EPWP Projects with GRSM	Skills Mecca integrated into EPWP Process	Attend ALL EPWP Steer Comms Always use EPWP Host Employer Contracts
7	SASSETA MoA Annual Roll Out	Award received for 50 Patrol Officers	MoA, Recruitment, Roll out in Kannaland/Oud
8	JET Solar PV Development (EWSETA / GIZ)	Award received from EWSETA Pending final award from GIZ	Recruiting 40 REW Assistants, Roll Out in George/MB/Knynsa Procurement for providers for REW Assistant & WBLDPs.
9	TRISANO - SAVE	GRDM Roads Department Learners Selected and contracted.	Gwaing River Road Project being rolled out
10	Correctional Services	MOU in Process	Pending MOU
11	External Bursary Support	Request submitted to Services SETA	Pending Outcome

See the link below to the JDMA implementation/One plan projects in Chapter 7 of the document: The GDS and JDMA Implementation Plan/One Plan are based on the same strategic priorities.

[JDMA-Implementation-Plan-updated-V-September-21.pdf \(gardenroute.gov.za\)](https://gardenroute.gov.za/JDMA-Implementation-Plan-updated-V-September-21.pdf)

6.3 Provincial Infrastructure Investment Projects in the Garden Route District Municipality for the MTEF period 2023/2024-2025/2026

Sector	No of Projects	Value of infrastructure projects & programmes (R'000)					Total (R'000)
		Infrastructure Transfers - Capital	New or Replaced Infrastructure	Non-Infrastructure	Rehabilitation, Renovations & Refurbishment	Upgrading and Additions	
DEA&DP (Cap e Natur e)	2	0	15 000	0	0	4 000	19 000
Education	5	0	265 000	0	0	0	265 000
Health	29	0	44 866	21 866	7 749	12 303	86 784
Human Settlements	54	1 094 544	0	0	0	0	1 094 544
Transport & Public Works	26	0	207 000	0	798 681	530 100	1 535 781
Grand Total	116	1 094 544	531 866	21 866	806 430	546 403	3 001 109

Please see Annexure B that includes a full List of Funded Provincial and National Infrastructure Investment Projects and Programmes in the Municipality for the MTEF period 2023/24 – 2025/26

Map showing the spatial distribution of Provincial Infrastructure Investment Projects (Individual Projects) in the Municipality for the MTEF period 2023/24 – 2025/26.



6.4 Projects Per Strategic Objective

STRATEGIC OBJECTIVES						
Growing an inclusive District Economy	Bulk Infrastructure Coordination	Sustainable environmental management and Public Safety	Skilled workforce and community	Financial Viability & Sustainability	Good Governance	Healthy and socially stable communities
<ul style="list-style-type: none"> • SME Support and development programmes • Entrepreneurial skills development programs • Economic development partnerships in collaboration with WCEDP • Film industry development • Events funding through Wesgro • Regional Tourism Marketing and Development Strategy • International and local Marketing platforms • Mobile application • Agri - processing • Leveraging municipal assets through properties development towards economic growth and sustainability • GRDM Fresh produce market and abattoirs • MOU with Department of Agriculture • Mossel Bay as SEZ • Smart Region • Establishment of a District Agency • Formal housing accreditation for the district 	<ul style="list-style-type: none"> • GRDM Integrated Transport Plan • Regional Landfill Waste Facility • Water augmentation implementation plan • Road infrastructure maintenance • Development of a Comprehensive Bulk infrastructure implementation plan for the district 	<ul style="list-style-type: none"> • Disaster Management Guide (Disaster Risk Reduction) • Environmental Management Education and training • Climate change adaptation • Air Quality Management • Coastal Management Programmes • Waste to energy • Regional waste management facility • Green/Energy Renewal projects (Solar Energy) • Protection of critical biodiversity areas • Rendering of integrated bush and veld fire management (proactive) as well as fire and rescue services (Re active) • Garden Route Clean Fires campaign 	<ul style="list-style-type: none"> • Skills development for GRDM staff and entire district • GRDM WSP Review • Internal and external bursaries • Learnerships/Internships/Student Interns • SETAS invest in skills development. • Skills Mecca • Establishment of a training academy in partnership with various institutions of higher learning, NMU, University of Stellenbosch • Multipurpose Training Academy 	<ul style="list-style-type: none"> • New formula for funding allocation/Equitable Share • GRDM property Master plan (Investment Opportunities) • Delivering on all functions of the District as per legal mandate of the district (Fire, Municipal Health levies, Energy services etc) • Internal cost savings mechanisms and identification of alternative funding sources • Align organizational structure with strategic goals of IDP • To undertake a comprehensive workforce planning for the municipality 	<ul style="list-style-type: none"> • Integrated development planning –functioning and align organizational structure with strategic goals of IDP • Funding mobilization • IGR/News letters • MMF/DCF • Building capacity and hands on support to B Municipalities Festivals and municipal activities 	<ul style="list-style-type: none"> • Support to neighborhood watches • Development of safety plans • Establishment of Men's Sector District Forum • Gender-based violence projects • Formulation of a district wide GRDM IHS Strategic Plan

6.5 Other Projects

6.5.1 PARTICIPATION OF GARDEN ROUTE DISTRICT MUNICIPALITY IN THE YOUTH ENVIRONMENTAL SERVICE 2022/2025 PROJECT

Garden Route District Municipality has been conditionally selected to participate in the Youth Environmental Service (YES) 2022/2025 project. Youth Environmental Service (YES) is one of the Youth Empowerment and Development sub-programmes which is implemented by the Department of Forestry, Fisheries and the Environment (DFFE) through the Environmental Protection and Infrastructure Programme (EPIP) Nationally.

The programme prioritizes and targets young women, youth with disabilities, unemployed, out of school youth, and youth in rural areas. The project involves bringing about solutions to environmental problems inclusive but not limited to erosion, waste, deforestation, biodiversity management, education, awareness etc. YES, emphasis is centred on three pillars: community service, accredited training, skills and personal development and exit opportunities.

The four (4) Local Municipalities under Garden Route District are afforded an opportunity to participate in the programme with a minimum of 25 participants per town namely, Bitou, Knysna, Oudtshoorn and Hessequa. These municipalities have also committed to include this project in their IDP for the financial years.

CHAPTER 7: LED STRATEGY

7.1 Introduction

Local economic development (LED) should be everybody's business, including residents, local businesspeople and government. LED is globally, but especially in developing countries, seen as the solution to improved quality of life, unemployment, poverty and inequality. LED processes could achieve its promise of ensuring improved quality of life if LED strategies are formulated for effective implementation.

7.2 Objective of District Economic Development

GRDM is approaching growth and development in a holistic nature looking at all sectors of the economy and how they are interlinked to achieve socio-economic growth. In doing this the GRDM is looking at achieving the following:

- Attraction of both outward and inward investment in both hard and soft infrastructure
- Making the business environment more conducive to business
- A participatory approach to LED
- Public Private Partnerships (PPPs)
- A move towards community based LED.

The overarching piece of legislation is the **Constitution of the Republic of South Africa 1996** Section 152 of the Constitution outlines the objectives of local government. These objectives are:

- To provide democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development
- To promote a safe and healthy environment
- To encourage the involvement of communities and community organisations in the matters of local government.

The implications of Section 152 of the Constitution of RSA are that GRDM is legally compelled to promote social and economic development in its area of jurisdiction.

This LED strategy development is focused on addressing the basic needs of the population, reflecting the importance of service and infrastructure provision, community services, educational components and business support to all the areas where there is a lack thereof or where improvements are required. This implies that public investment should largely focus on developing the municipal area in terms of local economic development and providing for the basic needs of the community.

A critically important aspect for the successful implementation of District Economic Development is the need to ensure that all stakeholders and parties involved in the LED process take ownership of the programmes and projects identified. Based on the strategy with the numerous potential products and projects, the following is recommended to achieve optimal sustainable local economic development, employment creation, and improvement in living conditions and standards, as well as human resource development:

- Start focusing on the sectors with the highest development potential, followed by the sectors with less potential. Ensure balanced stimulation of growth and development within all sectors by not focusing solely on one sector
- Before embarking on the implementation of specific projects, ensure that adequate funding sources and management capacity are in place
- Start implementing projects with the highest potential for stimulating economic growth and development
- Make sure that the projects that stimulate economic growth are sustainable and do not adversely affect the environment or human living conditions
- Set reasonable time frames for implementation and ensure effective and continuous monitoring of project progress and impact

To this end GRDM is pursuing projects that include establishment of a development agency, bulk infrastructure provision, products value chain development, renewable energy, enterprise development, integrated waste management and other projects as identified within the GR Growth and Development strategy. These projects and programmes will enable GRDM to fulfil its constitutional mandate and address the UN-SDGs but above all address the three critical issues of poverty, unemployment and economic growth.

The risk context and profile for the District and its plans have been revised, and medium and long-term outlooks adjusted on the basis of the best available information and forms the Garden Route Growth and Development Strategy. The strategy is a twenty-year plan, shaped by regional priorities, which are the thematic focus areas listed below, selected through a combination of research, policy analysis and stakeholder engagement.

These priorities have been identified based on a long-term vision for the Garden Route, as well as on the existing work, strengths, and potential of the region. Each one is also aligned to existing policies and strategies. This strategy draws on the significant work that went into the Regional Spatial Implementation Framework (RSIF).

It should also be noted that the Garden Route District includes a significant portion of South Africa's rich coastline. As such, the coastal economy is an important source of integrated economic development opportunities, as well as social and ecological risks, and spans all seven prioritised focus areas.

In addition to these priority focus areas, there are core principles – ways of thinking and working – that cut across each of these areas:

CORE PRINCIPLE	OVERVIEW
People-oriented	people are at the centre of development and growth planning in this strategy, and all actions should be tested against the requirements of inclusivity and generating economic opportunities and employment. Safety and security, and crime prevention for citizens and investors, are also included in this principle.
Valuing cultural and ecological heritage	This strategy aims to work with, conserve, and celebrate the people, places and natural systems that make the Garden Route unique.
A partnering approach	The process for creating, implementing, maintaining, and adapting this strategy

CORE PRINCIPLE	OVERVIEW
	should involve all impacted and interested parties, and draw in the right people and resources relevant to each issue
Innovation and responsiveness:	This strategy recognises that the challenges and uncertainties facing the region will require novel solutions in many forms.
Sustainability and resilience	Any short-term gains in growth and development will be undermined if the ecological base of the region is eroded, or if the risks from existing ecological destruction and climate change are not managed
Working within what is possible	This strategy recognises and works within current possibilities and constraints to ensure that plans are implementable, and goals are achievable. State-owned assets and regulatory frameworks are critical to local development and growth.
Managing connectivity and change	The Covid-19 pandemic has made it clear that the region's interdependence and interconnection with the Western Cape Province, South Africa as a whole, and other countries need to be managed to optimise flows of resources and demand, as well as to ensure local resilience. Tracking changing variables over time is critical to this process

These principles have been identified as critical to the successful implementation of growth and development activities and will need to be operationalised in the process of implementation of the Garden Route Growth and Development strategy.

The Garden Route Growth and Development Strategy, as well as the Investment Prospectus can be accessed via the links below:

<https://www.gardenroute.gov.za/wp-content/uploads/2021/04/Growth-and-Development-Strategy.pdf>

<https://www.gardenroute.gov.za/wp-content/uploads/2021/01/GRP-Final12.2020-Soft-Copy.pdf>

7.3 GDS Implementation Plan Projects

7.3.1 A water secure future

Project 1: District Bulk Water Master Plan

Project Objective	Support the implementation of an integrated bulk water system, managed by a designated water authority, with the power to convene stakeholders and co-ordinate all actions
Project Lead	Disaster Management, GRDM
Project Implementers	GRDM, B-Municipalities, DWS, BGCMA
Time Frame	Plan to be in place by 2025

Other relevant information:

- This plan will also cover water governance.
- Actions required: The description, implementation lead, key outputs, and deadlines should be confirmed and updated as appropriate.

7.3.2 A circular economy

Project 1: District waste minimisation plan implementation (coordination and support)

Project Objective	Develop implementation plans with actions, owners and timeframes for the waste minimisation plan.
Project Lead	GRDM

Project Implementers	GRDM/B Municipalities
Time Frame	The initial horizon for implementation is three years, then ongoing

Other relevant information:

- Feasibility studies have been undertaken looking at waste management hierarchy and recycling.
- Not all municipalities are equally prepared for and bought into regional solutions.
- Recycling is not currently regionalised, but there is support for education and awareness.
- Organic waste reduction targets have been set by Western Cape Government
- Projects to be tracked across other clusters include Waste to Energy and Water and Sanitation (as it pertains to wastewater)

Project 2: Regional Waste Management Facility

Project Objective	Develop a regional waste management facility that meets the immediate need for landfill space, while supporting green/circular economy objectives onsite and in distributed initiatives within the local municipalities
Project Lead	GRDM Waste Management
Project Implementers	GRDM/ B-municipalities
Time Frame	The facility will be running within a year, and operation will be ongoing

Other relevant information:

- This project is based around a landfill site for Bitou, Knysna, Mossel Bay and George (at the moment)
 - In 2021, there was a research report on biomass available for waste to energy; however, the results are inconclusive.
 - The GRDM has raised debt finance to fund facility construction; tariffs are used to generate revenues to cover cost recovery, administration and could be used to fund more innovative work.
-

7.3.3 Resilient agriculture

Project 1: Resilient Agriculture Niche Support Programme

Project Objective	To develop programme to support niche (relatively new products with competitive potential for the Garden Route) agricultural value chains aligned to social and ecological resilience commitments, as well as facilitating new and sustainable opportunities for emerging farmers
Project Lead	GRDM
Project Implementers	GRDM/ B-municipalities / National Department of Agriculture, Land Reform and Rural Development (DALRRD), Western Cape Government Department of Agriculture (DoA), Breede- Gouritz Catchment Management Agency (BGCMA), Western Cape Government Department of Environment and Development Planning (DEADP)
Time Frame	1 year to finalise the programme strategy, and implementation thereafter

7.3.4 Sustainable tourism

Project 1: GR International Film Development Project

Project Objective	To grow and develop the Garden Route Film Industry through marketing, skills development and the facilitation of a film friendly regulatory environment.
Project Lead	GRDM
Project Implementers	GRDM
Time Frame	Two Years

Project 2: National Skills Fund Tourism and Hospitality Project

Project Objective	The objective behind this project is to develop and train a total of 300 students in the Hospitality and Tourism industry by means of a Quality Council for Trade and Occupation-approved (QTCO) learnership with number 25Q250013661624: National Certificate: Professional Cookery , SAQA Qualification ID Number 14111 (NQF level 4, 145 credits), throughout the Garden Route, as well as creating Work Integrated Learning (WIL) employment opportunities for 100 graduates for 18 months with the particular focus on TVET college N6 graduates.
Project Lead	GRDM
Project Implementers	GRDM

Time Frame	Three Years
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Project 3: Facilitate alignment of marketing for the Garden Route through the District Marketing Organisation (DMO)

Project Objective	A partnership with Wesgro, SATSA, and FEDHASA, as well as Local Tourism Offices in the Garden Route. The purpose of the project is to collaborate for the purposes of tourism promotion of the Garden Route and Klein Karoo region in a manner that embodies strategic cohesiveness and the efficient utilisation of resources between the stakeholders. The stakeholders have all recognised the need for a coordinated approach when implementing the Project and to this end have committed themselves to conclude a Memorandum of Understanding. The areas of collaboration include but are not limited to marketing and promotion, events, strategic initiatives (including cruise and air route development), and tourism, with the purpose of conducting joint marketing and development initiatives, as amended from time to time by the Steering Committee.
Project Lead	DMO
Project Implementers	DMO, B Municipalities
Time Frame	GRDM, WESGRO, SATSA, FEDHASA, LOCAL TOURISM ORGANISATIONS

Other relevant information: There is a question as to the optimal institutional design to best serve the DMO's goals.

7.3.5 Supporting wellbeing and resilience.

Project 1: Developing and implementing cross-cluster risk governance.

Project Objective	To develop a robust risk dashboard, implementation protocols, and appropriate governance
Project Lead	GRDM
Project Implementers	Wellbeing and Resilience Cluster leads, other cluster leads, Local municipalities
Time Frame	one year to development first iteration of the dashboard and complete the first risk governance implementation cycle

Other relevant information:

There is already a significant amount of risk information that is captured by the GRDM

Project 2: Designing an integrated regional resilience development planning guideline.

Project Objective	Support the implementation of integrated, equitable and resilient urban planning across local municipalities
Project Lead	GRDM
Project Implementers	Wellbeing and Resilience Cluster leads, Local municipalities
Time Frame	One to two years

Other relevant information:

Local municipalities are the implementers of development planning. However, the District can plan a critical coordination, knowledge sharing and advisory role, and does undertake relevant planning with respect to climate, waste and more.

7.3.6 A connected economy: transport and rural-urban integration.

Project 1: Garden Route Digital Transformation Strategy Implementation

Other relevant information:

Project Objective	To standardise and integrate data and information systems and processes and allow for system interoperability.
Project Lead	GRDM
Project Implementers	GRDM, Local Municipalities
Time Frame	Three years, then ongoing

- The strategy is already developed.
- There are nine months, three – five years, and long-term goal

Project 2: Develop trans-modal strategies to improve economic efficiency.

Project Objective	Looking at all modes of transport infrastructure and mobility in an integrated way.
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Project Lead	GRDM
Project Implementers	GRDM/Transnet National Ports Authority/ACSA/B-municipalities
Time Frame	To be completed in the next two years

Other relevant information:

- An integrated transport strategy was completed in 2017 but needed to be extended to include also Kannaland.
- As background, a Provincial Transport Management Forum to coordinate trans-modal and transversal transport access is being established and operationalised.

7.3.7 Sustainable local energy transition

Project 1: Develop and implement a just energy transition strategy for the Garden Route

Project Objective	To develop a strategy that integrates energy innovation with other development priorities and principal, ensuring progressive distributional impacts for infrastructural changes.
Project Lead	GRDM
Project Implementers	GRDM, Local municipality
Time Frame	One year to formulate

Other relevant information:

The Garden Route District Municipality Energy Forum is already a functional forum to drive aspects of implementation.

The Municipal Electricity Master Plan (MEMP) for the Garden Route District Municipality (GRDM) highlighted the following key benefits to form the business case for the municipality's role in the sustainable energy transition:

Leveraging municipal competencies while using spatially dependent local resources

- Complementing national level energy planning and inform the role of local government.
- Supporting decarbonisation of the energy system

- Supporting a more resilient energy system

Project 2: Establish and operationalise a regional energy company.

Project Objective	Establish and operationalise a regional energy company that can serve the interconnected needs of different Local municipalities and diverse energy users, aligned to the just energy transition strategy
Project Lead	GRDM
Project Implementers	GRDM, Local municipality
Time Frame	One year to establish

7.4 Progress of Economic Development and Tourism Projects in 2022/2023

SMME Development Program	<p>An open and transparent advertisement and application, evaluation and adjudication process was followed through which 14 companies were successful in their applications and will be receiving equipment and material at the official hand-over on 30 March 2023.</p> <p>In 2021/2022 14 business out of 33 were owned by women and in 2022/2023 7 out of 14 businesses owned by women.</p>
Investment Marketing (Including Wesgro Partnership)	GRDM entered into an agreement with Wesgro, the official destination marketing and trade promotion agency for the Western Cape for Investment Promotion. Progress so far include: Business Retention and & Expansion Plan: Business plan has been submitted by Wesgro to GRDM of which the implementation will continue in 2023 as per the agreement signed between the two entities. Export mentorship: To date the Export team facilitated one-on-one mentorship for 8 companies in the Garden Route. A further 10 companies in the District have been visited by Wesgro on a one-on-one basis.
Garden Route Film Commission	The Garden Route Film Commission is responsible for the promotion of the Garden Route Film Industry for which a formal agreement is signed on an annual basis for the marketing of film locations to the national and international film communities, skills development as well as business development opportunities created when production sets are in operation.
Garden Route Development Partnership	Financial Contribution towards the Garden Route Development Partnership which is a collaborative programme to coordinate and catalyse economic growth and development in the Garden Route. The partnership members include private and public sector stakeholders and the work of the programme is funded by the Western Cape Economic Development Partnership (EDP), Eden District Municipality and most of the local municipalities in the region. The programme manager coordinates various regional economic development projects requiring an integration of stakeholders and resources. The programme is currently working very successfully, and has undergone a review process where a different approach will be taken i.e. name change to include a more holistic development focus, etc.
Business Data Base	Agreement with Seda includes the implementation of a management information system, which will indicate the businesses operation within

	the region, different sectors as well as area of operation etcetera. This process is work in process.
One Stop Shop - Garden Route Business Service Center	No funding available to implement, but remains a crucial intervention required for small and medium businesses in the district.
Cater Care	The last intake for the Cater Care programme concluded on 24 February 2023. 25 students successfully completed the 2022/2023 program. Cater 20 students were female, 13 African, and 7 Coloured
Tourism Marketing	Tourism marketing done at various platforms such as WTM Africa, Indaba and Old Car Show.
Exhibitions and Shows	In process of organising attendance to World Travel Market Africa 2023. Garden Route & Klein Karoo will be having their own regional stand at this platform taking place from 03-05 April 2023 in Cape Town. The regional tourism office is also intending to attend the annual Tourism Indaba in May 2023 in Durban. The Regional Tourism office attending the annual George Old Car show on 11 February 2023.
GR DMO (Phase 1)- PPP (Wesgro, Satsa Fedhasa, GRDM	JMO steercom has been established. In process of developing a business plan that will be discussed with key stakeholders in May. Also awaiting advertisement of Board members for the Garden Route Development Agency, as the DMO/JMO will be part of the Development Agency
Green Flag Trails Initiative	Submitted project proposal for council funding in 2023/2024 financial year
Garden Route Establishment of Accommodation Grading	Submitted project proposal for council funding in 2023/2024 financial year

7.5 Proposed Projects for Economic Development and Tourism 2023/2024

TOURISM		
	Item	Amount
1.	Tourism Marketing	R450 000
2.	Garden Route JMO	R550 000
3.	Garden Route Green Trails Initiative	R250 000
4.	Garden Route Establishment of Accommodation Grading	R150 000

LOCAL ECONOMIC DEVELOPMENT		
	Item	Amount
1.	SMME Development Program	R600 000
2.	Informal Traders Development	R350 000
3.	Garden Route Film Development	R200 000
4.	Garden Route Development Partnership (WCEDP)	R350 000

7.6 Other Proposed projects to grow the economy

7.6.1 Project Klein Karoo Export Agri Hub

The Project Klein Karoo Export Hub is a project that seeks to get 1000 hectares of land under Wonderful Pomegranates in the Calitzdorp area. At least 10% of this hectarage will be reserved for previously disadvantaged groups (BEE) farmers with own titles. The project will service the export market and it has already secured offtake agreements with SAPEX EXPORTS. The pomegranate export business from Southern Africa is a very young industry. Exports only started a few years ago and now the total planting in Southern Africa is less than 1000ha. This is about 1% of world production. There is therefore ample opportunity for exports from the Southern Hemisphere to markets in the Northern Hemisphere in their off-season, and to the Far East because there is no production there.

Pomegranates have many health benefits and are therefore a preferred exotic product in many markets. Early in the Southern African season, the demand outstrips the supply. The project boost of already acquired experience in the production of quality fruit in the area, existing pack house and the accessibility to infrastructure like roads, electricity etc. The project will see the establishment of an Agri Village with 600 homes with own titles, creating of 1800 permanent jobs and 2000 seasonal jobs, new orchards, agri tourism. The project has already secured 30Ha for the development of the Agri Village. The project therefore needs full support of the District Municipality as a partner so that we can create a unique model for rural development in the country in line with the District Development Model.

Objectives:

- To establish the biggest cluster of pomegranate orchards in SA, primarily destined for the export market. And it is aimed that 50% of the total pomegranate exports from SA will come from this hub.
 - To create 1800 permanent and 2000 seasonal jobs in this rural area.
 - To alleviate the pressure on the short supply of drinking water in the Rural pipeline serving the town of Calitzdorp and many farms along the line.
 - The Calitzdorp/Oudtshoorn area provides the best micro-climate for pomegranates in South Africa, providing the best colour and sweetness in SA. This
-

has been confirmed by Sapex, the largest exporter of pomegranates in SA (see attached letter of intent).

- To ring-fence the production of pomegranates from this region and market it in its own trademark – Calitzdorp Export Agri Hub already applied for its exclusive registration. The logo is attached.
- To add full value at source by means of the following:
 - Pack house for fresh fruit (already established)
 - Juicing facility
 - Oil press facility
 - Process facility – packaged arils airfreighted to EU
- The above will ensure that maximum value is added at source and that agri processing jobs are created outside harvest time.
- To establish a 10% of total hectares as BEE ownership. This means that 10 BEE farmers will each receive title deeds to economical production units. More importantly, they will have the full benefits of being mentored by the neighbouring farmers.
- An agri village to be established within the centre of the development where each farm worker will own his own home.

7.6.2 Development and Support of the Indigenous Species Value Chain to benefit emerging farmers.

HONEYBUSH TEA INDUSTRY VALUE CHAIN

A partnership agreement has been signed between Seda, DEDAT and GRDM of which one of the focuses is to support the honeybush tea industry and especially the marketing of this niche product.

Despite the abundance of honeybush in the Garden Route District, the limited processing facilities and lack of marketing efforts are hindering the growth of the honeybush agro-processing industry thus resulting in missed opportunities for local economic development and job creation.

The Garden Route District and Western Cape Province are known for their diverse and productive agricultural industry. The region is home to a wide range of crops and livestock, including fruit, wine grapes, vegetables, and dairy cows. Agro processing is an important aspect of this industry, as it allows farmers and producers to transform raw agricultural products into value-added products that can be sold at a higher price.

Overall, agro processing is a vital and growing industry in the Garden Route District and Western Cape Province, and plays a significant role in the regional economy and in the South Africa's exports. The region's agro-processing industry is diverse and productive, with a strong focus on sustainability and innovation.

Honeybush tea is one of agro-processing products and it is considered a valuable crop in the Garden Route District and Western Cape Province, as it provides an alternative income source for farmers and supports the local economy. In recent years, there has been a growing interest in honeybush tea and its potential health benefits. This has increased demand for honeybush tea, both domestically and internationally. Many companies in the region are now processing and packaging honeybush tea and exporting it to various countries.



7.7. GRDM Economic Recovery Plan

7.7.1 Pillars of Economic Recovery Plan

The Pillars of the Economic recovery plan are as follows:

- Enhance the resilience and responsiveness of the District and B-municipalities towards local economic recovery and establishment of a central M&E function
- Facilitating the Region's support to business retention, growth, and development
- Re-starting the tourism and events sector (inclusive of the creative industries)
- Protecting and building the rural, township and informal economy
- Creating an extra-ordinary environment for construction, infrastructure and property development
- Ensuring a resilient agricultural sector and promoting agri-processing

The Economic Recovery Plan was approved by Council in March 2021.

[Garden-Route-Economic-Recovery-Plan-.pdf \(gardenroute.gov.za\)](#)



CHAPTER 8: DISASTER MANAGEMENT PLAN

Disaster Management Plan

8.1. Introduction

Disaster Management is a continuous and integrated multi-sectoral and multidisciplinary process of planning and implementation of measures aimed at disaster prevention, mitigation, preparedness, response, recovery, and rehabilitation. The preventative elements of this plan must be implemented and maintained on a continuous basis. The emergency or reactive elements of the Disaster Management plan is implemented in the Garden Route District Municipality whenever an incident or disaster occurs or is threatening to occur in its area of jurisdiction. The responsibility for the coordination of the overall implementation of the plan is that of the Head of the Disaster Management Centre.

8.2. Purpose of the Disaster Management Plan

The aim of the Garden Route District Emergency Plan is to outline a plan of action for departments, and the co-ordination of the Municipal services, role players and personnel to provide the earliest possible response to:

<ul style="list-style-type: none"> • Protect and preserve life and property. 	<ul style="list-style-type: none"> • Exploit print as well as electronic media in educating the public about ways of preventing disaster through disaster preparedness/mitigation measures.
<ul style="list-style-type: none"> • Minimize the effects of the emergency or disaster on the Garden Route District 	<ul style="list-style-type: none"> • Assist the George-, Knysna-, Bitou-, Mossel Bay-, Hessequa-, Oudtshoorn- and Kannaland Local Municipalities and / or other Municipalities or District municipalities as requested

8.3. Disaster Risk Profile

In a generic sense, the following hazards on the economic, cultural, welfare, sustained development and sustained livelihoods plans were found to pose the greatest risks in the district:

<ul style="list-style-type: none"> • Fire Risk (veld and shack fire) 	<ul style="list-style-type: none"> • Natural phenomena (strong winds, floods, drought etc.) 	<ul style="list-style-type: none"> • Technological (spillages, etc.)
<ul style="list-style-type: none"> • Service utility (electrical blackouts, water termination, etc.) 	<ul style="list-style-type: none"> • Environmental threats (air pollution, freshwater pollution, etc.) 	<ul style="list-style-type: none"> • Health (wild spread infectious disease to community and domestic / wild Animals)

Communities in informal settlements are the most vulnerable to many of these risks, but proximity to certain installations or hazards also expose other communities to risks. In terms of capacity to address and therefore reduce risks, there currently is a strong emphasis on preparedness and response planning. This means that capacity and planning in term of mitigation and preventing should be strengthened.

8.3.1. Identified risks

The table below provides an overview of identified disaster management risks within the jurisdiction of the region.

<ul style="list-style-type: none"> • Aircraft accident 	<ul style="list-style-type: none"> • Dam failure and floods 	<ul style="list-style-type: none"> • Dam failure
<ul style="list-style-type: none"> • Droughts 	<ul style="list-style-type: none"> • Epidemics 	<ul style="list-style-type: none"> • Fire
<ul style="list-style-type: none"> • Hazardous material 	<ul style="list-style-type: none"> • Oils Spills 	<ul style="list-style-type: none"> • Extreme weather
<ul style="list-style-type: none"> • Missing Persons 	<ul style="list-style-type: none"> • Traffic and Squatters 	<ul style="list-style-type: none"> • Large Accidents



8.3.2. Key Impacts in Garden Route District

DISASTER IMPACT	OVERVIEW	MITIGATION MEASURES
Damage to infrastructure in flood plains	In the Garden Route District, flooding has been one of the key frequent hazards that have resulted in direct negative financial implications for the local municipalities, the district, provincial and national government.	Location of key infrastructure and settlements with respect to proximity to flood risk areas. Restricting development within such high-risk areas and integrating this into key planning tools such as spatial development frameworks.
Environmental degradation	A degraded environment and dysfunctional ecosystems also increase our risk profile to climate related disasters. For example, degrade waterways, wetlands, and coastal dunes that have lost their natural buffer capacity will increase susceptibility of the society's (which are often poor communities) and infrastructure that are near those ecosystems to flood risk.	An effective approach to reduce the negative impacts of climate change and climate related disasters require an in-depth understanding of the abundance of ecological infrastructure
Water	Climate change will affect Garden Route District Municipality's water accessibility, quantity, and quality. Drought, reduced runoff, increased evaporation, and an increase in flood events will impact on both	

DISASTER IMPACT	OVERVIEW	MITIGATION MEASURES
	<p>water quality and quantity. It is anticipated that climate change will result in higher temperatures, lower rainfall and increased rainfall variability in the Garden Route District (Garden Route District Municipality, 2014, 2017b).</p>	
Food Security	<p>Extended dry spell periods, increase in severity of storms and floods, fires, intense winds, high temperatures and shift in seasonality will all have negative impacts on food security</p>	<p>Various measures that increase food security that aim at increasing resilience of the agricultural sector will require immediate attention. Such interventions will need to explore the possibility of alternative crops and testing the drought tolerance capability of these, conservation agriculture that makes use of wise farming techniques such as crop rotation and water use efficiency</p>
Intense Fire Events	<p>Climate change can lead to bigger wildfires that are more difficult to control. As a result, wildfire management is becoming more important to reduce the damage to people, the economy, and the environment</p>	<p>Integrated Fire Management (IFM) has been defined as a series of actions that include fire awareness and prevention, risk mapping, hazard identification, prescribed burning, resource sharing and co-ordination with fire detection, fire suppression and fire damage rehabilitation</p>

8.4. Disaster Management Programmes

Project/Program	Objective	Date from - date to
Garden Route DMC		
To roll-out the District Disaster Risk Assessment to all Local Municipalities	To identify emerging disaster risks to build resilience or to mitigate the possible affects thereof at Local Municipal level	In process
To develop a disaster risk reduction (DRR) dashboard	To spatially indicate all DRR initiatives currently being implemented/ to be implemented by Local Authorities in the district	Started in previous book year to be continued in the current book year
First aid training and building disaster management awareness	To train disaster management volunteers to first aid level 3 level	Continuous, at least 8 courses per year
Invasive alien plant clearing	The alignment of current programmes aimed at the reduction of alien invasive plants.	Continuous over the next 1 to 3 years
Disaster rehabilitation and reconstruction	To ensure that the funds allocated in terms of post disaster rehabilitation and reconstruction are being spent as per the project plans	Continuous
Build local municipal disaster management capacity	To provide guidance to local municipalities in terms of disaster management practices	Continuous
Regional drought public awareness campaign	To raise public awareness as well as to drive down water consumption	Continuous
Garden Route Public Health Section		
Water quality monitoring	Monitoring water quality (Bacteriological and chemical) Report to Water Services Authority and other relevant departments, stakeholders and interested and affected parties. Awareness programs Enforcement	Continuous

Project/Program	Objective	Date from - date to
Food control	Monitoring of food quality (bacteriological, chemical, and histological) Awareness and education Law- enforcement	Continuous
Waste management	Surveillance of premises Awareness and education Enforcement	Continuous
Health surveillances of premises	Surveillance of premises Awareness and education Enforcement Reports	Continuous
Surveillance and prevention of communicable diseases	Surveillance and monitoring programs Disease investigation Awareness and education Report to relevant departments, stakeholders and interested and affected parties	Continuous
Vector control	Monitoring awareness and education Enforcement Report	Continuous
Environmental pollution control	Monitoring water quality (bacteriological and chemical) Report to Water Services Authority and other relevant departments, stakeholders and interested and affected parties. Awareness programs Enforcement	Continuous
Disposal of the dead	Monitoring Awareness and education Enforcement Reporting	Continuous
Chemical safety	Monitoring Awareness and education Enforcement Reporting	Continuous
Climate Change	Adaptation measures Mitigation measures Awareness and education	Continuous

Project/Program	Objective	Date from - date to
	Alternative food sources Water security measures Smarter building Increasing resilience Research Investment in renewable energy forms Biomass to energy Reforestation	
Biodiversity	Critical biodiversity mapping incorporated into district SDF. Declaration of more protected areas Protection of core and buffer areas for connectivity Education and awareness Research Robust coastal and estuary management Sustainable building practices	Continuous



8.5. Climate Change

8.5.1 Legislative requirement

The Municipal Structures Act, 1998 (Act 117 of 1998) outlines the roles and responsibilities functions of district municipalities. Related to climate adaptation, the Act provides for the following roles and responsibilities for the Garden Route District Municipality in these broad areas such as: Master planning such as development of a Climate Change Strategy through which local municipalities can develop their integrated development plans. These include the Spatial Development Frameworks and Disaster Management Plans, Solid Waste Management Plans, Health services and Fire services.

8.5.2 Climate change impacts for the GRDM

Change to climate variable	Vulnerability Details
Higher mean temperatures	<ul style="list-style-type: none"> Increased evaporation and decreased water balance. Increase wildfire danger (frequency and intensity).
Higher maximum temperatures, more hot days, and more heat waves	<ul style="list-style-type: none"> Heat stress on humans and livestock. Increased incidence of heat-related illnesses. Increased incidence of death and serious illness, particularly in older age groups. Increased heat stress in livestock and wildlife. Decreased crop yields and rangeland productivity. Extended range and activity of some pests and disease vectors. Increased threat to infrastructure exceeding design specifications relating to temperature (e.g., traffic lights, road surfaces, electrical equipment, etc.); Increased electric cooling demand increasing pressure on already stretched energy supply reliability. Exacerbation of urban heat island effect.
Higher minimum temperatures, fewer cold days and frost days	<ul style="list-style-type: none"> Decreased risk of damage to some crops and increased risk to others such as deciduous fruits that rely on cooling period in autumn. Reduced heating energy demand. Extended range and activity of some pests and disease vectors. Reduced risk of cold-related deaths and illnesses.
General drying trend in western part of the country	<ul style="list-style-type: none"> Decreased average runoff, stream flow. Decreased water resources and potential increases in cost of water resources. Decreased water quality. Decrease in shoulder season length threatening the Western Cape fruit crops. Increased fire danger (drying factor). Impacts on rivers and wetland ecosystems.
Intensification of rainfall events	<ul style="list-style-type: none"> Increased flooding. Increased challenge to storm water systems in urban settlements. Increased soil erosion. Increased riverbank erosion and demands for protection structures. Increased pressure of disaster relief systems. Increased risk to human lives and health. Negative impact on agriculture such as lower productivity levels and loss of harvest.
Increased mean sea level and associated storm surges	<ul style="list-style-type: none"> Saltwater intrusion into ground water and coastal wetlands. Increased storm surges leading to coastal flooding, coastal erosion, and damage to coastal infrastructure. Increased impact on estuaries and associated impacts on fish and other marine species.

The provincial climate change strategy lists several priority responses in each of the key sectors. These are summarised in the table below.

8.5.3 Priority Climate Change Adaptation Responses for the Western Cape province

Adaptation Category	Adaptation Responses
Water Security and Efficiency	<ul style="list-style-type: none"> • Invasive alien vegetation clearing. • Prioritisation, valuation, mapping, protection, and restoration of ecological infrastructure in catchments. • Effective utilisation of irrigation water. • Develop ecosystem goods and services (EGS) investment opportunities.
Biodiversity and Ecosystem Goods and Services	<ul style="list-style-type: none"> • Prioritisation, valuation, mapping, protection, and restoration of ecological infrastructure. • Landscape initiatives/biodiversity corridors and identification of requirements for climate change adaptation corridors. • Biodiversity stewardship. • Mainstreaming of conservation planning into decision making. • Integrated fire risk management and invasive vegetation control.
Coastal and Estuary Management	<ul style="list-style-type: none"> • Establishment of coastal hazard overlay zones and setback lines. • Research best practice regarding responding to repeated coastal inundation in high-risk areas. • Protecting and rehabilitating existing dune fields as coastal buffers / ecological infrastructure. • Monitor possible linkages between climate change and fisheries industry. • Ensure Estuary Management Plans take cognisance of climate change.
Food Security	<ul style="list-style-type: none"> • Farming practices that are in harmony with nature, i.e., 'conservation farming'. • Climate smart agriculture. • Agricultural water technologies that reduce consumption and increase efficiency. • Research on climate resilient and alternative crops and livestock applicable to the Western Cape. • Addressing climate vulnerability through the Municipal Support Programme. • Assessing food security in the context of the resource nexus.
Managing the effects of increased temperature on human lives	<ul style="list-style-type: none"> • Societal adaptation to human health impacts from temperature increases associated with climate change.
Healthy Communities	<ul style="list-style-type: none"> • Monitoring health trends in relation to climate trends. • Research linkages between human health and climate change in the WC context. These include Air quality, Water quality, Food security, Heat stress, Disease vectors

This Garden Route District Municipality Climate Change Strategy has therefore been developed to ensure alignment with the Western Cape Climate Change Response Strategy of 2014, as well as the National Climate Change Response Policy of 2011.

8.5.4 The key vulnerability sectors identified in the Climate Change Adaptation

Strategy are as follows:

Sector	Projects
Agriculture	<ul style="list-style-type: none"> • Manage increasing risks to livestock • Crops that can be grown
Coastal and Estuary Management	<ul style="list-style-type: none"> • Manage loss of land due to sea level rise • Protecting and rehabilitating existing dune fields as coastal buffers / ecological infrastructure. • Manage increased damage to property from sea level rise • Researching the impacts of water quality and temperature fluctuations within estuarine and marine environments, as well as the impacts of droughts/floods and ecological reserve

Sector	Projects
	<p>status on estuarine environments.</p> <ul style="list-style-type: none"> • Coastal Management Regulatory Documentation and Legislation • Coordination of the establishment of coastal hazard overlay zones and setback lines. • Ensure Estuary Management Plans take cognisance of climate change. • Collaboration partnerships and adaptation management
Biodiversity Management	<ul style="list-style-type: none"> • Manage Increased impacts on threatened ecosystems • Invasive alien vegetation clearing. • Manage Increased impacts on environment due to land-use change. • Manage Loss of Priority Wetlands and River ecosystems • Biodiversity stewardship. • Biodiversity and Environment • Prioritisation, valuation, mapping, protection, and restoration of critical biodiversity and ecological support areas • Garden Route Environmental Forum
Water security	<ul style="list-style-type: none"> • Manage decreased water quality in ecosystem. • Develop Regulatory Documentation and Legislation • Water Research • Increasing Water challenges Awareness and Perceptions • Water Resource Management Collaboration and Partnerships • Prioritisation, valuation, mapping, protection, and restoration of ecological infrastructure in catchments
Disaster Management	<ul style="list-style-type: none"> • Manage increased impacts on traditional and informal dwellings. • Manage potential increase migration to urban and peri-urban areas. • Manage potential increased risk of wildfire. • Department of Environment, Forestry and Fisheries (DEFF) and Government of Flanders Adaptive Capacity Facility (ACF) project
Health	<ul style="list-style-type: none"> • Monitoring health trends in relation to climate trends. • Research linkages between human health and climate change in the WC context.
Disaster Management, Infrastructure and Human Settlements	<ul style="list-style-type: none"> • Manage increased impacts on traditional and informal dwellings. • Manage potential increase migration to urban and peri-urban areas. • Manage potential increased risk of wildfire.

<https://www.gardenroute.gov.za/wp-content/uploads/2018/10/GRDM-Climate-Change-Adaptation-Summary-Report.pdf>

<https://www.gardenroute.gov.za/wp-content/uploads/2018/10/Final-Climate-Change-Adaptation-Plan-2014-GRDM.pdf>

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CHAPTER 9: SPATIAL DEVELOPMENT FRAMEWORK

9.1. Introduction

The 2009 MSDF has been reviewed and updated to align with the Spatial Planning and Land Use Management Act (SPLUMA) of 2013, the Western Cape Government (WCG) Provincial Spatial Development Framework (PSDF) and Land Use Planning Act (LUPA), as well as the Garden Route District Integrated Development Plan (IDP) and strategic goals.

Following the re-adoption of the Municipal Spatial Development Framework (MSDF) in October 2022 a performance review on the implementation of the MSDF has been undertaken. The outcome of the performance review indicates that an updated MSDF is required for the Garden Route District Municipality. Please see the Performance Review attached to the IDP under Annexure D.

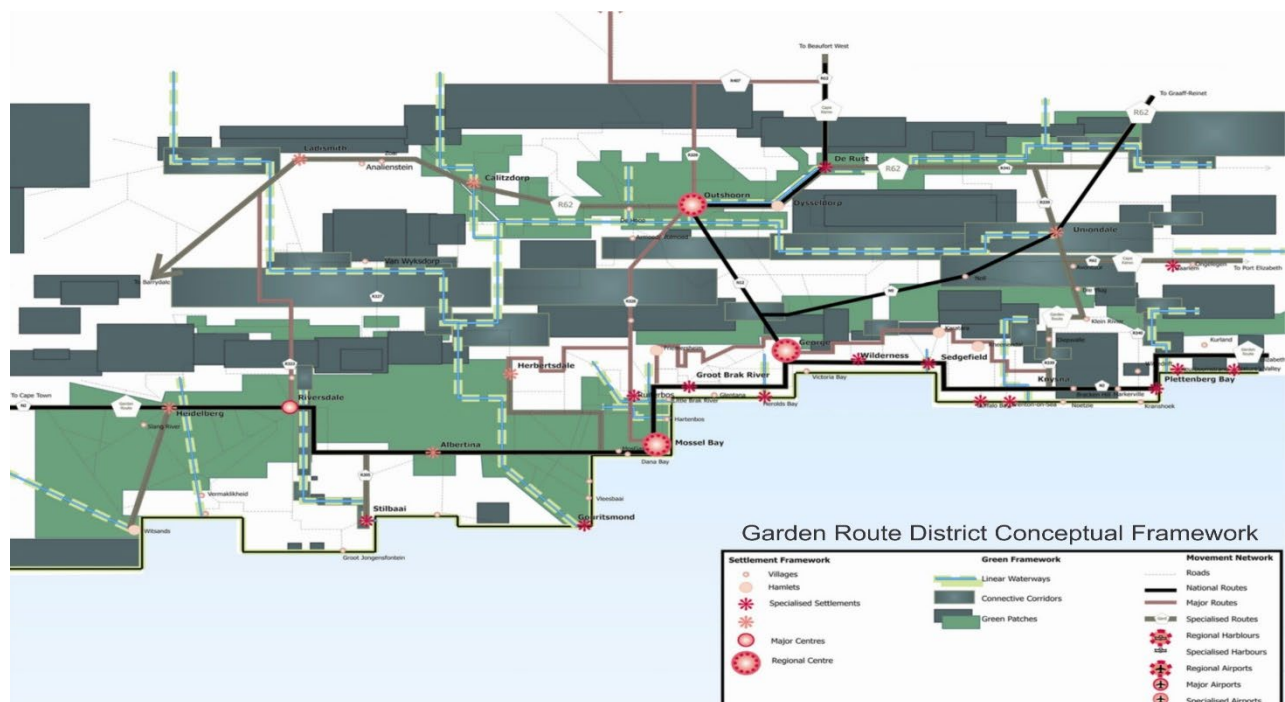
This policy foundation, along with the Garden Route District's strategic vision, provides the "lens" for evaluating the spatial planning status quo of the district. This vision and strategic direction identify four key drivers of spatial change within the district. These drivers are taken forward into SDF strategies:

- The economy is the environment; a strategy founded on the principle that a sustainable economy in Eden District is an economy that is positioned for growth.
- Regional accessibility for inclusive growth; a strategy that is based on the notion that improved regional accessibility is essential to achieving inclusive growth.
- Co-ordinated growth management for financial sustainability; a strategy informed by the realities of global fiscal austerity and the need for responsible growth management that does more with less to secure future social and economic resilience.
- Planning, budgeting, and managing as one government, this strategy highlights that real intergovernmental cooperation is essential to achieving the spatial transformation.

9.2. Garden Route District Municipal SDF

The spatial vision for Garden Route District focuses on maintaining the district's position as a regional driver through developing the comparative advantage of each

settlement in the district, promoting economic growth and creating more viable spatially integrated settlements. The spatial Conceptual Framework for Garden Route District in 2009 is illustrated below. The SDF envisions a form of settlement planning and development that is compatible with improving a range of transport options and walkability of settlements, supported by an open space system that conjures up images of Garden Route District, in addition to conserving a variety of natural environments and minimising disaster risks. The SDF contains proposals regarding the future role and development of towns, harbours, airports and transport linkages underpinned by a "Green Framework" as the regional system of open spaces.



9.3 Spatial Driver of Change

GRDM strives to achieve its full potential as a sustainable and integrated District, there are six central issues that must be addressed explicitly in the SDF to meet the provisions of SPLUMA, LUPA, the PDSF, Provincial Sustainable Transport Programme (PSTP), the Provincial Strategic Plan and Provincial Land Transport Framework. The six big issues were distilled from the policy review, focus group inputs, specialist sector interviews and cross-sectoral investigation. These issues cut across line functions and spheres of government and are:

Regional resource capacity constraints;	Regional competitive advantage;
Sprawling low density settlement;	Constrained regional accessibility

Erosion of biodiversity and cultural landscapes; and	Sustainability of agriculture and rural settlements.
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These big issues point to some radical shifts in the spatial direction of development in Garden Route District. The social, environmental and economic realities of the District Municipality will only improve when the development trajectory is placed on a path towards a compact urban form.

The status quo issues have been synthesised into four spatial drivers of change, illustrated on the diagram below. They are in line with the Garden Route District Municipality Vision and Mission adopted in the 2017 IDP and the policy review. The four overarching integrative and connected strategic spatial drivers of change from the focus of this SDF and are fundamental to achieving co-ordinated spatial planning for the sustainable growth and resilience of the district.



9.4 Spatial Analysis

9.4.1 Environment and landscape

Garden Route is a global urban and rural biodiversity hotspot, unique in that an entire municipal reserve, conservancies and private reserves are situated within the Garden Route administrative borders. Garden Route's outstanding natural beauty, made up of diverse wilderness and agricultural landscapes, estuaries and lagoons, mountain backdrops and coastal settings, including the verdant landscapes of the Garden Route.

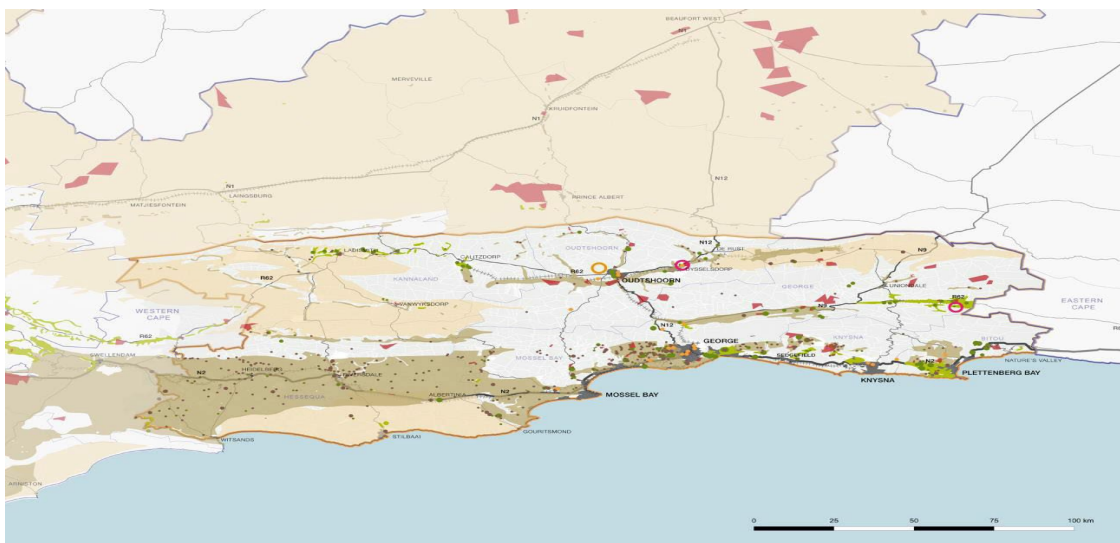
The Southern Cape coastal belt has been identified as a significant leisure, tourism, lifestyle and retirement economic destination, driven largely by the quality of life and climatic advantages of the region. The district's natural capital and its varied scenic and cultural resources are the attractions that make the Western Cape the country's premier tourism destination. Collectively these assets provide a unique lifestyle offering.

Environment and Biodiversity Implications for Garden Route

Keeping the natural environment, wetlands, lakes and rivers in a pristine condition is key to future security in the future of the region. The natural and cultural landscapes of the district add to the identity and aesthetic appeal of the region. They are also large contributors to tourism. Therefore, the natural and cultural landscapes must be preserved in the district. The diverse heritage, landscape and ecological assets of the region need to be protected. Leverage tourism, historical and natural assets in the region.

9.4.2 Agriculture

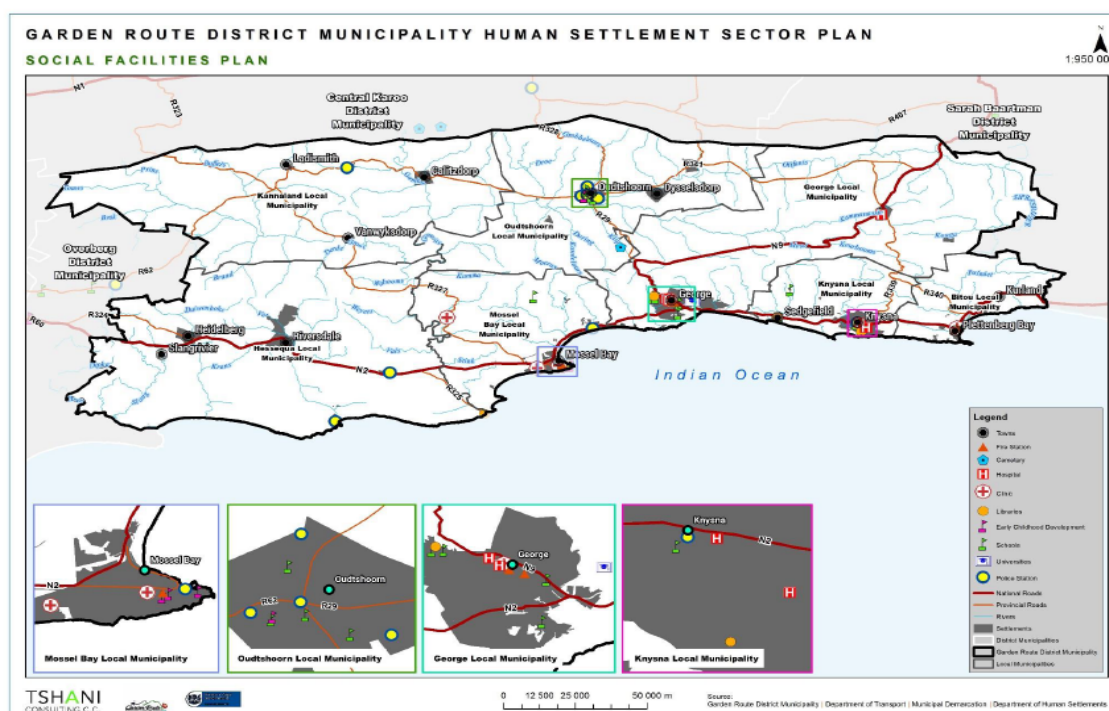
Agriculture in the Garden Route district varies according to the distribution of homogeneous farming areas from east to west and north to south throughout the GRDM. The majority of Agri-processing plants appear to cluster around George and surrounds as the service settlement of the region, with Oudtshoorn and surrounds hosting the second most number of Agri-processing facilities. Farming systems in the Garden Route District Municipality are a mixture of irrigated crops and pastures, rainfed crops and pastures / rangelands, extensive livestock and intensive livestock. On a production level, agriculture in the Garden Route District shows fairly high levels of adaptive capacity, with only a few commodities likely to come under direct threat due to moderate warming or other climate change impacts.



Aviation

The George Airport is the centre of aviation activities in the Garden Route region. It is managed by the Airports Company South Africa (ACSA). The airfields of Mossel Bay, Oudtshoorn and Bitou are municipal owned and also play active roles in aviation in the area. Furthermore there are landing strips at Riversdale and Still Bay as well other landing strips used for disaster management.

9.4.3 Human Settlement Landscape



9.5 SDF Projects per Spatial Driver of GRDM

A. GARDEN ROUTE SDF STRATEGY: REGIONAL ACCESSIBILITY FOR INCLUSIVE AND EQUITABLE GROWTH

B. GARDEN ROUTE SDF STRATEGY: THE ECONOMY IS THE ENVIRONMENT

Key Regional Policy	Project or Action
1. Environmental Rehabilitation, Enhancement & Resilience Policy	<p>Protect, conserve, rehabilitate & restore wetlands, rivers, lakes and natural environment assets and undertake alien vegetation clearing, focusing on wetlands, riverine systems and water catchment areas.</p> <p>Enhance agricultural practices to mitigate harmful environmental, riverine and wetland impacts.</p>

Key Regional Policy	Project or Action
	Contain Development and Manage rural areas through appropriate application of Spatial Planning Categories (from Garden Route SDF)
2. Resilient Regional Settlements Policy	<p>Ensure the regional adherence to compact urban development to prevent erosion of regional scenic assets and undesirable disaster management risks to fire and flood.</p> <p>Manage development along the coastline in a sustainable and precautionary manner through coastal setbacks and avoiding flood risk zones (see Garden Route SDF for detail)</p> <p>Mitigate fire risk and impacts on disaster management by implementing veld fire management zones and alien vegetation management.</p>
3. Regional Water Resilience Policy	<p>Explore and establish a Garden Route regional bulk water infrastructure system for the region to support future water security.</p> <p>Implement aggressive 'war on leaks and water infrastructure renewal programme to reduce water lost through infrastructure failure</p>
3.Regional Waste Minimisation, Management & Utilisation Policy	<p>Regional Waste Management solution for the region</p> <p>Implement local or regional (whatever is appropriate & feasible) waste recycling programmes to reduce waste to landfill</p>
4. Garden Route Air Access Policy	Increase air access opportunities (particularly low-cost carrier airlines) between George and other South African airports, notably Cape Town, which open up opportunities in the tourism economy.
5. Skills To Match The Economy Policy	<p>Develop & implement a skills development and upskilling programme for the region that ensures the upskilling and training of inhabitants in the region in order to access the economic opportunities that exist in relevant key growth sectors of the economy.</p> <p>Economic sector support for key job and economic growth sectors of the economy: develop incentives and sector support initiatives to make ease of doing business a priority for deemed priority sectors.</p>

Key Regional Policy	Project or Action
6. Regional Economic Growth And Development Policy	<p>Explore Special Economic Zone for Garden Route region.</p> <p>Facilitate and promote film sector in region.</p> <p>George Airport Growth Strategy – determine what infrastructure, support and systems are needed to position George airport for growth.</p> <p>Mossel Bay Port Growth Strategy – determine what infrastructure, land use changes, support and systems are needed for Mossel Bay Port diversification and/or expansion</p>
7. Regional Informal Economy Policy	Informal sector Support Strategy: develop and implement an Informal Sector Support Strategy which provides the necessary sector support and infrastructure / services to assist in stabilising and accommodating informal economy
8. Rural Economy Development Policy	Appropriate development in Rural Areas Guideline: Define and promote appropriate economic and development opportunities in the rural areas to both revive these economies and create balanced, sustainable settlements and hamlets, including exploring the creation of ICT hubs in rural areas
9. Regional Agri-Processing Policy	Forestry & Agri-processing support plan: Encourage & incentivise agri - beneficiation, agri-exports and niche agricultural products

C. GARDEN ROUTE SDF STRATEGY: COORDINATE GROWTH MANAGEMENT FOR FINANCIAL SUSTAINABILITY

Key Regional Policy	Project or Action
1. Leverage And Enhance Sense Of Place For Sustainable Tourism Policy	<p>Regional Tourism Strategy for the Garden Route and Klein Karoo – signage, presence & impact. Improved tourism coordination.</p> <p>Preserve and enhance sense of place and garden Route aesthetic through appropriate development & design guidelines.</p> <p>Identify and protect scenic and cultural landscapes in the garden Route and Klein Karoo</p>
2. Regional Facility Clustering Protocol Policy	Cluster social facilities to optimise equitable access & spatial efficiency: Develop a Clustering Protocol for the Southern Cape which seeks to promote the

Key Regional Policy	Project or Action
	<p>appropriate clustering of facilities and services that government delivers, as well as identifying excess land on schools, clinics, and hospital sites for the provision of subsidised housing in the 'wrapping concept' as currently being developed for the Western Cape Government.</p> <p>Locate regional facilities at most accessible points in regional nodes</p>
3. Regional Infrastructure Expansion Policy	<p>Coordinate the regional increase in supply capacity relating to water, waste, and electricity provision.</p> <p>Develop regional and municipal infrastructure master plans in accordance with the proposals of the SDFs and IDPs of municipalities.</p> <p>Align growth with infrastructure and fiscal capacity (see Garden Route SDF)</p>
4. Municipal And Settlement Complementarity Policy	<p>Clearly define each role and function of each settlement in the region as contributing towards the greater economic strategy – George as the service centre and highest order settlement, Mossel Bay as an industrial, service, and tourism settlement, Knysna and Plettenberg Bay as the tourism and lifestyle settlements, etc.</p>
5. Integrated Planning, Management & Delivery Policy	<p>Coordinate integrated management and strategic regional governance with relevant stakeholders through the IDP process. Ensure deep levels of collaboration and impact in joint planning exercises for the region. Link these clearly to outcomes and deliverables that are funded and pursued through partnerships</p>
6. Regional Monitoring, Evaluation & Reporting Policy	<p>IDP Review and M&E: Municipalities must have clear visions and implementation plans speaking directly to its planning instruments, with measurable targets and goals.</p>

CHAPTER 10: ENERGY MANAGEMENT

10.1. Introduction

South Africa is experiencing an electricity crisis – supply is not able to meet demand. Loadshedding has become part of everyday life in South Africa, and this may continue for the foreseeable future. Furthermore, the Electricity Supply Industry (ESI) is evolving but the end-state is unknown Solar PV is modifiable and thus can work on

small-scale. Internationally, the emergence of embedded generation, which can also be referred to as customer resource, is changing the flow of energy (and cash) from the traditional, solely top-down and centralized to incorporate some bottom-up and decentralized. Customers, including municipalities, are no longer captive. Considering these dynamics, municipalities are compelled to re-define their role in the electricity value chain and adapt their funding and operating models.

10.2. Garden Route Energy Management Overview

The Garden Route District Municipality on April 2018 at hosted a Green Energy Summit. This Summit emanated from the SALGA 2018 Energy Summit held on March 2018, under the theme “Defining the Energy Future of Local Government” between Municipalities, National and Provincial Government, together with International Guests, Technology Partners, Academic Institutions, Business and Stakeholders within the Local Government sector.

At this Green Energy Summit it was collectively resolved to pursue the following 6 agreed priority Green Energy related initiatives (in order of priority) namely :

8. To develop an “Integrated Energy Plan” aligned with local water sources in Garden Route District(e.g. groundwater pumping, desalination, pumped storage, etc), SDF's, IDP's, Sector Plans and to then integrate such a plan into the planned “Eden Growth and Development Plan”
 9. To implement at least one (1) new green energy project per municipality in the Garden Route District and to collectively pursue such projects under a new Eden Energy Forum that will aim to meet on a bi-monthly basis (first meeting to be held on 31 May 2018)
 10. Explore and implement alternative transport fuel strategies, including the conversion of municipal fleets and alternative fuel charging / filling networks / PV charge stations throughout the Eden district.
 11. To facilitate the implementation of IPPs that gives the best value to Garden Route District and to attract such IPPs to the District by creating an enabling environment.
 12. Ensure that “green” planning elements are fully reflected in each Municipality's
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SDF, IDP and Sector Plan implementation framework.

13. Establish a local Bio mimicry Research Centre and Discovery Park at an appropriate location in the Garden Route District

The primary objective is to provide insight on possible electricity futures for the region. Two focus areas were considered, first the potential of rooftop PV was identified. Secondly, technoeconomic optimisation of utility scale generation technologies to provide an optimal energy mix for the region, similar to the national IRP. The region has a peak demand of around 250 MVA and annual consumption is about 1.3 TWh (less than 1% of the national demand). Eskom is the only supplier of electricity to the municipalities. Most of the 150,000 customers are residential but their share of electricity sales is about half.



10.3. Energy Management Action Plan for Garden Route District

The GRDM has clearly indicated its drive to become one of the greenest energy regions in the country. Local generation capacity may also lower and stabilise wholesale electricity prices. Further benefits may include local job and green branding. A Municipal Electrical Energy Master Plan (ME2MP) based on the least-cost techno-economic optimisation of the municipal electrical energy system is developed.

From the GRDM has committed to green energy and has taken the following green energy efficiency initiatives/ projects:

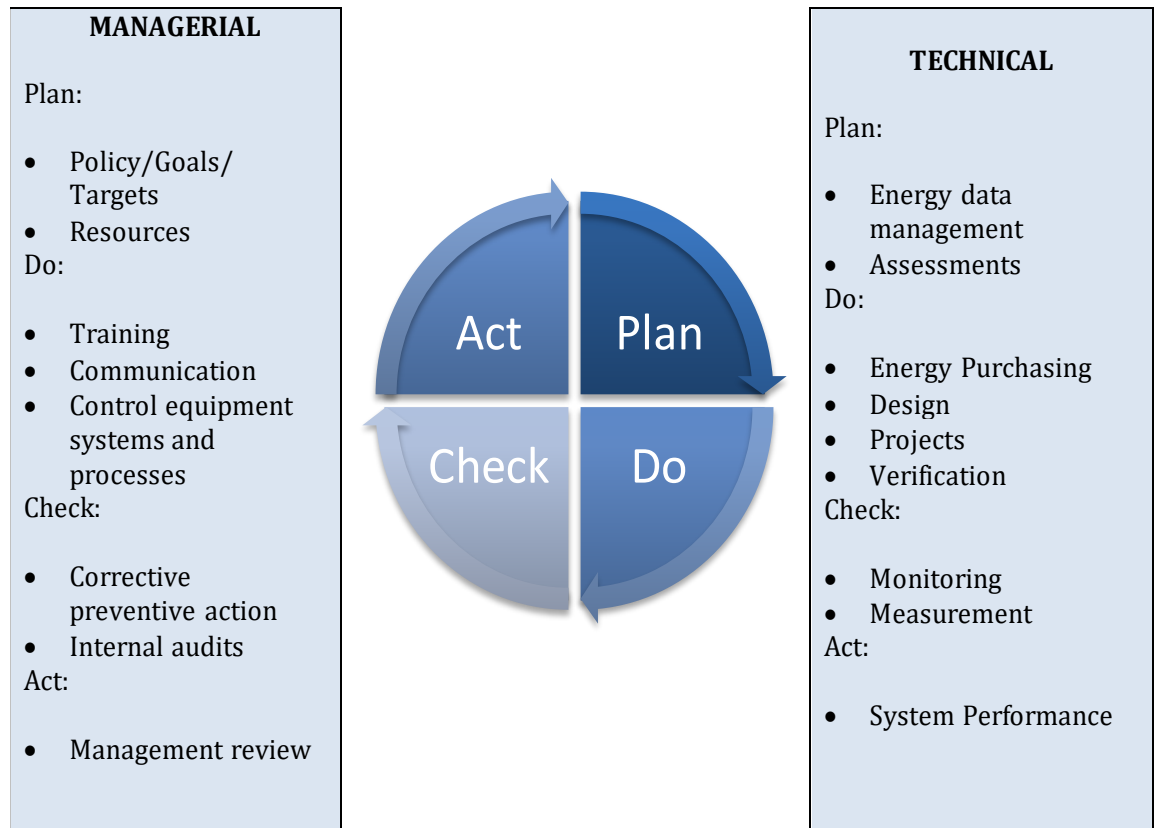
a) EEDSM (ENERGY EFFICIENCY DEMAND SIDE AND MANAGEMENT PROGRAMME)

The Energy Efficiency Demand Side Management (EEDSM) programme is managed by the Department of Energy (DOE). The EEDSM programme supports municipalities in their efforts to reduce electricity consumption by optimising their use of energy. Selected municipalities receive grants for the planning and implementation of energy efficient technologies ranging from traffic and street lighting to energy efficiency in buildings and water service infrastructure. The estimated electricity saving potential for traffic lights is up to 80%; for street lighting between 40-70%; for office building 20-30%; and 15-25% for pumps that are used for water provision and treatment.

b) MEMS (MUNICIPAL ENERGY MANAGEMENT SYSTEM)

- The Garden Route District Municipality (GRDM) has drafted an Energy Management Policy. The Energy Management Policy outlines the legislative context, energy-usage targets, policy instruments (such as the institutional structures required) for the Garden Route District Municipality to implement a process to optimise its energy usage. The Policy also includes an energy management policy review process. The purpose of GRDM's Energy Management Policy is to outline a systematic approach that will enable the Garden Route District Municipality to optimise its energy usage on an on-going basis. The Policy intends to optimise the use of energy within the Municipality by systematically improving how energy is used in the infrastructure operated by the Municipality. It is envisioned that the process to optimise GRDM's energy
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usage will result in energy and cost savings for the Garden Route District Municipality. The Garden Route District Municipality will achieve a 5% reduction in overall energy consumption every year beginning from the baseline year of 2020.



• c) IPP's (INDEPENDENT POWER PRODUCERS)

Garden Route Region is currently sourcing 100% of its electricity from Eskom. Management has embarked on several initiatives that included the establishment of the Garden Route Green Energy Forum and applications for funding to develop district wide master plans. This process was necessitated by the fact that the current situation in terms of energy requirements of the region is not sustainable and therefore management had to creatively identify possible solutions to ensure that the region is better prepared for the future.

CHAPTER 11: GOOD GOVERNANCE

11.1. Introduction

Good governance refers to the process by which we are able to measure how GRDM conduct its affairs and manage public resources in such a way that it guarantees that the municipality is free of abuse and corruption and with due regard for the law. It was explained as “Develop and implement systems that are transparent, promotes accountability and participation, is equitable and inclusive so that the views of the minorities are heard and ensures that the rule of law is followed to minimise corruption. The following units are critical in ensuring that GRDM achieves Good Governance and will be discussed in this chapter:

• Risk Management	• Auxillary and Records	• IDP, IGR and Public Participation
• Communication	• Risk Management	• Legal Services
Internal Audit		

11.2. Internal Audit

Section 165 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA), prescribes that each municipality must have an internal audit unit and lists its duties.

Role of GRDM Internal Audit

The Internal Audit unit is responsible for the following annually:

- (a) Develop and Implement the Risk-Based Audit Plan (RBAP), incorporating any risks or control concerns identified by management and submit the plan to the APAC for review and approval.
- (b) Roll-out of the Combined Assurance Model in cooperation with Risk Management.
- (c) Performing any other such duties as may be assigned to the unit by the Municipal Manager and/or APAC.

Independence and Reporting Structures

The Internal Audit Charter establishes the independence of the internal audit activity (“IAA”) by the dual reporting relationship (administrative and functional). The IAA reports administratively to the Municipal Manager for assistance in establishing

direction, support, and administrative interface. The IAA reports functionally to the Audit and Performance Audit Committee ("APAC") for strategic direction, reinforcement, and accountability

Internal Audit Highlights

The Institute of Internal Auditors (IIA) requires that an IAA must have an External Quality Assurance Review (QAR) every 5 years to assess whether the IAA conforms to the IIA's International Standards for the Professional Practice of Internal Auditing (Standards, SPPIA) and Code of Ethics. GRDM appointed a Service Provider to conduct the QAR and the IAA was found to be Generally Conforming.

For the financial year 2021/22, the IAA completed 94% of their planned audit in the RBAP and the Auditor-General (AG) confirmed that the work performed covered the required aspects to the extent that it was reasonably practical to do. The internal audit work was also used during the external audit process for risk identification and for modifying the nature and reducing the extent of AG's audit procedures. The IAA was used for external audit purposes or for direct assistance by the AG for the year end stock take (inventory).

11.3. Risk Management

Risk refers to a beneficial or unwanted outcome, actual or potential, to the organisation's service delivery and other performance objectives, caused by the presence of risk factors. Some risk factors also present upside potential, which management must be aware of and be prepared to exploit. Such opportunities are encompassed in this definition of risk. Risk management is a systematic and formalised process instituted by the organisation to identify, assess, manage and monitor risk.

The GRDM process of risk management is informed by this Risk Management Policy, a Risk Management Strategy (Framework) and a Risk Management Implementation Plan.

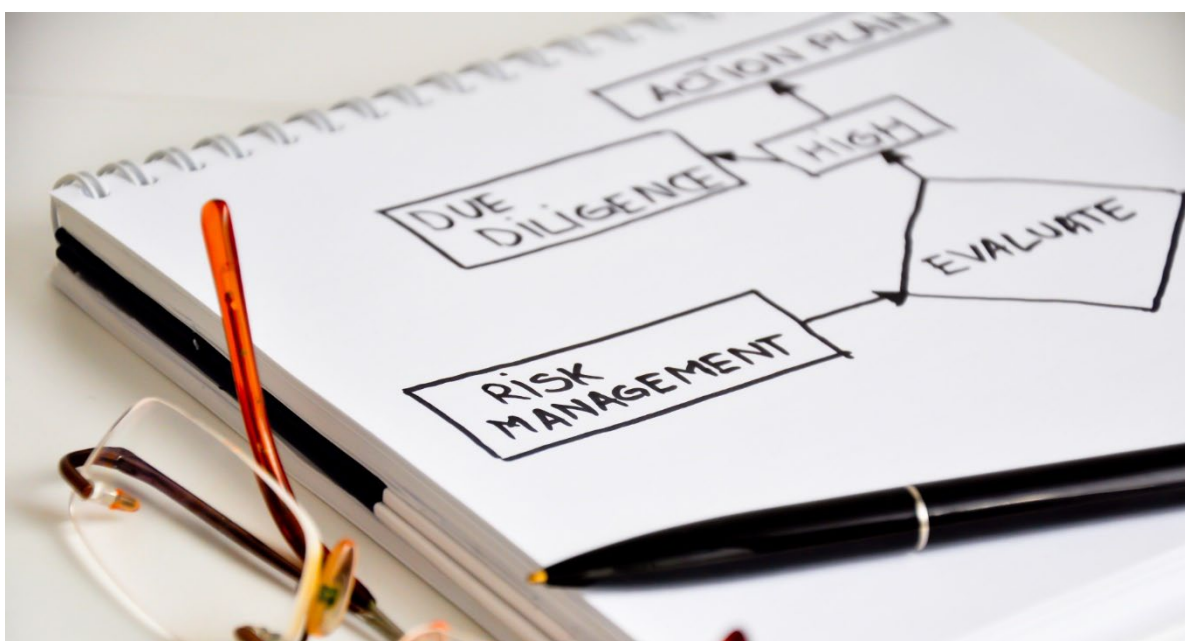
Objectives of Risk Management

GRDM will implement and maintain an effective, efficient and transparent system of risk management and internal control. Risk management will assist the municipality to achieve, among other things, the following outcomes needed to underpin and enhance performance:

<ul style="list-style-type: none"> • More sustainable and reliable delivery of services 	<ul style="list-style-type: none"> • Informed decisions underpinned by appropriate rigour and analysis; 	<ul style="list-style-type: none"> • achievement of strategic goals as set out in the Integrated Development Plan;
<ul style="list-style-type: none"> • Prevention of fraud and corruption; 	<ul style="list-style-type: none"> • Better value for money through more efficient use of resources; and 	<ul style="list-style-type: none"> • Better outputs and outcomes through improved project and program management.
Mitigation of risks identified per project		

Risk Management Programmes

Project/Program	Objective	Status
Annual Risk Assessment	To identify risks and mitigating actions	Implemented
Quarterly Risk Management Committee Meetings	To monitor mitigation and progress on risks	Implemented
Use and implementation of the Automated Risk and Audit system	To automate the current, excel based system to enhance effectiveness and provide assurance on mitigation of risks and the monitoring and reporting thereof	Implemented



Risk Title	Contributing Factors	IR	Listed Controls	RR
Failure to operate the Regional Landfill site	<ul style="list-style-type: none"> Implementation of Waste minimisation strategies at source Non payment by B Municipalities Non-approval of municipal disposal contracts extension from 01 January 2022 onwards. (PetroSA Landfill) Unable to source R261m external funding to construct the site 	20,0	<ul style="list-style-type: none"> Consultant appointed to assist with drawing up and evaluation of tender Engaging PT re funding /loan application assistance Ensure alternative disposal facility availability (Discussion with PetroSA regarding extension of lease and Oudtshoorn Municipality with regular discussions at Mancom meetings. Implementation of the Bylaw - Waste Management. Updating of participating municipalities Council resolutions on Buy in at different phases of the project 	13,6
Slow economic growth in the district	<ul style="list-style-type: none"> Capacity constraints Failure of B municipalities to regularly attend LED / IGR Forums; Ineffective facilitation and coordination of district economic activities, projects and programmes across the region. Lack of funding Lack of investor confidence in GRDM – insufficient or ineffective investment promotion; Absence of investment incentive policies Misalignment/Duplication of programs by different municipalities in the District Political instability Slow Economic growth nationally 	16,0	<ul style="list-style-type: none"> Attendance of Quarterly LED Forums (Mun's, + SEDA) Distribution and follow up on resolutions and actions wrt Investment prospectus Implementation of the Growth and Development Strategy for the district. Regular meetings held by The South Cape Economic Partnership - working groups (All Mun's + Private Sector Business Chambers) 	10,9
Reputation Risk (Threat or danger to the good name of the entity)	<ul style="list-style-type: none"> Disgruntled workforce Increase in Fraudulent acts from within the entity Lack of an implemented communication strategy Lack of ICT security processes in place Leaking of incorrect and confidential information Political Instability Poor record keeping leading to mismanagement/unverified information Tarnising of good name by employees/media/aggrieved individuals Unverified articles published in media by external sources 	16,0	<ul style="list-style-type: none"> Approved ICT Governance Charter Approved ICT Governance Framework Approved ICT Management Framework Approved ICT Security Policies, Anti-Virus Programs, Implementation of standard Operating Procedures. Communication Policy in place Communication section to monitor and report any false information Communication Strategy in place Confidentiality agreements signed by registry staff 	10,7
Climate Change	<ul style="list-style-type: none"> Changes in temperature Changes in weather patterns Human fingerprint Inability to adapt to a changing climate and environment Increase in Greenhouse gases Ineffective management of environmental climate change 	18,1	<ul style="list-style-type: none"> Adoption of the Greenbook of CSIR for disaster management Appointment of Climate change specialist Education and awareness training wrt climate change Green energy expert appointed Implementation and regular review of the Waste Management plan Implementation of the Air Quality Management plan Implementation of the Climate Change adaptation plan MOU with Stellenbosch University 	10,7

Risk Title	Contributing Factors	IR	Listed Controls	RR
Increased Litigation against GRDM	Lack of compliance to Contract Management Lack of knowledge of environmental legislation: Environmental Notices (Pre Directives and Directives) Lack of knowledge/understanding of processes and content Non Compliance with legislation and policies Outdated policies review of Council Possible litigation as a result of District fire	15,0	Alerts to responsible contract manager of renewal/termination date of contract Collective engagement with legal and relevant department to develop action plan to deal with specific matter Continuous training on Contract Management by the Legal section Contracts Management Policy Register of all summonses served on municipality submitted to committees of Council	8,3
Ineffective ICT Disaster Recovery	Disaster Recovery Server Room not compliant as a recovery facility / Offsite Disaster Recovery Centre in close proximity to primary server site. No backup compliancy checks in place No Disaster Recovery Tests in place	12,0	DR Policy and Action Plan / DR tests (bi-annually) Offsite Server room is located at Roads Offices (no access control) / Aircon, UPS and fire extinguisher installed (no fire detection and suppression system) Weekly and monthly backup reports / store backups off-site - available for restores / testing of backups	7,8
Non Compliance with legislation and policies	Lack of annual review of all policies of Council Lack of knowledge/understanding of processes and content Lack of training Outdated policy register of Council Red tape	12,0	Departments are informed as and when new and/or amended legislation are available as well as the due dates for comments (if any)by legal section Policy register updated and submitted to Mancom and APAC on a quarterly basis Submission of monthly reports to the Corporate Services Portfolio Committee of new and/or amended legislation	7,8
Financial Sustainability	District municipality providing minimal leviabile services Expenditure growth exceeding revenue growth Faulty LG/DM Funding model Grant dependency Limited revenue sources Lost opportunity of rental income due to minimal or no payments of Council properties Slow recoverability of fire service accounts	9,0	Attendance of District CFO forum, District Mayoral forum where transversal issues are discussed Continuous scrutinizing and communication with regard to Incident Reports and landowner and responsible person information and confirmation Continuous updating of lease agreements Implementation of PwC Revenue Enhancement report Long Term – Obtaining of landowner information through the Disaster Management Act to be included on IT/Unity databases. OP updated to include Deed Searches by IT & Legal Section Regular reporting to Council on expenditure and financial position through S52 Revenue Enhancement Committee established	6,4
Excessive alien vegetation on Council properties	Alien infestation not being eradicated due to the lack of the availability of budget and the Council to compile the Alien invasive species, monitoring, control and eradication plan Depletion of available surface water Excessive alien invasive plant growth in the entire district Non maintenance of fire breaks on Council properties Unharvestable fields/crops	16,0	Continuing with the establishment of firebreaks on Council properties Implementation and continuous clearing and eradication of alien vegetation as set out in the Alien Eradication plan	6,4

Risk Title	Contributing Factors	IR	Listed Controls	RR
Loss of Roads Agency Function	Admin fee (Duplication of admin functions) Political Intervention Poor performance Provincial reason for existence	9,9	Current SLA with Provincial department extended and currently under review Negotiations wrt roles and responsibilities discussed at DCF/MMF level Political Intervention	5,6
Regression in AGSA Audit Opinion	Capacity of the vendor to support their client Inconsistent application of regulation by the AGSA Increase in Irregular expenditure Ineffective systems control procedures with regards to capturing of data Lack of organisational buy in by departments within municipality wrt processes and procedures Non implementation of SCM related processes	12,0	Implementation of Audit action plan (OPCAR) as per the findings in the AG report Phoenix system support available as and when needed Regular GRAP meetings with implementation of resolutions and new GRAP releases	4,8

11.4. Communication

Garden Route District Municipality (GRDM) is committed to two-way communication, building and nurturing relationships with its internal and external audiences. The municipality has to form partnerships and nurture its relationship with all spheres of government, public sector institutions and the private sector. Communication is an essential strategic service – to ensure that information is widely accessible within the public space, engage citizens in the conversation around critical issues, and empower citizens to shape government policies and take up opportunities that affect their lives.

The Garden Route Communication component is informed by the following key communication milestones:

- Garden Route DM Communication Policy
- Garden Route DM Language Policy
- Garden Route DM 2022/23 – 2027/28 Communications Strategy

Communication Objectives

<ul style="list-style-type: none"> • To develop and implement effective communication strategies that promote transparency, accountability, and engagement between the municipality and its residents. 	<ul style="list-style-type: none"> • To ensure timely and accurate dissemination of information to the public through various communication channels, such as social media, media releases, newsletters, and websites.
<ul style="list-style-type: none"> • To maintain and enhance the reputation of the municipality by promoting positive news stories and responding to negative publicity or misinformation 	<ul style="list-style-type: none"> • To monitor and analyse communication trends and feedback from residents and use this information to improve communication strategies and tactics.
<ul style="list-style-type: none"> • To coordinate crisis communication efforts in the event of an emergency or other critical incident. 	<ul style="list-style-type: none"> • To manage the municipality's branding and visual identity, ensuring consistency across all communication channels

To organize and promote community events and initiatives that enhance the municipality's image and build relationships with Garden Routers and beyond.

Projects/Programmes

Project/Program	Objective	Dates
Produce weekly events calendars	Coordinate all municipal-related events into one, weekly events calendar	Weekly
Produce and execute an annual operational communication plans	Produce a planned template of all-encompassing events once a year	Adopt by Mancom by end of June
Produce and execute a monthly social media plan	Produce and execute 12 social media plans per annum	Monthly plans, aligned to the operational communication plans



11.5. Legal Services

IDP Objective	GDS Strategic Priority
Good Governance	Wellbeing and Resilience
<ul style="list-style-type: none"> Providing support, legal mechanisms and processes that is necessary to enable GRDM to fulfil its strategic objectives of good governance as a regional leader in local government. Our section endeavours to ensure that GRDM is legally compliant and conforms to constitutional principles governing local government. Protect Council by ensuring legislative compliance and adherence to the Batho Pele principles. 	<ul style="list-style-type: none"> We provide assistance and support to all the role-players (stakeholders) in the organisation which assistance includes but is not limited to legal opinions/advice, vetting and drafting of contracts, updating and circulation of legislation Taking into consideration the above mentioned, we play a supporting role in all the GDS Strategic Priorities.

Projects/Programmes

Project/Program	Objective	Dates
Labour/Disciplinary procedures roll-out to all the departments	<ul style="list-style-type: none"> Create awareness of disciplinary procedures to all employees 	<ul style="list-style-type: none"> Continuous
Workshop on PAIA/POPIA to all the departments	<ul style="list-style-type: none"> Create awareness of the Access to Information process and Information Officers 	<ul style="list-style-type: none"> Continuous
Newsletter on the Hotline	<ul style="list-style-type: none"> Create awareness of the Hotline and the protection of whistle blowers 	<ul style="list-style-type: none"> As and when required

11.6 ICT

The Garden Route ICT function is currently serving 340 (ICT-related) users with computer and network services within the Garden Route District Municipality. Our coverage area consists of Garden Route DM Head Office, Roads, Health Environment, Fire stations in George, Disaster Management, Remote Offices, Calitzdorp Spa, De Hoek Resort, Swartvlei, and we are also directly involved with the B Municipalities in our region with regards to Shared Services initiatives.

ICT Governance

ICT Governance has risen in importance because of the widening gap between what the organisation expects and what ICT delivers. ICT has grown to be seen as a cost centre with growing benefits to the organisation ICT serves. An ICT Governance framework is meant to align ICT functions to the organisational goals, thus minimizing the risk ICT introduces and ensure that there is value in ICT investments. The Garden Route DM implemented the approved Municipal Corporate Governance of ICT Policy and are busy with on-going processes to achieve continuous improvement of all elements related to the Governance of ICT.

Geographical Information Science (GIS)

Data management strategies throughout the Republic of South Africa indicate that location data maintenance requires a continual and consistent data maintenance programme to be in approved and managed by GRDM. This will ensure that credible location data are available when required, not only to support high-priority initiatives linked to the NDP, SDF, IDP, Digital Transformation Strategy but also to support routine municipal operational requirements such as Fire Services.



ICT Projects/Programmes

2023/2024 Objectives	Link to IDP	Objective
Interconnect project between municipalities	Smart Region / DDM	Creating Platform Smart District Vision
Assessment of data systems and business processes for all sectors/clusters for local municipalities	Good Governance	Creating Platform Smart District Vision Creating Platform for JDMA – DDM Creating Platform for implementing GRDM GDS
Implementation of ICT Digital Transformation Strategy.	Good Governance	DDM / Smart Region/ Digital transformation
Provide support with geo-coding of projects	Sustainable Environment Management	Spatial Reporting
Spatial Web Application Dashboard Management System	Good Governance	Spatial Reporting
Development of data governance plans for all sectors/clusters for local municipalities	Good Governance	Creating Platform Smart District Vision Creating Platform for JDMA – DDM Creating Platform for implementing GRDM GDS
Design a Data Management structure.	Good Governance	Creating Platform Smart District Vision Creating Platform for JDMA – DDM Creating Platform for implementing GRDM GDS
Implement a single Garden Route District BI platform	Good Governance	Creating Platform Smart District Vision

11.7. IDP IGR & Public Participation

The IDP, IGR & Public participation Unit is responsible to compile the 5-year strategic document (IDP) of council according to the process as set out in the Municipal Systems Act 32 of 2000. In order to be compliant, the IDP unit must:

- Develop the District's Integrated Development Plan in conjunction with B-Municipalities, internal and external stakeholders.
- Conduct secondary research on IDP related activities and key government policies and programmes that must align with the District's IDP
- Manage the implementation of Integrated Development Planning of Garden Route District Municipality
- Manage internal and external communication for the development of the

district's IDP.

- Manage IGR & public participation activities.

Projects and Programmes

Project/Program	Objective	Timeframe
Ward Committee summit	To empower and capacitate ward committee members to serve their communities effectively Share best public participation practices	2023-2024
Public participation working session	To strengthen relationship with public participation managers and understand their challenges and how it can be addressed.	2023-2024
Development in neglected/rural areas	Understand the needs in the rural areas and identify whether the district can play a role in ensuring that basic needs are addressed	2023-2024

IGR Forums & Public Participation

The District Public Participation Policy was approved in August 2022. A public participation action plan will be drafted in collaboration with the Manager communications and all relevant middle managers annually.

The IGR Forums regarded as GRDM district public participation structures are listed below:

Forum Name	Frequency	Purpose	Composition
District Communicators Forum	Quarterly	To discuss and Review the Communication Strategy and Policy related matters.	District and Local Communication Managers/officials, GCIS, and Provincial Sector Department.
Joint District Chief Risk Officers and Chief Audit Executives Forum	Quarterly	To discuss Transversal Risk Management related issues. To discuss challenges related to Internal Audit and implement resolutions from provincial structures	District and Local Chief Risk Officers and Chief Audit Executives s
Public Safety Forum	Quarterly	To discuss cross-cutting talking points in terms of disaster management, fire services and environmental management.	District and local municipalities Chief Fire Officers, Department of Local Government

Forum Name	Frequency	Purpose	Composition
District IDP and Public Participation Managers Forum	Quarterly	Platform to engage on the IDP process of the district & local B - Municipalities in the district; share best practices on IDP and public participation Aim for alignment between the IDP of District & B – Municipalities.	IDP Managers IDP Officers/Coordinators DPLG – Integrated Development Plan Directorate/ Public Participation Managers
IDP, Budget and PMS Representative Forum	Bi-Annually	All Mayors of Local Municipalities will present the status of their Municipalities relating to IDP, Budget and Performance Management. Sector Departments will also present all their proposed projects and programmes for the Garden Route District jurisdiction	District Mayors, Sector Departments, Ward Committees, Relevant Stakeholders
South Cape Economic Partnership/LED Managers/Tourism forum	Quarterly	Platform for Economic Development Practitioners, tourism officials, local tourism office representatives and government departments and private sector stakeholders to discuss best practices for the implementation of LED project and programs to stimulate the local economy.	LED Managers SEDA, Local municipalities, Government Departments and Relevant Stakeholders
District Green Energy Forum	Quarterly	Platform through which developers could engage regulators on issues affecting the Renewable Energy	PMU Managers, Department of Energy and Provincial Sector Departments and relevant stakeholders.
District Co-ordinating Forum	Quarterly	To identify and implement programs aimed at realising one of the key objectives of local government, i.e. to deepen local democracy.	Mayors, Municipal Managers and Provincials Departments (when requested)
Garden Route Municipal Managers Forum	Quarterly	To discuss matters of Municipal interests.	Municipal Managers, and Provincial Departments
District EPWP Forum	Quarterly	To discuss EPWP related matters	District and Local EPDP Managers/Coordinators, Provincial and National Department of Public Works
Garden Route/ Central Karoo HR Forum	Annually	To discuss Corporate issues.	District and local municipalities HR Managers, TASK Job Evaluation Unit; Recruitment and Selection Officials and Labour Relations Officers
Regional Skills Development Facilitators Forum	Quarterly	Skills development in the region (Central Karoo and Garden Route).	Garden Route, B-Municipalities and Central Karoo, LGSETA and other relevant SETA's, Educational Institutions
District/Regional Task Committee	Monthly	To discuss Job Description and evaluation related matters	District and Local TASK/Job Evaluators Officials
Garden Route/ Central Karoo OHS Forum	Quarterly	To discuss OHS related matters	District and local municipalities OHS Officers/ Practitioners
Garden Route/Central Karoo District Labour Practitioners Forum	Quarterly	To discuss Labour related matters	District and Local Municipalities LR Practitioners
District CFO Forum	Quarterly	To discuss financial management related matters and identify shared services opportunities	All CFOs of Municipalities in the District
District Roads and Infrastructure Forum	Quarterly	To discuss the Integrated Roads, Bulk Infrastructure and Engineering related matters.	District and local municipalities Engineers and

Forum Name	Frequency	Purpose	Composition
			Relevant Provincial Department
District Human Settlements Forum	Quarterly	To determine and implement common approaches and coordination across the District on the following Integrated Human Settlements Key priorities	GRDM, 7 B Municipalities, WC DoHS & Spatial Planning, SHRA and NASHO
Garden Route ICT and GIS Forum	Quarterly	The Garden Route ICT and GIS Forum provide a stabilizing influence so organizational concepts and directions are established and maintained with a visionary view	District and Local Municipalities

11.8. Ward Committee Establishment

Ward Committees are established in terms of the Municipal Structures Act 117 of 1998 and the Garden Route District Municipality has the following wards established in the respective Municipalities:

Municipality	No Of Wards	Wards Established	No Of WC Members
Knysna	11	11	102
Mossel Bay	15	15	132
Oudtshoorn	13	13	121
Bitou	7	7	70
George	28	28	239
Kannaland	4	4	40
Hessequa	9	9	72

CHAPTER 12: FINANCIAL PLAN

12.1 Operational Budget per strategic objective

The **Final** 2023/24 MTREF Budget aligns to the municipality's IDP Strategic Objectives:

Strategic Objective Expenditure	2023/2024	2024/2025	2025/2026
SO1: A skilled Workforce and Communities	44 608 217	38 812 903	40 233 851
SO2: Bulk Infrastructure Coordination	197 842 297	208 424 691	218 738 113
SO3: Financial Viability & Sustainability	23 746 650	25 173 800	26 818 706
SO4: Good Governance	129 239 934	127 840 844	138 081 453
SO5: Growing an inclusive district economy	11 951 252	12 207 391	12 508 618
SO6: Healthy and socially stable communities	86 806 254	130 182 159	136 150 916
SO7: Sustainable Environmental Management and Public Safety	38 009 824	42 022 793	44 475 882
TOTALS	532 204 428	584 664 581	617 007 539

12.2 Capital Budget per strategic objective

Strategic Objective Expenditure	2023/2024	2024/2025	2025/2026
SO2: Bulk Infrastructure Coordination	143 981 000	90 796 650	250 000
SO6: Healthy and socially stable communities	1 050 000	-	-
SO7: Sustainable Environmental Management and Public Safety	13 269 075	5 650 000	650 000
TOTALS	158 300 075,00	96 446 650,00	900 000,00

12.3 HIGH LEVEL SUMMARY: MTREF BUDGET 2023/24

HIGH LEVEL SUMMARY: BUDGET 2023/2024			
High-level Summary	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026
Operational Revenue	526 418 230,00	578 422 856,00	609 223 914,00
Operational Expenditure	- 532 204 428,00	- 584 664 581,00	- 617 007 539,00
Surplus / (Deficit)	- 5 786 198,00	- 6 241 725,00	- 7 783 625,00
Capital Expenditure	- 158 300 075,00	- 96 446 650,00	- 900 000,00
Less funded from NT Grants	4 000 000,00	5 000 000,00	-
Less funded from PT Grants	4 481 000,00	500 000,00	500 000,00
Less funded from Borrowings	143 981 000,00	90 546 650,00	-
Less funded from Own funds	5 838 075,00	400 000,00	400 000,00
Surplus / (Deficit) after Capital	- 5 786 198,00	- 6 241 725,00	- 7 783 625,00

12.4 SUMMARY: TOTAL EXPENDITURE

SUMMARY: TOTAL EXPENDITURE			
Description	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026
Employee Related Cost	300 791 515,00	310 169 903,00	331 653 847,00
Remuneration of Councillors	14 215 993,00	15 211 112,00	16 275 888,00
Debt Impairment	2 100 000,00	1 638 975,00	1 679 949,00
Depreciation	5 106 451,00	5 234 112,00	5 364 967,00
Finance Charges	8 745 188,00	20 231 544,00	19 484 892,00
Inventory Consumed	51 587 852,00	55 392 019,00	56 773 920,00
Contracted Services	79 452 818,00	101 442 556,00	108 485 891,00
Transfers and Subsidies	4 061 348,00	3 622 833,00	3 705 171,00
Other expenditure	66 143 263,00	71 721 527,00	73 583 014,00
Total Operating Expenditure	532 204 428,00	584 664 581,00	617 007 539,00

12.5 OPERATING REVENUE

Summary: Total Revenue	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026
Rent on Land	626 653,00	456 653	456 653
Rental on Facilities	3 121 958,00	3 121 958	4 000 000
Safety Plan ImplementationWhole of Society Approa	1 560 000,00	1 622 000	1 671 000
SETA funding (Skills Mecca)	15 000 000,00	15 000 000	15 000 000
SETA Admin Fee	1 125 000,00	1 125 000	1 125 000
Admin Fees: Skills Mecca	2 651 034,00	2 651 034	2 651 034
Contribution BMun towards generator wet fuel	250 000,00	0	0
Equitable Share RevTransf and subsidies	178 333 000,00	186 631 000	195 195 000
Financial Assets Rev Interest earnedexternal inve	8 427 000,00	8 932 620	9 610 606
Bank Accounts Rev Interest earnedexternal invest	1 706 600,00	1 808 996	1 946 299
Local Government Financial Management Grant Sched	1 000 000,00	1 000 000	1 100 000
Municipal Systems Improvement Grant	1 000 000,00	0	2 800 000
Expanded Public Works Programme Integrated Grant f	2 180 000,00	0	0
Integrated Transport Planning RevTransf and subsi	0,00	939 000	982 000
Rural Roads Asset Management Systems Grant Schedul	2 754 000,00	2 721 000	2 843 000
Disaster Management Internship Grant	4 481 000,00	500 000	500 000
Management Fees RevAgency services	21 239 000,00	21 224 000	25 794 600
Sundry Income Other Rev	10 317,00	10 936	11 592
Fire Services Other Rev	9 093 508,00	9 003 118	10 543 305
Personal Primary Health Care Services RevTransf a	3 236 200,00	3 430 372	3 636 194
Insurance Refund Other Rev	152 378,00	161 521	171 212
Human Settlement	5 000 000,00	5 000 000	5 000 000
Interst on Debtors	3 370 800,00	3 573 048	3 787 431
MMC Contribution from BMunicipalities Income	1 041 810,00	0	0
Sale op Porperty	3 600 000,00	0	0
EEDSM Capital (Energy Efficiency and Demandside	4 000 000,00	5 000 000	0
Administrative Handling Fees Other Rev	337 080,00	357 305	378 743
Skills Development Levy Refund Other Rev	332 890,00	352 863	374 035
Services Seta Bursary	359 340,00	380 900	403 754
Resort Income	14 317 816,00	15 176 886	16 477 234
Other Assets RevRental of facilities and equipmen	254 912,00	270 206	293 579
Materials and Equipment Other Rev	24 608,00	26 084	27 649
Health Services Other Rev	438 599,00	464 915	492 810
Roads Continued Members	1 727 708,00	1 831 370	1 941 252
Roads Revenue Transfer	193 150 000,00	202 860 000	214 955 000
Health Certificates RevLicences and permits	182 560,00	193 514	205 125
Administration Fees	2 644 297,00	6 305 910	5 942 265
Service Charges Income	37 688 162,00	76 290 647	78 907 542
Total Revenue	526 418 230,00	578 422 856	609 223 914

12.6 OPERATING SURPLUS/(DEFICIT):

High-level Summary	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026
Operational Revenue	526 418 230,00	578 422 856,00	609 223 914,00
Operational Expenditure	- 532 204 428,00	- 584 664 581,00	- 617 007 539,00
Surplus / (Deficit)	- 5 786 198,00	- 6 241 725,00	- 7 783 625,00

This table indicates deficit budgets over the next three financial years. A deficit MTREF budget is being tabled for 2023/2024. It is however a funded budget due to available cash reserves of the institution.

It is imperative that the turnaround strategies be compiled urgently and submitted to council for approval and implemented to ensure the additional revenues will be collected.

12.7 CAPITAL BUDGET

CostCentre	OwnDescription	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026
PMU	Upgrading of buildings - Retrofitting EEDS	4 000 000,00	5 000 000,00	-
Information technology	Replacing ICT Capital Equipment beyond economical	250 000,00	250 000,00	250 000,00
Executive Manager: Community Services	Firestation: George	4 638 075,00	-	-
Executive Manager: Community Services	Firestation: George	3 000 000,00	-	-
Executive Manager: Community Services	Firefighting Vehicle (bakkie)	981 000,00	-	-
Fire Fighting	Hazmat Rescue , Fire Equipment	150 000,00	150 000,00	150 000,00
Fire Fighting	Hazardous Materials Equipment	500 000,00	500 000,00	500 000,00
Resorts: Calitzdorp Spa Resort	Vehicle (bakkie)	800 000,00	-	-
Waste Management Landfill Sites	Landfill Site: PPE	143 981 000,00	90 546 650,00	-
		158 300 075,00	96 446 650,00	900 000,00

12.8 Budget Policies

The municipalities policies are reviewed annually and all policies from Supply chain to asset management can be accessed via the link below:

[Financial Services Archives | Garden Route District Municipality](#)

12.9 Financial Resources

The capital budget of R 157,5m will be financed through a combination of funding sources. The construction of the landfill site, R 143,9m will be financed through the loan. The capital budget of R 5m will be finance through own funding and the rest of the capital through grants.

12.10 Long term Financial Plan

A detailed long term financial plan that seeks to address the long term financial planning of GRDM has been submitted to council. The financial plan addresses the following:

- i. Revenue strategies
- ii. Asset management strategies
- iii. Financial management strategies
- iv. Capital financing strategies
- v. Operational financing strategies
- vi. Strategies that would enhance cost effectiveness

The progress in terms of implementation of this plan has been submitted to council for noting.

CHAPTER 13: PERFORMANCE MANAGEMENT

13.1. Introductory Overview on Performance Management

Performance management is a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At local government level performance management is institutionalized through the legislative requirements on the performance management process for local government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organization and its employees, are met.

The Constitution of South Africa (1996), Section 152, dealing with the objectives of local government, paves the way for performance management with the requirements for an “accountable government”. The democratic values and principles in terms of Section 195(1) are also linked with the concept of performance management, regarding the principles of inter alia:

- the promotion of efficient, economic and effective use of resources.
- accountable public administration.
- to be transparent by providing information.
- to be responsive to the needs of the community; and
- to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget via the Service Delivery and the Budget Implementation Plan (SDBIP).

13.2. Legislative Requirements

In terms of Section 46(1)(a) of the MSA a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

13.3. Organisational Performance

Strategic performance indicates how well the municipality meet its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

13.3.1. Adoption of a Performance Management Framework

Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation but also to the individuals employed in the organization as well as the external service providers and municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, budget, SDBIP and individual and service provider performance.

Council approved and adopted the revised Performance Management Policy Framework for the organisation on both organisational and individual performance on 26 November 2020 for the 2020 to 2022 financial years (Council resolution C.1).

13.3.2 IDP and the Budget

The IDP process and the performance management process are integrated. The strategic objectives that were identified in the reviewed 2022/23 IDP is aligned with the National Key Performance Areas (KPA's). The strategic objectives are linked to the outcomes for 2022/23.

The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

13.3.3 Service Delivery Budget and Implementation Plan

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and at directorate levels. The Top Layer SDBIP is revised with the adjustment budgets in terms of Regulation 26(2)(c) of the Municipal Budget and Reporting Regulations.

The following are considered in the development of the amended Top Layer SDBIP:

- Areas to be addressed and root causes of the Auditor-General Management Letter, as well as the risks identified during the 2021/22 audit.
- Alignment with the IDP, National KPA's, Municipal KPA's and IDP objective
- Alignment with the adjustments budget
- Oversight Committee Report on the Annual Report of 2021/22
- The risks identified by the Internal Auditor/Risk Manager during the municipal risk analysis.
- The recommended changes by the Internal Auditor
- The requested changes by departmental Heads of Departments
- The system adjustments and developed linkages.

13.4 Actual Performance

The Municipality utilizes an electronic web-based system on which KPI owners update actual performance monthly. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set
 - A performance comments.
 - Actions to improve the performance against the target set if the target was not achieved.
-

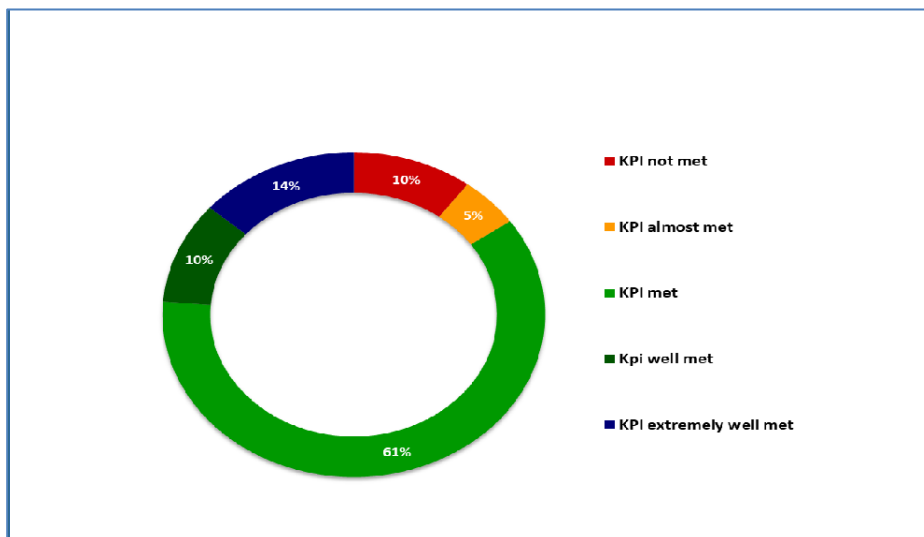
It is the responsibility of every KPI owner to maintain a POE to support actual performance results updated.

13.5 Organisational Performance

The organisational performance is monitored and evaluated via the SDBIP, and the performance process can be summarised as follows:

- The web-based system sends automated e-mails to the users of the system as a reminder to update their actual performance against KPI targets by the pre-determined day of every month for the previous month's performance.
- The performance system administrator also reminded all departments on a monthly basis to update their actual performance on the web-based systems.
- The actual results against monthly targets set, are discussed in one-on-one sessions with the Municipal Manager and Executive Managers to determine early warning indicators and take corrective measures if needed.
- Performance reports are submitted on a quarterly basis to the Municipal Manager and Council. The Section 72 report, as prescribed by the MFMA, is submitted to the Mayor and Council for approval.

13.5.1 Organisation Performance for the 2021-2022 financial year



13.6 Individual Performance Management

Municipal Manager and Managers Directly Accountable to the Municipal Manager

The MSA, prescribes that the municipality must enter into performance-based agreements with all the S57-employees and that performance agreements must

be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006).

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated.

The appraisals are done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- Executive Mayor
- Portfolio Chairperson
- Municipal Manager
- Chairperson of the Audit Committee
- Municipal Manager from another municipality

13.6.1 Other Municipal Personnel

The Municipality is in process of implementing individual performance management to lower-level staff in annual phases.

