COUNCIL MEETING AGENDA

To:	**Councillors:**	J.R. Van Schalkwyk	(Speaker)
		H.F. Du Rand	(Executive Mayor)
		E. J. Lamprecht	
		F. Kees	
		D. Julius	
		A. Bokwana	
		G. Libazi	
		J.A. Matthysen	
		M.T.A. Swart	
		D.J. Julius	
		I.H. Ferguson	
	Ex Officio:	A. Vorster	(Municipal Manager)
		E. Wassermann	(Director: Financial Services)
		K. Stuurman	(Director: Community Services)
		E. Delport	(Acting: Director: Infrastructure Services)
		R. Brunings	(Manager: Town Planning and Building Control)

AGENDA FOR AN ORDINARY COUNCIL MEETING

Notice is hereby given that an **Ordinary Council meeting** of the Municipal Council of Swellendam Municipality will be held on **Wednesday, 28 August 2024** at **10:00** in the **Council Chambers, Rhenius Street, Swellendam** to consider the items attached hereto.

J.R. VAN SCHALKWYK

SPEAKER

22 August 2024

DATE

INDEX

1. OPENING AND WELCOME

Rules of Order regulating the conduct of Meetings of the Council of the Municipality of Swellendam (Provincial Gazette 6347 dated 3 March 2006)

PART 3: MEETINGS

4. Commencement of Meeting

The speaker must take the chair precisely at the time for which the meeting is convened and must proceed immediately with the business of the meeting subject to section 14.

14. Quorum

(1) A majority of the members constitutes the quorum.

(2) If there is no quorum at the time for which the meeting is scheduled, the speaker must take the chair as soon as a quorum is present.

(3) Whenever there is no quorum, the start of the meeting must be delayed for no longer than 30 minutes and if at the end of the period, there is no quorum, the speaker must adjourn the meeting to another time, date and venue at his or her discretion and record the names of those members present.

(4) Whenever the speaker is not present and there is no quorum, the municipal manager must act in accordance with the procedure prescribed in terms of subsection 14(3).

(5) Whenever during a meeting there is no quorum, the speaker must suspend the proceedings until a quorum is again present or adjourn the meeting if a longer time has passed than the speaker has allowed and there is still no quorum.

(6) Whenever a meeting is adjourned owing to the absence of a quorum, the speaker must convene a meeting within seven (7) days where the rest of the matters on the agenda must be dealt with.

2. ELECTION OF ACTING SPEAKER, IF NECESSARY

Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)

41. Acting speakers

If the speaker of a municipal council is absent or not available to perform the functions of speaker, or during a vacancy, the council must elect another councillor to act as speaker.

3. APPLICATION FOR LEAVE OF ABSENCE

Rules of Order regulating the conduct of Meetings of the Council of the Municipality of Swellendam (Provincial Gazette 6347 dated 3 March 2006)

PART 3: MEETINGS

11. Leave of Absence

A member who wishes to absent himself or herself from meetings must act in accordance with the rules relating to the leave of absence from the council as determined by council.

Item A2481: Council meeting of 21 November 2013:

PROPOSED AMENDMENTS – ITEM A2446 OF 7 OCTOBER 2013: RULES OF ORDER AND PROCEDURES WITH REGARDS TO ALLEDGED TRANSGRESSION OF THE CODE OF CONDUCT FOR COUNCILLORS

1. That the following procedures be reconfirmed by means of which councillors may apply for leave of absence from 'n council meeting:

<u>LEAVE OF ABSENCE</u>

1. Application for leave of absence from a meeting of the Council must be addressed to the Speaker of Council in writing and signed by the member who is applying for such leave.
2. The Speaker of Council may only consider applications for leave of absence which are in writing. Applications for leave of absence which are not in writing may not be considered.
3. Notwithstanding Section 2 above, applications for leave of absence from a meeting are deemed to have been granted if:
   - 3.1 the Council or Mayor delegated the relevant member to act elsewhere on behalf of the Council in a matter; or
   - 3.2 if the Council requests the member to leave the relevant meeting in circumstances envisaged in Item 3(b) of the code of conduct of Schedule 1 to the Systems Act, or the member recuses him/herself.
4. The Speaker may, subject to Sections 2 and 3 above, grant leave of absence to a member for the following reasons:

4.1 illness of the member a medical certificate must be handed to the office of the Speaker in this regard within 5 working days after the Council meeting, for which leave of absence was applied by the member as proof of illness.
4.2 essential business or personal commitments, or personal circumstances of the member.
4.3 When the member is not permitted to attend the meeting due to circumstances envisaged in item 3(b) of the Code of Conduct for Councillors in Schedule 1 to the Systems Act;
4.4 Any other circumstances where the member is prevented from attending the meeting.

2. That the following revised fines are imposed in respect of situations where councilors fail to remain in attendance of council meetings:

FINES IN TERMS OF PARAGRAPH 4(2)(b) OF THE CODE OF CONDUCT FOR COUNCILLORS

In the case where the accused councillor was convicted that he or she failed to remain in attendance at a meeting of the Council, the Council may impose the following penalties:

a. 1st transgression, 10 % of the Councillor's monthly remuneration;
b. 2nd transgression, 15 % of the Councillor's monthly remuneration;
c. 3rd transgression, 20 % of the Councillor's monthly remuneration;
d. 4th transgression, 25%of the Councillor's monthly remuneration; and
e. 25% for each subsequent transgression.

3. That the disciplinary committee, as established, handles complaints against councilors who are guilty of paragraph 4(2)(b) of the code of conduct Councillors as per schedule 1 of Municipal Systems Act, 2000 (Act 32 of 2000).

3.1 A blank application for leave of absence form is enclosed

3.2 The attendance registers will be available at the meeting

Rules of Order regulating the conduct of Meetings of the Council of the Municipality of Swellendam (Provincial Gazette 6347 dated 3 March 2006)

PART 3: MEETINGS

10. Attendance of meetings

(1) Every member attending a meeting of the council must sign his or her name in the attendance register kept for such purpose.

(2) A member must attend each meeting except when-

(a) leave of absence is granted in terms of section 11; or

(b) the member is required to withdraw in terms of law.

4. MOTIONS OF JOY AND SORROW

4.1 Announcement of birthdays:

None

4.2 Announcements of deaths by Municipal Manager

July 2024

William Lethola Mothibedi	
Felicity Piedt	
Arnoldus Marthinus	
Paul Rooi	
Gertruida Africa	
Marlene Cupido	
Lya Mtwayi	
Petrus Windvogel	
Bianca Franzonia Philander	
Williem Richard Joseph	
Gerald Jerome Barnes	

Eben Johannes Pieterse	
Neville Edward King	
Josie Windvogel	
Baby Yona	
Cornelius Stuart	
Sophy Dyahtyi	
Johannes Jacobs	
Maureen Jansen	
Minnie Hartzenberg	
James Kerneels Langeveldt	
SUURBRAAK	
BARRYDALE	
Demetrie le Roux	
Hendrik Braaf	
Angeline Joy	

5. SPEECHES AND SUBMISSIONS

6. STATEMENTS AND COMMUNICATIONS BY THE SPEAKER

7. STATEMENTS AND COMMUNICATIONS BY THE EXECUTIVE MAYOR

8. DISCLOSURE OF INTERESTS BY COUNCILLORS

Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)

5. Disclosure of interests

(1) A councillor must-

(a) disclose to the municipal council, or to any committee of which that councillor is a member, any direct or indirect personal or private business interest that that councillor, or any spouse, partner or business associate of that councillor may have in any matter before the council or the committee; and

(b) withdraw from the proceedings of the council or committee when that matter is considered by the council or committee, unless the council or committee decides that the councillor's direct or indirect interest in the matter is trivial or irrelevant.

(2) A councillor who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose full particulars of the benefit of which the councillor is aware at the first meeting of the municipal council at which it is possible for the councillor to make the disclosure.

(3) This section does not apply to an interest or benefit which a councillor, or a spouse, partner, business associate or close family member, has or acquires in common with other residents of the municipality.

9. MATTERS FOR CONSIDERATION

Rules of Order regulating the conduct of Meetings of the Council of the Municipality of Swellendam (Provincial Gazette 6347 dated 3 March 2006)

PART 4: DECISION

15. Unopposed Matters

Whenever council is called upon to consider a matter before it and there is no opposition from any member, a unanimous vote will be recorded in the minutes.

16. Opposed Matters

(1) After attempts to reach consensus on certain matters have failed, the speaker must put the matter under discussion to the vote. Motions must be moved and seconded by members. Hereafter the speaker must call upon the members to indicate by a show of hands whether they are for such motions or against it, wherupon he or she declare the result of such vote.

(2) Upon the speaker's declaration of the result of a vote, a member may demand for his or her vote to be recorded against the decision concerned and the municipal manager shall ensure that such vote is recorded in the minutes.

(3) If there is an equality of votes in respect of a matter on which voring takes place, the speaker must exercise his or her casting vote, in addition to his or her deliverative vote, provided that the speaker may not exercise a casting vote in terms of any matter set ou in section 160(2) of the Constitution.

PART 7: RULES OF DEBATE

23. Member to address the chair

A member who speaks at a meeting must address the chair and may do so in any one of the three official languages of the Province of the Western Cape.

24. Order or priority

When a member wishes to address the council, he or she must first have the permission of the speaker.

25. Precedence of speaker

Whenever the speaker addresses the meeting, all members must be silent so that the speaker may be heard without any interruption.

26. Relevance

(1) A member who speaks must direct his speech strictly to the subject or matter under discussion or to an explanation or to a point of order.

(2) No discussion may be permitted-

(a) which will anticipate any matter on the agenda;

(b) on any matter in respect of which a decision by a judicial or quasi-judicial body or a commission of enquiry is pending.

27. Right to speak

A member or non-member may speak on any matter before the council as determined by the speaker, provided that speeches of all members and non-members are allocated in a fair manner.

28. Length of speeches

The speaker determines the length of speeches.

31. Speaker's ruling on points of order and explanation

(1) The ruling of the speaker on a point of order or an explanation shall be final and not open to discussion.

(2) The ruling of the speaker on any point of order raqised as to the interpretation of these rules must be entered in the minutes.

9.1 Items submitted by officials to Council

9.1.1

Item number A124. 28.08.2024

SWELLENDAM COMPOST AND FOOD GARDEN

Report by:	Johan van Niekerk
Department	Community Services
Section	Environmental and Waste Minimisation
File Number	17/5/3/10

PURPOSE OF THE REPORT

The purpose of this report is to explain the concept of the Compost and Food Garden, the location, the support needed, the importance of this initiative and most importantly the sustainability of Swellendam's waste future.

FACTS AND BACKGROUND

The project's overarching goals include **waste reduction, community empowerment, and economic resilience**. It aims to create employment opportunities, provide skill development and training, raise environmental awareness, and support local agriculture. The initiative also focuses on inclusivity, youth empowerment, and the creation of small business opportunities, contributing to the sustainability and economic resilience of the local community through the opportunities for waste diversion.

The primary purpose of the food and compost gardens is to divert waste from landfills which is essential as our landfill site is reaching capacity. Still, a close second is Community Upliftment, Environmental Awareness, Youth Empowerment, Support for Local Agriculture, Stimulating Local Economy, Promotion of Sustainable Practices and Food Security. The aim is to use both facilities as a teaching space where SMME development can take place that takes advantage of the value of separated waste as well as teaching and training food security skills to those in need.

The proposed microstructure organogram does include outsourcing composting functions which would be done on an open tender process to an organisation which is included in our departmental budget request for 24/25.

Airspace (available landfill space left) for the Bontebok Landfill site is approximately 12-23 months depending on waste minimisation and landfill compaction. It is therefore essential that the diversion of waste and waste minimisation start as soon as possible

Waste minimisation has become critical as compostable waste makes up on average 43% of our landfill which if used in full would almost double the deadline to 2026 for our landfill site saving us millions in transport costs and infrastructure

Compost facilities need financial assistance in the first three years to become sustainable. In our case, the compost facility will be subsidising the community food garden which will help feed residents at the new housing project

Food security is essential for low-income households, the food garden is located within a 5-minute walk from the new ASLA development

In terms of current legislation, we must reduce our organics to landfill by 50% at the end of 2022 and by 100% at the end of 2027 further necessitating the need for this compost site

DISCUSSION

We will discuss:

1. Outline of both facilities' intended functions
2. The location,
3. The support needed,
4. The importance of this initiative
5. The sustainability of Swellendam's waste future.