Implementation is currently developed and implemented as per the Local Government: Municipal Staff Regulations – GNR 890 as published in GG No. 45181 of 20 September

13.7. Circular 88

Circular 88 processes originated as a pilot introduction for metropolitan municipalities in 2017. The whole objective of this process is to create alignment and cohesive planning, budgeting, and reporting purposes for all municipalities. Since the piloting of Circular 88 there have been major expansions and revisions done for the indicators provided to apply to all municipalities through the following functions:

Water & Sanitation	Electricity and Energy
Housing and Community facilities	Roads and Transport
Environment and Waste Management	Fire Services and Governance

3.8 Draft Top Layer Service Delivery Budget Implementation Plan 2023/2024

Assist	Directorate [R]	National KPA [R]	Strategic Objectives [R]	KPI Name [R]	Unit of Measurement	Ward [R]	KPI Owner [R]	Baseline	Target Type [R]	Annual Target	Q1	Q2	Q3	Q4
TL1	Office of the Municipal Manager	Good Governance and Public Participation	Good Governance	Complete 85% of the Risk Based Audit Plan (RBAP) for the 2023/24 financial year by 30 June 2024 [(Number of audits and tasks completed for the period identified in the RBAP/ Number of audits and planned tasks in the RBAP) x 100]	% of the Risk Based Audit Plan completed by 30 June 2024	All	Municipal Manager	To be determined after the closure of the financial year	Percentage	85%	25	50	75	85
TL2	Office of the Municipal Manager	Municipal Financial Viability and Management	Financial Viability and Sustainability	The percentage of the municipal capital budget spent on capital projects by 30 June 2024 [(Actual amount spent on capital projects /Total amount budgeted for capital projects) x 100]	% of capital budget spent by 30 June 2024	All	Municipal Manager	To be determined after the closure of the financial year	Percentage	95%	0	10	40	95
TL3	Office of the Municipal Manager	Good Governance and Public Participation	Good Governance	Compile and submit the final Oversight Report for 2022/23 to Council by 31 March 2024	Final Oversight Report for 2022/23 submitted to Council for adoption by 31 March 2024	All	Municipal Manager	To be determined after the closure of the financial year	Number	1	0	0	1	0
TL4	Office of the Municipal Manager	Good Governance and Public Participation	Good Governance	Submit an Operation Clean Audit Report (OPCAR) progress report to the Management Public Accounts Committee (MPAC) on a quarterly basis	Number of OPCAR reports submitted to MPAC	All	Municipal Manager	New key performance indicator for 2022/23	Number	4	1	1	1	1
TL5	Office of the Municipal Manager	Municipal Financial Viability and Management	A Skilled Workforce and Communities	Award 12 external bursaries to qualifying candidates by 31 March 2024	Number of external bursaries awarded by 31 March 2024	All	Municipal Manager	To be determined after the closure of the financial year	Number	12	0	0	12	0

Assist	Directorate [R]	National KPA [R]	Strategic Objectives [R]	KPI Name [R]	Unit of Measurement	Ward [R]	KPI Owner [R]	Baseline	Target Type [R]	Annual Target	Q1	Q2	Q3	Q4
TL6	Financial Services	Municipal Financial Viability and Management	Financial Viability and Sustainability	Achieve cash coverage ratio of 3 months. Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2024[(Cash and Cash Equivalents - Unspent Conditional Grants – Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Number of months that available cash is sufficient to cover the monthly operating expenditure	All	CFO	To be determined after the closure of the financial year	Number	3	0	3	0	3
TL7	Financial Services	Municipal Financial Viability and Management	Financial Viability and Sustainability	Achieve a current ratio of 1.5 (Current assets : Current liabilities) by 30 June 2024	Number of times the Municipality can pay back its short term-liabilities with its short-term assets by 30 June 2024	All	CFO	To be determined after the closure of the financial year	Number	1.5	0	0	0	1.5
TL8	Financial Services	Municipal Financial Viability and Management	Financial Viability and Sustainability	Financial viability measured in terms of the municipality's ability to meet its service debt obligations by 30 June 2024 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating	% of debt coverage	All	CFO	To be determined after the closure of the financial year	Percentage	45	0	0	0	45

Assist	Directorate [R]	National KPA [R]	Strategic Objectives [R]	KPI Name [R]	Unit of Measurement	Ward [R]	KPI Owner [R]	Baseline	Target Type [R]	Annual Target	Q1	Q2	Q3	Q4
				Conditional Grant) x 100]										
TL9	Financial Services	Municipal Financial Viability and Management	Financial Viability and Sustainability	Compilation of the Annual Financial Statements (AFS) for the 2021/22 financial year and submit to the Auditor- General (AG) by 31 August 2023	Compilation and submission of the AFS to the AG by 31 August 2023	All	CFO	To be determined after the closure of the financial year	Number	1	1	0	0	0
TL10	Financial Services	Municipal Financial Viability and Management	Financial Viability and Sustainability	Compile the Mid-year Financial Statements for the 2023/24 financial year and submit to Audit and Performance Audit Committee(APAC) by 28 February 2024	Compilation and submission of the Mid-year Financial Statements to APAC by 28 February 2024	All	CFO	To be determined after the closure of the financial year	Number	1	0	0	1	0
TL11	Roads and Transport Services	Basic Service Delivery	Good Governance	Implement a Rural Roads Strategy and report to Council quarterly	Number of reports submitted to Council	All	Executive Manager: Roads and Transport Development	New key performance indicator for 2023/24	Number	4	1	1	1	1
TL12	Roads and Transport Services	Local Economic Development	A Skilled Workforce and Communities	Create 70 job opportunities through the Roads Services by 30 June 2024	Number of Jobs created by 30 June 2024	All	Executive Manager: Roads and Transport Development	To be determined after the closure of the financial year	Number	70	0	20	20	30

Assist	Directorate [R]	National KPA [R]	Strategic Objectives [R]	KPI Name [R]	Unit of Measurement	Ward [R]	KPI Owner [R]	Baseline	Target Type [R]	Annual Target	Q1	Q2	Q3	Q4
TL13	Roads and Transport Services	Basic Service Delivery	Financial Viability and Sustainability	Spent 95% of the roads budget allocation by 31 March 2024 (Actual expenditure divided by approved allocation received)	% of the roads spent by 31 March 2024	All	Executive Manager: Roads and Transport Development	To be determined after the closure of the financial year	Percentage	95	30	50	95	0
TL14	Roads and Transport Services	Basic Service Delivery	Bulk Infrastructure Co- ordination	Reseal 25 km of roads by 30 June 2024	Number of km's of roads resealed	All	Executive Manager: Roads and Transport Development	To be determined after the closure of the financial year	Number	25	0	0	0	25
TL15	Roads and Transport Services	Basic Service Delivery	Bulk Infrastructure Co- ordination	Report to Council on the Repair of flood damage that occurred in November 2021	Number of reports submitted	All	Executive Manager: Roads and Transport Development	New key performance indicator for 2023/24	Number	4	1	1	1	1
TL16	Corporate Services	Municipal Transformation and Institutional Development	Good Governance	Implement the Organisational Skills Development Plan for 2023/24 and submit quarterly report to Council	Number of reports submitted to Council	All	Executive Manager: Corporate Services	New key performance indicator for 2023/24	Number	4	1	1	1	1
TL17	Corporate Services	Municipal Transformation and Institutional Development	A Skilled Workforce and Communities	Number of people from employment equity target groups that will be appointed in the three highest levels of management during the 2023/24 financial year in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and	Number of people appointed in the three highest levels of management in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and	All	Executive Manager: Corporate Services	To be determined after the closure of the financial year	Number	0	0	0	0	1

Assist	Directorate [R]	National KPA [R]	Strategic Objectives [R]	KPI Name [R]	Unit of Measurement	Ward [R]	KPI Owner [R]	Baseline	Target Type [R]	Annual Target	Q1	Q2	Q3	Q4
				technicians and associate professionals)	associate professionals)									
TL18	Corporate Services	Municipal Transformation and Institutional Development	A Skilled Workforce and Communities	Spend 1% of personnel budget on training by 30 June 2024 [(Actual total training expenditure/total personnel budget) x 100]	% of the personnel budget spent on training by 30 June 2024	All	Executive Manager: Corporate Services	To be determined after the closure of the financial year	Percentage	1	0	0	0	1
TL19	Corporate Services	Municipal Transformation and Institutional Development	A Skilled Workforce and Communities	Limit vacancy rate to 10% of budgeted post by 30 June 2024[(Number of funded posts vacant/number of funded posts) x 100]	% vacancy rate	All	Executive Manager: Corporate Services	To be determined after the closure of the financial year	Percentage	10	0	0	0	10
TL20	Corporate Services	Municipal Transformation and Institutional Development	A Skilled Workforce and Communities	Award 8 internal bursaries to qualifying candidates by 31 March 2024	Number of internal bursaries awarded by March 2024	All	Executive Manager: Corporate Services	To be determined after the closure of the financial year	Number	8	0	0	8	0
TL21	Corporate Services	Municipal Transformation and Institutional Development	A Skilled Workforce and Communities	Create training opportunities for EPWP appointees by 30 June 2024	Number of training opportunities created for EPWP appointees by 30 June 2024	All	Executive Manager: Corporate Services	To be determined after the closure of the financial year	Number	40	0	0	0	40

Assist	Directorate [R]	National KPA [R]	Strategic Objectives [R]	KPI Name [R]	Unit of Measurement	Ward [R]	KPI Owner [R]	Baseline	Target Type [R]	Annual Target	Q1	Q2	Q3	Q4
TL22	Corporate Services	Municipal Financial Viability and Management	Financial Viability and Sustainability	Spend 95% of the capital budget for ICT by 30 June 2024 [(Actual capital expenditure for ICT/Capital budgeted amount for ICT) x 100]	% of capital budget spent for ICT	All	Executive Manager: Corporate Services	To be determined after the closure of the financial year	Percentage	95	0	35	0	95
TL23	Planning and Economic Development	Good Governance and Public Participation	Good Governance	Report quarterly to Council on the progress in terms of the Growth and Development Strategy initiatives within the District	Number of reports submitted	All	Executive Manager: Planning & Economic Development	New key performance indicator for 2023/24	Number	4	1	1	1	1
TL24	Planning and Economic Development	Good Governance and Public Participation	Good Governance	Submit a detailed quarterly report to Council on the implementation of the Affordable Housing Pilot Projects (FLISP/GAP and Social Housing)	Number of reports submitted	All	Executive Manager: Planning & Economic Development	To be determined after the closure of the financial year	Number	4	1	1	1	1
TL25	Planning and Economic Development	Local Economic Development	Grow an Inclusive District Economy	Create job opportunities through the Expanded Public Works Programme (EPWP) for the organisation by 30 June 2024	Number of job opportunities created through the Expanded Public Works Programme (EPWP) by 30 June 2024	All	Executive Manager: Planning & Economic Development	To be determined after the closure of the financial year	Number	305	50	100	50	105
TL26	Planning and Economic Development	Good Governance and Public Participation	Good Governance	Compile and submit the Final Annual Report 2022/23 to Council by 31 December 2023	Final Annual Report for 2022/23 submitted to Council by 31 December 2023	All	Executive Manager: Planning & Economic Development	To be determined after the closure of the financial year	Number	1	0	1	0	0

Assist	Directorate [R]	National KPA [R]	Strategic Objectives [R]	KPI Name [R]	Unit of Measurement	Ward [R]	KPI Owner [R]	Baseline	Target Type [R]	Annual Target	Q1	Q2	Q3	Q4
TL27	Planning and Economic Development	Basic Service Delivery	Good Governance	Review and submit the Integrated Development Plan (IDP) for the 2022-2027 period to Council by 31 May 2024	IDP Review submitted to Council by 31 May 2024	All	Executive Manager: Planning & Economic Development	To be determined after the closure of the financial year	Number	1	0	0	0	1
TL28	Community Services	Municipal Health and Environmental Waste	Promote sustainable environmental management	Report on the conclusion of the MFMA sec 33(Regional Waste Management Facility)	Number of reports submitted to Council	All	Executive Manager: Community Service	New key performance indicator for 2023/24	Number	4	1	1	1	1
TL29	Community Services	Municipal Health and Environmental Waste	Promote sustainable environmental management	Execute 4 emergency preparedness exercises and submit reports to the Portfolio Committee by 30 June 2024	Number of reports submitted by 30 June 2023	All	Executive Manager: Community Service	To be determined after the closure of the financial year	Number	4	1	1	1	1
TL30	Community Services	Municipal Health and Environmental Waste	Promote sustainable environmental management	Report to Council on the Water Service Authority as per the Section 78 process in terms of the Local Government: Municipal Systems Act, No. 32 of 2000	Number of reports submitted to Council	All	Executive Manager: Community Service	New key performance indicator for 2023/24	Number	4	1	1	1	1
TL31	Community Services	Municipal Health and Environmental Waste	Healthy and Socially stable Communities	Execute 4 emission testing (air quality) initiatives by 30 June 2024	Number of emission testing (air quality) initiatives executed by 30 June 2023	All	Executive Manager: Community Service	To be determined after the closure of the financial year	Number	4	1	1	1	1

Assist	Directorate [R]	National KPA [R]	Strategic Objectives [R]	KPI Name [R]	Unit of Measurement	Ward [R]	KPI Owner [R]	Baseline	Target Type [R]	Annual Target	Q1	Q2	Q3	Q4
TL32	Community Services	Municipal Financial Viability and Management	Financial Viability and Sustainability	Spend 95% of the project budget for the Regional Landfill Facility by 30 June 2024 [(Actual amount spent on project /Total amount budgeted for project) x 100]	% of project budget spent	All	Executive Manager: Community Service	To be determined after the closure of the financial year	Percentage	95%	5	25	35	30

Annexures

Annexure A- Community Priorities per B Municipality

Annexure B – Garden Route District: Provincial Infrastructure Investment & Provincial & National allocations & Grants MTEF 2023/24-2025/26

Annexure C – Circular 88 Reporting Template

Annexure D – MSDP Performance Review



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Annexure A : High Level Community priorities relevant to the district and sector departments per B municipality

GDS/IDP Strategic Objective	George	Mossel Bay	Oudtshoorn	Krnsna	Hessequa	Bitou	Kannaland
IDP: Skilled Workforce and Communities GDS: Supporting wellbeing and resilience	Schools are over crowded Building of and high school Building of primary school Provision of school bus for Kleinkrantz	Implement Skills programmes for the unemployed		Identify & examine feasibility of agricultural projects, related skills training & job opportunities	Early childhood development Education / schools needed	Upgrading south cape college to align its curriculum with the local economy. Tender processes Animal husbandry	
IDP: Bulk Infrastructure Co-ordination GDS: A circular economy GDS: A water secure future Sustainable local energy transition transport and rural-urban integration and ICT GDS: A connected economy	Lack of Roads Maintenance: Upgrading of gravel roads in previously disadvantaged areas		Various Human Settlements needs •Water Project in Volmoed and Kiplokasie •Water Reservoir	Low cost housing development Provision of secure Water & Sanitation Supply for Sedgfield Planning & Implementation of renewable energy projects by 2028: Photo-Voltaic & Waste to Energy – Bio-fuel	Housing project / need Sustainable water source management / planning	Upgrading of the road linking witted rift with the N2 Investigate the development of the WaDrift Dam Renewable energy Housing development Upgrading of rural roads Upgrading of intersection of beacon way and N2 highway Construction of a pedestrian from Kurland to crags Construction of street lights from Kurland to the N2 highway Construction of a pedestrian walkway and streetlights along Piesang Road to the N2 highway Upgrading of the gravel road from the N2 highway into harmony park (Harkeville)	Renewable energy supplies needs to be considered, including but not limited to: solar, wind, and hydro power Housing and water quality needs to be re-looked urgently, water purification system must be erected Replacement of asbestos roofs with tin roofs must be attended to The whole water system must be upgraded as well as the water infrastructure Water dams and sewerage dam need to be fenced Water must be managed properly Sewerage blockages must be attended to The water storage capacity problem needs to be attended to by building a dam (drinking and irrigation water) New reservoir needs to be build, Water

GDS/IDP Strategic Objective	George	Mossel Bay	Oudtshoorn	Knysna	Hessequa	Bitou	Kannaland
							agents must be appointed to repair water leakages.
IDP: Growing an inclusive district economy. GDS: A connected economy; transport and rural-urban integration and ICT Resilient agriculture Sustainable tourism	Entrepreneurship Development Land for emerging farmers	More focus needed on township economy to improve small businesses and build infrastructure like beehives for street vendors in Asla.	<ul style="list-style-type: none"> •Agri-park in Vlakkeplaas •Job opportunities for the youth •Tourism Opportunities (Small Businesses, Crafts, Guesthouses) •Upgrade or Further Develop De Rust Business Centre: (Banking Facilities, Retail shops, Post Office) 	<p>Create and implement job creation initiatives for unemployed residents and utilization of local skilled labour in municipal projects</p> <p>Establishment of an effective and affordable public transport system on major routes</p> <p>Establishment of a container village/entrepreneurial space</p>	<p>Economic development planning</p> <p>Establishment of Business Chamber</p> <p>Destination Marketing of Hessequa</p> <p>Heritage management</p> <p>Land availability for agricultural use</p> <p>Tourism development</p> <p>Transport planning</p>	<p>Funding for the development and implementation of a functional LED strategic plan.</p> <p>Support Bitou Municipality with the construction of the correctional facility</p> <p>Investigate the possible ocean economic opportunities from the Bitou coastline</p> <p>Investigate possible recycling project with the option of waste beneficiation</p> <p>Position Bitou Municipal area as a potential global call centre hub</p> <p>6Mobilize the defence for to utilize the Bitou air strip and coastline for specialized training activities.</p>	<p>Community must be supported with programs for self-empowerment and job creation projects for example Guest houses</p> <p>Reliable telecommunications networks provide access to learning and information opportunities in homes, schools, and workplaces.</p> <p>Business and industry embrace high-speed broadband networks to become more productive and innovative. Energy efficiency is promoted by telecommuting.</p> <p>Opportune the youth and informal business owners to register as a proper business and to transfer skills to others</p> <p>Support local businesses (Clorans Development)</p> <p>Tourism Indaba's</p> <p>There is a critical shortage of land for small farming initiatives (crops and livestock),</p> <p> The</p>

GDS/IDP Strategic Objective	George	Mossel Bay	Oudtshoorn	Krystna	Hessequa	Bitou	Kannaland
							EPWP and CWP should be re-launched so that the general public could have a clearer understanding of the concept and process; these programmes should also be linked to the Integrated Waste Management of the Municipality
IDP: Healthy and socially stable communities GDS: Supporting wellbeing and resilience.	Housing opportunities for retired citizens Bushleepers – municipality need funding to monitor areas after hours Lack of clinics Clinic too small Health services for elderly and disabled	Request for playpark with an artificial turf for 5-a-side soccer and netball pitch. Establish Neighbourhood Watch for all areas in Khayelitsha. SAPS to empower them through the Community Policing Forum.	Visibility of the Police or Alternatively a Police Station Mobile Police Stations Youth and women Development Centre at old Fizekile High School and the centre should be named after Michael Lucas the freedom fighter. Consider an Old Age Home Social program for the youth Upgrading of Sports facilities Hospices for Greater Oudtshoorn, TB is highly prevalent among the disadvantaged community Upgrading waiting shelter in front of the clinic. Ambulance station in De Rust Clinic in Rosedale	Social Development, Sport & Recreation Development of a Youth Centre & Sports facilities Establishment of a fully resourced clinic facility Establishment of an adequately resourced Youth Advisory Centre in order to facilitate youth development programmes effectively Identify and encourage private & municipal land for middle & social income housing	Community safety and law enforcement Emergency services / service standards: Health / Ambulance / Safety Recreational / development programmes Increase housing allocation		Housing requests include the request for RDP houses and houses in general. Social infrastructure supports healthy lifestyles, learning opportunities, and community unity and social cohesion. Health infrastructure is readily available and meets community needs Strengthen the partnership with SAPS to create a more safe and clean town – Neighborhood watch needs to be placed in Zoar

GDS/IDP Strategic Objective	George	Mossel Bay	Oudtshoorn	Knysna	Hessequa	Bitou	Kannaland
IDP: Sustainable Environmental GDS: Management and Public Safety Supporting wellbeing and resilience	Introduction of satellite offices in respective areas to increase police visibility and improved services Establishment of neighbourwood watches	Removal of Asbestos roofs in JCC "leaking and health hazard"	Investigate possibility of using grey water as alternative to irrigate gardens and sport fields	Alien Species Clearing Control Programme Removal of asbestos (old homes) Fire hydrants Effective management plan to prevent degradation of the estuary	Environmental management conservation /	1.	Implementation of Advanced Waste Management Systems that reflect community values around waste minimisation. Air quality management needs to be managed more frequently with regards to pollution

Annexure B



Department of Environmental Affairs and Development Planning
Helena Jacobs
 Development Planning Intelligence Management and Research
 Helena.Jacobs@westerncape.gov.za | Tel: 021 483 5167

Reference: 15/14/5/13 Budget Public Infrastructure Analysis

Attention: The Municipal Manager

Garden Route District Municipality
 PO Box 12
 George
 6530

Dear Sir/Madam

GARDEN ROUTE DISTRICT MUNICIPALITY: PLANNED AND ESTIMATED PROVINCIAL INFRASTRUCTURE EXPENDITURE AND NATIONAL AND PROVINCIAL BUDGET ALLOCATIONS FOR THE MTEF PERIOD 2023/24 – 2025/26

The following information is hereby presented for integrated development planning consideration during the budgetary and integrated development planning cycle 2023/24. The complete package of information can also be downloaded from the Western Cape [Resource Centre for Development Planning](#) website, to which selected Municipal officials have access.

Summary of Planned and Funded Provincial Infrastructure Projects & Programmes in the Municipality for the MTEF period 2023/24 – 2025/26¹

Sector	No of Projects	Value of infrastructure projects & programmes (R'000)					Total (R'000)
		Infrastructure Transfers - Capital	New or Replaced Infrastructure	Non-Infrastructure	Rehabilitation, Renovations & Refurbishment	Upgrading and Additions	
DEA&DP (Cape Nature)	2	0	15 000	0	0	4 000	19 000
Education	5	0	265 000	0	0	0	265 000
Health	29	0	44 866	21 866	7 749	12 303	86 784
Human Settlements	54	1 094 544	0	0	0	0	1 094 544
Transport & Public Works	26	0	207 000	0	798 681	530 100	1 535 781
Grand Total	116	1 094 544	531 866	21 866	806 430	546 403	3 001 109

For ease of reference, refer to:

[Annexure A](#): List of Provincial Infrastructure Investment Projects and Programmes in the Municipality for the MTEF period 2023/24 – 2025/26.

¹ Source: The data in this report represents an extract from the National Infrastructure Reporting Model (IRM), as of 28 February 2023. Improving the accuracy of information in the reporting model is ongoing and continues to receive attention.

[Annexure B](#): Map showing the spatial distribution of Provincial Infrastructure Investment Projects (Individual Projects) in the Municipality for the MTEF period 2023/24 – 2025/26.

[Annexure C](#): Other documents.

The infrastructure projects and related capital projects are in various stages of implementation, with some being in the planning phase, others in implementation with construction happening, and some are in the process of being finalized and therefore in the 'close-out' phase. The information may be subject to change, depending on fiscal constraints and the availability of resources.

Should you need any further assistance on any project, co-financing or advocacy needs articulation, please feel free to contact the sectors directly, or alternatively, myself or Thea Jordaan who can help to facilitate discussions with individual sector Departments.

Helena Jacobs. Telephone No. 021-483 5167 / 083 315 0137 or Helena.Jacobs@westerncape.gov.za.

Alternatively, Thea Jordan. Telephone No. 021-483 4093 or Thea.Jordan@westerncape.gov.za.

Yours Sincerely

pp R.C. Fourie Digitally signed by pp R.C. Fourie
Date: 2023.03.14 16:50:41 +02'00'

14 March 2023

Helena Jacobs

Date:

Director: Development Planning Intelligence Management and Research
Department of Environmental Affairs and Development Planning

Annexure A: List of Funded Provincial Infrastructure Investment Projects and Programmes in the Municipality for the MTEF period 2023/24 – 2025/26

Sector	Nature of Investment	Funding Source	Project Name	Project ID	Municipality	IDMS Gate	Delivery mechanism	MTEF 2023/24 (Rand)	MTEF 2024/25 (Rand)	MTEF 2025/26 (Rand)	MTEF TOTAL (Rand)
Education	New or Replaced Infrastructure	Equitable Share	Grabouw / De Rust HS (Partnership)	217792	Oudtshoorn	Stage 1: Initiation/ Pre-feasibility	Individual Project	20 000 000	30 000 000	0	50 000 000
Education	New or Replaced Infrastructure	Education Infrastructure Grant	De Waalville PS	52129	Hessequa	Stage 5: Works	Individual Project	25 000 000	0	0	25 000 000
Education	New or Replaced Infrastructure	Education Infrastructure Grant	Concordia PS	4076	Knysna	Stage 5: Works	Individual Project	40 000 000	0	0	40 000 000
Education	New or Replaced Infrastructure	Equitable Share	Kwanokhutula HS	217540	Bitou	Stage 1: Initiation/ Pre-feasibility	Individual Project	30 000 000	0	0	30 000 000
Education	New or Replaced Infrastructure	Equitable Share	Mosselbay Technical HS	217712	Mossel Bay	Stage 1: Initiation/ Pre-feasibility	Individual Project	40 000 000	40 000 000	40 000 000	120 000 000
DEA&DP (Cape Nature)	New or Replaced Infrastructure	Equitable Share	Grootvadersbosch Skywalk	202736	Hessequa	Stage 1: Initiation/ Pre-feasibility	Individual Project	0	15 000 000	0	15 000 000
DEA&DP (Cape Nature)	Upgrading and Additions	Equitable Share	Gamkaskloof Upgrade	217721	Oudtshoorn	Stage 1: Initiation/ Pre-feasibility	Individual Project	4 000 000	0	0	4 000 000
Health	New or Replaced Infrastructure	Health Facility Revitalisation Grant	Mossel Bay - George Road Sat Clinic (Repl) - Replacement	26494	Mossel Bay	Stage 4: Design Documentation	Individual Project	1 651 000	4 009 000	92 000	5 752 000
Health	New or Replaced Infrastructure	Health Facility Revitalisation Grant	Knysna - Knysna FPL - Replacement	16906	Knysna	Stage 5: Works	Individual Project	7 229 000	1 162 000	0	8 391 000
Health	New or Replaced Infrastructure	Health Facility Revitalisation Grant	Ladismith - Ladismith Clinic - Replacement	16908	Kannaland	Stage 5: Works	Individual Project	1 572 000	881 000	0	2 453 000
Health	New or Replaced Infrastructure	Health Facility Revitalisation Grant	Knysna - Hornlee Clinic - Replacement	198335	Knysna	Stage 2: Concept/ Feasibility	Individual Project	26 000 000	2 000 000	0	28 000 000
Health	New or Replaced Infrastructure	Health Facility Revitalisation Grant	George - WCCN Southern Cape Karoo - Residential accommodation - New	196105	George	Not Applicable	Individual Project	0	0	270 000	270 000
Health	Rehabilitation, Renovations	Health Facility	Calitzdorp - Calitzdorp Clinic - R, R and R (Alpha)	203647	Kannaland	Stage 4: Design Documentation	Individual Project	472 000	493 000	36 000	1 001 000

Sector	Nature of Investment	Funding Source	Project Name	Project ID	Municipality	IDMS Gate	Delivery mechanism	MTEF 2023/24 (Rand)	MTEF 2024/25 (Rand)	MTEF 2025/26 (Rand)	MTEF TOTAL (Rand)
	& Refurbishment	Revitalisation Grant									
Health	Rehabilitation, Renovations & Refurbishment	Health Facility Revitalisation Grant	Ladismith - Ladismith (Alan Blyth) Hospital - R, R & R (Beta)	203648	Kannaland	Stage 4: Design Documentation	Individual Project	603 000	4 829 000	220 000	5 652 000
Health	Rehabilitation, Renovations & Refurbishment	Health Facility Revitalisation Grant	Zoar - Amalienstein Clinic - R, R and R (Alpha)	203649	Kannaland	Stage 4: Design Documentation	Individual Project	308 000	533 000	36 000	877 000
Health	Rehabilitation, Renovations & Refurbishment	Health Facility Revitalisation Grant	George - George Hospital - Wards R, R and R (Alpha)	184454	George	Stage 2: Concept/ Feasibility	Individual Project	218 000	1 000	0	219 000
Health	Upgrading and Additions	Health Facility Revitalisation Grant	George - Harry Comay Hospital - Kitchen upgrade and additions	196044	George	Not Applicable	Individual Project	0	0	49 000	49 000
Health	Upgrading and Additions	Health Facility Revitalisation Grant	Mossel Bay - Mossel Bay Hospital - Entrance, Admissions and EC	30804	Mossel Bay	Stage 4: Design Documentation	Individual Project	2 066 000	188 000	10 000 000	12 254 000
Health	Non-Infrastructure	Equitable Share	George - George HT Maintenance Hub - Infrastructure Support	192040	George	Not Applicable	Individual Project	415 000	415 000	415 000	1 245 000
Health	Non-Infrastructure	Equitable Share	George - Garden Route & Central Karoo Maintenance Hub - Infrastructure Support	192041	George	Not Applicable	Individual Project	1 421 000	1 421 000	1 421 000	4 263 000
Health	Non-Infrastructure	Equitable Share	George - Rural DHS Head Office HT Hub - Infrastructure Support	192042	George	Not Applicable	Individual Project	389 000	389 000	389 000	1 167 000
Health	Non-Infrastructure	Health Facility Revitalisation Grant	Knysna - Knysna FPL - HT - Replacement	196067	Knysna	Not Applicable	Individual Project	817 000	0	0	817 000
Health	Non-Infrastructure	Health Facility Revitalisation Grant	Ladismith - Ladismith Clinic - HT - Replacement	196070	Kannaland	Not Applicable	Individual Project	749 000	0	0	749 000

Sector	Nature of Investment	Funding Source	Project Name	Project ID	Municipality	IDMS Gate	Delivery mechanism	MTEF 2023/24 (Rand)	MTEF 2024/25 (Rand)	MTEF 2025/26 (Rand)	MTEF TOTAL (Rand)
Health	Non-Infrastructure	Health Facility Revitalisation Grant	Mossel Bay - Mossel Bay Hospital - HT - Entrance, Admissions and EC	196075	Mossel Bay	Not Applicable	Individual Project	0	0	1 900 000	1 900 000
Health	Non-Infrastructure	Health Facility Revitalisation Grant	Mossel Bay - George Road Sat Clinic (Repl) - HT - Replacement	198685	Mossel Bay	Not Applicable	Individual Project	475 000	1 425 000	0	1 900 000
Health	Non-Infrastructure	Health Facility Revitalisation Grant	Riversdale - Riversdale Hospital - HT - Upgrade and Additions (Alpha)	202557	Hessequa	Not Applicable	Individual Project	1 900 000	0	0	1 900 000
Health	Non-Infrastructure	Health Facility Revitalisation Grant	Knysna - Hornlee Clinic - HT - Replacement	202569	Knysna	Not Applicable	Individual Project	1 425 000	594 000	0	2 019 000
Health	Non-Infrastructure	Health Facility Revitalisation Grant	Albertinia - Albertinia Clinic - HT - R, R and R (Alpha)	203650	Hessequa	Not Applicable	Individual Project	285 000	190 000	0	475 000
Health	Non-Infrastructure	Health Facility Revitalisation Grant	Calitzdorp - Calitzdorp Clinic - HT - R, R and R (Alpha)	206018	Kannaland	Not Applicable	Individual Project	257 000	0	0	257 000
Health	Non-Infrastructure	Health Facility Revitalisation Grant	Knysna - Hornlee Clinic - OD QA - Replacement	206022	Knysna	Not Applicable	Individual Project	50 000	0	0	50 000
Health	Non-Infrastructure	Health Facility Revitalisation Grant	George - Parkdene Clinic - HT - Upgrade and Additions (Alpha)	206044	George	Not Applicable	Individual Project	0	568 000	0	568 000
Health	Non-Infrastructure	Health Facility Revitalisation Grant	George - Rosemoor Clinic - HT - Upgrade and Additions (Alpha)	206045	George	Not Applicable	Individual Project	0	500 000	0	500 000
Health	Non-Infrastructure	Health Facility Revitalisation Grant	Ladismith - Alan Blyth Hospital - HT - R, R and R (Beta)	206048	Kannaland	Not Applicable	Individual Project	1 425 000	475 000	0	1 900 000
Health	Non-Infrastructure	Health Facility Revitalisation Grant	George - Blanco Clinic - HT - Upgrade and Additions (Alpha)	206503	George	Not Applicable	Individual Project	475 000	316 000	0	791 000

Sector	Nature of Investment	Funding Source	Project Name	Project ID	Municipality	IDMS Gate	Delivery mechanism	MTEF 2023/24 (Rand)	MTEF 2024/25 (Rand)	MTEF 2025/26 (Rand)	MTEF TOTAL (Rand)
Health	Non-Infrastructure	Health Facility Revitalisation Grant	George - Pacaltsdorp Clinic - HT - Upgrade and Additions (Alpha)	215161	George	Not Applicable	Individual Project	475 000	677 000	0	1 152 000
Health	Non-Infrastructure	Health Facility Revitalisation Grant	Zoar - Amalienstein Clinic - HT - R, R and R (Alpha)	217678	Kannaland	Not Applicable	Individual Project	0	213 000	0	213 000
Transport & Public Works	New or Replaced Infrastructure	Equitable Share	C377.1 George West bypass	194664	George	Stage 3: Design Development	Individual Project	0	47 000 000	160 000 000	207 000 000
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Equitable Share	Garden Route DM Reseal	3916	Oudtshoorn	Stage 5: Works	Individual Project	25 000 000	26 250 000	27 565 000	78 815 000
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Equitable Share	Garden Route DM Regravel	3928	Oudtshoorn	Stage 5: Works	Individual Project	27 300 000	28 665 000	30 100 000	86 065 000
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Equitable Share	C1154 Hartenbos - Oudtshoorn	202328	Mossel Bay	Stage 2: Concept/ Feasibility	Individual Project	20 000 000	20 000 000	0	40 000 000
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Provincial Roads Maintenance Grant	C1214 Reseal MR331 Stilbaai-Jongensfontein	206154	Hessequa	Stage 1: Initiation/ Pre-feasibility	Individual Project	26 000 000	1 000 000	0	27 000 000
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Equitable Share	C1215 Reseal Plettenberg Bay Airport road and others 14 km	215123	Bitou	Stage 1: Initiation/ Pre-feasibility	Individual Project	0	36 000 000	1 000 000	37 000 000
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Provincial Roads Maintenance Grant	C1103 Reseal Grootriver and Bloukrans	181700	Bitou	Stage 5: Works	Individual Project	2 000 000	0	0	2 000 000
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Provincial Roads Maintenance Grant	C1148 Reseal Knysna Lagoon Road N2 TR1/1 & MR347	187343	Knysna	Stage 5: Works	Individual Project	1 000 000	0	0	1 000 000
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Provincial Roads Maintenance Grant	C1101 Reconstruct Walboomskraal	194695	George	Stage 3: Design Development	Individual Project	35 000 000	75 000 000	5 000 000	115 000 000
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Provincial Roads Maintenance Grant	C1125 PRMG Riversdal ladsmith	194701	Hessequa	Stage 4: Design Documentation	Individual Project	125 000 000	3 000 000	0	128 000 000

Sector	Nature of Investment	Funding Source	Project Name	Project ID	Municipality	IDMS Gate	Delivery mechanism	MTEF 2023/24 (Rand)	MTEF 2024/25 (Rand)	MTEF 2025/26 (Rand)	MTEF TOTAL (Rand)
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Equitable Share	C1146 Barrington ,old Kynsna & Wilderness	194705	Knysna	Stage 3: Design Development	Individual Project	25 000 000	15 000 000	0	40 000 000
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Provincial Roads Maintenance Grant	C1146 PRMG Barrington ,old Kynsna & Wilderness	196755	Knysna	Stage 2: Concept/ Feasibility	Individual Project	35 000 000	0	0	35 000 000
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Equitable Share	C1153 Barrydale ladismith	196761	Kannaland	Stage 5: Works	Individual Project	1 000 000	0	0	1 000 000
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Provincial Roads Maintenance Grant	C1154 PRMG Hartenbos - Oudtshoorn	196762	Mossel Bay	Stage 2: Concept/ Feasibility	Individual Project	65 000 000	21 000 000	0	86 000 000
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Provincial Roads Maintenance Grant	C1008 Rehab Calitzdrop	198016	Kannaland	Stage 5: Works	Individual Project	67 000 000	2 000 000	0	69 000 000
Transport & Public Works	Upgrading and Additions	Equitable Share	C964.2 Mossel Bay-Hartenbos AMP & upgrading Package 2	23113	Mossel Bay	Stage 5: Works	Individual Project	140 000 000	125 000 000	25 000 000	290 000 000
Transport & Public Works	Upgrading and Additions	Equitable Share	C1047.01 Fancourt DM	187348	George	Stage 3: Design Development	Individual Project	39 000 000	10 000 000	0	49 000 000
Transport & Public Works	Upgrading and Additions	Equitable Share	C851 Rondevlei	3862	George	Stage 5: Works	Individual Project	47 000 000	1 000 000	0	48 000 000
Transport & Public Works	Upgrading and Additions	Equitable Share	MR527 De Hoek DM	217800	Oudtshoorn	Stage 4: Design Documentation	Individual Project	19 000 000	15 000 000	0	34 000 000
Transport & Public Works	Upgrading and Additions	Equitable Share	C1229 Dual MR201 Kliprug Rd to MR191	217808	Knysna	Stage 2: Concept/ Feasibility	Individual Project	0	0	5 000 000	5 000 000
Transport & Public Works	Upgrading and Additions	Equitable Share	C846 Plettenberg Bay Surface 4,88km to Wittedrift	215115	Bitou	Stage 1: Initiation/ Pre-feasibility	Individual Project	0	0	30 000 000	30 000 000
Transport & Public Works	Upgrading and Additions	Equitable Share	DR1631 Geelhoutboom DM	3857	Knysna	Stage 3: Design Development	Individual Project	0	6 000 000	43 000 000	49 000 000
Transport & Public Works	Upgrading and Additions	Provincial Roads Maintenance Grant	C1047.4 Completion contract Maalgaten Bridge	215118	George	Stage 5: Works	Individual Project	25 100 000	0	0	25 100 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	GARDEN ROUTE: HESSEQUA: BEKKER STREET: 10	55437	Hessequa	Packaged Programme	Packaged with Sub-Contracts	139 000	342 000	0	481 000

Sector	Nature of Investment	Funding Source	Project Name	Project ID	Municipality	IDMS Gate	Delivery mechanism	MTEF 2023/24 (Rand)	MTEF 2024/25 (Rand)	MTEF 2025/26 (Rand)	MTEF TOTAL (Rand)
			SERVICES - IRDP - Phase 1								
Human Settlements	Infrastructure Transfers - Capital	Informal Settlements Upgrading Partnership Grant	Garden Route: Plettenberg Bay: Bitou: Kurland Ph 4: Planning 1500 Sites	55532	Bitou	Packaged Programme	Packaged with Sub-Contracts	3 000 000	15 000 000	15 000 000	33 000 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Bitou: Plettenberg Bay: Kranshoek: 536 Sites & 447 T/S: IRDP (Ph 1: 536 Services)	55622	Bitou	Packaged Programme	Packaged with Sub-Contracts	150 000	200 000	9 000 000	9 350 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Garden Route: Hessequa: Riversdale & Kwanokuthula Site C: 300 - IRDP - Phase 1	55847	Hessequa	Packaged Programme	Packaged with Sub-Contracts	416 000	1 010 000	0	1 426 000
Human Settlements	Infrastructure Transfers - Capital	Other	George: Metro Grounds: Erf 464 - 1200 Services IRDP (Ph 1: 1200 Sites)	55908	George	Packaged Programme	Packaged with Sub-Contracts	40 000 000	0	0	40 000 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Kannaland: Zoar: Protea Park: 100 IRDP (Phase)	55966	Kannaland	Packaged Programme	Packaged with Sub-Contracts	342 000	0	6 000 000	6 342 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Kannaland: Calitzdorp: 671 IRDP (Phase)	55967	Kannaland	Packaged Programme	Packaged with Sub-Contracts	18 960 000	0	0	18 960 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Knysna: Hlalani: 165 - PHP (Ph 1: 157 T/S)	56035	Knysna	Packaged Programme	Packaged with Sub-Contracts	9 480 000	5 372 000	0	14 852 000
Human Settlements	Infrastructure Transfers - Capital	Informal Settlements Upgrading Partnership Grant	Hessequa: Heidelberg: 88 Services Dollar Square UISP	62036	Hessequa	Packaged Programme	Packaged with Sub-Contracts	0	542 000	5 280 000	5 822 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	\Plettenberg Bay Green Valley Wittedrift Ph2 (425 sites) IRDP	200392	Bitou	Stage 3: Design Development	Individual Project	0	14 000 000	5 000 000	19 000 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Kurland Erf 16 (500 sites) UISP via IRDP	200394	Bitou	Stage 3: Design Development	Individual Project	0	0	23 700 000	23 700 000

Sector	Nature of Investment	Funding Source	Project Name	Project ID	Municipality	IDMS Gate	Delivery mechanism	MTEF 2023/24 (Rand)	MTEF 2024/25 (Rand)	MTEF 2025/26 (Rand)	MTEF TOTAL (Rand)
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	New Horizons Ebenhaezer Erf 437 Portions 3, 20, 42 and 44 (land acquisition) and (734 sites) IRDP	200395	Bitou	Stage 5: Works	Individual Project	44 900 000	3 000 000	0	47 900 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Garden Route: Bitou: Ebenhaezer: 206 Sites - IRDP - Phase 1	200397	Bitou	Stage 5: Works	Individual Project	16 000 000	80 000 000	37 580 000	133 580 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Qolweni Bossiesgif Phase 3A (169 of 433 units) IRDP4	200399	Bitou	Stage 5: Works	Individual Project	0	169 000	0	169 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Garden Route: George: Metro Grounds 436 Mix Housing units out of 631 - IRDP - ph 1: 236 BGN	200400	George	Stage 5: Works	Individual Project	50 000 000	5 000 000	0	55 000 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	DHS: George: Europe Erf 3121: 507 Services - Irdp -Phase 1	200402	George	Stage 3: Design Development	Individual Project	0	30 300 000	0	30 300 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	George Syferfontein East Erf 325 (1684 red 1678 units) IRDP	200403	George	Stage 5: Works	Individual Project	50 230 000	12 500 000	12 500 000	75 230 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Garden Route: George: Thembaletthu: Tyolora Bungalow Houses: Planning 200 Sites & T/S - DDISP - Ph 2: 200 T/S	200408	George	Stage 5: Works	Individual Project	0	15 800 000	15 800 000	31 600 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Garden Route: Hessequa: Heidelberg Site 4: 189 Sites - IRDP - Phase 1	200411	Hessequa	Stage 3: Design Development	Individual Project	0	15 720 000	28 440 000	44 160 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Knysna: Heidevallei: 2300 - Irdp - Phase 1	200417	Knysna	Stage 3: Design Development	Individual Project	2 000 000	0	0	2 000 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements	Knysna Vision 2002 Oupad, Dam Se Bos, Nekkies,	200423	Knysna	Stage 5: Works	Individual Project	7 900 000	8 532 000	0	16 432 000

Sector	Nature of Investment	Funding Source	Project Name	Project ID	Municipality	IDMS Gate	Delivery mechanism	MTEF 2023/24 (Rand)	MTEF 2024/25 (Rand)	MTEF 2025/26 (Rand)	MTEF TOTAL (Rand)
		Development Grant	Concordia Ph 3 (459 units) UISP PHP								
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Garden Route: Knysna: Hornlee: Densification and Backyard Upgrade Project: 80 Sites - IRDP - Phase 1	200424	Knysna	Stage 3: Design Development	Individual Project	0	4 800 000	6 320 000	11 120 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Garden Route: Knysna: Sedgfield Infill 207 IRDP - Phase 1	200427	Knysna	Stage 3: Design Development	Individual Project	0	12 420 000	15 800 000	28 220 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	DHS:Garden Route: Mossel Bay: Yakh-Indlu Uthshani:150 Cons SUBS - PHEP - Ph 1:13 T/S	200429	Mossel Bay	Stage 5: Works	Individual Project	3 318 000	0	0	3 318 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Mossel Bay Louis Fourie Corridor - Bill Jeffrey Road (1003 units) IRDP	200430	Mossel Bay	Stage 5: Works	Individual Project	8 000 000	0	0	8 000 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	3648 - Kwanonqaba New Rest (285 units) UISP PHP	200431	Mossel Bay	Stage 5: Works	Individual Project	22 600 000	15 800 000	9 480 000	47 880 000
Human Settlements	Infrastructure Transfers - Capital	Informal Settlements Upgrading Partnership Grant	Oudtshoorn: Rose Valley PH4 (132) UISP	200432	Oudtshoorn	Stage 3: Design Development	Individual Project	12 000 000	0	0	12 000 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Garden Route: Oudtshoorn: Dysseldorp: 522 T/S - IRDP - Ph 1: 470 T/S	200433	Oudtshoorn	Stage 5: Works	Individual Project	13 000 000	0	0	13 000 000
Human Settlements	Infrastructure Transfers - Capital	Informal Settlements Upgrading Partnership Grant	3420 - Wilderness Heights Erf 329 (120 sites) UISP	200534	George	Stage 3: Design Development	Individual Project	1 000 000	1 000 000	0	2 000 000
Human Settlements	Infrastructure Transfers - Capital	Informal Settlements Upgrading Partnership Grant	Garden Route: George: Thembaletu Basic Services	200537	George	Stage 3: Design Development	Individual Project	12 000 000	39 000 000	10 000 000	61 000 000

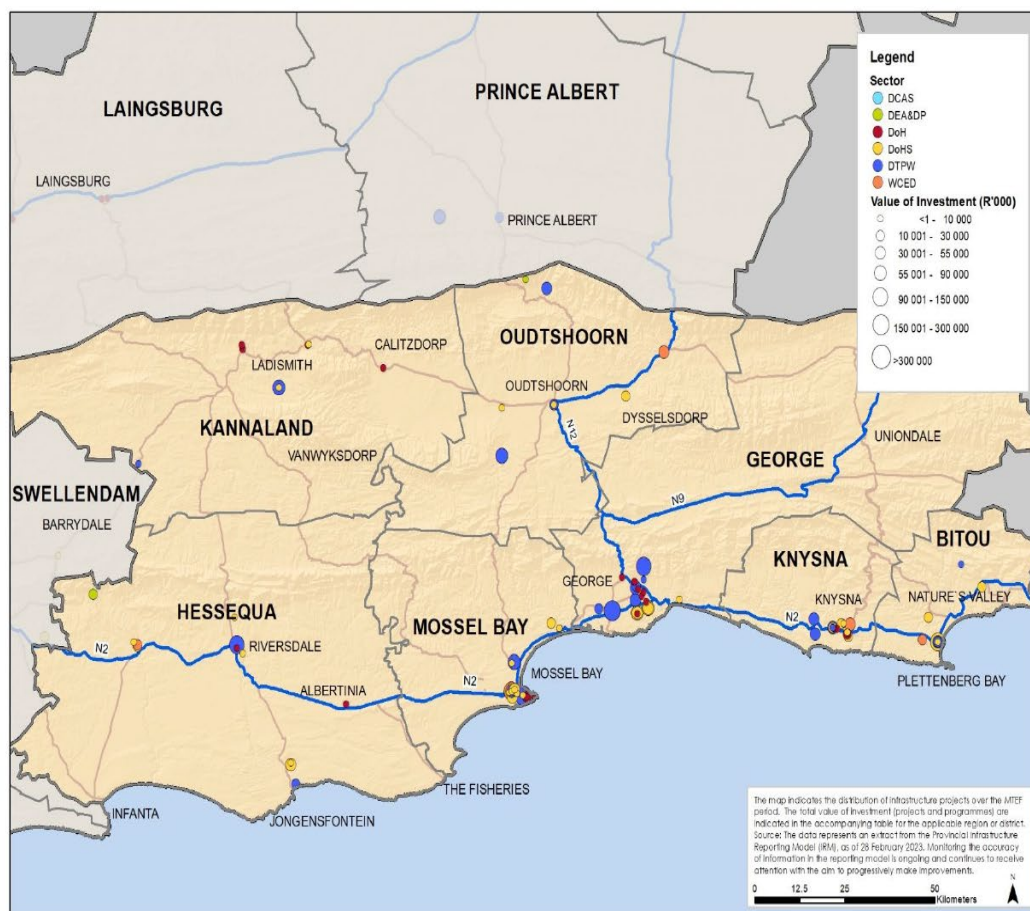
Sector	Nature of Investment	Funding Source	Project Name	Project ID	Municipality	IDMS Gate	Delivery mechanism	MTEF 2023/24 (Rand)	MTEF 2024/25 (Rand)	MTEF 2025/26 (Rand)	MTEF TOTAL (Rand)
Human Settlements	Infrastructure Transfers - Capital	Informal Settlements Upgrading Partnership Grant	ISSP Riversdale Kwanokuthula (36 serv	200538	Hessequa	Stage 3: Design Development	Individual Project	462 000	4 500 000	0	4 962 000
Human Settlements	Infrastructure Transfers - Capital	Informal Settlements Upgrading Partnership Grant	ISSP Heidelberg Site 6 (32) Ekeweg UISP	200539	Hessequa	Stage 3: Design Development	Individual Project	109 000	2 920 000	0	3 029 000
Human Settlements	Infrastructure Transfers - Capital	Informal Settlements Upgrading Partnership Grant	Zoar (65 sites) UISP	200540	Kannaland	Stage 3: Design Development	Individual Project	108 000	0	3 900 000	4 008 000
Human Settlements	Infrastructure Transfers - Capital	Informal Settlements Upgrading Partnership Grant	Garden Route: Knysna: Knysna Proj Vision - 2002 - 476 PHP - Ph 2: 194 T/S	200541	Knysna	Stage 3: Design Development	Individual Project	0	2 400 000	7 920 000	10 320 000
Human Settlements	Infrastructure Transfers - Capital	Informal Settlements Upgrading Partnership Grant	Central Inf Settlements (Kanaal/Black Joint Tavern/GG Kamp) UISP	200546	Oudtshoorn	Stage 3: Design Development	Individual Project	0	0	5 000 000	5 000 000
Human Settlements	Infrastructure Transfers - Capital	Informal Settlements Upgrading Partnership Grant	ISSP Oudtshoorn Volmoed De Rust (289 sites) UISP	200547	Oudtshoorn	Stage 3: Design Development	Individual Project	0	7 000 000	10 340 000	17 340 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Mossel Bay: Asazani / Izinyoka - 731 T/S: UISP (Ph 1: 731 T/S)	203676	Mossel Bay	Stage 3: Design Development	Individual Project	9 500 000	0	0	9 500 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Ladismith Parmalaat (280 sites) IRDP	203688	Kannaland	Stage 5: Works	Individual Project	960 000	0	6 000 000	6 960 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Mossel Bay: Hartenbos: Sonskynvalley: Planning 616 Sites & 616 T/S - IRDP (Phase)	203689	Mossel Bay	Stage 3: Design Development	Individual Project	400 000	0	0	400 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Mossel Bay Spekboom Ptn Erf 2001 (3000 sites)	206529	Mossel Bay	Stage 3: Design Development	Individual Project	7 000 000	3 000 000	37 900 000	47 900 000

Sector	Nature of Investment	Funding Source	Project Name	Project ID	Municipality	IDMS Gate	Delivery mechanism	MTEF 2023/24 (Rand)	MTEF 2024/25 (Rand)	MTEF 2025/26 (Rand)	MTEF TOTAL (Rand)
			IRDP (2023/24) - Ph 1								
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Mossel Bay Site K: 400 IRDP (2023/24) - Phase 1	206531	Mossel Bay	Stage 3: Design Development	Individual Project	460 000	1 135 000	0	1 595 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Mossel Bay Spekboom Erf 19201 and 14702 (260) - IRDP (2023/24) - Ph 1	206532	Mossel Bay	Stage 3: Design Development	Individual Project	300 000	737 000	0	1 037 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Wolwedans Remedial Works (EHP)	206533	Mossel Bay	Stage 3: Design Development	Individual Project	21 500 000	0	0	21 500 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Volmoed and De Hoop Rural Village (520 sites) IRDP	206535	Oudtshoorn	Stage 3: Design Development	Individual Project	574 000	1 400 000	0	1 974 000
Human Settlements	Infrastructure Transfers - Capital	Informal Settlements Upgrading Partnership Grant	Qolweni Phase 4 and 5 (350 sites) UISP	206569	Bitou	Stage 3: Design Development	Individual Project	7 000 000	15 000 000	0	22 000 000
Human Settlements	Infrastructure Transfers - Capital	Informal Settlements Upgrading Partnership Grant	NGO - NUSP Projects TRA UISP	206576	Mossel Bay	Stage 5: Works	Individual Project	37 425 000	22 320 000	30 000 000	89 745 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Ethembeni (180/200/175)	214481	Knysna	Stage 5: Works	Individual Project	6 212 000	4 424 000	0	10 636 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Happy Valley (95/120/104)	214482	Knysna	Stage 5: Works	Individual Project	6 724 000	1 580 000	0	8 304 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Silibaai Melkhoutfontein (585)	214529	Hessequa	Stage 5: Works	Individual Project	3 580 000	0	0	3 580 000
Human Settlements	Infrastructure Transfers - Capital	Other	Melkhoutfontein project BNG units	214533	Hessequa	Stage 3: Design Development	Individual Project	25 000 000	0	0	25 000 000
Human Settlements	Infrastructure Transfers - Capital	Informal Settlements Upgrading	Mossel Bay Fire Kits	15372	Mossel Bay	Stage 3: Design Development	Individual Project	916 000	0	0	916 000

Sector	Nature of Investment	Funding Source	Project Name	Project ID	Municipality	IDMS Gate	Delivery mechanism	MTEF 2023/24 (Rand)	MTEF 2024/25 (Rand)	MTEF 2025/26 (Rand)	MTEF TOTAL (Rand)
		Partnership Grant									
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	GARDEN ROUTE: HESSEQUA: ALOERIDGE: 500 SESRVICES - IRDP - Phase 1	217432	Hessequa	Stage 3: Design Development	Individual Project	694 000	1 700 000	0	2 394 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	GARDEN ROUTE: MOSSEL BAY: Groot Brak River Farm 129 & 137 (100)	217433	Mossel Bay	Stage 3: Design Development	Individual Project	139 000	342 000	0	481 000
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Garden Route: Mossel Bay: Groot Brak Toekoms (25)	217434	Mossel Bay	Stage 3: Design Development	Individual Project	35 000	86 000	0	121 000
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Equitable Share	Shared Service Building- Oudtshoorn	196972	Oudtshoorn	Stage 1: Initiation/ Pre-feasibility	Individual Project	0	2 500 000	24 326 000	26 826 000
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Equitable Share	CYCC-George Outeniqua	180625	George	Stage 5: Works	Individual Project	1 095 000	0	0	1 095 000
Transport & Public Works	Rehabilitation, Renovations & Refurbishment	Equitable Share	York Park 1st Floor (DHS) & 2nd Floor (DSD)	217951	George	Stage 1: Initiation/ Pre-feasibility	Individual Project	0	3 500 000	21 380 000	24 880 000
GRAND TOTAL								1 379 705 000	893 245 000	728 159 000	3 001 109 000

* Excluding Across District Projects & Programmes. See the Excel database for more detail.

Annexure B: Map showing the spatial distribution of Provincial Infrastructure Investment Projects (Individual Projects) in the Municipality for the MTEF period 2023/24 – 2025/26.²



² A GIS Shapefile package accompanies this map

Annexure C: Other documents

Given the estimated later publication date of the Provincial Gazette for the Western Cape Division of Revenue Act, 2023, it was decided to release information to your Municipality in two stages:

First Release (as from 10 March 2023):

- This letter with Annexures A & B.
- Excel Database for all projects & programmes, associated with Annexure A.
- GIS shape and layer files associated with the map in Annexure B.
- Population data – Source: DSD - PPUMYPE2022.1 (2022). Population information is updated from time to time, and is available from the *Resource Centre for Development Planning's* [population page](#).

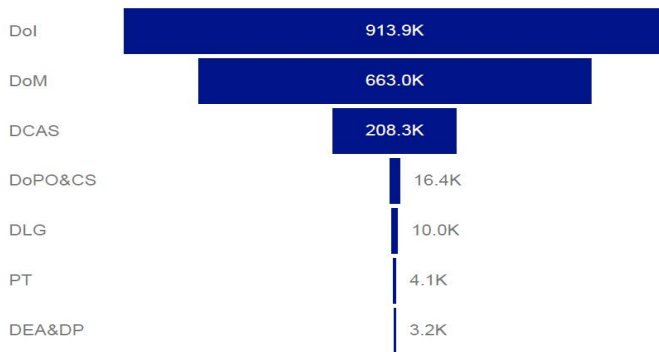
Second Release (between 15-22 March 2023):

- Copies of all relevant Government Publications.
- Budget Overview of Provincial and Municipal Infrastructure Investment 2023
- Budget Overview of Provincial Revenue and Expenditure 2023
- Fact Sheets showing an analysis of National and Provincial Transfers and Allocations 2023/24-2025/26.
- Excel data showing Provincial Transfers and Allocations 2023/24-2025/26
- PowerPoint summary presentation for the complete package of information.

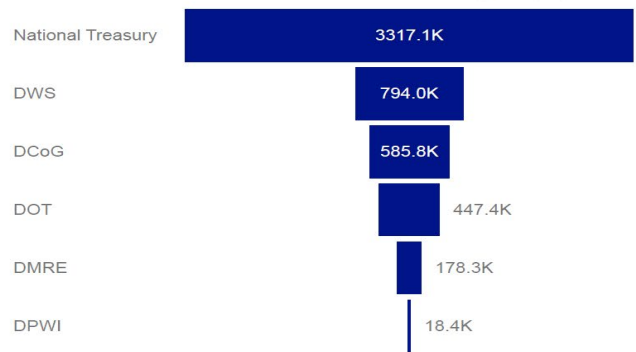
As the above contributions become available, these will also be placed in the *Resource Centre for Development Planning's* [Infrastructure Portal](#).

**Garden Route District:
Spatial distribution of allocations to municipalities over MTEF period 2023/24 - 2025/26**

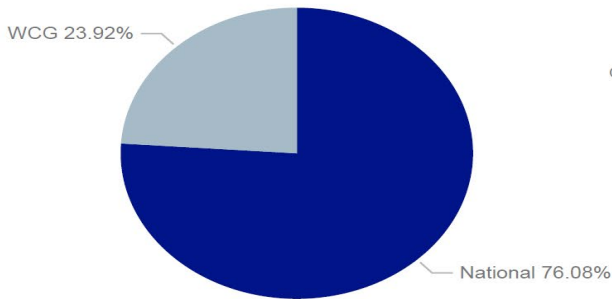
MTEF Total Provincial allocation budgets (%)



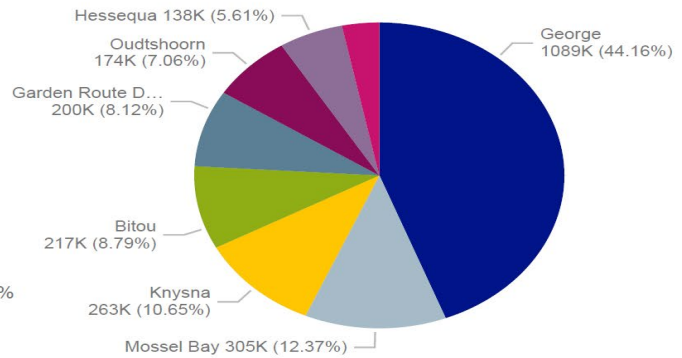
MTEF Total National allocation budgets (%)



2023/24 Budgeted Allocation by Source (%)



2023/24 Budgeted Allocation by Municipality



MTEF Allocation Budgets (R'000) & Number of grants

Source	Department	Total Number of grants	2023/24	2024/25	2025/26	MTEF Total
WCG	Department of Infrastructure	6	273496	336442	303936	913874
National	National Treasury	5	1024751	1107526	1184838	3317115
National	Cooperative Governance	3	201190	187224	197361	585775
National	Mineral Resources and Energy	3	78037	55740	44546	178323
WCG	Cultural Affairs and Sport	3	67925	68638	71701	208264
WCG	Local Government	3	7367	1385	1287	10039
National	Transport	2	147577	151167	148650	447394
National	Water and Sanitation	2	405658	330003	58353	794014
WCG	Department of Mobility	2	228868	213389	220710	662967
WCG	Department of Police Oversight and Community Safety	2	4905	5394	6071	16370
National	Public works and Infrastructure	1	18398	0	0	18398
WCG	Department of Environmental Affairs & Development Planning	1	3150	0	0	3150
WCG	Provincial Treasury	1	4139	0	0	4139
Total		34	2465461	2456908	2237453	7159822

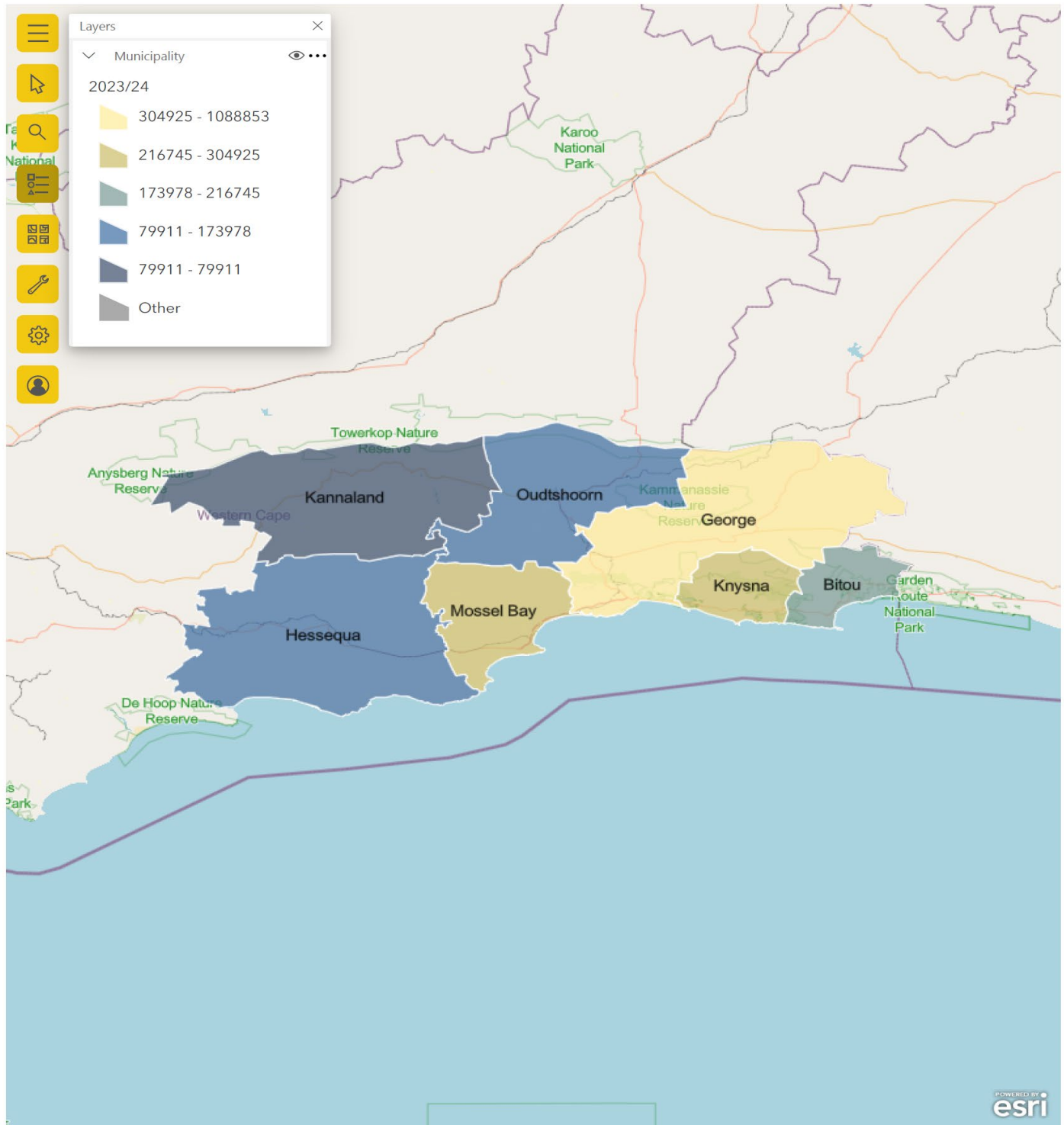
Garden Route District:
Spatial distribution of allocations to municipalities over MTEF period 2023/24 - 2025/26

Budgeted National and Provincial Allocations (R'000) for 2023/24

Department	Transfer description	2023/24
National Treasury	Equitable Share	981688
Water and Sanitation	Regional Bulk Infrastructure Grant	375138
Department of Mobility	George Integrated Public Transport Network - Operations	228868
Department of Infrastructure	Informal Settlements Upgrading Partnership Grant	152383
Transport	Public Transport Network Grant	144823
Cooperative Governance	Municipal Infrastructure Grant	132740
Department of Infrastructure	Title-Deeds Restoration	73020
Mineral Resources and Energy	Integrated National Electrification Programme (Municipal) Grant	69581
Cooperative Governance	Integrated Urban Development Grant	67450
Cultural Affairs and Sport	Community library services grant	46644
Water and Sanitation	Water Services Infrastructure Grant	30520
Department of Infrastructure	Settlement Assistance	25000
Cultural Affairs and Sport	Library service: Replacement funding for most vulnerable B3 Municipalities	20531
National Treasury	Neighbourhood Development Partnership Grant (Capital)	20000
Public works and Infrastructure	Expanded Public Works Programme Integrated Grant for Municipalities	18398
National Treasury	Local Government Financial Management Grant	15163
Department of Infrastructure	Financial assistance to Municipalities for maintenance and construction of transport infrastructure	12120
Mineral Resources and Energy	Energy Efficiency and Demand Side Management Grant	8000
National Treasury	Infrastructure Skills Development Grant	6500
Local Government	Fire Service Capacity Building Grant	6392
Department of Infrastructure	Municipal accreditation and capacity building grant	5736
Department of Infrastructure	Provincial Contributions towards to Acceleration of Housing Delivery	5237
Provincial Treasury	Western Cape Financial Management Capability Grant	4139
Department of Police Oversight and Community Safety	Resourcing funding for establishment and support of a K9 unit	3345
Department of Environmental Affairs & Development Planning	Regional Socio-Economic Projects (RSEP) Programme - Municipal Projects	3150
Transport	Rural Roads Asset Management Systems Grant	2754
Department of Police Oversight and Community Safety	Safety initiative implementation - whole of society approach (WOSA)	1560
National Treasury	Neighbourhood Development Partnership Grant (Technical Assistance)	1400
Cooperative Governance	Municipal Systems Improvement Grant	1000
Cultural Affairs and Sport	Development of Sport and Recreation Facilities	750
Local Government	Thusong Service Centres Grant (Sustainability: Operational Support Grant)	540
Mineral Resources and Energy	Integrated National Electrification Programme (Eskom) Grant	456
Local Government	Community Development Worker Operational Support Grant	435
Department of Mobility	Integrated Transport Planning	0
Total		2465461

Garden Route District: Spatial distribution of allocations to municipalities over MTEF period 2023/24 - 2025/26

Spatial distribution of total budgeted allocations (National & Provincial) by Municipality for 2023/24



Garden Route District:
Spatial distribution of allocations to municipalities over MTEF period 2023/24 - 2025/26

Garden Route District: Budgeted National and Provincial Allocations (R'000)

Source	Department	Municipality	Transfer description	2023/24	2024/25	2025/26
National	National Treasury	Garden Route District	Equitable Share	178333	186631	195195
WCG	Department of Infrastructure	Garden Route District	Municipal accreditation and capacity building grant	5000	5000	5000
WCG	Local Government	Garden Route District	Fire Service Capacity Building Grant	4481	500	500
National	Mineral Resources and Energy	Garden Route District	Energy Efficiency and Demand Side Management Grant	4000	5000	0
National	Transport	Garden Route District	Rural Roads Asset Management Systems Grant	2754	2721	2843
National	Public works and Infrastructure	Garden Route District	Expanded Public Works Programme Integrated Grant for Municipalities	2180	0	0
WCG	Department of Police Oversight and Community Safety	Garden Route District	Safety initiative implementation - whole of society approach (WOSA)	1560	1622	1671
National	Cooperative Governance	Garden Route District	Municipal Systems Improvement Grant	1000	0	2800
National	National Treasury	Garden Route District	Local Government Financial Management Grant	1000	1000	1100
WCG	Department of Mobility	Garden Route District	Integrated Transport Planning	0	939	982
Total				200308	203413	210091

Garden Route District:
Spatial distribution of allocations to municipalities over MTEF period 2023/24 - 2025/26

Bitou: Budgeted National and Provincial Allocations (R'000)

Source	Department	Municipality	Transfer description	2023/24	2024/25	2025/26
National	National Treasury	Bitou	Equitable Share	144726	161667	175490
National	Cooperative Governance	Bitou	Municipal Infrastructure Grant	23344	24234	25161
WCG	Department of Infrastructure	Bitou	Informal Settlements Upgrading Partnership Grant	16150	94369	75280
WCG	Department of Infrastructure	Bitou	Title-Deeds Restoration	10000	30000	15000
WCG	Cultural Affairs and Sport	Bitou	Library service: Replacement funding for most vulnerable B3 Municipalities	9898	9726	10155
National	Mineral Resources and Energy	Bitou	Integrated National Electrification Programme (Municipal) Grant	3774	5000	6000
WCG	Cultural Affairs and Sport	Bitou	Community library services grant	2331	2422	2531
National	Public works and Infrastructure	Bitou	Expanded Public Works Programme Integrated Grant for Municipalities	1879	0	0
National	National Treasury	Bitou	Local Government Financial Management Grant	1771	1771	1880
WCG	Department of Infrastructure	Bitou	Provincial Contributions towards to Acceleration of Housing Delivery	1743	0	0
WCG	Provincial Treasury	Bitou	Western Cape Financial Management Capability Grant	500	0	0
WCG	Department of Environmental Affairs & Development Planning	Bitou	Regional Socio-Economic Projects (RSEP) Programme - Municipal Projects	350	0	0
WCG	Department of Infrastructure	Bitou	Financial assistance to Municipalities for maintenance and construction of transport infrastructure	140	180	220
WCG	Local Government	Bitou	Thusong Service Centres Grant (Sustainability: Operational Support Grant)	120	0	0
WCG	Local Government	Bitou	Community Development Worker Operational Support Grant	19	19	19
Total				216745	329388	311736

Garden Route District:
Spatial distribution of allocations to municipalities over MTEF period 2023/24 - 2025/26

George: Budgeted National and Provincial Allocations (R'000)

Source	Department	Municipality	Transfer description	2023/24	2024/25	2025/26
National	Water and Sanitation	George	Regional Bulk Infrastructure Grant	375138	274626	0
WCG	Department of Mobility	George	George Integrated Public Transport Network - Operations	228868	211822	219072
National	National Treasury	George	Equitable Share	214691	235747	260334
National	Transport	George	Public Transport Network Grant	144823	148446	145807
National	Cooperative Governance	George	Integrated Urban Development Grant	67450	49500	51645
WCG	Department of Infrastructure	George	Title-Deeds Restoration	12000	39000	10000
WCG	Cultural Affairs and Sport	George	Community library services grant	11288	11728	12255
National	National Treasury	George	Infrastructure Skills Development Grant	6500	6000	6500
National	Mineral Resources and Energy	George	Integrated National Electrification Programme (Municipal) Grant	6346	5000	5000
National	National Treasury	George	Neighbourhood Development Partnership Grant (Capital)	5000	5000	5000
National	Public works and Infrastructure	George	Expanded Public Works Programme Integrated Grant for Municipalities	4420	0	0
National	Water and Sanitation	George	Water Services Infrastructure Grant	3820	0	0
National	National Treasury	George	Local Government Financial Management Grant	1771	1771	1909
WCG	Department of Infrastructure	George	Provincial Contributions towards to Acceleration of Housing Delivery	1708	0	0
National	National Treasury	George	Neighbourhood Development Partnership Grant (Technical Assistance)	1300	500	500
WCG	Department of Infrastructure	George	Financial assistance to Municipalities for maintenance and construction of transport infrastructure	1245	450	500
WCG	Provincial Treasury	George	Western Cape Financial Management Capability Grant	1000	0	0
WCG	Cultural Affairs and Sport	George	Development of Sport and Recreation Facilities	750	0	0
WCG	Department of Infrastructure	George	Municipal accreditation and capacity building grant	491	497	497
WCG	Local Government	George	Thusong Service Centres Grant (Sustainability: Operational Support Grant)	150	150	104
WCG	Local Government	George	Community Development Worker Operational Support Grant	94	94	94
National	Mineral Resources and Energy	George	Integrated National Electrification Programme (Eskom) Grant	0	0	1546
WCG	Department of Infrastructure	George	Informal Settlements Upgrading Partnership Grant	0	46100	15800
WCG	Department of Mobility	George	Integrated Transport Planning	0	628	656
Total				1088853	1037059	737219

Garden Route District:
Spatial distribution of allocations to municipalities over MTEF period 2023/24 - 2025/26

Hessequa: Budgeted National and Provincial Allocations (R'000)

Source	Department	Municipality	Transfer description	2023/24	2024/25	2025/26
National	National Treasury	Hessequa	Equitable Share	59164	64016	69140
WCG	Department of Infrastructure	Hessequa	Settlement Assistance	25000	0	0
National	Cooperative Governance	Hessequa	Municipal Infrastructure Grant	15459	15966	16495
National	Water and Sanitation	Hessequa	Water Services Infrastructure Grant	8300	0	0
WCG	Cultural Affairs and Sport	Hessequa	Library service: Replacement funding for most vulnerable B3 Municipalities	7078	6956	7260
WCG	Department of Infrastructure	Hessequa	Informal Settlements Upgrading Partnership Grant	4829	18772	28440
WCG	Cultural Affairs and Sport	Hessequa	Community library services grant	4145	4307	4500
National	Mineral Resources and Energy	Hessequa	Energy Efficiency and Demand Side Management Grant	4000	6000	0
National	Mineral Resources and Energy	Hessequa	Integrated National Electrification Programme (Municipal) Grant	3700	7000	5000
WCG	Department of Environmental Affairs & Development Planning	Hessequa	Regional Socio-Economic Projects (RSEP) Programme - Municipal Projects	2100	0	0
National	National Treasury	Hessequa	Local Government Financial Management Grant	1550	1550	1650
National	Public works and Infrastructure	Hessequa	Expanded Public Works Programme Integrated Grant for Municipalities	1174	0	0
WCG	Department of Infrastructure	Hessequa	Financial assistance to Municipalities for maintenance and construction of transport infrastructure	980	130	150
WCG	Department of Infrastructure	Hessequa	Title-Deeds Restoration	571	7962	5280
WCG	Local Government	Hessequa	Thusong Service Centres Grant (Sustainability: Operational Support Grant)	150	150	103
WCG	Local Government	Hessequa	Community Development Worker Operational Support Grant	38	38	38
Total				138238	132847	138056

Garden Route District:
Spatial distribution of allocations to municipalities over MTEF period 2023/24 - 2025/26

Kannaland: Budgeted National and Provincial Allocations (R'000)

Source	Department	Municipality	Transfer description	2022/23	2023/24	2024/25
National	National Treasury	Kannaland	Equitable Share	33259	35040	36934
National	Cooperative Governance	Kannaland	Municipal Infrastructure Grant	11083	11374	11685
WCG	Cultural Affairs and Sport	Kannaland	Library service: Replacement funding for most vulnerable B3 Municipalities	3281	3328	3477
National	National Treasury	Kannaland	Local Government Financial Management Grant	2932	2932	2932
WCG	Human Settlements	Kannaland	Human Settlements Development Grant (Beneficiaries)	1800	6000	19000
National	Public works and Infrastructure	Kannaland	Expanded Public Works Programme Integrated Grant for Municipalities	1031	0	0
WCG	Local Government	Kannaland	Community Development Workers (CDW) Operational Support Grant	112	112	112
WCG	Transport and Public Works	Kannaland	Financial assistance to Municipalities for maintenance and construction of transport infrastructure	50	50	50
National	Mineral Resources and Energy	Kannaland	Integrated National Electrification Programme (Municipal) Grant	0	3000	3135
National	Water and Sanitation	Kannaland	Water Services Infrastructure Grant	0	11000	21940
WCG	Human Settlements	Kannaland	Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries)	0	3900	0
Total				53548	76736	99265

Garden Route District:
Spatial distribution of allocations to municipalities over MTEF period 2023/24 - 2025/26

Knysna: Budgeted National and Provincial Allocations (R'000)

Source	Department	Municipality	Transfer description	2023/24	2024/25	2025/26
National	National Treasury	Knysna	Equitable Share	122358	134028	144402
National	Mineral Resources and Energy	Knysna	Integrated National Electrification Programme (Municipal) Grant	43754	5000	15000
WCG	Department of Infrastructure	Knysna	Informal Settlements Upgrading Partnership Grant	32316	37128	22120
National	Cooperative Governance	Knysna	Municipal Infrastructure Grant	29218	30393	31617
National	National Treasury	Knysna	Neighbourhood Development Partnership Grant (Capital)	15000	15000	10001
WCG	Cultural Affairs and Sport	Knysna	Community library services grant	10842	11265	11771
National	Water and Sanitation	Knysna	Water Services Infrastructure Grant	3400	33437	35234
National	National Treasury	Knysna	Local Government Financial Management Grant	1771	1771	1909
WCG	Department of Infrastructure	Knysna	Provincial Contributions towards to Acceleration of Housing Delivery	1374	0	0
National	Public works and Infrastructure	Knysna	Expanded Public Works Programme Integrated Grant for Municipalities	1264	0	0
WCG	Provincial Treasury	Knysna	Western Cape Financial Management Capability Grant	639	0	0
National	Mineral Resources and Energy	Knysna	Integrated National Electrification Programme (Eskom) Grant	290	0	0
WCG	Department of Infrastructure	Knysna	Financial assistance to Municipalities for maintenance and construction of transport infrastructure	120	130	150
National	National Treasury	Knysna	Neighbourhood Development Partnership Grant (Technical Assistance)	100	100	100
WCG	Local Government	Knysna	Community Development Worker Operational Support Grant	57	57	57
WCG	Department of Infrastructure	Knysna	Title-Deeds Restoration	0	2400	7920
Total				262503	270709	280281

Garden Route District:
Spatial distribution of allocations to municipalities over MTEF period 2023/24 - 2025/26

Mossel Bay: Budgeted National and Provincial Allocations (R'000)

Source	Department	Municipality	Transfer description	2023/24	2024/25	2025/26
National	National Treasury	Mossel Bay	Equitable Share	130634	142630	154547
WCG	Department of Infrastructure	Mossel Bay	Informal Settlements Upgrading Partnership Grant	65252	21100	47380
WCG	Department of Infrastructure	Mossel Bay	Title-Deeds Restoration	38341	22320	30000
National	Cooperative Governance	Mossel Bay	Municipal Infrastructure Grant	28098	29219	30386
National	Mineral Resources and Energy	Mossel Bay	Integrated National Electrification Programme (Municipal) Grant	12007	12000	5000
WCG	Cultural Affairs and Sport	Mossel Bay	Community library services grant	10214	10612	11089
WCG	Department of Infrastructure	Mossel Bay	Financial assistance to Municipalities for maintenance and construction of transport infrastructure	9465	2065	8460
National	Public works and Infrastructure	Mossel Bay	Expanded Public Works Programme Integrated Grant for Municipalities	4589	0	0
WCG	Department of Police Oversight and Community Safety	Mossel Bay	Resourcing funding for establishment and support of a K9 unit	3345	3772	4400
National	National Treasury	Mossel Bay	Local Government Financial Management Grant	1566	1566	1704
WCG	Department of Environmental Affairs & Development Planning	Mossel Bay	Regional Socio-Economic Projects (RSEP) Programme - Municipal Projects	700	0	0
WCG	Department of Infrastructure	Mossel Bay	Provincial Contributions towards to Acceleration of Housing Delivery	412	0	0
WCG	Department of Infrastructure	Mossel Bay	Municipal accreditation and capacity building grant	245	249	249
WCG	Local Government	Mossel Bay	Community Development Worker Operational Support Grant	57	57	57
Total				304925	245590	293272

**Garden Route District:
Spatial distribution of allocations to municipalities over MTEF period 2023/24 - 2025/26**

Oudtshoorn: Budgeted National and Provincial Allocations (R'000)

Source	Department	Municipality	Transfer description	2023/24	2024/25	2025/26
National	National Treasury	Oudtshoorn	Equitable Share	96434	103643	109214
National	Cooperative Governance	Oudtshoorn	Municipal Infrastructure Grant	25248	26230	27253
WCG	Department of Infrastructure	Oudtshoorn	Informal Settlements Upgrading Partnership Grant	13574	1400	0
WCG	Department of Infrastructure	Oudtshoorn	Title-Deeds Restoration	12000	7000	15340
National	Water and Sanitation	Oudtshoorn	Water Services Infrastructure Grant	10000	0	0
WCG	Cultural Affairs and Sport	Oudtshoorn	Community library services grant	7824	8129	8494
National	National Treasury	Oudtshoorn	Local Government Financial Management Grant	2802	2802	2940
WCG	Provincial Treasury	Oudtshoorn	Western Cape Financial Management Capability Grant	2000	0	0
WCG	Local Government	Oudtshoorn	Fire Service Capacity Building Grant	1911	0	0
National	Public works and Infrastructure	Oudtshoorn	Expanded Public Works Programme Integrated Grant for Municipalities	1672	0	0
WCG	Department of Infrastructure	Oudtshoorn	Financial assistance to Municipalities for maintenance and construction of transport infrastructure	170	190	200
National	Mineral Resources and Energy	Oudtshoorn	Integrated National Electrification Programme (Eskom) Grant	166	4740	0
WCG	Local Government	Oudtshoorn	Thusong Service Centres Grant (Sustainability: Operational Support Grant)	120	150	145
WCG	Local Government	Oudtshoorn	Community Development Worker Operational Support Grant	57	57	57
National	Mineral Resources and Energy	Oudtshoorn	Integrated National Electrification Programme (Municipal) Grant	0	5000	6000
Total				173978	159341	169643

Annexure C: Circular 88 Planning Report Template

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ANNEXURE D



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1. Introduction

1.1 Purpose of Report

The purpose of the report is to identify the gaps and assess the level of development of the re-adopted 2017-2022 MSDF framework of the Garden Route District Municipality's Spatial Development Framework which may ultimately trigger an amendment of or the need to acquire a new MSDF for the Garden Route District municipality.

2. Background

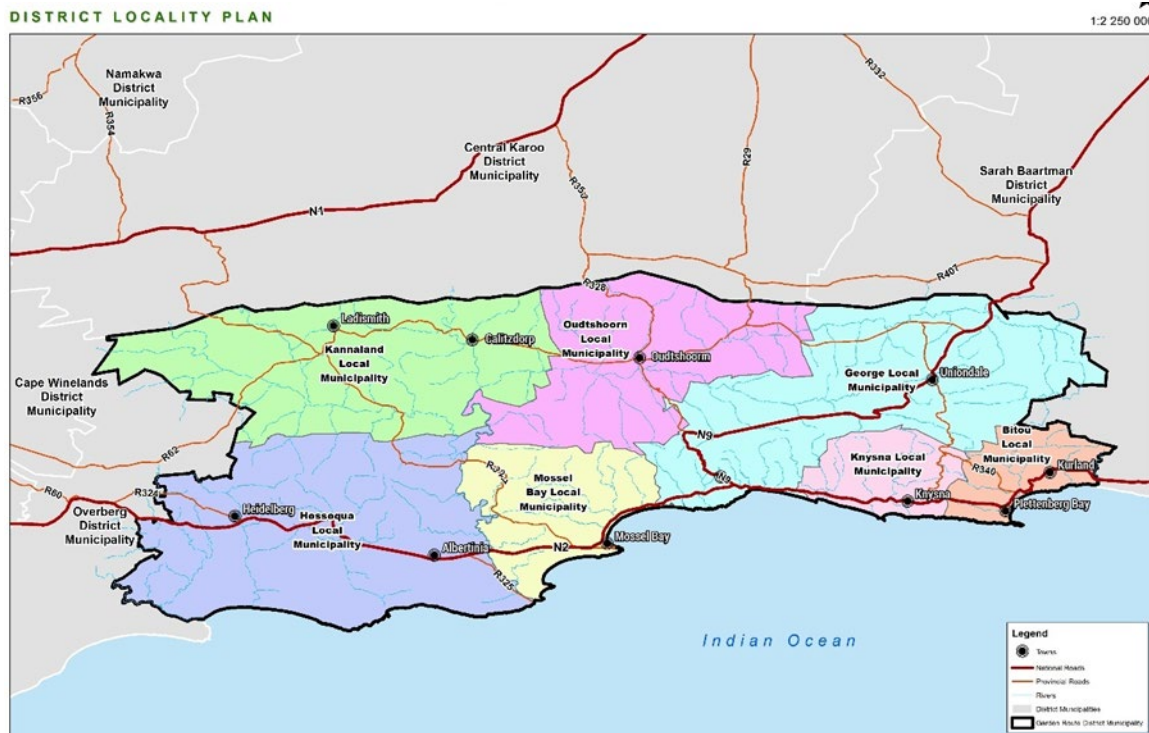
Developing and/or reviewing a Spatial Development Framework is critical to any municipal organization, apart from its compliance requirements, it provides a spatial rendition of the Integrated Development Plan (IDP). The IDP reviewed annually is a guiding tool for the municipality to guide economic development, alignment of funding within the district, guide investment to identified nodal areas and areas of focus and concern and reach the vision and achieve the objectives set by the Municipality for a five-year period and beyond.

The Garden Route District Municipality is a Category C municipality situated in the Western Cape Province. The name was changed from Eden District Municipality to the Garden Route District Municipality in October 2018. Garden Route District shares borders with four other district municipalities, namely: Sarah Baartman District Municipality in the Eastern Cape, and Overberg, Cape Winelands, and Central Karoo District Municipalities in the Western Cape.

The District Municipality comprises seven local municipalities: George, Mossel Bay, Knysna, Bitou, Oudtshoorn, Hessequa and Kannaland.

The Plan below spatially locates the 7 B Municipalities within the context of the GRDM and identifies some of the main towns within the municipal space.

Locality Plan: Garden Route District Municipality



Source: GRDM Human Settlements Sector Plan 2022

3. The GRDM's key spatial strategies/proposals are expressed in three themes namely:

- The economy is the environment in the Garden Route District.
- Regional accessibility for inclusive and equitable growth
- Co-ordinated growth management for financial sustainability

4. Legislative requirements

Municipal Systems Act 32 of 2000

Section 34(a)(i) and (ii) of the Municipal Systems Act set forth the need to "review" an MSDF annually in terms of performance of the municipality in relation to the guidance provided in its MSDF, as well as at any time deemed necessary in response to changing circumstances. The annual review allows for proactive monitoring of the implementation of the MSDF, while highlighting the need for actions that need to be taken to support the MSDF implementation on a sustained basis. Section 34(b) further stipulates that the review of the MSDF may result in the need for the amendment of the MSDF.

5. What is a Municipal Spatial Development Framework?

A Spatial Development Framework (SDF) is a long-term plan which aims to manage growth and changes within a municipality for the municipality to become more sustainable, integrated, and equitable.

5.1 What is the Link between the IDP & the SDF?

A Spatial Development Framework (SDF) provides a "geographical expression to the economic, social, cultural, and ecological policies of society. It is at the same time scientific discipline, an administrative technique and a policy developed as an

interdisciplinary and comprehensive approach directed towards a balanced regional development and the physical organisation of space according to an overall strategy."

The SDF should co-ordinate the spatial implications of all strategic sector plans such as engineering, housing, community services, etc. The SDF should give physical effect to the vision, goals, and objectives of the municipal IDP. The Spatial Development Framework also informs the land use management of a municipality.

6. Objectives of a Municipal Spatial Development Framework

The objectives of the development of a MSDF includes but are not limited to the below-mentioned points: -

- To provide a strategic development vision of a municipal area
- To identify specific interventions to realise a development vision.
- To provide for the interface between the urban and rural space
- To allow for cross municipal/cross-border planning
- To identify and highlight the tourism potential within the district.
- To outline the economic sectors and identify new sectors for possible growth in the district.
- To address specific developmental issues and challenges within the study area
- To provide a basis for guiding the land-use management decision making
- To address the need for rural housing and to cater to existing and displaced rural communities.
- To guide and identify the municipal infrastructure needs of the district.
- To identify areas of agricultural potential within the district
- To identify areas of possible densification as well as to identify towns where urban regeneration is necessary.
- Development of a conceptual scenario for envisaged spatial form.
- Setting out objectives that reflect the desired spatial form of the district.

7. Why the need to update the 2017 re-adopted GRDM MSDF

7.1 Gaps identified in the 2017-2022 GRDM MSDF

The purpose of this section is to highlight gaps, or aspects to be addressed, that have been identified in the 2017-2022 GRDM MSDF which relates to new trends and inputs, with the intent to improve the MSDF.

- The current council-approved SDF document and associated plans refer to the old Name of the Eden District Municipality.
- The District Development Model (DDM) is not included in the current SDF, and therefore the SDF does not completely align with the new DDM focus.
- The GRDM intends to become a housing provider (FLISP/GAP, SH & inclusionary housing) and has prepared a District Housing Sector Plan. The plan is critical and should be incorporated into the District SDF.
- Since 2017-2022, when the last SDF was approved by the council, there has been a global economic shift due to the Covid 19 pandemic which has

resulted in economic impacts which transpired to the development of a Growth Recovery Strategy plan needing to be incorporated into the reviewed Districts MSDF.

- The 2017-2022 MSDF can also be considered irrelevant and outdated from the perspective of their local municipalities and adjacent district municipalities have updated their own SDF which puts the GRDM into a precarious situation and the GRDM needs to reflect the current and existing situation and align to that of the neighbouring districts.
- Statistical information like population etc needs to be updated.

8. Assessment of the GRDM's SDF implementation framework

- Currently, the GRDM's does not have a detailed Capital Investment Framework and Expenditure framework.
- The current implementation framework also needs to be updated/developed outlining the role players, their responsibilities, budget, source with an effective and a monitoring and evaluation component.

Spatial Development Action plan aligned to the IDP: Progress on the GRDM MSDF Implementation Framework

GARDEN ROUTE SDF STRATEGY 1: REGIONAL ACCESSIBILITY FOR INCLUSIVE AND EQUITABLE GROWTH

Number of Projects: 7

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress to date
1. REGIONAL PUBLIC TRANSPORT, ACCESS & CONNECTIVITY POLICY	Regional rail enhancement – connect the Garden Route to the South African eastern coastal corridor stretching from Cape Town to Durban, as set out in the NSDF (2019).	Lead organisations: <ul style="list-style-type: none"> Provincial Department of Transport and Public Works PRASA Transnet Support Organisations <ul style="list-style-type: none"> National Department of Transport Garden Route District Municipality SCEP All local Municipalities 	2020 - 2030	Establishment of a rail corridor passing through the Southern Cape along the eastern coastal corridor	There has been no movement on this project. PRASA's focus is almost entirely on the existing rail crisis of the metropolitan areas
	Upgrade R62 to accommodate freight and road traffic, alleviating N2	Lead Organisation <ul style="list-style-type: none"> Provincial Department of Transport and Public Works Support Organisations <ul style="list-style-type: none"> SANRAL Garden Route District 		Upgrade of the R62 to accommodate increased freight and traffic volumes as alternative to the N2.	The Upgrading of the R62 has been fully completed- Oudtshoorn to De Rust

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress to date
	Develop and implement an affordable inter and intra-regional public transport service for the Garden Route	<p>Municipality</p> <p>Lead Organisations</p> <ul style="list-style-type: none"> Provincial Department of Transport and Public Works All local municipalities <p>Support Organisations</p> <ul style="list-style-type: none"> Garden Route District Municipality PRASA Transnet National Department of Transport 		Regional IPTN developed & implemented.	Intra-Go George public transport is operational. A service provider was appointed in September 2022 to develop an Integrated transport plan for the Garden Route region. The first phase of the project has been completed.
2. TOWN CENTRE REVITALISATION & COMMERCIAL INCENTIVISATION POLICY	<p>Town Centre Revitalisation Plans:</p> <p>Develop and implement town centre revitalisation plans with the goal of reinvigorating these places of economic</p>	<p>Lead Organisations</p> <ul style="list-style-type: none"> George LM Mossel Bay LM Oudtshoorn LM Kynsna LM <p>Support Organisation</p> <ul style="list-style-type: none"> Department of 	2020/21	Town centre revitalisation plans developed & implemented	<p>Ongoing: Revitalization of George CBD is included in the 2023-2027 George MSDP as a Priority Investment Area.</p> <p>Ongoing: Mossel Bay Municipality developed a</p>

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress to date
	opportunity and growth & improving ICT and Wi-Fi access, as well as providing other incentives for business to operate in these areas, as well as disincentives for commercial decentralisation in the region.	<ul style="list-style-type: none"> Transport and Public Works Department of Environmental Affairs and Development Planning Provincial Department of Economic Development and Tourism 			<p>Precinct Plan (Local Spatial Development Framework Plan) for an integrated node providing guidelines for integrated design for the purposes of the community living together in November 2019</p> <p>The Oudtshoorn and Knysna municipalities intends to revitalize/improve the CBD as stipulated in their MSDF's spatial proposals.</p>
3. REGIONAL DENSIFICATION POLICY	Develop appropriate, credible and implementable Spatial Development Framework's for all local and district municipalities in the region.	<p>Lead Organisation</p> <ul style="list-style-type: none"> All local municipalities <p>Support Organisation</p> <ul style="list-style-type: none"> Garden Route District Municipality 			<p>All local municipalities' MSDF are updated, except that of Kannaland LM is old, it was last updated in 2013.</p> <ul style="list-style-type: none"> Central Karoo District- SDF review is currently in progress

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress to date
		<ul style="list-style-type: none"> Provincial Department of Environmental Affairs and Development Planning 			<ul style="list-style-type: none"> Cape Winelands District Municipality - adopted a new SDF in June 2022 West Coast District Municipality - Final SDF was submitted to and adopted by council in 2020 Overberg District Municipality – Draft SDF being developed in 2022
4. REGIONAL VACANT LAND OPTIMISATION POLICY	Undertake vacant and underutilised land audits for all land within or in proximity to the major settlements of the region, and unlock well-located land, via a development facilitation and property development unit, for development by providing a suite of desirable rights and all relevant authorisations and infrastructure support for development in these land parcels,	<p>Lead Organisation</p> <ul style="list-style-type: none"> All local municipalities <p>Support Organisation</p> <ul style="list-style-type: none"> Garden Route District Municipality Provincial Department of Environmental Affairs and Development Planning Provincial Department of Transport and Public Works Provincial Department of 	2022/23	Vacant Land Audit and strategy for vacant land development	Garden Route District Municipality is in a process of developing a land Audit strategy.

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress to date
	incentivising spatial justice and efficiency	Economic Development and Tourism			
5. MAINSTREAMING DISASTER MANAGEMENT IN REGIONAL THINKING POLICY	Embed disaster management in all planning and delivery mechanisms for land development and infrastructure, specifically as it relates to climate change risks, flooding, and fire events.	<p>Lead organisations</p> <p>Garden Route District Municipality Provincial Department of Local Government</p> <p>Support Organisation</p> <p>All local municipalities</p> <p>Provincial Department of Environmental Affairs and Development Planning</p>	Immediate and ongoing	Disaster management mainstreamed in all development applications (building plans, land use changes, environmental authorisations)	<p>The Garden Route District Municipality has developed Disaster Risk Assessment Strategy for the entire district to be incorporated into MSDP's and Land Use Schemes. Only George in the whole district has included the Risk Assessment into the MSDP</p> <p>The Garden Route District Municipality, through one of its Growth and development strategies of Supporting Wellness and Resilience, is dealing with systemic risks, taking into account casual factors and resilience impacts, requiring management of risks across public and private sectors</p>

2. GARDEN ROUTE SDF STRATEGY: THE ECONOMY IS THE ENVIRONMENT

Number of Projects: 20

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
1. ENVIRONMENTAL REHABILITATION, ENHANCEMENT & RESILIENCE POLICY	Protect, conserve, rehabilitate & restore wetlands, rivers, lakes and natural environment assets and undertake alien vegetation clearing, focusing on wetlands, riverine systems and water catchment areas.	Lead organisations: <ul style="list-style-type: none"> Provincial Department of Environmental Affairs and Development Planning Cape Nature SANPARKS Support organisations: <ul style="list-style-type: none"> All local municipalities Garden Route District Municipality Department of Water and Sanitation 	Immediate and ongoing	Decrease in alien vegetation land cover. Improvement in river system health and water quality	Garden Route District Municipality developed an invasive species monitoring, control and eradication draft plan in April 2019
	Enhance agricultural practices to mitigate harmful environmental, riverine and wetland impacts	Lead Organisation Provincial Department of Agriculture Support Organisations All local municipalities GRDM Provincial Department of Environmental Affairs	Immediate and ongoing	Decrease in siltation and pollution of riverine and wetland systems.	A Draft Gouritz River Estuarine Management Plan was developed in June 2018 in response to siltation and pollution of riverine and wetland systems.

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
	Contain Development and Manage rural areas through appropriate application of Spatial Planning Categories (from Garden Route SDF)	Lead Organisations All local municipalities Support Organisations GRDM Provincial Department of Environmental Affairs and Development Planning Provincial Department of Agriculture Cape Nature SANPARKS		Increase in gross dwelling unit density of all urban settlements. Land use planning and environmental planning decisions consistent with Spatial Planning Categories	Most local municipalities have begun to identify and encourage areas for densification through their planning tools(zoning scheme by laws and MSDF's)
2. RESILIENT REGIONAL SETTLEMENTS POLICY	Ensure the regional adherence to compact urban development to prevent erosion of regional scenic assets and undesirable disaster management risks to fire and flood	Lead Organisation All local municipalities Support Organisations Garden Route District Municipality Provincial Department of Department of Environmental Affairs and Development Planning Heritage Western Cape	Immediate and ongoing	No Urban Development in scenic areas or fire and flood risk areas	The local municipalities are continuously monitoring scenic, fire and flood prone areas through their land Use Management systems.

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
	Manage development along the coastline in a sustainable and precautionary manner through coastal setbacks and avoiding flood risk zones (see Garden Route SDF for detail)	Lead Organisation All local Municipalities Provincial Department of Environmental Affairs and Development Planning Support Organisations Garden Route District Municipality	Immediate and Ongoing	No development within relevant Coastal Management Line	Draft GRDM Coastal Management Program which acts as a guideline for all affected municipalities for management of their coastal areas through land use schemes and by-laws
	Mitigate fire risk and impacts on disaster management by implementing veld fire management zones and alien vegetation management.	Lead organisations Cape Nature SANParks Provincial Department of Local Government Support organisations All local municipalities Garden Route District Municipality Provincial Department of Environmental Affairs and Development Planning Provincial Department of Agriculture	Immediate and Ongoing	Alien vegetation clearing Fire management practices implemented	Garden Route District Municipality developed an invasive species monitoring, control and eradication draft plan in April 2019

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
3. REGIONAL WATER RESILIENCE POLICY	Explore and establish a Garden Route regional bulk water infrastructure system for the region to support future water security.	Lead Organisation Garden Route District Municipality Provincial Department of Local Government Support Organisation National Department of Water and Sanitation Provincial Department of Environmental Affairs and Development Planning Mossel Bay, Oudtshoorn, George, Knysna, Bitou, Hessequa, Kannaland Local municipalities	2021/22 – implementation of recommendations from pre-feasibility	Implementation of pre-feasibility study recommendations	Garden Route District Municipality is in a process to conduct a feasibility study for a regional bulk water infrastructure system within the 2022-2023 financial year.
	Implement aggressive 'war on leaks' and water	Lead Organisations All local Municipalities	Immediate and Ongoing	Decrease in % of water lost to leaks / infrastructure failure.	Each individual municipality needs to increase its focus on water services

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
	infrastructure renewal programme to reduce water lost through infrastructure failure				maintenance programme, which is expressed unevenly in each's IDP's and budgets.
3.REGIONAL WASTE MINIMISATION, MANAGEMENT & UTILISATION POLICY	Regional Waste Management solution for the region	Lead Organisation <ul style="list-style-type: none"> Garden Route District Municipality Provincial Department of Environmental Affairs and Development Planning Support Organisation <ul style="list-style-type: none"> Mossel Bay LM Oudtshoorn LM George LM Knysna LM Bitou LM Hessequa LM Kannaland LM 	2019/20 – joint funding agreement 2020/21 – implementation of regional waste site As soon as is possible, and to be up scaled over time	Establishment of a regional waste site in the garden route I	Ongoing: Construction tender has been concluded through the Supply Chain Processes, and a service provider has been appointed. Joint funding agreement- A Draft SLA was sent to participating municipalities on 30 November 2022- Awaiting feedback from the participating local municipalities in finalizing the joint funding agreement.
	Implement local or regional (whatever is	Lead Organisations <ul style="list-style-type: none"> Mossel bay LM Oudtshoorn LM 		Increase in % of waste recycled of each municipality.	The Garden Route District Municipality has developed a

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
	appropriate & feasible) waste recycling programmes to reduce waste to landfill	<ul style="list-style-type: none"> George LM Knysna LM Bitou LM Hessequa LM Kannaland LM Garden Route District Municipality <p>Support Organisations</p> <p>Provincial Department of Environmental Affairs and Development Planning</p>			Integrated Waste Management Plan which also promotes waste recycling.
4. GARDEN ROUTE AIR ACCESS POLICY	Increase air access opportunities (particularly low cost carrier airlines) between George and other South African airports, notably Cape Town, which open up opportunities in the tourism economy.	<p>Lead organisations</p> <p>ACSA GRDM SCEP George Municipality</p> <p>Support organisations</p> <p>DEDAT Other local Municipalities Businesses Wesgro</p>	2019/20 – WESGRO engage with low-cost carrier airlines to open Cape Town – George route	The entry of low-cost carriers' airlines on the Cape Town – George flight route	The projected has ceased for now. The topic of air access improvement processes will be incorporated as part of the GDS Connected Economy and Sustainable Tourism Clusters' functions.
5. SKILLS TO MATCH THE ECONOMY POLICY	Develop & implement a skills development and upskilling	<p>Lead organisations</p> <p>Provincial Department of Economic Development and Tourism</p>	2020/21 – implement skills strategy.	Implementation of a Garden Route Skills Strategy (Skills Mecca Concept)	A Skills Mecca Development Coordinator appointed on 1 April

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
	programme for the region that ensures the upskilling and training of inhabitants in the region in order to access the economic opportunities that exist in relevant key growth sectors of the economy.	<p>Garden Route District Municipality SCEP SEDA B-municipalities</p> <p>Support organisations National Department of Higher Education & Training South Cape College (George Campus) Nelson Mandela Bay University (George Campus & Saasveld Campus)</p>			2021 with an extended contract to September 2024. Twelve Skills Mecca Technicians appointed on EPWP Contracts to allow for representation in each local municipality. With support of the Training Unit, the Skills Mecca is implementing skills development projects across the District to the value of R 50m and 1, 073 beneficiaries.
	Economic sector support for key job and economic growth sectors of the economy: develop incentives and sector support initiatives to make ease of doing business a priority for deemed priority sectors.	<p>Lead organisations All local municipalities Provincial Department of Economic Development and Tourism</p> <p>Support organisations Garden Route District Municipalities SCEP Provincial Department of Agriculture</p>	<p>2019/20 – identify incentive measures</p> <p>2020/21 – implement incentive measures</p>	Incentive measures applied to priority sectors to encourage job growth	<p>Economic sector support is seen in the Garden Route Film Commission establishment</p> <p>The Garden Route District Municipality, through its Human Settlements Section have an approved Incentives Policy Framework, for possible implementation by the B Municipalities to</p>

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
					encourage private developers to participate in the development of Affordable Housing
6. REGIONAL ECONOMIC GROWTH AND DEVELOPMENT POLICY	Explore Special Economic Zones for Garden Route region	Lead organisations Garden Route District Municipality Mossel Bay Municipality Southern Cape Economic Partnership Support organisations DTI PetroSA TNPA ACSA DEDAT	2019/20 – Business case for SEZ for region 2020/21 – Implementation of SEZ for region	Establishment of SEZ in Garden Route	The processes of the establishment of a SEZ reached concept stage thereafter ,the district was advised by DTI to follow the industrial parks route, the process is yet to be continued
	Facilitate and promote film sector in region	Lead organisations <ul style="list-style-type: none"> • Garden Route Film Office • Garden Route District Municipality • All B-municipalities • SCEP Support organisations <ul style="list-style-type: none"> • Wesgro • DTI • DEDAT 		Establishment of Film Office in Garden Route; Increase in film productions to create employment opportunities; Development of the Film Industry – Skills/Marketing/Database/Locations etc.	The Film office in the Garden Route has been established.

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
	George Airport Growth Strategy – determine what infrastructure, support and systems are needed to position George airport for growth	Lead organisations: <ul style="list-style-type: none"> • ACSA • George Local Municipality • Garden Route District Municipality • SCEP Support Organisations <ul style="list-style-type: none"> • Provincial Department of Economic Development and Tourism • WESGRO • DTI 	2021/22 – Develop Strategy 2022/23 – implement Strategy.	George Airport Growth Strategy developed.	<p>Significant work has been done in terms of developing and Growing the George Airport Precinct, undertaken by ACSA</p> <p>Due to the impact of COVID-19, and severe restrictions on international travel (and associated tourism arrivals) which have impacted on domestic air travel, there has not been significant progress made to date.</p>
	Mossel Bay Port Growth Strategy – determine what infrastructure, land use changes, support and systems are needed for Mossel Bay Port diversification and/or	Lead organisations: Transnet National Ports Authority Mossel Bay Local Municipality Support Organisations Garden Route District Municipality Provincial Department of Economic Development and Tourism Provincial Department of Transport and Public Works SCEP	2019/20 – develop plan / strategy 2020-25 – lobby for implementation of plan / strategy	Mossel Bay Port Growth Strategy developed.	Transnet National Ports Authority has developed a Port Development Framework Plan for Mossel Bay Local Municipality and has gone out for Public Participation in May 2023.

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
	expansion	PETROSA			
7. REGIONAL INFORMAL ECONOMY POLICY	Informal sector Support Strategy: develop and implement an Informal Sector Support Strategy which provides the necessary sector support and infrastructure / services to assist in stabilising and accommodating informal economy	Lead organisations All local municipalities Provincial Department of Economic Development and Tourism Support organisations Garden Route District Municipality SCEP National Dept of Small Business	2022/23 – develop informal sector support strategy for all local municipalities. 2023-26 – implement informal sector support strategy.	Informal sector Support Strategy developed	There has been limited movement on how the district supports and enables informal sector economy opportunities
8. RURAL ECONOMY DEVELOPMENT POLICY	Appropriate development in Rural Areas Guideline: Define and	Lead organisations All local municipalities Provincial Department of Agriculture DRDLR	2021/22	Appropriate development in Rural Areas Guideline	The DEA&DP has developed a revised Rural Development Guideline which should give increased

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
	promote appropriate economic and development opportunities in the rural areas to both revive these economies and create balanced, sustainable settlements and hamlets, including exploring the creation of ICT hubs in rural areas	Support organisations Department of Environmental Affairs and Development Planning Garden Route District Municipality Provincial Department of Economic Development and Tourism			clarity and certainty as to how rural development should be managed in the province.
9. REGIONAL AGRI-PROCESSING POLICY	Forestry & Agri-processing support plan: Encourage & incentivise agri - beneficiation, agri-exports and niche agricultural products	Lead organisations Garden Route District Municipality Provincial Department of Agriculture All local municipalities SCEP Support organisations DEDAT BGCMA (Breede Gouritz Catchment Management Agency) WESGRO Farmer Associations DRDLR	Immediate and ongoing	Year on year growth in niche agri-sector industries (such as honey bush tea and berry)	The Garden Route Investment Conference has identified significant agricultural and agri-processing opportunities relating to berries, timber, fruit, honey bush tea, proteas, essential oils, aloe, and hops production in the region. To date, the Garden Route District

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
					Municipality has secured a funding of 1 million for honey bush tea.

3.GARDEN ROUTE SDF STRATEGY: COORDINATE GROWTH MANAGEMENT FOR FINANCIAL SUSTAINABILITY

Number of projects: 10

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
1. LEVERAGE AND ENHANCE SENSE OF PLACE FOR SUSTAINABLE TOURISM POLICY	Regional Tourism Strategy for the Garden Route and Klein Karoo – signage, presence & impact. Improved tourism coordination.	Lead organisations Department of Economic Development and Tourism Garden Route District Municipality Support organisations All local municipalities SCEP WESGRO	2019/20	Develop and implement a Regional Tourism Strategy for the Garden Route. Develop a single District Regional Marketing Organisation for the Garden Route .	A Garden Route and Klein Karoo Tourism Strategy has been developed. Many local municipalities have developed their own Destination Marketing Strategy.
	Preserve and enhance sense of place and	Lead organisations Department of	2020/21	Develop and implement design guidelines for new building typologies and	There has been no movement on the development of a design

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
	garden Route aesthetic through appropriate development & design guidelines.	Environmental Affairs and Development Planning All local municipalities DEDAT		retrofitting that are context appropriate for different development typologies of the Garden Route	guideline for different contexts in the Garden Route
		Support organisations Garden Route District Municipality SCEP/EDP Provincial Department of Agriculture	ongoing	Preserved scenic assets	To date-all municipalities through their MSDFs are promoting appropriate development that does not undermine sense of place
	Identify and protect scenic and cultural landscapes in the garden Route and Klein Karoo	Lead organisations Provincial department of Environmental Affairs and Development Planning Garden Route District Municipality			

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
		Support organisations All local municipalities Provincial Department of Agriculture			
2. REGIONAL FACILITY CLUSTERING PROTOCOL POLICY	Cluster social facilities to optimise equitable access & spatial efficiency: Develop a Clustering Protocol for the Southern Cape which seeks to promote the appropriate clustering of facilities and services that government delivers, as well as identifying excess land on schools, clinics, and hospital sites for the provision of subsidised housing in the 'wrapping concept' as currently being developed for the Western Cape Government.	Lead organisations Provincial Department of Transport and Public Works All local municipalities Support organisations Provincial department of Environmental Affairs and Development Planning Garden Route DM	2021/22	Clustering Protocol developed and implemented in facility delivery.	the DTPW has done work in the West Coast

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
	Locate regional facilities at most accessible points in regional nodes	Lead organisations Provincial Department of Transport and Public Works All local municipalities Support organisations Provincial department of Environmental Affairs and Development Planning Garden Route DM	2021/22	Clustering Protocol developed and implemented in facility delivery	Same as above
3. REGIONAL INFRASTRUCTURE EXPANSION POLICY	Coordinate the regional increase in supply capacity relating to water, waste, and electricity provision.	Lead Organisation Garden Route DM Support organisations All local municipalities Provincial Department of	Immediate and ongoing	Develop and implement regional infrastructure plans	There are interventions currently underway in Garden Route for the development of regional infrastructure plans

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
	Develop regional and municipal infrastructure master plans in accordance with the proposals of the SDFs and IDPs of municipalities. Align growth with infrastructure and fiscal capacity (see Garden Route SDF)	Local Government Lead organisations Garden Route DM finance head Support organisations Provincial Treasury All local municipality finance heads			
4. MUNICIPAL AND SETTLEMENT COMPLEMENTARITY POLICY	Clearly define each role and function of each settlement in the region as contributing towards the greater economic strategy – George as the service centre and highest order settlement, Mossel Bay as an industrial, service, and tourism settlement, Knysna and Plettenberg Bay as the tourism and lifestyle	Done in Garden Route RSIF	Immediate and ongoing	Development opportunities located appropriately and responsively	The function of each municipal area/town are clearly defined in the Garden Route MSDF, and the RSIF and the Growth Development Strategy

Key Regional Policy	Project or Action	Responsible Actors	Timeframes	Monitoring Indicator	Progress
	settlements, etc.				
5. INTEGRATED PLANNING, MANAGEMENT & DELIVERY POLICY	Coordinate integrated management and strategic regional governance with relevant stakeholders through the IDP process. Ensure deep levels of collaboration and impact in joint planning exercises for the region. Link these clearly to outcomes and deliverables that are funded and pursued through partnerships	Lead organisations Garden Route DM All local municipalities Support organisations Provincial Department of Local Government Provincial Treasury Southern Cape Partnership All provincial Departments	Immediate and ongoing	Implementation of IDP and Garden Route RSIF	The existing JDMA, SIME, TIME and IPSS systems set in place the infrastructure and processes to enable integrated planning, budgeting and delivery, however it requires each entity to engage on these platforms meaningfully and with the intent to plan and budget jointly
6. REGIONAL MONITORING, EVALUATION & REPORTING POLICY	IDP Review and M&E: Municipalities must have clear visions and implementation plans speaking directly to its planning instruments, with measurable targets and goals.	Lead organisations Garden Route DM All local municipalities Support organisations Provincial Department of Local Government Provincial Treasury Southern Cape Partnership	Immediate and ongoing	Implementation of IDP and Garden Route RSIF	Same as above

9. Conclusion

It is seen through the aforementioned identified gaps, an updated Spatial Development Framework would be highly beneficial for the district, the 7B Municipalities as well as planning within the regional space.