Outline of both facility's intended functions

Imagine a town where waste becomes wealth and communities thrive, supporting those in need with an initiative that creates food from waste. Our goal: a state-of-the-art compost facility that supports the community food garden. We divert organic waste and supply local gardens and the community food garden. **It's a triple win — environmental impact, community empowerment, and a sustainable business model**. Join us in transforming waste into a resource and let's build a greener, stronger future together!

The **composting facility** plans to manage and control the composting process through a comprehensive approach that encompasses various aspects of training, operational procedures, infrastructure, and environmental stewardship. The facility will empower its workforce with comprehensive training materials covering agroecological food production, composting, waste management, and facility operations. This includes detailed guides and manuals with step-by-step instructions on the composting process, safety protocols, composting techniques, and operational procedures.

The **food garden** facility plans to manage and control the production process to ensure optimal use and production of high-quality nutritional fresh produce through a multifaceted approach that encompasses various elements of infrastructure, training, and sustainable practices. The facility will establish clear pathways between garden beds to facilitate easy movement and maintenance, ensuring efficient management of the garden space. Additionally, the implementation of a food forest in a symbiotic relationship with the surrounding environment will promote the growth of fruit trees and other crops, creating a healthy ecosystem and optimizing the use of available space for diverse and sustainable food production.

- **Reduce Waste to Landfill**
  - Through the diversion of waste to the compost site we will reduce waste to landfill by approximately 43% if not more
- **Create Sustainable Communities:**
  - Develop a compost facility that promotes sustainable waste management practices, reducing the environmental impact of organic waste in landfills. Organics create all the bad gasses characterised by landfill sites
- **Generate Employment and Economic Opportunities:**

    - Provide meaningful employment opportunities for the local community, fostering economic empowerment and contributing to the growth of small and medium-sized businesses in agriculture
- **Enhance Food Security:**
    - Produce high-quality compost to support local agriculture, improving soil fertility and contributing to food security in the region
- **Empower Individuals Through Training:**
    - Implement educational initiatives and training programs to equip individuals with the skills necessary for sustainable waste management, composting skills and food security, fostering self-reliance and environmental responsibility
- **Foster Inclusivity:**
    - Create a facility that empowers both the youth and the aged, providing purposeful roles and leveraging the diverse skills within the community.

The locations of the compost and food garden are strategically designed to form part of a Swellendam circular economy.
Two parcels of municipal commonage on Erf 1 have been identified for these projects K45G (compost facility, 5.136Ha) and K45H (food garden, 3.222Ha). see the map below.

1. The compost facility is en route to the landfill site making diversion convenient for public and municipal trucks
2. The compost facility needs a relatively flat portion of land and that is not found further towards the landfill site
3. The compost needs water from the food garden dam which can easily be pumped up
4. The food garden needs compost and there is an existing road joining the two land parcels to facilitate the delivery
5. The new ASLA houses are the intended market for the food gardens, The proximity makes this location ideal as water from the N2 fills the dam and waters the land
6. The locations of the facilities are designed to work together in an integrated project that supports and sustains each other.
7. Norms and Standards for composting on the intended site (attached below) have been granted through DEA&DP **19/2/5/10/B1/15/NS0036/23**, this process required site visits and environmental assessments that have been done and passed.

The plan is to create a berm (a mound of soil) along the N2 side of the facility as well as tree planting all along that fence so that the view from the freeway is fully blocked. With the intended design and the funding from DALRRD the facility will not omit odours as well-managed and equipped compost facilities do not smell nor do they attract vermin.

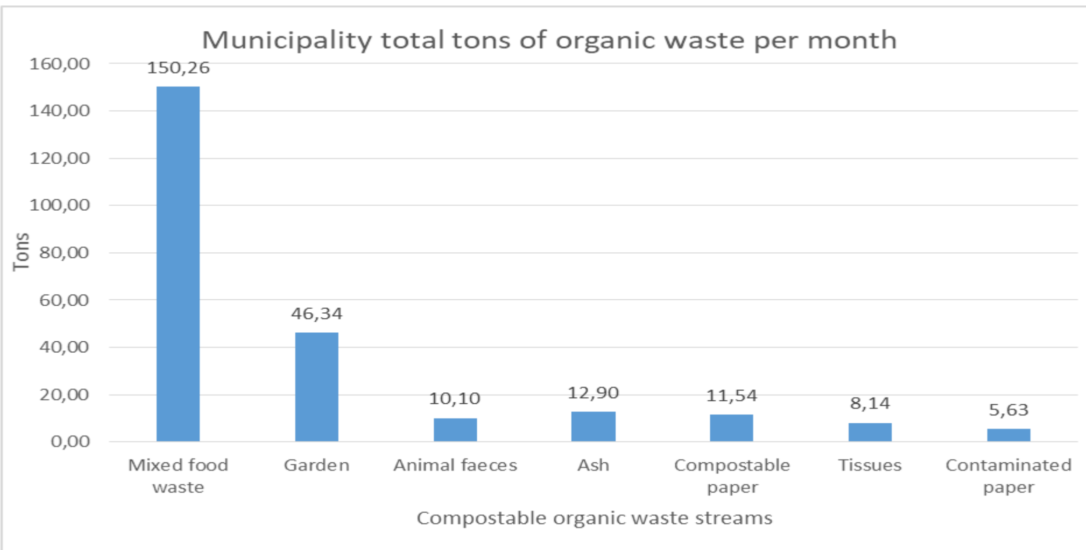
Support needed

- For the sustainability of this project, a monthly amount of R30 000 will be needed for the first three years as a compost facility takes this amount of time to become a self-sustained business which is included in the 2024-2025 budget. We have received expert advice from the Organic Recycling Association of South Africa (ORASA) to come to this figure. This amount was granted in our departmental budget for 24/25 but will still be dependant on the availability of future funds.

1. **External Funding** - DALRRD have funded stage 1 of the compost and food garden with an approximately R2M fence and gates around the facilities
2. **External Funding** - DALRRD have indicated that they have allocated funding for a second stage of funding for the compost and food garden depending on this council's resolutions. This funding will include non-movable infrastructure
3. **External Funding** - Discussions have begun with the Dep of Agriculture for funding of irrigation systems, tanks
4. **External Funding** - ORASA has indicated that they will help with the design of the compost facility
5. **External Funding** - Seed to Harvest will help with the design of the Food Garden
6. **External Funding** - Seed to Harvest, ORASA, Unity and The Railton Foundation have indicated that they would give training and support in composting and food security
7. **External Funding** - CWP have included composting and food security in their long-term business plan and has indicated that they would supply staff and equipment for both facilities in exchange for work experience and training
8. There is a possibility that ASLA could use its social responsibility funds to build a training centre at the compost garden site.

The importance of this initiative

- Compostable waste accounts for about 43% of Swellendam's total waste. Reducing 43% to landfill will not only lengthen the life of Bontebok by approximately a year but will also lower carbon monoxide emissions that are caused by organic material to landfill sites
- There is a 50% organic waste diversion goal by 2022 and a **100% goal by 2027** (National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008). This composting initiative would have to start this year to reach 100% diversion in time
- Food security is an essential skill in today's economy where it is cheaper to buy fast food than organic fruit and vegetables. We aim to teach and train thousands of food security through the food and compost garden
- Swellendam as a town is slowly waking up to environmental considerations, they are asking for spaces to recycle and to compost and to reduce waste. Now is the time to start
- Aligns with the **I AM** initiative.



The sustainability of Swellendam's waste future.

A future solution for waste is never again going to be burying waste at any landfill site. The value of clean separated waste is being seen worldwide and technologies are quickly catching up to meet the demands of all the possible recycling materials.

LEGAL IMPLICATIONS

- National Environmental Management: Waste Act (for South Africa, Act 59 of 2008)
- National Environmental Management Act (NEMA), 1998 (Act No. 107 of 1998):
- National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004):
- Land Use Planning Ordinance (LUPO), Environmental Conservation Act (ECA), and Spatial Planning and Land Use Management Act (SPLUMA):
- Provincial Organic Waste Strategy (2020)
- Swellendam Municipality waste licence for Bontebok Landfill

- Western Cape Government: Climate Change Response Strategy (2014)
- Constitution of the Republic of South Africa, 1996
- NEMA: Waste Act,
- National Norms and Standards for Disposal of Waste to Landfill GN 636 of 2013
- Circular economy in line with EPR, NWMS, SWM, NEMWA
- Alignment with Swellendams Integrated Waste Management Plan (IWMP)
- Alignment with Swellendams Integrated Development Plan (IDP)
- Alignment with Organic Waste Diversion Plan (OWDP)

FINANCIAL IMPLICATIONS

The compost and food garden project should be subsidised (funding dependent) for the first 3 years as compost facilities are not profitable for at least the first 3 years. This will cover the costs of a manager and basic running costs while the business becomes financially sustainable. This is the amount suggested by ORASA (Organics Recycling Association of South Africa). This amount was granted in the departmental budget for 24/25.

PERSONNEL IMPLICATIONS

None as all roles and responsibilities would form part of the tender.

COMMUNICATION IMPLICATIONS

Awareness campaigns for the separation of waste

COMMENTS FROM DEPARTMENTS

Director: Corporate Services

Manager: Town Planning and Building Control

Composting Site: Remainder Erf 1 comprises commonage land and is zoned Undetermined Zone in terms of the Integrated Zoning Scheme By-Law 2020. Any change in use will require the identified portion of land to be rezoned, and preferably, subdivided from the remainder of the commonage in terms of the By-Law on Municipal Land Use Planning, 2020, read together with the Western Cape Land Use Planning Act, 2014. The most appropriate zoning of the identified property, or a portion thereof, will be Utility Zone. That said, the National Heritage Resources Act requires that authorisation be secured from Heritage Western if a use exceeding 5000m2 will alter the character of a site, and / or if one is rezoning a property exceeding 10 000m2, both apply in this case. Consideration ought therefore to be given to reducing the physical size of the composting facility, to only that which will be required – based on operational calculations. Moreover, although there an understanding and sensitivity to the need to establish a composting facility, and in this location (relative to the proposed food gardens), placement of such a land use immediately adjacent to the N2 through the town is questionable from both a visual and an odour generating perspective. In essence, it is considered that Council should support the principle of establishing and supporting a composting facility, given the pressure on the existing solid waste disposal site, but that the final extent and location of such a facility be concluded by the Administration, and only subsequent to detailed further discussion with the Division Town Planning and Building Control.

Director: Community Services

None

Director: Financial Services

The budget makes provision for R364 000 to start with a composting facility. The appointment of service providers must be done through the normal SCM process.

Director: Infrastructure Services

None

Municipal Manager

The project should be supported by a full implementation plan, that needs to be finalised as soon as possible. The proposed site seems to be suitable, there is budget provision, but it will have a long-term impact, that requires a specific supply chain process.

This item served on the Community Services and Housing Portfolio Committee meeting held on Wednesday, 07 August 2024.

This item served on the Mayoral Committee meeting held on Monday, 19 August 2024.

RECOMMENDED TO COUNCIL

1. that cognisance be taken of the need to establish a composting and food garden facility to divert waste from the landfill site on the remainder of Erf 1, Swellendam and that it be resolved that the land is not needed to provide the minimum level of basic municipal services in terms of Section 14 2(b) of the MFMA.
2. that in-principle approval be granted to the Municipal Manager to initiate the land use process for the establishment of a composting and food garden facility on the remainder of Erf 1, Swellendam (Bontebok Landfill Site).
3. that a full implementation plan for the establishment of the composting and food garden facility be drafted for tabling to Council no later than December 2024.
4. that the outer towns, Barrydale, Suurbraak and Buffeljagsrivier be included in the training process to allow interested individuals to be part of the process.

9.1.2

Item number A125. 28.08.2024

PROPOSAL FOR ALIENATION OF A PORTION OF COMMONAGE LAND *(between van Eeden- and Moolman streets)*, SWELLENDAM, ADJACENT TO ERF 1203, SWELLENDAM

Property Management	L Baransky
Department	Municipal Manager
Section	Property Administration
File Number	7/2/1/2

PURPOSE OF REPORT

To give effect to Council item A137/31/10/2023 that required further engagement with the applicant, Mr. H. Steyn, on the possible alienation of a portion of commonage, adjacent to erf 1203 Swellendam, after which the matter is to be tabled to Council again.