BACK TO AGENDA

1. **FINAL BUDGET 2023/2024 MTREF (MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK) / FINALE BEGROTING 2023/2024 MEDIUM TERMYN INKOMSTE EN UITGAWE RAAMWERK (MTIUR) / UYLO LOLWABIWO-MALI 2023/2024 MTREF (INGENISO YEXESHA ELIFUTSHANE KUNYE NENDLELA YENCITHO)**

(6/18/7)

19 MAY 2023

REPORT FROM THE EXECUTIVE MAYOR (ALD M BOOYSEN)

2 PURPOSE

To table the final budget 2023/24 MTREF of Garden Route District Municipality for approval in terms of Section 16 (2) of the Municipal Finance Management Act 56 of 2003.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

As per section 16(2) of the Municipal Finance Management Act 56 of 2003, the mayor must submit the annual Budget to the municipal council for approval before the start of the new financial year.

The Multi-year Budget for 2023/24, 2024/25, 2025/26 is hereby submitted to the council for approval. The budget must be read in the prescribed format, refer to attachment containing the breakdown of the Final Budget.

Budget Summary

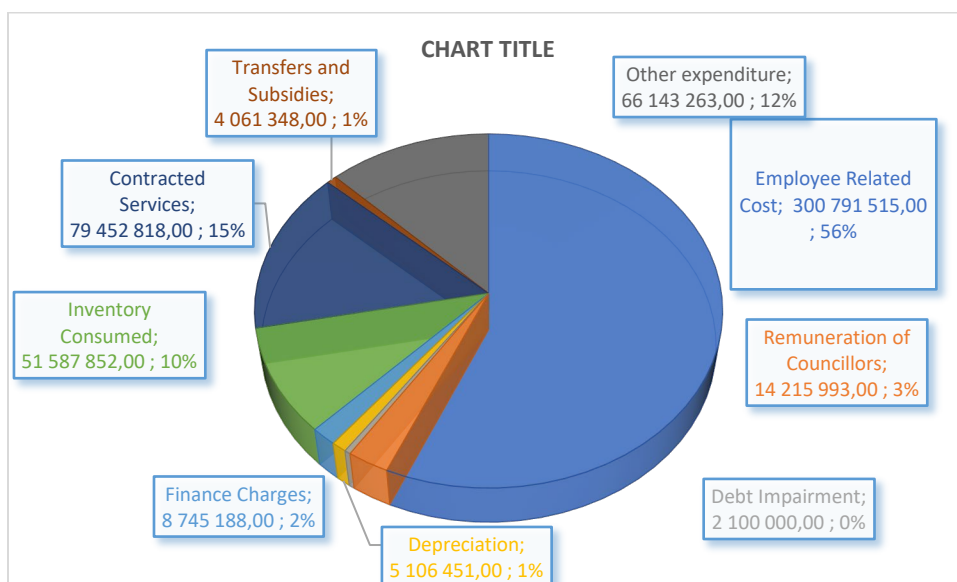
HIGH LEVEL SUMMARY: BUDGET 2023/2024			
High-level Summary	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026
Operational Revenue	526 418 230,00	578 422 856,00	609 223 914,00
Operational Expenditure	- 532 204 428,00	- 584 664 581,00	- 617 007 539,00
Surplus / (Deficit)	- 5 786 198,00	- 6 241 725,00	- 7 783 625,00
Capital Expenditure	- 158 300 075,00	- 96 446 650,00	- 900 000,00
Less funded from NT Grants	4 000 000,00	5 000 000,00	-
Less funded from PT Grants	4 481 000,00	500 000,00	500 000,00
Less funded from Borrowings	143 981 000,00	90 546 650,00	-
Less funded from Own funds	5 838 075,00	400 000,00	400 000,00
Surplus / (Deficit) after Capital	- 5 786 198,00	- 6 241 725,00	- 7 783 625,00

The Final 2023/24 MTREF Budget per the municipality's IDP Strategic Objectives:

Strategic Objective	Bud 23/24	Bud 24/25	Bud 25/26
SO1:A Skilled Workforce and Communities	44 608 217	38 812 903	40 233 851
SO2: Bulk Infrastructure Co-ordination	197 842 297	208 424 691	218 738 113
SO3: Financial Viability and Sustainability	23 746 650	25 173 800	26 818 706
SO4: Good Governance	129 239 934	127 840 844	138 081 453
SO5: Growing an Inclusive District Economy	11 951 252	12 207 391	12 508 618
SO6: Health and Socially Stable Communities	86 806 254	130 182 159	136 150 916
SO7: Sustainable Environmental Management and Public Safety	38 009 824	42 022 793	44 475 882
Grand Total	532 204 428	584 664 581	617 007 539

Summary of Total Operating Expenditure

SUMMARY: TOTAL EXPENDITURE			
Description	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026
Employee Related Cost	300 791 515,00	310 169 903,00	331 653 847,00
Remuneration of Councillors	14 215 993,00	15 211 112,00	16 275 888,00
Debt Impairment	2 100 000,00	1 638 975,00	1 679 949,00
Depreciation	5 106 451,00	5 234 112,00	5 364 967,00
Finance Charges	8 745 188,00	20 231 544,00	19 484 892,00
Inventory Consumed	51 587 852,00	55 392 019,00	56 773 920,00
Contracted Services	79 452 818,00	101 442 556,00	108 485 891,00
Transfers and Subsidies	4 061 348,00	3 622 833,00	3 705 171,00
Other expenditure	66 143 263,00	71 721 527,00	73 583 014,00
Total Operating Expenditure	532 204 428,00	584 664 581,00	617 007 539,00



- Operational expenditure has been classified and budgeted for according to the mSCOA
- Non-cash items like bad debts, depreciation and amortisation were aligned to the 2021/22 audited financial figures.
- Other expenditure budgeted for was also increased with the projected CPI Inflation forecast of 3%.
- Refreshments, Catering and Entertainment has been drastically decreased.
- Training and bursaries were reduced from the previous year.
- Subsistence and Travel was also reduced.

Overview of Salary Budget

SALARY / REMUNERATION RELATED EXPENDITURE (GRDM)

Description	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026
Remuneration of Councillors	14 215 993,00	15 211 112,00	16 275 888,00
Employee related cost - Senior Management	9 587 437,00	10 162 683,00	10 772 445,00
Employee related cost - Municipal Staff	291 204 078,00	300 007 220,00	320 881 402,00
Total Salary Related expenditure	315 007 508,00	325 381 015,00	347 929 735,00

The MFMA Budget Circular No.123 (03 March 2023) stated the following – “The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 (5.4 per cent according to the Reserve Bank’s Monetary Committee Statement for January 2023) and 2024 (4.8 per cent according to the Reserve Bank’s Monetary Committee Statement for January 2023). The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, shall be used to determine the projected average CPI”.

Employee Related costs were adjusted on average with 7% (6% plus the 1% notch increase, No new vacant positions have been budgeted for in view of the financial constraints and that the majority of the budget (59%) is allocated to employee related costs.

Overtime and standby have been cut and only emergency staff will be considered when applying for standby and overtime, but operations will be revisited to ensure these standby and overtime is also reduced.

Summary of Revenue

Summary: Total Revenue	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026
Rent on Land	626 653,00	456 653	456 653
Rental on Facilities	3 121 958,00	3 121 958	4 000 000
Safety Plan ImplementationWhole of Society Approa	1 560 000,00	1 622 000	1 671 000
SETA funding (Skills Mecca)	15 000 000,00	15 000 000	15 000 000
SETA Admin Fee	1 125 000,00	1 125 000	1 125 000
Admin Fees: Skills Mecca	2 651 034,00	2 651 034	2 651 034
Contribution BMun towards generator wet fuel	250 000,00	0	0
Equitable Share RevTransf and subsidies	178 333 000,00	186 631 000	195 195 000
Financial Assets Rev Interest earnedexternal inve	8 427 000,00	8 932 620	9 610 606
Bank Accounts Rev Interest earnedexternal invest	1 706 600,00	1 808 996	1 946 299
Local Government Financial Management Grant Sched	1 000 000,00	1 000 000	1 100 000
Municipal Systems Improvement Grant	1 000 000,00	0	2 800 000
Expanded Public Works Programme Integrated Grant f	2 180 000,00	0	0
Integrated Transport Planning RevTransf and subsi	0,00	939 000	982 000
Rural Roads Asset Management Systems Grant Schedul	2 754 000,00	2 721 000	2 843 000
Disaster Management Internship Grant	4 481 000,00	500 000	500 000
Management Fees RevAgency services	21 239 000,00	21 224 000	25 794 600
Sundry Income Other Rev	10 317,00	10 936	11 592
Fire Services Other Rev	9 093 508,00	9 003 118	10 543 305
Personal Primary Health Care Services RevTransf a	3 236 200,00	3 430 372	3 636 194
Insurance Refund Other Rev	152 378,00	161 521	171 212
Human Settlement	5 000 000,00	5 000 000	5 000 000
Interst on Debtors	3 370 800,00	3 573 048	3 787 431
MMC Contribution from BMunicipalities Income	1 041 810,00	0	0
Sale op Porperty	3 600 000,00	0	0
EEDSM Capital (Energy Efficiency and Demandside	4 000 000,00	5 000 000	0
Administrative Handling Fees Other Rev	337 080,00	357 305	378 743
Skills Development Levy Refund Other Rev	332 890,00	352 863	374 035
Services Seta Bursary	359 340,00	380 900	403 754
Resort Income	14 317 816,00	15 176 886	16 477 234
Other Assets RevRental of facilities and equipmen	254 912,00	270 206	293 579
Materials and Equipment Other Rev	24 608,00	26 084	27 649
Health Services Other Rev	438 599,00	464 915	492 810
Roads Continued Members	1 727 708,00	1 831 370	1 941 252
Roads Revenue Transfer	193 150 000,00	202 860 000	214 955 000
Health Certificates RevLicences and permits	182 560,00	193 514	205 125
Administration Fees	2 644 297,00	6 305 910	5 942 265
Service Charges Income	37 688 162,00	76 290 647	78 907 542
Total Revenue	526 418 230,00	578 422 856	609 223 914

RSC REPLACEMENT GRANT

The equitable share over the MTREF period grows very slowly. The RSC levy replacement grant only increases with about 3% per annum (R5.6m), which is not sufficient to ensure the financial sustainability of this municipality, as it is below the annual CPIX. Our limited revenue resources have compelled the municipality to pursue additional income sources in order to deliver the services in the region and this remains a challenge as we have limited own income sources. Turnaround strategies are compiled for properties and resorts and alternative revenue enhancement strategies are being explored - for example becoming a water services authority.

The GRDM has developed this investment prospectus containing regional catalytic investment opportunities across the Garden Route. The purpose of the prospectus is to display the region's investment-friendly climate and its economic activities and opportunities to the national and international business community and in so doing, attracting new investments and retaining and expanding existing investments in the Garden Route region. The prospectus includes the investment opportunities of all seven (7) municipalities within the boundaries of the region, as well as the District Municipality's specific opportunities. The investment opportunities identified for our region amount to more than R508billion. This projective are classified as median to long term projects. As can be seen from the value of these projects, it is clear that they cannot be financed through the current municipal resources. A task team will be established to ensure that credible business plans are compiled and submitted to relevant private (local and abroad) and public institutions for possible investments.

The prospectus can be accessed here <https://invest.gardenroute.gov.za>

REGIONAL LANDFILL SITE

The appointment Private Party to construct the regional landfill site has signed the service level agreement. It is envisioned that the landfill site construction will commence early June According to the Engineer's report, the landfill site is designed with a capacity to be of service for 25 years. (4 cells of 25 hectares in size with a capacity to be filled 12 meters in height). The investment on this project is more than almost R300million.

The Garden Route District Municipality embarked on a procurement process to obtain borrowing to finance the facility's construction. After an intensive tender adjudication process and after a consultation with all the participating municipalities to analyse and determine the best and most appropriate tendered loan option, it was collectively decided that the preferred option of the tenders offered would be clearly the 10-year loan.

GRDM has negotiated service level agreements with participation B Municipalities. It is imperative that the participating local municipalities provide a signed SLA, indicating the participation for 10 years. The tariffs are included in the GRDM tariff structure to cater for the provision of this service.

A Regional Waste Management Facility Project Steering Committee has been established, consisting of various sections to provide inputs and assist the project manager that the project will commence and be completed as per timeframes set up.

There are four participating municipalities (Bitou, Knysna, George and Mossel Bay) who will be utilising the regional landfill site. Monthly accounts will be sent to the participating municipalities for the utilisation of the landfill site. The tariff policy and tariff listings included in the budget submission sets the tariff to be charged. This was established based on a financial model prepared by consultants based on a “best estimate” calculation for the construction and operating of the landfill site. This tariff will be revised annually to ensure the tariff covers the full cost of the service that GRDM will be providing to participating municipalities in this regard.

A separate rehabilitation reserve will be set up which must be cash-backed to ensure cash is available to rehabilitate the landfill space at the end of its useful life. Included in the monthly accounts to the participating municipalities, a contribution is included for the rehabilitation of the regional landfill site to ensure cash reserve will be sufficient to rehabilitate the landfill site at the end of its useful life. The facility will ensure that we continue to have clean towns and that the Tourism industry is not impacted.

RENTAL OF PROPERTIES/FACILITIES

It is envisioned with the turnaround strategy for properties and resorts, that additional funding can be generated if market related rental agreements are signed with current/new tenants

INTEREST EARNED

Interest earned was increased slightly over the MTREF period. Management reviewed the Investment Strategy to update the approach and alternatives – e.g., all cash not deposited in call accounts at banks for interest, but potentially invest in other assets (as allowed by the MFMA) for higher returns.

GOVERNMENT GRANTS

Budgeted as per DoRA (Division of Revenue Act). The municipality is grant dependent, hence the exploration of alternative revenue sources. The operations are mainly funded from the Equitable Share and our Roads function is funded through the Provincial Allocation. Equitable Share accounts for more than 50% of our income, when we excluded the roads allocation.

INCOME FROM AGENCY SERVICES

Included under this item is the administration fee at 12% of the total allocation received for performing the roads function on behalf of the Department of Public Transport. (12% of R190m = R21m).

SALE OF GOODS AND SERVICES/OPERATIONAL REVENUE

Included under this item is the income from resorts and firefighting income.

TURNAROUND STRATEGY PROPERTIES:

The Municipality has embarked on aggressive marketing for the resorts as well as cost saving initiative. The cost saving initiative includes the installation of solar system and battery power storage at De Hoek Resort. This is expected to reduce the electricity consumption from the grid by 95%. This has already proved to be a success as the monitoring indicate a drastically reduced electricity consumption.

It is envisaged that the same approach will be used in various GRDM offices, including reviving the solar project in head office. The ACFO is in discussion with the Project Management unit to replicate the De Hoek system in the head office.

A turn-around strategy for properties and resorts is currently being developed by the property manager to maximise potential for properties. Revenue from properties has increased significantly and it is envisioned that this trend will continue.

Negotiations are in advance stages with different spheres of Government regarding transfer of certain properties to GRDM. These properties will be utilised to realise some of the project on our investment prospectus.

4.9 ROADS AGENCY FUNCTION

As mentioned previously, R 193 150 000 of the Roads agency function has been included in the operating revenue budget.

OTHER ADMINISTRATION FEES RECEIVED:

Included under administration fee income, the following administration fees were included:

- SETA admin fee of R3.7m (Total allocation R18.7m split in R15m expenditure and R3.7m admin fee payable to GRDM). This project is being driven by the Department of Corporate Services.
- Administration fee for the regional landfill site R2.6m (Total allocation R29m split in R2.6m admin fee)

OVERVIEW OF CAPITAL BUDGET

In the 2023/24 financial year, the main capital expenditure items are the construction of the Landfill Site and the Fire Station. The latter is financed through a mixture of own revenue and a Grant of R3m. The landfill Site is financed through borrowing.

Refer to section 4.2 for more detail regarding the regional landfill site project

CostCentre	OwnDescription	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026
PMU	Upgrading of buildings - Retrofitting EEDS	4 000 000,00	5 000 000,00	-
Information technology	Replacing ICT Capital Equipment beyond economical	250 000,00	250 000,00	250 000,00
Executive Manager: Community Services	Firestation: George	4 638 075,00	-	-
Executive Manager: Community Services	Firestation: George	3 000 000,00	-	-
Executive Manager: Community Services	Firefighting Vehicle (bakkie)	981 000,00	-	-
Fire Fighting	Hazmat Rescue , Fire Equipment	150 000,00	150 000,00	150 000,00
Fire Fighting	Hazardous Materials Equipment	500 000,00	500 000,00	500 000,00
Resorts: Calitzdorp Spa Resort	Vehicle (bakkie)	800 000,00	-	-
Waste Management Landfill Sites	Landfill Site: PPE	143 981 000,00	90 546 650,00	-
		158 300 075,00	96 446 650,00	900 000,00

Tariffs

Fire tariffs:

- Tariffs increased with 6% based on the 2022/23 tariffs

Resorts tariffs:

- Tariffs at Calitzdorp Spa was increased by 6%
- Tariffs at De Hoek was increased by 6%
- Tariffs at Swartvlei was increased by 6%
- Tariffs at Victoria Bay was increased by 6%

Regional Waste Management Facility tariffs (new):

Client	Utilisation of Regional Waste Management Facility	2023/24	2024/25	2025/26
		R (VAT incl)	R (VAT incl)	R (VAT incl)
Mossel Bay Municipality	Monthly tariff (all inclusive)	1 847 545	1 958 398	2 075 902
George Municipality		2 325 091	2 464 596	2 612 472
Knysna Municipality		806 228	854 602	905 878
Bitou Municipality		596 196	631 968	669 886
Other clients				
- General Waste	Price per one metric ton	654	693	734
- General Waste	Price per quarter metric ton	163	173	183
- Hazardous Waste	Price per one metric ton	953	1 010	1 071
- Hazardous Waste	Price per quarter metric ton	238	252	267

Other tariffs:

- Increased with 6% for example printing and copying costs

4 LIST OF POLICIES THAT ARE INCLUDED IN THE BUDGET:

- a) Supply Chain Mangement Policy

- b) Asset Management Policy
- c) Tariffs Policy
- d) Credit Control and Debt Collection Policy and By-law
- e) Long Term Financial Management Policy
- f) Budget policy
- g) Borrowing Policy
- h) Funding and Reserve Policy
- i) Petty Cash Policy
- j) Banking, Cash Management and Investment Policy
- k) Preferential Procurement Policy
- l) Cost Containment Policy

5. RECOMMENDATIONS

That Council take the following resolutions:

- 1) That the final annual budget of Garden Route District Municipality for the financial year 2023/24 as set out in the schedules contained in Section 4 and Annexure A be approved:
 - (a) Table A1 Consolidated Budget Summary;
 - (b) Table A2 Consolidated Budget Financial Performance (by standard classification);
 - (c) Table A3 Consolidated Budget Financial Performance (by municipal vote);
 - (d) Table A4 Consolidated Budget Financial Performance (revenue and expenditure); and
 - (e) Table A5 Consolidated Budget Capital Expenditure (by municipal vote and funding source)
 - (f) Table A6 Consolidated Budget Financial Position;
 - (g) Table A7 Consolidated Budget Cash Flows
 - (h) Table A8 Consolidated Cash backed reserves/ accumulated surplus
 - (i) Table A9 Consolidated Asset Management
 - (j) Table A10 Consolidated basic service delivery measurement
- 2) That Council approves the Operating Revenue Budget of R526,418,230.
- 3) That Council approves the Operating Expenditure budget of R532,204,428.
- 4) That Council approves the Capital budget of R 158,300,075.
- 5) That Council takes note that R 193,150,000 operating income and expenditure as approved by Department of Public Transport for the Roads agency function has been included in the Total Operating budget as per recommendation 1 – 4.
- 6) That Council approves the tariffs for all services. (Annexure B)
- 7) That Council approves the amended budget related policy that have been reviewed and that have been amended, namely:
 - SCM Policy (Annexure H)
 - Preferential Procurement Policy (Annexure L)

- 8) That council approves the following policies that have been reviewed and remained unchanged, namely:
- Tariffs Policy (Annexure C)
 - Long-term Financial Management Policy (Annexure D)
 - Budget policy (Annexure E)
 - Asset Management Policy (Annexure F)
 - Funds and Reserve Policy (Annexure G)
 - Credit Control and Debt Collection Policy and Bylaw (Annexure I)
 - Banking, Cash Management and Investment Policy (Annexure J)
 - Borrowing Policy (Annexure K)
 - Petty Cash Policy (Annexure M)
 - Cost Containment Policy (Annexure N)
- 9) That Council takes note of the following Budget Circulars, namely:
- MFMA Circular No 122 (Annexure O)
 - MFMA Circular No 123 (Annexure P)
- 10) That Council take note of the project plans submitted by the departments (Annexure S)
- 11) That Council approves that the indicated portion of the capital budget be funded from the Capital Replacement Reserve which is cash funded.
- 12) That Council approves that the operational budget deficit be funded from accumulated reserves from prior years, which is cash funded.
13. That the contents of the report regarding the Service Delivery Standards be approved.

AANBEVELINGS

Dat die Raad die volgende aanbevelings aanvaar en goedkeur soos voorgelê:

- 1) *Dat die Raad goedkeuring gee vir die meerjarige konsepbegroting vir Garden Route Distrik Munisipaliteit vir die finansiële jaar 2023/2024 soos uiteengesit in seksie 4 van die begrotingsverslag en Aanhangel A:*
- (a) Tabel A1 Gekonsolideerde begrotings opsomming;*
 - (b) Tabel A2 Gekonsolideerde Begrotings Finansiële prestasie (volgens standard klassifikasie);*
 - (c) Tabel A3 Gekonsolideerde Begrotings Finansiële Prestasie (volgens munisipale segment);*
 - (d) Tabel A4 Gekonsolideerde Begrotings Finansiële Prestasie (Inkomste en Uitgawes)*
 - (e) Tabel A5 Gekonsolideerde Kapitale Begrotings uitgawes (volgens munisipale segment en befondsing bron)*
 - (f) Tabel A6 Gekonsolideerde Begroting Finansiële*
 - (g) Tabel A7 Gekonsolideerde Begroting Kontantvloei*

- (h) Tabel A8 Gekonsolideerde kontant gerugsteunde reserwes/opgehoopte surplus
- (i) Tabel A9 Gekonsolideerde Bate Bestuur
- (j) Tabel A10 Gekonsolideerde Basiese dienslewering bepaling
- 2) Dat die Raad Bedryfsinkomste van R 526,418,230 goedkeur.
 - 3) Dat die Raad Bedryfsuitgawes van R 532,204,428 goedkeur.
 - 4) Dat die Raad Kapitale Begroting van R 158,300,075 goedkeur.
 - 5) Dat die Raad kennis neem dat R 193,150,000 bedryfsinkomste en bedryfsuitgawes van Departement van Publieke Vervoer vir die paaie agentskapsfunksie ingesluit is by die totale bedryfsbegroting soos per aanbeveling 1 – 4.
 - 6) Dat die Raad die tariewe vir alle dienste goedkeur. (Aanhangsel B)
 - 7) Dat die Raad die aangepaste begrotingsverwante beleid wat hersien en verander is goedkeur, naamlik:
 - Voorsienings Kanaal Beleid (Aanhangsel H)
 - Voorkeur Verkrygings Beleid (Aanhangsel L)
 -
 - 8) Dat die Raad die volgende beleide hersien is en geen veranderinge is aangebring nie goedkeur, naamlik:
 - Tariewe Beleid (Aanhangsel C)
 - Langtermyn Finansiële Bestuurs Beleid (Aanhangsel D)
 - Begrotings Beleid (Aanhangsel E)
 - Bate Bestuurs Beleid (Aanhangsel F)
 - Opgehoopte fondse en reserwe beleid (Aanhangsel G)
 - Krediet Beheer en Skuld Invorderings Beleid (Aanhangsel I)
 - Bank, Kontantbestuur en beleggings Beleid (Aanhangsel J)
 - Lenings Beleid (Aanhangsel K)
 - Kleinkas Beleid Regulasies (Aanhangsel M)
 - Koste Besparings Beleid (Aanhangsel N)
 - 9) Dat die Raad kennis neem van die volgende begrotings omsendskrywes, naamlik:
 - MFMA Omsendskrywe No 122 (Aanhangsel O)
 - MFMA Omsendskrywe No 123 (Aanhangsel P)
 - MFMA Omsendskrywe No 116 (Aanhangsel Q)
 - 10) Dat die Raad kennis neem van die projek planne wat ingedien is deur die departemente (Aanhangsel S)
 - 11) Dat die Raad goedkeuring verleen dat die kapitale begroting befonds word uit die Kapitale Reserwe fonds wat kontant gerugsteun is, soos aangedui.
 - 12) Dat die Raad goedkeuring verleen dat die tekort op die bedryfsbegroting befonds word uit opgehoopte fondse van vorige jare wat kontant gerugsteun is.
 13. Dat die inhoud van die verslag rakende die Diensleweringstandaarde goedgekeur word.

ISINDULULO

Sesokuba iBhunga lithathele ezi zigqibo zolandelayo:

- 1) Sesokuba ulwabiwo-mali lokugqibela lonyaka loMasipala Wesithili se Garden Route kunyakamali ka 2023/24 ngokuqulathwe kuluhlu loMhlathi 4 kunye no Annexure A luphunyezwe:
 - (a) Table A1 Consolidated Budget Summary;
 - (b) Table A2 Consolidated Budget Financial Performance (by standard classification);
 - (c) Table A3 Consolidated Budget Financial Performance (by municipal vote);
 - (d) Table A4 Consolidated Budget Financial Performance (revenue and expenditure); and
 - (e) Table A5 Consolidated Budget Capital Expenditure (by municipal vote and funding source)
 - (f) Table A6 Consolidated Budget Financial Position;
 - (g) Table A7 Consolidated Budget Cash Flows
 - (h) Table A8 Consolidated Cash backed reserves/ accumulated surplus
 - (i) Table A9 Consolidated Asset Management
 - (j) Table A10 Consolidated basic service delivery measurement
- 2) Sesokuba iBhunga liphumeze ulwabiwo-Mali Lwengeniso Eqhubayo neyi R 526,418,230.
- 3) Sesokuba iBhunga liphumeze ulwabiwo-mali Lwencitho Oluqhubayo lwe R 532,204,428.
- 4) Sesokuba iBhunga liphumeze ulwabiwo-mali Oluyinkunzi lwe R158,300,075.
- 5) Sesokuba iBhunga lithathele ingqalelo ukuba i R 193,150,000 yengeniso eqhubayo kunye nencitho ngokuphunyezwe liSebe Lezothutho Loluntu yomsebenzi wezobu arhenge Kwezendlela iye yabandakanywa kulwabiwo-mali Luphelele Oluqhubayo ngokwezindululo 1-4.
- 6) Sesokuba iBhunga liphumeze amaxabiso azo zonek iinkonzo. (Annexure B)
- 7) Sesokuba iBhunga liphumeze ulwabiwo-mali olu lungisiweyo ngokumalunga nomgaqo oye waqwalaselwa ngokutsha noye walungiswa nongaqo we:
 - SCM Policy (Annexure H)
 - Preferential Procurement Policy (Annexure L)
- 8) Sesokuba iBhunga liphumeze lemigaqo ilandelayo nethe yaqwalaselwa ngokutsha kwaye ayikhange ibenenguqu:
 - Tariffs Policy (Annexure C)
 - Longterm Financial Management Policy (Annexure D)
 - Budget policy (Annexure E)
 - Asset Management Policy (Annexure F)
 - Funding and Reserve Policy (Annexure G)
 - Credit Control and Debt Collection Policy and Bylaw (Annexure I)
 - Banking, Cash Management and Investment Policy (Annexure J)
 - Borrowing Policy (Annexure K)
 - Petty Cash Policy (Annexure M)
 - Cost Containment Policy (Annexure N)

- 9) Sesokuba iBhunga lithathele ingqalelo iZazinge soLwabiwo-mali nesiyi:
 - MFMA Circular No 122 (Annexure O)
 - MFMA Circular No 123 (Annexure P)
- 10) Sesokuba iBhunga lithathele ingqalelo izicwangciso zenkqubo ezinikezelweyo ngamasebe (Annexure S)
- 11) Sesokuba iBhunga liphumeze ukuba ulwabiwo-mali oluyinkunzi lubekelwe imali nesuka Kuvimba Ofakelweyo Oyinkunzi nonemali ekhoyo.
- 12) Sesokuba iBhunga liphumeze ukuba ulwabiwo-mali oluqhubayo nolunciphileyo lubenemali esuka kwinzala yovimba kwiminyaka yangphambili nethe yabanesibonelelo sezemali.
13. Sesokuba umongo wengxelo malunga Nomgangatho Wonikezelo Lwenkonzo iphunyezwe.

6. DISCUSSION / CONTENTS

6.2 Background

As per section 16(2) of the Municipal Finance Management Act 56 of 2003, the mayor must submit the annual Budget to the municipal council for approval before the start of the new financial year as per Municipal Finance Management Act 56, 2003.

The Multi-year Budget for 2023/24, 2024/2025 and 2025/26 is hereby submitted to the council for approval. The budget must be read in the prescribed format, refer to attachment containing the breakdown of the Final Budget.

6.2 Discussion

Municipal Finance Management Act 56 of 2003

Section 16 (1) of the MFMA states:

“(1) the council of a municipality must for each financial year approve an annual budget for the municipality before the start of the financial year”

Municipal Budget and Reporting Regulations dated April 2009

Regulation (9) of the Municipal Budget and Reporting Regulations dated April 2009 states:

The annual budget and supporting documentation of a municipality must be in the format specified in Schedule A and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

Regulation 14 (1) of the Municipal Budget and Reporting Regulations dated April 2009 states:

– an annual budget and supporting documentation tabled in a municipal

council in terms of section 16(2) and 17(3) of the Act –

- (a) Be in the format in which it will eventually be approved by council.*
- (b) Be credible and realistic such that it is capable of being approved and implemented as tabled.*

The final budget 2023/24 MTREF of Garden Route District Municipality is hereby presented for discussion and final approval.

The full details of the budget are discussed below, please refer to the report attached on more detailed budget discussion.

6.3 Financial Implications

As set out in the tabled draft budget.

6.4 Legal Implications

Municipal Finance Management Act, No 56 of 2003
Municipal Budget and Reporting Regulations, 17 April 2009

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

Draft MTREF 2023/2024 – 2025-2026 budget was tabled 28 March 2023 at council meeting.

6.7 Risk Implications

None.

ANNEXURES

Annexure A: Detailed Budget Report for financial year 2023/2024 MTREF.

Annexure B: Tariffs 2023/2024 MTREF

Annexures C – N: Budget related policies

Annexures O-P: Circulars issued by National Treasury



**GARDEN ROUTE DISTRICT
MUNICIPALITY
FINAL ANNUAL BUDGET REPORT**

2023/2024- 2025/2026 MTREF

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Annexure O - MFMA Circular No 122

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Annexure Q – Procurement Plans

Glossary

Annual budget – Prescribed in Chapter 4 of the MFMA.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – An unconditional grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

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

MBRR – Municipal budget and reporting regulations April 2009

MFMA – The Municipal Finance Management Act – No. 56 of 2003. The principal piece of legislation relating to municipal financial management.

mSCOA – Municipal Standard Chart of Accounts

MTREF – Medium Term Revenue and Expenditure Framework. A medium-term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations.

Operating expenditure – Spending on the day-to-day expenses of the Municipality such as salaries and wages.

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

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

Unauthorised expenditure – Generally, spends without, or in excess of, an approved budget.

Virement – means transfer of funds between function / votes within a budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be endorsed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget, in Garden Route District Municipality's case this means the different GFS classification the budget is divided into.

Legislative Framework

This report has been prepared in terms of the following enabling legislation.

The Municipal Finance Management Act – No. 56 of 2003
Section 16 & 17 Annual Budgets

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations, April 2009
A Schedule budget formats

PART 1 – BUDGET

Honourable Speaker, Deputy Mayor, Councillors, Municipal Manager, officials and members of the public, I want to welcome you at this stage of the tabling of my budget.

It is a privileged to be here and to table the 2023/24 MTREF Budget to council for approval. It is my pleasure to present to you a fully funded budget, given the Municipality's financial position. The MTREF budget is projecting a deficit of R5.7m (2023/24), R6,2m (2024/25) and R7,7m (2025/26). However it is comforting that although we are budgeting for a deficit the budget is fully funded, through the cash backed reserves.

The total budgeted revenue for the Municipality is R526m and the total budgeted expenditure is R R532m. Our two main sources of income are the Equitable Share, which is R178m and the Roads function allocation of R193m. This means that more than 70% of our income is derived from these two allocations. The roads allocation can only be used to finance Roads Department activities, which includes resealing, re-gravelling, maintenance, and upgrading of roads.

The budgeted road allocation includes capital project allocations of R 91m. The breakdown of these are as follows:

Equitable Share only increases with about 3% per annum (R5.6m), and that is not sufficient to ensure the financial sustainability of this municipality, as it is below the annual CPIX.

If one excludes the Roads income from our budget, the remaining main revenue source to finance projects outside the roads department is R333m. More than 50% of this income is from the Equitable Share.

In addition to the Equitable Share, we apply for and received conditional grants to the value of R40m. This brings the number of Transfers from National and Provincial Government to R220m. This means that 66% of the revenue to finance GRDM is from transfer income. This excludes the income from various SETAs which is about R15m. The reality is that the Municipality must continue to explore alternative sources of income in order to deliver on its legal mandate. This is exactly what we have been busy doing over the past few years

Our limited revenue resources have compelled the GRDM to pursue additional income sources in order to deliver the services in the region and this remains a challenge as we have limited own income sources. Turnaround strategies are compiled for properties and resorts and alternative revenue enhancement strategies are being explored - for example becoming a water services authority.

The GRDM has developed an investment prospectus containing regional catalytic investment opportunities across the Garden Route. The purpose of the prospectus is to display the region's investment-friendly climate and its economic activities and opportunities to the national and international business community and in so doing, attracting new investments and retaining and expanding existing investments in the Garden Route region.

The prospectus includes the investment opportunities of all seven (7) municipalities within the boundaries of the region, as well as the District Municipality's specific opportunities. The investment opportunities identified for our region amount to more than R508 billion. These projects are classified as medium to long term projects. As can be seen from the value of these projects, they cannot be financed through the current municipal resources. A task team will be established to ensure that credible business plans are

compiled and submitted to relevant private (local and abroad) and public institutions for possible investments.

This prospectus can be accessed here <https://invest.gardenroute.gov.za>

Having been faced with the above challenges we have managed to allocate funding to various projects that are key to our communities. We have made available R4,2m to fund the EPWP projects. I have already explained the importance of this funding. In the LED and Tourism section we will be providing the much-needed assistance to the SMME's to the tune of R600 000, amongst few projects in this area. An allocation of about R 15m has been made to create employment and provide skills to our youth, through our Skills Mecca projects. Thanks to various SETAs and various government departments for their financial contributions to this project. Further details about this exciting project can be found in our investment prospectus above.

Part of our strategy is to ensure that we turn around our resorts to generate much needed revenue for the GRDM. We have therefore made provision for R9.5m for the resorts. We have also budgeted R14m income from the same.

Our Capital projects amount to R159m. The major projects are the construction of the Regional Landfill site and the Fire Station. Both these projects are regional projects, and they will be serving the region. The Construction of the Fire Station is at the advanced stage and the Landfill site will be starting in June 2023.

The GRDM embarked on a procurement process to obtain borrowing to finance the landfill site construction. An intensive tender adjudication process was followed. Consequently, after consultative process with all the participating municipalities to analyse and determine the best and most appropriate tendered loan option, it was collectively decided that the preferred option of the tenders offered would be clearly the 10-year loan. This loan will have an all-in floating rate of 6.89% and is offered by Standard Bank.

GRDM has negotiated service level agreements with participating b-municipalities. It is imperative that the participating local municipalities provide a signed SLA, indicating the participation for 10 years. The tariffs are included in the GRDM tariff structure to cater for the provision of this service.

A Regional Waste Management Facility Project Steering Committee has been established, consisting of various sections to provide inputs and assist the project manager to ensure that the project will commence and be completed as per timeframes set up.

Finally, I would like to thank the Municipal Manager and his management team for the sterling work they have done in ensuring a funded budget for the institution. There is still a lot of work ahead in order to realise the projects that are part of our investment prospectus. To that end, a task team will be established to ensure that credible business plans are compiled and submitted to relevant private (local and abroad) and public institutions for possible investments.

The attached detailed budget is therefore submitted for approval by this council.

Yours in Governance,

Alderman Memory Booysen

EXECUTIVE SUMMARY

As per section 16(2) of the Municipal Finance Management Act 56 of 2003, the mayor must submit the annual Budget to the municipal council for approval before the start of the new financial year.

The Multi-year Budget for 2023/24, 2024/25, 2025/26 is hereby submitted to the council for approval. The budget must be read in the prescribed format, refer to attachment containing the breakdown of the Final Budget.

Budget Summary

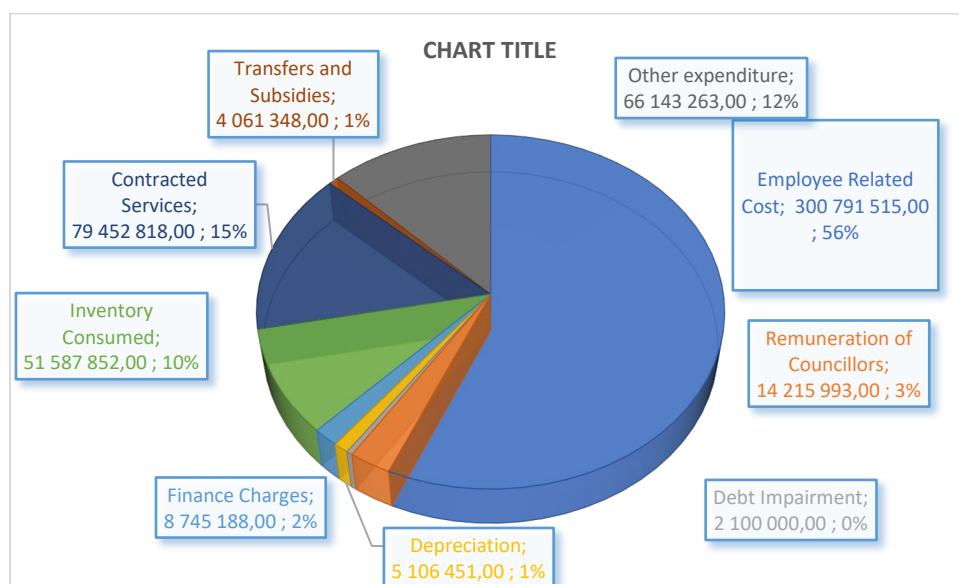
HIGH LEVEL SUMMARY: BUDGET 2023/2024			
High-level Summary	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026
Operational Revenue	526 418 230,00	578 422 856,00	609 223 914,00
Operational Expenditure	- 532 204 428,00	- 584 664 581,00	- 617 007 539,00
Surplus / (Deficit)	- 5 786 198,00	- 6 241 725,00	- 7 783 625,00
Capital Expenditure	- 158 300 075,00	- 96 446 650,00	- 900 000,00
Less funded from NT Grants	4 000 000,00	5 000 000,00	-
Less funded from PT Grants	4 481 000,00	500 000,00	500 000,00
Less funded from Borrowings	143 981 000,00	90 546 650,00	-
Less funded from Own funds	5 838 075,00	400 000,00	400 000,00
Surplus / (Deficit) after Capital	- 5 786 198,00	- 6 241 725,00	- 7 783 625,00

The Final 2023/24 MTREF Budget per the municipality's IDP Strategic Objectives:

Strategic Objective	Bud 23/24	Bud 24/25	Bud 25/26
SO1:A Skilled Workforce and Communities	44 608 217	38 812 903	40 233 851
SO2:Bulk Infrastructure Co-ordination	197 842 297	208 424 691	218 738 113
SO3:Financial Viability and Sustainability	23 746 650	25 173 800	26 818 706
SO4:Good Governance	129 239 934	127 840 844	138 081 453
SO5:Growing an Inclusive District Economy	11 951 252	12 207 391	12 508 618
SO6:Health and Socially Stable Communities	86 806 254	130 182 159	136 150 916
SO7:Sustainable Environmental Management and Public Safety	38 009 824	42 022 793	44 475 882
Grand Total	532 204 428	584 664 581	617 007 539

Summary of Total Operating Expenditure

SUMMARY: TOTAL EXPENDITURE			
Description	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026
Employee Related Cost	300 791 515,00	310 169 903,00	331 653 847,00
Remuneration of Councillors	14 215 993,00	15 211 112,00	16 275 888,00
Debt Impairment	2 100 000,00	1 638 975,00	1 679 949,00
Depreciation	5 106 451,00	5 234 112,00	5 364 967,00
Finance Charges	8 745 188,00	20 231 544,00	19 484 892,00
Inventory Consumed	51 587 852,00	55 392 019,00	56 773 920,00
Contracted Services	79 452 818,00	101 442 556,00	108 485 891,00
Transfers and Subsidies	4 061 348,00	3 622 833,00	3 705 171,00
Other expenditure	66 143 263,00	71 721 527,00	73 583 014,00
Total Operating Expenditure	532 204 428,00	584 664 581,00	617 007 539,00



- Operational expenditure has been classified and budgeted for according to the mSCOA
- Non-cash items like bad debts, depreciation and amortisation were aligned to the 2021/22 audited financial figures.
- Other expenditure budgeted for was also increased with the projected CPI Inflation forecast of 3%.
- Refreshments, Catering and Entertainment has been drastically decreased.
- Training and bursaries were reduced from the previous year.
- Subsistence and Travel was also reduced.

Overview of Salary Budget

SALARY / REMUNERATION RELATED EXPENDITURE (GRDM)

Description	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026
Remuneration of Councillors	14 215 993,00	15 211 112,00	16 275 888,00
Employee related cost - Senior Management	9 587 437,00	10 162 683,00	10 772 445,00
Employee related cost - Municipal Staff	291 204 078,00	300 007 220,00	320 881 402,00
Total Salary Related expenditure	315 007 508,00	325 381 015,00	347 929 735,00

The MFMA Budget Circular No.123 (03 March 2023) stated the following – “The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 (5.4 per cent according to the Reserve Bank’s Monetary Committee Statement for January 2023) and 2024 (4.8 per cent according to the Reserve Bank’s Monetary Committee Statement for January 2023). The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, shall be used to determine the projected average CPI”.

Employee Related costs were adjusted on average with 7% (6% plus the 1% notch increase, No new vacant positions have been budgeted for in view of the financial constraints and that the majority of the budget (59%) is allocated to employee related costs.

Overtime and standby have been cut and only emergency staff will be considered when applying for standby and overtime, but operations will be revisited to ensure these standby and overtime is also reduced.

Summary of Revenue

Summary: Total Revenue	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026
Rent on Land	626 653,00	456 653	456 653
Rental on Facilities	3 121 958,00	3 121 958	4 000 000
Safety Plan ImplementationWhole of Society Approa	1 560 000,00	1 622 000	1 671 000
SETA funding (Skills Mecca)	15 000 000,00	15 000 000	15 000 000
SETA Admin Fee	1 125 000,00	1 125 000	1 125 000
Admin Fees: Skills Mecca	2 651 034,00	2 651 034	2 651 034
Contribution BMun towards generator wet fuel	250 000,00	0	0
Equitable Share RevTransf and subsidies	178 333 000,00	186 631 000	195 195 000
Financial Assets Rev Interest earnedexternal inve	8 427 000,00	8 932 620	9 610 606
Bank Accounts Rev Interest earnedexternal invest	1 706 600,00	1 808 996	1 946 299
Local Government Financial Management Grant Sched	1 000 000,00	1 000 000	1 100 000
Municipal Systems Improvement Grant	1 000 000,00	0	2 800 000
Expanded Public Works Programme Integrated Grant f	2 180 000,00	0	0
Integrated Transport Planning RevTransf and subsi	0,00	939 000	982 000
Rural Roads Asset Management Systems Grant Schedul	2 754 000,00	2 721 000	2 843 000
Disaster Management Internship Grant	4 481 000,00	500 000	500 000
Management Fees RevAgency services	21 239 000,00	21 224 000	25 794 600
Sundry Income Other Rev	10 317,00	10 936	11 592
Fire Services Other Rev	9 093 508,00	9 003 118	10 543 305
Personal Primary Health Care Services RevTransf a	3 236 200,00	3 430 372	3 636 194
Insurance Refund Other Rev	152 378,00	161 521	171 212
Human Settlement	5 000 000,00	5 000 000	5 000 000
Interst on Debtors	3 370 800,00	3 573 048	3 787 431
MMC Contribution from BMunicipalities Income	1 041 810,00	0	0
Sale op Porperty	3 600 000,00	0	0
EEDSM Capital (Energy Efficiency and Demandside	4 000 000,00	5 000 000	0
Administrative Handling Fees Other Rev	337 080,00	357 305	378 743
Skills Development Levy Refund Other Rev	332 890,00	352 863	374 035
Services Seta Bursary	359 340,00	380 900	403 754
Resort Income	14 317 816,00	15 176 886	16 477 234
Other Assets RevRental of facilities and equipmen	254 912,00	270 206	293 579
Materials and Equipment Other Rev	24 608,00	26 084	27 649
Health Services Other Rev	438 599,00	464 915	492 810
Roads Continued Members	1 727 708,00	1 831 370	1 941 252
Roads Revenue Transfer	193 150 000,00	202 860 000	214 955 000
Health Certificates RevLicences and permits	182 560,00	193 514	205 125
Administration Fees	2 644 297,00	6 305 910	5 942 265
Service Charges Income	37 688 162,00	76 290 647	78 907 542
Total Revenue	526 418 230,00	578 422 856	609 223 914

RSC REPLACEMENT GRANT

The equitable share over the MTREF period grows very slowly. The RSC levy replacement grant only increases with about 3% per annum (R5.6m), which is not sufficient to ensure the financial sustainability of this municipality, as it is below the annual CPIX. Our limited revenue resources have compelled the municipality to pursue additional income sources in order to deliver the services in the region and this remains a challenge as we have limited own income sources. Turnaround strategies are compiled for properties and resorts and alternative revenue enhancement strategies are being explored - for example becoming a water services authority.

The GRDM has developed this investment prospectus containing regional catalytic investment opportunities across the Garden Route. The purpose of the prospectus is to display the region's investment-friendly climate and its economic activities and opportunities to the national and

international business community and in so doing, attracting new investments and retaining and expanding existing investments in the Garden Route region. The prospectus includes the investment opportunities of all seven (7) municipalities within the boundaries of the region, as well as the District Municipality's specific opportunities. The investment opportunities identified for our region amount to more than R508billion. This projective are classified as median to long term projects. As can be seen from the value of these projects, it is clear that they cannot be financed through the current municipal resources. A task team will be established to ensure that credible business plans are compiled and submitted to relevant private (local and abroad) and public institutions for possible investments.

The prospectus can be accessed here <https://invest.gardenroute.gov.za>

REGIONAL LANDFILL SITE

The appointment Private Party to construct the regional landfill site has signed the service level agreement. It is envisioned that the landfill site construction will commence early June According to the Engineer's report, the landfill site is designed with a capacity to be of service for 25 years. (4 cells of 25 hectares in size with a capacity to be filled 12 meters in height). The investment on this project is more than almost R300million.

The Garden Route District Municipality embarked on a procurement process to obtain borrowing to finance the facility's construction. After an intensive tender adjudication process and after a consultation with all the participating municipalities to analyse and determine the best and most appropriate tendered loan option, it was collectively decided that the preferred option of the tenders offered would be clearly the 10-year loan.

GRDM has negotiated service level agreements with participation B Municipalities. It is imperative that the participating local municipalities provide a signed SLA, indicating the participation for 10 years. The tariffs are included in the GRDM tariff structure to cater for the provision of this service.

A Regional Waste Management Facility Project Steering Committee has been established, consisting of various sections to provide inputs and assist the project manager that the project will commence and be completed as per timeframes set up.

There are four participating municipalities (Bitou, Knysna, George and Mossel Bay) who will be utilising the regional landfill site. Monthly accounts will be sent to the participating municipalities for the utilisation of the landfill site. The tariff policy and tariff listings included in the budget submission sets the tariff to be charged. This was established based on a financial model prepared by consultants based on a "best estimate" calculation for the construction and operating of the landfill site. This tariff will be revised annually to ensure the tariff covers the full cost of the service that GRDM will be providing to participating municipalities in this regard.

A separate rehabilitation reserve will be set up which must be cash-backed to ensure cash is available to rehabilitate the landfill space at the end of its useful life. Included in the monthly accounts to the participating municipalities, a contribution is included for the rehabilitation of the regional landfill site to ensure cash reserve will be sufficient to rehabilitate the landfill site at the

end of its useful life. The facility will ensure that we continue to have clean towns and that the Tourism industry is not impacted.

RENTAL OF PROPERTIES/FACILITIES

It is envisioned with the turnaround strategy for properties and resorts, that additional funding can be generated if market related rental agreements are signed with current/new tenants

INTEREST EARNED

Interest earned was increased slightly over the MTREF period. Management reviewed the Investment Strategy to update the approach and alternatives – e.g., all cash not deposited in call accounts at banks for interest, but potentially invest in other assets (as allowed by the MFMA) for higher returns.

GOVERNMENT GRANTS

Budgeted as per DoRA (Division of Revenue Act). The municipality is grant dependent, hence the exploration of alternative revenue sources. The operations are mainly funded from the Equitable Share and our Roads function is funded through the Provincial Allocation. Equitable Share accounts for more than 50% of our income, when we excluded the roads allocation.

INCOME FROM AGENCY SERVICES

Included under this item is the administration fee at 12% of the total allocation received for performing the roads function on behalf of the Department of Public Transport. (12% of R190m = R21m).

SALE OF GOODS AND SERVICES/OPERATIONAL REVENUE

Included under this item is the income from resorts and firefighting income.

TURNAROUND STRATEGY PROPERTIES:

The Municipality has embarked on aggressive marketing for the resorts as well as cost saving initiative. The cost saving initiative includes the installation of solar system and battery power storage at De Hoek Resort. This is expected to reduce the electricity consumption from the grid by 95%. This has already proved to be a success as the monitoring indicate a drastically reduced electricity consumption.

It is envisaged that the same approach will be used in various GRDM offices, including reviving the solar project in head office. The ACFO is in discussion with the Project Management unit to replicate the De Hoek system in the head office.

A turn-around strategy for properties and resorts is currently being developed by the property manager to maximise potential for properties. Revenue from properties has increased significantly and it is envisioned that this trend will continue.

Negotiations are in advance stages with different spheres of Government regarding transfer of certain properties to GRDM. These properties will be utilised to realise some of the project on our investment prospectus.

4.9 ROADS AGENCY FUNCTION

As mentioned previously, R 193 150 000 of the Roads agency function has been included in the operating revenue budget.

OTHER ADMINISTRATION FEES RECEIVED:

Included under administration fee income, the following administration fees were included:

- SETA admin fee of R3.7m (Total allocation R18.7m split in R15m expenditure and R3.7m admin fee payable to GRDM). This project is being driven by the Department of Corporate Services.
- Administration fee for the regional landfill site R2.6m (Total allocation R29m split in R2.6m admin fee)

OVERVIEW OF CAPITAL BUDGET

In the 2023/24 financial year, the main capital expenditure items are the construction of the Landfill Site and the Fire Station. The latter is financed through a mixture of own revenue and a Grant of R3m. The landfill Site is financed through borrowing.

Refer to section 4.2 for more detail regarding the regional landfill site project

CostCentre	OwnDescription	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026
PMU	Upgrading of buildings - Retrofitting EEDS	4 000 000,00	5 000 000,00	-
Information technology	Replacing ICT Capital Equipment beyond economical	250 000,00	250 000,00	250 000,00
Executive Manager: Community Services	Firestation: George	4 638 075,00	-	-
Executive Manager: Community Services	Firestation: George	3 000 000,00	-	-
Executive Manager: Community Services	Firefighting Vehicle (bakkie)	981 000,00	-	-
Fire Fighting	Hazmat Rescue , Fire Equipment	150 000,00	150 000,00	150 000,00
Fire Fighting	Hazardous Materials Equipment	500 000,00	500 000,00	500 000,00
Resorts: Calitzdorp Spa Resort	Vehicle (bakkie)	800 000,00	-	-
Waste Management Landfill Sites	Landfill Site: PPE	143 981 000,00	90 546 650,00	-
		158 300 075,00	96 446 650,00	900 000,00

Tariffs

Fire tariffs:

- Tariffs increased with 6% based on the 2022/23 tariffs

Resorts tariffs:

- Tariffs at Calitzdorp Spa was increased by 6%
- Tariffs at De Hoek was increased by 6%
- Tariffs at Swartvlei was increased by 6%
- Tariffs at Victoria Bay was increased by 6%

Regional Waste Management Facility tariffs (new):

Client	Utilisation of Regional Waste Management Facility	2023/24	2024/25	2025/26
		R (VAT incl)	R (VAT incl)	R (VAT incl)
Mossel Bay Municipality	Monthly tariff (all inclusive)	1 847 545	1 958 398	2 075 902
George Municipality		2 325 091	2 464 596	2 612 472
Knysna Municipality		806 228	854 602	905 878
Bitou Municipality		596 196	631 968	669 886
Other clients				
- General Waste	Price per one metric ton	654	693	734
- General Waste	Price per quarter metric ton	163	173	183
- Hazardous Waste	Price per one metric ton	953	1 010	1 071
- Hazardous Waste	Price per quarter metric ton	238	252	267

Other tariffs:

- Increased with 6% for example printing and copying costs

5 LIST OF POLICIES THAT ARE INCLUDED IN THE BUDGET:

- m) Supply Chain Management Policy
- n) Asset Management Policy
- o) Tariffs Policy
- p) Credit Control and Debt Collection Policy and By-law
- q) Long Term Financial Management Policy
- r) Budget policy
- s) Borrowing Policy
- t) Funding and Reserve Policy
- u) Petty Cash Policy
- v) Banking, Cash Management and Investment Policy
- w) Preferential Procurement Policy
- x) Cost Containment Policy

Section 4 – Annual Budget Table

PART 2 SUPPORTING DOCUMENTATION

Section 5 - Budget assumptions

The municipality implemented the following in the compilation of the annual budget in collaboration with circular 112 and 115, issued by National Treasury.

The salary related budget was increased with an increment of 7% for the 2023/24 MTREF period.

The percentage increases used for the 2023/24 and outer years for other expenditure budget items were between 0-6% and items were also adjusted downward based on actual expenditure and certain items removed in their entirety – refer to above section of report where adjustments are explained in detail.

Subsistence and travel was cut in view of utilizing alternative technology e.g. zoom teleconferencing.

Refer to section 3 and 4 for detail of budget assumptions for operating revenue, operating expenditure and capital budget.

Section 6 – Budget Funding

The draft budget is funded with realistically anticipated income/accumulated reserves/borrowings.

Section 7 – Expenditure on allocations and grant programmes

All grant allocations as promulgated in the Division of Revenue Bill, 2020, National – and Provincial gazettes was included in the budget for the MTREF period 2023/24 -2025/26.

Section 8 – Grants made by the municipality

The municipality (due to its financial position) made no grants.

Section 9 – Councillor Allowances and employee benefits

The remuneration of councillors was done in accordance with the gazetted limits and provisions have been set out in the Remuneration of Public Office Bearers, Act 20 of 1998. The councillors are remunerated on a Grade 5 municipality. Refer to previous section in report on employee related costs.

Section 10 – Service delivery and budget implementation plan

The draft service delivery plan are drawn up and will be submitted to council by the performance management unit.

Section 11 – Capital expenditure

Capital Expenditure budget as per list in previous section.

Section 12 – Quality Certificate



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OFFICE OF THE MUNICIPAL MANAGER

Enquiries:	T Loliwe
Reference:	6/18/7/2023-2024
Date:	22 May 2023

QUALITY CERTIFICATE

I **Monde Stratu**, municipal manager of **Garden Route District Municipality**, hereby certify that the **Final Annual Budget 2023/2024 MTREF** and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name LUSANDA MENZE

Acting Accounting Officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**.

Signature 

Date 23/05/23

ANNEXURE A

SUPPORTING BUDGET SCHEDULES

DC4 Garden Route - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	11 168	–	–	–	37 688	76 291	78 908
Investment revenue	13 140	8 822	8 271	9 010	9 560	9 560	–	10 134	10 742	11 557
Transfer and subsidies - Operational	76 803	36 348	183 567	228 660	232 030	232 030	–	212 004	217 070	228 771
Other own revenue	179 219	190 688	204 463	220 312	240 731	240 731	–	258 111	268 821	289 489
Total Revenue (excluding capital transfers and contributions)	269 162	235 858	396 301	469 150	482 321	482 321	–	517 937	572 923	608 724
Employee costs	237 485	257 433	275 308	288 669	284 510	284 510	–	300 666	310 041	331 522
Remuneration of councillors	11 467	11 210	11 829	12 542	13 286	13 286	–	14 216	15 211	16 276
Depreciation and amortisation	35 246	4 171	4 605	4 986	4 982	4 982	–	5 106	5 234	5 365
Finance charges	38	55	28	73	73	73	–	8 820	20 309	19 564
Inventory consumed and bulk purchases	–	–	33 116	51 011	53 073	53 073	–	51 861	55 781	57 172
Transfers and subsidies	3 199	2 052	5 296	1 835	3 703	3 703	–	2 501	2 001	2 034
Other expenditure	74 108	(314 826)	74 405	128 180	136 453	136 453	–	149 034	176 089	185 075
Total Expenditure	361 541	(39 905)	404 587	487 297	496 081	496 081	–	532 204	584 665	617 008
Surplus/(Deficit)	(92 379)	275 763	(8 285)	(18 147)	(13 760)	(13 760)	–	(14 267)	(11 742)	(8 284)
Transfers and subsidies - capital (monetary allocations)	–	–	–	4 000	5 600	5 600	–	8 481	5 500	500
Transfers and subsidies - capital (in-kind)	–	–	57	7 200	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(92 379)	275 763	(8 229)	(6 947)	(8 160)	(8 160)	–	(5 786)	(6 242)	(7 784)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(92 379)	275 763	(8 229)	(6 947)	(8 160)	(8 160)	–	(5 786)	(6 242)	(7 784)
Capital expenditure & funds sources										
Capital expenditure	377	(4 294)	16 916	126 642	38 441	38 441	–	158 300	96 447	900
Transfers recognised - capital	–	–	381	11 200	5 815	5 815	–	8 481	5 500	500
Borrowing	–	–	3 617	107 232	26 577	26 577	–	143 981	90 547	–
Internally generated funds	377	(4 294)	12 917	8 210	6 049	6 049	–	5 838	400	400
Total sources of capital funds	377	(4 294)	16 916	126 642	38 441	38 441	–	158 300	96 447	900
Financial position										
Total current assets	203 137	219 692	180 479	283 780	163 930	163 930	–	149 940	144 379	142 501
Total non current assets	268 434	286 149	295 430	431 969	328 953	328 953	–	482 146	573 359	568 894
Total current liabilities	56 280	75 671	63 905	44 970	62 502	62 502	–	62 133	62 133	62 133
Total non current liabilities	125 059	138 097	143 987	376 559	171 740	171 740	–	316 731	408 624	410 064
Community wealth/Equity	295 384	290 396	267 469	305 730	259 009	259 009	–	253 223	246 981	239 197
Cash flows										
Net cash from (used) operating	106 052	73 504	225 555	(12 925)	(2 534)	(2 534)	–	(4 936)	(6 270)	(8 880)
Net cash from (used) investing	(2 207)	(8 714)	(10 407)	(126 641)	(38 505)	(38 505)	–	(158 300)		

DC4 Garden Route - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		261 991	80 244	221 855	285 116	281 821	281 821	275 990	275 003	289 981
Executive and council		261 143	79 349	220 980	284 542	280 850	280 850	274 960	273 912	288 825
Finance and administration		848	895	875	574	971	971	1 029	1 091	1 157
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		7 086	5 469	8 440	8 175	12 091	12 091	15 036	15 938	17 291
Community and social services		–	–	–	–	–	–	–	–	–
Sport and recreation		6 693	5 113	8 134	7 761	11 677	11 677	14 597	15 473	16 798
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		393	355	306	414	414	414	439	465	493
<i>Economic and environmental services</i>		85	150 145	166 063	174 784	194 010	194 010	195 060	204 885	217 101
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		–	150 057	165 982	174 659	193 885	193 885	194 878	204 691	216 896
Environmental protection		85	89	80	125	125	125	183	194	205
<i>Trading services</i>		–	–	–	12 275	–	–	40 332	82 597	84 850
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	12 275	–	–	40 332	82 597	84 850
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	269 162	235 858	396 358	480 350	487 921	487 921	526 418	578 423	609 224
Expenditure - Functional										
<i>Governance and administration</i>		293 733	(265 890)	138 320	183 489	181 477	181 477	182 063	179 625	192 140
Executive and council		175 798	45 856	48 486	51 514	51 265	51 265	55 515	57 765	61 136
Finance and administration		115 790	(314 466)	87 077	129 055	127 226	127 226	123 362	118 457	127 369
Internal audit		2 145	2 720	2 756	2 919	2 987	2 987	3 186	3 403	3 635
<i>Community and public safety</i>		80 936	87 061	83 853	89 679	89 798	89 798	91 305	97 729	103 599
Community and social services		11 990	14 763	9 004	7 917	7 307	7 307	8 016	8 275	8 819
Sport and recreation		12 914	11 400	11 768	13 387	12 912	12 912	14 322	14 237	14 990
Public safety		24 871	26 524	26 063	28 916	28 928	28 928	28 546	32 261	34 086
Housing		–	–	–	–	–	–	–	–	–
Health		31 161	34 374	37 019	39 460	40 652	40 652	40 421	42 956	45 704
<i>Economic and environmental services</i>		14 177	172 030	188 785	197 403	219 648	219 648	218 159	225 347	236 493
Planning and development		7 679	8 068	16 743	16 302	18 853	18 853	18 300	14 685	15 304
Road transport		(124)	160 686	168 568	177 203	197 136	197 136	195 904	206 520	216 780
Environmental protection		6 623	3 276	3 474	3 898	3 660	3 660	3 955	4 142	4 408
<i>Trading services</i>		3 650	4 972	2 178	14 051	2 704	2 704	38 047	79 315	82 108
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		3 650	4 972	2 178	14 051	2 704	2 704	38 047	79 315	82 108
<i>Other</i>	4	3 929	2 320	2 482	2 676	2 454	2 454	2 630	2 649	2 668
Total Expenditure - Functional	3	396 425	494	415 618	487 297	496 081	496 081	532 204	584 665	617 008
Surplus/(Deficit) for the year		(127 263)	235 365	(19 260)	(6 947)	(8 160)	(8 160)	(5 786)	(6 242)	(7 784)

DC4 Garden Route - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

[illegible]

DC4 Garden Route - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
<i>Economic and environmental services</i>		85	150 145	166 063	174 784	194 010	194 010	195 060	204 885	217 101
<i>Planning and development</i>		-	-	-	-	-	-	-	-	-
<i>Billboards</i>										
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>										
<i>Central City Improvement District</i>										
<i>Development Facilitation</i>										
<i>Economic Development/Planning</i>										
<i>Regional Planning and Development</i>										
<i>Town Planning, Building Regulations and Enforcement, and Project Management Unit</i>										
<i>Provincial Planning</i>										
<i>Support to Local Municipalities</i>										
<i>Road transport</i>		-	150 057	165 982	174 659	193 885	193 885	194 878	204 691	216 896
<i>Public Transport</i>										
<i>Road and Traffic Regulation</i>										
<i>Roads</i>		-	150 057	165 982	174 659	193 885	193 885	194 878	204 691	216 896
<i>Taxi Ranks</i>										
<i>Environmental protection</i>		85	89	80	125	125	125	183	194	205
<i>Biodiversity and Landscape</i>										
<i>Coastal Protection</i>										
<i>Indigenous Forests</i>										
<i>Nature Conservation</i>										
<i>Pollution Control</i>		85	89	80	125	125	125	183	194	205
<i>Soil Conservation</i>										
<i>Trading services</i>		-	-	-	12 275	-	-	40 332	82 597	84 850
<i>Energy sources</i>		-	-	-	-	-	-	-	-	-
<i>Electricity</i>										
<i>Street Lighting and Signal Systems</i>										
<i>Nonelectric Energy</i>										
<i>Water management</i>		-	-	-	-	-	-	-	-	-
<i>Water Treatment</i>										
<i>Water Distribution</i>										
<i>Water Storage</i>										
<i>Waste water management</i>		-	-	-	-	-	-	-	-	-
<i>Public Toilets</i>										
<i>Sewerage</i>										
<i>Storm Water Management</i>										
<i>Waste Water Treatment</i>										
<i>Waste management</i>		-	-	-	12 275	-	-	40 332	82 597	84 850
<i>Recycling</i>										
<i>Solid Waste Disposal (Landfill Sites)</i>		-	-	-	12 275	-	-	40 332	82 597	84 850
<i>Solid Waste Removal</i>										
<i>Street Cleaning</i>										
<i>Other</i>		-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>										
<i>Air Transport</i>										
<i>Forestry</i>										
<i>Licensing and Regulation</i>										
<i>Markets</i>										
<i>Tourism</i>										
Total Revenue - Functional	2	269 162	235 858	396 358	480 350	487 921	487 921	526 418	578 423	609 224

DC4 Garden Route - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Expenditure - Functional										
Municipal governance and administration		293 733	(265 890)	138 320	183 489	181 477	181 477	182 063	179 625	192 140
Executive and council		175 798	45 856	48 486	51 514	51 265	51 265	55 515	57 765	61 136
Mayor and Council		56 912	41 122	41 530	44 685	44 808	44 808	48 699	50 525	53 425
Municipal Manager, Town Secretary and Chief Executive		118 886	4 734	6 956	6 829	6 457	6 457	6 816	7 240	7 711
Finance and administration		115 790	(314 466)	87 077	129 055	127 226	127 226	123 362	118 457	127 369
Administrative and Corporate Support		50 776	21 324	21 925	22 772	22 764	22 764	25 866	25 173	26 622
Asset Management										
Finance		17 642	(379 221)	18 395	20 275	21 235	21 235	22 124	23 441	24 946
Fleet Management										
Human Resources		12 288	11 191	13 154	51 214	45 096	45 096	32 742	30 560	31 442
Information Technology		15 424	12 657	13 740	15 122	15 335	15 335	16 979	14 812	18 361
Legal Services		3 097	3 884	4 724	3 980	6 497	6 497	7 008	6 339	6 681
Marketing, Customer Relations, Publicity and Media Co-		1 877	2 228	2 111	2 303	2 502	2 502	2 652	2 782	2 960
Property Services		7 860	4 958	6 046	6 492	6 725	6 725	8 586	7 435	7 898
Risk Management		1 039	2 244	1 458	985	985	985	896	959	1 025
Security Services										
Supply Chain Management		5 787	6 268	5 525	5 902	6 087	6 087	6 511	6 957	7 434
Valuation Service										
Internal audit		2 145	2 720	2 756	2 919	2 987	2 987	3 186	3 403	3 635
Governance Function		2 145	2 720	2 756	2 919	2 987	2 987	3 186	3 403	3 635
Community and public safety		80 936	87 061	83 853	89 679	89 798	89 798	91 305	97 729	103 599
Community and social services		11 990	14 763	9 004	7 917	7 307	7 307	8 016	8 275	8 819
Aged Care										
Agricultural										
Animal Care and Diseases										
Cemeteries, Funeral Parlours and Crematoriums										
Child Care Facilities										
Community Halls and Facilities										
Consumer Protection										
Cultural Matters										
Disaster Management		6 802	7 308	7 637	7 785	7 303	7 303	8 016	8 275	8 819
Education										
Indigenous and Customary Law										
Industrial Promotion										
Language Policy										
Libraries and Archives										
Literacy Programmes										
Media Services										
Museums and Art Galleries										
Population Development		5 188	7 455	1 367	132	5	5	-	-	-
Provincial Cultural Matters										
Theatres										
Zoo's										
Sport and recreation		12 914	11 400	11 768	13 387	12 912	12 912	14 322	14 237	14 990
Beaches and Jetties										
Casinos, Racing, Gambling, Wagering										
Community Parks (including Nurseries)										

DC4 Garden Route - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Economic and environmental services		14 177	172 030	188 785	197 403	219 648	219 648	218 159	225 347	236 493
Planning and development		7 679	8 068	16 743	16 302	18 853	18 853	18 300	14 685	15 304
Billboards										
Corporate Wide Strategic Planning (IDPs, LEDS)		6 355	6 789	6 083	5 991	7 262	7 262	6 055	6 977	7 419
Central City Improvement District										
Development Facilitation		–	1 069	3 207	5 000	4 785	4 785	5 000	5 000	5 000
Economic Development/Planning		–	–	7 415	4 225	5 405	5 405	6 680	2 666	2 842
Regional Planning and Development										
Town Planning, Building Regulations and Enforcement, and Project Management Unit		1 324	211	37	1 086	1 401	1 401	565	42	43
Provincial Planning										
Support to Local Municipalities										
Road transport		(124)	160 686	168 568	177 203	197 136	197 136	195 904	206 520	216 780
Public Transport		–	2 237	2 549	2 594	4 372	4 372	2 754	3 660	3 825
Road and Traffic Regulation										
Roads		(124)	158 449	166 019	174 609	192 763	192 763	193 150	202 860	212 955
Taxi Ranks										
Environmental protection		6 623	3 276	3 474	3 898	3 660	3 660	3 955	4 142	4 408
Biodiversity and Landscape										
Coastal Protection										
Indigenous Forests										
Nature Conservation										
Pollution Control		6 623	3 276	3 474	3 898	3 660	3 660	3 955	4 142	4 408
Soil Conservation										
Trading services		3 650	4 972	2 178	14 051	2 704	2 704	38 047	79 315	82 108
Energy sources		–	–	–	–	–	–	–	–	–
Electricity										
Street Lighting and Signal Systems										
Nonelectric Energy										
Water management		–	–	–	–	–	–	–	–	–
Water Treatment										
Water Distribution										
Water Storage										
Waste water management		–	–	–	–	–	–	–	–	–
Public Toilets										
Sewerage										
Storm Water Management										
Waste Water Treatment										
Waste management		3 650	4 972	2 178	14 051	2 704	2 704	38 047	79 315	82 108
Recycling										
Solid Waste Disposal (Landfill Sites)		373	–	–	11 072	–	–	35 188	76 291	78 908
Solid Waste Removal		3 277	4 972	2 178	2 978	2 704	2 704	2 859	3 024	3 200
Street Cleaning										
Other		3 929	2 320	2 482	2 676	2 454	2 454	2 630	2 649	2 668
Abattoirs										
Air Transport										
Forestry										
Licensing and Regulation										
Markets										
Tourism		3 929	2 320	2 482	2 676	2 454	2 454	2 630	2 649	2 668
Total Expenditure - Functional	3	396 425	494	415 618	487 297	496 081	496 081	532 204	584 665	617 008
Surplus/(Deficit) for the year		(127 263)	235 365	(19 260)	(6 947)	(8 160)	(8 160)	(5 786)	(6 242)	(7 784)

DC4 Garden Route - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Revenue by Vote	1									
Vote 1 - Office of the Municipal Manager		261 143	79 349	220 980	284 542	280 850	280 850	274 960	273 912	288 825
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		-	-	8	-	-	-	-	-	-
Vote 4 - Financial Services (cont)		-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services		776	895	867	574	971	971	1 029	1 091	1 157
Vote 6 - Corporate Services (cont)		73	-	-	-	-	-	-	-	-
Vote 7 - Community Services		393	355	306	414	414	414	439	465	493
Vote 8 - Community Services (cont)		85	89	80	12 400	125	125	40 515	82 790	85 055
Vote 9 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 10 - Planning and Economic Development (cont)		3 374	2 681	4 763	3 015	6 030	6 030	7 612	8 069	8 754
Vote 11 - Planning and Economic Development(cont2)		3 319	2 432	3 371	4 746	5 646	5 646	6 985	7 404	8 045
Vote 12 - Roads		-	150 057	165 982	174 659	193 885	193 885	194 878	204 691	216 896
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	269 162	235 858	396 358	480 350	487 921	487 921	526 418	578 423	609 224
Expenditure by Vote to be appropriated	1									
Vote 1 - Office of the Municipal Manager		180 430	51 151	55 068	56 625	58 888	58 888	63 758	65 588	69 419
Vote 2 - Office of the Municipal Manager (cont)		5 061	7 192	6 326	6 208	6 473	6 473	6 734	7 143	7 620
Vote 3 - Financial Services		17 642	(379 221)	18 395	20 275	21 235	21 235	22 124	23 441	24 946
Vote 4 - Financial Services (cont)		5 787	6 268	5 525	5 902	6 087	6 087	6 511	6 957	7 434
Vote 5 - Corporate Services		17 425	16 446	16 093	54 827	49 127	49 127	37 456	34 649	35 645
Vote 6 - Corporate Services (cont)		23 339	20 637	24 572	26 371	26 200	26 200	29 874	27 024	31 403
Vote 7 - Community Services		44 918	45 870	48 451	51 577	52 097	52 097	52 804	55 848	59 406
Vote 8 - Community Services (cont)		30 693	33 660	30 589	45 657	34 060	34 060	69 242	114 333	119 133
Vote 9 - Planning and Economic Development		50 662	19 408	16 728	17 965	17 800	17 800	20 176	19 239	19 927
Vote 10 - Planning and Economic Development (cont)		17 532	14 966	22 365	21 210	23 470	23 470	23 326	20 032	21 188
Vote 11 - Planning and Economic Development(cont2)		3 060	3 433	2 939	3 478	3 509	3 509	4 296	3 890	4 107
Vote 12 - Roads		(124)	90 361	98 845	101 065	125 593	125 593	124 074	128 685	135 527
Vote 13 - Roads (cont)		-	70 325	69 723	76 138	71 542	71 542	71 830	77 835	81 252
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	396 426	494	415 618	487 297	496 081	496 081	532 204	584 665	617 008
Surplus/(Deficit) for the year	2	(127 264)	235 364	(19 261)	(6 947)	(8 160)	(8 160)	(5 786)	(6 242)	(7 784)

DC4 Garden Route - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
9.5 - Human Settlement										
9.6 - EPWP Manager										
9.7 - EPWP Projects										
9.8 - Population Development										
9.9 - Pollution Control										
9.10 - Tourism										
Vote 10 - Planning and Economic Development (cont)		3 374	2 681	4 763	3 015	6 030	6 030	7 612	8 069	8 754
10.1 - PMU										
10.2 - Led										
10.3 - Idp										
10.4 - EPWP Manager										
10.5 - EPWP Projects										
10.6 - EPWP Own Funding										
10.7 - Resorts: Calitzdorp Spa Kiosk										
10.8 - Resorts: Calitzdorp Spa Resort		1 673	1 422	2 543	1 525	3 323	3 323	4 092	4 338	4 700
10.9 - Resorts: De Hoek Mountain Resort		1 701	1 259	2 220	1 490	2 708	2 708	3 520	3 731	4 053
10.10 - Resorts: De Hoek Mountain Shop										
Vote 11 - Planning and Economic Development(cont)2		3 319	2 432	3 371	4 746	5 646	5 646	6 985	7 404	8 045
11.1 - Resorts: Swartvlei		1 805	1 039	1 541	2 458	3 058	3 058	3 742	3 967	4 310
11.2 - Resorts: Victoriabaai		1 513	1 393	1 830	2 288	2 588	2 588	3 243	3 438	3 735
11.3 - Resorts: Kleinkrantz										
Vote 12 - Roads		-	150 057	165 982	174 659	193 885	193 885	194 878	204 691	216 896
12.1 - Public transport										
12.2 - Road Transport - Roads General										
12.3 - ROADS OPERATIONAL COST 1		-	150 057	165 982	174 659	193 885	193 885	194 878	204 691	216 896
12.4 - ROADS WORKSHOP OPERATIONAL COST 1										
12.5 - ROADS - MAINTENANCE OUDTSHOORN - PROJECT 1 - PREVENTATIVE CONDI										
12.6 - ROADS - GRADER OUDTSHOORN - PROJECT 1										
12.7 - ROADS - MAINTENANCE RIVERSDALE - PROJECT 1 - PREVENTATIVE CONDI										
12.8 - ROADS - GRADER RIVERSDALE - PROJECT 1										
12.9 - ROADS - GRADER GEORGE - PROJECT 1										
12.10 - ROADS - REGRAVEL - PROJECT 2 - SHORT SECTION										
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-
13.1 - Roads		-	-	-	-	-	-	-	-	-
13.2 - ROADS - MAINTENANCE GEORGE - PROJECT 1 - PREVENTATIVE CONDITION										
13.3 - ROADS - REGRAVEL - PROJECT 1 - MAINTENANCE ROADS										
13.4 - ROADS - RESEAL - PROJECT 1 - MAINTENANCE ROADS										
13.5 - ROADS - CONSTR (UPGRADE)- PROJECT 1 - CORRECTIVE MAINT - SLANGRIVIER										
13.6 - ROADS - CONSTR - CORRECTIVE MAINTEN SMALL IN/OUTLET STRUCTURES										
13.7 - ROADS - CAUSEWAY - SLANGRIVIER										
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	269 162	235 858	396 358	480 350	487 921	487 921	526 418	578 423	609 224

DC4 Garden Route - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
R thousand											
Expenditure by Vote											
Vote 1 - Office of the Municipal Manager	1	180 430	51 151	55 068	56 625	58 888	58 888	63 758	65 588	69 419	
1.1 - Municipal Manager		118 834	4 688	6 935	6 769	6 356	6 356	6 732	7 169	7 638	
1.2 - Office: of the Executive Mayor		5 634	4 301	6 149	3 437	4 263	4 263	4 728	4 940	5 251	
1.3 - Office: of the Deputy Executive Mayor		1 317	2 436	957	1 068	948	948	1 008	1 069	1 134	
1.4 - Office : of the speaker		900	737	1 114	1 551	1 575	1 575	1 675	1 780	1 892	
1.5 - Mayor and Council		49 062	33 648	33 310	38 278	37 672	37 672	40 939	42 527	44 939	
1.6 - Strategic Manager		53	46	21	60	100	100	84	71	73	
1.7 - Legal Services											
1.8 - Legal Services											
1.9 - Legal services		3 097	3 884	4 724	3 990	6 497	6 497	7 008	6 339	6 681	
1.10 - Performance Management		1 535	1 411	1 858	1 471	1 476	1 476	1 586	1 695	1 811	
Vote 2 - Office of the Municipal Manager (cont)			5 061	7 192	6 326	6 208	6 473	6 473	6 734	7 143	7 620
2.1 - Risk Management unit		1 039	2 244	1 458	985	985	985	896	959	1 025	
2.2 - Internal audit		2 145	2 720	2 756	2 919	2 987	2 987	3 186	3 403	3 635	
2.3 - Marketing publicity& media cor		1 877	2 228	2 111	2 303	2 502	2 502	2 652	2 782	2 960	
Vote 3 - Financial Services			17 642	(379 221)	18 395	20 275	21 235	21 235	22 124	23 441	24 946
3.1 -											
3.2 - Manager: Finance (CFO)		3 331	3 170	3 131	3 024	3 494	3 494	3 514	3 712	3 923	
3.3 - Expenditure		11 888	10 252	7 778	8 502	9 288	9 288	9 949	10 639	11 377	
3.4 - BTO & AFS		669	(393 588)	6 315	7 354	7 085	7 085	7 284	7 703	8 150	
3.5 - FMG Interns		1 537	635	999	1 000	1 000	1 000	1 000	1 000	1 100	
3.6 -											
3.7 - Income		143	141	116	253	226	226	232	237	243	
3.8 - Assets		68	91	47	74	74	74	76	78	80	
3.9 - Data		5	78	9	68	68	68	70	72	73	
3.10 - Assets Management											
Vote 4 - Financial Services (cont)			5 787	6 268	5 525	5 902	6 087	6 087	6 511	6 957	7 434
4.1 - SCM		5 787	6 268	5 525	5 902	6 087	6 087	6 511	6 957	7 434	
Vote 5 - Corporate Services			17 425	16 446	16 093	54 827	49 127	49 127	37 456	34 649	35 645
5.1 - Executive Manager: Corporate Services		4 499	4 449	5 056	4 814	4 741	4 741	6 477	5 171	5 402	
5.2 - Support Services:committee		2 324	2 598	2 762	3 294	2 846	2 846	3 053	3 050	3 261	
5.3 - Support servives: registry		6 144	6 177	5 899	6 306	6 544	6 544	7 289	7 402	7 875	
5.4 - Task unit		85	8	53	97	415	415	440	468	497	
5.5 - Training & Development		3 833	2 428	1 872	39 599	33 772	33 772	19 148	17 682	17 708	
5.6 - Labour Relations		12	8	26	60	89	89	144	151	158	
5.7 - Recruitment & Selection		173	98	145	201	231	231	299	243	249	
5.8 - Basic Conditions of Service		24	40	32	36	56	56	113	59	61	
5.9 - OHS		186	532	176	351	345	345	323	331	340	
5.10 - EAP		145	107	71	68	88	88	170	92	94	
Vote 6 - Corporate Services (cont)			23 339	20 637	24 572	26 371	26 200	26 200	29 874	27 024	31 403
6.1 - Section 79/80 committees		-	-	-	350	350	350	350	210	210	
6.2 - IT Section											
6.3 - HR Manager	7 915	7 979	10 831	10 899	10 514	10 514	12 545	12 002	12 831		
6.4 - It section	15 424	12 657	13 740	15 122	15 335	15 335	16 979	14 812	18 361		
Vote 7 - Community Services		44 918	45 870	48 451	51 577	52 097	52 097	52 804	55 848	59 406	
7.1 - Disaster Management	6 802	7 308	7 637	7 785	7 303	7 303	8 016	8 275	8 819		
7.2 - Executive Manager: Community Services	2 504	3 075	2 670	3 124	2 911	2 911	3 060	3 232	3 415		
7.3 - Municipal Health Services: Administration	3 427	4 050	3 818	4 262	4 112	4 112	4 098	4 292	4 496		
7.4 - Municipal Health Services: George	6 926	7 141	8 671	9 316	10 286	10 286	9 966	10 595	11 264		
7.5 - Municipal Health Services: Klein Karoo	6 582	6 880	7 967	8 441	8 633	8 633	8 270	8 742	9 289		
7.6 - Municipal Health Services: Langeberg	7 800	8 911	8 993	9 544	9 406	9 406	9 784	10 462	11 186		
7.7 - Municipal Health Services: Lakes Areas	6 426	7 393	7 570	7 897	8 214	8 214	8 302	8 866	9 468		
7.8 - Disaster Management											
7.9 - Disaster Management											
7.10 - Enviromental Management	4 451	1 112	1 125	1 208	1 232	1 232	1 306	1 385	1 469		
Vote 8 - Community Services (cont)		30 693	33 660	30 589	45 657	34 060	34 060	69 242	114 333	119 133	
8.1 - Fire fighting	20 614	20 575	21 138	23 619	23 941	23 941	23 220	26 564	27 991		
8.2 - Fire services: Riversdal	1 774	1 995	2 107	2 132	2 167	2 167	2 312	2 474	2 646		
8.3 - Fire services: Kannaland	2 483	3 954	2 817	3 164	2 820	2 820	3 014	3 224	3 449		
8.4 - Fire Fighting											
8.5 - Bulk infrastructure:(m hubbe)	3 277	4 972	2 178	2 978	2 704	2 704	2 859	3 024	3 200		
8.6 - Refuse											
8.7 - Bulk infr.: water											
8.8 - Air quality control	2 172	2 163	2 348	2 690	2 428	2 428	2 649	2 757	2 939		
8.9 - Landfill Sites	373	-	-	11 072	-	-	35 188	76 291	78 908		
8.10 - Solid Waste Removal											
Vote 9 - Planning and Economic Development		50 662	19 408	16 728	17 965	17 800	17 800	20 176	19 239	19 927	
9.1 - Property Development											
9.2 - Executive Manager: Planning and Economic Development	33 685	3 605	3 627	3 666	3 831	3 831	3 960	4 155	4 361		
9.3 - Regional planning	7 860	4 958	6 046	6 492	6 725	6 725	8 586	7 435	7 898		

DC4 Garden Route - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
9.4 - Tourism		3 929	2 320	2 482	2 676	2 454	2 454	2 630	2 649	2 668
9.5 - Human Settlement		–	1 069	3 207	5 000	4 785	4 785	5 000	5 000	5 000
9.6 - EPWP Manager		1 487	1 597	171	132	–	–	–	–	–
9.7 - EPWP Projects		3 701	5 858	1 196	–	5	5	–	–	–
9.8 - Population Development										
9.9 - Pollution Control										
9.10 - Tourism										
Vote 10 - Planning and Economic Development (cont)		17 532	14 966	22 365	21 210	23 470	23 470	23 326	20 032	21 188
10.1 - PMU		1 324	211	37	1 086	1 401	1 401	565	42	43
10.2 - Led		4 511	5 697	4 177	3 942	5 069	5 069	3 778	4 566	4 848
10.3 - ldp		1 844	1 091	1 906	2 049	2 193	2 193	2 277	2 411	2 571
10.4 - EPWP Manager		–	–	1 766	1 785	2 408	2 408	2 500	2 666	2 842
10.5 - EPWP Projects		–	–	5 649	2 440	2 997	2 997	2 180	–	–
10.6 - EPWP Own Funding		–	–	–	–	–	–	2 000	–	–
10.7 - Resorts: Calitzdorp Spa Kiosk		–	–	–	8	8	8	8	8	8
10.8 - Resorts: Calitzdorp Spa Resort		5 968	4 774	5 086	5 555	5 846	5 846	6 078	6 403	6 726
10.9 - Resorts: De Hoek Mountain Resort		3 885	3 192	3 743	4 346	3 549	3 549	3 940	3 937	4 149
10.10 - Resorts: De Hoek Mountain Shop										
Vote 11 - Planning and Economic Development(cont2)		3 060	3 433	2 939	3 478	3 509	3 509	4 296	3 890	4 107
11.1 - Resorts: Swartvlei		939	1 317	2 590	2 760	2 103	2 103	2 972	2 341	2 481
11.2 - Resorts: Victoriabaai		2 044	1 893	349	718	1 407	1 407	1 323	1 549	1 627
11.3 - Resorts: Kleinkrantz		77	223	–	–	–	–	–	–	–
Vote 12 - Roads		(124)	90 361	98 845	101 065	125 593	125 593	124 074	128 685	135 527
12.1 - Public transport		–	2 237	2 549	2 594	4 372	4 372	2 754	3 660	3 825
12.2 - Road Transport - Roads General		(124)	17 387	8 174	8 785	8 299	8 299	–	9 502	10 167
12.3 - ROADS OPERATIONAL COST 1		–	23 021	35 406	31 276	52 266	52 266	61 815	52 204	54 674
12.4 - ROADS WORKSHOP OPERATIONAL COST 1		–	10 265	9 262	10 073	11 359	11 359	12 800	9 538	10 077
12.5 - ROADS - MAINTENANCE OUDTSHOORN - PROJ		–	15 235	16 838	17 794	16 927	16 927	17 079	17 850	18 904
12.6 - ROADS - GRADER OUDTSHOORN - PROJECT 1		–	4 822	5 903	6 343	7 403	7 403	6 942	8 232	8 686
12.7 - ROADS - MAINTENANCE RIVERSDALE - PROJ		–	9 850	11 498	13 773	12 862	12 862	13 185	14 373	15 202
12.8 - ROADS - GRADER RIVERSDALE - PROJECT 1		–	3 353	3 769	4 068	4 598	4 598	4 608	5 084	5 350
12.9 - ROADS - GRADER GEORGE - PROJECT 1		–	2 850	4 254	5 401	5 850	5 850	4 892	6 502	6 858
12.10 - ROADS - REGRAVEL - PROJECT 2 - SHORT SE		–	1 340	1 192	957	1 657	1 657	–	1 741	1 784
Vote 13 - Roads (cont)		–	70 325	69 723	76 138	71 542	71 542	71 830	77 835	81 252
13.1 - Roads		–	–	–	–	–	–	–	–	–
13.2 - ROADS - MAINTENANCE GEORGE - PROJECT 1		–	9 304	12 742	11 912	13 446	13 446	11 792	14 856	15 625
13.3 - ROADS - REGRAVEL - PROJECT 1 - MAINTENAN		–	19 300	15 718	18 404	17 492	17 492	19 678	19 314	20 308
13.4 - ROADS - RESEAL - PROJECT 1 - MAINTENANCE		–	13 323	15 353	20 180	18 314	18 314	12 248	19 516	20 155
13.5 - ROADS - CONSTR (UPGRADE)- PROJECT 1 - CC		–	25 921	23 059	21 076	18 232	18 232	–	19 670	20 455
13.6 - ROADS - CONSTR - CORRECTIVE MAINTEN SM		–	2 478	2 851	4 565	3 924	3 924	–	4 326	4 545
13.7 - ROADS - CAUSEWAY - SLANGRIVIER		–	–	–	–	134	134	28 112	154	164
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	396 426	494	415 618	487 297	496 081	496 081	532 204	584 665	617 008
Surplus/(Deficit) for the year	2	(127 264)	235 364	(19 261)	(6 947)	(8 160)	(8 160)	(5 786)	(6 242)	(7 784)

DC4 Garden Route - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	-	-	-	11 168	-	-	-	37 688	76 291	78 908
Sale of Goods and Rendering of Services		10 818	8 173	11 936	14 932	19 740	19 740	-	26 779	30 988	33 495
Agency services		158 187	166 958	183 028	189 287	209 328	209 328	-	214 389	224 084	240 750
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		3 303	2 765	2 751	3 180	3 180	3 180	-	3 371	3 573	3 787
Interest earned from Current and Non Current Assets		13 140	8 822	8 271	9 010	9 560	9 560	-	10 134	10 742	11 557
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		846	1 031	483	2 504	431	431	-	627	457	457
Rental from Fixed Assets		1 256	987	1 039	2 469	2 469	2 469	-	3 377	3 392	4 294
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		4 723	10 685	5 137	5 275	5 459	5 459	-	9 386	6 133	6 501
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits		85	89	80	125	125	125	-	183	194	205
Transfer and subsidies - Operational		76 803	36 348	183 567	228 660	232 030	232 030	-	212 004	217 070	228 771
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	8	2 540	-	-	-	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contri		269 162	235 858	396 301	469 150	482 321	482 321	-	517 937	572 923	608 724
Expenditure											
Employee related costs	2	237 485	257 433	275 308	288 669	284 510	284 510	-	300 666	310 041	331 522
Remuneration of councillors		11 467	11 210	11 829	12 542	13 286	13 286	-	14 216	15 211	16 276
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	-	33 116	51 011	53 073	53 073	-	51 861	55 781	57 172
Debt impairment	3	4 224	4 197	5 435	-	-	-	-	-	-	-
Depreciation and amortisation		35 246	4 171	4 605	4 986	4 982	4 982	-	5 106	5 234	5 365
Interest		38	55	28	73	73	73	-	8 820	20 309	19 564
Contracted services		21 257	26 146	20 812	79 177	68 025	68 025	-	81 910	103 802	110 910
Transfers and subsidies		3 199	2 052	5 296	1 835	3 703	3 703	-	2 501	2 001	2 034
Irrecoverable debts written off		4 394	413	542	1 560	1 560	1 560	-	2 100	1 639	1 680
Operational costs		44 069	(346 175)	47 465	47 370	66 795	66 795	-	64 950	70 571	72 407
Losses on disposal of Assets		187	576	142	-	-	-	-	-	-	-
Other Losses		(24)	16	10	73	73	73	-	75	76	78
Total Expenditure		361 541	(39 905)	404 587	487 297	496 081	496 081	-	532 204	584 665	617 008
Surplus/(Deficit)		(92 379)	275 763	(8 285)	(18 147)	(13 760)	(13 760)	-	(14 267)	(11 742)	(8 284)
Transfers and subsidies - capital (monetary)	6	-	-	-	4 000	5 600	5 600	-	8 481	5 500	500
Transfers and subsidies - capital (in-kind)	6	-	-	57	7 200	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(92 379)	275 763	(8 229)	(6 947)	(8 160)	(8 160)	-	(5 786)	(6 242)	(7 784)
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(92 379)	275 763	(8 229)	(6 947)	(8 160)	(8 160)	-	(5 786)	(6 242)	(7 784)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(92 379)	275 763	(8 229)	(6 947)	(8 160)	(8 160)	-	(5 786)	(6 242)	(7 784)
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	(92 379)	275 763	(8 229)	(6 947)	(8 160)	(8 160)	-	(5 786)	(6 242)	(7 784)

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Office of the Municipal Manager		70	(75)	10	30	30	30	-	-	-	-
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		-	-	19	30	30	30	-	-	-	-
Vote 4 - Financial Services (cont)		-	-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services		-	-	30	30	10	10	-	-	-	-
Vote 6 - Corporate Services (cont)		-	1 316	2 076	250	500	500	-	250	250	250
Vote 7 - Community Services		-	-	26	6 890	5 474	5 474	-	4 638	-	-
Vote 8 - Community Services (cont)		-	-	3 617	107 382	26 727	26 727	-	144 631	91 197	650
Vote 9 - Planning and Economic Development		-	-	-	30	245	245	-	-	-	-
Vote 10 - Planning and Economic Development (cont)		-	-	7 344	4 000	5 425	5 425	-	4 000	5 000	-
Vote 11 - Planning and Economic Development(cont2)		-	-	-	-	-	-	-	-	-	-
Vote 12 - Roads		-	-	-	-	-	-	-	-	-	-
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		(2 255)	2 255	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	(2 186)	3 496	13 123	118 642	38 441	38 441	-	153 519	96 447	900
Single-year expenditure to be appropriated	2										
Vote 1 - Office of the Municipal Manager		-	(124)	(862)	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Financial Services (cont)		-	-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services		-	(3 940)	376	-	-	-	-	-	-	-
Vote 6 - Corporate Services (cont)		104	(159)	1 473	-	-	-	-	-	-	-
Vote 7 - Community Services		2 255	29	732	-	-	-	-	3 981	-	-
Vote 8 - Community Services (cont)		-	-	368	-	-	-	-	-	-	-
Vote 9 - Planning and Economic Development		-	6	34	7 200	-	-	-	-	-	-
Vote 10 - Planning and Economic Development (cont)		204	25	15	800	-	-	-	800	-	-
Vote 11 - Planning and Economic Development(cont2)		-	-	-	-	-	-	-	-	-	-
Vote 12 - Roads		-	-	5 463	-	-	-	-	-	-	-
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	3 455	9 486	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		2 563	(709)	17 086	8 000	-	-	-	4 781	-	-
Total Capital Expenditure - Vote		377	2 787	30 208	126 642	38 441	38 441	-	158 300	96 447	900
Capital Expenditure - Functional											
<i>Governance and administration</i>		173	(3 198)	8 485	13 460	3 474	3 474	-	8 869	250	250
Executive and council		70	(254)	1 054	30	30	30	-	-	-	-
Finance and administration		104	(2 945)	7 431	13 430	3 444	3 444	-	8 869	250	250
Internal audit		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		204	(1 120)	4 742	1 150	4 175	4 175	-	1 450	650	650
Community and social services		-	-	-	1 000	2 600	2 600	-	-	-	-
Sport and recreation		204	(1 149)	4 352	-	1 425	1 425	-	800	-	-
Public safety		-	-	368	150	150	150	-	650	650	650
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	29	22	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	25	71	4 800	4 215	4 215	-	4 000	5 000	-
Planning and development		-	25	48	4 800	4 215	4 215	-	4 000	5 000	-
Road transport		-	-	23	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	3 617	107 232	26 577	26 577	-	143 981	90 547	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	3 617	107 232	26 577	26 577	-	143 981	90 547	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	377	(4 294)	16 916	126 642	38 441	38 441	-	158 300	96 447	900
Funded by:											
National Government		-	-	-	4 000	4 000	4 000	-	4 000	5 000	-
Provincial Government		-	-	-	-	1 815	1 815	-	4 481	500	500
District Municipality		-	-	-	7 200	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	381	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	381	11 200	5 815	5 815	-	8 481	5 500	500
Borrowing	6	-	-	3 617	107 232	26 577	26 577	-	143 981	90 547	-
Internally generated funds		377	(4 294)	12 917	8 210	6 049	6 049	-	5 838	400	400
Total Capital Funding	7	377	(4 294)	16 916	126 642	38 441	38 441	-	158 300	96 447	900

DC4 Garden Route - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

[illegible]

DC4 Garden Route - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

[illegible]

DC4 Garden Route - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

[illegible]

DC4 Garden Route - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
Capital expenditure - Municipal Vote	2										
Single-year expenditure appropriation											
Vote 1 - Office of the Municipal Manager		-	(124)	(862)	-	-	-	-	-	-	-
1.1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
1.2 - Office: of the Executive Mayor											
1.3 - Office: of the Deputy Executive Mayor											
1.4 - Office : of the speaker		-	-	(862)	-	-	-	-	-	-	-
1.5 - Mayor and Council		-	(124)	-	-	-	-	-	-	-	-
1.6 - Strategic Manager											
1.7 - Legal Services											
1.8 - Legal Services											
1.9 - Legal services											
1.10 - Performance Management											
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-	-	-	-
2.1 - Risk Management unit											
2.2 - Internal audit											
2.3 - Marketing publicity& media cor		-	-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		-	-	-	-	-	-	-	-	-	-
3.1 -											
3.2 - Manager: Finance (CFO)											
3.3 - Expenditure											
3.4 - BTO & AFS											
3.5 - FMG Interns											
3.6 -											
3.7 - Income		-	-	-	-	-	-	-	-	-	-
3.8 - Assets											
3.9 - Data											
3.10 - Assets Management											
Vote 4 - Financial Services (cont)		-	-	-	-	-	-	-	-	-	-
4.1 - SCM											
Vote 5 - Corporate Services		-	(3 940)	376	-	-	-	-	-	-	-
5.1 - Executive Manager: Corporate Services											
5.2 - Support Services:committee											
5.3 - Support servives: registry		-	(3 990)	-	-	-	-	-	-	-	-
5.4 - Task unit		-	-	-	-	-	-	-	-	-	-
5.5 - Training & Development											
5.6 - Labour Relations											
5.7 - Recruitment & Selection											
5.8 - Basic Conditions of Service											
5.9 - OHS		-	50	376	-	-	-	-	-	-	-
5.10 - EAP											
Vote 6 - Corporate Services (cont)		104	(159)	1 473	-	-	-	-	-	-	-
6.1 - Section 79/80 committees											
6.2 - IT Section		-	-	-	-	-	-	-	-	-	-
6.3 - HR Manager		-	30	-	-	-	-	-	-	-	-
6.4 - It section		104	(189)	1 473	-	-	-	-	-	-	-

DC4 Garden Route - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

[illegible]

DC4 Garden Route - Table A6 Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		188 288	169 752	142 058	229 260	121 273	121 273	–	100 110	86 832	75 965
Trade and other receivables from exchange transactions	1	3 845	5 751	4 722	7 059	9 030	9 030	–	16 279	24 072	33 140
Receivables from non-exchange transactions	1	–	–	–	–	–	–	–	–	–	–
Current portion of non-current receivables		4 293	4 246	4 293	4 246	4 293	4 293	–	4 293	4 293	4 293
Inventory	2	3 219	3 259	3 126	3 117	3 053	3 053	–	2 979	2 902	2 824
VAT		2 916	4 706	6 060	8 119	6 060	6 060	–	6 060	6 060	6 060
Other current assets		575	31 979	20 220	31 979	20 220	20 220	–	20 220	20 220	20 220
Total current assets		203 137	219 692	180 479	283 780	163 930	163 930	–	149 940	144 379	142 501
Non current assets											
Investments		26	27	28	27	28	28	–	28	28	28
Investment property		54 182	54 060	64 187	57 400	64 187	64 187	–	64 187	64 187	64 187
Property, plant and equipment	3	159 631	169 105	166 621	313 383	201 060	201 060	–	355 193	447 368	443 890
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–	–
Intangible assets		1 650	1 569	1 829	(228)	913	913	–	(26)	(989)	(1 976)
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		52 945	61 388	62 764	61 388	62 764	62 764	–	62 764	62 764	62 764
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		268 434	286 149	295 430	431 969	328 953	328 953	–	482 146	573 359	568 894
TOTAL ASSETS		471 571	505 841	475 909	715 749	492 882	492 882	–	632 086	717 738	711 395
LIABILITIES											
Current liabilities											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		223	536	100	536	100	100	–	100	100	100
Consumer deposits		519	374	468	374	468	468	–	468	468	468
Trade and other payables from exchange transactions	4	26 771	38 650	27 928	4 535	27 928	27 928	–	27 928	27 928	27 928
Trade and other payables from non-exchange transactions	5	1 903	3 715	6 359	3 715	4 956	4 956	–	4 588	4 588	4 588
Provision		31 008	31 602	34 050	31 602	34 050	34 050	–	34 050	34 050	34 050
VAT		(833)	794	2 207	4 208	2 207	2 207	–	2 207	2 207	2 207
Other current liabilities		(3 311)	–	(7 207)	–	(7 207)	(7 207)	–	(7 207)	(7 207)	(7 207)
Total current liabilities		56 280	75 671	63 905	44 970	62 502	62 502	–	62 133	62 133	62 133
Non current liabilities											
Financial liabilities	6	–	–	5	236 166	26 583	26 583	–	170 315	260 862	260 862
Provision	7	12 478	12 020	12 024	12 020	12 024	12 024	–	12 024	12 024	12 024
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		112 581	126 077	131 957	128 373	133 133	133 133	–	134 391	135 738	137 178
Total non current liabilities		125 059	138 097	143 987	376 559	171 740	171 740	–	316 731	408 624	410 064
TOTAL LIABILITIES		181 339	213 768	207 892	421 528	234 242	234 242	–	378 864	470 757	472 198
NET ASSETS		290 232	292 073	268 017	294 221	258 640	258 640	–	253 223	246 981	239 197
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	230 099	229 883	214 539	245 217	206 079	206 079	–	200 293	194 051	186 267
Reserves and funds	9	65 285	60 513	52 930	60 513	52 930	52 930	–	52 930	52 930	52 930
Other		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	295 384	290 396	267 469	305 730	259 009	259 009	–	253 223	246 981	239 197

DC4 Garden Route - Table A7 Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									-	-	-
Service charges		-	-	-	11 168	-	-	-	37 688	76 291	78 908
Other revenue		3 188	173 816	(7 890)	81 249	79 608	79 608	-	54 770	55 635	62 839
Transfers and Subsidies - Operational	1	124 610	-	357 672	359 315	387 185	387 185	-	405 154	419 930	443 726
Transfers and Subsidies - Capital	1	-	-	-	4 000	5 700	5 700	-	8 481	5 500	500
Interest		-	-	1 986	9 010	9 560	9 560	-	10 134	10 742	11 557
Dividends									-	-	-
Payments											
Suppliers and employees		(21 747)	(100 312)	(126 213)	(477 594)	(484 514)	(484 514)	-	(512 343)	(554 059)	(586 846)
Interest		-	-	-	(73)	(73)	(73)	-	(8 820)	(20 309)	(19 564)
Transfers and Subsidies	1								-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		106 052	73 504	225 555	(12 925)	(2 534)	(2 534)	-	(4 936)	(6 270)	(8 880)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-	-	-
Decrease (increase) in non-current receivables									-	-	-
Decrease (increase) in non-current investments		-	(1)	(1)	1	-	-	-	-	-	-
Payments											
Capital assets		(2 207)	(8 712)	(10 406)	(126 642)	(38 505)	(38 505)	-	(158 300)	(96 447)	(900)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(2 207)	(8 714)	(10 407)	(126 641)	(38 505)	(38 505)	-	(158 300)	(96 447)	(900)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing		-	-	-	107 232	26 577	26 577	-	143 732	90 547	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing									-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	107 232	26 577	26 577	-	143 732	90 547	-
NET INCREASE/ (DECREASE) IN CASH HELD		103 845	64 790	215 148	(32 334)	(14 462)	(14 462)	-	(19 504)	(12 170)	(9 780)
Cash/cash equivalents at the year begin:	2								121 273	101 769	89 599
Cash/cash equivalents at the year end:	2	103 845	64 790	215 148	(32 334)	(14 462)	(14 462)	-	101 769	89 599	79 818

DC4 Garden Route - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	103 845	64 790	215 148	(32 334)	(14 462)	(14 462)	–	101 769	89 599	79 818
Other current investments > 90 days		84 444	104 962	(73 089)	261 594	135 735	135 735	–	(1 659)	(2 766)	(3 854)
Non current Investments	1	26	27	28	27	28	28	–	28	28	28
Cash and investments available:		188 314	169 779	142 087	229 287	121 302	121 302	–	100 139	86 861	75 993
Application of cash and investments											
Unspent conditional grants		1 903	3 610	4 851	3 610	4 851	4 851	–	4 483	4 483	4 483
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	25 718	(14 942)	30 581	(20 796)	5 116	5 116	–	6 397	1 718	1 533
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	65 285	60 513	52 930	6 053	52 930	52 930		52 930	52 930	52 930
Total Application of cash and investments:		92 906	49 180	88 362	(11 134)	62 897	62 897	–	63 809	59 130	58 945
Surplus(shortfall)		95 408	120 599	53 725	240 421	58 405	58 405	–	36 330	27 731	17 048

DC4 Garden Route - Table A9 Asset Management

Description			Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CAPITAL EXPENDITURE												
Total New Assets			1	3 457	(2 547)	9 680	109 832	29 807	29 807	144 231	90 797	250
Roads Infrastructure				-	-	-	-	-	-	-	-	-
Storm water Infrastructure				-	-	-	-	-	-	-	-	-
Electrical Infrastructure				-	-	-	-	-	-	-	-	-
Water Supply Infrastructure				-	-	-	-	-	-	-	-	-
Sanitation Infrastructure				-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure				-	-	3 729	108 432	26 577	26 577	143 981	90 547	-
Rail Infrastructure				-	-	-	-	-	-	-	-	-
Coastal Infrastructure				-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure				-	-	-	-	-	-	-	-	-
Infrastructure				-	-	3 729	108 432	26 577	26 577	143 981	90 547	-
Community Facilities				-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities				-	-	-	-	-	-	-	-	-
Community Assets				-	-	-	-	-	-	-	-	-
Heritage Assets				-	-	-	-	-	-	-	-	-
Revenue Generating				-	-	-	-	-	-	-	-	-
Non-revenue Generating				-	-	-	-	-	-	-	-	-
Investment properties				-	-	-	-	-	-	-	-	-
Operational Buildings				-	628	-	-	-	-	-	-	-
Housing				-	-	-	-	-	-	-	-	-
Other Assets				-	628	-	-	-	-	-	-	-
Biological or Cultivated Assets				-	-	-	-	-	-	-	-	-
Servitudes				-	-	-	-	-	-	-	-	-
Licences and Rights				-	-	-	-	-	-	-	-	-
Intangible Assets				-	-	-	-	-	-	-	-	-
Computer Equipment				-	55	-	-	-	-	-	-	-
Furniture and Office Equipment				3 457	240	5 952	1 400	1 630	1 630	250	250	250
Machinery and Equipment				-	-	-	-	1 600	1 600	-	-	-
Transport Assets				-	(3 279)	-	-	-	-	-	-	-
Land				-	(191)	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals				-	-	-	-	-	-	-	-	-
Mature				-	-	-	-	-	-	-	-	-
Immature				-	-	-	-	-	-	-	-	-
Living Resources				-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets			2	(3 457)	2 547	10 005	16 010	8 698	8 698	13 269	5 650	650
Roads Infrastructure				-	-	-	-	-	-	-	-	-
Storm water Infrastructure				-	-	-	-	-	-	-	-	-
Electrical Infrastructure				-	-	-	-	-	-	-	-	-
Water Supply Infrastructure				-	-	-	-	-	-	-	-	-
Sanitation Infrastructure				-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure				-	-	-	-	-	-	-	-	-
Rail Infrastructure				-	-	-	-	-	-	-	-	-
Coastal Infrastructure				-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure				-	-	-	-	-	-	-	-	-
Infrastructure				-	-	-	-	-	-	-	-	-
Community Facilities				(3 549)	-	5 341	15 010	8 483	8 483	13 269	5 650	650
Sport and Recreation Facilities				-	2 500	-	-	-	-	-	-	-
Community Assets				(3 549)	2 500	5 341	15 010	8 483	8 483	13 269	5 650	650
Heritage Assets				(2 255)	-	-	1 000	-	-	-	-	-
Revenue Generating				-	-	-	-	-	-	-	-	-
Non-revenue Generating				-	-	-	-	-	-	-	-	-
Investment properties				-	-	-	-	-	-	-	-	-
Operational Buildings				2 347	47	4 663	-	215	215	-	-	-
Housing				-	-	-	-	-	-	-	-	-
Other Assets				2 347	47	4 663	-	2				