FACTS AND BACKGROUND

Mr. H Steyn applied to Council to purchase a portion (3881m^2) of commonage, between Van Eeden- and Moolman Streets, adjacent to Erf 1203 Swellendam. On 31 October 2023 Council resolved as follows:

RESOLVED ***Item A137/31/10/2023***

1. *"that the application by Mr. Hans J. Steyn to purchase a portion of municipal land approximately 3881m^2 of municipal commonage situated between Buitekant- and Van Eeden Streets, Swellendam be* ***REFERRED BACK*** *for further discussion with Mr Steyn to provide Council with more information regarding his development plans on the property."*

Find the previous report *(A137/31/10/2023)* attached as **Annexure A.1.**

DISCUSSION

The Town Planning Division had a meeting with Mr. Steyn to discuss the details regarding the applicant's proposed purchase and development of the subject property in Swellendam to give effect to Council resolution ***A137/31/10/2023.*** Additional detail such as a detailed sketch plan indicating the extent of the portion of land and also the number of units intended for residential development was requested and provided, which can be seen attached as **Annexure A.2 to A.3.**

The proposed development is within the urban edge and is seen as a possible site for future extension of the town. There are services in the road reserve of Van Eeden and Buitekant Street and along the western boundary line of Erf 1203, which will be further extended in the affected area should future development in the area take place. Should future development take place in this area, Buitekant- and Van Eeden Street will be extended and therefor the Van Eeden and Buitekant Street reserves cannot be closed. Property is usually alienated via a competitive bid process and it must be noted that should any person other than the applicant, be awarded the bid, an independent development must be possible, which can still gain access from one or both streets.

Should Council wish to alienate the land to the applicant, the service lines running adjacent to the western boundary line of Erf 1203, may need to be moved.
This property is not needed to provide the minimum level of basic municipal services at this stage, but as it is seen as a possible extension for the town in future.

The Town Planning Division is advising that a more integrated approach should be followed to the development of this area and that to ensure that the alienation is done on a competitive bid principle it is suggested, that should Council wish to alienate this area, a larger portion of land should be made available to the market, as broadly denoted on the sketch plan below – the land parcel ("A" + "B") measures some 2ha, and could be put out as one portion or as two.

LEGAL IMPLICATIONS

The following legislation regulates property management:

- The provisions of Section 14 of the Municipal Finance Management Act, 2003, (Act 56 of 2003);
- The By-Law relating to the Management and Administration of Immovable Property, 2018.
- The Asset Transfer Regulations, 2008.
- Land Disposal Policy, 2018

FINANCIAL IMPLICATIONS

None at this stage.
Should the area be alienated though, there will be a need to extend the services. As there are no detail about the future development, the cost of the installation of these services cannot be calculated at this stage.

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

According to the resolution.

COMMENTS FROM DEPARTMENTS

Director: Community Services

None

Director: Infrastructure Services

There are services at the western boundary of Erf 1203 Swellendam that may need to be moved. Alienating the property to the applicant will cut off access to the future development of the area.

Town Planning & Building Control – Mr R. Brunings

The applicant has met the requirements as per Council's resolution. However, this does not resolve the question as to whether the land parcel as applied for should be alienated. In essence, no resolution has yet been taken as to how the future development of the greater portion of this strategic section of Remainder Erf I is to be undertaken. From a land use perspective there is far more merit in pursuing an integrated approach, and making a larger portion of land available to the market, as broadly denoted on the sketch plan below – the land parcel (“A” + “B”) measures some 2ha, and could be put out as one portion or as two.

Municipal Manager

As the area is within the urban area, the Municipality can consider the alienation of the area. It should however be noted that around the dam, there is sensitive vegetation, that may hamper future development. The Municipality is already busy with the sub-division of the Hermitage erven and does not currently have a budget for the surveying and sub-division of portions A and B as depicted in the map above. It is suggested that should Council, wish to alienate portions A and B for the future extension of Swellendam along this boundary, it be considered after February 2025, during the amendment budget process and to avail funding towards this process.

The alienation of a small portion to the applicant is not supported as the development should be done in an integrated manner and via a competitive bid process.

This item served on the Corporate and Financial Services Portfolio Committee meeting held on Wednesday, 14 August 2024.

This item served on the Mayoral Committee meeting held on Monday, 19 August 2024.

RECOMMENDED TO COUNCIL

1. that it be confirmed that the area along Van Eeden and Buitekant Street, Swellendam is not needed for essential services in its totality.
2. that the applicant's request for the alienation of a portion ($3881m^2$) of commonage between Van Eeden and Moolman Street adjacent to Erf 1203, Swellendam not be supported at this stage as this area's development should be considered holistically via a competitive bid process.
3. that the future alienation and development of the area be referred to February 2025 for possible accommodation within the Amendments Budget process.
4. that the applicant be informed accordingly.

9.1.3

Item number A126. 28.08.2024

REVISED PERFORMANCE AND COMPLIANCE MANAGEMENT POLICY FRAMEWORK

Report of the Municipal Manager: Ms A Vorster

Department	Municipal Manager
Section	Performance Management
File number	2/13

PURPOSE OF REPORT

The purpose of the report is to present Council with the revised Performance & Compliance Management Policy Framework for approval.

FACTS AND BACKGROUND

The administration identified the need to revise the Performance Management Policy Framework and to develop a Compliance Management Framework in line with current circumstances of the Municipality.

DISCUSSION

Performance Management is a process which measures the implementation of the organisation's strategy. It is also 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 organisation and its employees, are met.

Annexures attaches as Annexure B.1 – B.3:

1. Performance Management Policy Framework
2. Annexure A – Performance Agreement Template
3. Compliance Management Framework

LEGAL IMPLICATIONS

Local Government Municipal Systems Act (MSA), 2000
Local Government: Municipal Planning and Performance Management Regulations, 2001
Local Government: Municipal Finance Management Act (MFMA)

FINANCIAL IMPLICATIONS

None

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS

Director: Corporate Services

None

Director: Community Services

None

Director: Financial Services

None

Director: Infrastructure Services

None

Municipal Manager

None

This item served on the Corporate and Financial Services Portfolio Committee meeting held on Wednesday, 14 August 2024.

This item served on the Mayoral Committee meeting held on Monday, 19 August 2024.

RECOMMENDED TO COUNCIL

1. that the Revised Performance and Compliance Management Policy Framework be approved by Council.

9.1.4

Item number A128. 28.08.2024

2024-2025 PROCESS PLAN TIME SCHEDULE – 3rd REVIEW IDP

Integrated Development Officer:	D. Jonas
Department:	Office of the Municipal Manager
Section:	Integrated Development Planning
File number	12/2/3/33

PURPOSE OF REPORT

The purpose of this report is to present and approve the minor amendments to the 2022-2027 IDP Process Plan and 2024/2025 Process Plan Time Schedule of key deadlines in preparation of the 3rd Integrated Development Plan (IDP) Review of the 5-year plan, in terms of Sections 21(1)(b) and 53(1)(b) of the Municipal Finance Management Act (Act 56 of 2003), (MFMA) read together with Sections 28 and 34 of the Local Government Municipal Systems Act (Act 32 of 2000).

See IDP Amendment Process Plan attached as Annexure C.

FACTS AND BACKGROUND

Swellendam Municipal Council adopted the 5th Generation IDP for the period 2022-2023 to 2026-2027 on 31 May 2022 (Item A79/31/05/2022). The 5-year Plan contains key municipal plans and priorities for the current term of office. It is confirmed that the existing Swellendam Spatial Development Framework (SDF) was approved by Council on 31 May 2022. Amendments to the SDF will be made during the 2026-2027 financial year.

DISCUSSION

The Third Review of the 2022-2027 IDP in conjunction with the SDF, which included progress on the implementation of the targets set in the IDP, will contribute to the review of the Municipality's annual Service Delivery and Budget Implementation Plan (SDBIP), Budget and Risk Register.

It is noted that the approved SDF will be revised in the 2026-2027 financial year to ensure alignment with the next 5-year IDP development cycle. The 2024-2025 Process Plan Time Schedule will make provision for first and second rounds of public engagement to review ward/sector priorities. These inputs/comments will form part of the 2025-2026 Draft / Final Budget process.

The Swellendam Municipal Advisory Forum (SMAF)'s, renamed as the Strategic Budget Summit (SBS), a representative platform to present and prioritise the 2022-2027 cycle's top ward/sector priorities, will inform the annual budget.

LEGAL IMPLICATIONS

Section 21 of the Municipal Finance Management Act regulates the budget preparation process;

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

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

b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for:

(i) the preparation, tabling and approval of the annual budget;

(ii) the annual review of: (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and (bb) the budget-related policies;

(iii) (iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and

(iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii)

Section 53. (1) The mayor of a municipality must:

a) co-ordinate the annual revision of the integrated development plan in terms of section 34 of the Municipal Systems Act and the preparation of the annual budget, and determine how the integrated development plan is to be considered or revised for the purposes of the budget.

Section 34 of the Local Government Municipal Systems Act requires the Municipal Council to annually review its IDP in accordance with an assessment of its performance and to the extent that changing circumstances require.

Section 28 of the Local Government Municipal Systems Act requires the Municipal Council to adopt a written process which sets out how the Municipality will review its IDP. The Municipality must inform the public of the particulars of the process it intends to follow.

Section 20 of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013
Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) ('SPLUMA'), the Western Cape Land Use Planning Act, 2014 (Act 3 of 2014) ('LUPA') and the Municipal Land Use Planning Bylaw ensure alignment and is a core component of the 2022-2027 IDP.

Other legislation that regulates the process include:

1. Municipal Systems Act 32 of 2000
2. Local Government Municipal Systems Act – Chapter 5
3. Section 20 of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)
4. Section 10 of the Western Cape Land Use Planning Act, 2014 (Act 3 of 2014
5. Section 10(2) of the Swellendam Municipal By-Law on Municipal Land Use Planning, 2020;
6. Municipal Planning and Performance Management Regulations, 2001
7. Municipal Budget and Reporting Regulations, 2009

FINANCIAL IMPLICATIONS

None

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENT FROM DEPARTMENTS

Director: Corporate Services

None

Director: Community Services

None

Director: Financial Services

None

Director: Infrastructure Services

None

Comment from Municipal Manager

The recommendation is supported.

This item served on the Mayoral Committee meeting held on Monday, 19 August 2024.

RECOMMENDED TO COUNCIL

1. that the amended 2022-2027 IDP Process Plan be approved by Council.
2. that the 2024/2025 Time Schedule of key deadlines (Process Plan) in preparation of the 2025-2026 IDP Review, Third IDP Review of the 2022-2027 Integrated Development Plan be approved in terms of Sections 21(1)(b) and 53(1)(b) of the Municipal Finance Management Act (Act 56 of 2003), (MFMA) read together with Sections 28 and 34 of the Local Government Municipal Systems Act (Act 32 of 2000).
3. that Council notes the existing Municipal Spatial Development Framework (SDF) forms part of the IDP reviewing process.
4. that the 2024/2025 Time Schedule of key deadlines (Process Plan) be made public in terms of Section 21 of the Local Government Municipal Systems Act (Act 32 of 2000).

9.1.5

Item number A129. 26.08.2024

MONTHLY REPORT OF MUNICIPAL MANAGER: JULY/AUGUST 2024

The following report on activities for July and August 2024 is presented:

NATIONAL VELD AND FOREST FIRE AMENDMENT ACT, 2023

The National Veld and Forest Fire Amendment Act, 2023 was assented to by the President on 18 March 2024 and was published in the Government Gazette No 50428 on 3 April 2024.

Section 4(8) of the Amendment Act, makes provision for the insertion of the following provision in the principal Act:
The owner in respect of State land, a state-owned enterprise, a public entity or an entity or an organ of state must, within a year after the commencement of the National Veld and Forest Fire Amendment Act, 2023, join a registered fire protection association in the area in which the land is situated."

The inclusion of the above-mentioned provision duly necessitates that state-owned enterprises, public entities and/or other organ of state, owning land, join a registered fire protection association so as to coordinate local fire prevention and management plans.