DC4 Garden Route - Table A9 Asset Management

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Total Upgrading of Existing Assets	6	-	-	878	800	-	-	800	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	800	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	800	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	878	-	-	-	800	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	(0)	(0)	20 563	126 642	38 505	38 505	158 300	96 447	900
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	3 729	108 432	26 577	26 577	143 981	90 547	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	3 729	108 432	26 577	26 577	143 981	90 547	-
Community Facilities		(3 549)	-	5 341	15 010	8 483	8 483	13 269	5 650	650
Sport and Recreation Facilities		-	2 500	-	-	-	-	-	-	-
Community Assets		(3 549)	2 500	5 341	15 010	8 483	8 483	13 269	5 650	650
Heritage Assets		(2 255)	-	-	1 000	-	-	-	-	-
Revenue Generating		-	-	-	800	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	800	-	-	-	-	-
Operational Buildings		2 347	675	4 663	-	215	215	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		2 347	675	4 663	-	215	215	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	55	-	-	-	-	-	-	-
Furniture and Office Equipment		3 457	240	5 952	1 400	1 630	1 630	250	250	250
Machinery and Equipment		-	-	-	-	1 600	1 600	-	-	-
Transport Assets		-	(3 279)	878	-	-	-	800	-	-
Land		-	(191)	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		(0)	(0)	20 563	126 642	38 505	38 505	158 300	96 447	900

DC4 Garden Route - Table A9 Asset Management

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
ASSET REGISTER SUMMARY - PPE (WDV)	5	215 463	223 242	226 818	256 785	260 341	260 341	257 916	253 582	249 117
Roads Infrastructure		48	44	44	44	44	44	44	44	44
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		(1 418)	(1 115)	(1 119)	(1 115)	(1 119)	(1 119)	(1 119)	(1 119)	(1 119)
Solid Waste Infrastructure		-	-	-	-	26 577	26 577	26 577	26 577	26 577
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		(1 370)	(1 071)	(1 075)	(1 071)	25 503	25 503	25 503	25 503	25 503
Community Assets		36 640	35 713	35 069	35 733	34 992	34 992	34 913	34 832	34 749
Heritage Assets		-	-	-	-	-	-	-	-	-
Investment properties		54 182	54 060	64 187	57 400	64 187	64 187	64 187	64 187	64 187
Other Assets		2 141	1 251	1 161	8 654	6 756	6 756	5 477	4 166	2 822
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		1 650	1 569	1 829	(228)	913	913	(26)	(989)	(1 976)
Computer Equipment		7 086	8 809	14 157	14 045	16 083	16 083	16 333	16 583	16 833
Furniture and Office Equipment		1 351	2 107	2 167	6 392	835	835	(1 974)	(4 853)	(7 804)
Machinery and Equipment		1 755	4 446	4 115	4 446	5 715	5 715	5 715	5 715	5 715
Transport Assets		7 701	8 065	7 391	8 185	7 391	7 391	9 172	9 172	9 172
Land		104 328	108 293	97 817	123 229	97 967	97 967	98 617	99 267	99 917
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	215 463	223 242	226 818	256 785	260 341	260 341	257 916	253 582	249 117
EXPENDITURE OTHER ITEMS		11 749	7 324	7 281	8 225	8 179	8 179	9 792	8 461	8 673
Depreciation	7	4 852	4 171	4 605	4 986	4 982	4 982	5 106	5 234	5 365
Repairs and Maintenance by Asset Class	3	6 897	3 152	2 676	3 239	3 197	3 197	4 686	3 227	3 308
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		173	159	147	352	352	352	619	369	379
Sanitation Infrastructure		204	236	222	360	360	360	737	378	388
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		377	394	369	712	712	712	1 355	748	766
Community Facilities		23	59	69	78	78	78	80	82	84
Sport and Recreation Facilities		921	439	519	580	580	580	827	610	625
Community Assets		944	498	587	658	658	658	907	692	709
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		1 037	1 325	988	1 086	1 120	1 120	1 698	1 046	1 072
Housing		-	-	-	-	-	-	-	-	-
Other Assets		1 037	1 325	988	1 086	1 120	1 120	1 698	1 046	1 072
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		3 988	33	28	26	46	46	47	48	50
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		72	199	244	280	123	123	127	129	132
Transport Assets		479	702	460	477	538	538	551	565	579
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		11 749	7 324	7 281	8 225	8 179	8 179	9 792	8 461	8 673
Renewal and upgrading of Existing Assets as % of total capex		26594684.6%	-21228758.3%	52.9%	13.3%	22.6%	22.6%	8.9%	5.9%	72.2%
Renewal and upgrading of Existing Assets as % of deprecn		-71.3%	61.1%	236.3%	337.1%	174.6%	174.6%	275.5%	107.9%	12.1%
R&M as a % of PPE		4.3%	1.9%	1.6%	1.0%	1.6%	1.6%	0.0%	0.9%	0.7%
Renewal and upgrading and R&M as a % of PPE		2.0%	3.0%	6.0%	8.0%	5.0%	5.0%	7.0%	4.0%	2.0%

DC4 Garden Route - Table A10 Basic service delivery measurement

[illegible]

DC4 Garden Route - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Supporting Table 011: Supporting detail to Budget Framework											
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
REVENUE ITEMS:											
Non-exchange revenue by source											
Exchange Revenue	6										
Total Property Rates											
Less revenue foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)											
Net Property Rates		-	-	-	-	-	-	-	-	-	
Exchange revenue service charges											
Service charges - Electricity	6										
Total Service charges - Electricity											
Less revenue foregone (in excess of 50 kwh per indigent household per month)											
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	
Net Service charges - Electricity		-	-	-	-	-	-	-	-	-	
Service charges - Water	6										
Total Service charges - Water											
Less Revenue foregone (in excess of 6 kilolitres per indigent household per month)											
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	
Net Service charges - Water		-	-	-	-	-	-	-	-	-	
Service charges - Waste Water Management											
Total Service charges - Waste Water Management											
Less revenue foregone (in excess of free sanitation service to indigent households)											
Less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	
Net Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	
Service charges - Waste Management	6										
Total refuse removal revenue		-	-	-	11 168	-	-	37 688	76 291	78 908	
Total landfill revenue											
Less Revenue foregone (in excess of one removal a week to indigent households)											
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	
Net Service charges - Waste Management		-	-	-	11 168	-	-	37 688	76 291	78 908	
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	145 035	155 812	167 400	178 755	172 525	172 525	-	183 530	183 781	196 498
Pension and UIF Contributions		27 854	27 937	32 401	33 092	33 068	33 068	-	35 316	37 715	40 326
Medical Aid Contributions		19 274	27 423	33 379	26 709	24 760	24 760	-	26 455	28 335	30 309
Overtime		4 853	5 560	5 550	6 693	4 204	4 204	-	4 255	4 901	5 244
Performance Bonus		12 852	15 612	16 834	14 481	14 849	14 849	-	16 157	16 955	18 126
Motor Vehicle Allowance		8 690	10 581	11 295	11 025	12 677	12 677	-	14 694	14 494	15 497
Cellphone Allowance		242	238	209	239	327	327	-	338	362	385
Housing Allowances		2 641	2 844	2 691	3 070	2 850	2 850	-	3 119	3 254	3 477
Other benefits and allowances		4 160	5 014	4 209	4 401	2 696	2 696	-	1 548	1 446	1 547
Payments in lieu of leave		3 568	2 972	2 491	1 213	7 551	7 551	-	5 608	8 476	9 069
Long service awards		-	1 655	-	80	-	-	-	-	-	-
Post-retirement benefit obligations	4	7 831	-	(3 408)	7 870	7 870	7 870	-	8 421	9 011	9 642
Entertainment											
Scarcity											
Acting and post related allowance		486	1 785	2 255	1 041	1 133	1 133	-	1 224	1 310	1 401
In kind benefits											
sub-total	5	237 485	257 433	275 308	288 669	284 510	284 510	-	300 666	310 041	331 522
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	237 485	257 433	275 308	288 669	284 510	284 510	-	300 666	310 041	331 522

DC4 Garden Route - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Depreciation and amortisation											
Depreciation of Property, Plant & Equipment		4 834	4 118	3 830	4 070	4 066	4 066	–	4 167	4 271	4 378
Lease amortisation		18	54	775	916	916	916	–	939	963	987
Capital asset impairment		30 394	–	–	–	–	–	–	–	–	–
Total Depreciation and amortisation	1	35 246	4 171	4 605	4 986	4 982	4 982	–	5 106	5 234	5 365
Bulk purchases - electricity											
Electricity bulk purchases											
Total bulk purchases	1	–	–	–	–	–	–	–	–	–	–
Transfers and grants											
Cash transfers and grants		2 803	1 657	4 916	1 325	2 893	2 893	–	2 151	1 791	1 824
Non-cash transfers and grants		396	395	379	510	810	810	–	350	210	210
Total transfers and grants	1	3 199	2 052	5 296	1 835	3 703	3 703	–	2 501	2 001	2 034
Contracted Services											
Outsourced Services		4 841	5 204	1 714	43 582	37 230	37 230	–	23 803	22 096	22 257
Consultants and Professional Services		6 464	8 425	7 728	22 497	15 721	15 721	–	41 157	66 238	72 799
Contractors		9 952	12 517	11 369	13 098	15 074	15 074	–	16 950	15 468	15 854
Total contracted services		21 257	26 146	20 812	79 177	68 025	68 025	–	81 910	103 802	110 910
Operational Costs											
Collection costs											
Contributions to 'other' provisions											
Audit fees		4 178	2 021	3 581	2 389	2 027	2 027	–	1 877	1 924	1 973
Other Operational Costs		39 891	(348 196)	43 884	44 981	64 769	64 769	–	63 072	68 647	70 434
Total Operational Costs	1	44 069	(346 175)	47 465	47 370	66 795	66 795	–	64 950	70 571	72 407
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Inventory Consumed (Project Maintenance)											
Contracted Services		6 897	3 152	2 676	3 239	3 197	3 197	–	4 686	3 227	3 308
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	6 897	3 152	2 676	3 239	3 197	3 197	–	4 686	3 227	3 308
Inventory Consumed											
Inventory Consumed - Water		–	–	–	–	–	–	–	–	–	–
Inventory Consumed - Other		–	–	33 116	51 011	53 073	53 073	–	51 861	55 781	57 172
Total Inventory Consumed & Other Material		–	–	33 116	51 011	53 073	53 073	–	51 861	55 781	57 172

DC4 Garden Route - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Office of the Municipal Manager	Vote 2 - Office of the Municipal Manager (cont)	Vote 3 - Financial Services	Vote 4 - Financial Services (cont)	Vote 5 - Corporate Services	Vote 6 - Corporate Services (cont)	Vote 7 - Community Services	Vote 8 - Community Services (cont)	Vote 9 - Planning and Economic Development	Vote 10 - Planning and Economic Development (cont)	Vote 11 - Planning and Economic Development (cont2)	Vote 12 - Roads	Vote 13 - Roads (cont)	Vote 14 -	Vote 15 -	Total
R thousand	1																
Revenue																	
Exchange Revenue																	
Service charges - Electricity																	-
Service charges - Water																	-
Service charges - Waste Water Management																	-
Service charges - Waste Management		-	-	-	-	-	-	-	37 688	-	-	-	-	-	-	-	37 688
Sale of Goods and Rendering of Services		9 354	-	-	-	-	-	439	2 644	-	7 357	6 985	-	-	-	-	26 779
Agency services		21 239	-	-	-	-	-	-	-	-	-	-	193 150	-	-	-	214 389
Interest																	-
Interest earned from Receivables		3 371	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 371
Interest earned from Current and Non Current Assets		10 134	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10 134
Dividends																	-
Rent on Land		627	-	-	-	-	-	-	-	-	-	-	-	-	-	-	627
Rental from Fixed Assets		3 122	-	-	-	-	-	-	-	-	255	-	-	-	-	-	3 377
Licence and permits																	-
Operational Revenue		6 988	-	-	-	670	-	-	-	-	-	-	1 728	-	-	-	9 386
Non-Exchange Revenue																	
Property rates																	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits																	-
Licences or permits		-	-	-	-	-	-	-	183	-	-	-	-	-	-	-	183
Transfer and subsidies - Operational		211 645	-	-	-	359	-	-	-	-	-	-	-	-	-	-	212 004
Interest																	-
Fuel Levy																	-
Operational Revenue																	-
Gains on disposal of Assets																	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations																	-
Total Revenue (excluding capital transfers and contributions)		266 479	-	-	-	1 029	-	439	40 515	-	7 612	6 985	194 878	-	-	-	517 937
Expenditure																	
Employee related costs		29 842	6 192	18 719	6 294	11 723	20 190	47 554	23 577	14 361	14 791	2 494	70 279	34 650	-	-	300 666
Remuneration of councillors		14 216	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14 216
Bulk purchases - electricity																	-
Inventory consumed		152	38	186	36	484	403	676	979	117	1 250	344	13 612	33 584	-	-	51 861
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		338	-	119	-	1 530	-	482	1 279	1 279	79	-	-	-	-	-	5 106
Interest		75	-	-	-	-	-	-	8 745	-	-	-	-	-	-	-	8 820
Contracted services		6 095	-	2 375	-	21 362	1 047	124	32 460	2 923	3 794	1 081	9 429	1 220	-	-	81 910
Transfers and subsidies		554	-	-	-	293	350	-	-	564	741	-	-	-	-	-	2 501
Irrecoverable debts written off		2 100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 100
Operational costs		10 387	504	650	181	2 065	7 885	3 967	2 202	933	2 671	377	30 754	2 376	-	-	64 950
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	75	-	-	-	-	-	-	-	-	-	-	-	-	75
Total Expenditure		63 758	6 734	22 124	6 511	37 456	29 874	52 804	69 242	20 176	23 326	4 296	124 074	71 830	-	-	532 204
Surplus/(Deficit)		202 721	(6 734)	(22 124)	(6 511)	(36 427)	(29 874)	(52 365)	(28 727)	(20 176)	(15 714)	2 690	70 804	(71 830)	-	-	(14 267)
Transfers and subsidies - capital (monetary allocations)		8 481	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8 481
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		211 202	(6 734)	(22 124)	(6 511)	(36 427)	(29 874)	(52 365)	(28 727)	(20 176)	(15 714)	2 690	70 804	(71 830)	-	-	(5 786)

DC4 Garden Route - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
ASSETS											
<u>Trade and other receivables from exchange transactions</u>											
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste		1 062	-	1 062	-	1 062	1 062	-	1 062	1 062	1 062
Waste Water		-	-	-	-	-	-	-	-	-	-
Other trade receivables from exchange transactions		36 078	43 533	43 376	44 841	47 684	47 684	-	54 932	62 725	71 793
Gross: Trade and other receivables from exchange transactions		37 140	43 533	44 438	44 841	48 746	48 746	-	55 994	63 787	72 855
Less: Impairment for debt		(33 295)	(37 782)	(39 715)	(37 782)	(39 715)	(39 715)	-	(39 715)	(39 715)	(39 715)
Impairment for Electricity		-	-	-	-	-	-	-	-	-	-
Impairment for Water		-	-	-	-	-	-	-	-	-	-
Impairment for Waste		-	-	-	-	-	-	-	-	-	-
Impairment for Waste Water		-	-	-	-	-	-	-	-	-	-
Impairment for other trade receivables from exchange transactions		(33 295)	(37 782)	(39 715)	(37 782)	(39 715)	(39 715)	-	(39 715)	(39 715)	(39 715)
Total net Trade and other receivables from Exchange Transactions		3 845	5 751	4 722	7 059	9 030	9 030	-	16 279	24 072	33 140
<u>Receivables from non-exchange transactions</u>											
Property rates		-	-	-	-	-	-	-	-	-	-
Less: Impairment of Property rates		-	-	-	-	-	-	-	-	-	-
Net Property rates		-	-	-	-	-	-	-	-	-	-
Other receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Impairment for other receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Net other receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Total net Receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
<u>Inventory</u>											
<u>Water</u>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
System Input Volume		-	-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-	-
Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Natural Sources		-	-	-	-	-	-	-	-	-	-
Authorised Consumption	6	-	-	-	-	-	-	-	-	-	-
Billed Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Billed Metered Consumption		-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
Billed Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
UnBilled Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Metered Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Water Losses		-	-	-	-	-	-	-	-	-	-
Apparent losses		-	-	-	-	-	-	-	-	-	-
Unauthorised Consumption		-	-	-	-	-	-	-	-	-	-
Customer Meter Inaccuracies		-	-	-	-	-	-	-	-	-	-
Real losses		-	-	-	-	-	-	-	-	-	-
Leakage on Transmission and Distribution Mains		-	-	-	-	-	-	-	-	-	-
Leakage and Overflows at Storage Tanks/Reservoirs		-	-	-	-	-	-	-	-	-	-
Leakage on Service Connections up to the point of Customer Meter		-	-	-	-	-	-	-	-	-	-
Data Transfer and Management Errors		-	-	-	-	-	-	-	-	-	-
Unavoidable Annual Real Losses		-	-	-	-	-	-	-	-	-	-
Non-revenue Water		-	-	-	-	-	-	-	-	-	-
Closing Balance Water		-	-	-	-	-	-	-	-	-	-
<u>Agricultural</u>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Agricultural		-	-	-	-	-	-	-	-	-	-
<u>Consumables</u>											
<u>Standard Rated</u>											
Opening Balance		1 901	1 975	1 901	1 906	1 904	1 904	-	1 831	1 756	1 680
Acquisitions		-	-	5	4 342	4 980	4 980	-	6 524	5 254	5 384
Issues	7	-	-	(8 305)	(4 342)	(4 980)	(4 980)	-	(6 524)	(5 254)	(5 384)
Adjustments	8	-	-	8 303	(73)	(73)	(73)	-	(75)	(76)	(78)
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated		1 901	1 975	1 904	1 833	1 831	1 831	-	1 756	1 680	1 602
<u>Zero Rated</u>											
Opening Balance		1 319	1 284	1 319	1 284	1 222	1 222	-	1 222	1 222	1 222
Acquisitions		-	-	24 813	19 474	24 692	24 692	-	16 191	25 941	26 588
Issues	7	-	-	(24 811)	(19 474)	(24 692)	(24 692)	-	(16 191)	(25 941)	(26 588)
Adjustments	8	-	-	(98)	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Zero Rated		1 319	1 284	1 222	1 284	1 222	1 222	-	1 222	1 222	1 222

DC4 Garden Route - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Finished Goods											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Finished Goods		-	-	-	-	-	-	-	-	-	-
Materials and Supplies											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	27 195	23 401	23 401	-	29 146	24 586	25 200
Issues	7	-	-	-	(27 195)	(23 401)	(23 401)	-	(29 146)	(24 586)	(25 200)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supplies		-	-	-	-	-	-	-	-	-	-
Work-in-progress											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Materials		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Closing balance - Work-in-progress		-	-	-	-	-	-	-	-	-	-
Housing Stock											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Closing Balance - Housing Stock		-	-	-	-	-	-	-	-	-	-
Land											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing Balance - Land		-	-	-	-	-	-	-	-	-	-
Closing Balance - Inventory & Consumables		3 219	3 259	3 126	3 117	3 053	3 053	-	2 979	2 902	2 824
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		205 454	217 677	219 519	369 996	258 024	258 024	-	416 324	512 770	513 670
Leases recognised as PPE		2 141	1 251	1 161	1 251	1 161	1 161	-	1 161	1 161	1 161
Less: Accumulated depreciation		(47 964)	(49 823)	(54 058)	(57 864)	(58 124)	(58 124)	-	(62 291)	(66 563)	(70 941)
Total Property, plant and equipment (PPE)	2	159 631	169 105	166 621	313 383	201 060	201 060	-	355 193	447 368	443 890
LIABILITIES											
Current liabilities - Financial liabilities											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		223	536	100	536	100	100	-	100	100	100
Total Current liabilities - Financial liabilities		223	536	100	536	100	100	-	100	100	100
Trade and other payables from exchange transactions											
Trade and other payables from exchange transactions	5	26 771	38 650	27 928	4 535	27 928	27 928	-	27 928	27 928	27 928
Other trade payables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Trade payables from Non-exchange transactions: Unspent conditional Grants		1 903	3 610	4 851	3 610	4 851	4 851	-	4 483	4 483	4 483
Trade payables from Non-exchange transactions: Other		-	105	1 508	105	105	105	-	105	105	105
VAT		(833)	794	2 207	4 208	2 207	2 207	-	2 207	2 207	2 207
Total Trade and other payables from exchange transactions	2	27 841	43 159	36 494	12 457	35 091	35 091	-	34 722	34 722	34 722
Non-current liabilities - Financial liabilities											
Borrowing	4	-	-	5	236 166	26 583	26 583	-	170 315	260 862	260 862
Other financial liabilities		-	-	-	-	-	-	-	-	-	-
Total Non-current liabilities - Financial liabilities		-	-	5	236 166	26 583	26 583	-	170 315	260 862	260 862
Provisions											
Retirement benefits		112 581	126 077	131 957	128 373	133 133	133 133	-	134 391	135 738	137 178
Refuse landfill site rehabilitation		-	-	4	-	4	4	-	4	4	4
Other		12 478	12 020	12 020	12 020	12 020	12 020	-	12 020	12 020	12 020
Total Provisions		125 059	138 097	143 981	140 393	145 157	145 157	-	146 416	147 762	149 203
CHANGES IN NET ASSETS											
Accumulated surplus/(deficit)											
Accumulated surplus/(deficit) - opening balance		230 099	229 883	192 298	252 164	214 539	214 539	-	206 079	200 293	194 051
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		230 099	229 883	192 298	252 164	214 539	214 539	-	206 079	200 293	194 051
Surplus/(Deficit)		(92 379)	275 763	(8 229)	(6 947)	(8 160)	(8 160)	-	(5 786)	(6 242)	(7 784)
Transfers to/from Reserves		-	-	12 111	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	17 622	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	137 719	505 646	213 803	245 217	206 379	206 379	-	200 293	194 051	186 267
Reserves											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		31 856	26 389	18 761	26 389	18 761	18 761	-	18 761	18 761	18 761
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		33 429	34 125	34 169	34 125	34 169	34 169	-	34 169	34 169	34 169
Revaluation		-	-	-	-	-	-	-	-	-	-
Total Reserves	2	65 285	60 513	52 930	60 513	52 930	52 930	-	52 930	52 930	52 930
TOTAL COMMUNITY WEALTH/EQUITY	2	203 005	566 159	266 733	305 730	259 309	259 309	-	253 223	246 981	239 197

DC4 Garden Route - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand												
A long and healthy life for all South Africans	Healthy and Socially Stable Communities	KPA5		493	555	–	–	–	–	–	–	–
An efficient, competitive and responsive economic infrastructure network	Bulk Infrastructure Co-ordination	KPA1		25	150 356	250	–	–	–	–	–	–
An efficient, effective and development-oriented public service	Inclusive District Economy	KPA6		–	1 108	–	–	–	–	–	–	–
Responsive, accountable, effective and efficient local government				–	–	393 891	468 076	487 921	487 921	481 444	495 826	524 374
Responsive, accountable, effective and efficient local government	A Skilled Workforce and Communities	KPA4		382	613	–	–	–	–	–	–	–
Sustainable human settlements and improved quality of household life				268 261	83 226	2 217	12 275	–	–	44 974	82 597	84 850
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	269 162	235 858	396 358	480 350	487 921	487 921	526 418	578 423	609 224

DC4 Garden Route - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand												
02:A long and healthy life for all South Africans	SG1:Healthy and Socially Stable Communities			35 469	37 180	41 850	48 356	38 105		85 711	129 209	135 139
02:A long and healthy life for all South Africans	SG4:Sustainable Environmental Management and Public Safety			-	-	-	50	27		50	30	30
04:Decent employment through inclusive growth	SG7:Growing an inclusive district economy			8 735	8 385	9 577	11 040	9 410		11 951	12 207	12 509
05:A skilled and capable workforce to support an inclusive growth path	SG2:A Skilled Workforce and Communities			16 782	13 649	22 503	48 247	17 255		44 608	38 813	40 234
06:An efficient, competitive and responsive economic infrastructure network	SG3:Bulk Infrastructure Co-ordination			(21)	158 643	157 609	198 377	160 984		197 842	208 425	218 738
09:Responsive, accountable, effective and efficient local government	SG5:Good Governance			172 572	81 183	93 188	116 166	86 913		129 240	127 841	138 081
09:Responsive, accountable, effective and efficient local government	SG6:Financial Viability and Sustainability			9 622	10 824	19 795	22 580	17 213		23 672	25 097	26 740
10:Protect and enhance our environmental assets and natural resources	SG4:Sustainable Environmental Management and Public Safety			27 313	29 332	31 900	37 554	30 676		37 960	41 993	44 446
13:A comprehensive, responsive and sustainable social protection system	109:Air Quality Management			-	-	-	-	-		50	50	60
13:A comprehensive, responsive and sustainable social protection system	SG1:Healthy and Socially Stable Communities			105	106	380	726	468		1 045	923	952

DC4 Garden Route - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand												
Allocations to other priorities				1								
Total Expenditure					270 576	339 302	376 802	483 095	361 054	-	532 130	584 588

DC4 Garden Route - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand												
	Build a capacitated workforce and communities	26		–	–	878	–	–	–	800	–	–
An efficient, competitive and responsive economic infrastructure network	Bulk Infrastructure Co-ordination	KPA1		–	–	3 729	–	26 577	26 577	143 981	90 547	–
An efficient, effective and development-oriented public service	Environmental Management and Public Safety	KPA51		–	–	4 631	–	8 483	8 483	13 269	5 650	650
An efficient, effective and development-oriented public service	Healthy and socially stable communities	109		–	–	4 192	–	1 630	1 630	250	250	250
		B										
		C										
		D										
		E										
		F										
		G										
		H										
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities				3								
Total Capital Expenditure				1	–	–	13 430	–	36 690	36 690	158 300	96 447 900

DC4 Garden Route - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	3.5%	3.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	3.5%	3.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	92.9%	81.5%	81.5%	0.0%	95.9%	99.6%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	3.6	2.9	2.8	6.3	2.6	2.6	–	2.4	2.3	2.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.6	2.9	2.8	6.3	2.6	2.6	–	2.4	2.3	2.3
Liquidity Ratio	Monetary Assets/Current Liabilities	3.4	2.3	2.3	5.3	2.1	2.1	–	1.9	1.8	1.8
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	42.8%	0.0%	0.0%	0.0%	58.5%	71.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	42.8%	0.0%	0.0%	0.0%	58.5%	71.1%	70.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	22.4%	26.3%	18.5%	14.6%	15.2%	15.2%	0.0%	14.1%	12.8%	12.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		25.8%	59.7%	13.0%	-14.0%	-193.1%	-193.1%	0.0%	27.4%	31.2%	35.0%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase										
	Water treatment works										
	Natural sources										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	88.2%	109.1%	69.5%	61.5%	59.0%	59.0%	0.0%	58.1%	54.1%	54.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	92.3%	113.1%	71.9%	64.0%	61.5%	61.5%		60.6%	56.5%	56.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.6%	1.3%	0.7%	0.7%	0.7%	0.7%		0.9%	0.6%	0.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.1%	1.8%	1.2%	1.1%	1.0%	1.0%	0.0%	2.7%	4.5%	4.1%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	118.8	44.0	49.1	49.1	49.1	–	48.2	49.6	52.7
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	3.6%	4.5%	4.7%	5.2%	4.0%	4.0%	0.0%	3.2%	2.7%	2.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4.2	4.8	7.4	(0.9)	(0.4)	(0.4)	–	2.7	2.1	1.8

DC4 Garden Route - Supporting Table SA9 Social, economic and demographic statistics and assumptions

[illegible]

DC4 Garden Route - Supporting Table SA9 Social, economic and demographic statistics and assumptions
Detail on the provision of municipal services for A10

[illegible]

DC4 Garden Route - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Municipal entity services		Ref.		2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year #1 2024/25	Budget Year #2 2025/26
Name of municipal entity			Household service targets (000)									
			Water:									
			Piped water inside dwelling									
			Piped water inside yard (but not in dwelling)									
		8	Using public tap (at least min.service level)									
		10	Other water supply (at least min.service level)									
			Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	
		9	Using public tap (< min.service level)									
		10	Other water supply (< min.service level)									
			No water supply									
			Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	
			Total number of households	-	-	-	-	-	-	-	-	
Name of municipal entity			Sanitation/sewerage:									
			Flush toilet (connected to sewerage)									
			Flush toilet (with septic tank)									
			Chemical toilet									
			Pit toilet (ventilated)									
			Other toilet provisions (> min.service level)									
			Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	
			Bucket toilet									
			Other toilet provisions (< min.service level)									
			No toilet provisions									
			Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	
			Total number of households	-	-	-	-	-	-	-	-	
Name of municipal entity			Energy:									
			Electricity (at least min.service level)									
			Electricity - prepaid (min.service level)									
			Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	
			Electricity (< min.service level)									
			Electricity - prepaid (< min. service level)									
			Other energy sources									
			Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	
			Total number of households	-	-	-	-	-	-	-	-	
Name of municipal entity			Refuse:									
			Removed at least once a week									
			Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	
			Removed less frequently than once a week									
			Using communal refuse dump									
			Using own refuse dump									
			Other rubbish disposal									
			No rubbish disposal									
			Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	
			Total number of households	-	-	-	-	-	-	-	-	
Services provided by 'external mechanisms'		Ref.		2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year #1 2024/25	Budget Year #2 2025/26
Names of service providers			Household service targets (000)									
			Water:									
			Piped water inside dwelling									
			Piped water inside yard (but not in dwelling)									
		8	Using public tap (at least min.service level)									
		10	Other water supply (at least min.service level)									
			Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	
		9	Using public tap (< min.service level)									
		10	Other water supply (< min.service level)									
			No water supply									
			Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	
			Total number of households	-	-	-	-	-	-	-	-	
Names of service providers			Sanitation/sewerage:									

DC4 Garden Route - Supporting Table SA9 Social, economic and demographic statistics and assumptions

		Flush toilet (connected to sewerage)	Flush toilet (with septic tank)	Chemical toilet	Pit toilet (ventilated)	Other toilet provisions (> min.service level) <i>Minimum Service Level and Above sub-total</i>	Bucket toilet	Other toilet provisions (< min.service level)	No toilet provisions <i>Below Minimum Service Level sub-total</i>	Total number of households
		-	-	-	-	-	-	-	-	-
Names of service providers		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Names of service providers		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Detail of Free Basic Services (FBS) provided		2019/20 Outcome	2020/21 Outcome	2021/22 Outcome	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Electricity	Ref.	<u>Location of households for each type of FBS</u>								
List type of FBS service		Formal settlements - (>= kwh per indigent household per month Rands)								
		Number of HH receiving this type of FBS								
		Informal settlements (Rands)								
		Number of HH receiving this type of FBS								
		Informal settlements targeted for upgrading (Rands)								
		Number of HH receiving this type of FBS								
		Living in informal backyard rental agreement (Rands)								
		Number of HH receiving this type of FBS								
		Other (Rands)								
		Number of HH receiving this type of FBS								
		Total cost of FBS - Electricity for informal settlements								
Water	Ref.	<u>Location of households for each type of FBS</u>								
List type of FBS service		Formal settlements - (6 kilolitres per indigent household per month Rands)								
		Number of HH receiving this type of FBS								
		Informal settlements (Rands)								
		Number of HH receiving this type of FBS								
		Informal settlements targeted for upgrading (Rands)								
		Number of HH receiving this type of FBS								
		Living in informal backyard rental agreement (Rands)								
		Number of HH receiving this type of FBS								
		Other (Rands)								
		Number of HH receiving this type of FBS								
		Total cost of FBS - Water for informal settlements								
Sanitation	Ref.	<u>Location of households for each type of FBS</u>								
List type of FBS service		Formal settlements - (tree sanitation service to indigent households)								

DC4 Garden Route - Supporting Table SA9 Social, economic and demographic statistics and assumptions

		Number of HH receiving this type of FBS Informal settlements (Rands)								
		Number of HH receiving this type of FBS Informal settlements targeted for upgrading (Rands)								
		Number of HH receiving this type of FBS Living in informal backyard rental agreement (Rands)								
		Number of HH receiving this type of FBS Other (Rands)								
		Number of HH receiving this type of FBS								
		Total cost of FBS - Sanitation for informal settlements	-	-	-	-	-	-	-	-
Refuse Removal	Ref	Location of households for each type of FBS								
		Formal settlements - (removed once a week to indigent households)								
		Number of HH receiving this type of FBS Informal settlements (Rands)								
		Number of HH receiving this type of FBS Informal settlements targeted for upgrading (Rands)								
		Number of HH receiving this type of FBS Living in informal backyard rental agreement (Rands)								
		Number of HH receiving this type of FBS Other (Rands)								
		Number of HH receiving this type of FBS								
		Total cost of FBS - Refuse Removal for informal settlements	-	-	-	-	-	-	-	-

DC4 Garden Route Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	103 845	64 790	215 148	(32 334)	(14 462)	(14 462)	–	101 769	89 599	79 818
Cash + investments at the yr end less applications - R'000	18(1)b	2	95 408	120 599	53 725	240 421	58 405	58 405	–	36 330	27 731	17 048
Cash year end/monthly employee/supplier payments	18(1)b	3	4.2	4.8	7.4	(0.9)	(0.4)	(0.4)	–	2.7	2.1	1.8
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(92 379)	275 763	(8 229)	(6 947)	(8 160)	(8 160)	–	(5 786)	(6 242)	(7 784)
Service charge rev % change - macro CPIIX target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	(6.0%)	(6.0%)	(106.0%)	(6.0%)	(6.0%)	(6.0%)	96.4%	(2.6%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	1.8%	93.5%	(3.9%)	41.9%	33.9%	33.9%	0.0%	32.1%	39.1%	39.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c,19	8	584.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	92.9%	81.5%	81.5%	0.0%	95.9%	99.6%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	22.8%	(9.8%)	25.4%	17.9%	0.0%	(100.0%)	0.0%	37.9%	32.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	15.9%	2.2%	(2.2%)	2.2%	0.0%	(100.0%)	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	4.3%	1.9%	1.6%	1.0%	1.6%	1.6%	0.0%	0.9%	0.7%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	(916.0%)	(59.3%)	59.1%	12.6%	22.6%	22.6%	0.0%	8.4%	5.9%	72.2%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

[illegible]

DoRA operating

List operating grants

<p><i>List operating grants</i></p>				
DoRA capital				
<i>List capital grants</i>				

DC4 Garden Route Supporting Table SA10 Funding measurement

									-	-	-	
<u>Trend</u>												
Change in consumer debtors (current and non-current)		N/A	10 302	395	913	3 395	-	(76 088)	83 336	7 793	9 068	
<u>Total Operating Revenue</u>			269 162	235 858	396 301	469 150	482 321	482 321	-	517 937	572 923	608 724
<u>Total Operating Expenditure</u>			361 541	(39 905)	404 587	487 297	496 081	496 081	-	532 204	584 665	617 008
<u>Operating Performance Surplus/(Deficit)</u>			(92 379)	275 763	(8 285)	(18 147)	(13 760)	(13 760)	-	(14 267)	(11 742)	(8 284)
<u>Cash and Cash Equivalents (30 June 2012)</u>										101 769		

DC4 Garden Route Supporting Table SA10 Funding measurement

DC4 Garden Route Supporting Table SA10 Funding measurement											
Revenue											
% Increase in Total Operating Revenue			(12.4%)	68.0%	18.4%	2.8%	0.0%	(100.0%)	7.4%	10.6%	6.2%
% Increase in Property Rates Revenue			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Electricity Revenue			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges			0.0%	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%	102.4%	3.4%
Expenditure											
% Increase in Total Operating Expenditure			(111.0%)	(1113.9%)	20.4%	1.8%	0.0%	(100.0%)	7.3%	9.9%	5.5%
% Increase in Employee Costs			8.4%	6.9%	4.9%	(1.4%)	0.0%	(100.0%)	5.7%	3.1%	6.9%
% Increase in Electricity Bulk Purchases			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)				483844.7715	434743.0919				452809.5437		
Average Cost Per Councillor (Remuneration)				337980.7429	358352.6857				406171.2286		
R&M % of PPE	4.3%	1.9%		1.6%	1.0%	1.6%	1.6%		0.0%	0.9%	0.7%
Asset Renewal and R&M as a % of PPE	2.0%	3.0%		6.0%	8.0%	5.0%	5.0%		7.0%	4.0%	2.0%
Debt Impairment % of Total Billable Revenue	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Revenue											
Internally Funded & Other (R'000)		377	(4 294)	12 917	8 210	6 049	6 049	–	5 838	400	400
Borrowing (R'000)		–	–	3 617	107 232	26 577	26 577	–	143 981	90 547	–
Grant Funding and Other (R'000)		–	–	381	11 200	5 815	5 815	–	8 481	5 500	500
Internally Generated funds % of Non Grant Funding	100.0%	100.0%		78.1%	7.1%	18.5%	18.5%	0.0%	3.9%	0.4%	100.0%
Borrowing % of Non Grant Funding	0.0%	0.0%		21.9%	92.9%	81.5%	81.5%	0.0%	96.1%	99.6%	0.0%
Grant Funding % of Total Funding	0.0%	0.0%		2.3%	8.8%	15.1%	15.1%	0.0%	5.4%	5.7%	55.6%
Capital Expenditure											
Total Capital Programme (R'000)		377	(4 294)	16 916	126 642	38 441	38 441	–	158 300	96 447	900
Asset Renewal		(3 457)	2 547	10 883	16 810	8 698	8 698	–	14 069	5 650	650
Asset Renewal % of Total Capital Expenditure		(916.0%)	(59.3%)	64.3%	13.3%	22.6%	22.6%	0.0%	8.9%	5.9%	72.2%
Cash											
Cash Receipts % of Rate Payer & Other		1.8%	93.5%	(3.9%)	41.9%	33.9%	33.9%	0.0%	32.1%	39.1%	39.4%
Cash Coverage Ratio		0	0	0	(0)	(0)	(0)	–	0	0	(0)
Borrowing											
Most recent Credit Rating									0		
Capital Charges to Operating		0.0%	(0.1%)	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	3.5%	3.2%
Borrowing Receipts % of Capital Expenditure		0.0%	0.0%	0.0%	92.9%	81.5%	81.5%	0.0%	95.9%	99.6%	0.0%
Reserves											
Uncommitted reserves after application of cash and investments		95 408	120 599	53 725	240 421	58 405	58 405	–	36 330	27 731	17 048
Free Services											
Free Basic Services as a % of Equitable Share		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
High Level Outcome of Funding Compliance											
Total Operating Revenue	269 162	235 858	396 301	469 150	482 321	482 321	–	517 937	572 923	608 724	
Total Operating Expenditure	361 541	(39 905)	404 587	487 297	496 081	496 081	–	532 204	584 665	617 008	
Surplus/(Deficit) Budgeted Operating Statement	(92 379)	275 763	(8 285)	(18 147)	(13 760)	(13 760)	–	(14 267)	(11 742)	(8 284)	

DC4 Garden Route - Supporting Table SA11 Property rates summary

[illegible]

DC4 Garden Route - Supporting Table SA12a Property rates by category (current year)

[illegible]

DC4 Garden Route - Supporting Table SA12b Property rates by category (budget year)

[illegible]

DC4 Garden Route - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Property rates (rate in the Rand)	1								
Residential properties									
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used									
Farm properties - not used									
Industrial properties									
Business and commercial properties									
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties									
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Property rates by usage									
Business and commercial properties									
Industrial properties									
Mining properties									
Residential properties									
Agricultural properties									
Public benefit organisations									
Public service purpose properties									
Public service infrastructure properties									
Vacant land									
Sport Clubs and Fields (Bitou only)									
Sectional Title Garages (Drakenstein only)									
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/flat fee (Rands/month)									
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/k)									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/k)		(fill in thresholds)							
Water usage - Block 2 (c/k)		(fill in thresholds)							
Water usage - Block 3 (c/k)		(fill in thresholds)							
Water usage - Block 4 (c/k)		(fill in thresholds)							
Water usage - Block 5 (c/k)		(fill in thresholds)							
Water usage - Block 6 (c/k)		(fill in thresholds)							
Other	2								
Waste water tariffs									
Domestic									
Basic charge/flat fee (Rands/month)									
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/k)									
Volumetric charge - Block 1 (c/k)		(fill in structure)							
Volumetric charge - Block 2 (c/k)		(fill in structure)							
Volumetric charge - Block 3 (c/k)		(fill in structure)							
Volumetric charge - Block 4 (c/k)		(fill in structure)							
Other	2								

DC4 Garden Route - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Electricity tariffs									
<i>Domestic</i>									
Basic charge/fixed fee (<i>Rands/month</i>)	2								
Service point - vacant land (<i>Rands/month</i>)									
FBE		(how is this targeted?)							
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter (<i>c/kwh</i>)									
Flat rate tariff - prepaid(<i>c/kwh</i>)									
Meter - IBT Block 1 (<i>c/kwh</i>)		(fill in thresholds)							
Meter - IBT Block 2 (<i>c/kwh</i>)		(fill in thresholds)							
Meter - IBT Block 3 (<i>c/kwh</i>)		(fill in thresholds)							
Meter - IBT Block 4 (<i>c/kwh</i>)		(fill in thresholds)							
Meter - IBT Block 5 (<i>c/kwh</i>)		(fill in thresholds)							
Prepaid - IBT Block 1 (<i>c/kwh</i>)		(fill in thresholds)							
Prepaid - IBT Block 2 (<i>c/kwh</i>)		(fill in thresholds)							
Prepaid - IBT Block 3 (<i>c/kwh</i>)		(fill in thresholds)							
Prepaid - IBT Block 4 (<i>c/kwh</i>)		(fill in thresholds)							
Prepaid - IBT Block 5 (<i>c/kwh</i>)		(fill in thresholds)							
<i>Other</i>									
Waste management tariffs									
<i>Domestic</i>									
Street cleaning charge									
Basic charge/fixed fee									
80l bin - once a week									
250l bin - once a week									

DC4 Garden Route - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<u>Exemptions, reductions and rebates (Rands)</u> [Insert lines as applicable]									
<u>Water tariffs</u> [Insert blocks as applicable]		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							
<u>Waste water tariffs</u> [Insert blocks as applicable]		(fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure)							
<u>Electricity tariffs</u> [Insert blocks as applicable]		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							

DC4 Garden Route - Supporting Table SA14 Household bills

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total large household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease			-	-	-	-	-		-	-	-
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease			-	-	-	-	-		-	-	-
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease			-	-	-	-	-		-	-	-

DC4 Garden Route - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														-
														-
														-
														-
														-
Municipality sub-total										-		-	-	-
Entities														-
														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									-		-	-	-

DC4 Garden Route - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		68 200	29 433	173 756	181 160	182 938	182 938	185 267	191 291	202 920
Local Government Equitable Share		65 571	22 717	167 653	172 721	172 721	172 721	178 333	186 631	195 195
Energy Efficiency and Demand Side Management Grant		–	–	–	1 000	1 000	1 000	–	–	–
Expanded Public Works Programme Integrated Grant		1 629	2 072	2 071	2 440	2 440	2 440	2 180	–	–
Infrastructure Skills Development Grant										
Local Government Financial Management Grant		1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 100
Municipal Disaster Relief Grant										
Municipal Systems Improvement Grant		–	–	–	1 405	1 405	1 405	1 000	–	2 800
Municipal Disaster Recovery Grant										
Municipal Demarcation Transition Grant										
Integrated City Development Grant										
Municipal Infrastructure Grant										
Water Services Infrastructure Grant										
Neighbourhood Development Partnership Grant										
Public Transport Network Grant		–	922	–	–	1 778	1 778	–	939	982
Rural Road Asset Management Systems Grant		–	2 722	3 032	2 594	2 594	2 594	2 754	2 721	2 843
Urban Settlement Development Grant										
Integrated National Electrification Programme Grant										
Municipal Rehabilitation Grant										
Municipal Emergency Housing Grant										
Regional Bulk Infrastructure Grant										
Metro Informal Settlements Partnership Grant										
Integrated Urban Development Grant										
Programme and Project Preparation Support Grant										
Provincial Government:		4 195	3 858	9 639	6 500	9 251	9 251	6 560	6 622	6 671
Infrastructure										
Capacity Building		4 195	3 858	9 639	6 500	9 251	9 251	6 560	6 622	6 671
District Municipality:		–	–	–	–	–	–	–	–	–
Infrastructure										
Capacity Building										
Other grant providers:		35	2 857	172	41 000	39 840	39 840	20 177	19 157	19 180
Other Grants Received		35	2 857	172	41 000	39 840	39 840	20 177	19 157	19 180
Total Operating Transfers and Grants	5	72 430	36 148	183 567	228 660	232 030	232 030	212 004	217 070	228 771
Capital Transfers and Grants										
National Government:		–	–	–	4 000	4 000	4 000	4 000	5 000	–
Integrated National Electrification Programme Grant										
Municipal Infrastructure Grant										
Neighbourhood Development Partnership Grant										
Rural Road Asset Management Systems Grant										
Urban Settlements Development Grant										
Integrated City Development Grant										
Municipal Disaster Recovery Grant										
Energy Efficiency and Demand Side Management Grant		–	–	–	4 000	4 000	4 000	4 000	5 000	–
Water Services Infrastructure Grant										
Public Transport Network Grant										
Regional Bulk Infrastructure Grant										
Infrastructure Skills Development Grant										
Municipal Disaster Relief Grant										
Municipal Emergency Housing Grant										
Metro Informal Settlements Partnership Grant										
Integrated Urban Development Grant										
Provincial Government:		–	–	–	–	1 600	1 600	4 481	500	500
Infrastructure		–	–	–	–	–	–	4 481	500	500
Capacity Building		–	–	–	–	1 600	1 600	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Infrastructure										
Capacity Building										
Other grant providers:		–	–	57	7 200	–	–	–	–	–
Other Grants Received		–	–	57	7 200	–	–	–	–	–
Total Capital Transfers and Grants	5	–	–	57	11 200	5 600	5 600	8 481	5 500	500
TOTAL RECEIPTS OF TRANSFERS & GRANTS		72 430	36 148	183 624	239 860	237 630	237 630	220 485	222 570	229 271

DC4 Garden Route - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		353 677	(204 898)	196 931	179 590	183 600	183 600	192 671	193 091	208 127
Local Government Equitable Share		348 139	(212 871)	188 005	171 151	173 383	173 383	185 737	188 431	200 402
Energy Efficiency and Demand Side Management Grant		–	–	–	1 000	1 000	1 000	–	–	–
Expanded Public Works Programme Integrated Grant		4 831	5 299	5 387	2 440	2 440	2 440	2 180	–	–
Infrastructure Skills Development Grant		–	182	–	–	–	–	–	–	–
Integrated City Development Grant		–	–	–	–	–	–	–	–	–
Local Government Financial Management Grant		707	633	990	1 000	1 000	1 000	1 000	1 000	1 100
Municipal Demarcation Transition Grant		–	–	–	–	–	–	–	–	–
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		–	265	–	1 405	1 405	1 405	1 000	–	2 800
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Municipal Disaster Recovery Grant		–	–	–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant		–	1 593	2 549	2 594	2 594	2 594	2 754	2 721	2 843
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		–	–	–	–	–	–	–	–	–
Public Transport Network Grant		–	–	–	–	1 778	1 778	–	939	982
Urban Settlement Development Grant		–	–	–	–	–	–	–	–	–
Integrated National Electrification Programme Grant		–	–	–	–	–	–	–	–	–
Municipal Rehabilitation Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Emergency Housing Grant		–	–	–	–	–	–	–	–	–
Metro Informal Settlements Partnership Grant		–	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		–	–	–	–	–	–	–	–	–
Programme and Project Preparation Support Grant		–	–	–	–	–	–	–	–	–
Other transfers/grants [insert description]										
Provincial Government:		3 291	160 768	169 626	179 655	200 491	200 491	199 710	208 948	219 079
Infrastructure		(124)	158 427	166 019	173 155	192 255	192 255	193 150	202 326	212 408
Capacity Building		3 415	2 340	3 607	6 500	8 236	8 236	6 560	6 622	6 671
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Capacity Building		–	–	–	–	–	–	–	–	–
Other grant providers:		–	203	161	–	339	339	347	356	365
Expenditure on Other Grants		–	203	161	–	339	339	347	356	365
Total operating expenditure of Transfers and Grants:		356 968	(43 927)	366 719	359 245	384 431	384 431	392 728	402 395	427 571
Capital expenditure of Transfers and Grants										
National Government:		–	–	–	4 000	4 000	4 000	4 000	5 000	–
Integrated National Electrification Programme Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant		–	–	–	–	–	–	–	–	–
Urban Settlement Development Grant		–	–	–	–	–	–	–	–	–
Integrated City Development Grant		–	–	–	–	–	–	–	–	–
Municipal Disaster Recovery Grant		–	–	–	–	–	–	–	–	–
Energy Efficiency and Demand Side Management Grant		–	–	–	4 000	4 000	4 000	4 000	5 000	–
Local Government Financial Management Grant		–	–	–	–	–	–	–	–	–
Public Transport Network Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		–	–	–	–	–	–	–	–	–
Infrastructure Skills Development Grant		–	–	–	–	–	–	–	–	–
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Emergency Housing Grant		–	–	–	–	–	–	–	–	–
Metro Informal Settlements Partnership Grant		–	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	1 815	1 815	4 481	500	500
Infrastructure		–	–	–	–	–	–	–	–	–
Capacity Building		–	–	–	–	1 815	1 815	4 481	500	500
District Municipality:		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Capacity Building		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	381	7 200	–	–	–	–	–
Expenditure on Other Grants		–	–	381	7 200	–	–	–	–	–
Total capital expenditure of Transfers and Grants		–	–	381	11 200	5 815	5 815	8 481	5 500	500
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		356 968	(43 927)	367 100	370 445	390 246	390 246	401 209	407 895	428 071

[illegible]

DC4 Garden Route - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
Cash Transfers to other municipalities											
<i>DISTRICT MUNICIPALITIES</i>	1	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
<i>FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS</i>	2	-	-	-	-	-	-	-	-	-	-
<i>MUNICIPAL ENTITIES</i>		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
<i>DEPARTMENTAL AGENCIES AND ACCOUNTS</i>	3	-	-	-	-	-	-	-	-	-	-
<i>PROVINCIAL GOVERNMENT</i>		-	-	-	-	-	-	-	-	-	-
<i>HIGHER EDUCATIONAL INSTITUTIONS</i>		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>NON-PROFIT INSTITUTIONS</i>		2 803	1 657	4 727	1 112	2 619	2 619	-	1 694	1 334	1 367
<i>PUBLIC CORPORATIONS</i>		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Organisations		2 803	1 657	4 727	1 112	2 619	2 619	-	1 694	1 334	1 367
Cash Transfers to Groups of Individuals											
<i>HOUSEHOLDS</i>		-	-	189	213	274	274	-	457	457	457
<i>PRIVATE ENTERPRISES</i>		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		-	-	189	213	274	274	-	457	457	457
TOTAL CASH TRANSFERS AND GRANTS	6	2 803	1 657	4 916	1 325	2 893	2 893	-	2 151	1 791	1 824
Non-Cash Transfers to other municipalities											
<i>DISTRICT MUNICIPALITIES</i>	1	-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
<i>FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS</i>	2	-	-	-	-	-	-	-	-	-	-
<i>MUNICIPAL ENTITIES</i>		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
<i>DEPARTMENTAL AGENCIES AND ACCOUNTS</i>	3	-	-	-	-	-	-	-	-	-	-
<i>PROVINCIAL GOVERNMENT</i>		-	-	-	-	-	-	-	-	-	-
<i>HIGHER EDUCATIONAL INSTITUTIONS</i>		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
<i>NON-PROFIT INSTITUTIONS</i>	4	-	-	-	-	-	-	-	-	-	-
<i>PUBLIC CORPORATIONS</i>		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
<i>HOUSEHOLDS</i>	5	396	395	379	510	810	810	-	350	210	210
<i>PRIVATE ENTERPRISES</i>		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		396	395	379	510	810	810	-	350	210	210
TOTAL NON-CASH TRANSFERS AND GRANTS		396	395	379	510	810	810	-	350	210	210
TOTAL TRANSFERS AND GRANTS	6	3 199	2 052	5 296	1 835	3 703	3 703	-	2 501	2 001	2 034

DC4 Garden Route - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		10 028	7 283	7 778	12 459	10 424	10 424	11 153	11 934	12 769
Pension and UIF Contributions		54	643	370	10	246	246	263	281	301
Medical Aid Contributions		49	–	153	54	151	151	162	173	185
Motor Vehicle Allowance		390	1 484	1 859	–	1 169	1 169	1 251	1 339	1 432
Cellphone Allowance		735	1 033	1 035	20	586	586	627	671	718
Housing Allowances		–	499	592	–	447	447	478	512	547
Other benefits and allowances		209	269	42	–	263	263	281	301	322
Sub Total - Councillors		11 467	11 210	11 829	12 542	13 286	13 286	14 216	15 211	16 276
% increase	4		(2.2%)	5.5%	6.0%	5.9%	–	7.0%	7.0%	7.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		58 230	5 151	5 431	6 119	5 871	5 871	6 223	6 596	6 992
Pension and UIF Contributions		9 663	16	(6 755)	1 178	1 963	1 963	2 093	2 231	2 378
Medical Aid Contributions		7 673	53	155	63	208	208	220	234	248
Overtime										
Performance Bonus		4 614	37	(28)	606	733	733	777	824	873
Motor Vehicle Allowance	3	2 169	678	822	527	856	856	908	962	1 020
Cellphone Allowance	3	153	108	81	114	195	195	207	219	233
Housing Allowances	3	–	–	321	–	370	370	392	415	440
Other benefits and allowances	3	0	–	9	–	21	21	22	23	24
Payments in lieu of leave		–	–	260	–	–	–	–	–	–
Long service awards		–	977	–	–	–	–	–	–	–
Post-retirement benefit obligations	6									
Entertainment										
Scarcity										
Acting and post related allowance		10	149	22	–	4	4	4	5	5
In kind benefits										
Sub Total - Senior Managers of Municipality		82 503	7 020	296	8 608	10 217	10 217	10 841	11 504	12 208
% increase	4		(91.5%)	(95.8%)	2 808.9%	18.7%	–	6.1%	6.1%	6.1%
Other Municipal Staff										
Basic Salaries and Wages		86 805	150 660	161 970	172 635	166 654	166 654	177 307	177 185	189 506
Pension and UIF Contributions		17 298	26 654	27 817	29 522	28 821	28 821	30 745	32 948	35 237
Medical Aid Contributions		11 600	27 370	33 224	26 646	24 552	24 552	26 234	28 102	30 061
Overtime		4 853	5 560	5 550	6 693	4 204	4 204	4 255	4 901	5 244
Performance Bonus		123	6 465	10 608	12 374	12 928	12 928	13 309	14 771	15 797
Motor Vehicle Allowance	3	6 520	9 903	10 474	10 498	11 821	11 821	13 787	13 532	14 477
Cellphone Allowance	3	89	130	129	124	132	132	131	142	152
Housing Allowances	3	2 641	3 035	2 370	3 137	2 481	2 481	2 929	2 839	3 036
Other benefits and allowances	3	13 168	15 200	14 714	9 403	7 323	7 323	7 132	6 667	7 131
Payments in lieu of leave		3 568	2 972	2 231	1 213	7 551	7 551	5 608	8 476	9 069
Long service awards		–	678	–	80	–	–	–	–	–
Post-retirement benefit obligations	6	7 831	–	3 671	6 694	6 694	6 694	7 163	7 664	8 201
Entertainment										
Scarcity										
Acting and post related allowance		476	1 636	2 233	1 041	1 129	1 129	1 220	1 305	1 396
In kind benefits										
Sub Total - Other Municipal Staff		154 495	248 628	272 757	279 020	273 161	273 161	288 600	297 226	317 912
% increase	4		60.9%	9.7%	2.3%	(2.1%)	–	5.7%	3.0%	7.0%
Total Parent Municipality		248 465	266 858	284 882	300 170	296 664	296 664	313 657	323 942	346 396
Board Members of Entities			7.4%	6.8%	5.4%	(1.2%)	–	5.7%	3.3%	6.9%
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Board Members of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–

DC4 Garden Route - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		248 465	266 858	284 882	300 170	296 664	296 664	313 657	323 942	346 396
% increase	4		7.4%	6.8%	5.4%	(1.2%)	-	5.7%	3.3%	6.9%
TOTAL MANAGERS AND STAFF	5,7	236 998	255 648	273 052	287 628	283 378	283 378	299 441	308 731	330 120

DC4 Garden Route - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		714 335	–	192 788			907 123
Chief Whip			1 296 995	112 144	728 913			2 138 052
Executive Mayor			221 802	112 504	788 501			1 122 807
Deputy Executive Mayor			370 904	66 763	168 788			606 455
Executive Committee			2 910 310	184 934	1 316 745			4 411 989
Total for all other councillors			3 549 460	189 529	1 290 577			5 029 566
Total Councillors	8	–	9 063 806	665 874	4 486 312			14 215 992
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 222 872	230 716	300 000	294 356		2 047 944
Chief Finance Officer			1 050 672	360 698	300 000	230 537		1 941 907
Executive Manager Corporate Services		1	1 273 955	343 968	112 423	234 037		1 964 383
Executive Manager Community Services		2	1 087 081	412 804	213 871	185 880		1 899 636
Executive Manager Planning and Economic Development		3	1 050 779	385 482	324 000	230 537		1 990 798
Executive Manager Roads		4	399 305	162 328	201 076	234 037		996 746
		5						–
		6						–
		7						–
		8						–
		9						–
		10						–
		11						–
		12						–
		13						–
		14						–
		15						–
		16						–
		17						–
		18						–
		19						–
		20						–
List of each official with packages >= senior manager								
		21						–
		22						–
		23						–
		24						–
		25						–
		26						–
		27						–
		28						–
		29						–
		30						–
		31						–
		32						–
		33						–
		34						–
		35						–
		36						–
		37						–
		38						–
		39						–
		40						–
Total Senior Managers of the Municipality	8,10	820	6 084 664	1 895 996	1 451 370	1 409 384		10 841 414
A Heading for Each Entity	6,7							
List each member of board by designation								
		1						–
		2						–
		3						–
		4						–
		5						–
		6						–
		7						–
		8						–
		9						–
		10						–
		11						–
		12						–
		13						–
		14						–
		15						–
		16						–
Total for municipal entities	8,10	136	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	956	15 148 470	2 561 870	5 937 682	1 409 384		25 057 406

DC4 Garden Route - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			35	35		35	35		35	35	
Board Members of municipal entities		4									
Municipal employees											
Municipal Manager and Senior Managers		3	6	5	1	6	5	1	6	5	1
Other Managers		7	29	25		29	25		29	25	
Professionals			73	45	–	75	45	–	75	45	–
Finance			20	19		21	14		21	14	
Spatial/town planning											
Information Technology											
Roads			9	4		9	5		9	5	
Electricity											
Water											
Sanitation											
Refuse											
Other			44	22		45	26		45	26	
Technicians			125	102	–	129	114	–	129	114	–
Finance			9	8		9	9		9	9	
Spatial/town planning											
Information Technology											
Roads			43	35		47	39		47	39	
Electricity											
Water											
Sanitation											
Refuse											
Other			73	59		73	66		73	66	
Clerks (Clerical and administrative)			58	49		62	43		62	43	
Service and sales workers			68	62		68	64		68	64	
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators			58	53		60	49		60	49	
Elementary Occupations			234	227		235	220		235	220	
TOTAL PERSONNEL NUMBERS		9	686	603	1	699	600	1	699	600	1
% increase						1.9%	(0.5%)	–	–	–	–
Total municipal employees headcount		6, 10				664	565		664	565	
Finance personnel headcount		8, 10	46	38		49	40		49	40	
Human Resources personnel headcount		8, 10	21	21		21	20		21	20	

DC4 Garden Route - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue																
Exchange Revenue																
Service charges - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management		3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	37 688	76 291	78 908
Sale of Goods and Rendering of Services		2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	26 779	30 988	33 495
Agency services		17 866	17 866	17 866	17 866	17 866	17 866	17 866	17 866	17 866	17 866	17 866	17 866	214 389	224 084	240 750
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		281	281	281	281	281	281	281	281	281	281	281	281	3 371	3 573	3 787
Interest earned from Current and Non Current Assets		844	844	844	844	844	844	844	844	844	844	844	844	10 134	10 742	11 557
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		52	52	52	52	52	52	52	52	52	52	52	52	627	457	457
Rental from Fixed Assets		281	281	281	281	281	281	281	281	281	281	281	281	3 377	3 392	4 294
Licence and permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		782	782	782	782	782	782	782	782	782	782	782	782	9 386	6 133	6 501
Non-Exchange Revenue																
Property rates		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Licences or permits		15	15	15	15	15	15	15	15	15	15	15	15	183	194	205
Transfer and subsidies - Operational		17 667	17 667	17 667	17 667	17 667	17 667	17 667	17 667	17 667	17 667	17 667	17 667	212 004	217 070	228 771
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contri		43 161	43 161	43 161	43 161	43 161	43 161	43 161	43 161	43 161	43 161	43 161	43 161	517 937	572 923	608 724
Expenditure																
Employee related costs		25 055	25 055	25 055	25 055	25 055	25 055	25 055	25 055	25 055	25 055	25 055	25 055	300 666	310 041	331 522
Remuneration of councillors		1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	14 216	15 211	16 276
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		4 322	4 322	4 322	4 322	4 322	4 322	4 322	4 322	4 322	4 322	4 322	4 322	51 861	55 781	57 172
Debt impairment		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Depreciation and amortisation		426	426	426	426	426	426	426	426	426	426	426	426	5 106	5 234	5 365
Interest		735	735	735	735	735	735	735	735	735	735	735	735	8 820	20 309	19 564
Contracted services		6 826	6 826	6 826	6 826	6 826	6 826	6 826	6 826	6 826	6 826	6 826	6 826	81 910	103 802	110 910
Transfers and subsidies		208	208	208	208	208	208	208	208	208	208	208	208	2 501	2 001	2 034
Irrecoverable debts written off		175	175	175	175	175	175	175	175	175	175	175	175	2 100	1 639	1 680
Operational costs		5 412	5 412	5 412	5 412	5 412	5 412	5 412	5 412	5 412	5 412	5 412	5 412	64 950	70 571	72 407
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		6	6	6	6	6	6	6	6	6	6	6	6	75	76	78
Total Expenditure		44 350	44 350	44 350	44 350	44 350	44 350	44 350	44 350	44 350	44 350	44 350	44 350	532 204	584 665	617 008
Surplus/(Deficit)		(1 189)	(1 189)	(1 189)	(1 189)	(1 189)	(1 189)	(1 189)	(1 189)	(1 189)	(1 189)	(1 189)	(1 189)	(14 267)	(11 742)	(8 284)
Transfers and subsidies - capital (monetary allocations)		707	707	707	707	707	707	707	707	707	707	707	707	8 481	5 500	500
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(481)	(5 786)	(6 242)	(7 784)
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(481)	(5 786)	(6 242)	(7 784)
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(481)	(5 786)	(6 242)	(7 784)
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(481)	(5 786)	(6 242)	(7 784)

DC4 Garden Route - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote																
Vote 1 - Office of the Municipal Manager		22 913	22 913	22 913	22 913	22 913	22 913	22 913	22 913	22 913	22 913	22 913	22 913	274 960	273 912	288 825
Vote 2 - Office of the Municipal Manager (cont)														-	-	-
Vote 3 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Financial Services (cont)														-	-	-
Vote 5 - Corporate Services		86	86	86	86	86	86	86	86	86	86	86	86	1 029	1 091	1 157
Vote 6 - Corporate Services (cont)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Community Services		37	37	37	37	37	37	37	37	37	37	37	37	439	465	493
Vote 8 - Community Services (cont)		3 376	3 376	3 376	3 376	3 376	3 376	3 376	3 376	3 376	3 376	3 376	3 376	40 515	82 790	85 055
Vote 9 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Planning and Economic Development (cont)		634	634	634	634	634	634	634	634	634	634	634	634	7 612	8 069	8 754
Vote 11 - Planning and Economic Development(cont2)		582	582	582	582	582	582	582	582	582	582	582	582	6 985	7 404	8 045
Vote 12 - Roads		16 240	16 240	16 240	16 240	16 240	16 240	16 240	16 240	16 240	16 240	16 240	16 240	194 878	204 691	216 896
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -														-	-	-
Vote 15 -														-	-	-
Total Revenue by Vote		43 868	43 868	43 868	43 868	43 868	43 868	43 868	43 868	43 868	43 868	43 868	43 868	526 418	578 423	609 224
Expenditure by Vote to be appropriated																
Vote 1 - Office of the Municipal Manager		5 313	5 313	5 313	5 313	5 313	5 313	5 313	5 313	5 313	5 313	5 313	5 313	63 758	65 588	69 419
Vote 2 - Office of the Municipal Manager (cont)		561	561	561	561	561	561	561	561	561	561	561	561	6 734	7 143	7 620
Vote 3 - Financial Services		1 844	1 844	1 844	1 844	1 844	1 844	1 844	1 844	1 844	1 844	1 844	1 844	22 124	23 441	24 946
Vote 4 - Financial Services (cont)		543	543	543	543	543	543	543	543	543	543	543	543	6 511	6 957	7 434
Vote 5 - Corporate Services		3 121	3 121	3 121	3 121	3 121	3 121	3 121	3 121	3 121	3 121	3 121	3 121	37 456	34 649	35 645
Vote 6 - Corporate Services (cont)		2 490	2 490	2 490	2 490	2 490	2 490	2 490	2 490	2 490	2 490	2 490	2 489	29 874	27 024	31 403
Vote 7 - Community Services		4 400	4 400	4 400	4 400	4 400	4 400	4 400	4 400	4 400	4 400	4 400	4 400	52 804	55 848	59 406
Vote 8 - Community Services (cont)		5 770	5 770	5 770	5 770	5 770	5 770	5 770	5 770	5 770	5 770	5 770	5 770	69 242	114 333	119 133
Vote 9 - Planning and Economic Development		1 681	1 681	1 681	1 681	1 681	1 681	1 681	1 681	1 681	1 681	1 681	1 681	20 176	19 239	19 927
Vote 10 - Planning and Economic Development (cont)		1 944	1 944	1 944	1 944	1 944	1 944	1 944	1 944	1 944	1 944	1 944	1 944	23 326	20 032	21 188
Vote 11 - Planning and Economic Development(cont2)		358	358	358	358	358	358	358	358	358	358	358	358	4 296	3 890	4 107
Vote 12 - Roads		10 340	10 340	10 340	10 340	10 340	10 340	10 340	10 340	10 340	10 340	10 340	10 340	124 074	128 685	135 527
Vote 13 - Roads (cont)		5 986	5 986	5 986	5 986	5 986	5 986	5 986	5 986	5 986	5 986	5 986	5 986	71 830	77 835	81 252
Vote 14 -														-	-	-
Vote 15 -														-	-	-
Total Expenditure by Vote		44 350	44 350	44 350	44 350	44 350	44 350	44 350	44 350	44 350	44 350	44 350	44 350	532 204	584 665	617 008
Surplus/(Deficit) before assoc.		(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(481)	(5 786)	(6 242)	(7 784)
Income Tax														-	-	-
Share of Surplus/Deficit attributable to Minorities														-	-	-
Intercompany/Parent subsidiary transactions														-	-	-
Surplus/(Deficit)	1	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(481)	(5 786)	(6 242)	(7 784)

DC4 Garden Route - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand																
Revenue - Functional																
<i>Governance and administration</i>		22 999	22 999	22 999	22 999	22 999	22 999	22 999	22 999	22 999	22 999	22 999	22 999	275 990	275 003	289 981
Executive and council		22 913	22 913	22 913	22 913	22 913	22 913	22 913	22 913	22 913	22 913	22 913	22 913	274 960	273 912	288 825
Finance and administration		86	86	86	86	86	86	86	86	86	86	86	86	1 029	1 091	1 157
Internal audit																
<i>Community and public safety</i>		1 253	1 253	1 253	1 253	1 253	1 253	1 253	1 253	1 253	1 253	1 253	1 253	15 036	15 938	17 291
Community and social services																
Sport and recreation		1 216	1 216	1 216	1 216	1 216	1 216	1 216	1 216	1 216	1 216	1 216	1 216	14 597	15 473	16 798
Public safety																
Housing																
Health		37	37	37	37	37	37	37	37	37	37	37	37	439	465	493
<i>Economic and environmental services</i>		16 255	16 255	16 255	16 255	16 255	16 255	16 255	16 255	16 255	16 255	16 255	16 255	195 060	204 885	217 101
Planning and development																
Road transport		16 240	16 240	16 240	16 240	16 240	16 240	16 240	16 240	16 240	16 240	16 240	16 240	194 878	204 691	216 896
Environmental protection		15	15	15	15	15	15	15	15	15	15	15	15	183	194	205
<i>Trading services</i>		3 361	3 361	3 361	3 361	3 361	3 361	3 361	3 361	3 361	3 361	3 361	3 361	40 332	82 597	84 850
Energy sources																
Water management																
Waste water management																
Waste management		3 361	3 361	3 361	3 361	3 361	3 361	3 361	3 361	3 361	3 361	3 361	3 361	40 332	82 597	84 850
<i>Other</i>																
Total Revenue - Functional		43 868	43 868	43 868	43 868	43 868	43 868	43 868	43 868	43 868	43 868	43 868	43 868	526 418	578 423	609 224
Expenditure - Functional																
<i>Governance and administration</i>		15 172	15 172	15 172	15 172	15 172	15 172	15 172	15 172	15 172	15 172	15 172	15 172	182 063	179 625	192 140
Executive and council		4 626	4 626	4 626	4 626	4 626	4 626	4 626	4 626	4 626	4 626	4 626	4 626	55 515	57 765	61 136
Finance and administration		10 280	10 280	10 280	10 280	10 280	10 280	10 280	10 280	10 280	10 280	10 280	10 280	123 362	118 457	127 369
Internal audit		265	265	265	265	265	265	265	265	265	265	265	265	3 186	3 403	3 635
<i>Community and public safety</i>		7 609	7 609	7 609	7 609	7 609	7 609	7 609	7 609	7 609	7 609	7 609	7 609	91 305	97 729	103 599
Community and social services		668	668	668	668	668	668	668	668	668	668	668	668	8 016	8 275	8 819
Sport and recreation		1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	14 322	14 237	14 990
Public safety		2 379	2 379	2 379	2 379	2 379	2 379	2 379	2 379	2 379	2 379	2 379	2 379	28 546	32 261	34 086
Housing																
Health		3 368	3 368	3 368	3 368	3 368	3 368	3 368	3 368	3 368	3 368	3 368	3 368	40 421	42 956	45 704
<i>Economic and environmental services</i>		18 180	18 180	18 180	18 180	18 180	18 180	18 180	18 180	18 180	18 180	18 180	18 180	218 159	225 347	236 493
Planning and development		1 525	1 525	1 525	1 525	1 525	1 525	1 525	1 525	1 525	1 525	1 525	1 525	18 300	14 685	15 304
Road transport		16 325	16 325	16 325	16 325	16 325	16 325	16 325	16 325	16 325	16 325	16 325	16 325	195 904	206 520	216 780
Environmental protection		330	330	330	330	330	330	330	330	330	330	330	330	3 955	4 142	4 408
<i>Trading services</i>		3 171	3 171	3 171	3 171	3 171	3 171	3 171	3 171	3 171	3 171	3 171	3 171	38 047	79 315	82 108
Energy sources																
Water management																
Waste water management																
Waste management		3 171	3 171	3 171	3 171	3 171	3 171	3 171	3 171	3 171	3 171	3 171	3 171	38 047	79 315	82 108
<i>Other</i>		219	219	219	219	219	219	219	219	219	219	219	219	2 630	2 649	2 668
Total Expenditure - Functional		44 350	44 350	44 350	44 350	44 350	44 350	44 350	44 350	44 350	44 350	44 350	44 350	532 204	584 665	617 008
Surplus/(Deficit) before assoc.		(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(481)	(5 786)	(6 242)	(7 784)
Intercompany/Parent subsidiary transactions																
Surplus/(Deficit)	1	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(481)	(5 786)	(6 242)	(7 784)

DC4 Garden Route - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager (cont)														–	–	–
Vote 3 - Financial Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Financial Services (cont)														–	–	–
Vote 5 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Corporate Services (cont)		21	21	21	21	21	21	21	21	21	21	21	21	250	250	250
Vote 7 - Community Services		387	387	387	387	387	387	387	387	387	387	387	387	4 638	–	–
Vote 8 - Community Services (cont)		12 053	12 053	12 053	12 053	12 053	12 053	12 053	12 053	12 053	12 053	12 053	12 053	144 631	91 197	650
Vote 9 - Planning and Economic Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Planning and Economic Development (cont)		333	333	333	333	333	333	333	333	333	333	333	333	4 000	5 000	–
Vote 11 - Planning and Economic Development(cont2)														–	–	–
Vote 12 - Roads														–	–	–
Vote 13 - Roads (cont)														–	–	–
Vote 14 -														–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	12 793	12 793	12 793	12 793	12 793	12 793	12 793	12 793	12 793	12 793	12 793	12 793	153 519	96 447	900
Single-year expenditure to be appropriated																
Vote 1 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager (cont)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Financial Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Financial Services (cont)														–	–	–
Vote 5 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Corporate Services (cont)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Community Services		332	332	332	332	332	332	332	332	332	332	332	332	3 981	–	–
Vote 8 - Community Services (cont)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and Economic Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Planning and Economic Development (cont)		67	67	67	67	67	67	67	67	67	67	67	67	800	–	–
Vote 11 - Planning and Economic Development(cont2)														–	–	–
Vote 12 - Roads		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Roads (cont)														–	–	–
Vote 14 -														–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	398	398	398	398	398	398	398	398	398	398	398	398	4 781	–	–
Total Capital Expenditure	2	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	158 300	96 447	900

DC4 Garden Route - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand																
Capital Expenditure - Functional	1															
Governance and administration		739	739	739	739	739	739	739	739	739	739	739	739	8 869	250	250
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		739	739	739	739	739	739	739	739	739	739	739	739	8 869	250	250
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		121	121	121	121	121	121	121	121	121	121	121	121	1 450	650	650
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		67	67	67	67	67	67	67	67	67	67	67	67	800	-	-
Public safety		54	54	54	54	54	54	54	54	54	54	54	54	650	650	650
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		333	333	333	333	333	333	333	333	333	333	333	333	4 000	5 000	-
Planning and development		333	333	333	333	333	333	333	333	333	333	333	333	4 000	5 000	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		11 998	11 998	11 998	11 998	11 998	11 998	11 998	11 998	11 998	11 998	11 998	11 998	143 981	90 547	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		11 998	11 998	11 998	11 998	11 998	11 998	11 998	11 998	11 998	11 998	11 998	11 998	143 981	90 547	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	158 300	96 447	900
Funded by:																
National Government		333	333	333	333	333	333	333	333	333	333	333	333	4 000	5 000	-
Provincial Government		373	373	373	373	373	373	373	373	373	373	373	373	4 481	500	500
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Education Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		707	707	707	707	707	707	707	707	707	707	707	707	8 481	5 500	500
Borrowing		11 998	11 998	11 998	11 998	11 998	11 998	11 998	11 998	11 998	11 998	11 998	11 998	143 981	90 547	-
Internally generated funds		487	487	487	487	487	487	487	487	487	487	487	487	5 838	400	400
Total Capital Funding		13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	158 300	96 447	900

DC4 Garden Route - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand													1		
Cash Receipts By Source															
Property rates													–		
Service charges - electricity revenue													–		
Service charges - water revenue													–		
Service charges - sanitation revenue													–		
Service charges - refuse revenue	3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	37 688	76 291	78 908
Rental of facilities and equipment	334	334	334	334	334	334	334	334	334	334	334	334	334	4 004	4 750
Interest earned - external investments	844	844	844	844	844	844	844	844	844	844	844	844	844	10 134	11 557
Interest earned - outstanding debtors													–		
Dividends received													–		
Fines, penalties and forfeits													–		
Licences and permits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Agency services	1 770	1 770	1 770	1 770	1 770	1 770	1 770	1 770	1 770	1 770	1 770	1 770	21 239	21 224	25 795
Transfers and Subsidies - Operational	33 763	33 763	33 763	33 763	33 763	33 763	33 763	33 763	33 763	33 763	33 763	33 763	405 154	419 930	443 726
Other revenue	2 461	2 461	2 461	2 461	2 461	2 461	2 461	2 461	2 461	2 461	2 461	2 461	29 528	30 562	32 294
Cash Receipts by Source	42 312	42 312	42 312	42 312	42 312	42 312	42 312	42 312	42 312	42 312	42 312	42 312	507 746	562 597	597 029
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	707	707	707	707	707	707	707	707	707	707	707	707	8 481	5 500	500
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Deparm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)													–		
Proceeds on Disposal of Fixed and Intangible Assets													–		
Short term loans													–		
Borrowing long term/refinancing	17 386	14 287	14 206	12 206	12 206	12 206	10 206	10 206	10 206	10 206	10 206	10 206	143 732	90 547	–
Increase (decrease) in consumer deposits													–		
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	60 404	57 306	57 225	55 225	55 225	55 225	53 225	53 225	53 225	53 225	53 225	53 225	659 960	658 644	597 529
Cash Payments by Type															
Employee related costs	24 950	24 950	24 950	24 950	24 950	24 950	24 950	24 950	24 950	24 950	24 950	24 953	299 407	308 694	330 081
Remuneration of councillors	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	14 216	15 211	16 276
Interest	735	735	735	735	735	735	735	735	735	735	735	735	8 820	20 309	19 564
Bulk purchases - electricity													–		
Acquisitions - water & other inventory	4 322	4 322	4 322	4 322	4 322	4 322	4 322	4 322	4 322	4 322	4 322	4 322	51 861	55 781	57 172
Contracted services	6 826	6 826	6 826	6 826	6 826	6 826	6 826	6 826	6 826	6 826	6 826	6 826	61 910	103 802	110 910
Transfers and subsidies - other municipalities													–		
Transfers and subsidies - other													–		
Other expenditure	5 412	5 412	5 412	5 412	5 412	5 412	5 412	5 412	5 412	5 412	5 412	5 414	64 950	70 571	72 407
Cash Payments by Type	43 430	43 430	43 430	43 430	43 430	43 430	43 430	43 430	43 430	43 430	43 430	43 436	521 164	574 368	606 409
Other Cash Flows/Payments by Type															
Capital assets	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	13 192	158 300	96 447	900
Repayment of borrowing													–		
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	56 621	56 621	56 621	56 621	56 621	56 621	56 621	56 621	56 621	56 621	56 621	56 628	679 464	670 814	607 309
NET INCREASE/(DECREASE) IN CASH HELD	3 783	685	603	(1 397)	(1 397)	(1 397)	(3 397)	(3 397)	(3 397)	(3 397)	(3 397)	(3 403)	(19 504)	(12 170)	(9 780)
Cash/cash equivalents at the month/year begin:	121 273	125 056	125 741	126 344	124 948	123 551	122 155	118 758	115 362	111 965	108 568	105 172	121 273	101 769	89 599
Cash/cash equivalents at the month/year end:	125 056	125 741	126 344	124 948	123 551	122 155	118 758	115 362	111 965	108 568	105 172	101 769	101 769	89 599	79 818

DC4 Garden Route - NOT REQUIRED - municipality does not have entities

[illegible]

DC4 Garden Route - Supporting Table SA33 Contracts having future budgetary implications

[illegible]

DC4 Garden Route - Supporting Table SA33 Contracts having future budgetary implications

[illegible]

DC4 Garden Route - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Other assets		-	628	-	-	-	-	-	-	-
Operational Buildings		-	628	-	-	-	-	-	-	-
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares		-	628	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										

DC4 Garden Route - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Computer Equipment		-	55	-	-	-	-	-	-	-
Computer Equipment		-	55	-	-	-	-	-	-	-
Furniture and Office Equipment		3 457	240	5 952	1 400	1 630	1 630	250	250	250
Furniture and Office Equipment		3 457	240	5 952	1 400	1 630	1 630	250	250	250
Machinery and Equipment		-	-	-	-	1 600	1 600	-	-	-
Machinery and Equipment		-	-	-	-	1 600	1 600	-	-	-
Transport Assets		-	(3 279)	-	-	-	-	-	-	-
Transport Assets		-	(3 279)	-	-	-	-	-	-	-
Land		-	(191)	-	-	-	-	-	-	-
Land		-	(191)	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Total Capital Expenditure on new assets	1	3 457	(2 547)	9 680	109 832	29 807	29 807	144 231	90 797	250

DC4 Garden Route - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

DC4 Garden Route - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-</								

DC4 Garden Route - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

[illegible]

DC4 Garden Route - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Computer Equipment		-	(0)	-	-	-	-	-	-	-
Computer Equipment		-	(0)	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	(3 457)	2 547	10 005	16 010	8 698	8 698	13 269	5 650	650
Renewal of Existing Assets as % of total capex		26594684.6%	-21228758.3%	48.7%	12.6%	22.6%	22.6%	8.4%	5.9%	72.2%
Renewal of Existing Assets as % of deprecn"		-71.3%	61.1%	217.2%	321.1%	174.6%	174.6%	259.8%	107.9%	12.1%

DC4 Garden Route - Supporting Table SA34c Repairs and maintenance expenditure by asset class

[illegible]

DC4 Garden Route - Supporting Table SA34c Repairs and maintenance expenditure by asset class

[illegible]

DC4 Garden Route - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
<u>Computer Equipment</u>		3 988	33	28	26	46	46	47	48	50
Computer Equipment		3 988	33	28	26	46	46	47	48	50
<u>Furniture and Office Equipment</u>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<u>Machinery and Equipment</u>		72	199	244	280	123	123	127	129	132
Machinery and Equipment		72	199	244	280	123	123	127	129	132
<u>Transport Assets</u>		479	702	460	477	538	538	551	565	579
Transport Assets		479	702	460	477	538	538	551	565	579
<u>Land</u>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<u>Living resources</u>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Total Repairs and Maintenance Expenditure	1	6 897	3 152	2 676	3 239	3 197	3 197	4 686	3 227	3 308
R&M as a % of PPE		4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as % Operating Expenditure		1.9%	-7.9%	0.7%	0.7%	0.6%	0.6%	0.0%	0.6%	0.6%

DC4 Garden Route - Supporting Table SA34d Depreciation by asset class

[illegible]

DC4 Garden Route - Supporting Table SA34d Depreciation by asset class

[illegible]

DC4 Garden Route - Supporting Table SA34d Depreciation by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Computer Equipment		1 449	1 314	–	–	–	–	–	–	–
Computer Equipment		1 449	1 314	–	–	–	–	–	–	–
Furniture and Office Equipment		1 840	823	2 393	2 740	2 740	2 740	2 809	2 879	2 951
Furniture and Office Equipment		1 840	823	2 393	2 740	2 740	2 740	2 809	2 879	2 951
Machinery and Equipment		742	302	1 177	1 248	1 248	1 248	1 279	1 311	1 344
Machinery and Equipment		742	302	1 177	1 248	1 248	1 248	1 279	1 311	1 344
Transport Assets		686	638	–	4	–	–	–	–	–
Transport Assets		686	638	–	4	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Depreciation	1	4 852	4 171	4 605	4 986	4 982	4 982	5 106	5 234	5 365

[illegible]

DC4 Garden Route - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

[illegible]

DC4 Garden Route - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
Transport Assets		-	-	878	-	-	-	800	-	-
Transport Assets		-	-	878	-	-	-	800	-	-
Land		-	-	-	-	-	-	-	-	-
Land										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Total Capital Expenditure on upgrading of existing assets	1	-	-	878	800	-	-	800	-	-
Upgrading of Existing Assets as % of total capex		0.0%	0.0%	4.3%	0.6%	0.0%	0.0%	0.5%	0.0%	0.0%
Upgrading of Existing Assets as % of deprecn"		0.0%	0.0%	19.1%	16.0%	0.0%	0.0%	15.7%	0.0%	0.0%

DC4 Garden Route - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2023/24 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Office of the Municipal Manager		-	-	-				
Vote 2 - Office of the Municipal Manager (cont)		-	-	-				
Vote 3 - Financial Services		-	-	-				
Vote 4 - Financial Services (cont)		-	-	-				
Vote 5 - Corporate Services		-	-	-				
Vote 6 - Corporate Services (cont)		250	250	250				
Vote 7 - Community Services		8 619	-	-				
Vote 8 - Community Services (cont)		144 631	91 197	650				
Vote 9 - Planning and Economic Development		-	-	-				
Vote 10 - Planning and Economic Development (cont)		4 800	5 000	-				
Vote 11 - Planning and Economic Development(cont2)		-	-	-				
Vote 12 - Roads		-	-	-				
Vote 13 - Roads (cont)		-	-	-				
Vote 14 -		-	-	-				
Vote 15 -		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		158 300	96 447	900	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Office of the Municipal Manager								
Vote 2 - Office of the Municipal Manager (cont)								
Vote 3 - Financial Services								
Vote 4 - Financial Services (cont)								
Vote 5 - Corporate Services								
Vote 6 - Corporate Services (cont)								
Vote 7 - Community Services								
Vote 8 - Community Services (cont)								
Vote 9 - Planning and Economic Development								
Vote 10 - Planning and Economic Development (cont)								
Vote 11 - Planning and Economic Development(cont2)								
Vote 12 - Roads								
Vote 13 - Roads (cont)								
Vote 14 -								
Vote 15 -								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Exchange Revenue								
Service charges - Electricity								
Service charges - Water								
Service charges - Waste Water Management								
Service charges - Waste Management								
Agency services								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		158 300	96 447	900	-	-	-	-

DC4 Garden Route - Supporting Table SA36 Detailed capital budget													2023/24 Medium Term Revenue & Expenditure Framework				
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude		Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality: List all capital projects grouped by Function																	
Disaster Management	Capital Project	PC002003005_1349	New	oriented public service	Growth		Furniture and Office Equipment		Head Office	0	0		4 192	1 630	250	250	250
Project Management Unit Recreational Facilities	Capital Community pool vehicle	PC002002001/002001/002_1354	Existing	An efficient, effective and development-oriented public service	Inclusion and access Governance		Renewal	Community Assets	Whole of the District/Administrative or Head Office	0	0		4 631	8 483	13 289	5 650	650
		PC00200200202010_1386	Existing				Upgrading	Transport Assets	Whole of the District	0	0		878	-	800	-	-
Solid Waste Disposal (Landfill Sites)	Landfill Site: PPE	PC0010020020001_1359	New	An efficient, competitive and responsive economic infrastructure network	Growth		Solid Waste Infrastructure	Landfill Sites	Whole of the District/Administrative or Head Office	0	0		3 729	26 577	143 981	90 547	-
Parent Capital expenditure													13 430	36 680	158 300	96 447	900

DCA Garden Route - Supporting Table SA36 Detailed capital budget																										
R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	2023/24 Medium Term Revenue & Expenditure Framework													
													Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26									
Entities:																										
List all capital projects grouped by Entity																										
Entity A																										
Water project A																										
Entity B																										
Electricity project B																										
Entity Capital expenditure														-	-	-	-									
Total Capital expenditure														12 430	36 690	108 300	96 447 900									

[illegible]

DC4 Garden Route - Supporting Table SA38 Consolidated detailed operational projects														2023/24 Medium Term Revenue & Expenditure Framework				
R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Prior year outcomes		2023/24 Medium Term Revenue & Expenditure Framework			
													Audited Outcome 2021/22	Current Year 2023/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
Parent municipality: List all operational projects grouped by Function																		
	(DPs, LED)s	Growth & Development Strategy	PO003023001_1159	Development	development-oriented public service	Spatial integration		Compilation of Plan		District,Admini	0	0	–	–	200	–	–	
	Corporate Wide Strategic Planning (DPs, LED)s	SME Support Programme	PO003023002_1162	Local Economic Development	An efficient, effective and development-oriented public service	Spatial integration		Project Implementation		Whole of the District,Admini strative or Head Office	0	0	–	350	750	368	377	
	Corporate Wide Strategic Planning (DPs, LED)s	IDP Rep Forum	PO003044010_1192	Strategic Management and Governance	Responsive, accountable, effective and efficient local government	Inclusion and access		Inter Governmental Relations (IGR) Programme		Whole of the District,Admini strative or Head Office	0	0	48	109	76	78	80	
	Disaster Management	Maintenance of radio equipment	PO0010020020009_1217	Non-Infrastructure		Governance		Corrective Maintenance	Emergency	Whole of the District,Admini strative or Head Office	0	0	204	40	41	42	43	
	Economic Development/Planning	EPWP Project	PO003016001_1400	Expanded Public Works Programme	An efficient, effective and development-oriented public service	Inclusion and access		Project		Administrative or Head Office,Whole of the District	0	0	408	101	55	–	–	
	Finance	Maintenance at Calitzdorp Spa	PO0010010020007010_1227	Infrastructure	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Corrective Maintenance	Emergency	Whole of the District,Admini strative or Head Office	0	0	19	26	40	27	28	
	Finance	Maintenance at Swartvlei	PO0010010020007010_1235	Infrastructure	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Corrective Maintenance	Emergency	Whole of the District,Admini strative or Head Office	0	0	–	13	25	14	14	
	Finance	Maintenance of office buildings	PO0010010020008006_1224	Infrastructure	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Corrective Maintenance	Emergency	Whole of the District,Admini strative or Head Office	0	0	27	62	62	66	67	
	Finance	Maintenance at Calitzdorp Spa	PO0010010020008006_1228	Infrastructure	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Corrective Maintenance	Emergency	Administrative or Head Office,Whole of the District	0	0	75	88	150	93	95	
	Finance	Maintenance at De Hoek Resort	PO0010010020008006_1232	Infrastructure	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Corrective Maintenance	Emergency	Whole of the District,Admini strative or Head Office	0	0	46	73	175	76	78	
	Finance	Maintenance at Swartvlei	PO0010010020008006_1236	Infrastructure	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Corrective Maintenance	Emergency	Administrative or Head Office,Whole of the District	0	0	59	87	279	91	93	
	Finance	Fire Fighting Services: Pumps and Plant - Service	PO001002001001002001005007_1299	Non-Infrastructure	A comprehensive, responsive and sustainable social protection system	Inclusion and access		Preventative Maintenance	Interval Based	Whole of the District,Admini strative or Head Office	0	0	69	78	90	82	84	
	Finance	Servicing of Printers	PO001002001001004_1336	Non-Infrastructure	An efficient, effective and development-oriented public service	Governance		Preventative Maintenance	Interval Based	Whole of the District,Admini strative or Head Office	0	0	28	46	47	48	50	
	Finance	Fire Fighting Services: Service/Scheduled Maintenance	PO001002001001010_1297	Non-Infrastructure		Governance		Preventative Maintenance	Interval Based	Whole of the District,Admini strative or Head Office	0	0	94	104	107	109	112	
	Finance	Fire Fighting Services: Tyre Replacement (New)	PO001002001002010_1300	Non-Infrastructure		Governance		Preventative Maintenance	Condition Based	Whole of the District,Admini strative or Head Office	0	0	90	127	130	133	136	
	Finance	Maintenance of office buildings	PO001002002001003001001002_1221	Non-Infrastructure	An efficient, effective and development-oriented public service	Governance		Corrective Maintenance	Planned	Whole of the District,Admini strative or Head Office	0	0	616	564	964	613	625	
	Finance	General Maintenance	PO001002002001003001001002_1348	Non-Infrastructure	An efficient, effective and development-oriented public service	Governance		Corrective Maintenance	Planned	Whole of the District,Admini strative or Head Office	0	0	41	128	300	134	137	
	Finance	Maintenance at Calitzdorp Spa	PO001002002002002002002002_1225	Non-Infrastructure	A long and healthy life for all South Africans	Inclusion and access		Corrective Maintenance	Emergency	Whole of the District,Admini strative or Head Office	0	0	90	96	150	101	104	
	Finance	Maintenance at De Hoek Resort	PO001002002002002002002002_1229	Non-Infrastructure	A long and healthy life for all South Africans	Inclusion and access		Corrective Maintenance	Emergency	Whole of the District,Admini strative or Head Office	0	0	179	119	122	126	129	
	Finance	Maintenance at Swartvlei	PO001002002002002002002002_1233	Non-Infrastructure	A long and healthy life for all South Africans	Inclusion and access		Corrective Maintenance	Emergency	Whole of the District,Admini strative or Head Office	0	0	32	78	80	82	84	

DC4 Garden Route - Supporting Table SA38 Consolidated detailed operational projects

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Prior year outcomes		2023/24 Medium Term Revenue & Expenditure Framework		
													Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Finance		Maintenance at Victoria Bay	PO001002002002002002002_1237	Non-infrastructure	A long and healthy life for all South Africans	Inclusion and access		Corrective Maintenance	Emergency	Whole of the District/Administrative or Head Office	0	0	17	21	91	22	22
Finance		Maintenance at Calitzdorp Spa	PO001002002002002002003_1238	Non-infrastructure	A long and healthy life for all South Africans			Corrective Maintenance	Emergency	Whole of the District/Administrative or Head Office	0	0	134	138	220	145	149
Finance		Maintenance at De Hoek Resort	PO001002002002002002003_1239	Non-infrastructure	A long and healthy life for all South Africans			Corrective Maintenance	Emergency	Whole of the District/Administrative or Head Office	0	0	48	73	75	76	76
Finance		Maintenance at Swartkops	PO001002002002002002003_1240	Non-infrastructure	A long and healthy life for all South Africans			Corrective Maintenance	Emergency	Whole of the District/Administrative or Head Office	0	0	18	44	74	47	48
Finance		Maintenance of office buildings	PO001002002002002002006_1241	Non-infrastructure	An efficient, effective and development-oriented public service	Governance		Corrective Maintenance	Emergency	Whole of the District/Administrative or Head Office	0	0	311	389	394	358	367
Finance		Maintenance of equipment and calibration	PO001002002002002002006_1242	Non-infrastructure	An efficient, effective and development-oriented public service	Governance		Corrective Maintenance	Emergency	Whole of the District/Administrative or Head Office	0	0	2	39	40	41	42
Finance		Fire Fighting Services: Repairs - Unplanned	PO001002002002010_1246	Non-infrastructure		Governance		Corrective Maintenance	Emergency	Whole of the District/Administrative or Head Office	0	0	277	307	315	323	331
Finance		Fresh produce market	PO003001002_1183	Agricultural	Vibrant, equitable, sustainable rural communities contributing towards food security for all	Spatial Integration		Marketing		Whole of the District/Administrative or Head Office	0	0	-	315	450	-	-
Finance		Training	PO003004019_1310	Capacity Building Training and Development	A skilled and capable workforce to support an inclusive growth path	Governance		Workshops, Seminars and Subject Matter Training		Whole of the District/Administrative or Head Office	0	0	996	1 014	741	754	767
Finance		MMC	PO003004011_1309	Capacity Building Training and Development	A skilled and capable workforce to support an inclusive growth path	Governance		Municipal Minimum Competency Level		Whole of the District/Administrative or Head Office	0	0	350	500	1 262	-	-
Finance		External Bursaries	PO003007005_1308	Community Development	A comprehensive, responsive and sustainable social protection system	Inclusion and access		Education and Training		Whole of the District/Administrative or Head Office	0	0	185	274	293	293	293
Finance		Human Settlement Unit	PO003010004_1306	District Initiatives and Assistance to Municipalities	An efficient, effective and development-oriented public service	Inclusion and access		Establishment of Co-operatives		Whole of the District/Administrative or Head Office	0	0	3 207	4 785	5 000	5 000	5 000
Finance		Social assistance	PO003014003_1206	Emergency and Disaster Management	A comprehensive, responsive and sustainable social protection system	Governance		Disaster Relief		Whole of the District/Administrative or Head Office	0	0	10	60	62	63	65
Finance		COVID-19 Project	PO003014003_1396	Emergency and Disaster Management	A comprehensive, responsive and sustainable social protection system	Governance		Disaster Relief		Whole of the District/Administrative or Head Office	0	0	41	42	43	44	45
Finance		Awareness raising: GRDM clean fires	PO003015001_1244	Environmental	Protect and enhance our environmental assets and natural resources	Spatial Integration		Air Quality Management		Whole of the District/Administrative or Head Office	0	0	20	64	66	68	69
Finance		Air Quality sampling	PO003015001_1247	Environmental	Protect and enhance our environmental assets and natural resources	Spatial Integration		Air Quality Management		Whole of the District/Administrative or Head Office	0	0	42	76	90	79	81
Finance		EPWP Grant	PO003016001_1339	Expanded Public Works Programme	An efficient, effective and development-oriented public service	Inclusion and access		Project		Whole of the District/Administrative or Head Office	0	0	5 071	2 435	2 119	-	-
Finance		EPWP Manager	PO003016001_1399	Expanded Public Works Programme	An efficient, effective and development-oriented public service	Inclusion and access		Project		Administrative or Head Office, Whole of the District	0	0	705	460	5	-	-
Finance		Women in Business	PO003017003_1275	Functions and Events	An efficient, effective and development-oriented public service	Inclusion and access		Events and Organisations		Whole of the District/Administrative or Head Office	0	0	-	50	51	-	-
Finance		Grant in Aid	PO003017003_1276	Functions and Events	An efficient, effective and development-oriented public service	Inclusion and access		Events and Organisations		Whole of the District/Administrative or Head Office	0	0	205	190	195	200	205

DC4 Garden Route - Supporting Table SA38 Consolidated detailed operational projects

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Prior year outcomes		2023/24 Medium Term Revenue & Expenditure Framework		
													Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Finance		Incentives and awareness	PO003019004_1189	Health and Welfare	A long and healthy life for all South Africans	Inclusion and access		Municipal Health Service		Whole of the District/Administrative or Head Office	0	0	6	5	5	6	6
Finance		MHS: Admin section	PO003019004_1215	Health and Welfare	A long and healthy life for all South Africans	Inclusion and access		Municipal Health Service		Whole of the District/Administrative or Head Office	0	0	2 635	2 631	2 580	2 736	2 902
Finance		MHS: George section	PO003019004_1292	Health and Welfare	A long and healthy life for all South Africans	Inclusion and access		Municipal Health Service		Whole of the District/Administrative or Head Office	0	0	8 671	10 286	9 966	10 595	11 264
Finance		MHS: Langeberg section	PO003019004_1294	Health and Welfare	A long and healthy life for all South Africans	Inclusion and access		Municipal Health Service		Whole of the District/Administrative or Head Office	0	0	8 993	9 406	9 764	10 462	11 186
Finance		HR Manager	PO003020003_1252	Human Resources	Responsive, accountable, effective and efficient local government	Governance		Human Resource Management		Whole of the District/Administrative or Head Office	0	0	10 856	10 481	11 192	11 967	12 796
Finance		TASK section	PO003020003_1312	Human Resources	Responsive, accountable, effective and efficient local government	Governance		Human Resource Management		Whole of the District/Administrative or Head Office	0	0	53	415	440	468	487
Finance		Basic Conditions of Service section	PO003020003_1313	Human Resources	Responsive, accountable, effective and efficient local government	Governance		Human Resource Management		Whole of the District/Administrative or Head Office	0	0	32	56	113	59	61
Finance		SECP	PO003023002_1158	Local Economic Development	An efficient, effective and development-oriented public service	Spatial Integration		Project Implementation		Whole of the District/Administrative or Head Office	0	0	729	104	300	110	112
Finance		Film Office	PO003023002_1160	Local Economic Development	An efficient, effective and development-oriented public service	Spatial Integration		Project Implementation		Whole of the District/Administrative or Head Office	0	0	200	200	205	210	215
Finance		OH&S section	PO003032_1220	Occupational Health and Safety	Responsive, accountable, effective and efficient local government	Inclusion and access				Whole of the District/Administrative or Head Office	0	0	45	145	118	121	124
Finance		Performance Management section (running costs)	PO003034_1261	Performance Management	Responsive, accountable, effective and efficient local government	Inclusion and access				Whole of the District/Administrative or Head Office	0	0	1 404	1 476	1 586	1 695	1 811
Finance		Fire Fighting Services	PO003038_1296	Public Protection and Safety	All people in South Africa are and feel safe	Inclusion and access				Whole of the District/Administrative or Head Office	0	0	25 501	28 593	28 203	31 909	33 725
Finance		DCFI MMF	PO003044010_1190	Strategic Management and Governance	Responsive, accountable, effective and efficient local government	Inclusion and access		Inter Governmental Relations (IGR) Programme		Whole of the District/Administrative or Head Office	0	0	37	30	15	-	-
Finance		Waste minimization strategy	PO003044016002_1306	Strategic Management and Governance	Responsive, accountable, effective and efficient local government	Spatial Integration		Strategic Planning	Plan Development	Whole of the District/Administrative or Head Office	0	0	150	554	568	582	597
Finance		Tourism Marketing	PO003044016005_1170	Strategic Management and Governance	Responsive, accountable, effective and efficient local government	Governance		Strategic Planning	Promotional and Marketing	Whole of the District/Administrative or Head Office	0	0	202	5	100	103	106
Finance		FMG Grant	PO003050006_1209	Financial Management Grant	Responsive, accountable, effective and efficient local government	Governance		Items Compensation		Whole of the District/Administrative or Head Office	0	0	646	595	636	680	727
Finance		Public Transport	PO00400100202001_1343	Existing	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Upgrading	Roads Infrastructure	Administrative or Head Office, Whole of the District	0	0	2 549	4 372	2 754	3 660	3 825
Finance		ROADS WORKSHOP OPERATIONAL COST 1	PO00400100202001_1371	Existing	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Upgrading	Roads Infrastructure	Administrative or Head Office, Whole of the District	0	0	9 262	11 359	12 800	9 538	10 077
Finance		ROADS - GRADER RIVERSDALE - PROJECT 1	PO00400100202001_1375	Existing	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Upgrading	Roads Infrastructure	Administrative or Head Office, Whole of the District, George, Whole of the District	0	0	3 769	4 596	4 608	5 084	5 350

DC4 Garden Route - Supporting Table SA38 Consolidated detailed operational projects																	
R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Prior year outcomes		2023/24 Medium Term Revenue & Expenditure Framework		
													Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Finance		ROADS - MAINTENANCE GEORGE - PROJECT 1 MAINTENANCE ROADS - PREVENTATIVE CONDITION	PO00400100202001_1376	Existing	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Upgrading	Roads infrastructure	Administrative or Head Office, WC844 George, Whole of the District	0	0	12 742	13 446	11 792	14 856	15 625
Finance		ROADS - CONSTRUCTION (UPGRADE)- PROJECT 1 - CORRECTIVE MAINTENANCE - SLANGRIVER	PO00400100202001_1381	Existing	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Upgrading	Roads infrastructure	Administrative or Head Office, WC842 Haseaquale, Whole of the District	0	0	23 059	18 232	-	19 670	20 495
Health Services		MHS: Lakes Area section	PO003019004_1253	Health and Welfare	A long and healthy life for all South Africans	Inclusion and access		Municipal Health Service		Whole of the District, Administrative or Head Office	0	0	7 592	8 228	8 302	8 966	9 468
Health Services		MHS: Klein Karoo section	PO003019004_1293	Health and Welfare	A long and healthy life for all South Africans	Inclusion and access		Municipal Health Service		Whole of the District, Administrative or Head Office	0	0	7 966	8 633	8 270	8 742	9 289
Health Services		Purchase of samples and analysing	PO003019005_1216	Health and Welfare	A long and healthy life for all South Africans	Inclusion and access		Food Sample Testing		Whole of the District, Administrative or Head Office	0	0	1 148	1 467	1 504	1 541	1 580
Human Resources		Servicing of all fire equipment (OHS)	PO001002001001009_1327	Non-Infrastructure		Governance		Preventative Maintenance	Interval Based	Whole of the District, Administrative or Head Office	0	0	40	83	85	87	90
Human Resources		COVID 19	PO003019002_1361	Health and Welfare	A long and healthy life for all South Africans	Inclusion and access		Contagious Diseases and Infections		Whole of the District, Administrative or Head Office	0	0	73	11	11	11	12
Human Resources		EAP section	PO003020002_1242	Human Resources	Responsive, accountable, effective and efficient local government	Governance		Employee Assistance Programme		Whole of the District, Administrative or Head Office	0	0	71	88	120	92	94
Human Resources		Employee Wellness Day	PO003020002_1314	Human Resources	Responsive, accountable, effective and efficient local government	Governance		Employee Assistance Programme		Whole of the District	0	0	-	-	50	-	-
Human Resources		Human Resources	PO003020003_1154	Human Resources	Responsive, accountable, effective and efficient local government	Governance		Human Resource Management		Whole of the District	0	0	-	-	1 320	-	-
Human Resources		Recruitment and Selection section	PO003020003_1241	Human Resources	Responsive, accountable, effective and efficient local government	Governance		Human Resource Management		Whole of the District, Administrative or Head Office	0	0	148	231	299	243	249
Human Resources		Training and Development section	PO003020003_1307	Human Resources	Responsive, accountable, effective and efficient local government	Governance		Human Resource Management		Whole of the District, Administrative or Head Office	0	0	341	32 011	16 849	16 662	16 676
Human Resources		Labour Relations section	PO003020003_1333	Human Resources	Responsive, accountable, effective and efficient local government	Governance		Human Resource Management		Whole of the District, Administrative or Head Office	0	0	26	95	151	158	166
Human Resources		Medical Examination	PO003032_1330	Occupational Health and Safety	Responsive, accountable, effective and efficient local government	Inclusion and access				Whole of the District, Administrative or Head Office	0	0	54	114	117	120	123
Marketing, Customer Relations, Publicity and Media Co-ordination		Municipal Newsletters	PO003006005_1263	Communication and Public Participation	Sustainable human settlements and improved quality of household life	Inclusion and access		Newsletters		Whole of the District, Administrative or Head Office	0	0	24	47	48	50	51
Marketing, Customer Relations, Publicity and Media Co-ordination		Communication section (running costs)	PO003044002_1264	Strategic Management and Governance	Responsive, accountable, effective and efficient local government	Inclusion and access		Communication and Development		Whole of the District, Administrative or Head Office	0	0	2 087	2 454	2 603	2 732	2 909
Mayor and Council		Donations and Sponsor of Sport Equipment	PO003017003_1277	Functions and Events	An efficient, effective and development-oriented public service	Inclusion and access		Events and Organisations		Whole of the District, Administrative or Head Office	0	0	499	290	297	305	312
Pollution Control		GREF database maintenance and development	PO003015004_1214	Environmental	Protect and enhance our environmental assets and natural resources	Spatial Integration		Environmental Health		Whole of the District, Administrative or Head Office	0	0	100	136	139	142	146
Pollution Control		Development of an Air Quality Management Plan	PO003044016002_1246	Strategic Management and Governance	Responsive, accountable, effective and efficient local government	Spatial Integration		Strategic Planning	Plan Development	Whole of the District	0	0	-	-	50	-	-
Population Development		EPWP Manager section (running costs)	PO003016001_1340	Expanded Public Works Programme	An efficient, effective and development-oriented public service	Inclusion and access		Project		Whole of the District, Administrative or Head Office	0	0	2 604	2 408	4 500	2 666	2 842

DC4 Garden Route - Supporting Table SA38 Consolidated detailed operational projects

R thousands	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Prior year outcomes		2023/24 Medium Term Revenue & Expenditure Framework		
													Audited Outcome 2021/22	Current Year 2023/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
	Property Services	Maintenance of office buildings	P00010010020202067010_1223	Infrastructure	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Corrective Maintenance	Emergency	Whole of the District.Administrative or Head Office	0	0	116	281	520	295	302
	Recreational Facilities	Maintenance at De Hoek Resort	P00010010020202067010_1231	Infrastructure	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Corrective Maintenance	Emergency	Whole of the District.Administrative or Head Office	0	0	1	13	14	14	14
	Recreational Facilities	Maintenance at Victoria Bay	P00010010020202067010_1239	Infrastructure	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Corrective Maintenance	Emergency	Administrative or Head Office,Whole of the District	0	0	11	18	20	19	20
	Recreational Facilities	Maintenance at Victoria Bay	P00010010020202068006_1240	Infrastructure	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Corrective Maintenance	Emergency	Whole of the District.Administrative or Head Office	0	0	15	50	51	52	54
	Recreational Facilities	Maintenance at Victoria Bay	P00010020020202062003_1236	Non-Infrastructure	A long and healthy life for all South Africans			Corrective Maintenance	Emergency	Whole of the District.Administrative or Head Office	0	0	8	10	18	11	11
	Recreational Facilities	Default Project	P0002_0		Sustainable human settlements and improved quality of household life	Governance				Whole of the District.Administrative or Head Office	0	0	148 943	169 545	206 149	260 847	277 313
	Risk Management	Risk Management section (running costs)	P0003044015_1258	Strategic Management and Governance	Responsive, accountable, effective and efficient local government	Inclusion and access		Risk Management		Whole of the District.Administrative or Head Office	0	0	795	840	896	959	1 025
	Roads	Roads Agency Function	P00040010020202061_1344	Existing	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Upgrading	Roads infrastructure	Whole of the District.Administrative or Head Office	0	0	1 379	857	-	961	1 049
	Roads	ROADS OPERATIONAL COST 1	P00040010020202061_1370	Existing	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Upgrading	Roads infrastructure	Administrative or Head Office,Whole of the District	0	0	35 266	52 266	51 815	52 204	54 674
	Roads	ROADS - MAINTENANCE OUDTSHOORN - PROJECT 1 MAINTENANCE ROADS - PREVENTATIVE CONDI	P00040010020202061_1372	Existing	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Upgrading	Roads infrastructure	Administrative or Head Office,WCS45 Oudtshoorn,W hole of the District	0	0	16 838	16 927	17 079	17 850	18 904
	Roads	ROADS - GRADER OUDTSHOORN - PROJECT 1	P00040010020202061_1373	Existing	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Upgrading	Roads infrastructure	Administrative or Head Office,WCS45 Oudtshoorn,W hole of the District	0	0	5 903	7 403	6 942	8 232	8 686
	Roads	ROADS - MAINTENANCE RIVERSDALE - PROJECT 1 MAINTENANCE ROADS - PREVENTATIVE CONDI	P00040010020202061_1374	Existing	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Upgrading	Roads infrastructure	Administrative or Head Office,WCS42 Heenequa,Whole of the District	0	0	11 498	12 862	13 185	14 373	15 202
	Roads	ROADS - GRADER GEORGE - PROJECT 1	P00040010020202061_1377	Existing	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Upgrading	Roads infrastructure	Administrative or Head Office,WCS44 George,Whole of the District	0	0	4 254	5 850	4 892	6 502	6 858
	Roads	ROADS - REGRAVEL - PROJECT 1 - MAINTENANCE ROADS	P00040010020202061_1378	Existing	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Upgrading	Roads infrastructure	Administrative or Head Office,Whole of the District	0	0	15 718	17 482	19 678	19 314	20 308
	Roads	ROADS - REGRAVEL - PROJECT 2 - SHORT SECTION	P00040010020202061_1379	Existing	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Upgrading	Roads infrastructure	Administrative or Head Office,Whole of the District	0	0	1 192	1 687	-	1 741	1 784
	Roads	ROADS - RESEAL - PROJECT 1 - MAINTENANCE ROADS	P00040010020202061_1380	Existing	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Upgrading	Roads infrastructure	Administrative or Head Office,Whole of the District	0	0	15 353	18 314	12 248	19 516	20 155

DC4 Garden Route - Supporting Table SA38 Consolidated detailed operational projects																	
R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Prior year outcomes		2023/24 Medium Term Revenue & Expenditure Framework		
													Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
	Roads	ROADS - CONSTRUCTION - CORRECTIVE MAINTENANCE SMALL IN/OUTLET STRUCTURES	PO004001002002001_1382	Existing	An efficient, competitive and responsive economic infrastructure network	Inclusion and access		Upgrading	Roads Infrastructure	Administrative or Head Office,Whole of the District	0	0	2 851	4 059	28 112	4 479	4 709
	Tourism	Cater Care Project	PO003046006_1174	Tourism	An efficient, effective and development-oriented public service	Growth		Tourism Skills Development		Whole of the District,Administrative or Head Office	0	0	383	550	564	578	592
Parent Operational expenditure													408 589	495 849	532 130	584 588	616 929
Entities: List all Operational projects grouped by Entity																	
Entity A Water project A																	
Entity B Electricity project B																	
Entity Operational expenditure													-	-	-	-	-
Total Operational expenditure													408 589	495 849	532 130	584 588	616 929

ANNEXURE B

APPROVED TARIFFS

AIR QUALITY

AIR QUALITY	2022/2023	2023/2024	2024/2025
TARRIF LIST/ STRUCTURE			
Registration of Controlled Emitters: Registration fees will be charged in line with GRDM Air Quality by-Laws and tariff structure.			
R5000 per application			
REVIEW OF ATMOSPHERIC EMISSION LICENCE: included in above Processing fee calculator			
SPOT FINES IN TERMS OF GRDM AIR QUALITY BY-LAW- see attached			
DISPERSION MODELLING	0	5000	5300
SMOKE CHECK OF VEHICLES			
R515.00.00 per test (excl. VAT) 6% increase	545,9	578,65	613,37
IN STACK EMISSION MONITORING (TESTO 350)			
Combustion Efficiency	545,9	578,65	613,37
CO	612,68	649,44	688,41
CO2	612,68	649,44	688,41
NOX	612,68	649,44	688,41
SO2	612,68	649,44	688,41
H2S	612,68	649,44	688,41
Flow rate	612,68	649,44	688,41
CO2	612,68	649,44	688,41
NOX	612,68	649,44	688,41
SO2	612,68	649,44	688,41
H2S	612,68	649,44	688,41
Flow rate	545,9	578,65	613,37
PASSIVE SAMPLING (per single sample taken)			
H2S; AMMONIA	955,06	1 012,36	1 073,11
SO2/NO2	842,7	893,26	946,86
HCL	898,88	952,81	1 009,98
BTEX AND OTHER	898,88	952,81	1 009,98
DUST SAMPLING: Minivol Air Sampler			
Per single sampling run	1500	1590	1685,4
MOBILE ANALYZER			
Per single sample run 5 parameters	5000	5300	5618
WEATHER DATA			
Single record all weather parameters/ per record	1000	1060	1123,6
Processing fees for Atmospheric Emission Licence (AEL) applications will be charged in terms of Annexure A, contained in the Regulations prescribing the atmospheric emission licence processing fee, 2016 as per Government Notice 250 published 11 March 2016.			
Annexure A:			
Application for new AEL	Application for AEL review	Application for AEL renewal	Application for AEL transfer
R10 000 per listed activity	R10 000 per listed activity under review	R5 000 per listed activity	R 2 000,00
ADMINISTRATIVE FINES			
Administrative fines in terms of Section 22A of the National Environmental Management, Air Quality Act, 2004, (Act 39 of 2004).			
Administrative fines will be charges in terms of Annexure 1 of The Regulations for the Procedure and Criteria to be followed in the Determination of an Administrative Fine in terms of section 22A of the Act, 2016 as per Government Notice 332 of 18 March 2016.			
Annexure 1			
Minimum fine	Yes/No	Amount	
For operating illegally		R200 000	
Aggravating factors/ criteria	Yes/No	Additional amount to the minimum fine (if yes)	
Each year in which the facility has operated without a licence.		R200 000 per year, i.e. each 12 month cycle.	
The facility for which the application is submitted is in a declared Priority Area in terms of section 18 of the Act		R1000 000	
Maximum fine may not exceed R5 million in terms of Section 22A.			

FIRE SERVICES TARIFFS

GARDEN ROUTE DISTRICT MUNICIPALITY						
Fire Services Charges						
VAT Inclusive						
2023/24			2022/23	2023/24	2024/25	2025/26
			Tariff	Tariff	Tariff	Tariff
1. SPECIALIZED FIRE FIGHTING SERVICES:						
1.1	This will include all Fire vehicles, all manpower, water supplies and pump attendance during actual rendering of a specialized fire fighting services (Per hour or part thereof) (Excluding travelling times)		R 5 973,56	R 6 331,98	R6 711,90	R7 114,61
1.2	Humanitarian Assistance					
1.3	Contracted services		3rd party invoice amount plus 10% handling fee	3rd party invoice amount plus 10% handling fee	3rd party invoice amount plus 10% handling fee	
1.4	Additional Consumables:		Purchase price plus 10% handling fee	3rd party invoice amount plus 10% handling fee	3rd party invoice amount plus 10% handling fee	
1.5	Standby:	(Per hour or part thereof) (Excluding travelling time)	R 2 024,83	R 2 146,32	R 2 275,09	R 2 411,60
1.6	Air Support Services		Purchase price plus 10% handling fee	Purchase price plus 10% handling fee	Purchase price plus 10% handling fee	
1.7	Assistance requested outside Eden DM boundary:	(Per hour or part thereof)	R 7 430,92	R 7 876,77	R 8 349,38	R 8 850,34
1.8	Fire Safety/Fire Prevention Inspection:	Per kilometer tariff				
		LDV:	R 7,86	R 8,34	R 8,84	R 9,37
		Sedan Type:	R 6,55	R 6,95	R 7,36	R 7,80
		Per inspection: (all inclusive tariff)	R 849,25	R 900,20	R 954,21	R 1 011,47
1.9	Fire Permit	Per kilometer tariff				
		LDV:	R 7,86	R 8,34	R 8,84	R 9,37
		Sedan Type:	R 6,55	R 6,95	R 7,36	R 7,80
		Per inspection: (all inclusive tariff)	R 849,25	R 900,20	R 954,21	R 1 011,47
1.1	Certified copy of incident report	Per Copy	R 141,54	R 150,03	R 159,04	R 168,58
1.11	Public Education					
1.12	Water Delivery Add: Price of Water as per supplier invoice plus 10% handling fee	Per kilometer tariff	R 19,66	R 20,84	R 22,09	R 23,41
2. RENT						
2.1	Rent Income of Tents	Per Day				
		5x5 Army Tent	R 566,16	R 600,13	R 636,14	R 674,31
		10x20 Marque Tent	R 10 615,59	R 11 252,53	R 11 927,68	R 12 643,34
2.2	Rent Income of Generators	Per Day				
		70KVA	R 906,91	R 961,33	R 1 019,01	R 1 080,15
		40KVA	R 878,08	R 930,76	R 986,61	R 1 045,81
		6KVA	R 283,08	R 300,07	R 318,07	R 337,16
3. SPECIAL SERVICES:						
3.1	First Aid or Army Safety Assistance	Per event per official	R 707,71	R 750,17	R 795,18	R 842,89
3.2	Travelling or Equipment use	Per kilometer tariff				
		10 Seater or Minibus	R 9,17	R 9,72	R 10,31	R 10,93
		Sedan Vehicle	R 6,55	R 6,95	R 7,36	R 7,80
		Light Delivery Vehicle	R 7,86	R 8,34	R 8,84	R 9,37
		Medium Tanker	R 13,11	R 13,89	R 14,73	R 15,61
		Major Tanker	R 17,04	R 18,06	R 19,14	R 20,29
		Consumables actual cost	Plus 10%	Plus 10%		

MUNICIPAL HEALTH TARIFFS

GARDEN DISTRICT MUNICIPALITY TARIFF LIST MUNICIPAL HEALTH	2022/2023 BUDGET (VAT INCL)	2023/24 BUDGET (VAT INCL)	2024/2025 BUDGET (VAT INCL)	2025/2026 BUDGET (VAT INCL)
1.Issuing of a Health Certificate, Health Report and/or Certificate of Acceptability (COA) in terms of R638, Certificate of Competence(COC) in terms of R363 and Certificate of Acceptability (COA) for a Milking Shed in terms of R961	R240.00	R250.00	R265.00	R280.00
2.Health monitoring at the exhumation and reburial of human remains.	R730.00	R770.00	R816.00	R864.00
3.Water Quality Monitoring:				
3.1 Water samples except on request of an authority: R250.00 per sampling session plus laboratory costs of laboratory contracted by Garden Route DM.	R240.00	R250.00	R265.00	R280.00
3.2 With an application for a COA for a food premises: R250.00 per sampling session plus laboratory costs of laboratory contracted by Garden Route DM.	R240.00	R250.00	R265.00	R280.00
3.3 All subsequent routine bacteriological and/or chemical sampling on premises in possession of a COA.	FREE	FREE	FREE	FREE
4. Sampling of milk and milk products on request of purveyors	R240.00	R250.00	R265.00	R280.00
4.1 All bacteriological and chemical sampling. R250.00 per sampling session plus laboratory costs of laboratory contracted by Garden Route DM.	R240.00	R250.00	R265.00	R280.00
4.2 Follow up samples taken on request in cases where samples did not comply with the condition of the Foodstuffs, Cosmetics & Disinfectant Act, 1972 (Act 54 of 1972) R250.00 per sampling session plus laboratory costs of laboratory contracted by Garden Route DM.	R240.00	R250.00	R265.00	R280.00
5. Health reports in respect of milk export certificates.	R240.00	R250.00	R265.00	R280.00
6. An inspection carried out in terms of Section 4.5 of R638 with reference to an application for the lifting of a prohibition on the use of a premises or facility.	R800.00	R840.00	R890.00	R943.00
7. Replacement of a COA, COC or health certificate when lost or destroyed.	R240.00	R250.00	R265.00	R280.00
8. Health inspections at premises excluding food premises, for the issuing of a health report in respect of an application for trading licenses in terms of the Businesses Act.	R240.00	R250.00	R265.00	R280.00
9. The issuing of certificate for the removal/destruction of foodstuffs, unfit for human consumption.	R380.00	R400.00	R424.00	R449.00
10. The issuing of a Health Certificate for Child Care Centre & Early Childhood Development Centre (in terms of GRDM MHS Bylaws, 10 December 2018).	R240.00	R250.00	R265.00	R280.00
11. The issuing of a Health Certificate for Nursing Homes (in terms of GRDM MHS Bylaws, 10 December 2018).	R240.00	R250.00	R265.00	R280.00
12.The issuing of a Health Certificate for Maternity Homes (in terms of GRDM MHS Bylaws, 10 December 2018).	R240.00	R250.00	R265.00	R280.00
13. The issuing of a Health Certificate for Old Age Homes (in terms of GRDM MHS Bylaws, 10 December 2018).	R240.00	R250.00	R265.00	R280.00
14. The issuing of a Health Certificate for School Premises (in terms of GRDM MHS Bylaws, 10 December 2018).	R240.00	R250.00	R265.00	R280.00
15. The issuing of a health Certificate for Accommodation Establishment (in terms of GRDM MHS Bylaws, 10 December 2018).	R240.00	R250.00	R265.00	R280.00
	R240.00	R250.00	R265.00	R280.00

16. The issuing of a Health Certificate for Beauty Salons (in terms of GRDM MHS Bylaws, 10 December 2018).	R240.00	R250.00	R265.00	R280.00
17. The issuing of a Health Certificate for Offensive trades (in terms of GRDM MHS Bylaws, 10 December 2018).				

SWARTVLEI TARIFFS

SWARTVLEI						
2022/2023 + 2023/2024 + 2024/2025 + 2025/2026						
Detail	Rate 2020/2021	Rate 2021/2022	Rate 2022/2023	Rate 2023/2024	Rate 2024/2025	Rate 2025/2026
IN SEASON						
WESTERN CAPE SCHOOL HOLIDAYS						
SITES WITHOUT ELECTRICITY	R 475	R 500	R 530	R 562	R 596	R 631
SITES WITH ELECTRICITY	R 554	R 585	R 620	R 657	R 697	R 739
TARIFF IS FOR 4 PEOPLE, THE 5TH AND 6TH PERSON WILL PAY EACH				R100 PER PERSON EXTRA PER NIGHT		
CHILDREN 2 YEARS AND YOUNGER IS FREE OF CHARGE						
MAXIMUM OF 6 PERSONS PER SITE						
OUT OF SEASON						
WESTERN CAPE SCHOOL HOLIDAYS						
SITES WITHOUT ELECTRICITY	R 266	R 280	R 297	R 315	R 333	R 353
SITES WITH ELECTRICITY	R 324	R 340	R 360	R 382	R 405	R 429
TARIFF IS FOR 4 PEOPLE, THE 5TH AND 6TH PERSON WILL PAY EACH				R100 PER PERSON EXTRA PER NIGHT		
CHILDREN 2 YEARS AND YOUNGER IS FREE OF CHARGE						
MAXIMUM OF 6 PERSONS PER SITE						
DAY VISITORS						
Per person	R 31	R 30	R 32	R 34	R 36	R 38

VICTORIA BAY TARIFFS

VICTORIA BAY						
2022/2023 + 2023/2024 + 2024/2025 + 2025/2026						
Detail	Rate 2020/2021	Rate 2021/2022	Rate 2022/2023	Rate 2023/2024	Rate 2024/2025	Rate 2025/2026
SITES WITH COMMUNAL ABLUTION FACILITIES						
IN SEASON WESTERN CAPE SCHOOL HOLIDAYS						
SEA BREEZE	R 585	R 615	R 652	R 691	R 732	R 776
RAILWAY TERRACE	R 642	R 675	R 716	R 758	R 804	R 852
TARIFF IS FOR 4 PEOPLE, THE 5TH AND 6TH PERSON WILL PAY EACH				R100 PER PERSON EXTRA PER NIGHT		
CHILDREN 2 YEARS AND YOUNGER IS FREE OF CHARGE						
MAXIMUM OF 6 PERSONS PER SITE						
OUT OF SEASON WESTERN CAPE SCHOOL HOLIDAYS						
SEA BREEZE	R 334	R 355	R 376	R 399	R 423	R 448
RAILWAY TERRACE	R 334	R 355	R 376	R 399	R 423	R 448
TARIFF IS FOR 4 PEOPLE, THE 5TH AND 6TH PERSON WILL PAY EACH				R100 PER PERSON EXTRA PER NIGHT		
CHILDREN 2 YEARS AND YOUNGER IS FREE OF CHARGE						
MAXIMUM OF 6 PERSONS PER SITE						
SITES WITH INDIVIDUAL ABLUTION FACILITIES						
IN SEASON WESTERN CAPE SCHOOL HOLIDAYS						
WESTERN TERRACE	R 674	R 710	R 753	R 798	R 846	R 896
TARIFF IS FOR 4 PEOPLE, THE 5TH AND 6TH PERSON WILL PAY EACH				R100 PER PERSON EXTRA PER NIGHT		
CHILDREN 2 YEARS AND YOUNGER IS FREE OF CHARGE						
MAXIMUM OF 6 PERSONS PER SITE						
OUT OF SEASON						
WESTERN TERRACE	R 428	R 450	R 477	R 506	R 536	R 568

DE HOEK RESORT TARIFFS

DE HOEK MOUNTAIN RESORT				
2022/2023 + 2023/2024 + 2024/2025 + 2025/2026				
Facility		Financial Year	OUT OF SEASON	IN SEASON
4-sleeper Chalet	Per unit	2022/2023	R 636	R 901
		2023/2024	R 674	R 955
		2024/2025	R 714	R 1 012
		2025/2026	R 757	R 1 073
6-sleeper Chalet	Per unit	2022/2023	R 795	R 1 060
		2023/2024	R 843	R 1 123
		2024/2025	R 893	R 1 190
		2025/2026	R 947	R 1 262
Dormitories	Per person	2022/2023	R 85	R 85
		2023/2024	R 90	R 90
		2024/2025	R 95	R 95
		2025/2026	R 101	R 101
Caravan Site With Electricity	Refer to notes	2022/2023	R 371	R 424
		2023/2024	R 393	R 449
		2024/2025	R 417	R 476
		2025/2026	R 442	R 504
Tent Site Without Electricity	Refer to notes	2022/2023	R 212	R 318
		2023/2024	R 224	R 337
		2024/2025	R 237	R 357
		2025/2026	R 252	R 379
Day Visitors	Per person	2022/2023	R30,00 Per Person	
		2023/2024		
		2024/2025		
		2025/2026		
Conferences	Per day	2022/2023	R 742	
		2023/2024	R 787	
		2024/2025	R 834	
		2025/2026	R 884	
TARIFF IS FOR 4 PEOPLE PER CAMP SITE, THE 5TH AND 6TH PERSON WILL PAY EACH				R100 PER PERSON
MAXIMUM OF 6 PERSONS PER CAMP SITE				

CALITZDORP HOT SPRINGS TARIFFS

CALITZDORP HOT SPRINGS						
2022/2023 + 2023/2024 + 2024/2025 + 2025/2026						
Facility		Financial Year	OUT OF SEASON		IN SEASON	
Swimming Pool	Per unit 4-sleeper	2022/2023	R	848	R	1 166
		2023/2024	R	899	R	1 236
		2024/2025	R	953	R	1 310
		2025/2026	R	1 010	R	1 389
Mountain Chalets 22 & 24	Per unit 4-sleeper	2022/2023	R	636	R	1 060
		2023/2024	R	674	R	1 124
		2024/2025	R	715	R	1 191
		2025/2026	R	757	R	1 262
Mountain Chalets 21, 23, 25	Per unit 6-sleeper	2022/2023	R	848	R	1 060
		2023/2024	R	899	R	1 124
		2024/2025	R	953	R	1 191
		2025/2026	R	1 010	R	1 262
Mountain Chalets	Per unit 4-sleeper	2022/2023	R	583	R	848
		2023/2024	R	618	R	899
		2024/2025	R	655	R	953
		2025/2026	R	694	R	1 010
Mountain Chalets	Per unit 6-sleeper	2022/2023	R	742	R	1 007
		2023/2024	R	787	R	1 067
		2024/2025	R	834	R	1 131
		2025/2026	R	884	R	1 199
Day Visitors	Per person	2022/2023	R 27.00 per Person			
		2023/2024				
		2024/2025				
		2025/2026				
Caravan & Tent Site With Electricity	See notes	2022/2023	R	371	R	424
		2023/2024	R	393	R	449
		2024/2025	R	417	R	476
		2025/2026	R	442	R	505
Caravan & Tent Site Without Electricity	See notes	2022/2023	R	212	R	318
		2023/2024	R	225	R	337
		2024/2025	R	238	R	357
		2025/2026	R	252	R	379
Conferences (Hall & Restaurant)	per day	2022/2023	R	1 272	N/A	
		2023/2024	R	1 348		
		2024/2025	R	1 429		
		2025/2026	R	1 515		
Kitchen without crockery and cutlery	per day	2022/2023	R	954	N/A	
		2023/2024	R	1 011		
		2024/2025	R	1 072		
		2025/2026	R	1 136		
TARIEF IS FOR 4 PEOPLE. THE 5TH AND 6TH PERSON WILL EACH PAY PER CAMP SITE R100 PER ADDITION						

WASTE MANAGEMENT TARIFF

Waste Management Tariffs 2023/24

TARIFF LIST WASTE MANAGEMENT/	2022/2023 BUDGET (VAT INCL)	2023/2024 BUDGET (VAT INCL)	2024/2025 BUDGET (VAT INCL)	2025/2026 BUDGET (VAT INCL)
Issuing of Waste Registration Certificates in terms of the Waste Management Bylaw.	239	253	268	285

LANDFILL SITE TARIFF

Landfill Site Tariffs 2023/24

Client	Utilisation of Regional Waste Management Facility	2023/24	2024/25	2025/26
		R (VAT incl)	R (VAT incl)	R (VAT incl)
Mossel Bay Municipality	Monthly tariff (all inclusive)	1 847 545	1 958 398	2 075 902
George Municipality		2 325 091	2 464 596	2 612 472
Knysna Municipality		806 228	854 602	905 878
Bitou Municipality		596 196	631 968	669 886
Other clients				
- General Waste	Price per one metric ton	654	693	734
- General Waste	Price per quarter metric ton	163	173	183
- Hazardous Waste	Price per one metric ton	953	1 010	1 071
- Hazardous Waste	Price per quarter metric ton	238	252	267

COMMUNICATION TARIFFS

GARDEN ROUTE DISTRICT MUNICIPALITY					
PROPOSED TARIFFS 2023/2024					
GIS OFFICE					
ITEM	Tariff 2020/2021	Tariff 2021/2022	Tariff 2022/2023	Tariff 2023/2024	Tariff 2024/2025
PHOTOCOPIES	R	R	R	R	
A0	R 34,69	R 36,26	R 37,92	R 40,20	R 42,61
A1	R 19,02	R 19,87	R 20,79	R 22,04	R 23,36
A2	R 9,61	R 10,05	R 10,51	R 11,14	R 11,81
A3	R 0,98	R 0,98	R 1,03	R 1,09	R 1,16
A4	R 0,77	R 0,77	R 0,80	R 0,85	R 0,90
NORMAL PLOT					
A0	R 191,44	R 200,06	R 209,26	R 221,82	R 235,13
A1	R 95,72	R 100,03	R 104,63	R 110,91	R 117,56
A2	R 56,74	R 59,30	R 62,02	R 65,75	R 69,69
A3	R 32,81	R 34,29	R 35,87	R 38,02	R 40,30
A4	R 23,93	R 25,00	R 26,15	R 27,72	R 29,39
FLOOD PLOT					
A0	R 379,86	R 396,95	R 415,21	R 440,12	R 466,53
A1	R 191,44	R 200,06	R 209,26	R 221,82	R 235,13
A2	R 95,72	R 100,03	R 104,63	R 110,91	R 117,56
A3	R 56,74	R 59,30	R 62,02	R 65,75	R 69,69
A4	R 38,98	R 40,73	R 42,61	R 45,16	R 47,87
OTHER					
AKTEX / enquiry	R 19,44	R 20,31	R 21,25	R 22,52	R 23,87
CD	R 27,69	R 28,94	R 30,27	R 32,09	R 34,01
LABELS & CARDBOARD / sheet (INK excl.)	R 2,19	R 2,29	R 2,40	R 2,54	R 2,70
DATA / Block	R 83,60	R 87,36	R 91,38	R 96,86	R 102,68
A4 LAZER PRINT BLACK (INT)	R 2,82	R 2,95	R 3,08	R 3,27	R 3,47
A4 LAZER PRINT COLOUR (INT)	R -	R -	R -		
A4 LAZER PRINT BLACK	R 3,55	R 3,71	R 3,88	R 4,12	R 4,36
A4 LAZER PRINT COLOUR (INT)	R 7,42	R 7,75	R 8,11	R 8,60	R 9,11
A0 PHOTO PAPER	R 125,87	R 131,54	R 137,59	R 145,84	R 154,59
A1 PHOTO PAPER	R 65,63	R 68,58	R 71,73	R 76,04	R 80,60
A2 PHOTO PAPER	R 41,96	R 43,85	R 45,86	R 48,61	R 51,53
A3 PHOTO PAPER	R 27,90	R 29,16	R 30,50	R 32,33	R 34,27
LAMINATING					
ID CARD INTERNAL	R 10,97	R 11,47	R 11,99	R 12,71	R 13,48
RENTAL OF CAR PORTS	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>	<u>2024/2025</u>
Carports 1	R 30,00	R 30,00	R 30,00	R 30,00	R 30,00
Carports 2	R 20,00	R 20,00	R 20,00	R 20,00	R 20,00
Op Oudshoorn is tandem carports indien die gebruik voortgaan met die verhuring	R 25,00	R 25,00	R 25,00	R 25,00	R 25,00
	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>	<u>2024/2025</u>
Issuing of a duplicate account (per account)	R 5,54	R 5,79	R 6,05	R 6,42	R 6,80
Tracking fees: Plan/documentation (p/property)	R 52,77	R 55,20	R 57,74	R 61,20	R 64,88
GISc Services fees (p/hour)		R 345,00	R 360,87	R 382,52	R 405,47
Tracking fees: GIS(p/property)	R 103,98	R 108,76	R 113,76	R 120,59	R 127,82

<u>SUPPLY CHAIN MANAGEMENT TARIFFS</u>					
PROPOSED TARIFFS 2023/24					
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Tender Documents	R 275,00	R 291,50	R 300,00	R 350,00	R 400,00

<u>TARIFFS: PROPERTIES</u>			
PROPOSED TARIFFS 2023/24			
	2022/2023	2023/2024	2025/2026
Property Application Tariffs	R 2 288,88	R 2 400,00	R 2 520,00

DISASTER MANAGEMENT TARIFFS

GARDEN ROUTE DISTRICT MUNICIPALITY								
Disaster Management Charges								
VAT Inclusive								
2023/2024					2023/2024	2024/2025	2025/2026	
					Tariff			
1. DISASTER MANAGEMENT:								
1,1	Humanitarian Assistance				---Free---			
2. RENT								
2,1	Rent Income of Tents	Per Day						
		5x5 Army Tent	R	400,00	R 494,56	R 555,69	R 589,03	R 624,37
		10x20 Marque Tent	R	7 500,00	R 9 272,87	R 10 419,00	R 11 044,14	R 11 706,78
2,2	Rent Income of Generators	Per Day						
		70KVA	R	640,00	R 792,19	R 890,10	R 943,51	R 1 000,12
		40KVA	R	620,00	R 767,02	R 861,82	R 913,53	R 968,35
		6KVA	R	200,00	R 247,28	R 277,84	R 294,51	R 312,19
3. Hourly rate								
	Incident commander:					645,05	683,76	724,78
	Disaster Management Officers:					384,72	407,80	432,27
	Logistical Support Staff:					248,43	263,33	279,13
4. Forward Command Vehicle (Per kilometer tariff)								
	LDV:					8,34	8,84	9,37
	Sedan Type:					6,95	7,36	7,80
	10 Seater or Minibus					9,72	10,31	10,93
5. Logistical Support Vehicle (Per kilometer tariff)								
	LDV:					8,34	8,84	9,37
	Sedan Type:					6,95	7,36	7,80
	10 Seater or Minibus					9,72	10,31	10,93

ANNEXURE C

TARIFF POLICY



TARIFF POLICY

Date Approved: DD MM YYYY

Council Resolution DC
(DC No):

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1. INTRODUCTION

A tariff policy must be compiled, adopted and implemented in terms current legislation. This Policy will focus on the levying of fees and for municipal services provided by the Municipality itself or by way of service delivery agreements. In setting its annual tariffs the council shall at all times take due cognisance of the tariffs applicable elsewhere in the economic region, and also of the impact its own tariffs may have on local economic development.

2. LEGISLATION

For the purposes of this Policy, the Municipal Finance Act No. 53 of 2003 and the Local Government Municipal Systems Amendment Act No. 44 of 2003 has been used as a reference.

3. OBJECTIVES

The objectives of the tariff policy are to ensure the following:

- 3.1. The tariffs of the Municipality conform to acceptable policy principles;
- 3.2. Municipal services are financially sustainable;
- 3.3. That there is certainty in the Council, of how the tariffs will be determined;
- 3.4. Tariffs of the Municipality comply with the applicable legislation.

4. POLICY PRINCIPLES

The Municipality's tariff policy will reflect the following principles:

- 4.1 Although users of municipal services should be treated equitably in the application of tariffs, tariffs may differentiate between different categories of consumers, municipal services and service standards as long as such differentiation does not amount to unfair discrimination.
- 4.2 The amount individual users pay for services should generally be in proportion of their use of that service;
- 4.3 Tariffs must be set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned. A service is financially sustainable when it is provided in a manner that would ensure it's financing from internal and external sources is sufficient to cover the costs of the initial capital expenditure required, operating the service, maintaining, repairing and replacing the physical assets used in its provision and to cover the cost of rehabilitation where a statutory obligation to do restoration exist.

- 4.4 Provision may be made for the promotion of local economic development through special tariffs for categories of commercial and industrial users.

5. NEED FOR A TARIFF POLICY

5.1 Revenue Adequacy and Certainty

The Municipality must have access to adequate sources of revenue to enable it to carry out its functions. The Municipality must:

- (a) Fully utilize the available sources of revenue to meet its development objectives; and
- (b) Be reasonably certain of its revenue to allow for realistic planning.

5.2 Sustainability

Financial sustainability requires that the Municipality must ensure that:

- (a) Services are provided at affordable levels; and
- (b) It is able to recover the costs of service delivery.

5.3 Effective and Efficient usage of Resources.

Resources are scarce and must be used in the best possible way to reap the maximum benefit for the community.

5.4 Accountability, Transparency and Good Governance.

The Municipality must be accountable to the community for the use of its resources, Councillors must be able to:

- (a) Justify their expenditure decisions; and
- (b) Explain why and how the revenue necessary to sustain expenditure, is raised.

5.5 Budgeting and the financial affairs

Must be open to public scrutiny, in accordance with Section 22 of the Municipal Finance Management Act No 53 of 2003. The community should be part of the decision-making process about how revenue is raised and spent.

5.6 Equity and Redistribution

The Municipality must treat members of the community equitably with regard to the provision of services.

6. IMPLEMENTATION OF POLICY

6.1 Affordable Tariffs

The Council is aware of the financial situation of most residents within the municipal area and need to keep tariffs at affordable levels. In order to ensure that tariffs remain affordable, the Council will ensure that:

- (a) Services are delivered at an appropriate level; and
- (b) Efficiency improvements are actively pursued across the Municipalities' operations;

6.2 Tariff Equality for Services

The Council believes that all residents and other receivers of services must pay the same tariff for the same level and quality of service.

The Municipality, like any other business enterprise is subject to continuous price increases in the goods, materials and other resources that it uses to perform its functions. Consequently it is the policy of the Council:

- (a) That tariffs for service and property rates will be reviewed at least once during every financial year;
- (b) That the tariff increases must be in line with increases in the price of goods, material and other resources acquired and used by the Municipality to perform its functions; and
- (c) Further the tariff for a particular service must be calculated in such a way that all relevant costs are covered. This means that a tariff for a service must include at least the capital expenditure required and interest thereon, the cost of managing and operating the service and the cost of maintaining, repairing and replacing the physical assets used in its provision and to cover the cost of rehabilitation where a statutory obligation to do restoration exist.

6.3 Payment for services rendered

Consumers of services must pay for the amount of services that they use.

6.4 Local Economic Development and Competitiveness

The Council will take care that the service charges presented to consumers are fair. To ensure fairness toward consumers, the Council will, when it determines tariffs, take into account the desire:

- (a) To promote local economic competitiveness, and
- (b) To promote local economic development and growth.

The Municipality must ensure that the services that it provides must be sustainable. Financial sustainability of an enterprise will be achieved when it is financed in a manner that ensures that its financing is sufficient.

6.5 Tariff Determination

Tariffs represent the charges levied by Council on consumers for the utilization of services provided by the Municipality. Tariffs may be calculated in various different ways, dependent upon the nature of the service being provided. Tariffs may be set in such a manner so as to recover the full cost of the service being provided.

or recover a portion of those costs, or to bring about a surplus that can be utilized to subsidize other non-economical services or to result in a cash surplus which must be transferred to a reserve established for a particular service. Tariffs could also include administrative fees to be charge to recover cost as an additional cover charge to deliver a service on behalf of an other party. Proposed tariffs will be presented to the community and municipalities utilizing services, during the Council's consultations about the budget.

7. SOURCES OF REVENUE

The Municipality may impose:

- 7.1 If authorised by National legislation, other taxes, levies and duties appropriate to Local Government, but it may not impose income tax, value-added tax or customs duty.
- 7.2 May not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities across municipal boundaries, or the national mobility of goods, services, capital or labour; and may be regulated by national legislation.

The Council may finance the affairs of the Municipality by:

- (a) Charging fees for services; and
- (b) The revenue of the Municipality consists of the taxes, fees, charges, fines and other sums imposed or recoverable by or payable to the Council under any law;
- (c) The Council may charge interest on any other amount due to it that may not have been paid within thirty days from the date on which such amounts became due. The interest rate charged is one percent higher than the rate payable by the Council to its bank in respect of an overdraft for the period during which such amounts remain unpaid after the expiry of the period of thirty days. Interest may not be charged on: Fines imposed by a court and due to the Council; and

Monies due to the Council in terms of a law and in respect of which that law provides that a penalty on interest must be levied if such monies are not paid on the date when due or payable.

- (d) The interest rates referred to above must be amended on the first day of the month following on the month in which the Council's bank has amended the interest rate payable by the Council to its bank in respect of an overdraft; and
- (e) Any fine imposed or money treated as bail in respect of any offence under the ordinance or a bylaw made by the Council, must be paid to the Municipality.

8. TARIFF STRATEGY

The Council's strategy is to recover the full financial cost of rendering the services required by the community from the community, including the cost of capital:

- 8.1 The starting point to recover cost is the determination of service levels. These shall be based on basic human needs;
- 8.2 The second point will be to ensure a sustainable service delivery based on the set service level; and

- 8.3 The third point will be the upgrade of services to higher levels in accordance with the affordability of the community and the ability to render the upgraded services in a sustainable manner.

9. CATEGORIES OF USERS

The tariff structure of the Garden Route District Municipality will make provision for the following categories of users.

- Domestic;
- Commercial;
- Industrial
- Agricultural
- Rural
- Municipal Services; and
- Special agreements for users not falling in any of the above-mentioned categories.

10. TARIFF CHARGES

All tariffs will be charged as set out in the tariff list as approved within the budget of each year.

11. RESPONSIBILITY / ACCOUNTABILITY

The Council or designates of the Council have the overall responsibility of laying down the Tariff Policy. The Municipal Finance Management Act defines the responsibility of the Municipal Manager as ensuring that the Tariff Policy be in place and that it is effectively implemented.

ANNEXURE D

LONG TERM FINANCIAL PLAN POLICY



LONG TERM FINACIAL PLAN POLICY

Date Approved:

Council Resolution (DC
No):

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1. ABBREVIATIONS DEFINITIONS

Basic municipal service: A municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

BSC: Budget Steering Committee, a committee established to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the MFMA;

Budget-related policy: A policy of a municipality affecting or affected by the annual budget of the municipality, including—

(a) the tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

(b) the credit control and debt collection policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

IDP: Integrated Development Plan;

LTFP: Long Term Financial Plan;

Long-term debt: Debt repayable over a period exceeding one year;

MBRR: Municipal Budget and Reporting Regulations;

MFMA: Municipal Finance Management Act No 56 of 2003;

MTREF: Medium Term Revenue and Expenditure Framework, as prescribed by the

MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years;

Municipal tariff: A tariff for services which a municipality may set for the provision of a service;

National Treasury: National Treasury established by section 5 of the Public Finance Management Act;

Short Term: Refers to a period up to 1 (one) year;

Medium Term: Refers to a period between 2 (two) and 3 (three) years;

Long Term: Refers to any period longer than 3 (three) years.

2. INTRODUCTION

2.1 The Local Government: Municipal Finance Management Act No 56 of 2003 (MFMA) has instituted various financial reform measures. Sound financial management practices have been identified as essential to the long-term sustainability of municipalities. In this regard the MFMA necessitates that municipality's must have a policy related to a Long Term Financial Plan (LTFP).

2.2 A municipality's financial plan integrates the financial relationships of various revenue and expenditure streams to give effect to the Integrated Development Plan (IDP). It provides guidance for the development of current budgets and assesses financial impacts on outer years' budgets by incorporating capital expenditure outcomes, operating expenditure trends, optimal asset management plans and the consequential impact on tariffs and other service charges.

2.3 A municipality's long term financial model aims to determine the appropriate mix of parameters and assumptions within which the municipality should operate to facilitate budgets which are affordable and sustainable at least 5 years into the future. In addition, it identifies the consequential financial impact of planned capital projects on the municipality's operational budget.

3 PURPOSE

The policy aims to ensure that all long-term financial planning is based on a structured and consistent methodology thereby ensuring long-term financial affordability and sustainability.

4. GUIDING PRINCIPLES

- (a) Future financial sustainability;
- (b) Optimal collection of revenue, taking into consideration the socio economic environment;
- (c) Optimal utilisation of grant funding;
- (d) Continuous improvement and expansion in the service delivery framework, and
- (e) Prudent financial strategies.

5. ROLE PLAYERS AND STAKEHOLDERS

The following role players will ensure that the LTFP is implemented in accordance with the prescribed legislative requirements and Council processes.

5.1 Chief Financial Officer

- (a) Responsible for the preparation and the compilation of the LTFP;
- (b) Responsible for overall oversight;
- (c) Present long term financial plan outcome to the Budget Steering Committee;
- (d) Review Policy and Strategy, in consultation with relevant stakeholders, to ensure maximum compliance in terms of legislation.

5.2 Departments

- (a) Responsible for providing reasons on past performance outcomes;
- (b) Responsible for providing information to Chief Financial Officer to update the financial plan;
- (c) Required to identify revenue and expenditure plans for both operating and capital

budgets for at least 3 years;

(d) Required to make recommendations on future service delivery matters.

5.3 Budget Steering Committee

(a) Responsible for providing strategic guidance on matters relevant to the long term financial plan;

(b) Responsible for endorsing the projected MTREF assumptions and parameters contemplated by the LTFP.

6. REGULATORY CONTEXT

6.1 *Section 17 (3) of the MFMA states that “when an annual budget is tabled it must be accompanied by, amongst others, “any proposed amendments to the budget-related policies of the municipality”.*

6.2 *Section 21 of the MFMA states that the mayor of a municipality must at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for, amongst others:*

(i) the annual review of—

(aa) the integrated development plan in terms of section 34 of the Municipal Systems Act;

(bb) the budget-related policies;

(ii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and

(iii) any consultative processes forming part of the processes referred to in subparagraphs (i) and (ii).

6.3 *Section 7 (1) of the Local Government: Municipal Finance Management Act, 2003, Municipal Budget and Reporting Regulations, 2009 (MBRR) states that:*

“the Municipal Manager of a municipality must prepare, or take all reasonable steps to ensure the preparation of budget-related policies of the municipality, or any necessary amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21 (1)(b) of the MFMA”.

6.4 Section 7 (1) reference (1) of the MBRR, further states that “as defined in section 1 of the MFMA. Policies that affect or are affected by the annual budget of a municipality include .. “(g) a policy related to the long term financial plan”.

6.5 Section 4 (1) of the MBRR states “that the mayor of a municipality must establish a budget steering committee to provide technical

assistance to the mayor in discharging the responsibilities set out in section 53 of the MFMA”.

6.6 Section 26 (h) of the Local Government: Municipal Systems Act 32 of 2000 (MSA) states that “An Integrated Development Plan must reflect a financial plan, which must include a budget projection for at least the next three years”.

7. POLICY DIRECTIVE DETAILS

7.1 Financial strategies.

An intrinsic feature of the LTFP is to give effect to the municipality's financial strategies. These strategies include:

- (a) Increasing funding for asset maintenance and renewal;
- (b) Continuous improvement to the financial position;
- (c) Ensuring affordable debt levels to fund the capital budget;
- (d) Maintaining fair, equitable and affordable tariff increase;
- (e) Maintaining or improving basic municipal services;
- (f) Achieving and maintaining a breakeven/surplus Operating budget; and
- (g) Ensuring full cost recovery for the provision of internal services.

7.2 Non – financial strategies

The LTFP is a key component for achieving the goals listed in the IDP of the Municipality.

The LTFP must consider the following non – financial strategic strategies:

- (a) The Municipality's Strategic Focus Areas;
- (b) Infrastructure growth strategies; and
- (c) The Municipality's Spatial Development Framework.

7.3 Preparation of the LTFP

7.3.1 The LTFP process should commence by latest June of each year.

7.3.2 The LTFP should consider the fiscal overview by reviewing past financial

performance, projection of long-term financial outlook and financing and funding arrangements. The following matters should be considered annually:

- (a) Revising the long-term financial plan for events that may have impacted during the recent past;
- (b) Assessing the outcomes and achievements of the past few years' financial performance as per the audited financial statements;
- (c) Reviewing the financial objective and assumptions;
- (d) Reviewing the past and summarise long term financial outlook;
- (e) Assess the current overall financial position and liquidity situation;
- (f) Identify any financial challenges and constraints;
- (g) Identifying strategies to deal with the challenges, and to maintain financial viability and capacity to sustain services;
- (h) Identify overall funding mix and implications for own revenue and external funding; and
- (i) Assess compliance with the MFMA and other relevant legislation.

7.3.3 The LTFP is prepared in an uncertain environment. It is therefore required to make certain assumptions. Assumptions on the following internal and external factors must be made:

- (a) Reviewing the external factors (e.g. population migration, employment, health, roads, development of businesses and the Garden Route region);
- (b) General inflation outlook and its impact on the municipal activities;
- (c) Credit rating outlook;
- (d) Interest rates for borrowing and investment of funds;
- (e) Tariffs and charges, and timing of revenue collection;
- (f) Collection rates for each revenue source;
- (g) Price movements on specifics e.g. fuel etc.
- (h) Average salary increases;
- (i) Industrial relations climate, reorganisation and capacity building;
- (j) Trends in population and households (growth, decline, stable);
- (k) Changing demand characteristics (demand for services);
- (l) Impact of national, provincial and local policies;

- (m) Ability of the municipality to spend and deliver on programmes; and
- (n) Implications of restructuring and other major events into the future.

7.3.4 Intergovernmental fiscal transfers/allocations from National and Provincial government play a pivotal role in the finances of the Municipality. The following unconditional transfers/allocations must be considered, as a minimum, when projecting the budget:

- (a) Local Government Equitable Share; and
- (b) Grants related to the provision of Provincial government functions.

7.4 The Municipality's LTFP model and scenario planning:

7.4.1 The Municipality's financial model gives effect to the LTFP. It enables the forecasting of the operating and capital budgets for at least 5 years into the future. The model embodies National Treasury's budget preparation guidelines, drawing on assumptions and parameters to forecast the operating budget.

7.4.2 Strategic initiatives should be prioritised and quantified to be included in the financial model.

7.4.3 The financial forecasting model must be updated using the fiscal overview, assumption and intergovernmental fiscal transfers/allocations information to identify immediate opportunities and/or risks.

7.4.4 The medium and long-term financial viability should be evaluated.

7.4.5 Re-iterative scenario planning should be executed to ensure optimum use of resources to cater for strategic initiatives.

7.4.6 To identify the optimum balance between revenue collection and municipal spending the following should be taken into account:

- (a) The impact each scenario has on the financial sustainability and affordability of the Municipality;
- (b) Whether scenarios are realistic in terms of revenue projections;
- (c) Potential revenue enhancement strategies which may have a long-term impact on the revenue base of the Municipality;

- (d) *Potential cost saving mechanisms related to strategic initiatives; and*
- (e) *The impact of infrastructure investments and maintenance programs on future revenue streams.*
- 7.4.7 *Presentations on scenarios should be presented to the BSC as may be requested.*
- 7.4.8 *BSC should endorse the final MTREF scenario inclusive of assumptions and parameters annually by latest January.*
- 7.5 *The annual updated LTFP should identify the following:*
 - 7.5.1 *Assumptions and parameters to be used to compile the Operating and Capital budgets over the next MTREF;*
 - 7.5.2 *Future operating revenue and expenditure projections based on assumptions and parameters;*
 - 7.5.3 *Future affordability of projected Capital Plans;*
 - 7.5.4 *The level of infrastructure development required to achieve the Municipal priorities, within the funding restrictions; and*
 - 7.5.5 *External funding requirements in respect of long term debt.*
- 7.6 *Implementation of the LTFP*
 - 7.6.1 *The annual updated LTFP should provide the parameters and assumptions for the compilation of the operating and capital budgets for the next MTREF.*
 - 7.6.2 *This information should be provided to the departments by latest January of each year.*

8. EVALUATION AND REVIEW

- 8.1 *This policy shall be implemented once approved by Council.*
- 8.2 *This policy must be reviewed on an annual basis.*
- 8.3 *Changes in financial strategy, non – financial strategic strategies and legislation must be taken into account for future amendments to this policy.*
- 8.4 *Any amendments must be tabled to Council for approval as part of the budget process.*

ANNEXURE E

BUDGET POLICY



BUDGET POLICY

Date
Approved:

Council Resolution

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1. DEFINITIONS

"Accounting Officer"

(a) means the Municipal Manager;

"Allocation", means

- (a) a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
- (b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
- (c) an allocation of money to a municipality in terms of a provincial budget; or
- (d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

"Annual Division of Revenue Act" means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

"Approved budget," means an annual budget

- (a) approved by a municipal council in terms of section 24 of the MFMA, or
- (b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Basic Municipal Service" means a municipal service that is necessary to ensure an acceptable and Reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"Budget-related Policy" means a policy of a municipality affecting or affected by the annual budget of the municipality, including

- (a) the tariffs policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
- (b) the rates policy which the municipality must adopt in terms of section 3 of the municipal property rates Act; (not applicable to district municipalities)
- (c) the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;
- (d) the cash management and investment policy which the municipality must adopt in terms of section 13(2) of the Act;
- (e) a borrowing policy which must comply with Chapter 6 of the Act;
- (f) a funding and reserves policy;
- (g) a policy related to the long-term financial plan;
- (h) the supply chain management policy which the municipality is required to adopt in terms of section 111 of the Act;
- (i) any policies dealing with the management and disposal of assets;

- (j) any policies dealing with infrastructure investment and capital projects, including –
 - (i) the policy governing the planning and approval of capital projects; and
 - (ii) the policy on developer contributions for property developments;
- (k) the indigents policy of the municipality; (not applicable to a district municipality)
- (l) any policies related to the provision of free basic services; (not applicable to a district municipality)
- (m) any policies related to budget implementation and monitoring including –
 - (i) a policy dealing with the shifting of funds within votes;
 - (ii) a policy dealing with unforeseen and unavoidable expenditure; and
 - (iii) policies dealing with management and oversight;
- (n) any policies related to the managing electricity and water including - (not applicable to a district municipality)
 - (i) a policy related to the management of losses; and
 - (ii) a policy to promote conservation and efficiency;
- (o) any policies related to personnel including policies on overtime, vacancies and temporary staff;
- (p) any policies dealing with municipal entities, including – (GRDM do not have any municipal entities at this stage)
 - (i) the service delivery agreement; and
 - (ii) the dividend preference of the municipality; and
- (q) any other budget-related or financial management policies of the municipality.

"Budget transfer" means transfer of funding within a function / vote.

"Budget Year" means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

"chief financial officer" means a person designated in terms of section 80(2) (a) of the MFMA;

"councillor" means a member of a municipal council;

"creditor", means a person to whom money is owed by the municipality;

"current year" means the financial year, which has already commenced, but not yet ended;

"delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"financial recovery plan" means a plan prepared in terms of section 141 of the MFMA

"financial statements", means statements consisting of at least

- (a) a statement of financial position;
- (b) a statement of financial performance;
- (c) Statement of change in net assets
- (d) a cash-flow statement;

- (e) Statements of comparison of budget and actual amounts
- (f) any other statements that may be prescribed; and
- (g) any notes to these statements;

"financial year" means a twelve months period commencing on 1 July and ending on 30 June each year

"financing agreement" includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

"fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

"irregular expenditure", means

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in Accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of section 170 of the MFMA;
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

"investment", in relation to funds of a municipality, means

- (a) the placing on deposit of funds of a municipality with a financial institution; or
- (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

"lender", means a person who provides debt finance to a municipality;

"local community" has the meaning assigned to it in section 1 of the Municipal Systems Act;

"mSCOA" Municipal Chart of Accounts

"Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

"long-term debt" means debt repayable over a period exceeding one year;

"executive mayor" means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;

"municipal council" or **"council"** means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"municipal debt instrument" means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;

"municipal entity" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"municipality"

- (a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
- (b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"accounting officer" means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act;

"municipal service" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"municipal tariff" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

"municipal tax" means property rates or other taxes, levies or duties that a municipality may impose;

"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

"official", means

- (a) an employee of a municipality or municipal entity;
- (b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- (c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"overspending"

- (a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- (b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- (c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"past financial year" means the financial year preceding the current year;

"quarter" means any of the following periods in a financial year:

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or
- (d) 1 April to 30 June;

"service delivery and budget implementation plan" means a detailed plan approved by the executive mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate

- (a) projections for each month of
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;
- (b) service delivery targets and performance indicators for each quarter; and
- (c) any other matters that may be prescribed, and includes any revisions of such plan by the executive mayor in terms of section 54(l)(c) of the MFMA;

"short-term debt" means debt repayable over a period not exceeding one year;

"standards of generally recognised accounting practice", (GRAP) means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board (ASB)

"unauthorised expenditure", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes

- (a) overspending of the total amount appropriated in the municipality's approved budget;
- (b) overspending of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by the municipality otherwise than in accordance with the MFMA;

"virement" means transfer of funds between functions / votes

"vote" means

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

2. INTRODUCTION

In terms of the Municipal Finance Management Act, No. 56 of 2003, Chapter 4 on Municipal Budgets, subsection (16), states that the council of a municipality must for each financial year approve an annual budget for the municipality before the commencement of that financial year. According to subsection (2) of the Act concerned, in order to comply with subsection (1), the executive mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

This policy must be read, analysed, explained, interpreted, implemented and understood against this legislative background. The budget plays a critical role in an attempt to realise diverse community needs. Central to this, the formulation of a municipality budget must take into account the government's macro-economic and fiscal policy fundamentals. In brief, the conceptualisation and the operationalisation of the budget must be located within the national government's policy framework.

3. OBJECTIVE

The objective of the budget policy is to set out:

- The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget, (MTREF)
- The responsibilities of the executive mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget
- To establish and maintain procedures to ensure adherence to Garden Route District Municipality's IDP review and budget processes.

4. BUDGETING PRINCIPLES

- The municipality shall not budget for a cash deficit
 - The municipality should ensure that revenue projections in the budget are realistic taking into account actual collection levels but taking into account any changes in the environment which can influence the collection rates.
- Expenditure may only be incurred in terms of the approved annual budget (or adjustment budget) and within the limits of the amounts appropriated for each vote in the approved budget.
- Garden Route District Municipality shall prepare a three-year budget (medium term revenue and expenditure framework (MTREF)) and that will be reviewed annually and approved by Council.
- The MTREF budget must at all times be within the framework of the Municipal Integrated Development Plan (IDP).

5. BUDGET PREPARATION PROCESS

5.1 Budget Steering Committee

A Budget Steering Committee must be established by the Executive Mayor in terms of regulation 4 of the Municipal Budget and Reporting Regulations, to provide technical assistance to the Mayor in discharging the budget process and related matters set out in section 53 of the Act.

5.2 Quality Certification

Whenever an annual budget and supporting documentation, an adjustment budget and supporting documentation or an in-year report of a municipality is submitted to the mayor, tabled in the municipal council, made public or submitted to another organ of state, it must be accompanied by a quality certificate complying with Schedule A, B or C of the regulations, as the case may be, and signed by the municipal manager. (Regulation 5).

5.3. Formulation of the budget

- (a) The Accounting Officer with the assistance of the Chief Financial Officer and the IDP Manager shall draft the IDP process plan as well as the budget timetable for the municipality including municipal entities for the ensuing financial year.
- (b) The executive mayor shall table the IDP process plan as well as the budget timetable to Council not later than 31 August of each year for approval (10 months before the start of the next budget year).
- (c) IDP process plan as well as the budget timetable shall indicate the key deadlines for the review of the IDP as well as the preparation of the medium term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act (MFMA), Municipal Budget and reporting regulations as well as the guidelines set by National Treasury or any other legislation that may be applicable.
- (d) The Executive Mayor shall table the draft IDP and MTREF budget to council by 31 March of each year (90 days before the start of the new budget year) together with the draft resolutions and budget related policies.
- (e) The Chief Financial Officer and Executive Management team (MANCOM) undertake the technical assumptions and changes to be made to the budget and which inputs will be included in the budget.
- (f) The Manager: BTO will provide assistance where needed to the senior management to forecast the projections of the tariffs, revenue, and expenditure to be included in the MTREF as per MANCOM directives set.
- (g) The Manager: BTO will oversee the budget process and staff of the BTO office will compile the budget in the prescribed formats with the inputs received from the Accounting Officer, CFO and the executive managers. The Manager BTO and CFO will review the schedules and budget report before submission for the council agenda.
- (h) The budget must be in the prescribed format by National Treasury, and must be divided into capital and operating budget.
- (i) The budget must reflect the realistically expected revenues by major source for the budget year concerned that is estimated to be collected. (Section 18(2)(a) & (b)):

- (a) projected revenue for the current year based on collection levels to date; and
- (b) actual revenue collected in previous financial years

(j) According to Section 18 of the MFMA, an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash-backed accumulated funds from previous years' surpluses not committed for other purpose; and
- Borrowed funds, but only for the capital budget referred to in section 17 (2).

(j) The expenditure reflected in the budget must be divided into the different line items and per vote.

(k) The budget must contain the information related to the two financial years following the financial year to which the budget relates, as well as the estimated revenues and expenditure for the current year and the two prior year actual revenue and expenditure.

5.4. Public participation process

Immediately after the draft annual budget has been tabled, the municipality invites the public, stakeholder organisations, to make representation at the council hearings and to submit comments in response to the draft budget.

Section 22 of the MFMA states:

Immediately after an annual budget is tabled in a municipal council, the accounting officer of the municipality must:

- (a) In accordance with Chapter 4 of the Municipal Structures Act –
 - (i) Make public the annual budget and the documents referred in section 17 (3); and
 - (ii) Invite the local community to submit representation in connection with the budget; and
- (b) Submit the annual budget –
- (c) (i) in both printed and electronic formats to the National Treasury and the relevant provincial treasury; and
 - (iii) In either format to any prescribed national or provincial organ of state and to other municipalities affected by the budget.

Section 23 of the MFMA states: (consultations on tabled budget)

- (1) When the annual budget has been tabled the municipal council must consider any views of –
 - (a) The local community; and
 - (b) The National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget.
- (2) After considering all budget submissions, the council must give the mayor an opportunity –
 - (a) To respond to the submissions; and
 - (b) If necessary, to revise the budget and table amendments for consideration by the council..

- (3) The National Treasury may issue guidelines on the manner in which municipal councils should process their annual budgets, including guideline on the formation of a committee of the council to consider the budget and to hold public hearings.
- (4) No guidelines issued in terms of subsection (3) are binding on a municipal council unless adopted by the council.

5.5. Approval of the annual original budget

- (a) Council shall consider the next medium term expenditure framework budget for approval not later than 31 May (30 days before the start of the budget year).
- (b) The council resolution, must contain the budget related policies and performance measures to be adopted, the budget (MTREF) (operating and capital budget), tariffs and any other information required by legislation.
- (c) Should the municipality fail to approve the budget before the start of the budget year, the executive mayor must inform the MEC for Finance that the budget has not been approved.
- (d) The budget tabled to Council for approval shall include the following supporting documents:
 - i. draft resolutions approving the budget;
 - ii. other taxes and tariffs for the financial year concerned;
- iii. measurable performance objectives for each budget vote, taking into account the municipality's IDP;
- iv. the projected cash flows for the financial year by revenue sources and expenditure votes;
- v. any proposed amendments to the IDP;
- vi. any proposed amendments to the budget-related policies;
- vii. the cost to the municipality of the salaries, allowances and other benefits of its political office bearers and other councillors, the accounting officer, the chief financial officer, and other senior managers;
- viii. particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting the municipality in service delivery, other organs of state, and organisations such as Non-Governmental Organisations, welfare institutions and so on;
- ix. particulars of the municipality's investments; and
- x. various information in regard to municipal entities under the shared or sole control of the municipality

5.6. Publication of the budget

- (a) Within 14 days after the draft annual budget has been tabled, the municipality must publish the budget and other budget-related documentation on the municipal website to be accessible to the public.
- (b) The Chief Financial Officer must within 14 days after the draft annual budget is tabled:
 - (i) submit the approved budget in both printed and electronic formats to the National Treasury, the Provincial Treasury as well as publish it on the municipal website.
 - (ii) ensure that a newspaper advertisement is placed that the draft budget is available at the Municipal offices and available for comments.

5.7. Service Delivery and Budget Implementation Plan (SDBIP)

- (a) The Executive mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council.
- (b) The SDBIP shall include the following components:
 - (i) Monthly projections of revenue to be collected for each source
 - (ii) Monthly projections of expenditure (operating and capital) and revenue for each vote
- (iii) Quarterly projections of service delivery targets and performance indicators for each vote
- (iv) Ward information for expenditure and service delivery
- (v) Detailed capital works plan broken down by ward over three years
- (vi) Any other information that may be required by legislation.

6. CAPITAL BUDGET

- (a) Expenditure of a project shall be included in the capital budget if it meets the asset definition i.e. if it results in an asset being acquired or created and has a useful life in excess of one year and inflow of economic benefits are expected.
- (b) The capital budget shall distinguish between replacement and new assets.
- (c) A municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.
- (d) The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes. Refer to above section with regards to the funding of the budget.
- (e) Before approving a capital project, the Council must consider:
 - (i) the projected cost of the project over all the ensuing financial years until the project becomes operational,
 - ii. future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).
- (f) Before approving the capital budget, the council shall consider:
 - (i) the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans,
 - (ii) depreciation of fixed assets,
 - (iii) maintenance of fixed assets, and
- (iv) any other ordinary operational expenses associated with any item on such capital budget.
- (g) Council shall approve the annual or adjustment capital budget only if it has been properly cash funded.
- (h) The capital expenditure shall be funded from the following sources:

(i) Revenue or Surplus

- If any project is to be financed from revenue this financing must be included in the cash budget to raise sufficient cash for the expenditure.
- If the project is to be financed from surplus there must be sufficient cash available at time of execution of the project.

(ii) External loans

- External loans can be raised only if it is linked to the financing of an asset;
- A capital project to be financed from an external loan can only be included in the budget if the loan has been secured or if it can be reasonably assumed as being secured;

- The loan redemption period should not exceed the estimated life span of the asset. If this happens the interest payable on the excess redemption period shall be declared as fruitless expenditure;
 - Interest payable on external loans shall be included as a cost in the operating budget;
- Finance charges relating to such loans shall be charged to or apportioned only between the departments or votes to which the projects relate.
 - Section 46 of the MFMA with regards to taking up of a loan must be adhered to.

Capital Replacement Reserve (CRR)

- Council shall establish a CRR for the purpose of financing capital projects and the acquisition of assets. Such reserve can be funded from:
 - inappropriate cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
 - interest on the investments of the CRR, appropriated in terms of the investments policy;
 - additional amounts appropriated as contributions in each annual or adjustments budget; and
 - interest on investments of unutilised grants;
 - only VAT claimed back on grants and subsidies; and
 - Sale of land and profit or loss on the sale of assets.
- Before any asset can be financed from the CRR the financing must be available within the reserve and available as cash as this fund must be cash backed;
- If there is insufficient cash available to fund the CRR this reserve fund must then be adjusted to equal the available cash;
 - Transfers to the CRR must be budgeted for in the cash budget

Grant Funding

- Non capital expenditure funded from grants
 - must be budgeted for as part of the revenue budget;
 - Expenditure must be reimbursed from the funding creditor and transferred to the operating and must be budgeted for as such.
 - Capital expenditure must be budgeted for in the capital budget;
- All unutilized grants received must be ring fenced and cash backed by means of an investment.

7. OPERATING BUDGET

- (a) The municipality shall budget in each annual and adjustments budget for the contribution to:
 - (i) provision for accrued leave entitlements .

- (ii) entitlement of officials as at 30 June of each financial year,
- (iii) provision for the impairment of debtors taking into account prior year, current year improvements and future improvement in debt collection percentages.
- (iv) provision for the obsolescence and deterioration of stock in accordance with its stores management policy
- (v) Depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate.
- (vi) At least 2% of the operating budget component of each annual and adjustments budget shall be set aside for maintenance. (excluding Roads and PPP.)
- (vii) Any other matters that need to be included in the budget.
- (b) When considering the draft annual budget, council shall consider the impact, which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.
- (c) The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.
- (d) The operating budget shall reflect the impact of the capital component on:
 - depreciation charges
 - repairs and maintenance expenses
 - interest payable on external borrowings.
 - other operating expenses.

8. FUNDING OF CAPITAL AND OPERATING BUDGET

- (a) The budget may be financed only from:

- (i) realistically expected revenues, based on current and previous collection levels;
- (ii) cash-backed funds available from previous surpluses where such funds are not required for other purposes; and
- (iii) borrowed funds in respect of the capital budget only.

9. UNSPENT FUNDS / ROLL OVER OF BUDGET

- (a) The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for funds relating to capital expenditure.
- (b) Only unspent grant (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budget year
- (c) Conditions of the grant fund shall be taken into account in applying for such roll over of funds
 - (d) No funding for projects funded from the Capital Replacement Reserve shall be rolled over to the next budget year except in cases where a commitment has been made at least 30 days (31 May each year) prior the end of that particular financial year.
 - (e) No unspent operating budget shall be rolled over to the next budget year

10. **ADJUSTMENT BUDGET**

Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenditure.

- (a) The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the executive mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the executive mayor on the revision of the IDP and the budget-related policies where these are indicated.
- (b) Council may revise its annual budget by means of an adjustments budget in terms of section 28 of the MFMA and according to the timelines of the Municipal Budget and reporting regulations section 23.
- (c) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.
- (d) The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council.
- (e) The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Executive Mayor.
- (f) An adjustments budget must contain all of the following:
 - (i) an explanation of how the adjustments affect the approved annual budget;
 - (ii) appropriate motivations for material adjustments; and
- (iii) an explanation of the impact of any increased spending on the current and future annual budgets.
- (g) Any inappropriate surplus from previous financial years, even if fully cash-backed, shall not be used to balance any adjustments budget, but shall be appropriated to the municipality's capital replacement reserve.
- (h) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.
 - (i) Unauthorised expenses may be authorised in an adjustments budget.
 - (j) In regard to unforeseen and unavoidable expenditure, the following apply:
 - (i) the Executive mayor may authorise such expenses in an emergency or other exceptional circumstances in terms of Section 29 of the MFMA;
 - (ii) these expenses must be reported by the Executive mayor to the next Council meeting;
 - (iii) the expenses must be appropriated in an adjustments budget; and
 - (iv) Council must pass the adjustments budget within sixty days after the expenses were incurred.

11. BUDGET TRANSFERS AND VIREMENTS

Virement is the process of transferring budgeted funds from one line item number to another, with the approval of the relevant Executive Manager and CFO and Accounting Officer, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. [{Section 28 \(2\) \(d\) MFMA}](#).

11.1 VIREMENT PROCEDURE

- a) All virement proposals must be completed on the appropriate documentation which is submitted to the CFO who recommends such virement to the Municipal Manager who will approve the virement.
 - (b) After approval, the relevant documentation is forwarded to the BTO Office for implementation.
- b) All virements must be signed by the manager of the directorate within which the vote is allocated. (Section 79 MFMA)
- c) All virements should be approved in line with Council's System of Delegation.
- d) Projected cash flows in the SDBIP should be adjusted in line with the virement.
- e) All documentation must be in order and approved before any expenditure can be committed or incurred. (Section 79 MFMA)
- f) All virements of funds between votes (directorates/departments) are not allowed.

11.2 VIREMENT RESTRICTIONS

- a) Virements between votes should be permitted where the proposed shifts in funding facilitate sound risk and financial management (e.g. the management of central insurance funds and insurance claims from separate votes).
- b) Virements between the capital budget and the operating budget are not allowed.
- c) No virement may be made where it would result in over expenditure of a line item [\(Section 32 MFMA\)](#)
- d) Virements should not result in adding 'new' projects to the Capital Budget.
- e) Virements towards personnel expenditure are not permitted.
- f) Budgets from the following line items may only be transferred by Financial Services:
 - (i) Salaries and allowances
 - (ii) Depreciation
 - (iii) Capital Cost (Interest and Redemption)
 - (iv) Appropriations
 - (v) Contributions to Funds and Provisions

- (vi) Administration Cost
- (vii) Municipal Services Consumption (Water, Electricity, Refuse and Sewerage)
- (viii) Any other accounting/ GRAP/ mSCOA related items
- g) Virements to or from the following items should not be permitted: bulk purchases; debt impairment, interest charges, grants to individuals, revenue foregone, insurance and VAT).
- h) An approved virement does not give expenditure authority and all expenditure resulting from approved virements must still be subject to the procurement/supply chain management policy of Council as periodically reviewed.
- i) Virements may not be made between Expenditure and Income.

12. BUDGET IMPLEMENTATION

12.1 Monitoring

- (a) The accounting officer with the assistance of the chief financial officer and other executive managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that:
 - funds are spent in accordance with the budget;
 - expenditure are reduced if expected revenues are less than projected; and
 - revenues and expenses are properly monitored.
- (b) The Accounting officer with the assistance of the chief financial officer must prepare any adjustments budget when such budget is necessary and submit it to the Executive mayor for consideration and tabling to Council.
- (c) The Accounting officer must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

12.2 Reporting

12.2.1 Monthly budget statements

- (a) The accounting officer with the assistance of the chief financial officer must, not later than ten working days after the end of each calendar month, submit to the Executive mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

The Chief Accountant: BTO will compile the report and reviewed by the Manager: BTO who submit it to chief financial officer for review. The CFO will submit the report after his/her review to the Accounting Officer

This report must reflect the following:

- (i) actual revenues per source, compared with budgeted revenues;

- (ii) actual expenses per vote, compared with budgeted expenses;
 - (iii) actual capital expenditure per vote, compared with budgeted expenses;
 - (iv) actual borrowings, compared with the borrowings envisaged to fund the capital budget;
 - (v) the amount of allocations received, compared with the budgeted amount;
 - (vi) actual expenses against allocations, but excluding expenses in respect of the equitable share;
 - (vii) explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
 - (viii) the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
 - (ix) projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.
- (b) The report to the National Treasury must be both in electronic format and in a signed written document.

12.2.2 Quarterly Reports

- (a) The Executive mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality.
- (b)** The Chief Accountant: BTO will compile the report and reviewed by the Manager: BTO who submit it to the chief financial officer for review, who will then submit the report to the accounting officer for review.
- (c)** The accounting officer will submit the report to the Mayor to review and submit to Council.

12.2.3 Mid-year budget and performance assessment

- (a) The Accounting officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.
- (b) The Chief Accountant: BTO will compile the report and reviewed by the Manager: BTO who submit it to the chief financial officer for review and CFO will submit report to the accounting officer for review.
- (c) The Accounting officer must then submit a report on such assessment to the Executive mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.
- (d) The Accounting officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

13. CONCLUSION

All budgets and budget related documentation must be placed on the municipality's official website as prescribed by legislation.

ANNEXURE F

ASSET MANAGEMENT

POLICY



ASSET MANAGEMENT POLICY

Date
Approved:

Council
Resolution (DC
No):

DC

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1. INTRODUCTION

This Policy for the management of assets has been designed to assist management and officials of the Garden Route District Municipality with the description of management procedures for Property, Plant and Equipment, Investment Property, Agricultural Assets and Intangible Assets. It also should assist with the capacity to differentiate between activities, which are acceptable in terms of general authorization, supervisory responsibilities and limits of authority to the management of assets and functions of the organisation.

This Policy will provide certainty with respect to the handling of asset management procedures undertaken within the organization and will ensure that management and employees understand their respective responsibilities and duties.

There is a separate fixed asset property policy which resides under the Property Manager in the Department of Planning and Economic Development.

For the purpose of this policy, assets exclude inventory and monetary assets such as debtors.

2. OBJECTIVE OF THIS POLICY

The objective of this policy is to ensure that assets of the Municipality are properly managed and accounted for by: -

- The accurate recording of essential asset information;
- The accurate recording of asset movements;
- Exercising strict physical controls over all assets;
- Treating the assets correctly in the Municipality's financial statements and fixed asset register;
- Providing accurate and meaningful management information;
- Compliance with the Council's accounting policies and Generally Recognised Accounting Practices (GRAP);
- Adequate insuring of assets;
- Maintenance of Council's assets;
- Ensuring that managers are aware of their responsibilities with regard to the assets; and the responsibility of any custodian to whom assets are allocated.
- Setting out the standards of management, recording and internal controls so as to safeguard the assets against inappropriate utilisation or loss.

3. DEFINITIONS

Accounting officer means the municipal manager appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) and being the head of administration and accounting officer in terms of section 60 of the Local Government: Municipal Systems Act 2000 (Act No. 32 of 2000).

Agricultural Activity is the management by an entity of the biological transformation of biological assets for sale, into agricultural produce, or into additional biological assets.

Agricultural Produce is the harvested product of the entity's biological assets.

A Biological Asset is a living animal or plant.

Assets are resources controlled by the municipality as a result of past events and from which future economic benefit or service potential are expected to flow. However for the purpose of this policy exclude inventory and other monetary assets.

Biological Transformation comprises the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes to a biological asset.

Carrying amount is the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment losses.

Chief Financial Officer means an officer of a municipality designated by the municipal manager to be administratively in charge of the budgetary and treasury functions.

Class of property, plant and equipment means a grouping of assets of a similar nature or function in a municipality's operations that is shown as a single item for the purpose of disclosure in the financial statements.

Community assets are defined as any asset that contributes to the community's well-being. Examples are parks, libraries and fire stations.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or where applicable, the amount attributed to that asset when initially recognized in accordance with the specific requirements of Standards of GRAP.

Depreciable amount is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are defined as culturally significant resources. Examples are works of art, historical buildings and statues.

An **impairment loss** of a cash generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An **impairment loss** of non-cash generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

Infrastructure assets are defined as any asset that is part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage purification and trunk mains, transport terminals and car parks.

Intangible assets are identifiable non-monetary assets without physical substance.

Investment properties are defined as property (land or a building-or part of a building-or both) held (by the owner or by lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production and supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business.

Municipal valuation means the official valuation of an immovable property as reflected in the Municipality's valuation roll.

Other assets are defined as assets utilized in normal operations. Examples are plant and equipment, motor vehicles and furniture and fittings.

Property, plant and equipment are tangible assets that:-

- are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- are expected to be used during more than one period.

Recoverable amount is the higher of a cash-generating asset's net selling price and its future value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its future value in use.

Residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and condition expected at the end of its useful life.

Useful life is:-

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality's accounting officer.

4. STATUTORY AND REGULATORY FRAMEWORK

The Municipality shall, notwithstanding this policy, comply with all relevant legislative requirements, including:

- The Constitution of the Republic of South Africa; 1996
- Local Government: Municipal Systems Act; 2000
- Local Government: Municipal Finance Management Act; 2003
- Division of Revenue Act; 2005
- Generally Recognised Accounting Practice (GRAP)
- Supply Chain Management Legislation
- Asset Transfer Regulations

This document constitutes a policy statement and shall not take precedence over the standards specified by the Accounting Standards Board. The relevant accounting standards include amongst others:

- **GRAP 1** Presentation of Financial Statements;
- **GRAP 13** Leases;
- **GRAP 16** Investment Property;
- **GRAP 17** Property, Plant and Equipment;
- **GRAP 100** Non-Current Assets Held for Sale and Discontinued Operations;
- **GRAP 101** Agriculture; and
- **GRAP 102** Intangible Assets.

5. BACKGROUND

The utilization and management of property, plant and equipment, investment property, intangible assets and agricultural assets is the prime mechanism by which the Municipality can fulfil its constitutional mandates for:-

- Delivery of sustainable services;
- Social and economic development;
- Promoting safe and healthy environments; and
- Fulfilling the basic needs to the community.

As trustees on behalf of the local community, the Municipality has a legislative and moral obligation to ensure it implements policies to safeguard the monetary value and future service provision invested in assets.

The policy for the management of assets deals with the Municipal rules required to ensure the enforcement of appropriate stewardship of assets. Stewardship has two components being the:-

- Financial administration by the Chief Financial Officer; and
- Physical administration by the relevant managers.

Statutory provisions are being implemented to protect public property against arbitrary and inappropriate management or disposals by local government.

Accounting standards have been approved by the Accounting Standards Board to ensure the appropriate financial treatment for property, plant and equipment, investment property, intangible assets and agricultural assets. The requirements of these new accounting standards include:-

- The compilation of asset registers covering all assets controlled by the Municipality.
- Accounting treatment for the acquisition, disposal, recording and depreciation / amortisation of assets.
- The standards to which financial records must be maintained to comply with the new accounting standards.

6. DELEGATION OF POWERS

This policy should be applied with due observance of the Municipality's policy with regard to delegated powers. Such delegations refer to delegations between the Municipal Manager and other responsible officials as well as between the Council and the Executive Mayor and the Council and the Municipal Manager. All delegations in terms of this policy must be recorded in writing.

In accordance with the Local Government: Municipal Finance Management Act (Act 56 of 2003) (MFMA), the Municipal Manager is the accounting officer of the Municipality and therefore all designated officials are accountable to him/her. The Municipal Manager is therefore accountable for all transactions entered into by his/her designates.

The overall responsibility of asset management lies with the Municipal Manager. However, the day to day handling of assets should be the responsibility of all officials in terms of delegated authority reduced in writing.

7. EFFECTIVE ASSET MANAGEMENT

7.1 Responsibilities

The Municipal Manager is responsible for the management of the assets of the Municipality, including the safeguarding and the maintenance of those assets. He/she must ensure that:-

- The Municipality has and maintains a management, accounting and information system that accounts for the assets of the Municipality.
- The Municipality's assets are valued in accordance with standards of Generally Recognized Accounting Practice (GRAP).
- The Municipality has and maintains a system of internal control of assets, including an asset register.
- Executive managers and their teams comply with this policy.

The Chief Financial Officer is responsible to the Municipal Manager to ensure that the financial investment in the Municipality's assets is safeguarded and maintained. He/she may delegate or otherwise assign responsibility for performing these functions but he/she will remain accountable for ensuring that these activities are performed. He/she must ensure that:-

- Appropriate systems of financial management and internal control are established and carried out diligently.
- The financial and other resources of the Municipality assigned to him/her are utilized effectively, efficiently, economically and transparently.
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented.
- The systems, processes and registers required to substantiate the financial values of the Municipality's assets are maintained to standards sufficient to satisfy the requirements of effective management.

- Financial processes are established and maintained to ensure the Municipality's financial resources are optimally utilized through appropriate asset plan, budgeting, purchasing, maintenance and disposal decisions.
- The Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets.
- The Executive managers and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets.

The Executive Managers must ensure that:

- Appropriate systems of physical management and control are established and carried out for assets in their area of responsibility.
- The Municipal resources assigned to them are utilized effectively, efficiently, economically and transparently.
- Any unauthorized, irregular or fruitless or wasteful utilization and losses resulting from criminal or negligent conduct are prevented.
- Their management systems and controls can provide an accurate, reliable and up to date account of assets under their control.
- They are able to justify that their plans, budgets, purchasing, maintenance and disposal decisions for assets optimally achieve the Municipality's strategic objectives.

The executive managers may delegate or otherwise assign responsibility for performing these functions but they ***will remain accountable for ensuring that these activities are performed.***

Each executive manager should report to the Municipal Manager on issues that will significantly impede the item of asset capabilities to provide the required level of service or economic benefit.

The responsibility for the physical control of assets rests with the relevant executive manager to whom the responsibility was delegated to in terms of section 79 of the Municipal Finance Management Act, No 56 of 2003.

Each executive manager shall ensure that assets entrusted to him / her ***are adequately maintained, properly used and insured and ensure that section 78 of the Municipal Finance Management Act, No 56 of 2003, is adhered to.***

The Chief Financial Officer (Asset Unit), must be notified by the Heads Of Departments of any transfer of assets between departments after arrangements between the relevant executive managers were made.

Upon the resignation / retirement of an employee, the applicable executive manager must inform the Chief Financial Officer and Corporate Service Department in writing that the asset items entrusted to that employee to execute his / her duties are in good order and returned. When necessary the applicable senior manager must inform the Corporate Services Department of any losses and the value of such losses. The ultimate responsibility of any losses lies with the relevant executive manager.

7.2 Asset Register

Establishment and Management of the Register of Assets

The Chief Financial Officer will establish and maintain the Register containing key financial data on each item of Property, Plant or Equipment, Investment Property, Intangible Assets and Agricultural Assets that satisfies the criterion for recognition.

Executive managers are responsible for establishing and maintaining any additional register or database required to demonstrate their physical management of their assets.

Each executive manager is responsible to ensure that sufficient controls exist to substantiate the quantity, value, location and condition of all assets in their registers.

Contents of the Asset Register

The measurement based used (Cost or Fair Value);

- The depreciation methods used;
- The original useful life;
- The revised useful life;
- The residual value;
- The revised residual value;
- Depreciation charged for the period;
- The accumulated depreciation;
- The gross carrying amount;
- Date of acquisition or brought into use;
- Date of disposal (if applicable);
- Increases or the decreases resulting from revaluations (if applicable);
- Date of last revaluation;
- Method of calculating recoverable amount (when impairment tests are required in terms of GRAP);
- Any restrictions on title to the asset;
- Location;
- Source of finance;
- Condition of the asset;

- Method of calculating the recoverable amount (when impairment losses are required in terms of GRAP);
- Strategic purpose and if it is required to provide minimum basic services; and
- Responsible Functional Manager/ department/ vote.
- Impairment losses incurred during the financial year (and the reversal of such losses, where applicable)
- Whether the asset is required to perform basic municipal services
- Whether the asset has been used to secure any debt, and – if so - the nature and duration of such security arrangements
- The title deed number, in the case of fixed property

All Executive managers under whose control any fixed asset falls shall promptly provide the Chief Financial Officer in writing with any information required to compile the fixed asset register, and shall promptly advise the Chief Financial Officer in writing of any material change which may occur in respect of such information.

A fixed asset shall be capitalised, that is, recorded in the fixed assets register, as soon as it is acquired. A fixed asset shall remain in the fixed assets register for as long as it is in physical existence.

7.3 Classification of Assets

In compliance with the requirements of the National Treasury, the Chief Financial Officer shall ensure that all assets are classified under the following headings in the Fixed Assets Register, and Heads of Departments shall in writing provide the Chief Financial Officer with such information or assistance as is required to compile a proper classification:-

7.3.1 Property, Plant and Equipment

- Land (not held as investment assets).
- Infrastructure assets (assets which are part of a network of similar assets).
- Community assets (assets contributing to the general well-being of the community).
- Heritage assets (culturally significant assets).
- Other assets (ordinary operational assets).
- Housing (rental stock or housing stock not held for capital gain).

Save for land and buildings other assets shall be classified under the following headings:

- Bins and Containers;
- Emergency Equipment;
- Disaster Management Equipment;
- Fire Engines;
- Plant and Equipment;
- Computer equipment;
- Office equipment;
- Furniture and fittings; and
- Motor Vehicles.

7.3.2 Investment Property

Investment assets (resources held for capital or operational gain and which are not used by the Municipality). Properties occupied by the Municipality, Councilors or officials are classified as owner-occupied property and are therefore not classed as investment property unless it is leased out on the same conditions that is applicable to the general public.

Investment properties will be treated in accordance with relevant GRAP standards and will separately be classified in the Statement of Financial Position.

7.3.3 Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substance.

Intangible assets will be treated in accordance with relevant GRAP standards and will separately be classified in the Statement of Financial Position. Intangible assets shall be valued at cost less any accumulated amortization and any impairment losses.

7.3.4 Agricultural Assets

Agricultural Assets will be treated in accordance with relevant GRAP standards and will separately be classified in the Statement of Financial Position

7.3.5 Assets Treated as Inventory

Any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings

owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of position.

Such inventories shall, however, be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

The Chief Financial Officer shall use the classifications indicated in the Annexure on estimated lives of assets, as a guideline and in the case of an item of assets not appearing in the Annexure shall use the classification applicable to the asset most closely comparable in the Annexure.

7.4 Recognition of Assets

7.4.1 Recognition of Heritage Assets

If no original costs or fair values are available in the case of one or more or all heritage assets, the Chief Financial Officer may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the fixed asset register without an indication of the costs or fair value concerned.

For Statement of Financial Position purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

7.4.2 Recognition of Donated Assets

Where a fixed asset is donated to the municipality, or a fixed asset is acquired by means of an exchange of assets between the municipality and one or more other parties, the asset concerned shall be recorded in the fixed asset register at its fair value, as determined by the Chief Financial Officer in reference to the relevant generally accepted accounting practice.

7.5 Capitalisation Criteria

7.5.1 Material Value

PPE and Intangible Assets

All assets may only be acquired in terms of council's Supply Chain Management Policy and in terms of the budgetary provisions. The responsibility for the purchase of assets would be delegated in terms of council's Delegation Framework and Supply Chain Management Policy. Depending on the cost of the asset to be purchased the following procedure for purchasing an asset must be followed:

- Executive managers shall at all times ensure that there are enough funds in their departmental budgets before requesting approval to any requisition to purchase an asset;
- Executive managers shall ensure that the correct vote and expenditure line item are used and recorded on the requisition requesting approval to purchase an asset;
- Tenders or quotations as required in terms of council's Supply Chain Management policy should be obtained and where required submitted to council's tender committee for approval;
- The tender committee resolution of the approved tender or recommended quotation should be attached to the requisition signed by the relevant head of department;
- The order would then be generated by the finance department;
- Once delivered the asset must be labeled / bar-coded by the Budget and Treasury department before such asset is put into use;
- The executive manager must indicate what the expected useful life of the asset will be;
- The executive manager should endorse receipt of the asset on the invoice and forwarded it for payment to the Finance department; and
- The Finance department would then generate payment.

The completion of any immovable asset by or under control of every head of department should promptly be declared to the Chief Financial Officer in writing stating the full details required for recording in the assets register.

All PPE and intangible assets shall be carried in the asset register, and appropriately recorded in the annual financial statements, at their original cost or fair value less any accumulated depreciation or amortisation in the case of intangible assets.

The **original cost** of an item of PPE or intangible assets may include:

- Cost price;
- Financing costs (MFMA section 46(4));
- Import tax;
- Non-claimable purchase tax; and
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When payment for an item of PPE or intangible assets is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as an interest expense over the period of credit.

When an item of PPE is acquired to be exchanged or partly exchanged for a dissimilar item of PPE or other asset, the cost of such item is measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up adjusted by the amount of any cash or cash equivalents paid additional. For the purpose hereof, "fair value" shall be determined by the council with due regard to the definition ascribed to fair value in paragraph 2 hereof.

The only exceptions to this rule shall be revalued items of PPE (see part 7.9 below) and heritage assets in respect of which no depreciation is recorded in the fixed asset register.

Subsequent expenditure

Subsequent expenditure relating to an asset that has already been capitalized, should only be added to the carrying amount of the asset when it is probable that future economic benefits or potential service delivery, in excess of the originally assessed standard of performance of the existing asset, will flow to the municipality.

Investment Property

An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The cost of purchased investment property includes all directly attributable expenditure (professional fees for legal services, property transfer taxes and other transaction costs).

When payment for an investment property is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as an interest expense over the period of credit.

When investment property is acquired to be exchanged or partly exchanged for a dissimilar investment property or other asset, the cost of such item is measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up adjusted by the amount of any cash or cash equivalents paid additional. For the purpose hereof, "fair value" shall be determined by the council with due regard to the definition ascribed to fair value in paragraph 2 hereof.

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Subsequent expenditure relating to an asset that has already been capitalized, should only be added to the carrying amount of the asset when it is probable that future economic benefits or potential service delivery, in excess of the originally assessed standard of performance of the existing asset, will flow to the municipality.

In terms of GRAP 16 transfers to and from investment property shall be made when there is a change in use:

- (a) Commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- (b) Commencement of development with a view to sale, for a transfer from investment property to inventories;
- (c) End of owner-occupation, for a transfer from owner-occupied property to investment property; or
- (d) Commencement of an operating lease to another party, for a transfer from inventories to investment property.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Reinstatement, Maintenance and Other Expenses

Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalised.

Expenses incurred in the maintenance or reinstatement of a fixed asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalised, irrespective of the quantum of the expenses concerned.

Expenses, which are reasonably ancillary to the bringing into operation of a fixed asset, may be capitalised as part of such fixed asset. Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs and installation, assembly and communication costs.

7.5.2 Intangible Items

Assets that meet the criteria of GRAP 102 (Intangible Assets) shall be recognized as Intangible Assets at cost.

7.6 Depreciation

7.6.1 Depreciation of PPE and Investment Property

All PPE and Investment Property, except land and heritage assets, shall be depreciated – or amortised in the case of intangible assets.

Depreciation may be defined as the monetary quantification of the extent to which PPE and Investment Property are used or consumed in the provision of economic benefits or the delivery of services.

Depreciation shall generally take the form of an expense both calculated and debited on an annual basis against the appropriate line item in the department or vote in which the item of PPE and Investment Property is used or consumed.

However, depreciation shall initially be calculated from the day following the day in which an item of PPE and Investment Property are acquired or – in the case of construction works and plant and machinery – the day following the day in which the item is brought into use, until the end of the year concerned. Thereafter, depreciation charges shall be calculated annually.

Each Head of Department, acting in consultation with the Chief Financial Officer, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable PPE and Investment Property controlled or used by the department in question or expected to be so controlled or used during the ensuing financial year.

The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other PPE.

7.6.2 Rate of Depreciation and Amortisation

The relevant head of department shall assign a useful operating life to each depreciable item of PPE and Investment Property recorded on the Municipality's asset register. In determining such a useful life the relevant head of department shall use to the useful lives set out in the annexure to this document and relevant historical experience as a guideline.

In the case of an item of PPE or Investment Property which is not listed in this annexure, the relevant head of department in consultation with the Chief Financial Officer shall determine a useful operating life, and shall be guided in determining such useful life by the likely pattern in which the item's economic benefits or service potential will be consumed.

The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other PPE.

7.6.3 Method of Depreciation

The Chief Financial Officer shall allocate the depreciable amount of all depreciable PPE and intangible on a systematic basis over its useful life.

The residual value and useful life of an asset shall be reviewed at least at each reporting date by each executive manager and, if expectations differ from previous estimates, the changes shall be accounted for as a change in accounting estimate in accordance with GRAP 3.

7.7 Amendment of Asset Lives and Diminution in the Value of PPE

A printout of the asset register indicating the current remaining useful lives of all assets allocated to a department will be distributed by the Chief Financial Officer to all Heads of Department annually. All Heads of Department must review the remaining useful lives of the assets under their control. Any changes in useful lives must be communicated to the Chief Financial Officer in order for the Finance Department to make the required changes to the Fixed Asset Register. All changes will be treated as Changes in Accounting Estimates in terms of GRAP 3 in the annual financial statements.

The Heads of Department shall request the Chief Financial Officer to amend the useful operating life assigned to any item of PPE if it becomes known that such item has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or any other event has occurred which materially affects the pattern in which the item's economic benefits or service potential will be consumed.

If the value of an item of PPE, Investment Property or intangible assets has been diminished to such an extent that it has no or a negligible further useful operating life or value such item shall be fully depreciated or eradicated in the financial year in which such diminution in value occurs.

Similarly, if an item of PPE and Investment Property has been lost, stolen or damaged beyond repair, it shall be fully depreciated in the financial year in which such event occurs, and if the item has physically ceased to exist, it shall be written off in the fixed asset register.

In all of the foregoing instances, the additional depreciation expenses shall be debited to the department or vote controlling or using the item of PPE, Investment Property or intangible asset in question.

If any of the foregoing events arises in the case of a normally non-depreciable item of PPE or Investment Property, and such item has been capitalised at a value other than a purely nominal value, such item shall be partially or fully depreciated, as the case may be, as though it were an ordinary depreciable item of PPE, and the department or vote controlling or using the item in question shall bear the full depreciation expenses concerned.

Additional depreciation not budgeted for as a result of unforeseeable or unavoidable circumstances must be provided for in an adjustments budget and, if such circumstances arises close to the end of the financial year and there will not be time for Council to consider the adjustments before the end of the financial year, may in advance be approved by the Mayor in terms of Section 29 of the MFMA, provided that any other provisions of the MFMA be complied with.

7.8 Funding of PPE and Reserves

The purchase of assets may be funded from the raising of external loans, leases, government- and public contributions, the Capital Replacement Reserve and surplus cash.

7.9 Other Write-offs of PPE

An item of PPE, shall be written off when it can no longer be used, in consultation with the Head of Department controlling or using the item concerned.

Every Head of Department shall report to the Chief Financial Officer on 31 October and 30 April of each financial year on any item of PPE which such Head of Department wishes to have written off, stating in full the reason for such recommendation.

The Chief Financial Officer shall consolidate all such reports, and shall promptly notify the Council on the PPE to be written off.

The only reasons for writing off PPE, other than the alienation of such item of PPE, shall be the loss, theft, and destruction or material impairment of the PPE in question.

If an item of PPE must be written off as a result of an occurrence out of the control of the municipality, such as malicious damage, theft or destruction, the municipal manager must determine whether a third party or an employee was involved in the loss and take all reasonable steps to recover such loss, including reporting the incident to the South African Police Services and the Auditor General, the insurance as well as institute disciplinary steps against any employee who might have been involved in such incident.

In every instance where a not fully depreciated item of PPE is written off, the Chief Financial Officer shall immediately debit to such department or vote, as additional depreciation expenses, the full carrying value of the item concerned.

7.10 Management and Operation of Assets

7.11.1 Accountability to manage assets

Each Executive Manager is accountable to ensure that Municipal resources assigned to them are utilized effectively, efficiently, economically and transparently. This will include:-

- Developing appropriate management systems, procedures, processes and controls for managing assets;
- Providing accurate, reliable and up to date account of assets under their control; and
- The development and motivation of relevant strategic asset management plans and operational budgets that optimally achieve the Municipality's strategic objectives.

7.11.2 Contents of a strategic management plan

Executive Managers need to manage assets under their control to provide the required level of service or economic benefit at the lowest possible long-term cost. To achieve this, the Executive Manager will need to develop strategic asset management plans that cover:-

- Alignment with the Integrated Development Plan;
- Operational guidelines;
- Performance monitoring;
- Maintenance programs;
- Renewal, refurbishment and replacement plans;
- Disposal and Rehabilitation plans;
- Operational, financial and capital support requirements, and
- Risk mitigation plans including insurance strategies

The operational budgets are the short to medium term plan for implementing this strategic asset management plan.

7.11.3 Reporting on Emerging Issues

Each Functional Manager should report to the Municipal Manager on issues that will significantly impede the item of asset capabilities to provide the required level of service or economic benefit.

7.11.4 Verification of Assets

The Municipality shall at least once during every financial year undertake on a date as determined by the CFO a comprehensive verification of all moveable assets controlled or used by all the departments of the Municipality.

Every Head of Department shall promptly and fully report in writing to the Chief Financial Officer, in the format determined by the Chief Financial Officer, all relevant results of such verification, provided that each such item of asset verification shall be undertaken and completed during April of each financial year, and that the resultant report shall be submitted to the Chief Financial Officer not later than 31 May of the year in question.

7.11.5 Movement of Assets

Movement of moveable assets to be undertaken as per Standard operating procedures in annexure A.

7.11 Alienation of Assets

In compliance with the principles and prescriptions of the Municipal Finance Management Act, the transfer of ownership of any fixed asset shall be fair, equitable, transparent, competitive and consistent with the municipality's supply chain management policy and the Municipal Asset Transfer Regulations

Every head of department shall report in writing to the Chief Financial Officer on 30 April of each financial year on all fixed assets controlled or used by the department concerned which such head of department wishes to alienate by public auction or public tender.

The Chief Financial Officer shall thereafter consolidate the requests received from the various departments, and shall promptly report such consolidated information to the council or the municipal manager of the municipality, as the case may be, recommending the process of alienation to be adopted.

The council shall delegate to the municipal manager the authority to approve the alienation of any moveable asset with a carrying value less than R50 000 (fifty thousand rand). The council shall ensure that the alienation of any asset with a carrying value equal to or in excess of R50 000 (fifty thousand rand) takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004.

In terms of Section 14 of the Municipal Finance Management Act, 2004 the Municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of assets needed to provide the minimum level of basic municipal services.

The Municipality may transfer ownership or otherwise dispose of assets other than one contemplated above, but only after the Council, in a meeting open to the public:-

- has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
- has considered the fair market value of the item and the economic and community value to be received in exchange for the asset.

The decision that a specific asset is not needed to provide the minimum level of basic municipal services, may not be subsequently reversed by the Municipality after that asset has been sold, transferred or otherwise disposed of.

Once the fixed assets are alienated, the Chief Financial Officer shall treat the disposal of the items in terms of GRAP and amend the relevant records of the fixed asset register. If the proceeds of the alienation are less than the carrying value recorded in the fixed asset register, such difference shall be recognised as a loss in the Statement of Financial Performance of the department or vote concerned.

If the proceeds of the alienation, on the other hand, are more than the carrying value of the fixed asset concerned, the difference shall be recognised as a gain in the Statement of Financial Performance of the department or vote concerned.

Transfer of fixed assets to other municipalities, municipal entities (whether or not under the municipality's sole or partial control) or other organs of state shall take place in accordance with the Municipal Asset Transfer Regulations.

7.12 Maintenance

7.12.1 Maintenance Plans

Every Head of Department shall ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000 (one hundred thousand rand) or more is promptly prepared and submitted to the Council for approval.

If so directed by the Municipal Manager, the maintenance plan shall be submitted to the Council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned.

The Head of Department controlling or using the infrastructure asset in question, shall annually report to the Council, not later than in July or the earliest Council meeting thereafter, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance may have on the useful operating life of the item concerned.

7.12.2 Deferred Maintenance

If there is material variation between the actual maintenance expenses incurred and the expenses reasonably envisaged in the approved maintenance plan for any infrastructure asset, the Chief Financial Officer shall disclose the extent of and possible implications of such deferred maintenance in an appropriate note to the annual financial statements. Such note shall also indicate any plans which the Council has approved in order to redress such deferral of the maintenance requirements concerned.

If no such plans have been formulated or are likely to be implemented, the Chief Financial Officer shall re-determine the useful operating life of the fixed asset in question, if necessary in consultation with the Head of Department controlling or using such item, and shall recalculate the increased annual depreciation expenses accordingly.

7.12.3 General Maintenance of Assets

Every Head of Department shall be directly responsible for ensuring that all assets (other than infrastructure assets which are dealt with in part 7.13.1 and part 7.13.2 above) are properly maintained and in a manner which will ensure that such item attain their useful operating lives.

7.13 Replacement Strategy

The Municipal Manager, in consultation with the Chief Financial Officer and other Heads of Departments, shall formulate norms and standards for the replacement of all normal operational assets. Such norms and standards shall be incorporated in a formal strategy, which shall be submitted to the Council for approval. **This strategy shall cover the replacement of motor vehicles, furniture and fittings, computer equipment, and any other appropriate operational items.**

Such strategy shall also provide for the replacement of assets which are required for service delivery but which have become uneconomical to maintain.

7.14 Insurance of Assets

The municipal manager or heads of departments to whom the responsibility of the assets have been delegated shall ensure that all movable assets are insured at least against fire and theft, and that all municipal buildings are insured at least against fire and allied perils. The municipal manager and heads of department will annually revise council insurance portfolio to ensure that all assets are adequately insured. The services of an insurance broker would be required in terms of council's Supply Chain Management policy.

Any theft, loss or damage to an asset should immediately be reported to council's insurance brokers by the relevant head of department under whose responsibility the asset falls. A copy of the insurance claim submitted should be forwarded to the Chief Financial Officer who must record such claim in the insurance register. It is the responsibility of the relevant head of department to ensure that all documents / information for the completion of the claim is forwarded to council's insurance brokers and that copies thereof is forwarded to the Chief Financial Officer. The head of department should in writing request the replacement of the asset which can only be authorized, if sufficient provision for the replacement of the asset is on the capital budget, by the Municipal Manager after consultation with the Chief Financial Officer. If sufficient provision is not on the capital budget the asset can only be replaced if provision for the replacement is made on an Adjustments budget. In the case where an asset must be replaced as an emergency measure, the Mayor may authorise such expenditure, subject to compliance with Section 29 of the MFMA.

Third-party (insurance) pay-outs must be treated as revenue when the amount is certain and may not be offset against the cost of replacing the item. The carrying value of items lost, stolen or damaged beyond repair must be treated as impairment against the relevant department or vote. The full cost of the replacement item must then be capitalised.

The municipal manager shall recommend to the council of the municipality, after consulting with the Chief Financial Officer, the basis of the insurance to be applied to each type of fixed asset: either the carrying value or the replacement value of the fixed assets concerned. Such recommendation shall take due cognisance of the budgetary resources of the municipality.

The Chief Financial Officer shall annually submit a report to the council of the municipality on any reinsurance cover which it is deemed necessary to procure for the municipality's self-insurance reserve.

7.15 Impairment of Assets

The accounting treatment relating to impairment losses is outlined in GRAP 21 and GRAP 26.

7.15.1 Cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.
- Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated.
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

(b) Internal sources of information

- Evidence is available of obsolescence or physical damage of an asset.
- Significant changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The re-designation of assets from a cash-generating asset to a non-cash generating asset or from a non-cash-generating asset to a cash-generating asset shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

7.15.2 Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- Cessation, or near cessation, of the demand or need for services provided by the asset.
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

(b) Internal sources of information

- Evidence is available of physical damage of an asset.

- Significant long-term changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date.
- A decision to halt the construction of the asset before it is complete or in a usable condition.
- Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss is recognised in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches, depending on the nature of the asset in question:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.
- *service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units

expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

An impairment loss is recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with another Standard of GRAP. Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with that Standard of GRAP.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

The following steps will have to be performed regularly during the year to account for impairment losses:

- Departments will identify and inform the Chief Financial Officer of assets that:
 - Are in a state of damage at year end.
 - Are technologically obsolete at year end. .
 - Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.

- Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts.
- The recoverable amounts of these assets need to be determined by calculating the net selling price per asset and value-in-use as defined above.

8. ACQUISITION OF ASSETS

8.1 Pre-acquisition Planning

Before a capital project is included in the budget for approval, the Chief Financial Officer must demonstrate that he/she has considered the following:

- The projected cost over all the financial years until the project is operational;
- The future operational costs and revenue on the project, including the tax and tariff implications;
- The financial sustainability of the project over its life including revenue generation and subsidisation requirements;
- The physical and financial stewardship of that asset through all stages of its life including acquisition, installation, maintenance, operations, disposal and rehabilitation;
- The inclusion of the capital project in the Integrated Development Plan and future budgets; and
- Alternatives to the capital purchase.

The heads of department are accountable to ensure that the Chief Financial Officer receives all reasonable assistance, guidance and explanation to enable him to achieve his planning requirements.

8.2 Approval to Acquire Property, Plant and Equipment

Money can only be spent on a project if:

- The money has been appropriated in an approved budget;
- The project, including the total cost has been approved by the Council;
- The Chief Financial Officer confirms that funding is available for that specific project; and
- Any contract that will impose financial obligations beyond two years after the budget year is appropriately disclosed.

Funding of Capital Projects

Within the Municipality's on-going financial, legislative or administrative capacity, the Chief Financial Officer must establish and maintain the funding strategies that optimise the municipality's ability to achieve its strategic objectives as stated in the Integrated Development Plan. The acquisition of assets may not be funded over a period longer than the useful life of that asset.

9. PURCHASE OR HIRE OF IMMOVABLE PROPERTY

The municipality may acquire by purchase, or by hire, immovable property within- or outside the municipal boundary provided it complies with the requirements of the MFMA and the Supply Chain Management policy and subject to the following:

- The cost of the purchase or hire had been budgeted for; and
- The intention to buy or hire the immovable property had been advertised for public comment.
- After consideration of any public comments/objections the Council will:-
 - In the case of the following paragraph complies with the requirements of that paragraph; and
 - In the case of all other immovable property, finally resolve to continue with the purchase or hire and apply the supply chain management processes
- The Council will not continue with the purchase or hire of any immovable property where:
 - The price is in excess of the market value thereof as assessed by an appraiser; or
 - The rental which, when calculated per annum in the case of:
 - Immovable property hired for agricultural purposes, exceeds six percent; and
 - Immovable property hired for any other purpose, exceed twelve percent of the market value of the property, as assessed by an appraiser.

The Council may accept a gift or conveyance of immovable property either for the municipality or in trust for charitable or other public purposes not connected with public worship, and hold the same in such trust or for such purpose as may be declared by such donors and may administer, utilize and improve such property.

The trustees of any immovable property held in trust for any township village of settlement which has become a municipality or part of a municipality may transfer such property to the Council, subject to any special trusts in their deeds of title and upon conditions not at variance therewith.

10. IMPLEMENTATION OF THIS POLICY

This policy to be implemented as approved by Council Decision DCxxx, 28 May 2019. All future asset management must be done in accordance with this policy.

This policy must be reviewed annually by the Accounting Officer and the CFO for any legislative or General Accounting Practise changes in consideration with audit recommendations for the Auditor General.

APPENDIX A

SCHEDULE OF EXPECTED USEFUL LIVES OF ASSETS (to be used as a guide only, every asset's useful life must be determined individually)

	Years		Years
<u>Infrastructure</u>		<u>Other</u>	
Roads and Paving	7 - 32	Buildings	5 - 32
		Other vehicles	2 - 34
<u>Community</u>		Office equipment	3 - 32
Buildings	7 - 32	Furniture and fittings	1 - 33
Recreational Facilities	32	Bins and containers	8 - 32
Parks and gardens	22	Specialised plant and	
Investment Property - Buildings	29 - 32	Equipment	2 - 32
		Fire Engines	3 - 34
		Emergency equipment	6 - 22
		Computer equipment	1 - 32
		Computer Software	2 - 18

Annexure A : Movement of Moveable Assets

- Do not move assets without having completed an asset transfer form (Annexure B), signed off by the Executive Manager of the department; the form to be submitted to Asset Management Unit (Finance) within 3 workings asset of being.
- Keep assets issued to you personally (laptops, camera's, etc.) safely and in good working condition. Assets will not be readily replaced and that could hamper your work performance. If there is any assets not in good working condition please inform asset management for them to be repaired as this this will affect the value of our assets in our books if it is not in good working condition during asset verification or audit process.
- Ensure that assets in your possession are barcoded if not inform asset management (Finance) to have the item barcoded.
- If there are any concerns regarding missing assets that might have been moved without following the correct process of filling in the Assets transfer from, please raise the matter immediately with asset management unit for the item to either be moved back to your office or the process be ratified (Asset Register – Location of Asset, filling in of asset transfer form)
- If you are aware of stolen assets or missing assets that have not been located please inform asset management unit to allow the due process regarding assets to be ensued, otherwise failure to do will result in the official to whom the asset was entrusted as personally liable for the recovery cost of the asset
- Every room should have an asset list mounted at the back each door listing all assets in that room. If you become aware that a room /office does not have one, please inform asset unit immediately.
- Asset list to be reviewed very month by the allocated user/occupant of the office or room, to ensure that all assets in the office exist, they are complete and in good working condition. (Ensure that they still have their Bar Codes)
- Any missing assets on the list but not in the office/room to be reported to asset unit immediately.
- Any unidentified asset in the room but not listed in the room asset list to be reported to the asset unit. (Asset Unit will remove the asset and place it in the allocated location as per asset register)

Matters of Emphasis

1. All transfer of asset forms completed to be signed off by the relevant head of department with the approval of the designated official and sent to Asset unit (Ext. 1325 or 1303).
2. Should there be any discrepancies between the Asset register and the assets in your custody and no formal documentation indicating their movement; report the matter to asset unit immediately.
3. Every person to whom assets are allocated are responsible to ensure the assets are safeguarded and any theft/damage is immediately reported. Reasonable care must be exercised to safeguard the assets. Negligence to safeguard assets can lead to investigated procedures to be initiated which can potentially lead to disciplinary action.

Annexure B: Asset Transfer Form:**Application for Asset Transfer**

Asset No	From Location	To Location

Requested	Authorised By	Date

Received By	Date

ANNEXURE G

FUNDING AND RESERVE POLICY



FUNDING AND RESERVES POLICY

Date Approved:

Council Resolution
(DC):

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FUNDING AND RESERVE POLICY

1. INTRODUCTION AND OBJECTIVE

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements.

2. SECTION A: FUNDING POLICY

LEGISLATIVE REQUIREMENTS

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA), an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes. and
- Borrowed funds, but only for capital projects.

Furthermore, spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes.

The requirements of the MFMA are therefore clear in that the budget must be cash – funded i.e. cash receipts inclusive of prior cash surpluses must equal or be more than cash paid.

In determining whether the budget is actually cash funded and in addition ensuring long term financial sustainability, the municipality will use analytical processes, including those specified by National Treasury from time to time.

STANDARD OF CARE

Each functionary in the budgeting and accounting process must do so with judgment and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise to the management of his or her own finances with the primary objective of ensuring that the objectives of this policy are achieved.

STATEMENT OF INTENT

The municipality will not pass a budget which is not cash – funded or where any of the indicators as listed in this document are negative, unless acceptable reasons can be provided for non-compliance, provided that the requirements of the MFMA must at all times be adhered to.

CASH MANAGEMENT

Cash must be managed in terms of the municipality's Cash Management and Investment Policy.

DEBT MANAGEMENT

Debt must be managed in terms of the municipality's Debt Management and credit control Policy, together with any requirements in this policy.

FUNDING THE OPERATING BUDGET

2.6.1 INTRODUCTION

The municipality's objective is that the user of municipal resources must pay for such usage in the period it occurs.

The municipality however, recognizes the plight of the poor, and in line with national and provincial objectives, the municipality commits itself to subsidized services to the poor. This will necessitate cross subsidization in funding to be calculated in the budget process.

2.6.2 GENERAL PRINCIPLE WHEN COMPILING THE OPERATING BUDGET

The following specific principles apply when compiling the budget:

- a) The budget must be cash – funded, i.e. revenue and expenditure projections must be realistic and the provision for impairment of receivables must be calculated on proven recovery rates;
- b) Growth parameters must be realistic and be based on historic patterns adjusted for current reliable information and in any line with any budget circulars issued by National and Provincial Treasury;
- c) Tariff adjustments must be fair;
- d) Revenue from Government Grants and Subsidies must be in accordance with the amounts promulgated in the Division of Revenue Act, proven provincial transfers and any possible transfers to or from other municipalities.

For the purpose of the Cash flow budget any National or Provincial grants that have been re-appropriated for roll-over purposes must be excluded from the calculation as it must be included in changes in Cash and Cash Equivalents and Payables.

Furthermore, in the budget the total grants recognised as revenue must equal the total expected expenditure from grants, inclusive of capital expenditure and VAT as per directive given in MFMA circular 48.

- e) Projected revenue from services charges must be reflected as net (all billing less revenue foregone, which is free basic services, discounts and rebates).
- f) Only changes in fair values related to cash may be included in the cash flow budget. Changes to unamortised discount must be included in the Operating Budget but excluded in the cash flow budget.
- g) Employee related costs include contributions to non-current and current employee benefits. It is acknowledged that the non-current benefits' requirements are well above the initial cash capabilities of the municipality, and it is therefore determined that provision for the short term portion of employee benefits, as well as an operating surplus calculated at the minimum of 10% of the prior year balance of the long-term benefits not yet cash-funded, be included in the operating budget, in order to build sufficient cash for these requirements. The cash portion of the employee benefits must be accounted for in an "Employee Benefits Reserve".
- h) Depreciation must be fully budgeted for in the operating budget.

In order to ensure a sufficient accumulation of cash for the replacement of Property, Plant and Equipment and Intangible Assets, the amount of depreciation on assets funded from own sources, excluding assets funded from grants, public contributions and external loans, landfill site calculations of the GRAP 17 asset and GRAP 19 provisions, must be reflected as a surplus on the cash flow budget. Capital Replacement Reserve must be fully cash funded and amount equal to the annual depreciation/amortisation must be transferred to the Capital Replacement Reserve annually.

- i) Contributions to provisions (non-current and current) do not form part of the cash flow. It is however, necessary to provide for an increase in cash resources in order to comply with the conditions of the provision at the time when it is needed. All provisions must be cash backed and cash set aside for the payment of these contributions as they become due and payable.
- j) The amount calculated as a contribution to rehabilitate the landfill site at the end of its useful life, is included in the cash flow and must generate a cash surplus equal to the calculated value of the annual amount to be invested to yield the amount needed to rehabilitate the landfill site. To achieve this the cost of the landfill site operations must be fully recovered from the participating user municipalities. These cash surpluses must annually be transferred from the accumulated surplus to a Landfill Rehabilitation Reserve Fund.

FUNDING THE CAPITAL BUDGET

2.7.1 INTRODUCTION

The municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non – existent.

In order to achieve this objective the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets.

2.7.2 FUNDING SOURCES FOR CAPITAL EXPENDITURE

The capital budget can be funded by way of own contributions, grants, public contributions as well as external loans.