Section 26(2)(a) of the Amendment Act amends section 26(2)(a) of the principal Act by substitution as follows:

"(2)(a) A forest officer, a police officer, a peace officer, a traditional leader as defined in section 1 of the Traditional and Khoi-San Leadership Act and an officer appointed in terms of section 5 or 6 of the Fire Brigade Services Act, 1987, have the power to enforce the act, provided that they have been trained to be competent by an accredited institution to exercise powers to enter, search, arrest and seize in terms of this Act…"
The amendment of this provision amplifies the powers of entry, search, seizure and arrest to peace officers and traditional leaders.

This is for cognisance by all councillors. Swellendam Municipality already belong to a Fire Prevention Association.

CONTRACT NUMBER SMT/20/21/22: UPGRADING OF BARRYDALE BULK WATER SUPPLY INFRASTRUCTURE: PHASE 2: PORTION 2

S C Housing (Pty) Ltd, trading as S Colarossi Housing and Civils ("contractor") submitted a dispute in terms of the contract between the contractor and the Swellendam Municipality ("employer") for the upgrading of the Barrydale Bulk Water Infrastructure Phase 2 ("contract"). On 10 May 2024, the contractor submitted a claim to the employer in respect of standing time resultant from the employer's agent's failure to approve variation orders. On 4 July 2024, the employer's agent assessed and rejected the contractor's claim. The contractor disputes the employer's agent's rejection of the contractor's claim and delivered a dispute notice in terms of clause 10.3 of the contract to the Municipality and to the employer's agent.
The Contractor invited the Employer (Municipality) in terms of clause 10.4.2 of the contract to find an amicable settlement in order to resolve the dispute relating to the rejection of the contractor's claim for remuneration for standing time.
The Municipality agreed to a dispute facilitation process to see if the dispute on the above claim can be settled amicably.

The, without prejudice meeting between the parties, will be facilitated by the municipality on neutral grounds and each party will have the opportunity to present its case/facts subject to the additional proposals to be agreed to between the parties:

- Both parties be allowed to request additional information from each other at least 2 (two) days prior to the meeting.

- The meeting will be on a without prejudice basis.

STEPS AT KABELJOUBANK: INFANTA

The public steps at Kabeljoubank Infanta were damaged in a flood last year and must still be repaired. Initially the idea was to rebuild the structure, but the regular flooding of the area, showed that any structure will be damaged and wash away again. Together with the Infanta Ratepayer's Association on-site inspections were held and it was decided to build a natural pathway down the slope, similar to a normal beach pathway. An application to obtain environmental permission is being prepared.

SALGA MEMBERSHIP FEES

The Municipality did not include SALGA's membership fees in the approved budget. SALGA was informed that the Municipality will consider the membership fee payment during the February 2025 amendments budget and the Municipality proposed that, should funding be available, the membership fee be paid in three equal instalments, commencing February 2025. As the amendments budget has not yet been considered, the Municipality indicated that they are not able to conclude a written commitment for payment. SALGA then, without notice to the Municipality, barred councillors from voting at the Working Groups and also refused to re-imburse their travel and subsistence claims. The Municipal Manager had no other choice than to sign a debt repayment agreement, prior to the approval of the amendments budget.

SWELLENDAM MUNICIPALITY SHORT-TERM INSURANCE LETTER OF INTENTION TO INSTITUTE LEGAL PROCEEDINGS GUARDRISK INSURANCE COMPANY LIMITED

Swellendam Municipality received a notice of intention to institute legal proceedings from Guardrisk Insurance Company Limited on a dispute with the change of an underwriter.

The Municipality instructed LATERAL UNISON INSURANCE BROKERS (PTY)LTD to defend the action and their attorneys send a reply to Guardrisk. The reply was sent in their capacity as intermediary (the broker) to the extent that they have an interest to protect the municipality's rights. In the Replying Letter it was indicated that both Lateral Unison Insurance Brokers and Swellendam Municipality deny that the Policy implied a Long-Term Agreement as contemplated in the alleged General Condition 17 of the policy terms. Therefore, we denied that the claim of Guardrisk is lawful.

TRANSNET RAILTON WALKWAY

Two meetings with officials from Transnet and the Department of Local Government's RSEP division as well as Swellendam Municipality took place to discuss the possible pedestrian crossing of the railway at Railton. An on-site meeting will take place in September 2024 to determine the best option and discuss future collaboration.

TID PROGRESS: UPDATE REQUIRED FOR ALL PREPAID ELECTRICITY METERS

The following TID progress communication has been drafted by Swellendam Municipality.

Swellendam Municipality's service provider has upgraded the Swellendam Vending System to allow for the update of the STS pre-payment meters to accommodate the TID key token change. A field approach was used for the important TID token change.
Upon reviewing the system, it was established that an error occurred in the initial phase of the TID process, and the base date of 1993 was not updated.
A total of 4386 meters are affected. To fix this error and meet the upgrade deadline of November 24, 2024, the municipality decided to implement a **"Do-it-yourself approach"**.
The **"Do-it-yourself approach"** will involve the following:
<u>Please note that all priorly purchased pre-repaid vouchers, not entered yet, must be entered before the codes for the upgrade are entered.</u>
Upon the customer's next purchase, the customer will receive three (3) sets of 20-digit token codes. The first two 20-digit token codes will perform the TID meter upgrade and the third token code will be the usual credit token.
All three tokens need to be inserted into the meter in the order they appear on the slip issued.
FOLLOW THESE THREE (3) EASY STEPS BELOW:

1. Enter the first 20-digit update code & wait for it to accept.
2. Enter the second 20-digit update code & wait for it to accept.
3. Enter your usual 20-digit token to recharge your units as normal.

The token is accepted if the meter screen returns to the units on the meter. Follow the same approach for tokens Two and Three. After token Three the meter units will be adjusted.

An example of an SMS/WhatsApp token is as follows:

Absa: R100.00
electricity
purchased for meter
04279063509
Tokens: 6014985
1391648962377,
4652730123307238
1660, 1369064212
5654433054 Date:
2024-07-24 13:18
Helpline: 0800 014
942

The service provider has built in another layer to confirm the conversion of the pre-payment meter.

With the next pre-paid electricity purchase <u>you will receive another 3x 20 digit token.</u> This is to ensure that the first sets were processed successfully. All three tokens need to be inserted into the meter in the order they appear on the token issued. The same approach is followed as explained above.