Own Contributions

The capital budget financed from own contributions must primarily be funded from the Capital Replacement Reserve and the Landfill Rehabilitation Reserve which must be cash funded and/or current year surplus revenue.

Notwithstanding the above the capital budget or portions thereof may also be funded from surplus cash. The allocations of the funding sources from own contributions are determined during the budget process.

Annually the depreciation/amortization amount must be transferred to the capital replacement reserve. When the capital replacement reserve is utilized for the funding of the capital budget, the capital replacement reserve must be replenished within two years to ensure adequate cash is available in the reserve to fund unforeseen and unavoidable capital purchases that was not included in the original budget.

Grants (Including Public Contributions)

Grants for capital expenditure have become a common practice, especially in order to extend service delivery to previously disadvantaged areas. While such grants are welcomed, care should also be taken that unusual grant funding does not place unreasonable burden on the residents for future maintenance costs which may be higher than their ability to pay.

It is therefore determined that the accounting officer must evaluate the long term effect of unusual capital grants on future tariffs, and if deemed necessary, report on such to Council.

It is furthermore determined that the depreciation charges on assets financed from grants and donations must not have a negative effect on tariffs charged to the users of such assets. The Accounting Officer must put such accounting measures in place to comply with this requirement, to a reasonable extent.

External Loans

The municipality may only raise loans in accordance with its Debt Management Policy.

The Accounting Officer must also put such accounting measures in place to ensure that no unspent portions of loans are utilised for operating purposes.

For budgeting purposes any difference between proposed capital spending from loans and proposed loans raised must be included in the cash surplus for the year. Given the revenue restraints of a district municipality detail cost analysis must be performed for considering raising loans and the ability to repay such obligations as they become due and payable. Loans must be used for purchasing of cash generated assets to ensure a constant revenue stream to be utilized for the repayment of such loans.

FUNDING COMPLIANCE MEASUREMENT

2.8.1 INTRODUCTION

The municipality wants to ensure that the budget or adjustments budget complies with the requirements of the MFMA and this policy. For this purpose a set of indicators must be used as part of the budget process and be submitted with the budget. These indicators include all the indicators as recommended by National Treasury as well as reconciliations according to this policy. Any additional indicators recommended by National Treasury in future must also be taken into account, as well as any additional reconciliation items as either determined by the Council or the Accounting Officer.

If any of the indicators are negative during the compilation or approval process of the budget, the budget may not be approved until all the indicators provide a positive return, unless any negative indicators can be reasonably explained and future budget projections address the turn-around of these indicators to within acceptable levels.

2.8.2 CASH PLUS INVESTMENTS LESS APPLICATION OF FUNDS

The overall cash position of the municipality must be sufficient to include:

- unspent conditional grants;

- unspent conditional public contributions;
- unspent borrowings;
- VAT due to SARS;
- secured investments;
- capital replacement reserve balance
- landfill site restoration reserve balance
- the cash portion of statutory funds such as the Housing Development Fund;
- other working capital requirements; and
- In addition, it must be sufficient to back reserves as approved by the municipality and the portions of provisions as indicated elsewhere in this policy.

2.8.3 SURPLUS/DEFICIT EXCLUDING DEPRECIATION OFFSETS

Should the budget result in a deficit after the offsetting, the budget will be deemed unfunded and must be revised. Annually the depreciation/amortization amount must be transferred to the capital replacement reserve to build up the reserve and it must be cash funded.

3. SECTION B: RESERVES POLICY

INTRODUCTION

The municipality recognises the importance of providing to the municipality itself, as well as its creditors, financiers, staff and general public a measure of protection for future losses, as well as providing the necessary cash resources for future capital replacements and other current and non-current liabilities.

This policy aims to provide for such measure of protection by creating certain reserves.

LEGAL REQUIREMENTS

There are no specific legal requirements for the creation of reserves, except for the Housing Development Fund, however this is not applicable to district municipalities currently. The GRAP Standards itself also do not provide for reserves.

However, the GRAP "Framework for the Preparation and Presentation of Financial Statements" states in paragraph 91 that such reserves may be created, but "Fund Accounting" is not allowed and any such reserves must be a "legal" reserve, i.e. created by law or Council Resolution.

TYPES OF RESERVES

Reserves can be classified into two main categories being "cash funded reserves" and "non – cash funded reserves".

3.3.1 CASH FUNDED RESERVES

In order to provide for sufficient cash resources for future expenditure, the municipality hereby approves the establishment of the following reserves:

(a) Capital Replacement Reserve (CRR)

The CRR is to be utilised for future capital expenditure from own funds and may not be used for maintenance– or other operating expenditure. This fund must be fully cash backed.

(b) Rehabilitation Reserve

The once off payment for the statutory obligation to rehabilitate the regional landfill site when it reached the end of its useful life must be placed in a separate capital reserve and must be cash backed and may only be utilized for purposes of the regional landfill site.

The operation, licensing, management and closure of landfill sites in South Africa is highly regulated. The objective of the legislation is to minimize the potential impact that landfill sites can, or may have on the environment.

The rehabilitation of the landfill site is legislatively required to ensure that the site is environmentally acceptable after the landfill site has stopped receiving waste. Garden Route District Municipality is in the process of erecting a regional landfill site which will be funded from loan funding. The agreement will be for twenty (20) years and local municipalities will partake in this project and contribute monthly towards the operational cost of the regional landfill site as well the administration and rehabilitation cost.

The monthly rehabilitation cost contribution received from the participating local municipalities must be transferred to a cash funded reserve set aside for the rehabilitation cost payable after the landfill site has reached the end of its useful live.

(c) Employee benefit reserve

To be utilized for any provision of employee related benefits/provisions and must be cash backed.

3.3.2 NON CASH FUNDED RESERVES

Currently the district municipality do not have any such reserves.

ANNEXURE H

SUPPLY CHAIN MANAGEMENT

POLICY



SUPPLY CHAIN MANAGEMENT POLICY

Adopted by Council: 29/05/17 COUNCIL RESOLUTION DC 162/05/17

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

Date of adoption: **[29/05/17]**

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the following proposal as the Supply Chain Management Policy of the municipality

Supply Chain Management Policy of the municipality

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8. Definitions

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and

“Central Supplier Database (CSD) means National Treasury’s web based Vendor Management Database established as per MFMA circular No. 81, Municipal Finance Management Act No. 53 of 2003. www.csd.gov.za effective as 01 July 20016

“Competitive bidding process” means a competitive bidding process referred to in paragraph 12 (1) (e) of this Policy;

“Competitive bid” means a bid in terms of a competitive bidding process;

“emergency” means is a serious, unexpected, unforeseen and potentially dangerous and damaging situation requiring immediate action and which is not due to lack of planning, if left unattended will cause a serious health/life threatening risk or adverse financial ramifications.

“e-Tender publication portal” means National Treasury’s central web based publication platform to ensure goods, services and works are procured in a manner that is fair, equitable, transparent, competitive and cost effective by advertising centrally as an invitation to prospective bidders to submit bids. www.etenders.gov.za

“final award”, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

“formal written price quotation” means quotations referred to in paragraph 12(1)(c) of this policy;

“in the service of the state” means to be -

- **a member of -**
 - . any municipal council;
 - i. any provincial legislature; or
 - ii. the National Assembly or the National Council of Provinces;
- a member of the board of directors of any municipal entity;
- an official of any municipality or municipal entity;
- an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- an executive member of the accounting authority of any national or provincial public entity; or

- an employee of Parliament or a provincial legislature;

“contract of long term nature” means a contract with a duration period exceeding the three year MTREF period as per section 33 of the MFMA;

“list of accredited prospective providers” means the list of accredited prospective providers which the **municipality** must keep in terms of paragraph 14 of this policy; or Central Supplier Database

“Other applicable legislation” means any other legislation applicable to municipal supply chain management, including –

- a. **the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000):**
- b. the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); and
- c. the Construction Industry Development Board Act, 2000

“PPPFA” means the Preferential Procurement Policy framework Act, no 5 of 2000

“Executive Manager” reporting directly to the Accounting Officer” means an executive manager in the employment of the Garden Route District Municipality who heads a department and reports to the Municipal Manager

“Treasury guidelines” means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

“the Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“the Regulations” means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

“written or verbal quotations” means quotations referred to in paragraph 12(1)(b) of this Policy

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

9. Supply chain management policy

- (1) All officials and other role players in the supply chain management system of the municipality must implement this Policy in a way that –
- a. gives effect to –
 - (i) section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
 - b. is fair, equitable, transparent, competitive and cost effective;
 - c. complies with –
 - (i) the Regulatory framework prescribed in chapter 2 of the regulations; and
 - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
 - d. is consistent with other applicable legislation:
 - (i) The Preferential Procurement Policy Framework Act
 - (ii) The Preferential Procurement Regulation, 2022
 - (iii) The Broad Based Black Economic Empowerment Act
 - (iv) The Construction Industry Development Board Act
 - (v) The Local Government: Municipal Systems Act
 - (vi) The Promotion of Administrative Justice Act
 - (vii) The Promotion of Access to Information Act
 - e. does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
 - f. is consistent with national economic policy concerning the promotion of investments and doing business with the public sector
 - g. assigns the responsibility for the implementation of policy to the Accounting Officer of the Municipality
- (2) The Municipality may not act otherwise than in accordance with the supply chain management policy *when* –
- (i) Procuring goods or services
 - (ii) Disposing of goods no longer needed or which have become redundant
 - (iii) Disposing or letting of fixed assets, including land needed have proven commercial value no longer required for basic municipal service

- (iv) Selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
 - (v) Selecting external mechanisms referred to in section 80(1)(b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act
- (3)** This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –
- a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - b) electricity from Eskom or another public entity, another municipality or a municipal entity.

10. Adoption and amendment of the supply chain management policy

- (1)** The accounting officer must
- a) at least annually review the implementation of this Policy;
 - b) review compliance to norms and standards cost efficiency of the supply chain management process; and
 - c) when the accounting officer considers it necessary submit proposals for the amendment of this Policy to the council.
- (2)** If the accounting officer submits proposed amendments to the council that differs from the model policy issued by the National Treasury, the accounting officer must –
- a) ensure that such proposed amendments comply with the Regulations; and
 - b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
- (3)** When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.
- (4)** The desired outcome of the policy is to provide mechanism to ensure sound, sustainable and accountable Supply Chain Management within the Garden Route District Municipality while promoting the following LED objectives:
- (i) to stimulate and promote local economic development in a targeted and focused manner as per **Garden Route Growth and Development Strategy as**

approved by Council;

(ii) **to promote resource efficiency and reduce the negative environmental impact of daily operations of the Garden Route District:**

(iii) to facilitate creation of employment and business opportunities for the people of the Garden Route District with particular reference to Preferential Procurement Policy Framework Act, 2000, Preferential Procurement Regulations, 2022, and **setting specific B-BEEE rating targets for all procurement above a range as determined by council over a period of the contract.**

(iv) **to promote the competitiveness of regional businesses within approved Regional Economic Development Strategy:**

11. Delegation of supply chain management powers and duties

1) The council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –

a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –

i) Chapter 8 or 10 of the Act; and

ii) **this Policy;**

b) to maximise administrative and operational efficiency in the implementation of this Policy;

c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and

d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

2) Sections 79 and 106 of the Act apply to the sub delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).

3) The accounting officer may not sub delegate any supply chain management powers or duties to a person who is not an official of municipality or to a committee which is not exclusively composed of officials of the municipality.

4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

12. Sub delegations

- The accounting officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.
- The power to make a final award –
 - above R 10 million (VAT included) may not be sub delegated by the accounting officer;
 - above R 2 million (VAT Included), but not exceeding R 10 Million (VAT Included), may be sub-delegated but only to –
 - **the chief financial officer;**
 - a Head of Department; or
 - a bid adjudication committee of which the chief financial officer or a senior manager is a member; or
 - not exceeding R 2 million (VAT Included) may be sub-delegate but only to –
 - the chief financial officer;
 - a Manager directly accountable to Accounting Officer
 - a manager directly accountable to the Chief Financial Officer or a Senior Manager; or
 - (iv) a bid adjudication committee.
- An official or bid adjudication committee to which the power to make final awards has been sub delegated in accordance with subparagraph 5(2) must within five days of the end of each month submit to the accounting officer a written report containing particulars of each final award made by such official or committee during that month, including-
 - (i) the amount of the award;
 - (ii) the name of the person to whom the award was made; and
 - (iii) the reason why the award was made to that person.
- A written report referred to in subparagraph 5(3) must be submitted –
 - to the accounting officer, in the case of an award by –
 - the chief financial officer;
 - a senior manager; or
 - a bid adjudication committee of which the chief financial officer or a senior manager is a member; or

- to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by –
 - a manager referred to in subparagraph (2)(c)(iii); or
 - a bid adjudication committee of which the chief financial officer or a senior manager is not a member.
- Subparagraphs 5(3) and 5(4) of this policy do not apply to procurements out of petty cash.
- This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.
- No supply chain management decision-making powers may be delegated to an advisor or consultant.

13. Oversight role of council

1. The council reserves its right to maintain oversight over the implementation of this Policy
2. For the purposes of such oversight the accounting officer must –
 - (i) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or share control of the municipality, to the council of the municipality;
 - (ii) and whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the council.
3. The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor
4. The reports must be made public in accordance with section 21A of the Municipal Systems Act.
5. Section 117 of the MFMA prohibits a municipal councillor from being a member of a bid committee or attend any other committee evaluating or approving quotations or bids nor
may a Municipal Councillor attend any such meeting as an observer.
6. In order to create an environment where business can be conducted with integrity

and in a fair and reasonable manner, this Policy will strive to ensure that the Municipal Manager and all representatives of Garden Route District Municipality involved in supply chain activities shall act with Integrity and in accordance with the highest ethical standards

7. All supply chain management representatives shall adhere to the code of conduct of municipal staff contained in schedule 2 of the Systems Act, and this Policy's Code of Ethical Standards

7. Supply chain management unit

- 1) A supply chain management unit is hereby established to implement this Policy.
- 2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.
- 3) The supply chain management unit shall operate as a centralised supply chain management function to administer and co-ordinate all the Supply Chain Management activities and functions of the municipality as described in this Policy unless a function or activity is specifically excluded by the accounting officer from the unit's term of reference
- 4) All Garden Route District officials shall act with integrity and adhere to the code of conduct of municipal staff contained in Annexure B of the Policy (Systems Act, schedule 2)

8. Training of supply chain management officials

The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training. The Skills

Development Officer (HR) to facilitate the necessary training for the SCM officials to achieve the Minimum Competency Levels as required. Work based skills plan facilitated by Human Resources to form the basis for training of SCM officials.

CHAPTER 2: SUPPLY CHAIN MANAGEMENT SYSTEM

9. Format of supply chain management system

This Policy provides systems for -

- (i) demand management;
- (ii) acquisition management
- (iii) logistics management
- (iv) disposal management
- (v) risk management
- (vi) performance management

Part 1: Demand management

10. Demand Management System

- 1) The accounting officer must establish, through operational procedures, and implement an appropriate demand management system in order to ensure that the resources required by the municipality support its operational commitments and its strategic- goals as outlined in the Integrated Development Plan.
- 2) The Municipality's Integrated Development Plan (IDP) is a comprehensive strategic document setting out how the Municipality intends to tackle its development challenges in a financial year. It is on the basis of the IDP that the resources of the municipality will be allocated and on which the budget is based.
- 3) The demand management system to ensure that each Head of the Department has a yearly plan that will include the following:
 - a) include timely planning and management processes to ensure that all goods and services required by the municipality / respective departments are quantified and budgeted for. Timely and effectively planning is executed to ensure they are delivered at the right location, at the critical delivery date, and are of the appropriate quality and quantity at a fair cost; *(All Executive / Senior Managers to oversee the Yearly Planning for their respective departments)*
 - b) **take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature;**
 - c) provide for the compilation of the required specifications to ensure that its needs are met.
 - d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

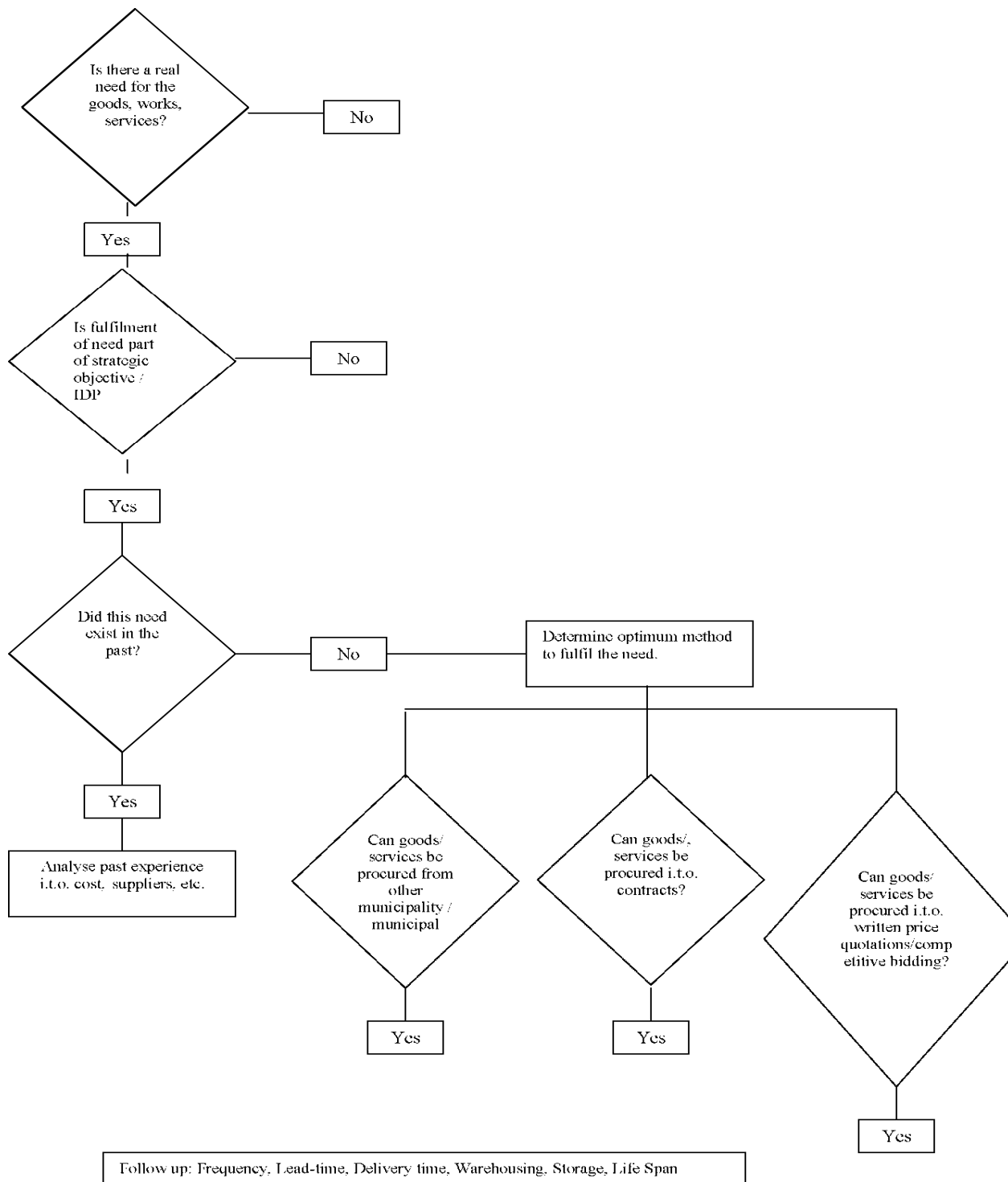
- e) In dealing with suppliers and potential suppliers, the Municipality shall respond promptly, courteously and efficiently to enquiries, suggestions and complaints.

(4) Major Activities

- a) Demand management to be executed following the tabling of the draft Integrated Development Plan (IDP) and draft budget by council or approval of the Adjustment budget by council, spending of funds subject to final approval of the budget by council and funds are available on the financial system.
- b) Establishing requirements
- c) Determining the needs
- d) Deciding on appropriate procurement strategy
- e) All procurement to be directly linked to the Demand Management Plan that will entail all envisaged planning for financial year ahead.
- f) Demand Management Plan of the respective departments to be reviewed by the Accounting Officer or Delegated Official and submitted to Supply Chain Management Unit for planning and execution.
- g) All deviations to be interrogated by the Accounting Officer against the Demand Management Plan and the Accounting officer to oversee the appropriate remedial steps to be implemented by the relevant executive / senior managers to prevent poor or lack of planning by departments

(5) Demand Management Plan to entail the following:

- a) establishing requirements and needs for the year ahead
- b) deciding on appropriate procurement strategies, use of quotations or bidding
- c) understanding the future needs;
- d) identifying the frequency of the need
- e) linking the requirement to the budget
- f) conducting expenditure analysis based on past expenditure
- g) determining requirement (including the internal capacity to implement)
- h) conducting commodity analyses in order to check for alternatives; and
- j) conducting industry analyses to establish market prices and strategic industry role players

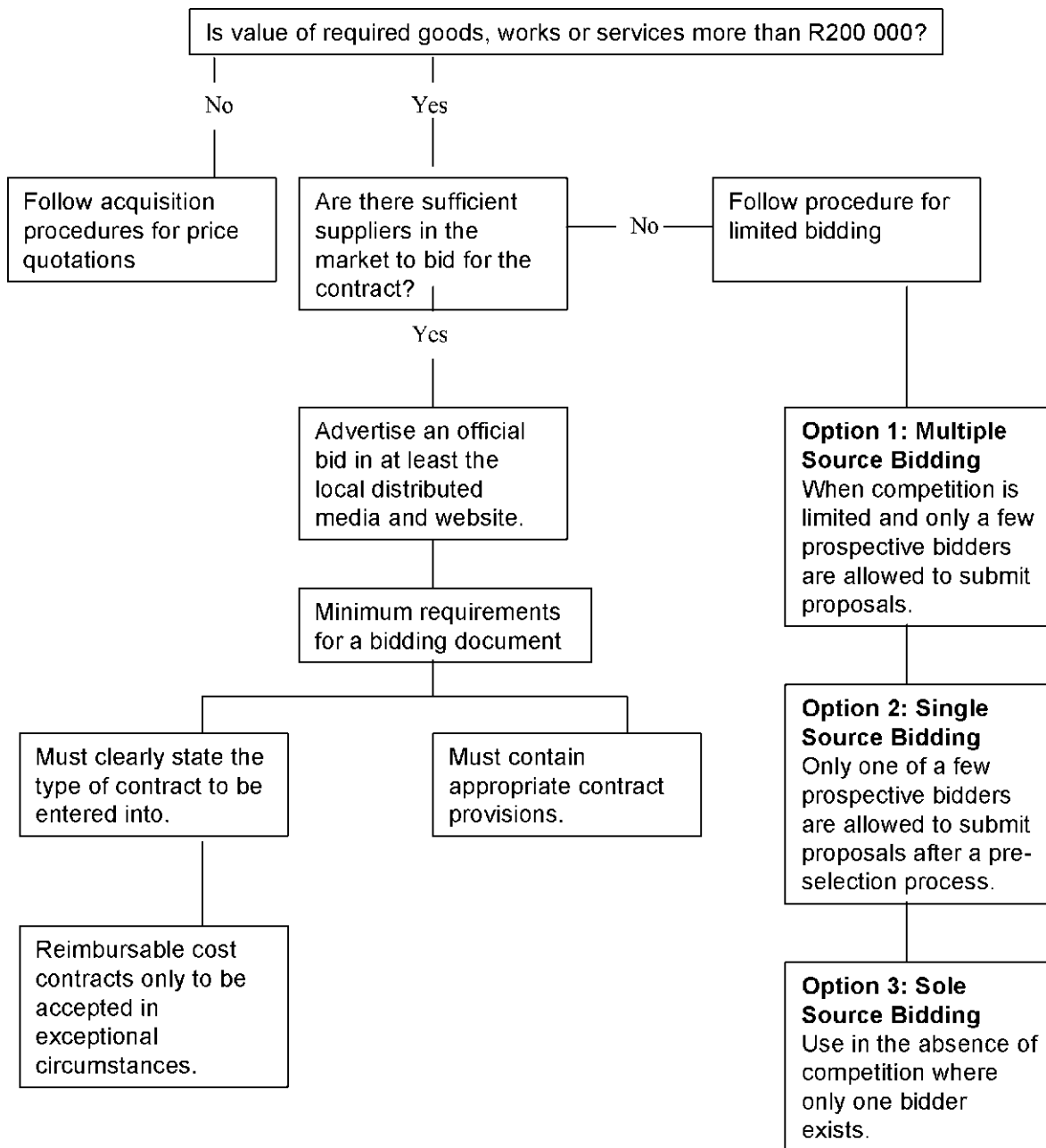
Annexure:**Flowchart of the Demand Management Process**

Part 2: Acquisition management

11. Acquisition management System

- (1) The Objective of the System of Acquisition Management is to ensure –
 - a) that goods and services are procured by the municipality in accordance with authorised processes only;
 - b) That expenditure on goods and services is incurred in terms of an *approved budget in terms of section 15 of the Act*;
 - c) that the threshold values for the different procurement processes are complied with;
 - d) That bid documentation, evaluation and adjudication criteria, and general conditions of contract are in accordance with any applicable legislation including PPPFA, and any condition of the CIDBA; and
 - e) That any Treasury guidelines / circulars on acquisition management are properly taken into account during the review of the SCM Policy.

- (2) When procuring goods or services contemplated in section 110(2) of the Act, including water from the department of Water Affairs, Public Entity, another municipality or a municipal entity; and electricity from Eskom or public entity, municipality or municipal entity; the accounting officer must make public the fact that such goods or services are procured otherwise than through the municipality's supply chain management system, including -
 - a) the kind of goods or services; and
 - b) the name of the supplier.



Strategic sourcing flow chart for competitive bidding for Items above R200 0000 (Source: The Accounting Officer's guideline for Supply Chain Management)

12. Range of procurement processes

(1) Goods and services may only be procured by way of -

- a) petty cash purchases may be used up to a transaction value of R2 000, in accordance with the provisions of the Petty Cash Policy
- b) written quotations for procurements of a transaction value over R2 000 up to R30 000 (VAT included);
- c) formal written price quotations (informal tender) for procurements of a transaction value over R 30 000 up to R200 000 (VAT included); and
- d) competitive bidding process (formal tender) for procurement above a transaction value of R 200 000 (VAT included)

(2) The accounting officer may, in writing-

- a) lower, but not increase, the different threshold values specified in subparagraph 12(1); or
- b) direct that –
 - (i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2000;
 - (ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R10 000
 - (iii) informal tender process be followed for procurement below R30k
 - (iv) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000.

(3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy.

(4) When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

13. General preconditions for consideration of written quotations or bids

A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

- (a) has furnished that provider's -
 - a. full name;
 - b. identification number or company or other registration number; and

- c. tax reference number and VAT number, if supplier is a register VAT vendor;
- (b) In the case of transactions exceeding R 30 000, including VAT:
 - (i) A valid Tax clearance certificate or service provider tax verification details (SARS Pin number for e-filing independent verification) must accompany the bid documents. (Status verification on the day of award) *(The onus is for the bidder to ensure that their tax matters are in order.)*
 - (ii) If the bid of the preferred bidder is not supported by a valid TAX Clearance Certificate, either as an attachment to the bid documents or on record in the case of suppliers registered on the Central Supplier Database of the National Treasury, the municipality reserves the right to request the Bidder to supply the municipality with a valid SARS (e-filing) TCS pin for independent verification on SARS e-filing within a prescribed period, failure of which will result in a disqualified bid. *(Within seven days of being notified by Supply Chain Management Office)*
- (c) has indicated -
 - (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (ii) if the provider is not a natural person, whether any of its directors, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
 - (iii) whether a spouse, child or parent of the provider or of director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.
- (d) The Municipality is aware that not all service providers in the region are registered on the Central Supplier Database of National Treasury; although it's preferable and the intention of Government to limit transactions to registered suppliers on the National Treasury Central Supplier Database, the following is applicable to acquiring goods or services from service providers not registered on the database with regards goods and services below R30 000:
 - i. Where less than 3 services providers have been identified on the Central Supplier Database, alternative service providers not registered on the database maybe requested for additional quote(s) provided their tax matter are in order and can be independently verified on SARS e-filing. (Such service providers must be encouraged and assisted subsequently to register on the Central Supplier Database)
 - ii. Where quotations provided are not market related, prices quoted are significantly material above market price, an alternative quotation

- should be requested from an alternative vendor rendering the same goods and services even if not on the system vendor management system, provided their tax matters are in order and can be independently verified on SARS e-filing)
- iii. A declaration form to be attached to the requisition sent to the service provider not listed on the database requesting declaration of not being in the service of the state.
 - iv. Supplier to be provided with the Municipal Declaration form for regulation 44 vetting and SARS compliance
- (e) Where the chosen vendor to render services or supply goods is in accordance to section 13(d) of the Garden Route District Municipality's Supply Chain Management System, the following must take place
- i. Provision can be made for purchases to be made from such a supplier for transactions below R30K
 - ii. Suppliers not registered on the Central Supplier Database with whom the Municipality transacts with frequently to be encouraged to register on the National Treasury's Central Supplier Database.
 - a) Where services or goods delivered are once off the CFO to provide authorisation for direct payment,
 - b) Where it is likely that the similar service or goods requested will be required in the future, then DATA Unit to be approached to engage with the service provider and facilitate the process of the vendor registering on the Central Supplier database
 - iii. The user department must inform Data Unit in Finance Department of such a service provider and request that assistance be provided to the service provider to be registered on the Central Supplier Database.

14. Lists of accredited prospective providers

(1) The accounting officer must -

- a) at least once a year through website, newspapers commonly circulating locally, or any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers on the National Treasury's Central Supplier Database and the updated Municipal Supplier Database
- b) Ensure use of The National Treasury Central Supplier Database, which is the database which lists the detail of all suppliers who have been registered and

vetted in order to do business with the Municipality and Government

- c) Ensure Prospective suppliers to be assisted with registering on the National Treasury's Central Supplier Database at any time, www.csd.gov.za
- d) Ensure Minimum criteria for prospective suppliers is to be registered and approved on the National Treasury Central Supplier's Database
- e) disallow the registration of any prospective supplier whose name appears on the National Treasury's Database of Restricted Suppliers and/or Register for Tender Defaulters and who is therefore prohibited from doing business with the public sector.

(2) Vendors bidding for Informal/Formal tenders that are not registered on the National Treasury's Central Supplier Database are not precluded from submitting bids, but must however be registered and approved by the time the Bid is evaluated, failing which their bid may be declared non-responsive.

- a. All persons forming part of a Joint Venture or Consortium must be registered as such on the National Treasury's supplier Database and have obtained a joint venture or partnership B-BBEE certificate of the new entity.
- b. Use of National Treasury's Central Supplier Database for procurement approved from the 31 December 2017

15. Petty cash purchases

The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 12 (1)(a) of this Policy, are as follows –

1. Petty Cash management resides with the relevant Head of Department and in the absence of a Petty Cash policy the following shall apply:
 - a) Only an Executive manager may approve or authorize the petty cash voucher.
 - b) The authorized petty cash voucher with the slip must be filed and recorded in a petty cash register.
 - c) The petty cash box must be stored away in safe place when it is not in use.
 - d) The designated personnel managing the petty cash to keep record of all transactions with the supporting document and avail it for inspection when required so.
 - e) The Chief Accountant Expenditure to verify the petty cash reconciliation every time it is replenished.
 - f) Random cyclical petty cash review can be undertaken without prior notice

where the need has been identified by the Office of the Chief Financial Officer.

2. each executive manager may allow petty cash purchases not exceeding an amount of R2 000 in each month;
3. a monthly reconciliation report from each executive manager must be provided to the chief financial officer, including –
 - (i) the total amount of petty cash purchases for that month; and
 - (ii) receipts and appropriate documents for each purchase.
4. the following types of expenditure may not be made from petty cash: all Labour or salary related expenditure

16. Written or verbal quotations

The conditions for the procurement of goods or services through written or verbal quotations are as follows:

- a) Quotations must be obtained from at least three different providers preferably from National Treasury's Central Supplier Database, but not limited to, providers whose names appear on the list of accredited prospective providers, provided that if quotations are obtained from providers who are not listed, such providers can be requested to provide an a SARS e-filing pin for independent verification.
- b) to the extent feasible, providers must be requested to submit such quotations in writing;
- c) if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or official designated by the accounting officer;
- d) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and
- e) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

17. Formal written price quotations

- (1) The conditions for the procurement of goods or services through formal written price quotations, are as follows:

- a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality and the National Treasury's central supplier database.
 - b) quotations may be obtained from providers who are not listed, provided that such providers are not listed on the national treasury's list prohibited suppliers;
 - c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer, and
 - d) the accounting officer must record the names of the potential providers and their written quotations.
- (2) A designated official referred to in subparagraph (1)(c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

18. Procedures for procuring goods or services through written or verbal quotations and formal written price quotations

The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations, is as follows, 1:

- a. when using the list of accredited prospective providers the accounting officer must promote on-going competition amongst providers by inviting all relevant providers to submit quotations. Rotation basis to be considered where pricing is competitive between bidders otherwise normal SCM process to be followed for an award.
- b) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations (Informal Tender) must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website, an official notice board of the municipality and e-tender publication portal
- c) offers received must be evaluated on a comparative basis taking into account unconditional discounts;
- d) the accounting officer or chief financial officer must on a monthly basis be notified in

writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub delegation;

- e) offers up to R10 000 (VAT included) must be awarded based on compliance to specifications, ability and capability to deliver the goods and services and lowest price;
- f) Council to consider use of rotation basis for requesting Quotations up to R10 000 (VAT Included), to avoid supplier fatigue and encourage a broader allocation of work.
- g) offers up to R30 000 (VAT included) and above R10 000 must be awarded based on price (formal written quotation) after consideration of compliance to specifications, conditions of contract, ability and capability to deliver the goods and services
- h) the accounting officer must take all reasonable steps to ensure that the procurement of goods and services through written or verbal quotations and formal written price quotations is not abused
- i) requirements for proper record keeping must be adhered to, such as:
 - i. completion of documents for audit purposes;
 - ii. ensuring the correctness of documents;
 - iii. before awards are made, proper review of documents must be undertaken.

19. Competitive bidding process

1. Goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.
2. No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.
3. Verification by the Chief Financial Officer prior to advertisement of bids above R10 million. The following information must be submitted by the executive/senior manager responsible for the vote to the CFO **prior** to the public advertisement of any bids in excess of R10 million (all applicable Taxes included):
 - (i) Proof that the budgetary provision exists for procurement of the goods and services

- and /or infrastructure projects;
- (ii) Any ancillary budgetary implications related to the bid, for example, if the project is for the acquisition of a municipal asset, does budgetary provision exist for the operation of the asset, maintenance cost relating to the asset, administration costs and rehabilitation/renewal costs;
 - (iii) Any Multi-years budgetary implications, for example, if the project will take more than one financial year, the estimated expenditure per financial year
 - (iv) Goods, service and/or infrastructure projects above the value of R10 million (all applicable taxes included) may only be advertised after the CFO has verified in writing that budgetary provision exists for the commencement of the particular project
 - (v) Requirements may not be deliberately split into part or items of lesser value merely to avoid the information being submitted
 - (vi) Contracts above the value of R10 million(all applicable taxes included) may only be awarded to the preferred bidder after Chief Financial Officer has verified in writing that the budgetary provision exists for the acquisition of the goods, infrastructure projects and/or services and that it is consistent with the Integrated Development Plan.
 - (vii) Requirements of MFMA Circular No. 62 Municipal Finance Management Act No. 56 of 2003 relating to procurement of goods and services in excess of 10 million, be implemented dealing with procurement goods or services contracts in excess of R10 million

20. Process for competitive bidding

The procedures for the following stages of a competitive bidding process are as follows:

- (a) Compilation of bidding documentation as detailed in paragraph 21;
- (b) Public invitation of bids as detailed in paragraph 22;
- (c) Site meetings or briefing sessions as detailed in paragraph 22;
- (d) Handling of bids submitted in response to public invitation as detailed in paragraph 23;
- (e) Evaluation of bids as detailed in paragraph 28;
- (f) Award of contracts as detailed in paragraph 29;
- (g) Administration of contracts
- (h) After approval of a bid, the accounting officer and the

bidder must enter into a written agreement.

- (i) Proper record keeping
- (j) Original/ legal copies of written contracts agreements should be kept in a secure place for reference purposes.

21. Bid documentation for competitive bids

The criteria with which bid documentation for a competitive bidding process must comply in addition to the requirement as listed in section 13, must –

- (a) take into account -
 - (i) the general conditions of contract and any special conditions of contract, if specified;
 - (ii) any Treasury guidelines on bid documentation; and
 - (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
- (b) include the preference points system to be used , goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
- (c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
- (d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish-
 - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements
 - (aa) for the past three years; or
 - (bb) since their establishment if established during the past three years;
 - (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a Municipality or other service provider in respect of which payment is overdue for more than 30 days;
 - (iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including

- particulars of any material non-compliance or dispute concerning the execution of such contract;
- (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
 - (e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.
 - (f) compel bidders to declare their previous supply chain management practices and state whether or not they:
 - a. have been found guilty by a court of law or a structure established by council or the accounting officer for handling alleged abuses of the Municipality or the municipal entity's supply chain management system or committed any improper conduct in relation to such a system
 - b. have been convicted of fraud or corruption during the past five years
 - c. have wilfully neglected, reneged on or failed to comply with any government , municipal or other public sector contract during the past five years
 - d. have been listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt activities Act 12 of 2004.

22. Public invitation for competitive bids

- (1) The procedure for the invitation of competitive bids, is as follows:
 - (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly

circulating locally, the website of the municipality, e-Tender Publication Portal of National Treasury or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and

(b) The information contained in a public advertisement, must include -

- (i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy;
- (ii) a statement that bids may only be submitted on the bid documentation provided by the municipality ;and
- (iii) date, time and venue of any proposed site meetings or briefing sessions.;
- (iv) In accordance with MFMA circular 83, advertisement of bids and the publication of notices in respect of awarded bids, unsuccessful bids, cancelled bids, deviations, variations and extensions of existing contracts of a municipality to be published on the e-Tender publication Portal from date of approval of the policy.
- (v) Notices of cancelled bids must be published on the same day, or at least the day after a municipality decided to cancel a bid on e-Tender Publications Portal.
- (vi) Notices of all awards to suppliers through deviations from competitive bidding, Awards through variations and extensions of existing contracts; must be published on the e-Tender Publications Portal within seven working days after the award was made
- (vii) Bid documentation obtained from the municipality in hard copy to be disbursed at a nominal charge as set in the approved tariff structure of council; alternatively a soft copy may be obtained from the website at no cost.

(2) The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process. (Reasons

must be justifiable and recorded and not seen to favour any one bidder and prejudice competitive bidding)

(3) Bids submitted must be sealed

(4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies

23. Procedure for handling, opening and recording of bids

The procedures for the handling, opening and recording of bids, are as follows:

(a) Bids-

- i. must be opened only in public;
- ii. must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
- iii. received after the closing time should not be considered and returned unopened immediately.

(b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;

(c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and

(d) The accounting officer must -

- (i) record in a register all bids received in time;
- (ii) make the register available for public inspection; and publish the entries in the register and the bid results on the website.
- (iii) After the closure of any advertised competitive Bid, Garden Route DM must publish information in terms of section 75 of the MFMA; on the municipality's website.

24. Negotiations with preferred bidders

(1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation-

- i. does not allow any preferred bidder a second or unfair opportunity;
- ii. is not to the detriment of any other bidder; and

- iii. does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.

25. Two-stage bidding process

- (1) a two-stage bidding process is allowed for -
 - (a) large, complex projects;
 - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) long term projects with a duration period exceeding three years.
- (2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- (3) In the second stage final technical proposals and priced bids should be invited.

26. Committee system for competitive bids

- (1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the accounting officer may determine:
 - (a) a bid specification committee;
 - (b) a bid evaluation committee; and
 - (c) a bid adjudication committee.
- (2) The accounting officer appoints the members of each committee, taking into account section 117 of the Act; and
- (3) A neutral or independent observer, appointed by the accounting officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- (4) The committee system must be consistent with -
 - (a) paragraph 27, 28 and 29 of this Policy; and
 - (b) any other applicable legislation.
- (5) Informal tenders to be evaluated and awarded by the Bid Evaluation committee

27. Bid specification committee

- (1) A bid specification committee should only review specifications compiled by the user department only after being signed off by the head of the user department.
 - a) Head of the Department should satisfy themselves that all tenders initiated in the department, formal or informal are aligned or included in the Department's Demand management plan and provided for in the approved budget or adjustment budget
 - b) Every tender, formal or informal, before being submitted to the Supply Chain Management Unit must have the following:
 - a) User Department to identify the appropriate person(s) to compile the relevant specification
 - b) Ensure that the relevant technical expertise would be available in assessing the Technical requirements
 - c) The Risk officer to be invited to all Bid Specification Committee meeting as part of the risk assessment process. Risk assessment may include the content below or alternative as the risk officer may deem appropriate:
 - a) –
 - I. **Legislative/legal requirements** – prescripts that govern process and legislative requirements
 - II. **Deliverables** – pre define the deliverables and parameters, no open ended contracts with specific reference to use of consultants
 - III. **Time frames** – critical deadlines to be defined, realistic time frames set
 - IV. **Municipal resources** – funding of the project is provided in the approved budget, either as own resources or alternative funding sources
 - V. **Costs** – project roll out cost to give a realistic indication of market conditions (basis for assessing value for money)
 - VI. **Political Risk** – Item linked to Integrated Development Plan of the municipality

- (2) Final specifications –
 - (a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
 - (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
 - (c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
 - (d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
 - (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
 - (f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2022; and
 - (g) must be approved by the accounting officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.
- (3) A bid specification committee must be composed of one or more officials of the municipality, preferably the manager responsible for the function involved if not a member of the Bid Adjudication Committee, and may, when appropriate, include external specialist advisors.
- (4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.
- (5) It is preferable that the Accounting officer nominate municipal officials and establish a permanent Bid Specification Committee composed of varying expertise. Specific technical expertise to be co-opted on an ad hoc basis for a

specific commodity or goods if needs be

- (6) should a member declare a conflict of interest at any stage, the member may not form part of the Bid Specification Committee and if necessary to reach a quorum the member must be replaced by a member of suitable expertise.

28. Bid evaluation committee

- (1) A bid evaluation committee must -
 - (a) evaluate bids (formal & Informal) in accordance with -
 - (i) the specifications for a specific procurement; and
 - (ii) the points system set out in terms of paragraph 27(2)(f);
 - (b) evaluate each bidder's ability to execute the contract;
 - (c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;
 - (d) submit to the Bid Adjudication Committee a report and recommendations regarding the award of the formal bid or any other related matter.
 - (e) evaluate and award Formal written quotations (Informal Tender)
- (2) A bid evaluation committee must as far as possible be composed of-
 - (a) officials from departments requiring the goods or services; and
 - (b) at least one supply chain management practitioner of the municipality.
 - (c) It is preferable that the Accounting officer to nominate municipal officials and establish a permanent Bid Evaluation Committee composed of varying expertise. Specific technical expertise to be co-opted on an ad hoc basis for a specific commodity or goods if needs be
 - (d) Should a member declare a conflict of interest at any stage, the member may not form part of the Bid Evaluation Committee and if necessary to reach a quorum the member must be replaced by a member of suitable expertise

29. Bid adjudication committee

- (1) A bid adjudication committee must -
 - (a) consider the report and recommendations of the bid evaluation committee; and
 - (b) either -
 - (i) **depending on its delegations**, make a final award or a recommendation to the accounting officer to make the final award; or
 - (ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.
- (2) A bid adjudication committee must consist of at least four senior managers of the municipality which must include -
 - (a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
 - (b) at least one senior supply chain management practitioner who is an official of the municipality; and
 - (c) a technical expert in the relevant field who is an official, if such an expert exists.
- (3) The accounting officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- (4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.
- (5) (a) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid -
 - (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
 - (ii) notify the accounting officer.
- (b) The accounting officer may -
 - (i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in

paragraph (a); and

- (ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

- (6) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation

(i) Should an award be made to a bidder not recommended by the Bid Evaluation Committee on justifiable grounds, the decision must be noted and made available to the Auditor general for audit purposes.

- (7) The accounting officer must comply with section 114 of the Act within 10 working days.
- (8) Should a member declare a conflict of interest at any stage, the member may not form part of the Bid Adjudication Committee and if necessary to reach a quorum the member must be replaced by a member of suitable expertise

30. Asset Disposal committee

- 1) The accounting officer or delegated authority will implement a mechanism to dispose of movable and immovable assets.
- 2) The accounting officer to establish an Asset Disposal Committee / Property Task Team, composed of line managers / designated personnel and on ad hoc basis may co-opt additional members with specific expertise
 - a) Line manager are regarded as asset managers / designated personnel
 - b) The nominated Asset Disposal Committee/ Property Task Team to oversee the asset disposal process of the municipality
- 3) Asset Disposal Committee / Property Task Team to meet as needs be in the financial year and assess any formal requests for Asset Disposals
- 4) Asset disposal dates to be determined by the committee following an assessment of the assets to be disposed
- 5) Detailed records of the committee, for reporting purposes, must be kept of all activities and should consist of at least, but not limited to,

- a) Disposal verification schedule
- b) Disposal schedule
- 6) Asset Disposal Committee / Property task team to establish a Disposal Management Standard operating procedure in accordance to the Supply Chain Management policy and aligned to the Asset Management Policy.
- 7) The committee to assess and ensure adequate insurance cover for Council Properties within the risk appetite of council

Specialised Forms of Procurement

31. Procurement of banking services

- (1) Subject to section 33 of the MFMA, any contract for banking services –
 - (a) shall be procured through competitive bids;
 - (b) shall be consistent with section 7 or 85 of the Act; and
 - (c) may not be for a period of more than five years at a time.
- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1).
- (4) Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

32. Procurement of IT related goods or services

- (1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- (3) The accounting officer must notify SITA together with a motivation of the IT needs if -
 - (a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
 - (b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).
- (4) If SITA comments on the submission and the municipality disagree

with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

33. Procurement of goods and services under contracts secured by other organs of state (piggy backing)

- (i) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if -
 - a. the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
 - b. there is no reason to believe that such contract was not validly procured;
 - c. there are demonstrable discounts or benefits to do so;
 - d. that other organ of state and the provider have consented to such procurement in writing.
 - e. the initial contract agreement needs to be valid and binding at the time "of piggy backing "; once the contract is terminated there is no longer a contract to "piggy back" from
 - f. where a contract is not linked to a period with a particular end date, the contract will terminate once the obligation outlined in the contract are completed or the final object is received and accepted.
 - g. any other organ of state wishing to "piggy back" from contracts as mentioned in subsection (1)(f) can only be granted permission while current contract with Garden Route District Municipality is active. (if contract has lapsed section 32 application may not be granted)

- (ii) Subparagraphs (1)(c) and (d) do not apply if -
 - a. a municipal entity procures goods or services through a contract secured by its parent municipality; or
 - b. a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent

municipality.

34. Procurement of goods necessitating special safety arrangements

1. the acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.
2. Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

35. Proudly South African Campaign / Proudly Garden Route Campaign

- (1) The municipality supports the **Proudly SA Campaign** to the extent, that preference is given to procuring local goods and services as per specific goals in the::
- a) Approved Preferential Procurement Policy of council,

36. Appointment of consultants

- (1) The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurement is made.
- (2) Consultancy services must be procured through competitive bids if
 - (a) the value of the contract exceeds R 200 000 (VAT included); or
 - (b) the duration period of the contract exceeds one year
- (3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of -

- a. all consultancy services provided to an organ of state in the last five years; and
 - b. any similar consultancy services provided to an organ of state in the last five years.
- (4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.
- (5) Should the Municipality have a Council approved Policy with regards to the appointment of consultants that is aligned to Treasury Guidelines; such policy would override this section of the Supply Chain Management Policy.

37. Deviation from and ratification of minor breaches of, procurement processes

(1) the accounting officer may -

- (a) dispense with the official procurement processes established by this Policy and procure any required goods or services through any convenient process, which may include direct negotiations, but only
 - I. in an emergency and subsequently the department to take into account in the review of their annual Demand Management Plan
 - II. if such goods or services are produced or available from a single provider only;
 - III. for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - IV. acquisition of animals for zoos
 - V. in any other exceptional case where it is impractical or impossible to follow the official procurement processes e.g. any purchase on behalf of the District Municipality at a public auction sale; and
- (b) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

- (2) The accounting officer must record the reasons for any deviations in terms of subparagraphs 37(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.
- (3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.
- (4) Emergency Dispensation – Conditions warranting Emergency dispensation include the existence of one or more of the following
 - i. The possibility of human injury or death
 - ii. The prevalence of human suffering or deprivation of rights
 - iii. The possibility of damage to property, or suffering and death of livestock and animals
 - iv. The interruption of essential services, including transportations and communication facilities or support services critical to the effective functioning of the District or the B Municipalities within the District
 - v. The possibility of serious damage occurring to the natural environment
 - vi. The possibility that the security of the state could be compromised
- (5) Single Source selection – Justification for single source selection must be examined in the context of the overall interest of the Garden Route District Municipality and the project
 - i. Single source selection may be appropriate only if it represents a clear advantage over competition for services that represent a natural continuation of previous work carried by the consultant, and continuity of downstream work is considered essential.
 - ii. The reasons for single source selection must be fully motivated in a report and approved by the Bid Adjudication Committee prior to conclusion of a contract.
 - iii. Detailed specification with defined scope and details of deliverables must be set before work can commence guiding the consultants and providing set the parameters to which they may operate with. No contract may be open ended without addressing specific needs analysis approved by the Accounting Officer or delegated authority beforehand.

38. Transversal bids

- 1) Accounting officer or delegated authority to approve initiation (shared services) or participation of transversal bids by Garden Route District Municipality
- 2) Transversal bids will only be relevant when the municipality wishes to invite a tender/bid itself and other municipalities or wishes to participate in a tender together with other municipalities or organs of state from the initial phase or it is prescribed through a circular by the National Treasury.
- 3) This form of bidding is different than when participating in a tender invited by another organ of state as referred to in SCM Treasury regulation 32 or section 33 of the Garden Route District Supply Chain Management Policy
- 4) Chief Financial Officer to arrange and provide advice, assist and guide the transversal procurement process and ensure that technical and governance requirements are met
- 5) Arrange implies drawing up a the business case, obtaining formal approval from affected municipalities and the Accounting Officer to proceed, the planning, organising, logistical and bid administration requirements by the custodian Municipality
- 6) Where transversal bids are contemplated, it should result in lower unit cost or economies of scale or other corporate advantage as demonstrated by the required business case.
- 7) Where the custodian municipality other than Garden Route District Municipality has identified the need for transversal tender, it must ensure that the procurement of goods or services or both is procured in terms of the section 217 of the constitution of the Republic of South Africa and any other relevant legislation and prescripts
- 8) Formal written consent must be obtained by the participating municipalities or other organs of state before the tender process is initiated.
- 9) When Garden Route District Municipality initiates the transversal tender written consent obtained from the accounting officers of other municipalities or organs of state must mention a review and consensus of needs analysis, specification, risk assessment and, defined desired outcomes
- 10) The Custodian Municipality will take full responsibility for the arrangement and conclusion of the bid process, inclusive of the formalisation of the contracting arrangements noting that each participating municipality, depending on the

requirements and the nature of the contract, may have to sign a separate service level agreement with the selected service provider.

- 11) Provision in the agreement amongst participating municipalities or organs of state should make provision for participating entities to second their own official with the relevant expertise to participate, observe or offer advice to the initiating entity.

39. Unsolicited bids

- 1) In accordance with section 113 of the Act, Garden Route Council is under no obligation to consider unsolicited bids received outside a normal bidding process.
- 2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if
 - a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
 - b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
 - c) the party or entity that has made the unsolicited bid is the sole provider of the product or service; and
 - d) the reasons for not going through the normal bidding processes are found to be sound and justifiable by the accounting officer subject to relevant consultation.
- 3) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act together with –
 - a) reasons as to why the bid should not be open to other competitors;
 - b) an explanation of the potential benefits if the unsolicited bid were accepted; and
 - c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- 4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.
- 5) The adjudication committee may consider the unsolicited bid and may

award the bid or make a recommendation to the accounting officer, with comments from Provincial and National Treasury

- 6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
- 7) When considering the matter, the adjudication committee must take into account-
 - a) any comments submitted by the public; and
 - b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- 8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- 9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 30 days of the submission.

40. Combating of abuse of supply chain management system

- (1) The accounting officer must-
 - a) take all reasonable steps to prevent abuse of the supply chain management system;
 - b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) take appropriate steps against such official or other role player; or
 - (ii) report any alleged criminal conduct to the South African Police Service;
 - c) Check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
 - d) Reject any bidder if they are listed as non-compliant on the National Treasury's Central Supplier Database

- e) Reject any bid from a bidder-
 - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or
 - (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
 - f) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
 - g) cancel a contract awarded to a person if
 - i. the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - ii. an official or other role player committed any corrupt or fraudulent act during the bidding
 - h) reject the bid of any bidder if that bidder or any of its directors –
 - i. has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
 - ii. has been convicted for fraud or corruption during the past five years;
 - iii. has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - iv. has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- (2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii),
- (f) or (g) of this policy.
- (3) The Municipality takes cognisance of the provisions of Chapter 2 of the Competition Act no. 89 of 1998

- PART B - Abusive of a Dominant position; and
- PART C - Exemption from application of chapter 2.

- (4) The accounting officer must also provide measures for the invalidation of recommendations or decisions that were unlawfully or improperly made, taken or influenced, including recommendation or decisions that were made, taken or in any way influenced by:
- i. Councillors in contravention of item 5 or 6 of the Code of Conduct for Councillors in schedule 1 of the Systems Act; or
 - ii. Municipal officials in contravention of item 4 or 5 of the Code of Conduct for the Municipal Staff member set out in schedule 2 of the Systems Act
- (5) The Bid Adjudication and Evaluation Committee to take cognisance of the provisions of the Competition Act no 89 of 1998 during the evaluation and award of the tender.
- (6) Accounting Officer or any other delegated personnel of Garden Route DM, is prohibited from deliberately placing order for goods, service and /or infrastructure projects from suppliers, receiving such goods, services and/or infrastructure projects and arranging with suppliers for such goods, services and/or infrastructure projects to be invoiced and paid for in another financial year
- (7) The above prohibition does not apply to multi-year contracts and projects adopted over multi-years in terms of the MFMA sections 19 and 33.

40 (B). CONTRACT MANAGEMENT

- (1) All contracts entered into by the municipality in the tender process referred to in paragraph 18 &19 of this Policy must:
- a. Be in writing
 - b. Stipulate the terms and conditions of the contract or agreement which must include provisions for providing for:
 - I. The termination of the contract or agreement in the case of non or under performance
 - II. Dispute resolution mechanisms to settle disputes between parties
 - III. A periodic review of contract or agreement
 - IV. Any other matters as maybe prescribed
 - c. Include General conditions of contract as prescribed by national treasury

- d. Specify the duration of the contract
 - e. Specify the repayments terms in respect of the goods or services supplied
 - f. Be monitored by the Directorate of the municipality which requested the goods and services to ensure that all the contracts requirements are met.
- (2) Unauthorised or breaches of the contract as in paragraph 40(B) above by the supplier or service provider must be reported to the Legal Department for initiating appropriate action as well as to the SCM Unit which must record the details of such deviation and breaches.
- (3) Departmental Heads shall be responsible for ensuring that contract managers:
 - a. Are assigned to all contracts within the department Head's area of responsibility
 - b. Are adequately trained so that they can exercise the necessary formalities in signing up the contract and/or issuing the purchase order(s);
 - c. Ensure that contracts related to the procurement of goods and services are captured on the Municipality's record management system
 - d. Ensure that all original contract documentation is lodged at registrar
 - e. Manage all contract variations and ensure any variations are administered in accordance with any treasury guidelines or relevant statute
 - f. Manage any contract disputes and lodge with the relevant authority and the legal department where disputes could not be resolved
 - g. Ensure suppliers performance review is undertaken against the project deliverables
 - h. Maintain appropriate formal records and correspondence regarding the project and contract for reference point
 - i. Act with care and diligence and observe all accounting and legal requirements
- (4) Management of expansion or variation of order against the original contract: The expansion or variation of contracts against the original contract and prevention of contract manipulation.
 - a) Contracts may be expanded or varied by not more than 20% of the original value for Construction related goods, services and/ or infrastructure projects.
 - b) Contracts for all other goods and/or services may be varied by not more

than 15% of the original value of the contract.

- c) Any expansion or variation in excess of the above mentioned thresholds must be dealt with in terms of the provisions of section 116(3) of the MFMA which will be regarded as an amendment to the contract
- d) The above is not applicable to transversal term contracts, facilitated by the relevant treasuries on behalf of Municipalities and specific term contracts. The latter refers to contracts where required quantities are not specified or are unknown and the award is based on creating a facility.

Part 3: Logistics, Disposal, Risk and Performance Management

41. Logistics management

- (1) The accounting officer must establish and implement an effective system of logistics management, which must include -
 - a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
 - b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
 - c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
 - d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
 - e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
 - f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
 - g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

General Logistics

(2) Placing Orders

- a) Purchase orders will be created with reference to requisitions where the supply source is either bids or quotations on Garden Route District Document Management System or financial system.
- b) Purchase order approval will be system based and authorised by the delegated authority (No manual process to be followed unless in exceptional circumstances, financial system is not accessible for unreasonable prolonged periods without clear indication when the system malfunction would be restored or there is power shortages or there is no power back up in place, however approval in writing to be obtained from the Chief financial officer authorising such process and giving guidance on the ratification process)
- c) All purchases orders will be captured on Garden Route District's Financial and or Document Management System at stores, and ensure that proper audit trail exist. (no one may issue an order apart from a delegated officials)
- d) In respect of goods and services (with exception of professional services where there are other mechanisms place for accepting a bid), no work shall commence or goods be delivered before an official order has been placed with the vendor
- e) Garden Route District Municipality shall not be held liable for payment of any goods delivered or services rendered in contravention of clause (41)(2)(d) of the Garden Route District Municipality

(3) Receiving of Goods

- 1) Goods received note (GRV) will be completed for all goods and services received by the municipality in the following manner:
 - I. Goods delivered or services rendered to be received by the user department that issued the requisition at the location indicated in the requisition and the purchase order unless if it's a store item that should be delivered at the municipality's respective stores.
 - II. The official receiving the goods must inspect and agree the content of

service provider's delivery note to Garden Route District Municipality's official order placed and agree to the following:

- a) Delivery note to indicate Garden Route District Official Order number and the official to confirm the order number to be legitimate
 - b) Description of the type of goods on the delivery note, brand, the quantity of goods and the total cost of the goods or service to be agreed to the official order before any acceptance of goods and signing off of any delivery document
- III. Deliveries where no official orders can be matched to an official order may not be accepted by the municipality, acceptance of such is seen as exposure of Council to Financial Risk
- IV. On matching of the delivery note to the purchase order, the receiving official to inspect the goods or service being delivered against the content of the delivery note and the following to be agreed as faithful representation at hand:
 - a) The description of goods and services being delivered or rendered to the municipality
 - b) The quantity of goods being delivered
 - c) The quality of the goods or service being delivered or rendered to the municipality (damaged goods or goods with past expiry period may not be accepted)
- V. Any discrepancies, shortfalls against the order, damaged goods, incorrect goods or any other discrepancy to be recorded in permanent marking and signed off by both the Municipality's receiving official and the supplier and delivering agent.
- VI. Goods exceeding the quantities ordered or deviating from the description or quality should not be accepted and should be noted and communicated to the supplier formally and communicated to Finance Department (Creditors Unit)

- VII. On acceptance of the Goods or services subsequent to the above mentioned process, an internally generated Good Received Note should be generated recording the goods or services received and their quantity and total cost and signed off.
- VIII. All relevant documentation (original documentation) related to any delivery of goods or receipt of service from external service providers to be sent to Finance Department (Creditors unit immediately)
- IX. Failure to record crucial information and omission of discrepancies that result in the municipality incurring a financial loss will be dealt with in accordance with municipality's disciplinary code of conduct or the equivalent.
- X. Failure to forward all the relevant documentation to creditors department timeously can result in appropriate actions against the responsible official

(4) Stock Logistics

- I. Stock or inventory to be valued as per accounting policy of the Municipality in line with the relevant accounting practise
- II. Input VAT to be claimed upon purchase and output VAT is accounted for at the time of issue according to the accounting policy
- III. Stock items shall be systematically replenished using the re-order point or minimum level as set in the financial system
- IV. Issuing of stock shall be systematically administered through the financial system against internal orders or requisitions that are duly authorised
- V. Stores function is centralised and managed through the 3 stores of the municipality, George, Oudsthoorn and Riversdale. (Fuel through the stores and fuel depots)

42. Disposal management

- (1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets are as provided in **sections 14 and 90** of the Municipal Finance Management Act, and the Municipal Asset Transfer Regulations, 2008.
- (2) Assets may be disposed of by -

- i. transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
- ii. transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
- iii. selling the asset; or
- iv. destroying the asset.
- v. In terms of the donations policy

(3) The accounting officer must ensure that –

- a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
- e) all fees, charges, rates, tariffs, scales of fees or other charge relating to the letting of immovable property are annually reviewed;
- f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

43. Risk management

- a) Risk Management unit, to be serve as part of the Bid Specification Committee and Bid Evaluation Committee in facilitating and evaluation of risk identified in the procurement of goods and services.
- b) Risk management assessment will be guided by the risk assessment process in line with Risk Management guidelines and standards. The process may include the following:
 - i. The identification of risks on a case by case basis

- ii. The allocation of risks to the party best suited to manage such risks;
 - iii. Acceptance of the cost of the risk where the cost of transferring the risk is higher than that of retaining it
 - iv. The management of risk in a pro-active manner and the provision of adequate cover for the residual risk; and
 - v. The assignment of relative risks to the contracting parties through clear and unambiguous contract documentation
- c)** Risk management will duly assess corporate risk and identify mitigating controls

44. Performance management

The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.

44 (A).

- 1) The official that receives goods or services on behalf of the Council, or manages the contract which was entered into as a result of a competitive bidding process, to ensure that the goods or services have been delivered in accordance with the service level agreement governing the contractual relationship
- 2) In the case of non-performance or unsatisfactory performance by a supplier, the user department concerned, in consultation with contracts management unit, must issue a notice to the supplier or service provider in writing notifying them of terms contravened and requesting immediate remedial action to comply with the contract terms; failing which:
 - Legal Services / contracts management unit to be consulted for appropriate action.
- 3) In the case of goods and services supplied in response to a quotation invited by the municipality, the official that initiated the requisition or received the goods or services on behalf of council, should complete a goods received voucher (GRV) and note any discrepancies that may require the attention of the service provider if any.
- 4) In the case of goods or services procured through a tender process as specified in terms of the policy, paragraph 18(b) and 19, the contract manager or designated person must ensure that goods or services requested have been provided in accordance with service level agreement before the final payment is settled..
- 5) Final review should consider the following:
 - a) Satisfactory element of the quality and standard of the goods and services received and quality of workmanship.
 - b) Include details, supported by formal written notifications to the supplier regarding non- performance or poor service delivery.
 - c) Include recommendation on any further actions to be taken against the supplier in terms
of paragraph 40 B of the policy.

Part 4: Other matters

Prohibition on awards to persons whose tax matters are not in order

45.

- (1) No award from R30 000 and above may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- (2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.
- (3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.
- (4) In cases of uncertainty on Tax affairs of the service provider, Service provider to provide the municipality with SARS e-filing pin code for independent verification by the municipality.
- (5) That Garden Route Council adopt MFMA circular No. 90, Tax Compliance Status, in the finalisation of awards made for transaction above R30 000 on Tax related matters.

Prohibition on awards to persons in the service of the state

- 46.** Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy-
- a) who is in the service of the state
 - b) if that person is not a natural person, of which any executive director, manager, principal shareholder or stakeholder is a person in the service of the state; or
 - c) a person who is an advisor or consultant contracted with the municipality.

Awards to close family members of persons in the service of the state

- 47.** The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R 2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including -
- (a) the name of that person;
 - (b) the capacity in which that person is in the service of the state; and
 - (c) the amount of the award.

48. Ethical standards

- (1) The code of ethical standards as set out in the "*National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management*" is hereby established for officials and other role players in the supply chain management system of the Municipality in order to promote -
 - a. mutual trust and respect; and
 - b. an environment where business can be conducted with integrity and in a fair and reasonable manner.
- (2) A breach of the code of ethics must be dealt with as follows -
 - a) in the case of an employee, in terms of the disciplinary

procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;

- b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
- c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

49. *Inducements, rewards, gifts and favours to municipalities, officials and other role players*

- (1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant -
 - a) any inducement or reward to the municipality for or in connection with the award of a contract; or
 - b) any reward, gift, favour or hospitality to -
 - I. any official; or
 - II. any other role player involved in the implementation of this Policy.
- (2) The accounting officer must promptly report any alleged contravention of subparagraph
 - (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- (3) Subparagraph (1) does not apply to gifts less than R350 in value.

50. *Sponsorships*

The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is

-

- a) a provider or prospective provider of goods or services; or
- b) a recipient or prospective recipient of goods disposed or to be disposed.

51. Objections and complaints

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

52. Resolution of disputes, objections, complaints and queries

- (1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes -
 - a) to assist in the resolution of disputes between the municipality and other persons regarding -
 - (i) any decisions or actions taken in the implementation of the supply chain management system; or
 - (ii) any matter arising from a contract awarded in the course of the supply chain management system; or
 - b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed must -
 - a) strive to resolve promptly all disputes, objections, complaints or queries received; and
 - b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if -
 - (a) the dispute, objection, complaint or query is not resolved within 60 days; or
 - (b) no response is forthcoming within 60 days.
- (5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for

resolution.

- (6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

53. Contracts providing for compensation based on turnover

If a service provider acts on behalf of a municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate -

- a) a cap on the compensation payable to the service provider; and
- b) that such compensation must be performance based.

54. Construction Industry Development Board (CIDB)

The Construction Industry Development Board (CIDB) has been established by government to promote uniform application of policy to the construction industry.

a) When calling for construction related bids:

- I. The prescribed CIDB (uniformity bid documents) must be utilised
- II. Only contractors registered with CIDB may be used
- III. All projects must be advertised on the i-tender or e-tender system

- IV. Consultants used in the procurement process must adhere to the CIDB legislation
- V. Consultants used in the procurement process are prohibited to provide goods, works or service related to the project; and
- VI. Subcontract arrangements and joint venture initiatives must be aligned to CIDB guidelines and requirements

b) *When evaluating construction related bids*

- I. The validity of the contractor's registration on the CIDB website must be verified
- II. The bidders documents must be assessed against the prescribed CIDB contractor requirements
- III. Calculations for joint venture grading must be done according to the CIDB prescriptions

c) *All construction related procurement and projects above minimum threshold R50 million should be undertaken in accordance with the Infrastructure Delivery and Procurement Management (IDPM) – Refer to Annexure C*

d) *Other matters*

- I. all projects approved by the municipality must be registered with the CDIB
- II. contracts registered on the i-tender systems must be update and completed
- III. non-performance and non-compliance of contractors must be **reported to the CIDB as per CIDB guidelines**

55. Commencement

This Policy takes effect on date of adoption by council and should be reviewed annually.

ANNEXURE A

PROCESS FOR THE OBTAINING OF GOODS AND SERVICES

The following process must be followed in terms of the Municipal Finance Management Act, Act 56 2003, Garden Route Supply Chain Management Policy and the Supply Chain Regulations to obtain goods and services.

1. **PURCHASES**

1.1 Purchase of all goods/services (capital and non-capital)

Value of Goods and Services	Procurement Method	Delegated Approval Authority	SCM Policy
➤ R0 – R2000	Petty Cash	Executive Manager	Supply Chain Management Policy S12(1)(a)
➤ R 2 000 up to R 30 000 (VAT Incl.)	Minimum of 3 x written quotations preferably selected from supplier database or central supplier database,	As per delegation register	Supply Chain Management Policy S12(1)(b)
➤ R 30 000 but up to R 200 000 (Informal Tenders)	Informal Tender process; (successful bidder must be registered on the National Treasury's Central supplier Database)	As per delegation register	Supply Chain Management Policy S12(1)(c)
➤ R200 000 or Long Term Contracts (Formal Tenders)	Formal Tender process to be followed. (Successful Bidder – CSD Registered)	As per delegation through the appointed Supply Chain Management Bid Committees.	Supply Chain Management Policy S12(1)(d)
Deviation below 10k	Through procurement system of the municipality	Final approval by the Executive Manager of the Department	Supply Chain Management Policy
Deviations above R10 000	Through procurement system of the municipality (Tax Clearance in order & not in the employ of the state)	Final approval by the Municipal Manager	Supply Chain Management Policy

2. **REQUISITIONS**

Requisitions must be approved in terms of the relevant delegation register as approved by the Accounting Officer or delegated authority.

3. **ORDERS**

I. **Capital purchases**

Requisitions are verified by the Asset Management Section.

II. **Non capital purchases**

All orders are issued through Stores.

4. **SUPPLY CHAIN MANAGEMENT POLICY**

A. >R 0 – R30 000: 3 x Written Quotations

- i. User department or initiator to put in requisition to the Buyers to obtain a minimum of three quotations. Preference to be given to suppliers listed on the National Treasury's Central Supplier Database, however if there is less than three suppliers identified on the database, potential additional suppliers not listed on the database to be identified and requests for quotation obtained.
- ii. If the preferred supplier is not listed on the Database the following to occur:
 - a) Procurement to take place through an approval by the CFO for direct payment to be obtained. Minimum supplier listing criteria to be fulfilled, i.e. Tax Clearance Certificate, regulation 44 declarations etc.
 - b) User departments to identify Key service providers within their operations and urge them to register on the National Treasury's Central Supplier Database
 - c) Deviations below Quotation R 10 000 to be approved by the Executive Manager of the relevant department.
 - d) The order number will be generated by the chief clerk at stores and forwarded to User department for action

B. R30 000 – R200 000: 3 x Informal tenders

- i. User department to initiate the procurement process by compiling specifications and forwarding them to Supply Chain Management via the electronic procurement system. (Specifications approved by the Head of the Department)
- ii. SCM Unit to facilitate the procurement process throughout the procurement life cycle until the award.

Procurement Life Cycle to involve the following:

- a) Specifications to serve before the specification committee
- b) Approved specifications will be advertised on the website, e-tender, notice board and send to potential suppliers registered on the accredited supplier database subject to review by Specs Committee and sign off by the Accounting Officer

- c) On submission, Informal tenders must be placed in the tender box and will be opened on the closing date as per time specified on the advertisement.
- d) Summary of informal tenders will be compiled by Supply Chain Management Officer.
- e) **User department to provide the technical evaluation against pre-set evaluation criteria and submit to SCM Unit to evaluate the Responsive**
- f) Formal Written Price Quotations(Informal Tenders) will be evaluated and awarded by the Bid Evaluation Committee
- g) Competitive Bids (Formal tenders) will be evaluated by the Bid Evaluation committee and recommendation submitted to bid adjudication committee for final award.
- h) Service Level Agreements to be compiled by legal services for all goods and services procured through Informal and Formal Tenders; signed off by both parties before goods and services may be procured

C. >R200 000: Formal Tenders & Long Term Contracts

- i. User department sends a request for a formal tender through to SCM Unit via Collaborator with the specifications.
- ii. SCM Unit to facilitate the procurement process throughout the procurement life cycle until the award.

Procurement Life Cycle to involve the following:

- iii. Specifications to serve before the specification committee
- iv. Reviewed and approved specifications to be approved by the accounting officer and Executive Manager of the department initiating the tender before advertising takes place
- v. Approved specifications will be advertised on the municipal website, e tender, notice board and send to potential suppliers registered on the accredited supplier database
- vi. The Tender number and closing date will be allocated by the SCM Unit.
- vii. Tender advertisement will be compiled and placed by the SCM Unit.
- viii. Standard tender documents will be provided to prospective tenderers by the SCM Unit.
- ix. Tenders will be opened on the date and time as specified in the advertisement.
- x. Summary of tenders will be compiled by Supply Chain Management Officer.
- xi. User department to provide the technical evaluation against pre-set evaluation criteria and submit to SCM Unit to evaluate the Responsive bidders in accordance with the Supply Chain Management Regulations.
- xii. The Bid Evaluation Committee to evaluate and make recommendations

- to the Bid Adjudication committee.
- xiii. The Bid Adjudication Committee can only adjudicate and on contracts up to 10 million.
 - xiv. Tenders greater than R10 million will be awarded by the Accounting Officer after recommendations by the Bid Adjudication Committee
 - xv. Service Level Agreements must be complied and signed by both parties before goods and services may be procured in excess of R30 000
 - xvi. Successful / unsuccessful tenderers will be notified of the Bid Adjudication Committee's decision.
 - xvii. After awarding the formal tender, the User Department will be informed of the outcome and they are to complete a Service Level agreement before any requisition can be generated

5. SERVICE LEVEL AGREEMENTS

User department to liaise with Legal Services (contract management unit) on the compilation of service level agreements for all tenders (formal and Informal). Process guidance for compilation of Service Level Agreements to be in accordance with Contract Management process.

6. Performance Management:

- (i) Each department to monitor the performance of each supplier to whom tenders have been issued under. The process flow for monitoring performance of service providers to be undertaken on the collaborator system and all the relevant compulsory review comments is completed.
- (ii) It is important that all communication with the service provider regarding the dissatisfaction of the work performed or goods delivered be documented and the service provider be afforded the opportunity to rectify it and respond accordingly. Where the final assessment of the service provider or supplier remains substandard after engaging with the service provider, legal services to facilitate the process going forth with the legal remedies available

Travel and Accommodation – Refer to Travel and Subsistence Allowance Policy of Council

7.3Catering

Refer to the catering policy as approved by council.

Annexure B



CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND OTHER ROLE PLAYERS

In accordance with regulation 46(4) and 46(5) of the Local Government Municipal Finance Management Act, 2003: Municipal Supply Chain Management Regulations, the supply chain management policy of a municipality or municipal entity is required take into account the National Treasury's code of conduct for supply chain management practitioners and other role players. Alternatively a municipality or municipal entity may adopt the National Treasury code of conduct. When adopted, such code of conduct becomes binding on all officials and other role players involved in the implementation of the supply chain management policy of the municipality or municipal entity.

The **purpose** of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

General Principles

Garden Route District Municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.

- 1.1 Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.

- 1.2 Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

2 Conflict of interest

An official or other role player involved with supply chain management –

- (a) must treat all providers and potential providers equitably;
- (b) may not use his or her position for private gain or to improperly benefit another person;
- (c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350 or as may be set by council;
- (d) must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
- (e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by the municipality ;
- (f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
- (g) must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;
- (h) should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and
- (i) should not take improper advantage of their previous office after leaving their official position.

3 Accountability

- 3.1 Practitioners are accountable for their decisions and actions to the public.
- 3.2 Practitioners should use public property scrupulously.
- 3.3 Only accounting officers or their delegates have the authority to commit

the municipality to any transaction for the procurement of goods and / or services.

- 3.4 All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.
- 3.5 Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.
- 3.6 Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including
 - (i) any alleged fraud, corruption, favouritism or unfair conduct;
 - (ii) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and
 - (iii) any alleged breach of this code of conduct.
- 3.7 Any declarations made must be recorded in a register which the accounting officer must keep for this purpose. Any declarations made by the accounting officer must be made to the **Garden Route District Council** who must ensure that such declaration is recorded in the register.

4 Openness

Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

5 Confidentiality

- a) Any information that is the property of the municipality or its providers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractors personal rights.
- b) Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service.

Bid Specification / Evaluation / Adjudication Committees

- 6.1 Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the council in an honest, fair, impartial, transparent, cost-effective and accountable manner.
- 6.2. Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.
- 6.3 All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.
- 6.4 No person should-
 - 6.4.1 interfere with the supply chain management system of the council; or
 - 6.4.2 amend or tamper with any price quotation / bid after its submission.

6 Combative Practices

- a) Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:
 - (i) Suggestions to fictitious lower quotations;
 - (ii) Reference to non-existent competition;
 - (iii) Exploiting errors in price quotations / bids;
 - (iv) Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

I, an employee of Garden Route District Municipality , hereby acknowledges the Garden Route District Municipality's Code of Conduct for Supply Chain Management and commits to abide by it in the spirit to which it is intended for.

- I acknowledge that my integrity can only be affirmed by how I am deemed by others and therefor will uphold the Supply Chain Management Policy of the Municipality to the letter and spirit to which it is intended for.
- I will refrain from any conduct which may be deemed to be fraudulent in nature or could be seen as bringing disrepute to the image of Council.
- I acknowledge my responsibility for continuous professional development in familiarising myself with the changes in the relevant and applicable legislation of Supply Chain Management and any other relevant procurement legislation.

Signature

Name of Official

Date of Signature

ANNEXURE C**Supply Chain Process for Infrastructure Delivery and Procurement Management**

The Council resolves in terms of section 168 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), in reference to SCM Regulation 3(2), this Policy prescribes the standards and gateways system requirements and principles which municipalities must adhere to when procuring infrastructure related services linking to CIDB and ISO standards and ethos, therefore to adopt the following SCM Framework for Infrastructure Delivery and Procurement Management of the Garden Route District Municipality, for procurement in excess of R50 million rand.

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Foreword

In 2012, the Infrastructure Delivery Management System (IDMS) was adopted as the chosen government wide system for infrastructure delivery in South Africa. In the same year (2012), the National Treasury, together with the eight metropolitan municipalities, initiated the customisations of the IDMS for implementation by municipalities. The product of that engagement became the Cities Infrastructure Delivery Management Toolkit (CIDMT), focusing mainly on cities or metros.

In order to establish a common approach to infrastructure delivery across all organs of state, the Standard for Infrastructure Procurement and Delivery Management (SIPDM) was issued for adaptation and adoption by municipalities in terms of Circular 77.

In the process of implementing and institutionalising the SIPDM, institutions expressed concerns regarding the operational challenges imposed by aspects of the SIPDM. This constraint was further compounded when the Preferential Procurement Regulations, 2017 were promulgated and effected, resulting in conflict between the SIPDM and the Regulations.

The National Treasury, in consultation with relevant stakeholders, initiated the SIPDM review process, which resulted in the development of the Local Government Framework for Infrastructure Delivery and Procurement Management (LGFIDPM). The LGFIDPM provides for minimum requirements for effective governance of infrastructure delivery and procurement management.

Introduction

- a) The Integrated Development Plan (IDP) is the principal strategic planning instrument for municipalities. The IDP process requires a robust process of gathering and synthesising information related to the medium to long-term management of the municipality's infrastructure needs.
- b) The preparation of Roads and Storm Water Services, Water and Sanitation Services, Waste Disposal Services, Electricity Services and Community Facilities and Municipal Buildings, Infrastructure Asset Management Plans (IAMPs) enables municipalities to rank projects and determine budgets, based on a holistic view of local needs and priorities; and serves as a source of valuable information in preparing the IDP.
- c) Through the Infrastructure Delivery Management System, Cities Infrastructure Delivery Management System was developed to provide a holistic system for the management of infrastructure based on the requirements of SANS 55001: Asset management tailored for application in South African metropolitan spaces and specifically in support of the country's spatial transformation agenda.
- d) There is need to develop an infrastructure delivery management system tailor-made for all municipalities (excluding cities) which should integrate asset management strategy, policy to guide infrastructure planning, delivery management and decision making. The LGFIDPM introduces the initial process focusing on the project processes of the infrastructure delivery management and infrastructure procurement.
- e) The Framework for Infrastructure Procurement Management should be implemented together with the project management processes, to ensure alignment, integration and efficient and effective service delivery.

1. Scope

- 1.1 The Local Government FIDPM applies to organs of state which are subject to the Municipal Finance Management Act (MFMA).
- 1.2 The Framework provides minimum requirements for the implementation of Infrastructure Delivery and Procurement Management through the:
 - a) Project processes for infrastructure delivery management, and
 - b) Infrastructure procurement gates.
- 1.3 The Framework specifies the allocation of responsibilities for performing activities and making decisions at project stages and procurement gates.

3. Terms and Definitions

Approved: Officially agreed and signed-off by an Accounting Officer or a delegated person / body.

Construction: Everything constructed or resulting from construction operations.

Employer: Organ of state intending to, or entering into, a contract with a contractor.

Gate: A control point at the end of a process where a decision is required before proceeding to the next process or activity.

Gateway review: An independent review of the available information at a gate upon which a decision is made whether to proceed to the next process, or not.

Infrastructure:

- immovable asset, which is acquired, constructed or results from construction operations; or
- Movable asset, which cannot function independently from purpose-built immovable asset(s).

Infrastructure delivery: The combination of all planning, technical, administrative and managerial actions associated with the construction, supply, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.

Infrastructure procurement: The procurement of goods or services, including any combination thereof, associated with the acquisition, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.

Organ of State: Any department of state or administration in the national, provincial and local sphere of government.

Procurement strategy: The selected packaging, contracting, pricing and targeting strategy and procurement procedure for a particular procurement.

Project: A unique set of processes consisting of coordinated and controlled activities with start and end dates, performed to achieve the project objective.

Stage: A collection of periodical and logically related activities in the Project Management Control Stages that culminates in the completion of an end of stage deliverable.

4. **ABBREVIATIONS**

CIDB	Construction Industry Development
Board IDP	Integrated Development Plan
FIDPM	Framework for Infrastructure Delivery and Procurement
Management MFMA	Municipal Finance Management Act
PSP	Professional Service Provider
PPPFA	Preferential Procurement Policy Framework Act
SCM	Supply Chain Management
SDBIP	Service Delivery Budget Implementation Plan

5. NORMATIVE REFERENCES

4.1 Acts of Parliament

The following referenced Acts of Parliament are indispensable in the application of this document:

- Architectural Profession Act, 2000 (Act No. 44 of 2000)
- Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
- Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- Construction Industry Development Board Act, 2000 (Act No. 38 of 2000)
- Division of Revenue Act (Annual)
- Engineering Profession Act, 2000 (Act No. 46 of 2000)
- Landscape Architectural Profession Act, 2000 (Act No. 45 of 2000)
- Municipal Finance Management Act, (No. 56 of 2003)
- Local Government: Municipal Systems Act, 2000 (Act No. 32 Of 2000)
- National Archives and Record Services of South Africa Act, 1996 (Act No. 43 of 1996)
- Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)
- Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
- Project and Construction Management Professions Act, 2000 (Act No. 48 of 2000)
- Public Finance Management Act, 1999 (Act No. 1 of 1999)
- Quantity Surveying Profession Act of 2000 (Act No. 49 of 2000)
- Other Sector Specific Acts of Parliament.

4.2 Regulations issued in terms of the MFMA and MFMA Circulars

- i) Regulations issued in terms of the MFMA
- ii) Preferential Procurement Policy Framework Act Regulations (PPPFA of 2022 or as amended from time to time) and circulars.

4.3 Standards

- i) Applicable Construction Industry Development Board Standard for Uniformity
- ii) Construction Sector Code

4.4 Management System

- i) System in place
- ii)

4.5 National Treasury Guidelines

- i) Local Government Capital Asset Management Guideline and Planning Guidelines
- ii) Budget Facility for Infrastructure (BFI).

4.6 Department of Cooperative Governance and Traditional Affairs Guidelines

- i) Guidelines for Infrastructure Asset Management in Local Government.

6. FRAMEWORK FOR INFRASTRUCTURE DELIVERY

5.1 The Infrastructure Delivery Management Project Processes

- a) The project process of infrastructure delivery management contains control stage deliverables at the end of each stage. Table 1 outlines the stage deliverables that must be approved. The control stages are specific to project management processes; and outline and describe the stages in the life of a project from start to end. The specific stages are determined by the specific project's governance and control needs. The stages follow a logical sequence with a specified start and end. The deliverable is considered to have passed through the relevant stage when it is approved and signed off. The project then moves on to the next sequential stage. It is expected that the Garden Route Municipality's project implementation process reflects an engagement between the Budget Treasury Office, IDP, SCM, and all strategic role players when developing and approving projects. It is also expected that there should be engagements with the National and Provincial Treasury where appropriate or where projects dictate so.

Table 1: Project stage deliverables

Stage		Project Stage Deliverables
No	Name	End of Stage Deliverables
1	Initiation	<p>Initiation Report or Pre-feasibility Report</p> <p>The Initiation Report defines project objectives, needs, acceptance criteria, organisation's priorities and aspirations, and procurement strategies, which set out the basis for the development of the Concept Report.</p> <p>Or</p> <p>A Pre-feasibility Report is required on Mega Capital Projects, to determine whether to proceed to the Feasibility Stage; where sufficient information is presented to enable a final project implementation decision to be made. Mega capital projects should be determined in the municipality's policy approved by the Municipal Council.</p> <p>Stage 1 is complete when the Initiation Report or Pre-feasibility Report is approved.</p>

2	Concept	<p>Concept Report or Feasibility Report</p> <ul style="list-style-type: none"> i. The Concept Stage presents an opportunity for the development of different design concepts to satisfy the project requirements developed in Stage 1. This stage presents alternative approaches and an opportunity to select a particular conceptual approach. The objective of this stage is to determine whether it is viable to proceed with the project, premised on available budget, technical solutions, time frame and other information that may be required. ii. The Concept Report should provide the following minimum information:
---	----------------	--

Stage		Project Stage Deliverables
No	Name	End of Stage Deliverables
		<ul style="list-style-type: none"> a) Document the initial design criteria, cost plan, design options and the selection of the preferred design option; or the methods and procedures required to maintain the condition of infrastructure, or the project. b) Establish the detailed brief, scope, scale, form and cost plan for the project, including, where necessary, the obtaining of site studies and construction and specialist advice. c) Provide an indicative schedule for documentation and construction, or maintenance services, associated with the project. d) Include a site development plan, or other suitable schematic layouts, of the works. e) Describe the statutory permissions, funding approvals and utility approvals required to proceed with the works associated with the project. f) Include a baseline risk assessment for the project and a health and safety plan, which is a requirement of the Construction Regulations issued in terms of the Occupational Health and Safety Act. g) Contain a risk report, need for further surveys, tests, investigations, consents and approvals, if any, during subsequent stages. <p>iii. A Feasibility Report must provide the following minimum information:</p> <ul style="list-style-type: none"> a. Details regarding the preparatory work covering: <ul style="list-style-type: none"> i. A needs and demand analysis with output specifications. ii. An options analysis. b. A viability evaluation covering: <ul style="list-style-type: none"> i. A financial analysis. ii. An economic analysis, if necessary. c. A risk assessment and sensitivity analysis; d. A professional analysis covering: <ul style="list-style-type: none"> i. A technology options assessment. ii. An environmental impact assessment. iii. A regulatory due diligence. e. An implementation readiness assessment covering: <ul style="list-style-type: none"> i. Institutional capacity. ii. A procurement plan. <p>Stage 2 is complete when the Concept Report or the Feasibility Report is approved.</p>
3	Design Development	<p>Design Development Report</p> <ul style="list-style-type: none"> 1) The Design Development Report must, as necessary: <ul style="list-style-type: none"> a) Develop, in detail, the approved concept to finalise the design and definition criteria.

Stage		Project Stage Deliverables
No	Name	End of Stage Deliverables
		<p>b) Establish the detailed form, character, function and costings.</p> <p>c) Define the overall size, typical detail, performance and outline specification for all components.</p> <p>d) Describe how infrastructure, or elements or components thereof, are to function; and how they are to be safely constructed, be commissioned and be maintained.</p> <p>e) Confirm that the project scope can be completed within the budget, or propose a revision to the budget.</p> <p>Stage 3 is complete when the Design Development Report is approved.</p>
4	Design Documentation	<p>Design Documentation</p> <p>(vii) Design documentation provides:</p> <ul style="list-style-type: none"> the production information that details performance definition, specification, sizing and positioning of all systems and components that will enable construction; the manufacture, fabrication and construction information for specific components of the work, informed by the production information. <p>Stage 4 is complete when the Design Documentation Report is approved.</p>
5	Works	<p>Completed Works capable of being used or occupied</p> <p>4) Completion of the Works Stage requires:</p> <ol style="list-style-type: none"> Certification of the completion of the works in accordance with the provisions of the contract; or Certification of the delivery of the goods and associated services in accordance with the provisions of the contract. <p>Stage 5 is complete when the Works Completion Report is approved.</p>
6	Handover	<p>Works which have been taken over by the user or owner; Completed Training; Record Information</p> <p>(5) The handover stage requires the following activities to be undertaken:</p> <ol style="list-style-type: none"> Finalise and assemble record information which accurately reflects the infrastructure that is acquired, rehabilitated, refurbished or maintained; Hand over the works and record information to the user organisation and, if necessary, train end user staff in the operation of the works. <p>Stage 6 is complete when the Handover/Record Information Report is approved.</p>

7	Close-Out	Defects Certificate or Certificate of Final Completion; Final Account; Close-Out Report
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Stage		Project Stage Deliverables
No	Name	End of Stage Deliverables
		<p>(6) The Close-Out Stage commences when the end user accepts liability for the works. It is complete when:</p> <ul style="list-style-type: none"> a) Record information is archived; b) Defects certificates and certificates of final completion are issued in terms of the contract; c) Final amount due to the contractor is certified in terms of the contract; d) Close-Out Report is prepared by the Implementer and approved by the Municipality. <p>Stage 7 is complete when the Close-out Report is approved.</p>

- b) Procurement of PSPs and Contractors can occur at different points in the project stages.
- c) Additional stages may be added to the described stages above, if deemed necessary. For example, additional stages could include those necessary to ensure that project activities are appropriately carried out and stages linked. Contract activities would, in many instances, be contingent upon the requirements of the specific contract being used.
- d) For project progress using the project stages, reporting must be for the deliverable achieved in the stage immediately prior to the 'in progress' stage. For example, if a project is shown as being at Stage No. 3 (Design Development), it implies that the deliverable for Stage No. 2 (i.e. the Concept Report) has been achieved; and that the deliverable for Stage 3 (i.e. the Design Development Report) is in the process of being prepared.
- e) Where an organ of state engages another organ of state to provide agency services, a service delivery agreement must be developed that outlines the roles and responsibilities for each organ of state; and establishes a relationship between the client and the implementer. The development of all deliverables should be carried out in a cooperative and consultative manner between the Client and Implementer parties. All deliverables must be developed and signed off in compliance with the specific service delivery agreement.

c) Gateway Reviews

5.2.1 Gateway reviews for mega capital projects : Value > R50 000 000

- i. The MFMA (Act 56 of 2003), section 19 (2) states: "Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider the projected cost covering all financial years from the start until the project is operational; and the future operational costs and revenue on the project, including municipal tax and tariff implications."
- ii. The (LGFIDPM) Local Government Framework for Infrastructure Delivery and Procurement Management, prescribes the Gateway Review at the end of stage 2, as the minimum requirement to comply with section (i) above.
- iii. The focus of such a review must be on the quality of the documentation in the first instance, and thereafter on:
 - a. Deliverability: the extent to which a project is deemed likely to deliver;

- b. Expected benefits: within the declared cost, time and performance area;
 - c. Affordability: the extent to which the project's level of expenditure and financial risk can be accepted, given the organisation's overall financial position, both singly, and when considering its other current and projected commitments; and Value for money: The optimum combination of whole life costs and quality (or fitness of purpose), to meet the user's requirements.
- iv.** A gateway review team must comprise of not less than three persons who are neither involved, nor associated with the project, but have a broad understanding of the subject matter.
- v.** A gateway review must be led by a person who has experience in the planning of infrastructure projects and is registered as a professional with a statutory council under the built environment professions. The members of the team must, as relevant, have expertise in the key technical areas, cost estimating, scheduling and implementation of similar projects.
- vi.** It is the duty of the institution's Accounting Officer or Authority to appoint a team responsible for the gateway review of his or her institution.
- vii.** The gateway review team must base its findings primarily on:
 - a) The information contained in the end-of-stage deliverable;
 - b) Supplementary documentation, if any, provided by key staff and obtained during an interview process; and
 - c) Interviews with key staff members and stakeholders.
- viii.** The gateway review team must issue a report at the conclusion of a gateway review, which reflects the team's assessment of the information at the end of a stage; and provides findings or recommendations on areas where further work should be undertaken to improve such information.
- ix.** The gateway review findings must be classified by the gateway review team as:
 - a) Critical: Findings that pose adverse effect to the project or package. Critical findings are findings related to the stage deliverable that are wholly unacceptable.
 - b) Major: Findings that pose a potentially adverse effect to the project or package. Major findings are serious findings and are in direct violation of key legislation, e.g. The Constitution of the Republic of South Africa, the MFMA or the PPPFA.
 - c) Minor: Findings that do not pose any adverse effect to the project or package. Minor findings indicate the need for improvement of practices and processes.
- x.** A Stage 2 deliverable must not be approved until such time that all findings have been resolved.

6.1 FRAMEWORK FOR INFRASTRUCTURE PROCUREMENT

(1) INTRODUCTION

The framework for infrastructure procurement outlines the minimum infrastructure procurement policy requirements for municipal planning and implementation. The strategic direction set in the Integrated Development Plan (IDP) informs the framework for infrastructure procurement. For example, procurement strategies must be aligned to the municipality's developmental and internal transformation needs, as specified in the IDP.

(2) MINIMUM REQUIREMENT FOR INFRASTRUCTURE PROCUREMENT

- a) Infrastructure procurement must be undertaken in accordance with all applicable Infrastructure Procurement related legislation and this Framework.
- b) Infrastructure procurement must be implemented in accordance with the procurement gates prescribed in clause 6.3 below.
- c) The Accounting Officer must ensure that a budget is available for the duration of the project, in line with MFMA provisions for capital and operating budgets.
- d) The Accounting Officer must ensure that cash flow management processes are in place to meet payment obligations within the time periods specified in the contract.
- e) Procurement gates provided in 6.3 below must be used, as appropriate, to:
 - (i) Authorise commencement of activities that lead to the next control gate;
 - (ii) Confirm conformity with requirements; and/or
 - (iii) Provide information to eliminate any cause of non-conformity and to prevent reoccurrence.
- f) The authorisation to proceed to the next procurement gate must be given by a delegated person or body. The delegated person or body must be able to apply relevant built environment knowledge and skill to achieve the intended results required at the relevant procurement gate. The level of detail contained in the documentation on which a decision to proceed to the next procurement gate is made, must be sufficient to enable an informed decision.
- g) The Accounting Officer must develop and implement effective and efficient emergency procurement procedures, including relevant approval delegation, in compliance with relevant legislation.
- h) The Accounting Officer must develop and implement an effective and efficient infrastructure disposal policy in line with the Municipal Asset Transfer Regulations. The institution may consider disposal strategies aligned to their internal disposal policy, prior to proceeding with the procurement strategy.
- i) The Accounting Officer must keep records of Procurement Gate Approvals, in a manual or electronic format, with the following minimum requirements:
 - (i) Procurement gate;
 - (ii) Delegated person/s or body;
 - (iii) Date on which the approval request was received;
 - (iv) Date on which the approval was actioned; and
 - (v) Signature of the delegated person or body.

6.3 All assets must be recorded in the municipal asset register as required by the GRAP

standards.

Infrastructure Procurement Gates

6.3.1 Procurement **Gate 1 (PG 1)**

- a) Initiate a procurement process;
- b) **Minimum Requirement for PG 1:**
 - i. Establish and clarify the procurement need, aligned to the municipality's development and transformation priorities specified in the IDP.
 - ii. Determine a suitable title for the procurement, to be applied as the project description
 - iii. Prepare the broad scope of work for the procurement.
 - iv. Perform market analysis.
 - v. Estimate the financial value of proposed procurement and contract for budgetary purposes, based on the broad scope of work.
 - vi. Confirm the budget.
 - vii. Compliance with section 33 of the MFMA with respect to community and stakeholder consultation.
- c) **PG 1 is complete when a designated person or body makes the decision to proceed/not to proceed, with the procurement of the infrastructure.**

6.3.2 Procurement **Gate 2 (PG 2)**

- a) Approve procurement strategy to be adopted.
- b) **Minimum Requirement for PG 2:**
 - i. Develop a procurement strategy aligned to the institutional procurement strategy:
 - ii. Establish contracting and pricing strategy comprising of an appropriate allocation of responsibilities and risks; and the methodology for contractor payments.
 - iii. Identify service required for works.
 - iv. Decide on contracting strategy.
 - v. Decide on pricing strategy.
 - vi. Decide on form of contract.
 - vii. Establish opportunities for promoting preferential procurement in compliance with legislative provisions and the Construction Sector Code.
- c) **PG 2 is complete when a delegated person or body approves the procurement strategy that is to be adopted.**

6.3.3 Procurement **Gate 3 (PG 3)**

- a) Approve procurement documents.
- b) **Minimum requirements for PG 3:**
 - 1) Prepare procurement documents that are compatible with:
 - i. approved procurement strategies.
 - ii. project management design documentation.
- c) PG 3 is complete when the Bid Specification Committee approves the procurement document.

6.3.4 Procurement **Gate 4 (PG 4)**

- a) Confirm that cash flow processes are in place to meet projected contractual obligations.
- b) **Minimum requirement for PG 4**
 - 6.3.4.b.1 Confirm that cash flow processes are in place to meet contractual obligations.
 - 6.3.4.b.2 Establish control measures for settlement of payments within the time period specified in the contract.
- c) **PG 4 is complete when a delegated person or body confirms in writing that cash flow processes are in place; and control measures are established for the procurement to take place.**

6.3.5 Procurement **Gate 5 (PG 5)**

- a) Solicit tender offers.
- b) **Minimum requirements for PG 5**
 - 6.3.5.b.1 Invite contractors to submit tender offers.
 - 6.3.5.b.2 Receive tender offers.
 - 6.3.5.b.3 Record tender offers.
 - 6.3.5.b.4 Safeguard tender offers.
- c) **PG 5 is complete when tender offers received are recorded and safeguarded by a delegated person from the SCM unit.**

6.3.6 Procurement **Gate 6 (PG 6)**

- a) Evaluate tender offers premised on undertakings and parameters established in procurement documents.
- b) **Minimum Requirement for PG 6:**
 - 6.3.6.b.1 Determine whether tender offers are complete.
 - 6.3.6.b.2 Determine whether tender offers are responsive.
 - 6.3.6.b.3 Evaluate tender submissions.
 - 6.3.6.b.4 Review minimum compliance requirements for each tender.
 - 6.3.6.b.5 Perform a risk analysis.
 - 6.3.6.b.6 Prepare a report on tender offers received, and on their achievement of minimum compliance.
- c) **PG 6 is complete when the chairperson of the Bid Evaluation Committee approves the BEC report.**

6.3.7 Procurement **Gate 7 (PG 7)**

- a) Award the contract.
- b) **Minimum Requirement for PG 7:**
 - 6.3.7.b.1 Bid adjudication committee review of the BEC evaluation report.
 - 6.3.7.b.2 Bid Adjudication Committee makes an award.
 - 6.3.7.b.3 Accounting Officer approval of the tender process.
 - 6.3.7.b.4 Notify successful tenderer and unsuccessful tenderers of the outcome.
 - 6.3.7.b.5 Sign contract document.
 - 6.3.7.b.6 Formally accept tender offer.
- c) **PG 7 is complete when the Accounting Officer, or the Bid Adjudication Committee where delegated, confirms that the tenderer has provided evidence of complying with all requirements stated in the tender data and formally accepts the tender offer in writing, and issues the contractor with a signed copy of the contract.**

6.3.8 Procurement **Gate 8 (PG 8)**

- a) Administer and monitor the contract.
- b) **Minimum Requirements for PG 8:**

- 1) Finance department to:
 - i. Capture contract award data.
 - ii. Manage cash flow projection.
 - iii. Administer contract in accordance with the terms and provisions of the contract.
 - i. Delivery department to:
- 2) Ensure compliance with contractual requirements.

c) ***PG 8 is complete when a delegated person captures the contract completion/termination data (close out reports and relevant documents), including payment certificates due***

ANNEXURE I

CREDIT CONTROL AND DEBT COLLECTION POLICY



CREDIT CONTROL AND DEBT COLLECTION POLICY

Date

DC Approved:

Council
Resolution (DC
No):

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PREAMBLE

In terms of section 96 of the Local Government: Municipal Systems Act, 2000, a Municipality shall-

- 9 collect all money due and payable to it, subject to the provisions of the Act and any other applicable legislation; and
- 10 for this purpose, implement and maintain a credit control, debt collection policy which is not in conflict with its rates and tariffs policies and which complies with the provisions of the Act.

In order to give effect to the a foregoing provisions of the Act, the council of the Garden Route District Municipality will have to adopt a policy relating to credit control, debt collection and as set out hereinafter.

6. DEFINITIONS

For purposes of this policy, and unless inconsistent with the context, any word or phrase to which a specific meaning was ascribed by the Act, will have that meaning and

"account" includes-

- 6.1** rental agreements;
2. fire services
3. air quality services
- environmental health levies
- any other levies and money owing to the Municipality; and

"municipal account" has a corresponding meaning;

"Act" means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) as amended from time to time;

"arrears" means any amount due and payable to the Municipality which has not been paid on or before the date of payment;

"council" means the municipal council of the Garden Route District Municipality ;

"date of payment" means the date on which the Municipality's accounts are due.

"Manager: Financial Services" means a person appointed by the council in that capacity to administer the council's finances and includes any person –

- who is in an acting capacity in that position;
- to whom the Manager: Financial Services delegated a power, function

or duty in respect of such delegated power, function or duty;

"Municipal Manager" means the person appointed in that capacity by the council in accordance with Section 82 of the Local Government Municipal Structures Act No 117 of 1988 as amended by Section 54A of the Local Government Municipal Systems Act No 32 of 2000 and includes any person –

- (a) acting in that position;
- (b) to whom the Municipality delegated a power, function or duty in respect of such delegated power, function or duty;

"municipal services" means a service that a municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether

- 6 such a service is provided, or to be provided by the municipality through an internal mechanism contemplated in section 76 or by engaging an external mechanism contemplated in section 76; and
- 7 fees, charges or tariffs are levied in respect of such service or not.

"Municipality" means the Garden Route District Municipality ;

"owner" in respect of immovable property means-

7.1 the person in whom ownership vests;

7. in the event of the person in whom the ownership vests being insolvent or deceased, or subject to any legal disqualification, the person under whose control and administration such immovable property vest in his/her capacity as curator, trustee, executor, administrator, judicial manager, liquidator or any other lawful representative;
8. in any event where the council is unable to determine the identity of such a person, the person who is entitled to the beneficial use of such immovable property;
9. in the event of immovable property in respect of which a lease agreement of 30 years or longer had been concluded, the lessee thereof;

10. in respect of-

- a portion of land demarcated on a sectional title plan and registered in accordance with the Sectional Titles Act, 1986 (Act No. 59 of 1986), the developer or the governing body in respect of the joint property;
- a portion of land as defined in this Act, the person in whose name that portion is registered in accordance with a title deed registered in a Deeds Registrars Office according to the Deeds Registries Act, 1937 (Act No 47 of 1937), including the lawfully appointed representative of such person;

11. any person, including but not limited to:

- a company registered in accordance with the Companies' Act, 1973 (Act No 61 of 1973) as amended, a trust *inter vivos*, a trust *mortis causa*, a close corporation registered in accordance with the Close Corporations Act, 1984 (Act No 69 of 1984) as amended, and a voluntary association;
- any government department;
- any council or governing body established in accordance with any legislation in force in the Republic of South Africa; and
- any embassy or other foreign entity;

"premises" means any portion of land, situated within the area of jurisdiction of the municipality, and of which the outer boundaries are demarcated on:

- (1) a general plan or diagram registered in accordance with the Land Survey Act, 1927 (Act No 9 of 1927) or the Deeds Registries Act, 1937 (Act No 47 of 1937); or
- (5) a sectional title plan registered in accordance with the Sectional Titles Act, 1986 (Act No 95 of 1986);

"standard rate of interest" means a rate of interest two percent higher than the prime rate in the RSA

"interest on overdue accounts" is based on a full month and part of a month shall be deemed to be a full month whilst interest on overdue account will be calculated on total principal debt balance levied which is outstanding at the due date for payment - which excludes the total accumulated interest balance which forms part of the total overdue amount on the account

7. CUSTOMER CARE AND MANAGEMENT

2.1. COMMUNICATION AND THE CONVEYANCE OF INFORMATION

- In order to give effect to the provisions of section 95 (a), (b), and (c) of the Act, the Municipality shall do everything within its power to-
 - hold community meetings where representatives of the Municipality and other service providers may consult with the community;
 - ensure that users of municipal services and/or any other service are properly informed with regard to the delivery of services and in particular the costs of the provision of services.

In order to achieve these aims-

- there will, amongst others, be public meetings convened during the budget process, in which political parties, ratepayers' associations, residents'

associations, community organisations, chambers of commerce, the general public, and any other interested party shall be involved and during which the priorities, principles, and frameworks of budgets will be discussed and analysed;

- 5) identify, within the region, the needs which are legally the responsibility of the Municipality;
- 6) involve the community in the prioritising of such needs;
- 7) involve the community in the Municipality's planning of projects and what the Municipality is and other government levels are doing; and
- 8) inform communities what the levels of payment and non-payment are in respect of municipal services, rates and other money due to the Municipality, and to establish strategies in this regard.
 - a) further public meetings will be held after the drafting of the concept budget at which the implementation of tariffs and the manner in which the budget is to be applied, will be discussed;

- Other methods of communication are to include-

- the utilization of municipal accounts as a highly effective method of communication to convey all kinds of information;

- the distribution of a newsletter in which prominence is to be given to customer care and issues relating to debt;
- encouragement to the press and social media service provider to give prominence to the Municipality's customer care and issues relating to debt and to encourage the press to attend council meetings at which these issues are discussed.

• **MUNICIPAL ACCOUNTS**

In so far as it is possible, the Municipality shall ensure that a person liable for payment of municipal services shall receive monthly statements on which the following shall be reflected:

- all outstanding amounts and the balance brought forward; amounts owing;
- total amount due;

• **ENQUIRIES. APPEALS. ANP SERVICE COMPLAINTS**

- Should a person be convinced that his or her account for municipal services, is inaccurate, he or she may direct a request to the Municipality to have that account reviewed.
- In the meantime, the person must pay an amount, as determined by the Manager: Financial Services, before the date of payment and until the matter has been resolved.
- The Municipal department concerned shall, within one month of receipt of such a request, investigate the matter and inform the person concerned of the outcome of such an investigation.
- Failure to pay the amount determined in accordance with paragraph 2.3.2 on or before the date of payment in respect of municipal services, will result in credit control action be taken as spelled out in this policy

- A person may appeal against the findings of the Municipality referred to in paragraph 2.3.3.
- An appeal in accordance with paragraph 2.3.3 must be made and delivered to the Municipal Manager within 21 days of the appellant becoming aware of the finding referred to in paragraph 2.3.3 and shall-
(l) set out the grounds of the appeal
- The Municipal Manager must commence with an appeal within six (6) weeks and decide the appeal within a reasonable period.

2) PAYMENT FACILITIES

- The Municipality shall provide and maintain strategically situated accessible payment offices and cash points throughout its area of jurisdiction
- The following alternative payment facilities shall also be provided or be available:
 - electronic bank transfers {A.C.B. system};
 - internet transfers;
 - direct depositing of money into the Municipality's approved bank account;
- Where any of the alternative payment facilities is used, the onus is on the person using such facilities to provide proof of payment, and the Municipality does not accept liability for the non-receipt of such payments, or for incorrect allocations, where such incorrect allocations are due to a mistake on the part of such person.
- Where payment of the money due is made by way of a direct deposit into the Municipality's approved bank account, the onus rests on the debtor to notify the Municipality of such deposit in writing or facsimile to reach the Municipality not later than the date of payment of such monies.

- Municipal accounts are due and payable on the 15th of the month or the first working day after a weekend or public holiday if the 15th is during a weekend or on a holiday

c) ALLOCATION OF REVENUE

In accordance with section 102 of the Act, a Municipality may-

- consolidate any separate accounts of persons liable for payments to the Municipality; and
- credit a payment by such a person against any account of that person.

3. CREDIT CONTROL AND DEBT COLLECTION MEASURES

3.1 INABILITY FOR PAYMENT OF MONEY DUE AND PAYABLE TO THE MUNICIPALITY

- The person responsible for the payment of money due and payable to the Municipality will be the following in the instances mentioned hereafter:
- any other services -the person to whom such services were delivered.
- Where an account is not paid in full, any lesser amount offered and accepted by the Municipality shall not be deemed to be in full and final settlement of such account. unless the Municipal Manager in writing accepts such lesser amount as being in full and final settlement of the account in question.
- The onus rests on the debtor to obtain a statement of his or her accounts so that they may be paid on or before the date of payment.

3.2 DATE OF PAYMENT OF MONEY DUE

- Municipal Services, Rental Agreements, Sundry debtors

- Moneys payable in respect of municipal services are due and payable on the date indicated as such on the account delivered each month in respect of those services and such payment must be made on or before the 15th day of the month after the month in which the account is rendered or such future date as the Council may determine from time to time.
- Payment of amounts due to the Municipality, and fees due in respect of municipal services, must be made on the date indicated on the account rendered to such debtor in respect of such amount owed, which date will be no more than 30 days after the rendering of the particular service.
- Where the last date of payment of any amount owing to the Municipality falls on a day on which the offices of the Municipality are closed, the final date for payment will be deemed to be the first subsequent day on which the offices are open.

(1) ACTIONS TO BE TAKEN WHERE DEBTORS FALL IN ARREARS OR FAIL TO PAY MONEYS DUE ON OR BEFORE THE DATE OF PAYMENT

a) FEES AND LEVIES IN ARREARS IN RESPECT OF MUNICIPAL SERVICES

- Interest shall be levied interest on overdue account will be calculated on total principal debt balance levied which is outstanding at the due date for payment - which excludes the total accumulated interest balance which forms part of the total overdue amount on the account
- If a person is unable to pay fees in arrears in respect of municipal services, the Municipality may enter into an agreement with such a person in terms of which he or she is permitted to pay the fees in arrears in monthly instalments and that such the person regularly pays all future accounts in respect of municipal services; the person acknowledges that interest on such amounts in arrears shall be payable at the prescribed rate of interest and he or she agrees to pay such interest;
- the person acknowledges that should he or she at any time fail to comply with the provisions of such an agreement, the agreement shall be deemed to be null and void; no further negotiations with that person shall be possible, and immediate

steps shall be taken to have the electricity and water supplies to the premises in question disconnected or restricted, after which legal proceedings shall follow.

(i) When a person is served with an account of which the amount due in respect of municipal services is exceptionally high and it is the result of -

- an act or omission on the part of the Municipality; or
- and provided that such amount in arrears is legally due and payable by that person, the Municipality may, in the discretion of the Manager: Financial Services, enter into an agreement with that person in terms of which he or she is permitted to pay the amount owing by way of monthly installments, provided that where such a high account is the result of an act and/or omission on the part of the Municipality, no interest shall be payable in respect of that outstanding amount.

(ii) If fees, or any portion thereof, due in respect of municipal services remain unpaid for a period exceeding 90 days calculated from the date of payment, and an agreement has not been entered into with the debtor, the Manager: Financial Services must,

- hand the account thus due and payable to a debt collector or attorney for collection, if, in his opinion, there is a fair chance that the debt may indeed be collected; [for purposes hereof a debt collector will be deemed to include any official of the council who is vested with the authority to collect debts]

or

- institute legal proceedings against the debtor for the recovery of the debt.

• AR R EARS R ENTAL AGR EEMENTS

- Where agreements provide for interest payable on rentals in arrears, interest will be levied in accordance with the provisions contained in such lease or loan agreements.
- Where instalments due to the Municipality are not paid on or before the date of payment, a letter of demand is sent to the person involved

in which he or she is requested to pay such arrears, together with interest, if any, within 21 days of the date of such notice.

- An agreement to pay the arrears by way of monthly instalments may at any time be entered into with the person so in arrears, subject, however, to the terms and conditions contained in paragraph 3.3.2.2, which terms shall apply *mutatis mutandis*.
- Where no agreement has been concluded to pay arrears by way of monthly instalments, and such amounts still remain in arrears after more than 30 days calculated from the date of payment, the Manager: Financial Services shall take the steps as set out in paragraph 3.3.2.3.

3.4. FEES DUE OTHER THAN THOSE IN RESPECT MUNICIPAL SERVICES AND RENTAL AGREEMENTS

The provisions of paragraphs 3.3.2.2 in respect of agreements in arrears are applicable *mutatis mutandis*.

v. LEVING OF INTEREST

- Interest at the standard rate shall be levied and collected in respect of all amounts in arrears due and payable to the Municipality.
- Interest is levied from the day following the date of payment in respect of such amounts in arrears as have not been paid by such date of payment.
- Interest is levied on the total principle debt balancer outstanding and interest on interest will not be levied as part of the outstanding balance

iv. COLLECTION OF DEPOSIT

- a) When a person applies for municipal services and before such services are provided, a deposit may be collected from that person to serve as security or partial security for the payment for municipal services provided to that person.
- b) A deposit as envisaged in paragraph (3.6.1) is utilised to extinguish or reduce debts owed by a person to the Municipality for municipal services rendered, in the event of such person disappearing and being difficult to trace, or being declared insolvent or who, for whatever reason, refuses to meet his or her obligations towards the Municipality.
- c) The amount of the deposit is determined as per specific agreement for municipal services.
- d) When a person, having paid a deposit to the Municipality, requests in writing that the municipal services provided to him or her be terminated and that the deposit thus kept by the Municipality be refunded to him or her, such deposit or any portion thereof which has not been utilised in accordance with paragraph 3.7.2, shall be refunded to such person.
- e) The Municipality is not liable for the payment of interest on deposits held by the Municipality.

f) INSTITUTION OF LEGAL PROCEEDINGS

- The institution of legal proceedings includes, but is not limited to-
 - the suing of a debtor for payment of amounts in arrears;
 - the attachment of rent payable in respect of a property;
 - the attachment of a debtor's remuneration;
 - the attachment and sale in execution of movable things;
 - the attachment and sale in execution of immovable property;
 - the evacuation of a tenant from a rented property in the event of rental due to the Municipality in respect of such leased property.
- The institution of legal proceedings is undertaken with due consideration of all legal requirements and in compliance with the applicable regulations and procedural rules.
- Discretionary powers vest in the Manager: Financial Services to decide whether

- an account should be handed over to a debt collector or an attorney for collection and if
- legal proceedings should be instituted against a debtor

In the exercise of his powers the Manager: Financial Services determines as a sole consideration whether it will be cost-effective to hand over the account for collection and/or to institute legal proceedings against the debtor or not.

- The Manager: Financial Services shall be empowered to determine which of the judicial measures listed in paragraph 3.8.1 will be the most appropriate and effective in respect of each and every debtor against whom legal proceedings are to be instituted in accordance with this policy of the Council.

a. WRITING OFF OF BAD DEBT

3.8.1 Steps To Be Taken Before Writing Off Debt

Before consideration is given for the write-off of any debt the following steps should be taken:

(1) CREDIT CONTROL AND DEBT COLLECTION POLICY ACTIONS

All the applicable actions as contained in the Credit Control and Debt Collection Policy of the Municipality should have been executed and implemented.

(2) ESTATE NOTICES MONITORING

- Deed search to be requested from Legal Services Department on ID numbers of deceased debtors
- Estate notices in the Government Gazette must be checked regularly to enable the municipality to institute claims against insolvent and deceased estates of persons owing money to the Municipality.

(3) TRACING OF DEBTORS

In the event that the debtor's address is not known, all

reasonable steps must be taken to trace the debtor. A reasonable effort to trace the debtor will include, but is not limited to, the following:

- (a) Utilising all the information available (such as vehicle registration number, school attended by children, etc.) to locate the debtor;
- (b) Utilising the telephone directory for the last town or city in which the debtor lived to locate the debtor and/or his/her relatives; and
- (c) Contacting the following institutions or persons in order to locate the debtor:
 - The Vehicle Registration Authorities;
 - The Department of Home Affairs; and
 - Officials and/or colleagues at the debtor's last place of employment.

The Manager Financial Services shall consider all other economically viable avenues for debt recovery, including the use of tracing agents, factoring of debts, recourse against sureties, guarantors or lessees, etc.

3.8.2 Prevention Of Prescription Of Debt

- Prevention:
Proceedings out of the appropriate court having jurisdiction for the recovery of a debt must be commenced as soon as is appropriate in order to prevent prescription of the debt. A summons process

for payment of the debt must be successfully concluded as soon as possible to prevent prescription of the debt in terms of the Prescription Act.

- Prescription Act, 1969 (Act No. 68 of 1969):

Section 10 (1) of the Prescription Act provides that a debt shall be extinguished by prescription after the lapse of the period which in terms of the relevant law applies in respect of the prescription of such debt. The Municipality cannot legally enforce payment of a debt once the debt has prescribed, but the period of prescription is interrupted:-

- By the service on the debtor of any process whereby the creditor claims payment of the debt. "Process" means a Summons or Notice of Motion, which must actually be served on the debtor and not simply issued by the court, and does NOT include a registered letter of demand
- the debtor acknowledges liability, whether expressly or tacitly payment of a portion of the debt can constitute a tacit acknowledgement of liability.

The completion of prescription may also be delayed in certain circumstances.

- In terms of Section 11 of the Prescription Act, 1969 (Act 68 of 1969), the periods of prescription of debts are as follows:
 - **Thirty years** in respect of -
 - any debt secured by a mortgage bond;
 - any judgment debt;
 - any debt in respect of any taxation imposed or levied by or under any law; and
 - any debt owed to the State in respect of any share of the profits, royalties or any similar consideration payable in respect of the right to mine minerals or other substances.
 - **Fifteen years** in respect of any debt owed to the State and arising out of an advance or loan of money or a sale or lease of land by the State to the debtor, unless a longer period applies in respect of the debt in question in terms of paragraph (i) above.
 - **Six years** in respect of a debt arising from a bill of exchange or other negotiable **instrument** or from a notaries contract, unless a longer period applies in respect of the debt in question in terms of paragraph (i) or (ii) above.
 - **Three years** in respect of all other debts, save where an Act of Parliament provides otherwise.²⁹

3.8.3 General

Should all the above efforts prove to be unsuccessful and the debtor cannot be traced or it would be uneconomical to take the matter any further, only then must a submission be made requesting the write-off of the debt. This submission must detail all steps taken and the Municipality must maintain audit trails in such instances, and document the reasons for the abandonment of the actions or claims in respect of the debt.

3.8.4 WRITE OFF DEBTS OWING TO THE MUNICIPALITY

(iii) GENERAL CONDITIONS

The Municipality will consider debts for write-off in the following general circumstances:

- (a) When debts have prescribed, as contemplated in paragraph 3.8.1 above;
- (b) When debts have not been recovered from the deceased, where their estates have been finalized, and recovery of the debts from the heirs is not possible;
- (c) When debts are owed by debtors who cannot be traced, notwithstanding compliance with the provisions in paragraph 3.3 above;
- (d) When no source documentation is available to substantiate or prove the claims, provided that the Manager Financial Services must have satisfied him/herself that all reasonable steps have been taken to locate the source documents;
- (e) When the debtor has emigrated without paying the debts, leaving no assets available for attachment and the debtors' whereabouts are unknown;

(f) When it is not economical to pursue the debt further.

Note: Unless affordable arrangements can be made with tracing agents or attorneys, the costs associated with the tracing of a debtor and subsequent legal costs occasioned thereby, could exceed the amount claimed. It would therefore not be in the Municipality's interest to attempt recovery of debts where the prospects of recovery are remote, and where the possibility exists that the costs associated with recovery may exceed the debt.

(iv) SPECIFIC CONDITIONS

The Municipality will consider debts for write-off in the following specific circumstances:

- Sundry Debt:

Debt owed to Council arising from auxiliary services rendered by Council will be regarded as irrecoverable in the following instances:

- If the debt has prescribed;
- In circumstances contemplated in 3.8.3 (i) (a) to (f) above

- FINAL ACTION

Whenever all the legal avenues, procedures and steps listed above have been exhausted, the arrear amounts should be classified as irrecoverable and should be written off by the person to whom the authority to do so has been delegated under the Municipality's system of delegations

Immediately after 30 June each year, or more regularly if requested by Council, the Manager Financial Services must present to the Council a report listing the following:

- For noting-details of the debts that was written off during the year ending 30 June under delegated authority, together with the reasons for the write offs; and
- For consideration - details of any debt, not included under (a) above, which is believed to be irrecoverable, together with the reasons for this conclusion. The council shall then approve the write-off of such arrears, if it is satisfied with the reasons provided.

- **BAD DEBTS RECOVERED**

The approval of Council for the write-off of any debt does not mean that actions to recover the money will be terminated, however, further actions will be instituted depending on the costs involved and if debt is recovered it will be recorded in the financial records of Council as recovered.

4. GENERAL PROVISIONS

4.1 COLLECTION COSTS

All legal costs and any other expenses incurred by the Municipality in order to recover monies owing by a debtor to the Municipality, shall be debited against that debtor's account and/or collected by an attorney.

Collection commission and other expenses incurred by the municipality in order to recover monies owing by a debtor to the municipality, is not recoverable from the debtor.

iv. DISHONoured PAYMENTS

Should any payment made to the Municipality by means of a negotiable instrument be dishonoured by a bank at a later stage, the Manager: Financial Services may -

- impose costs and administration fees on the account of that debtor at a rate to be determined by the council from time to time; and
- after payment tendered by a debtor is dishonoured for a third time by a bank, notify that person in writing that all future payments may only be made in cash.

4.3 ACCESS TO PREMISES

An occupier of premises in the area of jurisdiction of the Municipality must give an authorised representative of the Municipality or of a service provider access at "all reasonable hours to the premises.

- **SIGNING OF NOTICES AND DOCUMENTS**

A notice or document issued by the Municipality pursuant to a by-law promulgated by the Municipality and signed by a staff member of the Municipality is deemed to have been properly issued and shall be accepted by the court as evidence of that fact upon the mere submission thereof.

- **CERTIFICATION OF DOCUMENTS**

Any order, notice or other document which needs to be certified by the Municipality, is deemed to have been sufficiently certified if it is signed by the Municipal Manager or a duly authorised official of the Municipality to whom such powers were delegated by means of a decision of the Municipality's council or pursuant to a by-

law.

- **PRIMA FACIE EVIDENCE**

In lawsuits initiated by the Municipality, the mere submission of a certificate reflecting the amount due and payable to the Municipality and signed by the Municipal Manager or a suitably qualified official authorised thereto by the Municipal Manager, shall be accepted by the court as *prima facie* evidence that the amount is due.

- **QATA MAINTENANCE**

Should the client contact the municipality at any time, his/her details as reflected on the financial system should be verified and checked and adjusted accordingly.

4.8 **SHORT TITLE**

This policy is called the Credit Control, Debt Collection Policy of the Garden Route District Municipality.

ANNEXURE J

BANKING, CASH MANAGEMENT AND INVESTMENT POLICY



BANKING, CASH MANAGEMENT & INVESTMENT POLICY

Date	Council
Approved:	D
	C Resolution (DC No):

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1 **DEFINITIONS**

For the purpose of this policy:

"Act"- means the Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003)

"Accounting Officer"- is the person appointed by Council in terms of Section 82 of the Municipal Structures Act, 1998 as amended by Section 54 A of the Municipal Systems Act, 2000 [Act No.32 of 2000]

"Council" - means the Garden Route District Municipal Council or any of the Council's committees or officials acting under powers, functions and duties delegated to them in terms of any existing act or ordinance or by-law in force within the area of jurisdiction to the Council

"Councillor"- shall mean a member of the municipal council of Garden Route District Municipality;

"Chief Financial Officer" - shall mean the head of the Financial Services Department as contemplated in Section 80 of the MFMA;

"Official" - shall mean all persons in the employment of Garden Route District Municipality

"Investments" - means:

- 25. The placing or deposit of funds with a financial institution' or
- 26. The acquisition of monetary and non-monetary assets with funds not immediately required with the primary aim of preserving those funds.
"Investment Manager"- means a natural person or legal entity that is a portfolio manager registered in terms of the Financial Market Control Act, 1989 (Act 55 of 1989 and Stock Exchanges Control Act, 1985 (Act 1 of 1985), contracted by a municipality or municipal entity to -
 - 16. advise on investments
 - 17. manage investments on its behalf ; or
 - 18. advise it on investments and manage investments on its behalf

"Investee"- means an institution with which an investment is placed, or its agent;

"Municipality"- means the Garden Route District Municipality

9 **Objective and Scope of Policy**

- 9.1 The council and staff of the municipality have an obligation to the community to ensure that the municipality's cash resources are managed effectively and efficiently.
- 9.2 The municipality therefore has a responsibility to invest these public revenues knowledgeably and judiciously, and must be able to account fully to the community in regard to such investments.
- 9.3 This policy is intended to provide a framework for ensuring the proper management and investment of its cash resources so as to ensure:

- That the net current asset requirements of the municipality are effectively managed;
- That sufficient cash resources are available to finance the capital and operating budgets of the municipality;
- That the highest possible return on investments is gained without unnecessary risk, during periods when excess funds are not immediately required;
- That in so doing, the primary aim of preserving and ensuring the safety of deposits is promoted;
- That there is effective control over the management of bank accounts
- That investments are diversified.

9.4 This policy shall apply to the management of all of the cash resources of the Municipality and to all investments made by it

10 Legal Provisions

The municipality shall at all times manage its banking arrangements and investments and conduct its cash management policy in compliance with the provisions of:

10.1 The Local Government: Municipal Finance Management Act No. 56 of 2003 ("the MFMA") and

10.2 any Regulations made thereunder, including, in particular, the Municipal Investment Regulations published under GN R308 in Government Gazette 27431 of 1 April 2005 ("the Investment Regulations").

11 Principles of Sound Cash Management

In order to promote sound cash management, the Municipality shall

adhere to the following principles:

- 11.1 It shall collect revenue when it is due and bank it promptly;
- 11.2 It shall make payments, including transfers to other levels of government and non- government entities, no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the creditor's normal terms for account payments;
- 11.3 It shall avoid pre-payment for goods or services (i.e. payments in advance of the receipt of goods or services), unless required by the contractual arrangements with the supplier;
- 11.4 It shall accept discounts to effect early payment only when the payment has been included in the monthly cash flow estimates provided to the relevant treasury;
- 11.5 It shall and pursue apply its debt collection policy to ensure that amounts receivable by the municipality are collected and banked promptly;
- 11.6 It shall accurately forecast its cash flow requirements;
- 11.7 It shall synchronise the inflow and outflow of cash;
- 11.8 It shall recognise the time value of money by economically, efficiently and effectively managing cash;
- 11.9 It shall take any other action as may promote the efficient utilisation of cash resources, such as managing inventories to the minimum level necessary for efficient and effective programme delivery, and selling surplus or under utilised assets; and
- 4.10 It shall avoid bank overdrafts.

11 **CASH COLLECTION**

- 11.1 All monies due to the municipality must be collected as soon as possible,

either on or immediately after due date, and banked on a economical minimum of twice p.m basis.

- 11.2** The Municipality shall endeavour to apply its Credit Control and Debt collection Policy rigorously in order to promote the collection of moneys due to it. This includes charging interest and recovering other costs when appropriate and setting target dates when these are payable.

12 RECEIPT OF PAYMENTS

- 12.1** The receipt of all monies collected by the council shall be acknowledged forthwith by the issue of a numbered official receipt, as provided in this section.

- 12.2** When money is received over the counter:

- Every payment received by a cashier or other officer responsible for the receipt of money shall be acknowledged at once by the issue of a numbered official receipt or cash ticket; and
- Every receipt form which is cancelled will be reattached in the correct place, in the receipt book. Where computer generated receipts are used, the original receipt must be filed for audit purposes.

- 12.3** Payments by cheque

No payments by cheque will be accepted

- 12.4** When money is received by electronic transfer, such transfers must be immediately recorded and receipts must be issued.

8. Payments to Creditors

- 8.1** The chief financial officer shall ensure that all tenders and quotations invited

by and contracts entered into by the municipality stipulate payment terms favourable to the municipality, subject to the provisions of Section 65 of the MFMA.

- 8.2** Notwithstanding 7.1, in the case of small, micro and medium enterprises, where such a policy may cause financial hardship to the contractor, then the CFO chief financial officer may in his discretion authorise payment thereof.
- 8.3** The Chief Financial Officer shall make full use of any extended terms of payment offered by suppliers and not settle any accounts earlier than such extended due date, except if he or she determines that there are financial incentives for the municipality to do so.
- 8.4** The Chief Financial Officer shall not ordinarily process payments for accounts received more than once in each calendar month, such processing to take place on or about the end of the month concerned, except when payment is to be effected in circumstances contemplated in 7.2.
- 8.5** Special payments to creditors (that is to say, payments made in circumstances not contemplated elsewhere in this section) shall only be made with the express approval of the chief financial officer, who shall be satisfied that there are compelling reasons for making such payments.
- 8.6** Credit statements must be reconciled monthly.
- 8.7** Payments must be made only on receipt of an official order, certified goods received note and official company invoice.
- 8.8** All payments, other than petty cash disbursements, shall be made through the municipality's bank account(s) .
- 8.9** The chief financial officer shall, in consultation with the municipal manager and with due regard to the council 's policy on banking and investments, and subject to 7.10, determine the rules and procedures relating to the approval of payments and jointly with the municipal manager decide on appropriate signatories.
- 8.10** Only the Municipal Manager or the Chief Financial Officer, or any other

senior official of the Municipality acting on the written authority of the Municipal Manager, may withdraw money or authorize the withdrawal of money from any of the Municipality's bank accounts, and shall do so only for the purposes prescribed in Section 11 of the MFMA.

8.11 Notwithstanding the above, payments shall be effected by means of electronic transfers with the normally accepted control measures being applied

- All requests for payments of whatever nature shall be submitted on payment vouchers, the format of which shall be determined by the chief financial officer. Such vouchers shall be authorised in terms of such rules and procedures as are determined from time to time by the chief financial officer.
- The maximum amount and nature of petty disbursements, shall be generally determined from time to time by the chief financial officer, subject, however, to the provisions of the Municipality's Supply Chain Management Policy.
- No cash float shall be operated without the authority of the chief financial officer, who may prescribe such procedures relevant to the management of such float as are considered necessary.
- The chief financial officer or the delegated authority shall be responsible for the payment of all salaries and remuneration benefits to employees and councillors, and for the determination of the payment system to be used.
- Payments to creditors shall in any event be made in accordance with the provisions of the MFMA, and in particular, with Section 65 thereof.

8. **INVESTMENTS DENOMINATED IN FOREIGN CURRENCIES PROHIBITED**

8.1 A municipality or municipal entity may make an investment only if the investment is denominated in Rand and is indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

9. **PAYMENT OF COMMISSION**

Every financial institution with which the municipality makes an investment must issue a certificate to the accounting officer in regard to such investment, stating that such financial institution has not paid and will not pay any commission and has not and will not grant any other benefit to any party for obtaining such investment, including councillors, officials or related spouses or family members.

• **MANAGEMENT OF INVENTORY**

- The chief financial officer or delegated authority shall be responsible for the proper administration of all stores.
- If sub-stores are established under the control of any head of department, or delegated authority such head of department shall be similarly responsible for the proper administration of such sub-store, and in doing so shall comply with the stock level policies as determined from time to time by the chief financial officer, acting in consultation with the head of department concerned.
- No sub-store may be established without the prior written consent of the chief financial officer.
- Each head of department or delegated authority shall ensure that such department's inventory levels do not exceed normal operational

requirements in the case of items which are not readily available from suppliers, and emergency requirements in the case of items which are readily available from suppliers.

- A stock register, reflecting the undermentioned detail must be kept and updated daily:

10.5.1 Item description;

10.5.2 Stores code

10.5.3 number;

10.5.4 Transaction date;

On goods received-

- Goods delivery note number;
- Number of items received; and

10.5.5 • Value of items

received. On goods issued-

- Requisition number; and

- Number of items issued.
- Balance of items in stock.
- Stock counts must be affected monthly and an annual report reflecting stock shortage and surpluses must be submitted to council as at 31 August of each financial year. All surpluses and shortages must be explained by the accountable head of department.
- Each head of department shall periodically review the levels of inventory held, and shall ensure that any surplus items be made available to the chief financial officer for sale at a public auction or by other means of disposal, as provided for in the municipality's supply chain management policy.

9) **CASH FLOW PROJECTIONS**

- a) The chief financial officer shall prepare an annual estimate of the municipality's cash flows divided into calendar months, and shall update this estimate on a monthly basis, or more frequently, if considered necessary.
- b) Provision must be made in the cash flow estimates for the operating and capital requirements of the municipality.
- c) The operating requirements must include provisions for:
 - i) Monthly salary and allowances payments;
 - ii) Bulk purchases of electricity and water;
 - iii) Interest on long term loans;
 - iv) Maintenance of assets;
 - v) General expenditure [payments to current creditors]; and
 - vi) Expected daily and monthly incomes.
- d) The estimate shall indicate when and for what periods and amounts surplus revenues may be invested, when and for what amounts investments will have

to be liquidated, and when (if applicable) either long-term or short-term debt must be incurred. Heads of departments shall in this regard furnish the chief financial officer with all such information as is required, in good time and in the format required by the Chief Financial Officer.

- e) The Chief Financial Officer shall report to the executive committee or the executive mayor, as the case may be, on a monthly basis and to every ordinary council meeting the cash flow estimate or revised estimate for such month or reporting period respectively, together with the actual cash flows for the month or period concerned, and cumulatively to date, as well as the estimates or revised estimates of the cash flows for the remaining months of the financial year, aggregated into quarters where appropriate.
- f) For purposes of such report, the cash flow estimates shall be divided into calendar months, and in reporting the chief financial officer shall provide comments or explanations in regard to any significant cash flow deviation in any calendar month forming part of such report.
- g) Such report shall also indicate any movements in respect of the municipality's investments, together with appropriate details of the investments concerned.

(iv) **INVESTMENT ETHICS**

- The Chief Financial Officer shall be responsible for investing the surplus revenues of the municipality, and shall manage such investments in compliance with any policy directives formulated by the council and prescriptions made by the Minister of Finance, including, in particular, the Investment Regulations.
- In making such investments the Chief Financial Officer shall at all times have only the best interests of the municipality in mind, and shall not accede to any influence by or interference from councillors, investment agents or institutions or any other outside parties.
- No official or councillor of the Municipality may accept any gift, other than an item having such negligible value that it cannot possibly be construed as anything other than a token of goodwill by the donor, from any investment

agent or institution or any party with which the Municipality has made or may potentially make an investment.

8. **INVESTMENT PRINCIPLES**

- (i) When money is available for investment, it shall be invested in accordance with the provisions contained in this policy.
- (ii) After determining whether there is cash available for investment and fixing the maximum term of investment, the Chief Financial Officer must determine the best manner in which to invest it. As rates vary according to money market perceptions, quotations must be requested telephonically, within term limitations, and these must be set out on a schedule.
- (iii) In order to limit exposure, where large sums of money are available for investment, the Chief Financial Officer shall ensure that:
 - they are invested with more than one institution, wherever practicable, in order to limit the risk exposure of the municipality, so that not more than 50% are invested at the institution with the highest rate, 30% at the institution with the 2nd highest rate and 20% with the institution with the 3rd highest rate of available funds at that date; and
 - As far as it is practically and legally possible, the municipality's investments are so distributed that more than one investment category is covered.
- (iv) Although the objective of the chief financial officer in making investments on behalf of the municipality shall always be to obtain the best interest rate on offer, this consideration must be tempered by the degree of risk involved in regard to both the financial institution and the investment instrument concerned. No investment shall be made with an institution where the degree of risk is perceived to be higher than the average risk associated with investment institutions. It can be accepted as a general rule that the larger the return, the greater the risk.
- (v) When investments are placed with smaller registered institutions, the Chief

Financial Officer shall ensure that the Municipality is not exposed to undue risk, and shall ensure that the creditworthiness and performance of the institution are satisfactory. Information from which the creditworthiness of financial institutions can be determined must be obtained and analysed at least annually

- (vi) Every financial institution with which the municipality makes an investment must issue a certificate to the chief financial officer in regard to such investment, stating that such financial institution has not paid and will not pay any commission and has not and will not grant any other benefit to any party for obtaining such investment.
- (vii) The Municipality may not borrow money for reinvestment, as this would mean interest rates would have to be estimated in advance, which can be seen as speculation with public funds.
- (viii) Money kept in current accounts should be kept at minimum levels, as it may be more beneficially invested in other accounts such as call deposits.
- (ix) If the Chief Financial Officer invests with financial institutions, he or she must ensure that such institutions are registered in terms of the Banks Act 94 of 1990 and that they are approved financial institutions - as approved by the Reserve Bank, from time to time.

11. Credit Ratings

- 1) It is of utmost importance that the investments only be placed with creditworthy institutions with a credit rating of A 1 and better for short term [0 – 12 months] and credit ratings AA and AAA ratings for long term [more than 12 months]
- 2) Fitch and or CA ratings to be obtained of all investments institutions before a financial institution may be considered for investing funds.
- 3) Ratings must be updated at least annually or when there has been structural change in the market or at the particular institution.
- 4) The optimal combination of the most favourable rated institution and the institution offering the best returns for the investment sought, should be the determining factor when choosing the institution.

(viii) **PERMITTED INVESTMENTS**

- Monetary investments: The Municipality may invest funds only in investment types permitted under Regulation 6 of the Investment Regulations.
- Non-monetary investments: Any non-monetary investments will require approval by Council prior to execution.

(ix) **CALL DEPOSITS AND FIXED DEPOSITS**

- Before making any call or fixed deposits, the chief financial officer, shall obtain quotations from at least three institutions.
- Given the volatility of the money market, the chief financial officer, shall, whenever necessary, request quotations electronically, and shall record in an appropriate register the name of the institution, the name of the person contacted, and the relevant terms and rates offered by such institution, as well as any other information which may be relevant [for example, whether the interest is payable monthly or only on maturity, and so forth).

d) Any monies paid over to the investing institution in terms of the agreed investment shall be paid over only to such institution itself and not to any agent or third party. Once the investment has been made, the Chief Financial Officer shall ensure that the Municipality receives a properly documented receipt or certificate for such investment, issued by the institution concerned in the name of the municipality.

18 Restriction on Term of Investments

No investment with a term exceeding twelve months shall be made without the prior approval of the executive mayor or the executive committee, as the case may be.

19 CESSION OF INVESTMENTS

The cession of any investment of the Municipality as security shall be subject to the provisions of Section 48 of the MFMA.

20 Supply Chain Management Policy

The Municipality shall comply with its Supply Chain Management Policy to the extent that it is applicable to the implementation of any aspect of this policy.

(6) CONTROL OVER INVESTMENTS

- a) The Chief Financial Officer shall ensure that proper records are kept of all investments made by the Municipality.
- b) Such records shall include an investment register in which the following information shall be recorded:
 - Name of institution
 - Capital invested
 - Date invested
 - Interest rate
 - Maturationdate
 - Interestreceived
 - Capital repaid; and
 - Balance invested (other categories).
- c) The investment register and accounting records must be reconciled on a monthly basis.

- d) The investment register must be examined on a fortnightly basis to identify investments falling due within the next two weeks.
- e) The Chief Financial Officer must ensure that interest, correctly calculated, is received on due date.
- f) Investment documents and certificates must be safeguarded in a fire resistant safe, with dual custody. The following documents must be safeguarded:
 - Fixed deposit letter or investment certificate
 - Receipt for capital invested,
 - Copy of electronic transfer or cheque requisition
 - Excel schedule of comparative investment figures,
 - Commission certificate indicating no commission was paid on the investment; and
 - Interest rate quoted.

(7) REPORTS

The Municipal Manager shall ensure that reports are submitted to the Mayor as required under Regulation 9 of the Investment Regulations.

(8) BANKING ARRANGEMENTS

- a) The Municipal Manager is responsible for the management of the Municipality's bank accounts, but may delegate this function to the Chief Financial Officer.
- b) The Municipal Manager and Chief Financial Officer are authorised at all times to sign electronic transfers and any other documentation associated with the management of such accounts.
- c) The Municipal Manager is authorised to appoint, in consultation with the chief financial officer, two or more additional signatories in respect of such accounts, and to amend such appointments from time to time.

- d) All bank accounts and investments must be in the name of the municipality.
- e) The selection of the Municipality's Bankers shall be carried out in accordance with the Municipality's Supply Chain Management Policy.

12. Raising of Debt

- (1) The municipal manager is responsible for the raising of debt, but may delegate this function to the chief financial officer, who shall then manage this responsibility in consultation with the municipal manager. All debt shall be raised in strict compliance with the requirements of the MFMA and only with the prior approval of the council.
- (2) The raising of debt shall be governed by the municipality's borrowing policy.

25 RELATED POLICIES

- 25.1 This policy must be read in conjunction with the following budget-related policies of the Municipality:

25.1.1 The Credit Control and Debt Collection Policy;

k) The Supply Chain Management Policy;

l) The Budget Policy;

m) The Borrowing Policy;

(d) REVIEW OF POLICY

This policy is to be reviewed annually.

(e) RESPONSIBILITY FOR IMPLEMENTATION

The Municipal Manager shall be responsible for the implementation of this policy, provided that the Municipal Manger shall delegate such powers to the Chief Financial Officer as may be required to enable the Chief Financial Officer to perform such duties as are imposed on him or her in terms of this policy, and may delegate

such other powers as he or she may deem fit

28 Commencement

This policy shall come into force on the first day of July 2021

ANNEXURE K

BORROWING POLICY



BORROWING POLICY

Date Approved:

Council Resolution (DC
No):

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LOCAL GOVERNMENT MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003

1. PURPOSE

To establish a borrowing framework policy for the Municipality and set out the objectives, statutory requirements and guidelines for the borrowing of funds.

2. OBJECTIVES

To manage interest rate and credit risk exposure. Maintain debt within specified limits and ensure adequate provision for the repayment of debt.

To ensure compliance with Legislation and Council policy, governing the borrowing of funds.

3. DEFINITIONS

“Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“municipal debt” means –

- (a) a monetary liability or obligation on a municipality or municipal entity created by-
 - (i) a financing agreement, note, debenture, bond or overdraft; or
 - (ii) the issuance of municipal debt instruments; or
- i. a contingent liability such as that created by guaranteeing a monetary liability or obligation of another;

“borrower” will be the Garden Route District Municipality

“lender”, in relation to a municipality or municipal entity, means a person who provides debt finance to a municipality or municipal entity;

“short-term debt”, in relation to a municipality or municipal entity, means debt that is repayable over a period not exceeding one year;

“long-term debt”, in relation to a municipality or municipal entity, means debt repayable by the municipality or municipal entity over a period exceeding one year;

“security”, in relation to a municipality or municipal entity, means any mechanism intended to secure the interest of a lender or investor, and includes any of the mechanisms mentioned in section 48(2) of the Act

“financing agreement” includes any loan agreement, lease, installment, purchase contract or a hire purchase arrangement under which a Council undertakes to repay a long-term debt over a period.

4. SCOPE OF THE POLICY

Risk Management: The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits is the foremost objective of the borrowing policy. To attain this objective, diversification is required to ensure that the Chief Financial Officer prudently manages interest rate and credit risk exposure.

Cost of Borrowings: The borrowings should be structured to obtain the lowest possible interest rate, on the most advantageous terms and conditions, taking cognisance of borrowing risk constraints, infrastructure needs and the borrowing limits determined by Legislation.

Prudence: Borrowings shall be made with care, skill, prudence and diligence. The standard of prudence to be used shall be the “prudent person” standard and shall be applied in the context of managing overall debt.

Officials are required to adhere to:

- a) written procedures and these guidelines
- b) exercise due diligence
- c) prepare all reports timeously
- d) ensure strict compliance with all Legislation and Council policy

5. LEGISLATIVE FRAMEWORK AND DELEGATION OF AUTHORITY

The relevant legislation and regulations in terms of which borrowing decisions are governed is the Local Government Municipal Finance Management Act, No 56 of 2003.

6. CONSIDERATIONS

The Municipality from time to time, will use certain of its surplus funds to fund its Capital programme. The utilisation of surplus funds enables the Municipality to reduce its reliance on external debt financing, thereby allowing it to borrow only funds from external sources when favourable market conditions prevail.

6.1 Factors to be considered when borrowing:

- the type and extent of benefits to be obtained from the borrowing.
- the length of time the benefits will be received.
- the beneficiaries of the acquisition or development.
- the impact of interest and redemption payments on both current and forecasted income.
- the current and future capacity of the income base to pay for borrowings and the rate of growth of the income base.
- likely movements in interest rates for variable rate borrowings.
- other current and projected sources of funds.
- Competing demands for funds
- Timing of money markets interest rate movements and the long term rates on the interest rate curve
- The municipality will, in general, seek to minimise its dependence on borrowings in order to minimise future revenue committed to debt servicing and redemption charges
- Municipality may only borrow funds, in terms of the Municipal Finance Management Act, for the purpose of acquiring assets, improving facilities or infrastructure to provide service delivery

6.2 Potential lenders include:

- The Development Bank of Southern Africa
- Registered Banks in South Africa

7. DEBT REPAYMENT PERIOD

Whilst the period for which loan debt may be received will vary from time to time according to the requirements of the various Lenders, presently the typical debt repayment period for loans in the current economic climate is between 10 to 20 years. Cognisance is taken of the useful lives of the underlying assets to be financed by the debt, and, moreover, careful consideration is taken of the interest rates on the interest yield curve. Should it be established that it is cost effective to borrow the funds on a shorter duration (as opposed to the life of the asset) as indicated by the interest yield curve, the loan will be negotiated to optimise the most favourable and cost effective benefit to the Municipality.

8. SECURITY

The Municipal Finance Management Act provides that the Municipality may provide security for any of its debt obligations, including the giving of a lien, pledging, mortgaging or ceding an asset, or giving any other form of collateral. It may cede as security any category of revenue or rights of future revenue. Some Lenders may require the Municipality to agree to restrictions on debt that the Municipality may incur in future until the secured debt is settled.

9. OVERDRAFT

Garden Route District Municipality has a bank overdraft facility. However, while in a sound financial position, this facility be not utilised.

10. SHORT TERM DEBT

The Municipal Finance Management Act provides that the Municipality may incur short term debt only when necessary to bridge shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long term debt commitments.

The Municipality must pay off short term debt within the same financial year and may not renew or refinance its short term debt. The Municipality may, in terms of the Municipal Finance Management Act, incur short term debt only if the Chief Financial Officer has made a prior written finding that the debt is either within prudential limits on short term debt as previously approved by Municipality, or is necessary due to an emergency that could not reasonably have been foreseen and cannot await Council approval.

The Garden Route District Municipality is in the fortunate position that due to its sound financial position it is not necessary to raise any short term loans.

11. DISCLOSURE

Any official involved in the securing of loans by the Municipality must, when interacting with a prospective lender or when preparing documentation for consideration by a prospective Investor disclose all relevant information that may be requested or that may be material to the decision of the prospective Lender or Investor. Reasonable care must be taken to ensure the accuracy of any information disclosed. Whilst this is a standard and acceptable business practice, it is also in compliance with section 49 of the Municipal Finance Management Act.

12. APPROVAL OF LOANS BY THE MUNICIPALITY

Section 46 of the Municipal Finance Management Act stipulates that the Municipality may incur long-term debt only if a resolution of the Council, signed by the mayor, has approved the debt agreement and the Accounting Officer has signed the agreement or other document which acknowledges the debt. At least 21 days prior to the meeting of the Council at which approval for the debt is to be considered, the Municipality must make public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided. The Public, the National Treasury and Provincial Treasury must be invited to submit written comments or representations to the council in respect of the proposed debt. A copy of the information statement must be submitted to Council at least 21 days prior to the meeting to discuss the proposed loan, together with particulars of –

- i. the essential repayment terms, including the anticipated debt repayment schedule; and
- ii. the anticipated total cost in connection with such debt over the repayment period.

13. PROVISION FOR REDEMPTION OF LOANS

Garden Route District Municipality may borrow from Institutions and set up sinking funds to facilitate loan repayments, especially when the repayment is to be met by a bullet payment on the maturity date of the loan. These sinking funds may also be invested directly with the Lender's Bank. The maturity date and accumulated value of such investment must coincide with the maturity date and amount of the intended loan that is to be repaid. Use can also be made of guaranteed endowment policies to facilitate the payment on maturity date.

14. NON-REPAYMENT OR NON-SERVICING OF LOAN

Garden Route District Municipality must honour all its loan obligations timeously. Failure to effect prompt payment will adversely affect the raising of future loans at favourable costs of borrowing. In addition to the timeous payment of the loans, the Municipality must adhere to the covenants stipulated in the loan agreements.

15. PROHIBITED BORROWING PRACTICES

In the past some Municipalities have borrowed funds with the sole purpose of investing them to earn a return. The motive was clearly speculative. The cost of debt is almost always more expensive than the return that the Municipality can derive by investing in permitted investments.

Consequently, as a principle, Garden Route District Municipality does not borrow for investment purposes, but depending on the shape of the interest yield curve may borrow in advance of its capital cash flow needs in a given financial year to take advantage of an inverse interest yield curve. Foreign Borrowing is permitted in terms of section 47 of the Municipal Finance Management Act, whereby the debt is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

16. INTERNAL CONTROL

The internal control procedures involve Internal Audit and Performance Management, and the Auditor General reviewing and testing the systems of the Finance Department on a regular basis. In order to prevent losses arising from fraud, misrepresentations, error, conflict of interest or imprudent action, a system of internal controls governs the administration and management of the portfolio.

Controls deemed most important include:-

- Control of collusion, separation of duties.
- Custodial safekeeping of loan agreements and contracts.
- Clear delegation of duties.
- Checking and verification by senior officials of all transactions.
- Documentation of transactions and repayments.
- Code of ethics and standards
- Electronic Funds Transfer limits and a detailed procedure manual for the system.

17. NATIONAL TREASURY REPORTING AND MONITORING REQUIREMENTS

The Municipality submits numerous returns to National Treasury. It is mainly coordinated by the Accounting Division. One such report deals with the Municipality's external interest paid each month. Another return, prepared on a quarterly basis, requires the Municipality to itemise all its external borrowings for the quarter ended.

18. OTHER REPORTING AND MONITORING REQUIREMENTS

Regular reporting mechanisms are in place in order to access the borrowings portfolio and to ensure compliance with policy objectives, guidelines and applicable laws.

Quarterly activities:

- National Treasury Borrowings Return General
- Report actual borrowings (in compliance with Section 71 of the Municipal Finance Management Act) to the mayor and Provincial Treasury

Annually:-

- Preparation of Annual Budget
- Preparation of Annual Cash Flow
- Forecast Preparation of Annual Financial Statements
- Confirmation of Lender balances at financial year end obtaining written certification of loan balances at year end

- Completion of credit rating questionnaire
- Regular reviews by Auditor General



19. POLICY REVIEW

The CFO will for the purposes of ensuring that this policy is aligned to the legislation, consider if and when necessary to amend the policy. In the event of the policy not being amended during the budget process, the approved policy will remain applicable.

ANNEXURES**EXTRACTS FROM THE LOCAL GOVERNMENT MUNICIPAL FINANCE MANAGEMENT ACT NO 56 OF 2003
- CHAPTER 6: DEBT****SHORT-TERM DEBT**

45 (1) A municipality may incur short-term debt only in accordance with and subject to the provisions of this Act. A municipality may incur short-term debt only when necessary to bridge –

- (a) shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or
- (b) capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

- 2) A municipality may incur short term debt only if - a resolution of the municipal council, signed by the mayor, has approved the debt agreement: and the accounting officer has signed the agreement or other document which creates or acknowledges the debt.
- 3) For the purpose of subsection (2) (a.) a municipal council may - approve a short term debt individually ; or approve an agreement with a lender for a short-term credit facility to be accessed as and when required , including a line of credit or bank overdraft facility , provided that –
 - i) the credit limit must be specified in the resolution of the council ;
 - ii) the terms of agreement , including the credit limit , may be changed only by a resolution of the council ; and
 - iii) if the council approves a credit facility that is limited to emergency use , the accounting office must notify the council in writing as soon as practical of the amount , duration and any debt incurred in terms of such a credit facility , as well as options for repaying such debt.
- 4) A municipality - must pay off short-term debt within the financial year; and may not renew or refinance short-term debt, whether its own debt or that of any other entity, where such renewal or refinancing will have the effect of extending the short-term debt into a new financial year.
- 5) (a) No lender may willfully extend credit to a municipality for the purpose of renewing or refinancing short-term debt that must be paid off in terms of subsection (4)(a). If a lender willfully extends credit to a municipality in contravention of paragraph (a), the municipality is not bound to repay the loan or interest on the loan.
- (6) Subsection (5)(b) does not apply if the lender –
 - a) relied in good faith on written representations of the municipality as to the purpose of the borrowing; and
 - b) did not know and had no reason to believe that the borrowing was for the purpose of renewing or

refinancing short-term debt

LONG-TERM DEBT

(1) A municipality may incur long-term debt only in accordance with and subject to any applicable provisions of this Act, including section 19, and only for the purpose of–

capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government as set out in section 152 of the Constitution, including costs referred to in subsection (4) ; or

re-financing existing long-term debt subject to subsection (5).

(2) A municipality may incur long-term debt only if –

(a) a resolution of the municipal council, signed by the mayor, has approved the debt agreement; and

(b) the accounting officer has signed the agreement or other document which creates or acknowledges the debt .

(3) A municipality may incur long-term debt only if the accounting officer of the municipality has in accordance with subsection 21A of the Municipal Systems Act– at least 21 days prior to the meeting of the council at which approval for the debt is to be considered, made public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided; and

(ii) invited the public, the National Treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed debt ; and

(b) has submitted a copy of the information statement to the municipal council at least 21 days prior to the meeting of the council, together with particulars of –

the essential repayment terms, including the anticipated debt repayment schedule; and

the anticipated total cost in connection with such debt over the repayment period.

(4) Capital expenditure contemplated in subsection (1)(a) may include - financing costs, including - capitalised interest for a reasonable initial period; costs associated with security arrangements in accordance with section 48; discounts and fees in connection with the financing; fees for legal, financial, advisory, trustee, credit rating and other services directly connected to the financing; and costs connected to the sale or placement of debt, and costs for printing and publication directly connected to the financing costs of professional services directly related to the capital expenditure; and (c) such other costs as may be prescribed.

A municipality may borrow money for the purpose of re-financing existing long-term debt, provided –

(a) the existing long-term debt was lawfully incurred;

the re-financing does not extend the term of the debt beyond the useful life of the property, plant or

equipment for which the money was originally borrowed;

the net present value of projected future payments (including principal and interest payments) after re-financing is less than the net present value of projected future payments before re-financing and

the discount rate used in projecting net present value referred to in paragraph (c), and any assumptions in connection with the calculations, must be reasonable and in accordance with criteria set out in a framework that may be prescribed.

- (6) A municipality's long-term debt must be consistent with its capital budget referred to in section 17(2).

CONDITIONS APPLYING TO BOTH SHORT-TERM AND LONG-TERM DEBT

47. A municipality may incur debt only if –

the debt is denominated in Rand and is not indexed to, or affected by, fluctuations in the value the Rand against any foreign currency;

- (b) section 48 (3) has been complied with, if security is to be provided by the municipality

SECURITY

48. (1) A municipality may, by resolution of its council, provide security for –

any of its debt obligations;

- (b) any debt obligations of a municipal entity under its sole control; or

contractual obligations of the municipality undertaken in connection with capital expenditure by other persons on property, plant or equipment to be used by the municipality or such other person for the purpose of achieving the objects of local government in terms of section 152 of the Constitution.

- (c) A municipality may in terms of subsection (1) provide any appropriate security including by - giving a lien on, or pledging, mortgaging, ceding or otherwise hypothecating an asset or right, or giving any other form of collateral;

undertaking to effect payment directly from money or sources that may become available and to authorise the lender or investor direct access to such sources to ensure payment of the secured debt or performance of the secured obligations, but this form of security may not affect compliance with section 8 (2)

- (c) undertaking to deposit funds with the lender, investor or third party as security;

agreeing to specific payment mechanisms or procedures to ensure exclusive or dedicated payment to lenders or investors, including revenue intercepts, payments into dedicated accounts or other payment mechanisms or procedures;

(e) ceding as security any category of revenue or rights for future revenue;

undertaking to have disputes resolved through mediation, arbitration or other dispute resolution mechanisms;

undertaking to retain revenues or specific charges, fees, tariffs or funds at a particular level or at a level sufficient to meet its financial obligations;

(h) undertaking to make provision in its budgets for the payment of its financial obligations, including capital and interest;

agreeing to restrictions on debt that the municipality may incur in future until the secured debt is settled or the secured obligations are met; and

agreeing to such other arrangements as the municipality may consider necessary and prudent.

) A council resolution authorising the provision of security in terms of subsection (2)(a) - must determine whether the asset or right with respect to which the security is provided, is necessary for providing the minimum level of basic municipal services; and

(b) if so, must indicate the manner in which the availability of the asset or right for provision of that minimum level of basic municipal services will be protected.

) If the resolution has determined that the asset or right is necessary for providing the minimum level of basic municipal services, neither the party to whom the municipal security is provided, nor any successor or assignee of such party, may, in the event of a default by the municipality, deal with asset or right in a manner that would preclude or impede the continuation of that minimum level of basic municipal services.

) A determination in terms of subsection (3) that an asset or right is not necessary for providing the minimum level of basic municipal services is binding on the municipality until the secured debt has been paid in full or the secured obligations have been performed in full, as the case may be.

DISCLOSURE

(1) Any person involved in the borrowing of money by a municipality must, when interacting with a prospective lender or when preparing documentation for consideration by a prospective investor - disclose all information in that person's possession or within that person's knowledge that may be material to the decision of that prospective lender or investor; and take reasonable care to ensure the accuracy of any information disclosed.

(2) A lender or investor may rely on written representations of the municipality, if the lender or investor did not know and had no reason to believe that those representations were false or misleading.

MUNICIPAL GUARANTEES

A municipality may not issue any guarantee for any commitment or debt of any organ of state or person, except on the following conditions:

The guarantee must be within limits specified in the municipality's approved budget:

a municipality may guarantee the debt of a municipal entity under its sole control only if the guarantee is authorised by the council in the same manner and subject to the same conditions applicable to a municipality in terms of this Chapter if it incurs debt

a municipality may guarantee the debt of a municipal entity under its shared control or of any other person, but only with the approval of the National Treasury, and then only if-

- (i) the municipality creates, and maintains for the duration of the guarantee, a cash-backed reserve equal to its total potential financial exposure as a result of such guarantee; or
- (ii) the municipality purchases and maintains in effect for the duration of the guarantee, a policy of insurance issued by a registered insurer, which covers the full amount of the municipality's potential financial exposure as a result of such guarantee.

NATIONAL AND PROVINCIAL GUARANTEES

Neither the national nor a provincial government may guarantee the debt of a municipality or municipal entity except to the extent that Chapter 8 of the Public / New Finance Management Act provides for such guarantees.

ANNEXURE L

PREFERENTIAL PROCUREMENT

POLICY



PREFERENTIAL PROCUREMENT POLICY

Adopted by Council: 00/00/18 COUNCIL RESOLUTION DC 00/00/18

Foreword

Section 217 of the Constitution of the Republic of South Africa -

1. *When an organ of state in the national, provincial or Local sphere of Government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost effective.*
2. *Subsection (1) does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for –*
 - a) *Categories of preference in allocation of contracts; and*
 - b) *The protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination.*
3. *National legislation must prescribe a framework within which the policy referred to in subsection (2) must be implemented.*

Section 2 of Preferential Procurement Policy Act of 2000 –

1. *An organ of state must determine its preferential procurement policy and implement it within the following framework:*
 - (a) *A preference point system must be followed.*
 - (b)
 - i. *for contracts with a Rand value above a prescribed amount a maximum of 10 points may be allocated for specific goals as contemplated in paragraph (d) provided that the lowest acceptable tender scores 90 points for price*
 - ii. *For contracts with a Rand value equal to or below a prescribed amount a maximum of 20 points may be allocated for specific goals as contemplated in paragraph (d) provided that the lowest acceptable tender scores 80 points*
 - (c) *Any other acceptable tenders which are higher in price must score fewer points, on a pro rata basis, calculated on their tender prices in relation to the lowest acceptable tender, in accordance with the prescribed formula.*
 - (d) *The specific goals may include –*
 - i. *Contracting with persons or categories of persons from designated sectors on the basis of race, gender or disability*
 - ii. *Implementing the programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994*
 - (e) *Any specific goal for which a point may be awarded must be clearly specified in the invitation to submit a tender.*
 - (f) *The contract must be awarded to the tenderer who scores the highest points, unless objective criteria in addition to those contemplated in paragraphs (d) and (e) justify the award to another tenderer; and*
 - (g) *Any contract awarded on account of false information furnished by the tenderer to secure preference in terms of this Act may be cancelled at the sole discretion of the organ of state without prejudice to any other remedies the organ of state may have.*
 - (h) *Any Goals contemplated in subsection (1)(e) must be measurable, quantifiable and monitored for compliance.*

Exemption

The minister may, on request, exempt an organ of state from any or all the provisions of this Act if-

- (a) *It is in the interest of national security.*
- (b) *The likely tenderers are international suppliers; or*
- (c) *It is in the public interest.*

Western Cape Provincial Treasury Circular Mun No. 1/2023

Garden Route District Municipality takes cognizance of the Constitutional Court outcomes that has resulted in the transition from Preferential Procurement Regulations 2017 to the Preferential Procurement Regulations 2022. We note the legalities implicit in the Preferential Procurement Regulations of 2022 and the risk inherent in Policy Formulation where it is not evidence led by reasonable empowerment impact assessment and any other supporting research.

The proposed policy is an evolving policy that will encompass a demand management process that is based on the Integrated Development Plan (IDP) and Local Economic Strategy (LED) of Garden Route District. The specific goals as envisaged in the Section 2(1)(d) & (e) of the Preferential Procurement Policy Act 5, will be aligned to the IDP and the LED Strategy Documents to ensure that specific goals realized through procurement spending of the municipality is a conduit to realizing the strategy of council for the Garden Route District.

In alignment to the guidance issued by The Western Cape Provincial Government through Treasury Circular Mun No. 1/2023, Garden Route District adopts a transitional process to allow council to develop its specific goals in alignment to the IDP and LED strategy. The interim policy is to ensure that the Municipality can execute its current projects as provided for in the approved budget for the 2022/23 financial year.

The preferential procurement goals contemplated in the Section 2(1)(d) of the PPPFA through the relevant B-BBEE score cards as specified in the Broad based Black Economic Empowerment Act, 2003 (B-BBEE Act) and codes of Good Practice, be accepted as supporting evidence to claim preference points (B-BBEE Level Contributor Certificate) or a sworn Affidavit for Exempt Micro Enterprises.

The B-BBEE score card is based upon the RDP goals and was specifically developed as a scientific measurement of these individual goals and issued by accredited to ensure credibility of the assessment. The B-BBEE score card amongst others gives effect to 6 RDP Goals.

- i. the promotion of South African Owned enterprises
- ii. the promotion of SMMEs
- iii. the creation of new Jobs or the intensification of Labor absorption
- iv. the empowerment of the work force by standardising the level of skill and knowledge of workers
- v. the development of human resources, including by assisting in tertiary and other advanced training programs, in line with key indicators such as percentage of wage bill spent on education and training and improvement of management skills.
- vi. the upliftment of communities through, but not limited to housing, transport, schools, infrastructure, donations, charity organisations.

The 2023/24 budget process and review of budget related policies will allow thorough engagement by council to give effect to specific goals set by council for implementation.

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1. Definitions

In this policy, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Act must bear the meaning so assigned—

“National Treasury” has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

“Price” means an amount of money tendered for goods or services and includes all applicable taxes less all unconditional discounts.

“Rand value” means the total estimated value of a contract in Rand, calculated at the time of the tender invitation; and

“The Act” means the Preferential Procurement Policy Act, 2000 (Act No. 5 of 2000).

“Black designated groups” has the meaning assigned to it in the codes of good practice issued in terms of section 9 (1) of the BBBEEA.

“Black people” has the meaning assigned to it in section 1 of the BBBEEA.

“Designated group” means black designated groups, black people, women, people with disabilities; or small enterprises as defined in section 1 of the National Small Enterprise Act, 1996

“Disability” means in respect of a person, a permanent means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.

“EME” means.

(1) exempted micro enterprise in terms of a code of good practice on black economic empowerment issued in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the BBBEEA.

(2) an entity with an annual turnover of R10 000 00.000 (ten million Rand) or less

“Historically disadvantaged individual (HDI)” means a South African citizen –

(1) who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No 110 of 1983); and / or

(2) who is a female; and / or

(3) who has a disability:

Provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be an HDI.

“B-BBEE status level of contributor” means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment issued in term of section 9(1) of the Broad-Based Black Economic Empowerment Act.

“Acceptable Tender” mean any tender which, in all respects, complies with the specification and conditions of tender as set out in tender document;

“Highest acceptable tender” means a tender that complies with all specifications and conditions of tender and that has the highest price compared to other acceptable tenders;

“Lowest acceptable tender” means a tender that complies with all specifications and conditions of tender and that has the lowest price compared to other acceptable tenders;

“Market Analysis” means a technique used to identify market characteristics for specific goods or services.

“Specific goals” means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and development Programme as published in Government Gazette No.16805 dated 23 November 1994;

“tender” means a written offer in the form determined by an organ of state in response to an invitation provide goods or services through Informal Tenders, competitive tendering process or any other tendering method envisaged in legislation.

“tender for income-generating contracts” means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreements between the organ of state and a third party that produces revenue for the organ of state, and includes, but not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions

“Qualifying Small Enterprise (QSE)” means a qualifying small business enterprise in terms of the code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act

“Region” means the Garden Route District Municipality.

“Rural area” means-

- 1) a separately populated area in which people farm or depend on natural resources, including villages and small towns that are dispersed through the area; or
- 2) an area including a large settlement which depends on migratory labor and remittances and government social grants for survival and may have a traditional land tenure system.

“SMME” means small, medium and micro enterprises namely Exempted Micro Enterprises and Qualifying Small Enterprises.

“Youth” has the meaning assigned to it in section 1 of the National Youth Development Agency Act, 2008 (Act No. 54 of 2008).

2. Introduction

The Constitution of the Republic of South Africa, 1996, provides in sections 152(1)(c) and 152(2) that local government must promote social and economic development and that the municipality must strive within its financial and administrative capacity, to achieve the objects set out in subsection 152(1).

The Constitution provides in section 217 that an organ of state must contract for goods or services in accordance with a procurement system which is fair, equitable, transparent, competitive, and cost effective and to implement a policy to grant preferences within a framework prescribed by National Legislation.

The Broad-Based Black Economic Empowerment Act, 2003 requires: “ (1) Every organ of state and public entity must apply any relevant code of good practice issued in terms of this Act in (b) developing and implementing a preferential procurement policy.

The Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)-[PPPFA] was promulgated by the Minister in response to the Constitutional provision and allow for a Municipality to develop a preferential procurement policy and to implement such policy within the PPPFA framework.

Section 2(1)(d)(i) and (ii) of the Preferential Procurement Policy Framework Act, 2000 refers to specific goals which may include:

- i. Contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability.
- ii. Implementing the programmes of the Reconstruction and Development Programme (RDP) as published in Government Gazette 16805, 23 November 1994.

The RDP (1994), as basis for development in South Africa, was meant to provide a holistic, integrated, coherent socio-economic policy that is aimed at mobilising people and resources to work towards the upliftment of the material and social conditions of local communities to build sustainable livelihoods for these communities.

In terms of Section 2 (1)(d)(ii), the following activities may be regarded as a contribution towards achieving the goals of the RDP, in addition to the awarding of preference points in favor of HDIs (published in Government Gazette No. 16085 dated 23 November 1994):

- (i) The promotion of South African owned enterprises.
- (ii) The promotion of export orientated production to create jobs.
- (iii) The promotion of SMMEs.
- (iv) The creation of new jobs or the intensification of labor absorption.
- (v) The promotion of enterprises located in a specific province for work to be done or services to be rendered in that province.
- (vi) The promotion of enterprises located in a specific region for work to be done or services to be rendered in that region.
- (vii) The promotion of enterprises located in a specific municipal area for work to be done or services to be rendered in that municipal area.
- (viii) The promotion of enterprises located in rural areas.
- (ix) The empowerment of the work force by standardising the level of skill and knowledge of workers.
- (x) The development of human resources, including by assisting in tertiary and other advanced training programmes, in line with key indicators such as percentage of wage bill spent on education and training and improvement of management skills; and
- (xi) The upliftment of communities through, but not limited to, housing, transport, schools, infrastructure donations, and charity organisations.

3. Purpose, and Objectives

a) The purpose of this policy is to:

- i. To give effect to section 217(1) and (2) of the Constitution of the Republic of South Africa

- ii. To give effect to the Preferential Procurement Policy Framework Act of 2000 in establishing Garden Route District Municipality's preferential procurement policy

b) Objective

- i. To give effect to the Preferential procurement Regulations, 2022, through adoption of Preferential Procurement Policy of Garden Route District Municipality as adopted by council.

Section 2 of the Preferential Procurement Policy states that “*an organ of state must determine its preferential procurement policy and implement it within the following framework:*”

Regulation 3(3) of the Municipal Supply Chain Management Regulations states “*When preparing or amending its supply chain management policy, a municipality or municipal entity must take into account of the need for uniformity in supply chain management practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management system for small businesses.*”

This policy strives to ensure that the objectives for uniformity in the supply chain management systems between Municipalities/Municipal entities, is not undermined and that consistency with the SCM and LED policies in line with sections 152(1)(c) and 152(2).

4. Application and Identification of preference point system

4.1 The Garden Route District Municipality will, in the tender documents, stipulate —

- (a) the preference point system applicable as envisaged in regulations 4, 5, 6 or 7.
- (b) the specific goal in the invitation tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of claim for such a goal, as envisaged in section 2(1)(d) and (e) of the Preferential Procurement Policy, Act 5 of 2000

4.2 If it is unclear whether the 80/20 or 90/10 preference point system applies—

- (a) in the case of a tender income-generating contracts, either the 80/20 or the 90/10 preference point system will apply, and the highest acceptable tender will be used to determine the applicable preference point system: or
- (b) in any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.

5. Points for Price: 80/20 preference point system for acquisition of goods or services with Rand value equal to or below R50 million.

5.1 The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{\min} = Price of lowest acceptable tender.

5.2 A maximum of 20 points may be awarded to a tenderer for the specified goals specified for the tender.

5.3 The points scored for the specific goal(s) must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

5.4 Subject to section 2(1)(f) of the Preferential Procurement Policy, Act 5 of 2000, the contract must be awarded to the tenderer scoring the highest points.

6. Points for price: 90/10 preference point system for acquisition of goods or services with Rand value above R50 million

6.1 The following formula must be used to calculate the points out 90 for price in respect of an invitation for tender with a Rand value above R50 million, inclusive of all applicable taxes:

$$P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{\min} = Price of lowest acceptable tender.

6.2 A maximum of 10 points may be awarded to a tenderer for the specific goals for the specified for the tender.

6.3 The points scored for the specific goal(s) must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

6.4 Subject to section 2(1)(f) of the Preferential Procurement Policy, Act 5 of 2000, the contract must be awarded to the tenderer scoring the highest points.

7. 80/20 preference points system for tenders for income-generate contracts with Rand value equal to or below R50 million

7.1 The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 + \frac{P_t - P_{\max}}{P_{\max}} \right)$$

Where-

P_s = Points scored for price of tender under consideration.

P_t = Price of tender under consideration; and

P_{\max} = Price of highest acceptable tender.

7.2 A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.

- 7.3 The points scored for the specific goal(s) must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- 7.4 Subject to section 2(1)(f) of the Preferential Procurement Policy, Act 5 of 200, the contract must be awarded to the tenderer scoring the highest points.

8. 90/10 preference point system for tenders for income-generating contracts with Rand value above R50 million

- 8.1 The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million, inclusive of all applicable taxes:

$$Ps = 90 \left(1 + \frac{Pt - Pmax}{Pmax} \right)$$

Where-

Ps = Points scored for price of tender under consideration.

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

- 8.2 A maximum of 10 points may be awarded to a tenderer for the specific goals specified for the tender.
- 8.3 The points scored for the specific goal(s) must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- 8.4 Subject to section 2(1)(f) of the Preferential Procurement Policy, Act 5 of 2000, the contract must be awarded to the tenderer scoring the highest points.

9. Specified contract participation goals.

- 9.1 Every invitation for a tender will stipulate the specific goals to which preference points (10 or 20) will be allocated, as contemplated in section 2(1)(d)(ii) of the Preferential Procurement Act, be attained.
- 9.2 To align procurement to the Growth and Development Strategy of Council, preferential procurement policy will address the Reconstruction and Development Goal of growing the regional and local economy through preference point allocation. Preference Points allocation will be allocated as per 9.3 below, allocating preference to B-BBEE level contribution and Locality. The objective of the goal is to grow the regional economy of the district by procuring from business entities in the region.
- 9.3 Preference points allocations:
- A maximum of 10 points B-BBEE Scorecard and a maximum of 10 for locality in a (80/20 preference points system),
 - Maximum of 5 points B-BBEE Scorecard and a maximum of 5 for locality in a (90/10) preference points system), will be allocated as tabled below:

9.3.1 B-BBEE Points

B-BBEE Status Level of Contributor	Number of Points for Preference (80/20)	Number of Points for Preference (90/10)
1	10	5
2	9	4.5
3	7	3
4	6	2.5

5	4	2
6	3	1.5
7	2	1
8	1	0.5
Non-compliant contributor	0	0

9.3.2 Preference Points for Locality

Locality	Number of points for Preference (80/20)	Number of Points for Preference (90/10)
Supplier / Service provider located within Garden Route District	10	5
Supplier / Service Provider located within Western Cape Province	5	2.5
Supplier / Service Provider located within South Africa but outside the Western Cape Province	0	0

9.4 A tenderer must submit proof of its BBBEE status level contributor certificate; a tenderer failing to submit proof of BBBEE status level of contributor –

- a) may only score in terms of the 80/90-point formula for price; and
- b) scores 0 points out of 10 or 20 B-BBEE status level of contributor, which is in line with section 2(1)(d)(i) of the Act, where the supplier or service provider did not provide proof thereof.

9.5 A Tenderer must submit a Municipal Account for their primary business location or valid lease agreement, as per address indicated in the bid document, to claim preference points for locality

9.6 Failure to submit a valid Municipal Account or Lease agreement will result in 0 preference point allocation for locality

10 Criteria for breaking deadlock in scoring

10.1 If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for specific goals.

10.2 If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

11. Award of contracts to tenderers not scoring highest points

A contract may be awarded to a tenderer that did not score the highest points only in accordance with section 2(1)(f) of 761 the Act.

12 Remedies

- 12.1.1 Upon detecting that a tenderer submitted false information regarding specific goals, or any other matter required in terms of this policy which will affect or has affected the evaluation of a tender, the Garden Route District Municipality will affect the following:
- (a) inform the tenderer; accordingly, and
 - (b) give the tenderer an opportunity to make a representation within 14 days as to why the tender may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part: and
- 12.2 After considering the representations referred to in par 12(1)(1)(b), council may, if it concludes such information to be false:
- (i) disqualify the tenderer or terminate the contract in whole or in part; and
 - (ii) if applicable, claim damages from the tenderer.
 - (iii) Follow the National Treasury Debarment guidelines.

13 Policy Review

Accounting Officer to effect Policy review:

- a) Annual review together with all other budget related policies.
- b) When required due to the changes in Legislation, regulations, adoption of National Treasury or Provincial Treasury Circulars

14 Joint Venture and Consortiums - Preference points

a. B-BBEE Preference Points

- i. Joint Ventures and Consortiums must submit a consolidated B-BBEE level contribution certificate in the name of the joint venture or the consortium to be able to claim B-BBEE preference points
- ii. In the absence of a consolidated B-BBEE certificate, the Joint Venture and Consortium may not be awarded B-BBEE preference points

b. Locality Preference Points

- i. Joint Ventures or Consortiums to claim preference points for locality within;
- ii. Garden Route Region - All members of the Joint Venture or Consortium must reside in Garden Route to be able to claim preference points. If one or more members of the Joint venture or Consortium is not based in the Garden Route, the bidding entity can not claim any preference points for locality in the Garden Route District
- iii. Western Cape Province: All members of the Joint Venture or Consortium must be based in the Western Cape Province to be eligible to claim preference for locality. If one or more members of the consortium is not based in the Western Cape Province, the bidding entity may not claim points for locality in the Western Cape.

ANNEXURE M

PETTY CASH POLICY

GARDEN ROUTE DISTRICT MUNICIPALITY



PETTY CASH POLICY

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INTRODUCTION

The accounting officer of a municipality is responsible for the management of the expenditure of the municipality in an effective and controlled manner.

Therefore the Garden Route District Municipality adopts the following petty cash policy.

- **REGULATORY FRAMEWORK**

Legislation-Municipal Finance Management Act 56 of 2003

- **OBJECTIVES**

Compliance with the regulatory framework in terms of the relevant legislation is required.

- **DEFINITIONS**

Accounting Officer: The person appointed by council in terms of section 82 of Act 17 of 1998, also known as the Municipal Manager, and defined in terms of section 60 of Act 56 of 2003 (MFMA)

Chief Financial Officer: The person designated in terms of section 80 (2) (a) of Act 56 of 2003 (MFMA), and includes any person acting in that position or to whom authority is delegated

Petty Cash: A relatively small amount of cash kept at hand for making immediate payments for miscellaneous small payments

Petty Cash Float:

The total sum of Petty Cash which has been granted to a Petty Cash Officer.

Petty Cash Officer:

An employee made responsible for the day-to-day operating of the Petty Cash Float

Reconciliation:

Is the process of comparing information, for example cash spent compared with the relevant

Sub-advances:

documentation and receipts.

A relatively small amount of cash, made available by the Petty Cash Officer on request to buy miscellaneous small items.

- **RESPONSIBILITY AND ACCOUNTABILITY**

The key responsibilities in terms of the MFMA (Section 65) are:

Accounting Officer (Municipal Manager) -

(1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.

- The accounting officer must, for the purposes of subsection (1), take all reasonable steps to ensure-
 - that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorization, withdrawal and payment of funds;
 - that the municipality has and maintains a management, accounting and information system which-
 - recognizes expenditure when it is incurred;
 - 1. accounts for creditors of the municipality, and
 - 2. accounts for payments made by the municipality.

- that the municipality has and maintains a system of internal control in respect of creditors and payments;
 - that payments by the municipality are made-
 - directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and
- (i) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;

The Municipal Manager delegates authority to the Chief Financial Officer.

12 **PETTY CASH POLICY**

12.1 **General Policy**

- The use of a petty cash float (a float may not exceed R3,500.00) is strictly confined to individual cash purchases of up to a maximum of R750.00, unless otherwise authorized by the Chief Financial Officer;
- The expenditure with regard to petty cash shall not be deliberately split into more than one transaction to avoid the said limit;
- A petty cash float is not to be used for any of the following:
 - the cashing of cheques;

13 loans to any person whatsoever;

- 14 payment of personal remuneration to any person whatsoever, whether for fees, salaries, wages, travel allowance as part of remuneration, honorarium or other reason.
- 9.** for instalment invoices such as rental of equipment or open orders, even if the amount falls within the specified limit;
- 10.** any purchase violating the true meaning of petty cash transactions, or petty cash purchases from a trade creditor that does not exist on the Supply Chain Management Supplier database. This will be regarded as a deviation from the accepted accounting practices in the use of petty cash, and will constitute a serious offence under the Disciplinary Code, unless authorized by the Chief Financial Officer.
- Other cash floats may also be established for the purpose of providing change for a cash register, or any other purpose approved by the Chief Financial Officer. Use of such floats is restricted to the purpose for which they were established.
 - The accounting officer, or delegated official, may conduct internal audits to evaluate compliance with this policy.

12.2 Establishing and Operating a Petty Cash Float

- To establish a new petty cash float or increase an existing advance, a written application must be made to the Chief Financial Officer by the relevant Manager of a department.
- A request for the establishment of an advance will indicate the position of a senior employee to be held responsible for the control over the petty cash float within the relevant department.
- The employee mentioned under 6.2 (b) will be responsible for the security and that leave arrangements are in place to ensure safe custody of funds in the office.
- The minimum security arrangement that will be acceptable is that the float will be kept in a locked box which will be kept in a locked filing cabinet or safe.
- When an advance is approved, the Chief Accountant: Creditors will advise the relevant department accordingly, and request that the designated employee mentioned under 6.2 (b) collect the advance.

12.3 Security of Petty Cash Floats and Documentation

- The cash on hand and used petty cash vouchers are to be kept in a locked box for which there are to be two keys. One key is to be retained by the petty cash officer (on their person) normally responsible for petty cash, and the other by the senior employee mentioned under 6.2 (b) in a sealed envelope in the office safe or other secure place, to be used only in an emergency.
- The locked petty cash box must be kept in a secure place when not in use and should be removed and returned by the responsible

employee only. At no stage should staff other than the responsible employee/s have access to the storage place of the petty cash box.

- Under no circumstances are keys to be left in the lock of the petty cash box, cabinet or safe.
- If the responsible petty cash officer is either going on leave or is leaving the municipality's employment, the petty cash float is to be reconciled and signed by the departing-as well as the replacement staff member, to indicate their agreement as to its balance.

12.4 Completing Petty Cash Vouchers and the Petty Cash Reconciliation and Register

- Petty cash stationery is available from the Expenditure section. The form consists of two parts:
 - Petty Cash Voucher
 - 4.) Petty Cash Reconciliation and Register
 - 5. Receipt for cash advance (Only when appropriate-refer to paragraph on Advances)

(the same form as in (i) above)

- All details entered on the Petty Cash Voucher must appear on the Petty Cash Reconciliation and Registersheet.
- Original receipts and other valid documentation as required must be attached as proof of payment, with the signature of the designated officer on this documentation. The receipt and invoice must be in a formal business format.

12.5 Sub-advances to staff members

- If it is necessary to make an initial sub-advance to a staff member, a receipt for the cash advance must be completed (Petty Cash Voucher) . The receipt for the cash advance form must be completed as follows:
 - (i) description and *estimated* cost of the goods/services purchased;
 - (ii) purchaser's signature;
 - (iii) correct vote number with an adequate budget to be charged;
 - (iv) signature of the petty cash officer.

- On completion of the purchase, the recording-, documentation- and authorization requirements will be as stated in the above paragraph: Completing a Petty Cash Voucher.

- All sub-advances will be accounted for within 24 hours, by submitting original receipts and other applicable documentation required, attached as proof of payment (with the approval signature on the documentation) . Where this cannot be achieved, the buyer will be liable to pay back the advance without any delay or, if not possible, alternatively be for the immediate recovery from the individual's salary.

- No more than one advance will be made to any one individual at a time.

12.6 Out-of Pocket Payments

- Where a staff member has made a purchase from own funds and seeks reimbursement from petty cash, supporting documentation must be provided to substantiate the claim.

- The responsibility to ensure that the purchase will be in accordance with all the prescriptions of this policy will be the sole responsibility of the purchaser of such item(s) .
- The recording-documentation-and authorization requirements will be as stated in paragraph 6.4

12.7 Reimbursement of Petty Cash Floats

- A petty cash float is operated on the basis that expenditure from the float is reimbursed **not more than twice monthly**. Such reimbursement requires:-
 - returning the cash level of the petty cash float to its original level, and;
 - (ii) charging the expenditure which has been incurred to the correct expenditure vote.
- Accordingly, **at any point in time**, the sum of the cash on hand, i.e. remaining unspent, plus the cash advances for unfinalized purchases, plus the completed cash purchase claim forms, updated on the Petty Cash Reconciliation and Register form, shall equal the level of the petty cash advanced.
- Completed Petty Cash Reconciliation and Register forms, with attached cash register slips etc. must be submitted to the Expenditure section for reimbursement, after the relevant documentation has been authorized by the relevant head of the department.

- Reimbursement of claims where supporting documentation as prescribed in this policy is absent/ missing, will be declined.
- The prescribed forms as mentioned in 6.4 (a) (i) to (iii) above, as well as other relevant forms attached to it, must be completed in full.
- The most recently completed Petty Cash Reconciliation and Register form must record the reconciliation of the petty cash float. The Chief Accountant: Creditors will decline reimbursement of claims where this is not supplied.
- A petty cash float must never be reimbursed with funds derived from any other source whatsoever.

5.8 Shortages

- Any shortages in respect of a petty cash float must be reimbursed immediately by the responsible petty cash officer.
- Where a petty cash float is stolen, the incident must be reported promptly to the Chief Financial Officer in the required format, after a case has been logged at the South African Police Services

7.2 Procedure where a Petty Cash Float is repaid/cancelled

When an advance is no longer required, a departmental memorandum must be submitted, signed by the manager of the relevant department, to the Chief Accountant: Creditors, with the balance of cash on hand and completed and authorized forms. The most recently completed Petty Cash Reconciliation and Register form will record the reconciliation of the petty cash float.

The Cashier will issue a receipt to the person delivering the cash.

7.3 Short title and commencement

This Policy is called the Garden Route District Municipality Petty Cash Policy and takes effect from, July 2021, and should be reviewed annually

ANNEXURE N

COST CONTAINMENT POLICY



COST CONTAINMENT POLICY

Date	Council Resolution	DC
Approved:	(DC No):	

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1. DEFINITIONS

In this Policy, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and-

"Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"*consultant*" means a professional person, individual partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist the municipality to achieve its objectives of local government in terms of section 152 of the Constitution.

"*cost containment*" means the measures implemented to curtail spending in terms of this policy.

"*credit card*" means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder.

"*municipality*" means Garden Route District Municipality ("GRDM")

"*political office bearers*" means, in terms of this policy, all councillors serving on the council of Garden Route District Municipality

2. PURPOSE

The purpose of the policy is to regulate spending and to implement cost containment measures at Garden Route District Municipality.

3. OBJECTIVES OF THE POLICY

The object of this policy is to ensure that the resources of the municipality are used effectively, efficiently and economically by implementing cost containment measures.

4. SCOPE OF THE POLICY

This policy will apply to all Councillors, **members of Oversight Committees** and Municipal employees.

5. LEGISLATIVE FRAMEWORK

This policy must be read in conjunction with other policies of Council applicable to matters raised in this policy. In the event that other policies have different limits/criteria than this policy in relation to matters covered in both, the stricter limits/criteria will apply.

6. POLICY PRINCIPLES

This policy will apply to the procurement of the following goods and/or services:

- (a) Use of consultants
- (b) Vehicles used for political office-bearers
- (c) Travel and subsistence
- (d) Domestic accommodation
- (e) Credit cards
- (f) Sponsorships, events and catering
- (g) Communication
- (h) Conferences, meetings and study tours
- (i) Any other related expenditure items

7. USE OF CONSULTANTS

- 7.1 Consultants may only be appointed after an assessment of the needs and requirements confirms that GRDM does not have the requisite skills or resources in its full -time employ to perform the function.
- 7.2 The accounting officer must adopt a fair and reasonable remuneration framework for consultants taking into account the rates -

- (a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor -General of South Africa ", issued by the South African Institute of Chartered Accountants;
- (b) set out in the "Guide on Hourly Fee Rates for Consultants ", issued by the Department of Public Service and Administration; or
- (c) as prescribed by the body regulating the profession of the consultant.

- 7.3 The tender documentation for the appointment of consultants must include a clause that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned in par 7.2 above.
- 7.4 When negotiating cost -effective consultancy rates for international consultants, the accounting officer may take into account the relevant international and market –determined rates.
- 7.5 When consultants are appointed the accounting officer must:
- (a) appoint consultants on a time and cost basis with specific start and end dates;
 - (b) where practical, appoint consultants on an output- specified basis, subject to specific measurable objectives and associated remuneration;
 - (c) ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;
 - (d) ensure the transfer of skills by consultants to the relevant officials of the municipality;
 - (e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations, 2005 and the municipality's supply chain management policy; and
 - (f) develop consultancy reduction plans to reduce the reliance on consultants.
- 7.6 All contracts with consultants must include a fee retention or a penalty clause for poor performance.
- 7.7 The specifications and performance of the service provider must be used as a monitoring tool for the work that is to be undertaken and performance must be appropriately recorded and monitored.

- 7.8 The travel and subsistence costs of consultants must be in accordance with the national travel policy issued by the National Department of Transport, as updated from time to time.
- 7.9 The contract price must specify all travel and subsistence costs and if the travel and subsistence costs for appointed consultants are excluded from the contract price, such costs must be reimbursed in accordance with the national travel policy of the National Department of Transport.

8. VEHICLES USED FOR POLITICAL OFFICE-BEARERS

- 8.1 The threshold limit for vehicle purchases relating to official use by political office-bearers may not exceed seven hundred thousand rand (R700 000) or 70% (VAT inclusive) of the total annual remuneration package for GRDM's grade, as defined in the Public Office Bearers Act and the notices issued in terms thereof by the Minister of Cooperative Governance and Traditional Affairs, whichever is lower.
- 8.2 The procurement of vehicles in par. 8.1 must be undertaken using the national government transversal mechanism, unless it may be procured at a lower cost through other procurement mechanisms.
- 8.3 Before deciding on another procurement process as contemplated in 8.2, the accounting officer must provide the council with information relating to the following criteria that must be considered:
- (a) Status of current vehicles;
 - (b) Affordability of options including whether to procure a vehicle as compared to rental or hire thereof, provided that the most cost effective option is followed and the cost is equivalent to or lower than that contemplated in par. 8.1;
 - (c) Extent of service delivery backlogs;
 - (d) Terrain for effective usage of vehicle; and
 - (e) Any other policy of council
- 8.4 If the rental referred to in par. 8.3 is preferred, the accounting officer must review the costs incurred regularly to ensure that value for money is obtained.

- 8.5 Regardless of their usage, vehicles for official use by public office bearers may only be replaced after completion of 120 000 kilometers.
- 8.6 Notwithstanding par. 8.5, a municipality may replace vehicles for official use by public office bearers before the completion of 120 000 kilometers only in instances where the vehicle experiences serious mechanical problems and is in a poor condition, and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.
- 8.7 The accounting officer must ensure that there is a policy that addresses the use of municipal vehicles for official purposes.

9. TRAVEL & SUBSISTENCE

- 9.1 The accounting officer:
- (a) May approve the purchase of economy class tickets for officials or political office bearers where the flying time for a flight is five (5) hours or less; and
 - (b) may only approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flights exceeding five hours.
- 9.2 In the case of the accounting officer, the mayor may approve the purchase of economy class tickets where the flying time is five hours or less and business class tickets for flights exceeding five hours.
- 9.3 Notwithstanding par. 9.1-9.2, the accounting officer, or the mayor in the case of an accounting officer, may approve the purchase business class tickets for an official or a political office bearer with a disability or a medically certified condition.
- 9.4 International travel to meetings or events will only be approved if it is considered critical to attend the meeting or event, and only the officials that are directly involved with the subject matter will be allowed to attend the meeting or event.

9.5 The accounting officer, or the mayor in the case of the accounting officer, may approve accommodation costs that exceed an amount as determined from time to time by the National Treasury through a notice only -

- (a) during peak holiday periods; or
- (b) when major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and /or international guests in that particular geographical area.

9.6 An official or a political office bearer of the municipality must:

- (a) utilize the municipal fleet, where viable, before incurring costs to hire vehicles;
- (b) make use of available public transport or a shuttle service if the cost of such a service provider is lower than:
 - (i) the cost of hiring a vehicle;
 - (ii) the cost of kilometres claimable by the official or political office bearer; and
 - (iii) the cost of parking.
- (c) not hire vehicles from a category higher than Group B or an equivalent class; and
- (d) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.

9.7 The municipality must use the negotiated rates for flights and accommodation as communicated by National Treasury, from time to time, or any other cheaper flight or accommodation that is available.

10. DOMESTIC ACCOMMODATION

10.1 The accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals, as communicated by National Treasury, from time to time.

- 10.2 Overnight accommodation may only be booked where the return trip exceeds 500 kilometres, unless deemed to be impractical and prior approval is obtained from the applicable Executive Manager (or Speaker in case of councillors) after providing proper written motivation to deviate from this stipulation. For example, in instances where attendance is required over a number of days, or there is a risk to the health of the official or councillor and cost vs benefit considerations can warrant such expenditure.

11. CREDIT CARDS

- 11.1 The accounting officer must ensure that no credit card or debit card linked to a bank account of the municipality is issued to any official or public office bearer.
- 11.2 Where officials or public office bearers incur expenditure in relation to official municipal activities, such officials and public office bearers must use their personal credit cards or cash or arrangements made by the municipality, and request reimbursement from the municipality in terms of the travel and subsistence policy and petty cash policy.

12. SPONSORSHIPS, EVENTS & CATERING

- 12.1 The municipality may not incur catering expenses for meetings that are only attended by persons in the employ of the municipality, unless prior written approval is obtained from the accounting officer.
- 12.2 Catering expenses may be incurred by the accounting officer for the following, if they exceed five (5) hours:
- (a) Hosting of:
 - (a) meetings;
 - (b) conferences;
 - (c) workshops;
 - (d) courses;
 - (e) forums;
 - (f) recruitment interviews; and

(g) council proceedings

- 12.3 Entertainment allowances of qualifying officials may not exceed two thousand rand (R2 000) per person per financial year, unless otherwise approved by the accounting officer.
- 12.4 Expenses may not be incurred on alcoholic beverages, unless the municipality recovers the cost from the sale of such beverages.
- 12.5 Social events, team building exercises, year-end functions, sporting events and budget vote dinners may not be financed from the municipal budget or by any supplier or sponsor.
- 12.6 Expenditure may not be incurred on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade, unless the costs thereto are recovered from the affected officials or is an integral part of the business model.
- 12.7 Expenditure may be incurred to host farewell functions in recognition of officials who retire after serving the municipality for ten (10) or more years, or retire on grounds of ill health, the expenditure should not exceed the limits of the petty cash usage as per the petty cash policy of the municipality.

13. COMMUNICATION

- 13.1 All municipal related events must, as far as possible, be advertised on the municipal website, instead of advertising in magazines or newspapers.
- 13.2 Officials will be held liable for the reimbursement of costs to GRDM relating to private calls and data usage that exceed the cellphone and data packages assigned to officials, as applicable.
- 13.3 Newspapers and other related publications for the use of officials must be discontinued on the expiry of existing contracts or supply orders, unless required for professional purposes and where unavailable in electronic format.
- 13.4 The acquisition of mobile communication services may be done by using the transversal term contracts that have been arranged by the National Treasury.

14. CONFERENCES, MEETINGS & STUDY TOURS

- 14.1 Appropriate benchmark costs must be considered prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa. (Note that "conference or event" referenced above excludes attendance of government forums, user groups and workshops.)
- 14.2 The benchmark costs may not exceed R2 500.
- 14.3 When considering applications from officials to conferences or events within and outside the borders of South Africa, the accounting officer must take the following into account:
- (a) The officials role and responsibilities and the anticipated benefits of the conference or event;
 - (b) Whether the conference or event will address the relevant concerns of the municipality;
 - (c) The appropriate number of officials to attend the conference or event, not exceeding three officials; and
 - (d) Availability of funds to meet expenses related to the conference or event.
- 14.4 The amount referred to in 14.2 above excludes costs related to travel, accommodation and related expenses, but includes:
- (a) Conference or event registration expenses; and
 - (b) Any other expense incurred in relation to the conference or event.
- 14.5 When considering the cost for conferences or events the following items must be excluded, laptops, tablets and other similar tokens that are built into the price of such conferences or events.
- 14.6 Meetings and planning sessions that entail the use of municipal funds must, as far as practically possible, be held in-house.
- 14.7 Municipal offices and facilities must be utilized for conferences, meetings and strategic planning sessions where an appropriate venue exists within the municipal jurisdiction.

- 14.8 An accounting officer must grant the approval for officials and in the case of political office-bearers, oversight committee members and the accounting officer, the mayor, as contemplated in par 14.3
- 14.9 The municipality must take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

15. OTHER RELATED EXPENDITURE ITEMS

- 15.1 All commodities, services and products covered by a transversal contract by the National Treasury must be procured through that transversal contract before approaching the market, in order to benefit from savings and lower prices or rates that have already been negotiated.
- 15.2 Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during the election periods.

16. ENFORCEMENT PROCEDURES

Failure to implement or comply with this policy may result in any official of the municipality or political office bearer, that has authorized or incurred any expenditure contrary to determinations in this policy, being held liable for financial misconduct or a financial offence in the case of political office bearers as defined in Chapter 15 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

17. DISCLOSURES OF COST CONTAINMENT MEASURES

- 17.1 Cost containment measures applied by the municipality must be included in the municipal in-year budget report and annual cost savings must be disclosed in the annual report.

- 17.2 The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritization of cost savings, on the implementation of the cost containment measures must be submitted to the municipal council for review and resolution. The municipal council can refer such reports to an appropriate council committee for further recommendations and actions.
- 17.3 Such reports must be copied to the National Treasury and relevant provincial treasuries within seven calendar days after the report is submitted to municipal council.

18. IMPLEMENTATION & REVIEW PROCESS

This policy will be reviewed at least annually or when required by way of a council resolution, or when an update is issued by National Treasury.

19. SHORT TITLE

This policy shall be called the Cost Containment Policy of the Garden Route District Municipality.

ANNEXURE O
MFMA NATIONAL TREASURY
CIRCULAR NO 122



NATIONAL TREASURY

MFMA Circular No. 122

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2023/24 MTREF

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Introduction

This budget circular provides guidance to municipalities with their compilation of the 2023/24 Medium Term Revenue and Expenditure Framework (MTREF). It is linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (*mSCOA*), and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial management reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, *mSCOA* is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The National Treasury forecasts real economic growth of 1.9 per cent in 2022, compared with 2.1 per cent projected in the 2022 Budget Review, in response to global and domestic shocks. Growth is projected to average 1.6 per cent from 2023 to 2025. Implementing structural reforms, especially in the energy sector, remains crucial to improve the economy's productive capacity and competitiveness.

The recovery in economic activity that began in 2021 was driven by a strong rebound in global economic activity, high commodity prices and easing COVID-19 restrictions. The scarring impact of the pandemic on employment and investment decisions will likely weigh on the recovery over the medium term. Investment remains well below pre-pandemic levels.

The economy grew by 1.4 per cent in the first half of 2022 compared with the first half of 2021. Real GDP grew more than expected in the first quarter of 2022, with output returning to pre-pandemic levels. However, a deteriorating global environment, flooding in KwaZulu-Natal and the Eastern Cape, industrial action in the electricity and mining sectors, and prolonged and intense power cuts resulted in a broad-based contraction across most sectors during the second quarter. The third quarter was marked by frequent and prolonged power cuts, which significantly disrupted economic activity.

The following macro-economic forecasts must be considered when preparing the 2023/24 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2021 - 2026

Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Forecast		
CPI Inflation	5.2%	6.8%	4.7%	4.6%	4.6%

Source: Medium Term Budget Policy Statement 2022.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

It is noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections.

2. Key focus areas for the 2023/24 budget process

2.1 Local government conditional grants allocations

Over the 2023 MTEF period, conditional grant allocations to municipalities will grow below inflation. This is due to a higher 2022/23 baseline (R3.8 billion) added to local government conditional grants in the 2022 Division of Revenue Amendment Act. Over the next three years, total local government resources, including the equitable share and indirect conditional grants increase at an annual average rate of 6 per cent.

The local government equitable share increases at an annual average rate of 7.8 per cent and municipal conditional grants increase by 3.6 per cent over the 2023 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2023 MTEF period.

The annual Division of Revenue Bill will be published in February 2023 after the Minister of Finance's budget speech. The Bill will specify grant allocations and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2022 Division of Revenue Act to compile their 2023/24 MTREF. In terms of the outer year allocations (2025/26 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2022 Division of Revenue Act for 2022/23. The DoRA is available at:

<http://www.treasury.gov.za/documents/national%20budget/2022/default.aspx>

2.2 Re-enforcing the 2023 Division of Revenue Bill, (DoRB) to facilitate improved intergovernmental relations

Towards enforcing a system of good intergovernmental relations as envisaged in the Chapter 3 of the Constitution and subsequent related legislation, the National Treasury would like to remind municipalities of Section 31 of DoRA that articulates the facilitation of personal liability for unnecessary litigation. Going forward, a municipality may therefore only institute litigation against any organ of state, state-owned enterprise, public-and/ or municipal entity after exhausting all dispute resolution mechanisms required and/ or available to the municipality in terms of existing intergovernmental relations processes, policy and/ or any related contract with the municipality, including in terms of the Municipal Finance Management Act, 2003, the Intergovernmental Relations Framework Act, 2005, and/ or the Electricity Regulation Act, 2006 (dispute processes administered by NERSA).

The 2023 DoRB will facilitate the personal liability of and refund of any expenditure related to such litigation to the national revenue fund (NRF) by any person responsible for the institution of litigation by a municipality without having exhausted all the available dispute resolution mechanisms. This will be done through the equitable share off-setting processes. Municipalities, parallel to instituting any litigation against any organ of state, must report such litigation to the Auditor-General, the National Treasury and to the relevant provincial treasury. The report must provide the details of all the dispute resolution processes that were attempted, supported by information explaining the failure of these attempts.

Division of Revenue Amendment Bill, 2022 (DoRAB) Disaster

response funding

Conversion of disaster response grants – To allow for adequate response to the April 2022 floods, funding was shifted between the disaster relief grants in August 2022. R145 million

was shifted from the Provincial Disaster Response Grant to the Municipal Disaster Response Grant and R120 million was shifted from the Municipal Emergency Housing Grant to the Provincial Emergency Housing Grant.

Additional funding for disaster response grants – In response to disasters that have occurred, most of the disaster funding for 2022/23 had been depleted by the time of the tabling of the DoRAB. To enable for response should a disaster(s) occur in the remaining months of the current financial year, R248 million is added to the Municipal Disaster Response Grant to enable immediate response by municipalities.

Additional funding for disaster reconstruction and rehabilitation¹ – For the reconstruction and rehabilitation of municipal infrastructure damaged by flash floods in the Western Cape (Overberg District Municipality, Cape Winelands District Municipality and Garden Route District Municipality) in December 2021 and the April 2022 floods in the Eastern Cape (Winnie Madikizela-Mandela Local Municipality) and KwaZulu-Natal (eThekweni Metropolitan Municipality, uMhlathuze Local Municipality, uThukela District Municipality, uMgungundlovu District Municipality and iLembe District Municipality), R3.3 billion is added to the Municipal Disaster Recovery Grant.

Purchasing of land for relocation of flood victims – R92 million is added to the Informal Settlements Upgrading Partnership Grant: Municipalities for eThekweni Metropolitan Municipality for the purchase of land identified for the relocation of displaced flood victims.

Changes to local government allocations

Roll-over of funds in the Integrated National Electrification Programme (municipal) Grant – R1 million is rolled over in the Integrated National Electrification Programme (municipal) Grant to fund 50 electrification connections in Swellendam in Dikgatlong Local Municipality.

Roll-over of funds in the indirect Regional Bulk Infrastructure Grant – R15 million is rolled over in the indirect Regional Bulk Infrastructure Grant to fund operational payments for the Vaal River pollution remediation project in Emfuleni Local Municipality.

Reprioritisation in the Neighbourhood Development Partnership Grant – R100 million of the Neighbourhood Development Partnership Grant is shifted from Schedule 5, Part B (direct) to Schedule 6, Part B (indirect) to fund project preparation, planning and implementation for municipalities that are having administrative and financial challenges that are affecting project implementation. These funds will be used for projects they were allocated for in the direct component. Affected municipalities are Mogale City Local Municipality, KwaDukuza Local Municipality and Emfuleni Local Municipality.

Changes to gazetted frameworks and allocations

Municipal Disaster Response Grant – The grant framework for the Municipal Disaster Response Grant is amended to allow for spending to respond to the disasters that occurred in December 2021 and April 2022.

Informal Settlements Upgrading Partnership Grant: Municipalities – The grant framework for the Informal Settlements Upgrading Partnership Grant is amended to ring-fence funds for

¹ There was an oversight in the allocations to Western Cape and KwaZulu-Natal, wherein the allocations or parts thereof allocated to the district municipalities in the DoRAB ought to have been allocated to the respective local municipalities in these districts. This is explained in detail in the section “Correction of errors in the Municipal Disaster Recovery Grant framework and allocations to municipalities” below.

the purchase of identified land for the relocation of flood victims who were previously residing in informal settlements that were washed away by April 2022 floods in eThekweni Metropolitan Municipality.

Municipal annexures – Changes to previously gazetted municipal allocations include a change of the name of a municipality. The name of Engcobo Local Municipality in the Eastern Cape is updated to Dr A.B. Xuma Local Municipality as per the Gazette published in terms of section 12 of the Local Government: Municipal Structures Act, on 30 May 2022.

Correction of errors in the Municipal Disaster Recovery Grant framework and allocations to municipalities

The National Disaster Management Centre (NDMC) has requested changes to the in-year allocations for the Municipal Disaster Recovery Grant in the DoRAB tabled in Parliament. Part of the funding allocated to uThukela and iLembe district municipalities in KwaZulu Natal (page 36 of the DoRAB), should have been allocated to Alfred Duma and KwaDukuza local municipalities, respectively. The allocations made to the Cape Winelands, Overberg, and Garden Route district municipalities in the Western Cape (page 39 of the DoRAB), should have been made to Breede Valley; Theewaterskloof and Swellendam; and Oudtshoorn and George local municipalities, respectively. These corrections also affect the ring-fencing in the grant framework (page 28 of the DoRAB).

Parliament has approved that the National Treasury correct the allocations and effect the required changes to the MDRG framework, as part of section 15(1) of the 2022 DoRA to ensure that MDRG allocations are correctly allocated to the municipalities assigned for the functions.

3. Pension fund defaults

There has been a growing trend where municipalities are deducting pension from the employees but are not paying it over to their pension fund. This in our view is inconsistent with the intent and spirit of the MFMA and constitute an act of financial misconduct in terms of section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings and potentially also a criminal offence in terms of section 173 of the MFMA read with other applicable legislation. Municipal Councils should refer these actions to the Disciplinary Boards for further investigation and should also consider laying criminal charges against the accounting officer and other responsible officials that has failed to perform the responsibility outlined in terms of section 65(2)(f) of the MFMA which states that “the accounting officer of a municipality must take all reasonable steps to ensure that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments”. Municipal Councils should also consider further measures and actions in terms of the Pension Funds Administration Act, as may be applicable.

4. Municipal Standard Chart of Accounts (mSCOA)

4.1 Release of Version 6.7 of the Chart

On an annual basis, the mSCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.7 is released with this circular.

Version 6.7 of the chart will be effective from 2023/24 and must be used to compile the 2023/24 MTREF and will be available from 20 December on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

Kindly note that, in accordance with section 8(2)(j) of the Municipal Property Rates Act (MPRA) as amended in 2014, municipalities may apply for categories other than the categories in 8(2)(a) to (i). Towards this end the Minister of Cooperative Governance and Traditional Affairs approved the following categories:

- Sports Clubs and Fields for Bitou Municipality and
- Residential sectional title garages for Drakenstein Municipality.

These categories were only approved for use by municipalities indicated above. System vendors must therefore block the use of these categories for all other municipalities. The Project Summary Document (PSD) on the National Treasury webpage will be aligned to the chart changes in version 6.7 where applicable. The PSD is also available on the above link.

For the National Treasury to consider a new chart change in version 6.8 of the chart, the issue must be logged with all relevant background and details on the *mSCOA* FAQ portal by 31 August 2023. The *mSCOA* FAQ portal can be accessed by all registered GoMuni users on the following link. https://lq.treasury.gov.za/ibi_apps/signin

4.2 Amendments to the regulated A1 schedules

The following tables of the A1 Schedule that was regulated in terms of the Municipal Budget and Reporting Regulations (MBRR), have been aligned to the *mSCOA* and Generally Recognised Accounting Standards (GRAP):

- A4: Statement of Financial Performance; and
- A6: Statement of Financial Position

In addition, tables A8 and A10 have been linked to the *mSCOA* data strings and will be included in the 2023/24 budget reports available on the GoMuni portal from 01 July 2023.

The amended and protected version of the A1 schedule will be available from 20 December on the link below:
<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

System vendors and municipalities that are managing their own in-house systems must programme the amended schedules on their financial systems. Input fields for supporting tables that are not part of the non-financial data string must be created to ensure that a complete A schedule is generated from the core municipal financial system.

The *mSCOA* Regulations require that municipalities budget, transact and report on legislated *mSCOA* segments and directly on the core financial system and submit the required data strings directly from this system to the GoMuni Upload portal. To ensure that the data strings submitted are credible, municipalities must:

- Lock the budget adopted by Council on the core municipal financial system before submitting the budget (ORGB) data string to the GoMuni Upload portal;
- Close the core financial system at month-end as required in terms of the MFMA before submitting the monthly data string to the GoMuni Upload portal; and
- Generate the regulated MBRR Schedules (A, B and C) directly from the core municipal financial system.

The preparation of budgets on excel spreadsheets that is captured in the system at a later stage and manual correction of data strings by municipal officials or system providers are not allowed in terms of the *mSCOA* Regulations. Where a municipality makes use of a stand- alone 3rd party sub-system or a system provider has entered into an agreement or consortium for the provision of certain functionality with a 3rd party sub-system provider, such a 3rd party sub-system should host the relevant part of the *mSCOA* chart to seamlessly integrate with the core financial system without manual intervention.

4.3 Credibility of *mSCOA* data strings

The credibility and accuracy of the data strings must be verified by municipalities before submission as the data strings submitted will be used as the single source for all analysis and publications in the 2023/24 municipal financial year.

Municipalities have been given access to the GoMuni portal in April 2022 and should use the reports on GoMuni to verify the credibility of their submissions. It should be emphasized that errors in the data can only be corrected in the next open period. e.g., errors in the tabled budget (TABB) data string can only be corrected in the adopted budget data string (ORGB). Municipalities are not allowed to open closed periods to make corrections.

Municipalities are reminded that incorrect or incomplete data string submissions is considered as non-submission.

The credibility of the *mSCOA* data strings remains a concern in the following areas:

The inclusion of opening balances in data strings

Municipalities and system vendors must ensure that opening balances are included in the budget and in-year data strings. The opening balances at year end (month 12 – M12) of the previous financial year must be rolled over to the first month (M01) and updated with pre- audited (PAUD) and audit (AUDA) adjustments in the current financial year in the *applicable open period*. In other words, if the audit is completed on 31 October, then the changes in the opening balances must be reflected in the in-year submission for November 2022 (M05 submission). If opening balances and changes thereto are not included in the budget and in- year data strings, the C schedules will not populate correctly. This means that the movement of the balance sheet items will not have a starting point and the Statement of Financial Position (balance sheet) will be incorrect.

Accounting for Water Inventory

As per the guidance in MFMA Budget Circular No.115 (dated 04 March 2022), municipalities must budget and account for bulk water purchases as **inventory** under current assets in the Statement of Financial Position as per GRAP 12 (paragraph. 07).

In terms of GRAP 12:

Inventories are assets:

- a. *In the form of materials or supplies to be consumed in the production process;*
- b. *In the form of materials or supplies to be consumed or distributed in the rendering of services; and*
- c. *Held for sale or distribution in the ordinary course of operations, or*
- d. *In the process of production for sale or distribution.*

Inventory acquired through non-exchange transactions should be recorded at its fair value as at the date it is acquired. The cost of inventory, except for non-purified water, will be determined or recognised in accordance with paragraph 25 and 26, which is the primary and secondary costs in getting the water either to the treatment works or to the users of the water.

It is important to note that water cannot be issued if it was not purchased or brought into the inventory through system input transactions. Therefore, the total input volume of water related to water purified and water from natural sources should include both primary and secondary cost components. The allocation of secondary cost to the input volume of water will necessitate the utilisation of the Costing Segment in the *mSCOA*. This is crucial in determining cost reflective tariffs for water.

The fair value of water from natural resources such as boreholes, springs and fountains may be determined by the primary and secondary cost components. Secondary costs include:

- Labour
- Extraction cost
- Distribution cost
- Chemicals/ Treatment
- Maintenance
- Infrastructure
- Depreciation charges

The municipality must account for water from natural resources as follows:

Debit: System Input Volume: Natural Resources

Credit: Gains and Losses: Water at fair value

Water inventory must be budgeted to be acquired and recorded in the Current Assets: Inventory: Water as indicated below. The movement accounts in the *mSCOA* structure makes provision for the different methods of acquiring and the consumption/ issuing of Water inventory.

Current assets:

- Inventory: Water Opening balance: Non-Funding Transactions
- Inventory: Water: System Input volume: Bulk Purchases: Water Treatment/Natural Resources
- Water Authorised Consumption:
 - a) Billed Unmetered Consumption
 - b) Un-Billed Authorised Consumption
 - c) Billed Metered Consumption
- Inventory: Water Losses (Apparent and Real Losses)

Water that is issued to Consumers must be issued from the inventory and expensed in the **Expenditure:** Inventory: Consumed -Water.

Water losses will reduce the Water inventory in current assets and the corresponding amounts should be captured in **Gains and Losses:** Inventory: Water: Fair value

It is important to note that the change in accounting for water through the inventory purchased process and the change of using a methodology to report the balance of water as at year-end may impact on the Annual Financial Statements (AFS). Municipalities must ensure that they update their accounting policy, document this process, and provide comparative figures when assessing and reporting their water balance to ensure that the GRAP guidelines of changes in reporting and materiality is applied correctly.

The Local Government Municipal Property Rates (MPRA) Amendment Act, 2014

Municipalities are reminded that section 8 of the MPRA on the determination of categories of rateable properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 (“the Amendment Act”).

Municipalities were required to implement the new property categorisation framework by not later than 01 July 2021. The *mSCOA* chart Version 6.7 will only make provision for the new framework. The old framework has been retired and municipalities must prepare their 2023/24 MTREF Budgets accordingly.

Fixed Asset Register

Municipal financials systems must comply with the minimum business processes and system requirements on fixed asset registers as articulated for the asset management module in MFMA Circular No 80. The asset management module should be embedded in the core financial system or seamlessly integrate from a third-party sub-system to the core financial system. This will enable the regular and seamless updating of the fixed asset register. The register must contain the following information as a minimum requirement:

- Description of the asset
- Date of acquisition or brought into use
- Purchase cost
- Location of the asset
- Function responsible for the asset
- Current value
- Depreciation and method utilised
- Remaining life of the asset
- Maintenance information
- Insurance Coverage

Municipalities will be required to upload their updated fixed asset register in a PDF format on the GoMuni Upload portal as part of their 2023/24 MTREF tabled and adopted budget submission and thereafter on a quarterly basis as part of their in-year reporting.

Recording of Schedule 6B Grants in *mSCOA*

Grants allocated in terms of Schedule 6B of DoRA should be recorded in terms of *mSCOA* as an allocation-in-kind. This means that the municipality will only record the transaction once they received a completed asset.

Importantly, a Schedule 6B grant may not be transferred to the end-user of the asset to construct the asset as this is in contravention with the conditional grant framework. If a transferring officer of a Schedule 6B grant consider the municipality capable of constructing its own asset, the grant should be re-gazetted and reclassified as a Schedule 5B grant. The grant will then be transferred directly to the municipality to construct the asset and the receipt and expenditure of the grant must be in accordance with GRAP 17. An adjustments budget in terms of Section 28(2)(b) of the MFMA and Regulation 23(3) of the MBRR must be adopted to include the grant funding and project in the MTREF budget.

In the case where a municipality is constructing an asset for a national department but will not be the end-user of the asset being constructed, the accounting must be done in terms of GRAP 11. There will be VAT implications as the municipality will be a contractor and act as an agent. It is important to ensure that the contract between the municipality and the department outlines the responsibilities of all parties.

Municipalities must ensure that they are making provision for VAT in accordance with the VAT Act, 1991 (Act No. 89 of 1991) and the VAT 419 guide issued by SARS. The National Treasury issued *mSCOA Circular No.12* (dated 01 October 2021) that provides guidance on the recording of VAT in the *mSCOA*.

Impact of Balance Sheet Budgeting and Movement Accounting on Cash Flow Tables

From the analysis of the mSCOA data strings it is evident that the cash flow tables (A7, B7 and C7) are still not populating correctly or completely. This can be contributed to the fact that a number of municipalities still do not use balance sheet budgeting and movement accounting. Guidance on the use of balance sheet budgeting and movement accounting to populate tables A7, B7 and C7 correctly was provided in MFMA Budget Circular No. 107 (dated 04 December 2020) and mSCOA Circular No. 11 (dated 04

4.4 Regulation of Minimum Business Processes and System Specifications

National Treasury will review and regulate minimum business processes and system specifications for *mSCOA* by the end of 2024/25. In preparation for the regulation of the minimum requirements, municipalities should ensure that they comply fully with the current minimum business processes and system specifications articulated in MFMA Circular No. 80 (dated 08 March 2016).

Where a municipality is not fully compliant with the *mSCOA* requirements, a *mSCOA* Road Map must be in place to drive and fast track the *mSCOA* implementation in the municipality. The *mSCOA* Steering Committee, chaired by the Accounting Officer or his/ her delegate, must use the *mSCOA* Road Map to track progress and take correction actions where required.

Road Maps must be reviewed and updated annually as part of the budget process is updated and submitted to Council for approval together with their 2023/24 MTREF budget. Municipalities will be required to upload their updated *mSCOA* Road Maps in a PDF format on the GoMuni Upload portal as part of their 2023/24 MTREF tabled and adopted budget submission and thereafter on a quarterly basis as part of their in-year reporting.

Municipalities should ensure that they budget sufficiently to become and remain *mSCOA* compliant.

Guidance on the content of the *mSCOA* Road Map was provided in MFMA Budget Circular No. 115 (dated 04 March 2022).

4.5 mSCOA Training Initiatives

Training to municipalities and municipal system vendors

The National Treasury, in conjunction with CIGFARO, will conduct monthly training sessions aimed at municipalities, municipal system vendors and other relevant role-players. The training will focus on technical aspects of budgeting, transacting and reporting in the *mSCOA* and is aimed at improving the quality of *mSCOA* data strings. The draft programme is attached as **Annexure A**.

mSCOA eLearning Course

The National School of Government is hosting the *mSCOA* eLearning Course that was developed by the National Treasury. The *mSCOA* eLearning Course provides government officials with the basic knowledge on the reform and how to record transactions using the *mSCOA*.

Government institutions can enrol their employees for this course by sending a request for training to the NSG at contactcentre@thensg.gov.za. If your institution has not attended any training with the NSG previously, then you will also be required to register on the NSG database. The mSCOA eLearning Course will be offered as no cost until 31 March 2023. Thereafter, delegates will have to pay to attend the course.

Any queries in this regard must be directed to the NSG at contactcentre@thensg.gov.za or tel number: 086 100 8326.

5. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.

Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment. Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

5.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

The purpose of the above mentioned MFMA Circulars is to ensure that the municipalities are using their entire revenue base as the basis for the revenue budget. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

One of the aims of the reconciliation process is to identify exceptions, i.e. records on the roll and not on the billing system and records on the billing system and not on the roll. In addition, the reconciliation must identify duplicated records, missing data, and data errors. These exceptions should then be investigated, and remedial action strategies developed for data cleansing and other corrective actions. The Debtors Ageing data should also form part of the reconciliation process so that "debtors" can be tracked and assessed at a property record level and prioritised for verification of rates liability measured against a MPRA property and owner.

To facilitate reconciliation of the separate databases (Roll and Billing), a unique property identifier (common primary unique link code) must be created and populated for each rateable property on the roll system and on the rates billing system. This property identifier must be unique, without duplicates, and remain constant for the life of the property. The standards adopted by the South African Council for the Property Valuers Profession (SACPVP), namely South African Standard: Municipal Valuations for Property Rating, specifies that the Surveyor General Code SG 21-digit Code, derived, and created from the property description, be applied for all registered full title property defined in terms of part (a) of the definition of property.

For all other MPRA defined property, Part (a) Sectional Title, Part (b) Registered Rights, Part (c) Land Tenure Rights and Part (d) PSI, and apportioned multiple use property in terms of sections 8(2)(i) and 9(2), an added suffixed 5 digits to the SG 21-digit code must be assigned by the designated municipal valuer, thereby creating a unique 26-digit code. The municipality must ensure that the SG21 digit code and 26-digit coding system is applied in their valuation roll management system and billing system and engage with their designated municipal valuer and systems service providers to implement the unique property identifier.

Further it is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2023, must also as best practice compare the current consolidated roll to the new valuation roll. This can identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks.

Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. In order to ensure that the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with s23(1)(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

Furthermore, municipalities are also advised and expected to comply with s8(1) of the MPRA in terms of the billing methodology that needs to be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation process.

The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates or whether the municipality is overstating its revenue budget.

A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the Valuation roll/Part A register to the billing system to the National Treasury on a quarterly basis by no later than the 10th working day. A detailed action plan must accompany the reconciliation where variances are noted.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: https://lg.treasury.gov.za/ibi_apps/signin. If the municipality experience any challenge uploading the information, a request for an alternative arrangement may be emailed to linda.kruger@treasury.gov.za.

No operation can be sustainable if it does not collect its revenue. A municipality is no different. There is a misconception that a municipality may not interrupt or restrict the supply of water services of a defaulting consumer. The National Treasury confirms that neither the

Water Services Act, 1997 (Act No. 108 of 1997) or any other legislation prevents a municipality from cutting the supply of water to a defaulting consumer unless the consumer is an indigent in which case the water services to that household must be restricted to the national free basic water limit of 6 kilolitre water monthly (or 50 kilowatt hours in the case of free basic electricity monthly). This was confirmed by the Constitutional Court in the matter of Mazibuko and Others v City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009).

Municipalities are urged to use the restriction/ interruption of supply of both water and electricity services as a collection tool. Effective from the tabling and adoption of the 2023/24 MTREF, municipalities' By-laws and policies must facilitate this and clearly stipulate the order in which any partial payment of the consolidated municipal bill (including property rates) will be applied as well as the process before the supply of water and electricity services will be cut. The National Treasury recommended that any partial payment firstly be applied to property rates, wastewater, waste management, water and lastly to electricity. When interrupting or restricting the supply of water it is important that such is undertaken together with the municipal engineer(s) to ensure a continued minimum supply of waste water.

5.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

The National Treasury issued a tariff setting tool and guide as part of MFMA Budget Circular No. 98 (refer item 4.2) on 6 December 2019 and since 2019, encouraged municipalities to utilise the tool. **With effect, the 2023/24 MTREF, all municipalities (except metropolitan cities and district municipalities that do not provide any services) as part of both the tabled and adopted MTREF submissions must submit the completed National Treasury tariff tool (in excel format)** illustrating that the revenue component of the budget is credible and funded and that the municipality's tariffs are cost reflective. If the municipality's initial calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality's strategy in this regard should be included as part of the budget narratives.

This tool will assist in setting tariffs that are cost-reflective and enable a municipality to recover costs to fulfil its mandate. Going forward it is also imperative that every municipality fully embrace the Municipal Standard Chart of Accounts (mSCOA): costing component. Considering, mSCOA implementation is entering its sixth year of implementation, all municipalities must fully embrace and report also utilising the costing segment correctly. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>.

5.3 Tariffs – achieving a balance between cost-reflectiveness and affordability

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other consumers while ensuring the financial sustainability of the municipality.

When setting tariffs, it is therefore critical to understand the economic environment specific to the municipality and consideration should include at least –

- *The socio-economic profile undertaken for the municipality* available on the National Treasury GoMuni portal – municipalities are encouraged to annually update their own socio-economic profile using the template model available on GoMuni;
- *The most recent average monthly household income in the municipality* as per Statistics South Africa (Stats SA) available on [Statistics South Africa | Improving Lives Through Data Ecosystems \(statssa.gov.za\)](http://Statistics South Africa | Improving Lives Through Data Ecosystems (statssa.gov.za));
- *The average property value in the municipality* per its most recent approved general valuation roll and/ or supplementary general valuation roll;
- *The number of indigent households in the municipality*, including any variation in the number of indigent households included in the Equitable Share: free basic services component for the municipality vs the municipality's own indigency level discretion; and
- *The economic drivers and activities specific to the municipal area²; etc.*

The municipality's tariff-setting or other committee tasked with this role must understand and deliberately reflect on this context during the tariff-setting process. Considering the average monthly household income, the median affordable municipal bill would ideally not exceed proportionally the average monthly household income. This median affordable bill, in combination with the median average property value should inform the basis to determine any rebates to households with income below the median.

It is also important when setting particularly water and electricity tariffs that municipalities consider setting two-tier tariffs, that include a basic availability charge to recover the fixed (direct and indirect) cost associated with the service in conjunction with consumption-based tariff bands. For example, in a drought, such tariffs will facilitate the ability to pay for infrastructure and maintenance, treating chemicals and salaries, etc. while parallel facilitating water restriction based on inclining tariffs as consumption increase. Furthermore, it is important to link the municipality's water tariffs to dam levels, also approved as part of the budget process. For example, if the dam levels drop to 60 per cent the first tier of restriction tariffs should become applicable in terms of the municipality's approved tariff policy.

It is also noted that NERSA approves seasonal tariffs for Eskom but not necessarily for the municipality. It is important that the municipality clearly factor this in its tariff application to NERSA, illustrating the cashflow crunch if the municipality is not similarly allowed a seasonal tariff to recover the higher Eskom bulk cost during winter months.

Lastly, municipalities are cautioned against setting tariffs that include operating inefficiencies. This could lead to tariffs falling into the unaffordable range.

The Consumer Price Index (CPI) inflation is forecasted to be within the 3 to 6 per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2023/24** in their budget narratives and pay careful attention to

² The spatialised tax data is now available through National Treasury for all municipalities that provides an up to date information on economic activity within a municipal boundary.

tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

5.4 Bulk Account Payments and Concessions

During 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also urged to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.**

5.5 Critical Notice Affecting STS Meters

As highlighted in previous MFMA Circular No. 115 (dated 06 December 2022) municipalities are once again alerted that there is still a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens.

The remedy is to visit each meter and enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government. In this respect the development of the transversal contract for smart prepaid meters as per NRS 049 (per latest approved version) is at an advanced stage and should be issued shortly by National Treasury.

If your municipality or municipality entity is currently in the process of procuring for a solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal contract for the provision of inter alia auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters Terms of Reference (ToR); and

- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for this purpose or any related solution or similar. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any related solution or similar or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

In this regard, municipalities will have two options to choose from:

- Firstly, to pursue the route of auditing, re-calibrating and re-configuring services for standard transfer specification compliant prepayment meters; and/ or
- Secondly, to replace the old meter with a new smart prepaid meter.

For both options, the municipality will have to budget accordingly as no additional funding will be available through the national fiscus.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

5.6 Completeness and credibility of revenue related information in the Budget

The MBRR regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2023/24 MTREF.

5.7 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In the municipal financial year 2022/23, bulk electricity costs increased moderately at 9.61 per cent, compared to 17.8 per cent in the 2021/22 municipal financial year. Due to Eskom's funding needs, they are seeking higher tariff increases and have applied to NERSA for a 32 per cent hike from 1 April 2023/24. NERSA will make a final decision on the tariff application by 24 December.

In addition, a High Court hearing is still pending on the Multi-Year Price Determination (MYPD 5) application. The urgent High Court review requires NERSA to urgently process the Eskom revenue application for at least one year, as required by law. The timeframes for the review allow for a decision to be made in time for implementation by 1 April 2023.

5.8 Updated Municipal Borrowing Policy Framework

Cabinet approved the Update to the Policy Framework for Municipal Borrowing and Financial Emergencies on the 17th of August, 2022. The purpose of the Update is to re-examine the original Policy Framework, along with the legislation (i.e. Municipal Finance Management Act – MFMA) that was adopted to implement it, considering the experience with municipal borrowing that has accumulated since 2000.

The following key reforms have been introduced through the Update to the Policy Framework for Municipal Borrowing:

- The Policy Framework for Municipal Borrowing has been updated to introduce the necessary reforms that will expand the scope of responsible municipal borrowing and create an environment that attracts more players (e.g. insurers, pension funds, institutional investors and fund managers, and international Development Finance Institutions) in the municipal debt market space. The original core principles underlying municipal borrowing are maintained (i.e. creditworthy municipalities should borrow prudently to finance capital investment, and that there will be no bail-outs by the provincial or national government);
- The updated policy framework clarifies the role of Development Finance Institutions (DFIs), as it was not clearly articulated in the original policy. DFIs are required to pursue clear and agreed developmental goals, as outlined in the policy. The objective of this approach is to ensure that a DFI lending does not crowd out the private sector. Public-sector lenders, both domestic and foreign, should be guided by a social and developmental investment approach in which demonstrable social outcomes are considered alongside potential financial returns;
- The updated policy framework permits and clarifies innovative infrastructure financing mechanisms (such as pooled financing mechanisms, project finance, tax increment financing, revenue bonds, and pledging of conditional grants) that municipalities can use to leverage municipal borrowing. Municipalities are encouraged to explore these alternatives, and innovative infrastructure financing mechanisms permitted subject to the requirements contained in the Municipal Finance Management Act (MFMA) and
- The participation of both private and public sector market participants in the development of a liquid secondary market for municipal debt securities is also encouraged. The policy proposes options that can be explored to support the development and growth of an efficient and liquid market for municipal debt obligations.

The Updated Municipal Borrowing Policy Framework can be accessed at the MFMA website at the following link <http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx>.

5.9 Tariff Policies

Municipalities must comply with the provisions of Section 74 of the Municipal Systems Act (MSA) which requires that a municipal council must adopt and implement tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of this Act and with any other applicable legislation. Municipalities should also ensure that the tariff policies adhere to all the principles outlined in section 74(2) of the MSA. A municipality's tariff policies must also take into consideration variable factors such as water shortages and electricity feedback excess into the municipal system from new generation capacity. Municipalities must adopt by-laws to give effect to the implementation and enforcement of their tariff policies.

5.10 Non-Revenue Electricity and Non-Revenue Water/ Revenue Losses:

Water Service Authority municipalities and electricity licensed municipalities are urged to align both their non-revenue water and non-revenue electricity indicators and their set targets in the 2023/24 SDBIPs with identifiable infrastructure or operational projects and/ or programmes. Municipalities should improve on the baseline information included in the SDBIPs by indicating the volume of water losses (i.e., kilolitres/ mega-litres) and the amount of electricity losses (KwH or MWs) for the previous year. This approach will help to determine the progress of municipalities in curbing losses, which impact on municipal revenues, in both non-revenue water and non-revenue electricity.

6. Burial of Councillors

Salaries, allowances and benefits for political office-bearers and members is managed through Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils notice issued by the Minister of Cooperative Governance and Traditional Affairs.

Section 167 of the MFMA provides that a municipality may remunerate its Councillors within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members. Any benefit which is not included in the above-mentioned notice will be deemed irregular expenditure and recovery thereof from the Councillor concerned is mandatory.

Municipalities may also refer to relevant Councillor Pension Scheme or personal funeral policies in existence for any funeral benefits relating to such Councillor

7. Funding choices and management issues

Municipalities are under pressure to generate revenue. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2023/24 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 and 2024. The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.

According to the 2021 State of Local Government Finance Report, there are about 165 municipalities that are in financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councilor(s) concerned.

8. Transfers to municipalities

8.1 Criteria for the release of the Equitable Share

Section 216(2) of the Constitution of South Africa requires that the National Treasury must enforce compliance with the measures established to ensure both transparency and expenditure control in each sphere of government and may stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of those measures.

The criteria for the release of the Equitable Share Instalments for the 2023/24 municipal financial year are as follows:

- The 2023/24 adopted budget must be funded and adopted by Council as per the legal framework, as required in terms of section 18 of the MFMA and consistent with the Budget Council and Budget Forum resolutions;
 - a. The adopted budget must include budget allocations for bulk suppliers current account payments;
 - b. Should the adopted budget still be unfunded, then a credible funding plan will be required to show how the municipality intends moving progressively out of this position into a funded state, if this plan has been adopted in the past, then a progress report must be submitted on the framework previously shared to guide municipalities which is aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS);

- c. Those municipalities that adopted an unfunded budget must work with their respective Provincial Treasuries to rectify this position in the lead up to the main adjustments budget process in February 2023; and
 - d. A council resolution showing commitment to address the unfunded position must be submitted by these municipalities to the National Treasury by 01 July 2023.
- Credible mSCOA data strings and source documents for the 2023/24 MTREF and 2022/23 audits must be generated directly from the core municipal financial system and successfully uploaded to the Local Government GoMuni Portal. Source documents must be submitted in PDF and no excel based spreadsheet/ templates will be accepted;
 - The report submitted by bulk suppliers in terms of section 41 of the MFMA must indicate that the current account has been paid timeously in terms of section 65(2)(e) of the MFMA. In addition, where the municipality has a repayment plan with Eskom and/ or the water boards, proof that the current accounts have been paid and a copy of the agreed upon payment plan (or evidence of negotiations underway with creditors) must be submitted to the National and provincial treasuries;
 - Municipalities must provide evidence that SARS, pension and other staff benefits deducted from municipal officials have been paid over the appropriate Funds and/ or institutions;
 - The information requested in MFMA Circulars No. 93, 98 and 107 on the reconciliation of the valuation roll have been submitted to the National Treasury as per the required timeframes;
 - The Competency Regulations reporting requirements have been complied with;
 - Provide a copy of the Unauthorised, Irregular, Fruitless and Wasteful (UIF&W) expenditure register, the latest copy of the Municipal Public Accounts Committee (MPAC) recommendations, Council Resolution on UIFW as well as a copy of the council approved UIFW Reduction Strategy/ Plan, proof of establishment of the Disciplinary Board (or evidence of progress towards their establishment) including evidentiary evidence demonstrating functionality of the Disciplinary Board and updated audit action plan (where the audit has been completed);
 - Those municipalities that received an adverse or disclaimed opinions for the 2020/21 financial year will not receive their funding allocation unless there is a council resolution committing to address these opinions with an implementable plan. The resolution must be signed by each member of the Council and submitted to National Treasury by 1 October 2023;
 - The Municipal Financial Recovery Service progress reporting framework for financial recovery plans must be complied with by municipalities under intervention in terms of S139 of the Constitution;
 - Additionally, those municipalities that have outstanding audits for both the 2020/21 and 2021/22 financial years as well as municipalities with outstanding 2021/22 audit opinions that also received an adverse or disclaimer opinion in 2020/21, will also not receive their allocation; and
 - Any other outstanding documents as per the legal framework have been submitted including the AFS submission (municipality only and consolidated AFS).

Failure to comply with the above criteria will result in National Treasury invoking section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

9. The Municipal Budget and Reporting Regulations

9.1 Schedule A – version to be used for the 2023/24 MTREF

National Treasury has released Version 6.7 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.7 of the mSCOA classification framework and must be used when compiling the 2023/24 MTREF budget.

All municipalities must prepare their 2023/24 MTREF budgets in their financial systems and produce the Schedule A1 directly from their financial system.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module in the financial system and must ensure that they produce their Schedule A1 directly out of the budget module. Manual capturing on the A1 schedule version 6.7 is not allowed in terms of the mSCOA Regulations

National Treasury has protected the A1 schedule version 6.7 in order to ensure that the Schedule A1 generated directly from the financial system and not populated manually.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the mSCOA chart version 6.7. The revised MBRR Schedules for the 2023/24 MTREF and its linkages to the financial and non-financial data string are available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

9.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe Pitso Zwane Oreal Tshidino	012-315 5553 012-315 5171	Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za Ophulusa.Tshidino@Treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Sifiso Mabaso Cethekile Moshane	012-315 5952 012-315 5079	Sifiso.mabaso@treasury.gov.za Cethekile.moshane@treasury.gov.za
Gauteng	Matjatji Mashoeshoe Abigail Maila	012-315 5553 012-395 6737	Matjatji.Mashoeshoe@treasury.gov.za Abigail.Maila@Treasury.gov.za
City of Tshwane and City of Johannesburg	Willem Voigt Makgabo Mabotja	012-315 5830 012-315 5156	WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za
Ekurhuleni	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
KwaZulu-Natal	Kgomotso Baloyi Kevin Bell	012-315 5866 012-315 5725	Kgomotso.Baloyi@treasury.gov.za Kevin.Bell@treasury.gov.za
eThekweni	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
Limpopo	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani Lesego Leqasa	012-315 5807	Mandla.Gilimani@treasury.gov.za Lesego.Leqasa@treasury.gov.za

Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Sibusisiwe Mchani	012-315 5539	Sibusisiwe.Mchani@treasury.gov.za
North West	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Enock Ndlovu	012-315 5385	Enock.Ndlovu@treasury.gov.za
Cape Town	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
George			
Technical issues with Excel formats	Sephiri Tlhomeli	012-406 9064	lgdataqueries@treasury.gov.za

National and provincial treasuries will analyse the credibility of the data string submissions.

9.3 Assessing the 2023/24 MTREF budget

National and provincial treasuries will assess the 2023/24 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

Municipalities should note that the MFMA legislated timeframes for submission of the tabled and adopted budgets are outer timeframes. In this context, different to previous MTREF's, going forward, if the municipality's budget is unfunded, council in terms of MFMA section 74 is requested to table and/ or adopt a budget funding plan together with the budget at the same time.

The Treasuries' **assessment period** of municipal budgets will be from **01 April to 30 June 2023 for both the tabled and adopted budgets. However**, (in a context of some municipalities persisting with unfunded budgeting practices), **if the municipality tabled and/ or adopted an unfunded budget in the 2022/23 MTREF**, the municipality must adjust its schedule of key budget deadlines to facilitate an earlier Treasuries' assessment thereof between 1 April to 15 May 2023 for both tabled and adopted budgets. In this period the national and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that needs to be made must be done before the start of the municipal financial year on 30 June 2023.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked immediately on the financial system at the start of the new municipal financial year on 1 July. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget together with a funding plan that lacks credibility, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be immediately adopted by the Municipal Council, and the changes to the***

budget must be effected in the mid-year adjustments budget to ensure compliance with Section 18 of the MFMA.

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D Schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

10. Submitting budget documentation and A1 schedules for 2023/24 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2023**, the final date of submission of the electronic budget documents and corresponding mSCOA data strings is **Monday, 03 April 2023**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the mSCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats ***immediately*** after approval by the municipal council. Therefore, if the annual budget is tabled to council on **31 May 2023**, the final date of submission of the electronic budget documents and corresponding mSCOA data strings is **Thursday, 01 June 2023**.

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in PDF format to the GoMuni Upload portal.

10.1 Expected submissions for 2023/24 MTREF

The following information should be submitted for the 2023/24 MTREF:

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the A1 schedule must be submitted in the prescribed *mSCOA* data string in the format published with Version 6.7 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities;
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July;
- The National or Provincial treasury input to the tabled budget must be included as an Annexure to the adopted budget together with the municipality's explanation of how such was addressed in the adopted budget. If not, the explanation should provide reasons; and
- The bulk water-and electricity invoices for the 3 months immediately preceding respectively the tabled and adopted budgets, must be included as an annexure to the tabled and adopted budgets as part of supporting the municipalities provision for and calculations of payments to bulk suppliers over the 2023/24 MTREF.

10.2 Portals for the submission of information

Municipalities must ensure that the documents are submitted to the correct portals/ mailboxes. These portals/ mailboxes are:

https://lg.treasury.gov.za/ibi_apps/signin (GoMuni Upload Portal) – All documents required in terms of legislation, including:

- *mSCOA* Data Strings by approved registered users;
- Budget-related and in-year documents and schedules (A, B and C) by approved registered users; and
- Reconciliation of the valuation roll to the financial system (as per MFMA Circular No. 93).

Budget related documents and schedules must be uploaded by approved registered users using the GoMuni Upload Portal at: https://lg.treasury.gov.za/ibi_apps/signin. The GoMuni Upload Portal does not have the same size restrictions encountered with lgdocuments@treasury.gov.za, but requires all documents to:

- Be in PDF format only; and
- Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Municipalities may **only** send electronic versions of the above documents to lgdocuments@treasury.gov.za when experiencing problems with the GoMuni Upload Portal.

lgdataqueries@treasury.gov.za – Database related and submission queries and the grant rollover templates.

lgdocuments@treasury.gov.za – Any additional information required by National Treasury that is not listed under the GoMuni Upload portal such as the documents meeting the criteria to release Equitable Share and the contact list information.

FMCM and Audit Action plans – using the web-enabled systems and as articulated in MFMA Circulars No. 113 and 114.

Please do not submit the same document to ALL the platforms listed above as it means that our Database Team must register the same documents three times which slows down the process. ***Any document/ queries that are submitted to the incorrect portal/ mailbox will be deleted and not processed.***

1.2 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

1.3 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

Contact



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh
Chief Director: Local Government Budget Analysis
09 December 2022

Virtual *m*SCOA Training Programme 2023

Month	TOPIC
Jan	Getting a green submission <ul style="list-style-type: none"> • Overview of <i>m</i>SCOA chart structure • Submission deadlines • Uploading to the GoMuni Upload portal • Correction of validation errors • Using GoMuni to verify receipt and credibility of submission
Feb	Preparing the Budget in <i>m</i>SCOA (1) <ul style="list-style-type: none"> • Preparing the project file (PROR) • Projects Typical Workstreams • Budgeting for disaster/special projects • Infrastructure Management and asset life cycle • The funding matrix <ul style="list-style-type: none"> ◦ Allocation of correct funding sources and alignment to the correct segments ◦ Funding capital expenditure
March	Preparing the Budget in <i>m</i>SCOA (2) <ul style="list-style-type: none"> • Opening balances & Balance sheet budgeting • Budgeting for cash flow • Budgeting for conditional grants
April	Common Errors in 2023/24 Tabled Budget Data Strings <i>(to be corrected in adopted budget (ORGB submission))</i> <ul style="list-style-type: none"> • Water Inventory
May	Common Budgeting Errors <ul style="list-style-type: none"> • Operating Expenditure – Deprecation • Bad debts written off • Impairment loss for consumer debtors • Travel and Subsistence
June	Last change to get the ORGB right <ul style="list-style-type: none"> • Functional allocation • Use of Regional segment • Alignment of A1 schedules
July	Common Transacting and Reporting Errors <ul style="list-style-type: none"> • Opening balances • Populating the cash flow • Reporting on conditional grants • Transacting without budget
Aug	Preparing the pre-audit AFS Data Strings (PAUD)
Sept	Common Transacting and Reporting Errors
Oct	Preparing the AFS Data Strings (AUDA)
Nov	Chart changes for version 6.8
Dec	Preparing for the Adjustment Budget

ANNEXURE P
MFMA NATIONAL TREASURY
CIRCULAR NO 123



NATIONAL TREASURY

MFMA Circular No. 123

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2023/24 MTREF

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Introduction

This budget circular is a follow-up to MFMA Circular No. 122 that was issued on 09 December 2022. It aims to provide further guidance to municipalities with the preparation of their 2023/24 Medium Term Revenue and Expenditure Framework (MTREF) budgets and should be read together with the budget circulars that have been issued previously.

The grant allocations as per the 2023 Budget Review and the 2023 Division of Revenue Bill are also key focus areas in this circular. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

GDP is expected to grow by 0.9 per cent in real terms in 2023, compared with an estimate of 1.4 per cent at the time of the medium-term budget policy statement (MTBPS), recovering slowly to 1.8 per cent in 2025.

The economic outlook faces a range of risks, including weaker-than-expected global growth, further disruptions to global supply chains and renewed inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure, widespread criminal activity, and any deterioration of the fiscal outlook.

Government is taking urgent measures to reduce load-shedding in the short term and transform the sector through market reforms to achieve long-term energy security. Several reforms are under way to improve the performance of the transport sector, specifically freight rail and to improve the capability of the state.

The following macro-economic forecasts must be considered when preparing the 2023/24 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2021 - 2026

Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Forecast		
CPI Inflation	4.9%	6.9%	5.3%	4.9%	4.7%

Source: Budget Review 2023.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2023/24 budget process

2.1 Local government conditional and unconditional grants allocations

Over the 2023 MTEF period, local government allocations will increase by a total of R14.3 billion, made up of R8.1 billion in the local government equitable share and R6.2 billion in direct conditional grants. This takes the total direct allocation to R521.7 billion over the same period. These allocations alleviate some of the financial pressures, particularly in basic services, where the costs of providing services are rising.

The *local government equitable share* and related allocations increases at an annual average rate of 7.8 per cent and municipal conditional grants increase by 3.5 per cent over the 2023 MTEF period.

The *local government equitable share* formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2023 MTEF period. It also includes allocations for the operational and maintenance costs associated with the provision of free basic services.

The 2023 Budget has ensured that sufficient provision has been made to ensure that all municipalities are fully subsidised to support indigent households. Following this, R1.35 billion has been left unallocated in the LGES formula for 2023/24 to serve as a precautionary measure should municipal electricity tariffs exceed the 20.7 per cent provided for in the formula (see section 5.7 on why this is above the 18.7 per cent approved by the Energy Regulator). If the actual increase in municipal bulk tariffs exceeds the provision made in the formula, it will be the first call on those unallocated funds. We will consider funding broader cost relief measures for municipalities if funds remain available after that.

The R6.2 billion in direct conditional grants is funded from the Budget Facility for Infrastructure (BFI) and is broken down as follows:

- **R2.2 billion** added to the Urban Settlements Development Grant to fund the implementation of projects in the eThekweni Metropolitan Municipality and the City of Johannesburg;
- **R461 million** added to the Public Transport Network Grant to align funding with the revised implementation plan and cash flow projections for the City of Cape Town's MyCiTi public transport network project; and
- **R3.4 billion** added to the Regional Bulk Infrastructure Grant to fund 3 water projects in Sol Plaatje Local Municipality, Drakenstein Local Municipality and Nelson Mandela Bay Metropolitan Municipality.

Notable changes to the conditional grants system

Housing emergency grants

Changes to conditional grants in the 2023 Budget include the discontinuation of the conditional emergency housing grants for provinces and municipalities. The baselines of these two grants are shifted to the Department of Human Settlements. This will allow the department to respond quickly in the event of an emergency housing need.

Changes to the INEP conditional grant frameworks

As part of government's efforts to accelerate access to electricity thereby addressing the energy crisis, Eskom and municipal INEP grants will begin funding alternative energy technologies such as rooftop solar and energy-saving devices. Due process must be followed to access funding for these new technologies. As a result, both Eskom and municipalities will need to conform to the set requirements by submitting business plans by 31 October 2023. These business plans, will need to be approved by the Department of Mineral Resources and Energy (DMRE) before they can be implemented. Priority should be given to new connections, i.e., non-grid technology should be targeted at households that do not have access to electricity.

The annual Division of Revenue Bill was published on 22 February 2023. The Bill specifies the grant allocations and municipalities must reconcile their budgets to the numbers published therein in compiling their 2023/24 MTREF.

<p><i>The Division of Revenue Bill, 2023, which includes the annexures outlining allocations to each municipality is available at:</i></p> <p>http://www.treasury.gov.za/documents/national%20budget/2023/default.aspx</p>

2.2 Re-enforcing improved intergovernmental relations in the 2023 Division of Revenue Bill, (DoRB)

In order to strengthen the system of good intergovernmental relations as envisaged in the Chapter 3 of the Constitution and subsequent related legislation, municipalities are reminded of Section 31(3) of DoRA that provides for the facilitation of personal liability for unnecessary litigation. As required by subsection (1)(a) of this clause, read together with section 41(3) of the Constitution, a municipality may only institute litigation against any organ of state, state- owned enterprise, public- and/ or municipal entity after exhausting all dispute resolution mechanisms required and/ or available to the municipality in terms of existing intergovernmental relations processes, policy and/ or any related contract with the municipality, including in terms of the Municipal Finance Management Act, 2003, the Intergovernmental Relations Framework Act, 2005, and/ or the Electricity Regulation Act, 2006 (dispute processes administered by National Energy Regular of South Africa (NERSA)).

Section 31 is amended to include a clause that requires that where an organ of state decides to institute judicial proceedings against another organ of state, it must, within 10 working days of its decision, notify the National Treasury, the relevant provincial treasury, the Department of Cooperative Governance and the Auditor-General, of the details of compliance with Chapter 4 of the Intergovernmental Relations Framework Act, 2005, including an explanation of the failure to resolve the dispute.

2.3 Conditional grants usage

Conditional grant funds may only be used for the purposes, and subject to the conditions specified in the framework for each conditional grant. These conditions are binding in terms of sections 11 and 12 of the annual Division of Revenue Act. Any instruction by a municipal, provincial, or national official or politician that is inconsistent with the framework of a conditional grant is invalid. Municipalities are reminded that in terms of section 32 of DoRA, spending of a grant that is inconsistent with DoRA is considered irregular or unauthorised expenditure.

3. Pension and medical aid fund defaults

There has been a growing trend where municipalities are deducting pension and/ or medical aid contributions from officials but are not paying it over to their pension- and/ or medical aid fund. This is inconsistent with the intent and spirit of the MFMA and constitutes an act of financial misconduct in terms of section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 and also a financial offence in terms of section 173 of the MFMA read together with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. Municipal Councils should refer these actions to the Disciplinary Boards for further investigation and should also lay criminal charges against the accounting officer or any other responsible or delegated official who has failed to perform the responsibility outlined in terms of section 65(2)(f) of the MFMA which states that “the accounting officer of a municipality must take all reasonable steps to ensure that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments”. Municipal Councils should also consider further measures and actions in terms of the Pension Funds Act, as may be applicable.

4. Municipal Standard Chart of Accounts (*mSCOA*)

4.1 Version 6.7 of the *m*SCOA Chart Go Live

Version 6.7 of the *m*SCOA chart will go live on 13 March 2023, whereafter tabled budget data strings can be uploaded on the GoMuni portal.

For new *m*SCOA chart changes to be considered for version 6.8 of the chart, a Frequently Asked Questions (FAQ) must be logged by 31 August 2023 on the *m*SCOA FAQ database on GoMuni. FAQ queries can be logged at:

https://lg.treasury.gov.za/ibi_apps/portal/mSCOA_FAQ

It is important that the issue logged is described clearly and that sufficient supporting evidence is provided to ensure that all aspects of the issue are considered. After investigating the query logged, the following actions will be taken:

- If the query does not require a chart change, the FAQ will be closed, and feedback will be provided to the logger.
- If the query warrants a chart change, it will be submitted for consideration and approval by the relevant committees within the National Treasury.

Chart changes are communicated in October of each year to allow sufficient time for municipalities and vendors to effect such changes. Chart changes are officially published in the MFMA Budget Circular in December of each year.

4.2 Additional requirements to change municipal financial systems

The cost and risk associated with procuring and implementing a new Enterprise Resource Planning (ERP) financial system necessitate careful consideration and extensive planning to ensure a smooth operational transition. Such a transition takes at least 18 months to conclude and does not come without challenges and disruptions in operations.

The National Treasury will regulate the minimum business processes and system specifications for *m*SCOA by the end of 2024/25. A new transversal tender for the provision of ERP financial systems that complies with these regulations will be put in place once the regulations have been issued. Municipalities should therefore exercise extreme caution when changing their financial systems at this stage to eliminate fruitless and wasteful expenditure by procuring financial systems that might not comply with the said regulations.

Municipalities are reminded to follow the due diligence processes set out in MFMA Budget Circulars No. 93, 98 and *m*SCOA Circulars No 5 and 6 prior to procuring new financial systems to protect them from making incorrect decisions in this regard.

In addition, and **with immediate effect**, municipalities must inform the National and relevant Provincial Treasury of any intention to replace the financial system currently operating at the municipality prior to inviting proposals from system providers. This is a requirement in terms of section 74 of the MFMA. The submission should include:

- A comprehensive motivation with specific reasons for why it is deemed necessary to replace the existing financial system;
- A copy of the service level agreement with minutes of the meetings between the municipality and the current service provider (financial system vendor) during the previous twelve months;
- An assessment to determine which modules of the existing financial system are being utilised by the municipality. Reasons must be provided for modules not in operation. Details and reasons must be provided on the use of third-party systems to provide functionality required in terms of MFMA Circular No. 80;

- An assessment to detail the proficiency of municipal users to utilise the current financial system properly. Reasons must be provided if users are not proficient in the use of the system and the details must be provided on how the system is being operated and transactions are being captured on the system in such cases;
- The date on which the existing financial system was implemented, the procurement and implementation costs and the current operational costs thereof must be disclosed;
- The organisational structure, specifically for the IT department/ function, clearly indicating management capacity and responsibility for operating the financial system;
- A technical assessment should be submitted indicating how the existing ICT infrastructure, server and network comply with the requirements of the current financial system; and
- Copies of all IT strategies, policies and procedural documents including the IT disaster recovery plan must be made available.

The above submissions and all enquiries must be forwarded to lgdocuments@treasury.gov.za. A working committee comprising representatives from the National and Provincial Treasuries, the Office of the Auditor-General and other relevant stakeholders will assess the submissions and respond with its findings. These findings must be tabled in Council and a council resolution must be submitted to lgdocuments@treasury.gov.za within 14 working days after the Council meeting has taken place.

It must be emphasized that the combination of both credible data inputs and an effective financial system is fundamental to ensure the quality and timeliness of financial reporting. If the data input into the financial system is incorrect then any management information generated by the system will lack credibility and reliability for decision making. Furthermore, a municipality with poorly designed business processes will not resolve the problem by implementing a new financial system. Processes must firstly be redesigned with the necessary data validation rules if the municipality is to improve its data integrity. This foundation is integral to ensuring that software applications generate credible information and can be used effectively by municipalities.

5. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending. It is important to note that the municipal equitable share as a policy instrument is meant to subsidise services to the poorest of the poor and not to pay municipal creditors. This bad practice by municipalities will have to be addressed as a matter of urgency. Municipal creditors should be advised that municipalities cannot use funds allocated for basic service provision to pay creditors.

Municipalities must ensure that they render basic services, maintain their assets and a clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to strengthen awareness and participation and to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in increased employment.

Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

5.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

The purpose of the above mentioned MFMA Circulars is to ensure that the municipalities are using their entire revenue base as the basis for the revenue budget. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

One of the aims of the reconciliation process is to identify exceptions, i.e. records on the general valuation roll that are not on the billing system and records on the billing system and vice versa. In addition, the reconciliation must identify duplicated records, missing data, and data errors. These exceptions should then be investigated, and remedial action strategies developed for data cleansing and other corrective actions. The Debtors Ageing data should also form part of the reconciliation process so that “debtors” can be tracked and assessed at a property record level and prioritised for verification of rates liability measured against a MPRA property and owner.

To facilitate reconciliation of the separate databases (General Valuation Roll and Billing), a unique property identifier (common primary unique link code) must be created and populated for each rateable property on the general valuation roll system and on the rates billing system. This property identifier must be unique, without duplicates, and must remain constant for the life of the property. The standards adopted by the South African Council for the Property Valuers Profession (SACPVP), namely South African Standard: Municipal Valuations for Property Rating, specifies that the Surveyor General Code SG 21-digit Code, derived, and created from the property description, be applied for all registered full title properties defined in terms of part (a) of the definition of property.

For all other MPRA defined property, Part (a) Sectional Title, Part (b) Registered Rights, Part (c) Land Tenure Rights and Part (d) PSI and, apportioned multiple use property in terms of sections 8(2)(i) and 9(2), an added suffixed 5 digits to the SG 21-digit code must be assigned by the designated municipal valuer, thereby creating a unique 26-digit code. The municipality must ensure that the SG21 digit code and 26-digit coding system is applied in their valuation roll management system and billing system and engage with their designated municipal valuer and systems service providers to implement the unique property identifier.

Further it is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2023, must also as best practice compare the current consolidated roll to the new valuation roll. This will identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks.

Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. In order to ensure that the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with Section 23(1)(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

Furthermore, municipalities are also advised and expected to comply with Section 8(1) of the MPRA in terms of the billing methodology that should to be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation process.

The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates or whether the municipality is overstating its revenue budget.

A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the Valuation roll/ Part A register to the billing system to the National Treasury on a quarterly basis by no later than the 10th working day after the end of the quarter. A detailed action plan must accompany the reconciliation where variances are noted.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: https://lg.treasury.gov.za/ibi_apps/signin. If the municipality experience any challenge uploading the information, a request for an alternative arrangement may be emailed to linda.kruger@treasury.gov.za.

Municipalities are reminded of the need to clearly communicate the GV appeals and objection process to residents to ensure that any disputes are timeously resolved.

Revenue Collection – No operation can be sustainable if it does not collect its revenue. A municipality is no different. There is a misconception that a municipality may not interrupt or restrict the supply of water services of a defaulting consumer. The National Treasury confirms that neither the Water Services Act, 1997 (Act No. 108 of 1997) or any other legislation prevents a municipality from cutting the supply of water to a defaulting consumer unless the consumer is an indigent in which case the water services to that household must be restricted to the national free basic water limit of 6 kilolitre water monthly (or 50 kilowatt hours in the case of free basic electricity monthly). This was confirmed by the Constitutional Court in the matter of Mazibuko and Others v City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009).

Municipalities are urged to use the restriction/ interruption of supply of both water and electricity services as a collection tool. Effective from the tabling and adoption of the 2023/24 MTREF, municipalities' By-laws and policies must facilitate this and clearly stipulate the order in which any partial payment of the consolidated municipal bill (including property rates) will be applied as well as the process before the supply of water and electricity services will be cut. The National Treasury recommended that any partial payment firstly be applied to property rates, wastewater, waste management, water and lastly to electricity. When interrupting or restricting the supply of water it is important that such is undertaken together with the municipal engineer(s) to ensure a continued minimum supply of waste-water.

Municipalities should develop a Wheeling Framework to allow for the transmission of energy across their networks. These wheeling frameworks provide an opportunity for municipalities to generate revenue from their distribution networks. Provincial Treasuries or National Treasury can be approached for support to develop these frameworks.

5.2 Funding Depreciation

The information shared in Circular 115 regarding the funding of the depreciation refers. It is important to note that depreciation represents the cost of using assets in service delivery and forms part of the total cost of providing the municipal service. Accordingly, it should be included in the setting of cost reflective tariffs to recover the full cost of rendering the service, failing which the depreciation will not be cash backed on Table A7 and will remain a journal entry with no value as mentioned in MFMA Circular No. 115.

5.3 Tariff-setting – the impact of loadshedding

Loadshedding not only affects the electricity service but also some municipalities' ability to pump water, thereby negatively impacting the stability of water supplies and the related functioning of the wastewater reticulation network. The loadshedding crisis has been declared a state of disaster and will require tough budgeting choices for municipalities to make sure that basic municipal services are sustained. The regulations published in the Government Gazette No. 48152 on 27 February 2023 in terms of the Disaster Management Act, 2002 (Act 57 of 2002) require municipalities to "ensure continuous operation of water infrastructure and other specified essential infrastructure, including by installing alternative energy sources or other measures to provide an uninterrupted power supply." Municipalities are also required to "mobilise available resources" and "provide funds for this purpose, subject to affordability." As an immediate interim solution back-up electricity to pump water should be prioritised while being mindful of its affordability within the municipality's available funding sources and other critical priorities. The municipality need to adequately plan and prioritise funding in its 2023/24 MTREF for this purpose, including:

- When planning to pump water/ maintain the wastewater service by way of any alternative solution(s), it is important that the municipality properly plan and budget for the associated capital and operational costs to operate and maintain the solution(s) over the 2023/24 MTREF and longer-term;
- Any additional cost the municipality already incurred in this regard during the period of elevated loadshedding since December 2022 should be projected to continue in 2023/24 i.e. diesel to operate a generator;
- Although a state of emergency has been declared to deal with the continual loadshedding challenges in the country, it is likely that loadshedding will continue during the 2023/24 municipal financial year. It is proposed that municipalities factor in the impact of loadshedding on their electricity revenue projections, taking into account current experience in terms of loadshedding practices by Eskom;
- The additional costs of prolonged loadshedding should be considered;
- Municipalities are always asked to try to balance full cost recovery on services with affordability for their residents. In practice, this means that where the full increase in the cost of a service is not passed on to consumers, municipalities must offset the increased costs through savings identified elsewhere in their operations. Therefore, **reducing/ limiting overall expenditure** is a key part of budgeting for the response to loadshedding. The municipality should stick to its core mandate and functions and carefully review overall expenditure to manage the net effect. Measures should include aggressively cutting costs, frills, and vanity projects, dealing with bloated administrations and structures possibly duplicated across Municipal Manager and Mayoral offices, and applying for exemptions from the annual salary increases if these are not affordable;
- While municipalities are urged to maximise efficiency in their operations, tariff setting efforts should consider the need to make additional provision for repairs and maintenance associated with infrastructure breakdowns during loadshedding;
- **Reducing/ limiting overall expenditure** – the municipality should stick to its core mandate and functions – it is necessary to carefully look at the overall expenditure side to manage the net effect, including aggressively cutting costs, fancy, frills, vanity

projects, deal with bloated admin- and structures possibly duplicated across Municipal Manager and Mayoral offices, and apply for exemptions from the annual salary increases; and

- The cost should be considered and included when setting the tariffs of the service(s) to which it relates.

Municipalities should also budget for reduced bulk purchases and sales to municipal customers based on the same loadshedding assumptions cited above.

Municipalities should carefully monitor their Eskom accounts for any penalties that result from increased demand immediately after a period of loadshedding is ended. Eskom has indicated that they will reverse any penalties for exceeding notified maximum demand that results from the implementation of loadshedding. This should be factored into the tariff calculation to ensure that consumers are not overcharged.

Lastly, it is important to note that a municipality may only introduce a load-shedding levy or surcharge with the approval of the Minister of Finance and in terms of the legislated processes set-out in the MFMA and Municipal Fiscal Powers and Functions Act, 2007.

5.4 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

The National Treasury issued a tariff setting tool and guide as part of MFMA Budget Circular No. 98 (refer item 4.2) on 6 December 2019 and since 2019, has encouraged municipalities to utilise the tool. **With effect, from the 2023/24 MTREF, all municipalities (except metropolitan cities and district municipalities that do not provide any services) as part of both the tabled and adopted MTREF submissions must submit the completed National Treasury tariff tool (in excel format)** illustrating that the revenue component of the budget is credible and funded and that the municipality's tariffs are cost reflective. If the municipality's initial calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality's strategy in this regard should be included as part of the budget narratives.

This tool will assist in setting tariffs that are cost-reflective and enable a municipality to recover costs to fulfil its mandate. Going forward it is also imperative that every municipality fully embrace the Municipal Standard Chart of Accounts (*mSCOA*): costing component. Considering, *mSCOA* implementation is entering its sixth year of implementation, all municipalities must fully embrace and report also utilising the costing segment correctly. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>.

5.5 Tariffs – achieving a balance between cost-reflectiveness and affordability

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other consumers while ensuring the financial sustainability of the municipality.

When setting tariffs, it is therefore critical to understand the economic environment specific to the municipality and consideration should include at least –

- *The socio-economic profile undertaken for the municipality* available on the National Treasury GoMuni portal – municipalities are encouraged to annually update their own socio-economic profile using the template model available on GoMuni;
- *The most recent average monthly household income in the municipality* as per Statistics South Africa (Stats SA) available on [Statistics South Africa | Improving Lives Through Data Ecosystems \(statssa.gov.za\)](http://Statistics South Africa | Improving Lives Through Data Ecosystems (statssa.gov.za));
- *The average property value in the municipality* per its most recent approved general valuation roll and/ or supplementary general valuation roll;
- *The number of indigent households in the municipality*, including any variation in the number of indigent households included in the Equitable Share: free basic services component for the municipality vs the municipality's own indigency level discretion; and
- *The economic drivers and activities specific to the municipal area¹; etc.*

The municipality's tariff-setting or other committee tasked with this role must understand and deliberately reflect on this context during the tariff-setting process. Considering the average monthly household income, the median affordable municipal bill would ideally not exceed proportionally approximately 10 to 15 per cent the average monthly household income. This median affordable bill, in combination with the median average property value should inform the basis to determine any rebates to households with income below the median. Furthermore, municipalities contemplating to increase free basic electricity allocations as an indigent relief measure, should do so only after careful consideration of the long-term financial impact that such a decision might have.

It is also important when setting particularly water and electricity tariffs that municipalities are encouraged to set two-tier tariffs, that include a basic availability charge to recover the fixed (direct and indirect) cost associated with the service in conjunction with consumption-based tariff bands. For example, in a drought, such tariffs will facilitate the ability to pay for infrastructure and maintenance, treating chemicals and salaries, etc. while parallel facilitating water restriction based on inclining tariffs as consumption increase. Furthermore, it is important to link the municipality's water tariffs to dam levels, also approved as part of the budget process. For example, if the dam levels drop to 60 per cent the first tier of restriction tariffs should become applicable in terms of the municipality's approved tariff policy.

It is also noted that NERSA approves seasonal tariffs for Eskom but not necessarily for the municipality. It is important that the municipality clearly factors this in its tariff application to NERSA, illustrating the cash flow crunch if the municipality is not similarly allowed a seasonal tariff to recover the higher Eskom bulk cost during winter months.

Lastly, municipalities are cautioned against setting tariffs that include operating inefficiencies. This could lead to tariffs falling into the unaffordable range.

¹ The spatialised tax data is now available through National Treasury for all municipalities that provides an up to date information on economic activity within a municipal boundary.

The Consumer Price Index (CPI) inflation is forecasted to be within the 3 to 6 per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2023/24** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detailed account of their revenue growth assumptions for the different service charges in the budget narrative.

Additional loadshedding considerations when calculating anticipated revenue collection rates include:

- Consumption patterns amongst pre-paid users who work more sparingly with electricity units. This can have a lagging effect on revenue estimations i.e. although units are paid for up front, it is not necessarily used in high-demand periods; and
- A decline in average consumption patterns for post-paid customers.

As part of its debtor management strategy municipalities should clearly communicate the impact of loadshedding on municipal tariff setting, including through education campaigns. Consumers will expect a decrease in their electricity bills as consumption drops due to loadshedding. Not understanding the impact of tariff structures (fixed and demand-driven components) can create distrust and reduce willingness to pay municipal accounts.

5.6 Municipal Debt Relief

An optimally designed debt solution for Eskom can leverage the structural reform of the electricity sector that is needed both on the Eskom side and the municipal side, however, the municipal debt owed to Eskom pose a material risk to any Eskom debt relief package. In parallel the challenge of defaulting municipalities cannot be separated from a consumer culture to not pay for services.

Municipal Debt Relief that is **conditional and application based**, has therefore been sanctioned. The relief is aimed to correct the underlying behaviour and operational practices in defaulting municipalities and Eskom while in parallel, progressively introducing a smart metering solution to change consumer behaviour by instilling a culture of payment for services consumed. The proposal consists of 4 elements:

- i. **Eskom will write-off all debt municipalities owe** as on 31 March 2023 (excluding the March 2023 current account). This will be done over three national financial years and require as a critical qualification that municipalities monthly honour their current (monthly consumption) Eskom and water accounts going forward and maintain a minimum average quarterly collection, etc;
- ii. Secondly, **new mechanisms are explored to resolve non-payment** – this to include a dispute ombud mechanism and re-assigning the license of persistent defaulters;
- iii. Thirdly, Eskom will continue to **implement a regime of installation of pre-paid meters** in Eskom supplied areas to improve Eskom collection. Municipalities are additionally encouraged to adopt a similar operating regime; and
- iv. Lastly, the National Treasury will continue to implement municipal revenue enhancement initiatives, including a transversal tender for a smart pre-paid meter solution to change to a forward looking culture of payment of the consolidated municipal bill.

More details on the application process and related conditions for municipalities will soon be outlined and published through a separate MFMA Circular.

5.7 Bulk Account Payments and Concessions

Since 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the

escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also urged to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.**

5.8 Critical Notice Affecting STS Meters

As highlighted in previous MFMA Circular No. 115 (dated 04 March 2022) municipalities are once again alerted that there is still a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens.

The remedy is to visit each meter and enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government. In this respect the development of the transversal contract for smart prepaid meters as per NRS 049 (per latest approved version) is at an advanced stage and should be issued shortly by National Treasury.

If your municipality or municipality entity is currently in the process of procuring for a solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal contract for the provision of inter alia auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters Terms of Reference (ToR); and
- That, with immediate effect, you must inform and obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for this purpose or any related solution or similar. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any related solution or similar or component thereof, must be

directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) at Sadesh.Ramjathan@treasury.gov.za.

In this regard, municipalities will have two options to choose from:

- Firstly, to pursue the route of auditing, re-calibrating and re-configuring services for standard transfer specification compliant prepayment meters; and/ or
- Secondly, to replace the old meter with a new smart prepaid meter.

For both options, the municipality will have to budget accordingly as no additional funding will be available through the national fiscus.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

5.9 Completeness and credibility of revenue related information in the Budget

The MBRR regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2023/24 MTREF.

5.10 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In January 2023, NERSA approved tariff increases of 18.7 per cent in 2023/24 and 12.7 per cent increase in 2024/25. For purposes of calculating the free basic energy subsidy in the local government equitable share formula, the National Treasury has added 2 per cent to these increases. This is in anticipation of higher increases than those published in January, for municipalities, due to the difference in the financial years of Eskom customers and municipalities meaning that Eskom only has nine months to collect the allowable revenue from municipalities. R1.1 billion is added to the free basic energy subcomponent of the free basic services component of the local government equitable share formula to fund these higher tariff increases. To this end, the free basic electricity subsidy in the local government equitable share is calculated based on a 20.7 per cent tariff increase in 2023/24 and a 14.7 per cent increase in 2024/25. In the absence of an approved tariff increase in the outer year of the MTEF period, the formula assumes an increase of 17.7 per cent in 2025/26. This is the average of the estimated increases for the first two years of the MTEF period.

5.11 Updated Municipal Borrowing Policy Framework

Cabinet approved the Update to the Policy Framework for Municipal Borrowing and Financial Emergencies on the 17th of August, 2022. The purpose of the update was to re-examine the original Policy Framework, along with the legislation (i.e. Municipal Finance Management Act – MFMA) that was adopted to implement it, considering the experience with municipal borrowing that has accumulated since 2000.

The following key reforms have been introduced through the Update to the Policy Framework for Municipal Borrowing:

- The Policy Framework for Municipal Borrowing has been updated to introduce the necessary reforms that will expand the scope of responsible municipal borrowing and create an environment that attracts more players (e.g. insurers, pension funds, institutional investors and fund managers, and international Development Finance Institutions) in the municipal debt market space. The original core principles underlying municipal borrowing are maintained (i.e. creditworthy municipalities should borrow prudently to finance capital investment, and that there will be no bail-outs by the provincial or national government);
- The updated policy framework clarifies the role of Development Finance Institutions (DFIs), as it was not clearly articulated in the original policy. DFIs are required to pursue clear and agreed developmental goals, as outlined in the policy. The objective of this approach is to ensure that a DFI lending does not crowd out the private sector. Public-sector lenders, both domestic and foreign, should be guided by a social and developmental investment approach in which demonstrable social outcomes are considered alongside potential financial returns;
- The updated policy framework permits and clarifies innovative infrastructure financing mechanisms (such as pooled financing mechanisms, project finance, tax increment financing, revenue bonds, and pledging of conditional grants) that municipalities can use to leverage municipal borrowing. Municipalities are encouraged to explore these alternatives, and innovative infrastructure financing mechanisms permitted subject to the requirements contained in the Municipal Finance Management Act (MFMA); and
- The participation of both private and public sector market participants in the development of a liquid secondary market for municipal debt securities is also encouraged. The policy proposes options that can be explored to support the development and growth of an efficient and liquid market for municipal debt obligations.

The Updated Municipal Borrowing Policy Framework can be accessed at the MFMA website at the following link <http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx>.

5.12 Tariff Policies

Municipalities must comply with the provisions of Section 74 of the Municipal Systems Act (MSA) which requires that a municipal council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of this Act and with any other applicable legislation. Municipalities should also ensure that the tariff policies adhere to all the principles outlined in section 74(2) of the MSA. A municipality's tariff policies must also take into consideration variable factors such as water shortages and electricity feedback excess into the municipal system from new generation capacity. Municipalities are urged to develop wheeling and Small-Scale Embedded Generation (SSEG) frameworks to guide the

development of associated tariffs. Municipalities must adopt by-laws to give effect to the implementation and enforcement of their tariff policies.

5.13 Non-Revenue Electricity and Non-Revenue Water/ Revenue Losses

Water Service Authority municipalities and electricity licensed municipalities are urged to align both their non-revenue water and non-revenue electricity indicators and their set targets in the 2023/24 SDBIPs with identifiable infrastructure or operational projects and/ or programmes. Municipalities should track improvements on the baseline information included in the SDBIPs by indicating the volume of water losses (i.e., kilolitres/ mega-litres) and the amount of electricity losses (KwH or MWs) for the previous year. This approach will help to determine the progress of municipalities in curbing losses, which impact on municipal revenues, in both non-revenue water and non-revenue electricity.

6. Burial of Councillors

Salaries, allowances and benefits for political office-bearers and members is managed through Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils notice issued by the Minister of Cooperative Governance and Traditional Affairs.

Section 167 of the MFMA provides that a municipality may remunerate its Councillors within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members. Any benefit which is not included in the above-mentioned notice constitutes irregular expenditure and recovery thereof from the Councillor concerned is mandatory.

Municipalities may also refer to relevant Councillor Pension Scheme or personal funeral policies in existence for any funeral benefits relating to such Councillor.

7. Funding choices and management issues

Municipalities are under pressure to generate and collect revenue for service delivered. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2023/24 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Automate business services where possible to increase efficiencies and lower customer costs;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 (5.4 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023) and 2024 (4.8 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023). The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, to root out ghost employees.

According to the 2021 State of Local Government Finance Report, there are about 165 municipalities that are in financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from councilor(s) concerned.

8. Conditional Grant Transfers to Municipalities

8.1 Criteria for the release of the Equitable Share

The equitable share release criteria for 2023/24 were set out in MFMA Circular No. 122. To assist with managing this process, a guiding checklist has been developed (attached hereto as Annexure A) which municipalities can follow throughout the course of the year to ensure that the required documents are timeously uploaded to the GoMuni platform in line with the prescribed deadlines.

Going forward, municipalities will be required to submit the completed checklist as part of the quarterly performance reporting process for quarter 1 of the municipal financial year. According to section 52(d) of the MFMA, the mayor of a municipality must within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial state of affairs of the municipality. The report must then be submitted to National

and Provincial Treasury within 5 days of being tabled in council as per section 32 of the MBRR. The report for quarter 1 of 2023/24 must therefore be submitted to council by the end of October 2023 and submitted to National and Provincial Treasury by no later than 5 November 2023. By including the completed checklist in this report, municipalities confirm their adherence to the equitable share release criteria, including that all supplementary information (as defined in the checklist) was successfully uploaded to the GoMuni platform.

Please note that most of the information required for the release of the equitable share, is already uploaded/ submitted by municipalities as part of existing reporting requirements throughout the year. There are however a few items (clearly marked in the checklist) that does not have a dedicated storage location (for example, payments of employee benefits) on GoMuni. A dedicated Equitable Share Verification Folder will be created on GoMuni for this purpose.

8.2 Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2022 (Act No.5 of 2022) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2022 (Act No. 15 of 2022) (DoRAA), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2022/23 financial year reverts to the National Revenue Fund (NRF), unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of section 21(2) of the 2022 DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 21(2) of the 2022 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated, spent and the balance per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
 - a) Proof that a contractor or service provider was appointed for delivery of the project before 31 March; or
 - b) Proof of project tender and tender submissions published and closed before 31 March or with the appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding was allocated during the course of the financial year of the project;
 - c) Incorporation of the Appropriation Statement;
 - d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2024 (attach cash flow projection for the applicable grant).
4. A progress report (also in percentages) on the status of each project's implementation that includes an attached **legible implementation plan**);
5. The value of the committed project funding and the conditional allocation from the funding source;
6. Reasons why the grants were not fully spent during the year on the original allocation per the DoRA;
7. Rollover of rollovers will not be considered. Municipalities must therefore not include previous year's unspent conditional grants as rollover request;
8. An indication of the time period within which the funds are to be spent if the rollover is approved; and

9. Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy; this also includes acting appointments because of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2023, the application will be declined.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non- performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2022 DoRA, **including the Municipal Manager and Chief Financial Officer signing-off on the information** sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2023;
3. Accurate disclosure of grant performance in the 2022/23 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. Despite the fact that local government is required to comply with to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relate to rollover processes and disclose conditional grant performance in the 2022/23 pre-audited Annual Financial Statements (i.e Cash coverage and unspent conditional grants in the Statement of Financial Position) in order to verify grant expenditure; and
5. Cash available reflected in the Statement of Financial Position and Cash Flow Statements and the bank (net position including short term investments) as at 30 June 2023 is equivalent to the unspent amount at the end of the financial year. If the amount that is requested for rollover **is not entirely cash-backed**, such a rollover will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to rollover:

1. The entire 2022/23 allocation to the municipality, in cases whereby the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2022/23 allocation;
2. Rollover request of the same grant for the third consecutive time. In a case where a municipality is applying for rollover as a result of additional funding, the application will be given a careful consideration;
3. Funding for projects procured through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636) – Projects linked to additional funding and disasters are exempted; and
4. A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 May 2023.

8.3 Unspent conditional grant funds for 2022/23

The process to ensure the return of unspent conditional grants for the 2022/23 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

Step 1: Municipalities must submit their June 2023 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconciles;

Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2023. The unspent grant values must be determined based on the guidance that was provided in *mSCOA* Circular No. 13 in as far as VAT, retention and interest is concerned; and

Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the 2020 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2023.

National Treasury will not consider any rollover requests that are incomplete or received after this deadline.

Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 20 October 2023;

Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2023. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 17 November 2023; and

Step 6: Any unspent conditional grant funds that should have but has not been repaid to the National Revenue Fund by 17 November 2023, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 06 December 2023 equitable share allocation.

All other issues pertaining to Appropriation Statement and reporting on approved rollovers are addressed in the Annexure to MFMA Circular No. 86.

9. The Municipal Budget and Reporting Regulations

9.1 Alignment of Municipal Budget and Reporting Regulations (MBRR) Schedules

The revised Regulated MBRR Schedules (A1, B, C, D, E and F), as aligned to the *mSCOA* chart and GRAP are published on the National Treasury web page and can be accessed using the following link.

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2023%2d24&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67>

The alignment of the A1 Schedules required substantial changes to the reporting formats used for budgeting and reporting purposes which required the creation of new A1 Schedule codes to ensure that the data strings populate the new reporting formats. The relevant changes were also made in the reporting formats relating to versions 6.1 to 6.7 of the *mSCOA* chart to ensure that the historical data are populating when reports are drawn from GoMuni.

To ensure that ERP systems generate the A1 Schedule aligned to version 6.7 of the *mSCOA* chart, municipalities and system vendors should refer to the linkages provided on GoMuni. The following reports on GoMuni should be used for this purpose:

- List *m*SCOA account linkages to A1 Schedule based on 6.7 under menu option *m*SCOA Reporting; and
- List *m*SCOA A1 schedule codes WIP (i.e. new A1 Schedule codes) under menu option *m*SCOA Administration.

Both reports can be located under: https://lg.treasury.gov.za/ibi_apps/portal/Local_Government_Database

The new format for the non-financial data strings A1D and A1F is available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2023%2d24&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67>

The A1D is the data string which populates information which we do not extract from the TABB while the A1F populates the budget information which we do not extract from the ORGB. Municipalities should ensure that they use the new format when submitting the non-financial data strings.

10. Submitting budget documentation and A1 schedules for 2023/24 MTREF

The MFMA and its Regulations require the submission of *m*SCOA data strings for budgets, in-year reporting, and annual financial statements in a specific format and by a required timeframe. The credibility and accuracy of the *m*SCOA data strings must be verified by municipalities prior to submission to the GoMuni Upload portal. Since the financial system must be locked at the end of the month in order to generate a *m*SCOA data string, municipalities may not open closed periods to correct errors. Errors must be corrected in the next open period. Providers of municipal financial systems must ensure that the necessary internal controls are built into the system to prevent the opening of closed periods on the financial system and the bypassing of such controls. This also applies to the correction of information in closed periods for 3rd party systems that should be integrating with the main financial system in terms of the requirements of the *m*SCOA Regulations.

From 1 July 2023, Municipal Managers and Chief Financial Officers will be required to sign off on the financial and non-financial data strings submitted to the GoMuni Upload portal when they submit their data strings. The schedules prescribed in terms of the Municipal Budget and Reporting Regulations (MBRR) populated from the *m*SCOA data strings on National Treasury's Local Government and Reporting System (LGDRS) must also be signed off monthly. These sign-offs are for audit purposes and serves as a confirmation by the municipality that the data strings submitted are accurate. Details on the submission of the signed-off figures will be communicated in due course.

In terms of Section 171 of the MFMA, financial misconduct by municipal officials includes the provision of incorrect or misleading information in any document which must be submitted to the National Treasury.

From 1 July 2023, the GoMuni Upload portal for the monthly in-year data strings will be closed at 16h00 on the 10th working day of each month. All publications by the National and Provincial Treasuries are now solely sourced from the *m*SCOA data strings submitted by

municipalities and several stakeholders including Statistics South Africa (STATSSA), Auditor General South Africa (AGSA), the Reserve Bank, and NERSA are in the process of streamlining some of their reporting to the information contained on the National Treasury Local Government Database and Reporting System (LGDRS). The resubmission of data strings after the legislated timeframes is not only illegal but also causing challenges in data sets used by various stakeholders for analysis and reporting purposes. **No data string submissions will therefore be accepted by the National Treasury after the 10th working day of the respective month.**

Contact



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JH Hattingh
Chief Director: Local Government Budget Analysis
03 March 2023

ANNEXURE A: Equitable Share Verification Checklist:

General Requirements

Criteria	Verification Requirement	Yes/No
2023/24 Adopted Budget	Council resolution, adopted mSCOA budget data strings (ORGB), PDF version of adopted MTREF budget uploaded to GoMuni Upload portal immediately after approval.	
<ul style="list-style-type: none">Is the municipality's completed tariff tool (National Treasury format) included as part of its budget submission (MFMA Budget Circular No. 98 (refer item 4.2)).	The completed National Treasury EXCEL tariff tool uploaded to GoMuni with the adopted budget by start of budget year i.e. 1 July 2023 .	
<ul style="list-style-type: none">Are allocations made for bulk suppliers current account payments?	Allocations reflected in mSCOA budget data strings (ORGB) and budget schedules/ document.	
If unfunded budget position–	-	
<ul style="list-style-type: none">Is a Budget Funding Plan (BFP) adopted with the budget?	Copy of the adopted Budget Funding Plan uploaded to GoMuni with the adopted budget by start of budget year i.e. 1 July 2023 . PDF version of BFP/progress report uploaded to GoMuni Upload portal by start of budget year i.e. 1 July 2023 . Is the BFP credible and show how the municipality intends moving progressively out of this position into a funded state? In the case of the latest progress report being submitted, is it aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS)?	
<ul style="list-style-type: none">Council resolution reflecting commitment to address unfunded position.	PDF copy of resolution uploaded to GoMuni Upload portal by start of budget year i.e. 1 July 2023 .	
mSCOA		
<ul style="list-style-type: none">Submission of Data Strings	Successful submission of all financial and non-financial mSCOA data strings to the GoMuni Upload portal Timeous submission of all financial and non-financial mSCOA data strings to the GoMuni Upload portal Data strings submitted are credible as per the analysis done by NT/PTs Data strings are generated directly from the main municipal financial system The regulated MBRR Schedules are generated directly from the core municipal financial system Successful submission of all financial and non-financial mSCOA data strings to the GoMuni Upload portal	
<ul style="list-style-type: none">Submission of documents	Municipal documents required in terms of legislation and MFMA Circulars have been submitted timeously and in the required format to the GoMuni Upload portal.	
<ul style="list-style-type: none">Financial System Changes	Municipality has followed the processes in Circulars No. 93, 98, 123 and mSCOA Circulars No 5 and 6 to change their financial system.	
UIF & W		
<ul style="list-style-type: none">UIF&W Register	Documents need to be uploaded to NTs eMonitoring Webpage	
<ul style="list-style-type: none">MPAC recommendation on UIF&W		
<ul style="list-style-type: none">Council Resolution on UIF&W		
<ul style="list-style-type: none">UIF&W Reduction Strategy		
Disciplinary Board		
<ul style="list-style-type: none">Does the municipality have a functional disciplinary board?	Proof of establishment (or efforts to establish DC Board) uploaded to NTs eMonitoring Webpage NTs eMonitoring Website.	
Competency Regulations		
<ul style="list-style-type: none">Has the minimum municipal competency regulations reporting requirements been adhered to?	In line with the Competency Regulations, consolidated reporting information must be uploaded to GoMuni by 30 January 2023 and 30 July 2023 .	
Audit Process		
<ul style="list-style-type: none">Opinion Received	Did the municipality receive an adverse or disclaimed audit opinion or had outstanding audits for two consecutive financial years?	
<ul style="list-style-type: none">Adverse or disclaimed audit opinion	Council resolution signed by each member of the Council was uploaded to NT's eMonitoring Webpage within 1 month after conclusion of the audit process reflecting council's commitment to address the opinion.	
<ul style="list-style-type: none">Is a council approved audit action plan in place?	Audit action plan, together with council resolution, to be uploaded to NT's eMonitoring Webpage within 60 days from audit report issuance.	
Interventions (where applicable)		
<ul style="list-style-type: none">In the event of a discretionary or mandatory intervention in terms of section 139 of the Constitution, is a Financial Recovery Plan (FRP) in place?	The FRP and monthly progress reports submitted in terms of sections 145 and 146 of the MFMA must be uploaded to GoMuni Upload portal for each month since the inception of the FRP.	

Quarterly Requirements

Criteria	Verification Requirement	Quarter 3 (Jan – March)	Quarter 4 (April – June)	Quarter 1 (July – Sept)	Quarter 2 (Oct – Dec)
Bulk Supplier Payments					
<ul style="list-style-type: none"> Were current account payments to bulk suppliers (Eskom and Water Boards) timeously made? 	PT/NT to verify status according to MFMA S41 Report. No action required from municipality if account in good standing.	-	-	-	-
<ul style="list-style-type: none"> <u>If current account in arrears, are payment agreements in place?</u> 	Copy of payment agreement or evidence of discussions are uploaded to on GoMuni Upload portal.				
Staff benefit Deductions					
<ul style="list-style-type: none"> Were a) SARS, b) pension and c) other staff benefits timeously paid over to the relevant funds/institutions? 	Proof of payment for each category, for each month of the quarter uploaded to on GoMuni Upload portal.				
Reconciliation of Valuation Roll					
<ul style="list-style-type: none"> Has the valuation role been reconciled to the financial system? 	In line with MFMA Circulars No. 93, 98 and 107, proof of the verification for each quarter should be uploaded on GoMuni Upload portal.				

ANNEXURE S

PROJECT PLANS



Procurement Plan 2024 MTEP Period

Office of the Municipal Manager's Office

Section : PERFORMANCE

Total Departmental Procurement Budget																					
Vote Description	EP Reference Number	Programme	Project/Item Description	Budgeted Cost	Funding Source	MTEP		Procurement		Responsible	Reschedule Date	Contract Duration	Contract Start Date per Quarter								
						Project Start Date	Project End Date	Start Date	End Date					Quarter 1	Quarter 2	Quarter 3	Quarter 4				
M		Performance Management	Operational and Individual Performance System	958 000		01 July 2023	31 June 2023	N/A	N/A	IG Roovers	N/A	3 Years	N/A	N/A	N/A	N/A					
			ADAPTUS	58 000		01 July 2023	Project Start Date	Procurement	Procurement	IG Roovers	N/A	10 Business									
			Annual Performance Report	85 000		Project Start Date	Project Start Date	Procurement	Procurement	IG Roovers	N/A	10 Business									

Corporate Services

Section : IT

Vote description	EP Reference Number	Programme	Project/Item Description	Budgeted Cost	Funding Source	MTEP		Procurement		Responsible	Reschedule Date	Contract Duration	Contract Start Date per Quarter			
						Project Start Date	Project End Date	Start Date	End Date				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Contracted Services: Maintenance of Equipment		IT Maintenance	Servicing of Phones	47 650,00	Open Funds	2023/01/07	15/06/2024	2023/01/07	15/06/2024	M Roovers	M Roovers	1 Year	X			
External Comp. Serv. Address Lists		IT Learning	Corporate Service: Training of Staff: Hardware Maintenance and Printing Machinery	2 754 724,00	Open Funds	2023/01/07	15/06/2024	2023/01/07	15/06/2024	M Roovers	M Roovers	1 Year	X			
Equipment Inventory General Computer Network		IT Maintenance		435 627,00	Open Funds	2023/01/07	15/06/2024	2023/01/07	15/06/2024	M Roovers	M Roovers	1 Year				
Operational Cost: External Computer Services: Information Services		IT Support Services	IT Support Services	1 738 808,00	Open Funds	2023/01/07	15/06/2024	2023/01/07	15/06/2024	M Roovers	M Roovers	1 Year	X			
Capital Expenditure																
Storage Upgrade or New				80 000,00	Open Funds	2023/01/07	15/06/2024	2023/01/07	15/06/2024	M Roovers	M Roovers	Open-End	X			
WiFi Network Installation				10 000,00	Open Funds	2023/01/07	15/06/2024	2023/01/07	15/06/2024	M Roovers	M Roovers	Open-End	X			
Technical Training				15 000,00	Open Funds	2023/01/07	15/06/2024	2023/01/07	15/06/2024	M Roovers	M Roovers	Open-End	X			
Laptops & IT Peripherals				75 000,00	Open Funds	2023/01/07	15/06/2024	2023/01/07	15/06/2024	M Roovers	M Roovers	Open-End	X			
Software Licences				600 000,00	Open Funds	2023/01/07	15/06/2024	2023/01/07	15/06/2024	M Roovers	M Roovers	Open-End	X			
				290 000,00												

Section : Records / Archives / Fleet & Auxiliary Services

Vote description	EP Reference Number	Programme	Project/Item Description	Budgeted Cost	Funding Source	MTEP		Procurement		Responsible	Reschedule Date	Contract Duration	Contract Start Date per Quarter			
						Project Start Date	Project End Date	Start Date	End Date				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Recurrent Fleet			Recurrent Fleet: Fuel/Oil/maintenance	175 287,00		01/07/2023	30/06/2024									
Vehicle Repairs			Vehicle Repairs	47 388,00		01/07/2023	30/06/2024									
Printing Publications and Notices			Printing Publications and Notices	18 810,00		01/07/2023	30/06/2024									
Information and printing printing			Information and printing printing	45 130,00		01/07/2023	30/06/2024									
Other assets			Other assets	85 860,00		01/07/2023	30/06/2024			Beulah Looze						
Inventory consumed			Inventory consumed	88 128,00		01/07/2023	30/06/2024									
Stationery			Stationery	28 445,00		01/07/2023	30/06/2024									
Administration			Administration	6 640,00		01/07/2023	30/06/2024									
Security Guard			Security Guard	198 588,00		01/07/2023	30/06/2024									
Maintenance of equipment			Maintenance of equipment	130 796,00		01/07/2023	30/06/2024									

Section : Committee Services

Vote description	EP Reference Number	Programme	Project/Item Description	Budgeted Cost	Funding Source	MTEP		Procurement		Responsible	Reschedule Date	Contract Duration	Contract Start Date per Quarter			
						Project Start Date	Project End Date	Start Date	End Date				Quarter 1	Quarter 2	Quarter 3	Quarter 4

Section : Human Resources

Vote description	EP Reference Number	Programme	Project/Item Description	Budgeted Cost	Funding Source	MTEP		Procurement		Responsible	Reschedule Date	Contract Duration	Contract Start Date per Quarter			
						Project Start Date	Project End Date	Start Date	End Date				Quarter 1	Quarter 2	Quarter 3	Quarter 4

Community Services

Section : Fire & Rescue Services

Operational																	
Total Departmental Procurement Budget					Funding Source	MTEP		Procurement				Contract Duration	Contract Start date per quarter				Specific Objectives
Vote description	VOTE number	Programme	Project / Item Description	Budgeted Cost		Project Start Date	Project end date	Start Date (Approximate)	End date	Responsible	Reschedule Date (approximate)		SCM Official Responsibility	Quarter 1	Quarter 2	Quarter 3	
Maintenance of Mechanical Equipment	11401001/2	Fire Services Equipment	Firefighting Pumps	79 800,00	Open Funding	01 November 2021	Continuous	existing tender	01 October 2024	Deon van Wyk	N/A	N/A	3 years	Yes			Maintenance and Repairs of Firefighting pumps

Maintenance of Transport Assets Emergency	114010017	Fire Services Fleet	Fire-fighting Vehicles Emergency	334,675.00	Own Funding	01 April 2023	Continuous	existing tender	01 March 2023	Dean von Wyl	N/A	N/A	3 years		Yes	Maintenance of Fire-fighting Vehicles Emergency
Uniform and Protective Clothing	120000002	PPF	PPF & Uniform	298,300.00	Own Funding	01 June 2023	May 2024	New tender	31 May 2023	D Stufles	09 May 2023	Bulheko	3 years	1st quarter 2023/2024		Supply of uniform and Protective Clothing
Ration packs	130000060	Nutrition supplies	12 and 4 hour ration packs	188,760.00	Own Funding	01 June 2023	May 2024	New tender	31 May 2023	C. Kung'u	09 May 2023	Bulheko	3 years	1st quarter 2023/2024		Nutrition supplies for extended fire incidents
Operating base building	130000068	Fire station	Fire station building	802,800.00	Own Funding	01 September 2023	March 2024	existing tender	01 March 2024	C. Kung'u	N/A	Kusibenhle	3 years			Operations base
Contracted Services	1140110145	Aerial and specialist ground crew firefighting	Aerial firefighting	4,602,599.00	Own Funding	01 April 2023	30 March 2024	existing tender	30 March 2023	D Stufles	N/A	Kusibenhle	3 years			Aerial firefighting and ground crew

Capital

Total Departmental Procurement Budget					Funding Source	SDBP		Procurement				SCM Official Response	Contract Duration	Contract Start date per quarter				Specific Objectives
Vote description	SF reference number	Programme	Project / Item Description	Budgeted Cost		Project Start Date	Project end date	Start Date (Anticipated)	End date	Responsible	Responsible Date (Specified)			Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Practical Garage	710010001	New Fire Station	New Fire Station	4 680 075	Own Funding	Current	April 2024	tender awarded	01 April 2024	D Stufles	N/A		Multi Year					Building of a permanent regional fire station
Practical Garage	710010002	New Fire Station	New Fire Station	3 000 000	Department Local Government Western Cape	01 July 2023	April 2024	tender awarded	01 April 2024	D Stufles	N/A		Multi Year					Building of a permanent regional fire station
Firefighting Vehicle (pumper)	070010001	New Vehicle	Firefighting Vehicle	951 000	Department Local Government Western Cape	01 July 2023	April 2024	28 May 2023	01 April 2024	D von Wyl	01 July 2023			quarter 1 2023/2024				Capacitating of emergency fleet and sufficient operational response
Hazardous Material Fire Equipment	720010001	Hazardous Equipment	Hazardous Materials equipment and protective clothing provision	150 000	Own Funding	01 July 2023	June 2024	28 May 2023	01 April 2024	D Stufles	01 July 2023			quarter 1 2023/2024				Capacitating and enhancing of Hazardous Materials Incident capabilities
Hazardous Material Equipment	0720010001	Specialist Hazard Detection Equipment	Specialist Hazard Detection & Monitoring Equipment	300 000	Department Local Government Western Cape	01 July 2023	April 2024	28 May 2023	01 April 2024	D Stufles	01 July 2023			quarter 1 2023/2024				Capacitating and enhancing of Hazardous Materials Incident capabilities Detection and safe works
Landfill Site PPF		Construction of a Regional Waste Management Facility including Professional Fees	Construction of a Regional Waste Management Facility including Professional Fees	R 140 951 000.00	Local Funding and Own Funding	01 July 2023	31 June 2024	Completed	Completed	J. Gile	N/A	N/A	On Contract 01 March 2023 - 31 December 2024	R 42 780 000.00	R 36 617 960.00	R 36 617 960.00	R 36 617 960.00	Operational domestic waste cell for deposit of waste

Disaster Management

Total Departmental Procurement Budget					Funding Source	SDBP		Procurement				SCM Official Response	Contract Start date per quarter				Specific Objectives
Vote description	SF reference number	Programme	Project / Item Description	Budgeted Cost		Project Start Date	Project end date	Start Date (Anticipated)	End date	Responsible	Responsible Date (Specified)		Contract Duration	Quarter 1	Quarter 2	Quarter 3	Quarter 4

Overhead confirmed that Disaster Management does not have any projects for the current financial year.

Municipal Health & Environmental Services

Total Departmental Procurement Budget					Funding Source	SDBP		Procurement				SCM Official Response	Contract Start date per quarter				Specific Objectives
Vote description	VOTE number	Programme	Project / Item Description	Budgeted Cost		Project Start Date	Project end date	Start Date (Anticipated)	End date	Responsible	Responsible Date (Specified)		Contract Duration	Quarter 1	Quarter 2	Quarter 3	Quarter 4

Air Quality plan	(\46001000)		Air Quality plan	-	18 To be funded	N/A				2	Schedule						28 000.00	28 000.00	28 000.00	28 000.00	AGMT objectives	
Resource Packs	(\46000170)		GRDM Clean Sites	20 254.00	Ownt revenue	N/A				2	Schedule						1 year	-	=	22 224.00	=	AGMT objectives
Air Quality Sampling	(\46000100)		Air Quality Sampling	77 400.00	Ownt revenue	1/07/2023				2	Schedule						1 year	19 230.00	19 230.00	19 230.00	19 230.00	AGMT objectives
Clean Site Funding	(\46000200)		GRDM Clean Sites	29 540.00	Ownt revenue	N/A				2	Schedule						1 year	-	=	29 540.00	=	AGMT objectives
Maintenance Supplies and Spares - Rep/Other expenditure	(\46000192)		Maintenance	40 211.00	Ownt revenue	N/A				2	Schedule						1 year	-	10 000.00	20 211.00	=	AGMT objectives
Professional Bodies Membership and Subscription - R	(\46000140)		Registration of SFRs	20 000.00	Ownt funds	01-Jul-23	Sampling - tender in place	01-Jul-23	30-Jun-24	J Completion												

Waste Management Service

Total Departmental Procurement Budget																				
Waste Description	OFF reference number	Programme	Project / Item Description	Budgeted Cost	Funding Source	MCRP		Procurement		Responsible	Review Date (Specific to MCRP)	ICR Off-Job Responsible	Contract Duration	Contract Start date per quarter				Specific Objectives		
						Project Start Date	Project end date	Start Date (Advertised)	End date					Quarter 1	Quarter 2	Quarter 3	Quarter 4			
Waste and Supply (\46000021)		Waste Recycling & Composting Programme	Waste Minimization School Project	R 41 407.00	Ownt Funding	01 July 2023	31 June 2024	N/A	N/A	K. Bhebe	N/A	N/A	N/A	R 14 173.00	R 14 173.00	R 14 173.00	R 14 173.00			
Waste and Supply (\46000025)		Waste Minimization Education & Awareness	Implementation of the Office Waste Minimization Plan	R 42 743.00	Ownt Funding	01 July 2023	31 June 2024	N/A	N/A	K. Bhebe	N/A	N/A	N/A	R 10 743.00	R 10 743.00	R 10 743.00	R 10 743.00			

2022/2023 Roads Services

Total Departmental Procurement Budget																
Programme	Project Description	Budgeted Cost	Funding Source	MCRP		Procurement		Responsible	Review Date	Contract Officer Responsible	Contract Duration	Contract Start Date per Quarter				Specific Objectives
				Project Start Date	Project End Date	Start Date	End Date					Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Roads	Consulting engineering services supply and delivery of design to GRCA for a period of three months	Rate Base	PGRMC	01 April 2023	31 March 2024	26 August 2022		E du Plessis		G Ndlovu						
	Supply and delivery of safety signs to GRCA for a period of two years	Rate Base	PGRMC			22 September 2022		G Ndlovu		G Ndlovu						
	Supply and delivery of safety signs to GRCA for a period of two years	Rate Base	PGRMC			18 May 2023		G Ndlovu		G Ndlovu						
	Supply of security services - George Outshorn and Riverdale	Rate Base	PGRMC			01 June 2023		G Ndlovu		G Ndlovu						
	Rural Road Asset Management system within the GRCA for a period of three years	Rate Base	PGRMC			17 January 2023		E du Plessis		G Ndlovu						
Construction	Supply of fencing material	Rate Base	PGRMC	01 April 2023	31 March 2024	04 April 2023		C Roelf		G Ndlovu						
	Supply of chain link	Rate Base	PGRMC			04 April 2023		C Roelf		G Ndlovu						
	Supply of geotextiles	Rate Base	PGRMC			04 April 2023		C Roelf		G Ndlovu						
	Supply of road stones	Rate Base	PGRMC			15 May 2023		C Roelf		G Ndlovu						
	Supply of geomembrane sheets	Rate Base	PGRMC			18 May 2023		C Roelf		G Ndlovu						
	Supply of asbestos & asbestosure materials	Rate Base	PGRMC			17 May 2023		C Roelf		G Ndlovu						
	Hire of machinery	Rate Base	PGRMC			18 May 2023		C Roelf		G Ndlovu						
	Supply of labour	Rate Base	PGRMC			18 May 2023		C Roelf		G Ndlovu						
Mechanical	Supply of motor vehicle lubricants	Rate Base	PGRMC	01 April 2023	31 March 2024	04 April 2023		G Struben		G Ndlovu						
	Supply and deliver of lubricating oils and greases	Rate Base	PGRMC			01 November 2022		G Struben		G Ndlovu						
	Supply of New Tyres	Rate Base	PGRMC			08 May 2023		G Struben		G Ndlovu						
	Hydric, remove and dispose of chainlink	Rate Base	PGRMC			24 January 2023		G Struben		G Ndlovu						
Maintenance	Supply of herbicides	Rate Base	PGRMC	01 April 2023	31 March 2024	15 May 2023		G Verwey		G Ndlovu						
	Pruning and removal of trees/shrub trees	Rate Base	PGRMC			15 November 2022		G Verwey		G Ndlovu						
	Supply and delivery of SMC fencing	Rate Base	PGRMC			15 November 2022		G Verwey		G Ndlovu						
	Supply and delivery of SMC INFRASTRUCTURE	Rate Base	PGRMC			15 November 2022		G Verwey		G Ndlovu						

DONATIONS POLICY

1. PURPOSE OF THE FUND

The fund's purpose is to donate to deserving beneficiaries who would otherwise not qualify for grants in terms of Council's grant-in-aid policy.

2. DEFINITIONS

- 2.1 "close family member" means any spouse, partner, son, daughter, mother, father of a councillor and/or employee.
- 2.2 "donation" means any monetary contribution or benefit in kind to an Applicant(s) or received.
- 2.3 "government institution" means any local, provincial or national sphere of government.
- 2.4 "in the employ of the state" means any person who is in the employ of the state (a municipal, provincial or national government employee); ~~or if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the employ of the state; or who is an advisor or consultant contracted with a municipality or municipal entity;~~

SCOPE

The policy applies to the Executive Mayor's, Executive Deputy Mayors' and the Speaker's donation funds.

3. FUND GUIDELINES

The fund may be used for:

- 3.1 Socioeconomic development programmes which aim to bring about sustained improvement in the well-being of the individual, groups, community, and society at large
- 3.2 causes that will promote the profile of the Municipality;
- 3.3 emergency/disaster situations ~~where the Municipality has no other provision to cater for the event;~~
- 3.4 assisting the development and implementation of a local project, scheme or initiative;
- 3.5 payment directly to any individual only on such condition as the Executive Mayor will approve;
- 3.6 travelling, accommodation or subsistence of individuals or teams participating in events such as recreation, sports or cultural activities ~~only when the Executive Mayor is satisfied that it is a real need as a result of being disadvantaged;~~
- 3.7 the promotion of tourism and/or destination marketing;

- 3.8 ~~any other event not covered above and in the discretion of the Executive Mayor.~~

4. **PROHIBITED USES**

- 4.1 The Fund may not be used for any purpose that benefits a political party or for fund-raising of a political nature.
- 4.2 No funding appropriation to any person employed in the service of the state and their close family member(s), where such funding personally/ directly benefits the aforementioned persons
- 4.3 No appropriation to directly benefit a government institution.
- 4.4 Appropriations may not benefit any Councillor ~~or a close family member of any Councillor (define).~~
- 4.5 Any donation from the Fund shall not result in repeat commitments (twelve months cooling off period) nor may any expectation be created that funding will automatically be made available for future events.
- 4.6 Donations may not be used in conjunction with other funding ~~or donations~~ by the Municipality, without the concurrence from the municipal manager

5. **PROCESS FOR RELEASE OF FUNDS**

- 5.1 Applications for donations from the Fund must be lodged with the Executive Mayor.
- 5.2 All applications must be in writing.
- 5.3 Upon receipt of an application, the Applicant must be requested to complete a declaration form.
- 5.4 The Chief of Staff must assess a request and determine whether it meets the requirements of this policy and submit recommendations to the Executive Mayor
- 5.5 The Executive Mayor considers the application and assessment by the Chief of Staff and determines the quantum of the donation.
- 5.6 The Executive Mayor may impose conditions in respect of any donation made from the Fund.
- 5.7 The Executive Mayor's decision is conveyed to the Chief of Staff for execution.
- 5.8 The Chief of Staff must ensure that effective, efficient and transparent financial management and internal control systems are implemented to guard against fraud, theft and financial mismanagement that may occur when grants are awarded.

- 5.9 The application process must be finalised within fourteen (14) days of date of receipt, subject to all information being provided to process the application.
- 5.10 A written agreement must be entered into with the recipient of the donation to ensure that the funds are used for the purpose intended.

6. **REPORTING REQUIREMENTS**

The Executive Mayor must report to Council on a quarterly basis (section 52 Report) on the status of the Fund including donations received, amounts withdrawn and the details grants to beneficiaries.

7. **DONATIONS TO THE FUND**

- 7.1 It is appreciated that a fund that is dependent on donations will always have limited money.
- 7.2 As guardian of the Fund, the Executive Mayor may drive campaigns and initiate programme to raise money for the Fund, including to –
 - 7.2.1 solicit donations from any member of the public, businesses or organisations;
 - 7.2.2 actively canvass for donations;
 - 7.2.3 organise cultural, sports, entertainment events to raise money;
 - 7.2.4 organise competitions to raise money;
 - 7.2.5 provide for funds to be appropriate from the municipality's annual budget to the Fund.
- 7.3 If a donor specifies conditions in respect of any donation, the donated amount may only be utilised in terms of those conditions.
- 7.4 The Executive Mayor may refuse any donation where the conditions attached are unacceptable.

8. **DONATION LIMITS**

The Executive Mayor may determine the maximum limit of any donation from time to time.

BACK TO AGENDA

Western Cape: Garden Route District Municipality(DC4) - Draft Schedule of Service Delivery Standards	
Description	Service Level
Standard	
Solid Waste Removal Premise based removal (Residential Frequency) Premise based removal (Business Frequency) Bulk Removal (Frequency) Removal Bags provided(Yes/No) Garden refuse removal Included (Yes/No) Street Cleaning Frequency in CBD Street Cleaning Frequency in areas excluding CBD How soon are public areas cleaned after events (24hours/48hours/longer) Clearing of illegal dumping (24hours/48hours/longer) Recycling or environmentally friendly practices(Yes/No) Licenced landfill site(Yes/No)	<p>This function resides with B - Municipalities. Refuse are being removed at least once a week. The Garden Route District Municipality is mainly responsible for bulk services delivery.</p> <p>To this extent, the municipality is steadily moving towards the construction phase of a regional landfill site. Construction of this site will begin during May 2023.</p>
Water Service Water Quality rating (Blue/Green/Brown/N0 drop) Is free water available to all? (All/only to the indigent consumers) Frequency of meter reading? (per month, per year) Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period) On average for how long does the municipality use estimates before reverting back to actual readings? (months) <i>Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)</i> One service connection affected (number of hours) Up to 5 service connection affected (number of hours) Up to 20 service connection affected (number of hours) Feeder pipe larger than 800mm (number of hours) What is the average minimum water flow in your municipality? Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No) How long does it take to replace faulty water meters? (days) Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	<p>As part Council's vision, the Garden Route District Municipality identified the registration of the municipality as a Water Services Authority as a key priority for the medium term.</p>
Electricity Service What is your electricity availability percentage on average per month? Do your municipality have a ripple control in place that is operational? (Yes/No) How much do you estimate is the cost saving in utilizing the ripple control system?	<p>This function resides mainly with B-municipalities. Garden Route DM is responsible for the delivery of services on a bulk scale. The municipality will explore various energy generating solutions in the next five years.</p>

Western Cape: Garden Route District Municipality(DC4) - Draft Schedule of Service Delivery Standards	
Description	Service Level
<p>What is the frequency of meters being read? (per month, per year)</p> <p>Are estimated consumption calculated at consumption over (two month's/three month's/longer period)</p> <p>On average for how long does the municipality use estimates before reverting back to actual readings? (months)</p> <p>Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)</p> <p>Are accounts normally calculated on actual readings? (Yes/no)</p> <p>Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)</p> <p>How long does it take to replace faulty meters? (days)</p> <p>Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)</p> <p>How effective is the action plan in curbing line losses? (Good/Bad)</p> <p>How soon does the municipality provide a quotation to a customer upon a written request? (days)</p> <p>How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)</p> <p>How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)</p> <p>How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)</p>	
<p>Sewerage Service</p> <p>Are your purification system effective enough to put water back in to the system after purification?</p> <p>To what extend do you subsidize your indigent consumers?</p> <p>How long does it take to restore sewerage breakages on average</p> <p>Severe overflow? (hours)</p> <p>Sewer blocked pipes: Large pipes? (Hours)</p> <p>Sewer blocked pipes: Small pipes? (Hours)</p> <p>Spillage clean-up? (hours)</p> <p>Replacement of manhole covers? (Hours)</p>	
<p>Road Infrastructure Services</p>	<p>This function resides mainly with B-municipalities. Garden Route DM is responsible for the delivery of services on a bulk scale.</p>
Time taken to repair a single pothole on a major road? (Hours)	
Time taken to repair a single pothole on a minor road? (Hours)	
Time taken to repair a road following an open trench service crossing? (Hours)	

Western Cape: Garden Route District Municipality(DC4) - Draft Schedule of Service Delivery Standards	
Description	Service Level
Time taken to repair walkways? (Hours)	
Property valuations	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	This function resides with B-municipalities.
Do you have any special rating properties? (Yes/No)	
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease
Are the financial statement outsources? (Yes/No)	Partially. Reduction Plan for Use of Consultants are in place. Have seen significant reduction since 2017/18.
Are there Council adopted business process structuring the flow and management of documentation feeding to Trial Balance?	Yes.
How long does it take for an Tax/Invoice to be paid from the date it has been received?	14-30 days once received by creditor section and all supporting documentation has been provided to the creditor section
Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?	Yes, every HOD must submit the procurement plans for the operating and capital projects before the start of the new financial year to SCM
Administration	
Reaction time on enquiries and requests?	2 working days
Time to respond to a verbal customer enquiry or request? (working days)	2 working days
Time to respond to a written customer enquiry or request? (working days)	20 working days
Time to resolve a customer enquiry or request? (working days)	20 working days
What percentage of calls are not answered? (5%,10% or more)	All service calls are answered , emergency calls drop rate approximately 5%
How long does it take to respond to voice mails? (hours)	N/a
Does the municipality have control over locked enquiries? (Yes/No)	No
Is there a reduction in the number of complaints or not? (Yes/No)	Yes
How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	1 day
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	Ad hoc meetings scheduled as soon as any issues arise
Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	The Fire Services reaction time to respond to calls from the time of receipt of a call at the station is required to be under 4 minutes. The travel time to a call is determined by the distance from the responding station and the type of vehicle that is used to respond to the call. The travel time can
How long does it take to renew a vehicle license? (minutes)	
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	

Western Cape: Garden Route District Municipality(DC4) - Draft Schedule of Service Delivery Standards	
Description	Service Level
How long does it take to de-register a vehicle? (minutes) How long does it take to renew a drivers license? (minutes) What is the average reaction time of the fire service to an incident? (minutes) What is the average reaction time of the ambulance service to an incident in the urban area? (minutes) What is the average reaction time of the ambulance service to an incident in the rural area? (minutes) What is the average reaction time of the fire service to an incident in the urban/rural area? (minutes)	range from under 10 minutes in the urban area of George, Ladismith and Riversdale and from 10 minutes to 2 hours in the rural areas.
	45 minutes for areas within a 50 km radius from stations in Ladismith, Riversdale and George. All other areas response times between 60 minutes and 120 minutes.
Economic development	
How many economic development projects does the municipality drive?	<p>Garden Route DM co-ordinates and facilitates the process of district-wide economic development for the Garden Route District in continuous collaboration with local municipalities. The South Cape Economic Partnership is a key partner to this process in relation to partnership establishment and facilitation.</p> <p>Of the key initiatives include:</p> <ul style="list-style-type: none"> • Growth and Development Strategy is one of the key focus areas for 2023/2024. • Hosting of key economic sector workshops to execute Garden Route Investment Conference resolutions. • Partnering with the Garden Route Film Office as member and funder to ensure the holistic development of the regional creative (Film and Media) industry. • Tourism Marketing and Development for the Garden Route and Klein Karoo as the preferred tourist destination. District Tourism Strategy was approved in March 2019. • Export Development programme as well as logistic support programme (incubation) for small businesses. Have an MOU with SEDA in place to address the shortcomings of businesses as per feedback in the Export Development Report. • South Cape Economic Partnership contribution • Financial contributions towards marketing material, platforms and events for a regional tourism presence.
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	Garden Route DM is the co-ordinator and facilitator of economic development for the district.

Western Cape: Garden Route District Municipality(DC4) - Draft Schedule of Service Delivery Standards	
Description	Service Level
What percentage of the projects have created sustainable job security?	Garden Route DM is the co-ordinator and facilitator of economic development for the district.
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	During the build-up towards the Garden Route Investment Conference, local municipalities were encouraged and guided in terms of gearing themselves to become investment ready and investment friendly concerning incentives, municipal business processes, etc. This exercise included a readiness checklist as a tool for municipalities to assess themselves and improve where required. It further advised municipalities to put Standard Operating Procedures in place in terms of investment application process. Also have an MOU with Dept of Agriculture in place for the establishment of black emerging farmers on vacant Agriculture land. Other strategic game change initiatives i.e. SEZ regional establishment process; ACSA MOU with regards to the development of the George Airport as an economic catalyst.
Other Service delivery and communication	
Is a information package handed to the new customer? (Yes/No)	Garden Route DM is not directly responsible for basic services delivery.
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes. The community services department implemented various community education programmes in terms of municipal health.
Are customers treated in a professional and humanly manner? (Yes/No)	Yes. The municipal values and Batho Pele principles form the basis of day - to - day staff operations.

BACK TO AGENDA

1. **INAUGURATION OF GOOD COUNCILLOR: GARDEN ROUTE DISTRICT COUNCIL: CLLR D.C SAPTOE / INHULDIGING VAN "GOOD" RAADSLID: GARDEN ROUTE DISTRIKSMUNISIPALITEIT: RDL D.C SAPTOE / UKUFUNGISWA KOCEBA WE GOOD: IBHUNGA LESITHILI SE GARDEN ROUTE: UCEBA D.C SAPTOE**

19 May 2023

REFER REPORT FROM THE MUNICIPAL MANAGER (MG STRATU)

2 **PURPOSE**

To inform Council of the correspondence received from the IEC with regard to the retainment of Cllr D Saptoe.

3. **DELEGATED AUTHORITY**

Council

4. **EXECUTIVE SUMMARY**

A vacancy occurred on the Garden Route District Council as a result of the resignation of the GOOD party representative on Garden District Council, Cllr. D Saptoe on 20 April 2023.

5. **RECOMMENDATIONS**

5.1.2 That cognizance be taken of the notice from the IEC, dated 16 May 2023.

5.1.2. That Cllr. Donovan Clifford Saptoe be inaugurated as a Councillor of Garden Route District Council with effect from 16 May 2023.

5.1.3. That Cllr. Donovan Clifford Saptoe be requested to take the Oath of Office.

AANBEVELINGS

5.1.4 *Dat kennis geneem word van die kennisgewing van die OVK, gedateer 16 Mei 2023.*

5.1.5 *Dat Rdl. Donovan Clifford Saptoe met ingang van 16 Mei 2023 as Raadslid van die Gardenroute Distriksmunisipaliteit ingehuldig word.*

5.1.6 *Dat Rdl. Donovan Clifford Saptoe versoek word om 'n eed van die kantoor te neem.*

IZINDULULO

5.3.1 Sesokuba kuthathelwe ingqalelo isaziso se IEC, sangomhla wama 16 KuCanzibe 2023.

5.3.2 Sesokuba uCeba. Donovan Clifford Saptoe, afungiswe njengo Ceba weBhunga loMasipala Wesithili se Garden Route ukususela ngomhla wama 16 KuCanzibe 2023.

5.3.3 Sesokuba uCeba. Donovan Clifford Saptoe acengwe ukuba athathe isifungo se Ofisi njengoko kufunwa yi Municipal Structures Act, 1998.

6. DISCUSSION / CONTENTS

6.1 Background

A vacancy occurred on the Garden Route District Council as a result of the resignation of the GOOD party representative, Cllr. D Saptoe on 20 April 2023.

(see annexure attached)

Item 11(1)(a) of Schedule 2 of the Municipal Structures Act, 1998 Act 117 of 1998, the Electoral Commission determines as follows;

“11 Filling of vacancies

(1)(a) If a councillor elected from a party list ceases to hold office, the chief electoral officer, must subject to item 13, declare in writing the person whose name is on top of the applicable party list to be elected in the vacancy.”

Item 13 of the said Act reads as follows;

“13 Filling of vacancies and changing the order

(1) A party may supplement, change or increase its list at any time, provided that if a councillor elected according to a party list, ceases to hold office, the party concerned may supplement, change or increase

its list by not later than 21 days after the councillor has ceased to hold office. The vacancy must be filled as soon as the party in question has supplemented, changed or increased its list, but not later than 14 days expiry of the 21-day period."

The Provincial Independent Electronic Commission was informed of the vacancy as prescribed by item 11 of Schedule 2 of the Municipal Structures Act, Act 117 of 1998.

The IEC has advised Council that Cllr. D.C Saptoe (ID No 691117 5034 083) being the councillor for the GOOD party, has been declared elected to the Garden Route District Council with effect from 16 May 2023 (**see annexure**).

6.3 Financial Implications

The positions are budgeted in line with the notice on the determination for upper limits for Councillors.

6.4 Relevant legislation

Schedule 2 of the Local Government Municipal Structures Act, 1998 (Act 117 of 1998).

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

Extract of Council resolution of the Council meeting that took place on 25 October 2022:

C.1 INAUGURATION OF NEW COUNCILLORS: GARDEN ROUTE DISTRICT COUNCIL: CLLR D.C SAPTOE AND COUNCILLOR: RJ APRIL / INHULDIGING VAN NUWE RAADSLEDE: GARDEN ROUTE DISTRIKSMUNISIPALITEIT: RDL D.C SAPTOE EN RAADSLID: RJ APRIL/ UKUFUNGISWA KOCEBA WE GOOD: IBHUNGA LESITHILI SE GARDEN ROUTE: UCEBA D.C SAPTOE KUNYE NOCEBA: RJ APRIL

Refer report dated 10 October 2022 from the Municipal Manager (MG Stratu)(pg 354-359)

RESOLVED

5.1.1 That cognizance be taken of the notices from the IEC, dated 24 August 2022 and 05 October 2022.

5.1.2. *That Cllr. Donovan Clifford Saptoe be inaugurated as a Councillor of the Garden Route District Council with effect from 24 August 2022.*

5.1.3 *That Cllr. Rayno Jerome April be inaugurated as a Councillor of the Garden Route District Council with effect from 05 October 2022.*

5.1.4. *That Cllr. Donovan Clifford Saptoe and Cllr Rayno Jerome April be requested to take the Oath of Office.*

6.7 Risk Implications

There are no foreseen risks associated with the proposed decision for Council to not implement the Directions.

Resignation Letter PR cllr D Saptoe

20 April 2023

ATT: Speaker Garden Route Municipality Hon G Wolmarans

Dear Speaker

I am hereby tendering my resignation as a GOOD councillor in the Garden Route District Municipality effective from the 30th April 2023.

I want to thank the Council and wish the municipality well going forward.

Kind Regards

D Saptoe

(electronic signature)



SOUTH AFRICA

16 May 2023

The Municipal Manager
 Garden Route District Municipality
 PO Box 12
 George
 6530

Re: Vacancy declared for GOOD PR Councillor Saptoe: DC4 – Garden Route District Municipality

Please be advised that **Donovan Clifford Saptoe**, ID No. 691117 5034 083, being the councillor for the **GOOD** party in **Garden Route District Municipality**, has been retained by the party as a directly elected councillor, following a vacancy that was declared by the district council on 26 April 2023.

Sincerely,

M Sheburi
DCEO: Electoral Operations

Electoral Commission

Ensuring Free and Fair Elections

Commissioners: Mr MS Mosepya (Chairperson) | Mr VG Mashinini | Dr NP Masuku | Judge D Pillay
 National Office: Election House, Riverside Office Park, 1303 Heuwel Avenue, Centurion, 0157 | P/Bag X112, Centurion, 0046
info@elections.org.za | www.elections.org.za
 Tel: (+27) 12 622 5700

BACK TO AGENDA

1. **REPORT – REQUESTED/SUGGESTED ADJUSTMENTS ON THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN OF 2022/2023 / /AANGEVOERDE AANPASSINGS AAN DIE DIENSLEWERING EN BEGROTINGPLAN VIR 2022/2023 / ISICELO/INGCEBISO NGOLUNGELELWANISO LONIKEZELO LWENKONZO KUNYE NESICWANGCISO SOKUMISELWA KOLWABIWO-MALI LUKA 2022 / 2023**

REFER REPORT FROM THE OFFICE OF THE MUNICIPAL MANAGER (MG STRATU) / MANAGER PERFORMANCE MANAGEMENT (IG SAAIMAN)

2 **PURPOSE**

The report is tabled to Council to present an Adjustment Report for the 2023/2024 financial year aligning to all strategic objectives. Thus the report in terms of section 54 (1) (c) as required in terms of the Municipal Finance Management Act 56 of 2003

Garden Route Growth and Development Strategy Alignment

Performance Management provides an oversight role of developing, monitoring and evaluating Key Performance Indicators aligning directly to all Seven Strategic Priorities of the GDS

3. **DELEGATED AUTHORITY**

Council

4. **EXECUTIVE SUMMARY**

The requested adjustments must be read in conjunction with the following reports:

- Section 52 reports
- Section 72 report
- Quarterly Internal Audit recommendations report(serves before APAC)

5. **RECOMMENDATIONS**

That Council approves the requested/suggested adjustments for the 2022/2023 financial year.

AANBEVELING

Dat die Raad die aangepaste veranderings vir die 2022/2023 finansiële jaar goedkeur.

ISIGQIBO

Sesokuba iBhunga liphumeze isicelo/umbono wolungelewaniso lonyakamali ka 2022/2023.

6. DISCUSSION / CONTENTS**6.1 Background**

Municipal Finance Management Act 56 of 2003

Section 54 (1) (c) *On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must –*

(c) consider and, if necessary, make any provisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;

6.2 Discussion

During our first, second and third quarter reviews in conjunction with our quarterly audit reports, a number of Top Level KPI's must be adjusted in order to ensure correct alignment and for targets to speak to the approved plans and corrective measures on some KPI's.

Correcting these, in conjunction with the adjustments will ensure correct strategic reporting per the developed SDBIP.

The adjustments consists of the following categories:

- Top Level targets must be amended to speak to the approved SDBIP
 - Top Level targets must be adjusted to speak to the adjusted planning schedules of certain capital projects
 - Adjustments on certain KPI's, inclusive of the moving/linking of certain KPI's to the Departmental SDBIP will ensure a much more strategic approach in addressing what is required from the Municipality
 - All baselines to be included within the adjusted SDBIP to link to the approved Annual Report of 2021/2022
- The detailed report for these requests are attached for perusal.

After approval, a Revised SDBIP will be placed on our website for perusal

6.3 Financial Implications

There will be no financial implications for the municipality adjusting the KPI's on the SDBIP. The adjustments are dealt with in house.

6.4 Legal Implications

Not implementing will result in a non compliance for the organization of the MFMA 54 (1)

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

25 January 2022

C1: Council approves the requested/Adjusted adjustments for the 2021/2022 financial year

6.7 Risk Implications

There are no foreseen risks associated with the proposed request for Council

GARDEN ROUTE DISTRICT MUNICIPALITY**Performance Amendments/Adjustment - May: 2022/2023****1. PURPOSE**

The purpose of this report is to present the requested amendments/adjustments on the Top Level Service Delivery and Budget Implementation Plan for the 2022/2023 financial year

2. LEGAL

With reference to the MFMA section 54 (1), the implementation of the SDBIP must be reviewed, problems need to be identified and amended. This report be submitted to Council and any amendments to the SDBIP must be made public

3. PERIOD UNDER REVIEW

The period under review as follows;

- July 2022 – December 2022
- January 2023 – March 2023

4. IMPLEMENTATION PERIOD

The implementation of these amendments/adjustments will reflect retrospectively over a period of six months.

5. AMENDMENTS/ADJUSTMENTS PER DEPARTMENT**A. OFFICE OF THE MUNICIPAL MANAGER**

REF	KPI	Unit of Measurement	Strategic Objective	Target	Changes	Reason/Explanation
TL 5	The percentage of the municipal capital budget spent on capital projects by 30 June 2023 [(Actual amount spent on capital projects /Total amount budgeted for capital projects) x 100]	% of capital budget spent by 30 June 2023	Financial Viability	95%	1. The target of the 2nd quarter must be adjusted to reflect the approved 10% not 15% as per the electronic system	As per the approved(public participation and Executive Mayor approval) TL SDBIP
TL 8	Review Donations Policy and submit to Council by 30 September 2022	Number of policies submitted	Financial Viability	1	1. The target was listed in Q3 and must move to Q1. Reporting for Q1 was audited and correct	Adhere to the SMART principle

B. PLANNING AND ECONOMIC DEVELOPMENT

REF	KPI	Unit of Measurement	Strategic Objective	Target	Changes	Reason/Explanation
TL 47	Submit a report on prioritisation of projects to Council, with focus on those that will generate revenue in the short term	Report submitted Council by 30 September 2022	Financial Viability	1	1. KPI to be removed from the SDBIP	Duplication of TL 16 Each project manager reports separately on the projects pertaining to the sections
TL 54	Submit quarterly reports to Council on the finalization of the transfer agreement of properties	Number of reports submitted	Good Governance	4	1. Target is incorrect. Must be adjusted to one (1)	There is no internal control over the participation. A detailed report was submitted to Council for the second quarter.
TL 60	Submit a proposal to Council on progressive acquisition of Public or Private Land for housing development by 31 October 2022	Proposal submitted to Council by 31 October 2022	Good Governance	1	1. Audited actual achieved. Changes to the target set in section 52 must be 1 not 2	Adhere to the SMART principle
TL 67	Submit a report on the review of the lease agreement between GRDM and Oudtshoorn Municipality by 31 January 2023	Report submitted to Council by 31 January 2023	Grow an Inclusive District Economy	1	1. Remove KPI from the SDBIP	The lease expired a long time ago, attempts by Planning and Economic Development Department and Legal Services Unit to request Oudtshoorn to a Meeting have proved to be futile. In meetings held they indicated they will respond accordingly and failed to do so, despite numerous follow - ups. All interventions to remove the current tenants have failed. No payment received and sub letting a problem. No control over the outcome

C. ROADS AND TRANSPORT SERVICES

REF	KPI	Unit of Measurement	Strategic Objective	Target	Changes	Reason/Explanation
TL 26	Spent 95% of the roads budget allocation by 31 March 2023 (Actual expenditure divided by approved allocation received)	% of the roads spent by 31 March 2023	Financial Viability	95%	1. Unit of measurement must include the word 'budget'	Adhere to the SMART principle

D. OVERALL SDBIP ADJUSTMENTS

All the baselines must be updated according to the Final Audited Annual Report as served before Council in December 2022

6. APPROVAL

It is hereby requested that Council approve the requested adjustments for the 2022/2023 financial year.

7. WAY FORWARD

The following to be noted with matters relating to performance management;

- All approved adjustments must be implemented after the approval of the Adjustment Budget as per the legislative requirements
- A revised SDBIP will be made public after approval
- The IDP must be adjusted to reflect the correct revised SDBIP

BACK TO AGENDA