For any purchase thereafter, you will receive your normal 20-digit token.
Should you have any queries or need assistance, Contact the Syntell Service desk below:

Phone: 021 – 812 1877
WhatsApp: 072 728 9229
Email: Servicedeskagents@syntell.co.za

It would be appreciated if Councillors could assist in disseminating this message within the communities.

THINK TANK SESSION

Senior Management and all managers attended a Think Tank Session aimed at finding innovative solutions for the challenge of informal settlements. The session provided an opportunity to engage on the service delivery issues experienced by the residents of Matjoks (Matjoks was taken as a case study) and to think about possible solutions.

The first priority identified was to establish a communication channel with the residents of Matjoks and to use this so that they can actively participate in the upgrade of the informal settlement. It is imperative that upgrading takes place with the community and not on behalf of the community.

The ward councillor was requested to assist in the establishment of an a-political community committee from Matjoks. It is envisioned that the election of said committee will take place during the last week of August.

BURGLARY AND VANDALISM AT TRAFFIC DEPARTMENT

A burglary occurred at the Traffic Department in Swellendam on 11 August 2024 where significant vandalism took place. The Traffic Department is equipped with an alarm, but the alarm did not alert the security company. An investigation is currently underway in this respect. Services have been restored.

AFS AND SECTION 46 REPORT PREPARATION

The Municipality is currently busy with the preparation of the Annual Financial Statement and the Section 46 report.

INSURANCE CLAIM

A separate report will be tabled in this respect.

TRI-PARTITE LBRCT AGREEMENT

A meeting between Cape Nature, Hessequa Municipality and Swellendam Municipality took place on 16 August 2024 on possible collaboration and service delivery options. At the meeting Cape Nature was requested to draft a proposal on how they envisage future collaboration, in order to table the matter to Council and the public.

The review of the River By-Law, is still in progress and is a collaborative effort by the above role players, NGO's, and Langeberg Municipality.

DIRECTOR: TECHNICAL SERVICES

The vacancy of Director: Technical Services is currently being advertised.

DEVELOPMENT PROPOSALS

The Municipality met with possible developers to establish a Crematorium in our municipal area. Interest was shown in developing a small retail business in Railton, as well as do further development at the golf course. All processes will be subject to the supply chain processes of Council.

A meeting with SANPARKS on the purchase of the two erven adjacent to Bontebok Park will take place in the last week in August.

A separate report on the Small-Town Regeneration Project, will be tabled.
A Vorster
MUNICIPAL MANAGER

<u>This item served on the Mayoral Committee meeting held on Monday, 19 August 2024.</u>

RECOMMENDED TO COUNCIL

1. that cognisance be taken of the report of the Municipal Manager for July/August 2024.

9.1.6

Item number A130. 28.08.2024

SMALL TOWN REGENERATION PROJECT

Local Economic Development	A. Vorster
Department:	Office of the Municipal Manager
Section:	Strategic Planning
File number	12/2/3/88

PURPOSE OF REPORT

Council to take cognisance of the Small Town Regenation Project. Council to confirm the Municipal Manager as Project Manager of the Internal Institutional Task Team. Council to prioritise a focus area for the Small Town Regeneration Project. Council to appoint a councillor or committee to liaise with the Internal Institutional Task Team.

FACTS AND BACKGROUND

Over the past 20 years, South Africa has been changing a lot politically and economically. In search for jobs, better education, and social opportunities more people moved to cities. But this shift is causing some problems.

Cities are growing fast while smaller towns are struggling. This divide between urban and rural areas is causing issues like unequal services, social divisions, and protests because of poor local government services.

The Department of Cooperative Governance noticed these problems and have developed the Integrated Urban Development Framework (IUDF). The IUDF, acknowledges and sees small towns not as stand-alone/forgotten places but as part of a larger integrated urban and rural continuum and therefore, aims to provide through the Small-Town Regeneration Programme (STR) a mechanism for the development of small towns. In 2021, the Department took a step back to review the STR. Through this process, a development strategy for small struggling towns is prioritised.

The STR is a roadmap for making small towns in South Africa better. It is all about assisting municipalities and communities to collaborate, use what they've got (for example internal networks and resources) to make the most of opportunities and tackle their problems together to grow and improve.

Background information on the Small-Town Regeneration Process is attached as Addendum.

Swellendam Municipality was chosen as a Small-Town Regeneration site.

The success of the implementation of the Small-Town Regeneration initiative requires establishing robust institutional and community structures for the successful implementation of the STR strategy.

The collaborative efforts between municipal leaders, including the Municipal Manager and Chief Financial Officer, alongside the comprehensive integration of various internal municipal departments, form the backbone of a well-coordinated and efficient approach to regeneration.

The formation of a dedicated Municipal Task Team, led by an STR Municipal Task Team Project Manager, is essential for ensuring the strategic direction, effective oversight, and seamless execution of regeneration initiatives. This team, supported by clear roles and responsibilities, will drive the planning, implementation, and monitoring processes, fostering collaboration and building trust within the community.

Equally important is the establishment of a Community Task Team, which brings local insights, diverse perspectives, and grassroots representation into the regeneration process. By formalising this team and incorporating an Executive Committee, the strategy ensures focused leadership, effective decision-making, and sustained community engagement. Stakeholder mapping and the identification of community resources further enhance the initiative by leveraging local assets and fostering strategic partnerships.

This holistic approach, combining internal municipal strengths with active community participation, lays a strong foundation for the STR programme. In conclusion, the comprehensive organisation of both municipal and community efforts is pivotal to the success of the STR. By fostering collaboration, building capacity, and ensuring inclusive leveraging local assets and fostering strategic partnerships. This holistic approach, combining internal municipal strengths with active community participation, lays a strong foundation for the STR programme. In conclusion, the comprehensive organisation of both municipal and community efforts is pivotal to the success of the STR.

By fostering collaboration, building capacity, and ensuring inclusive participation, Step 1 sets the stage for a transformative and sustainable regeneration journey, ultimately enhancing the well-being and resilience of small towns.

DISCUSSION

The leadership and support of the mayor and councillors are vital for the project's success. The responsibility of the mayor and the councillors is to internally and externally support the STR Programme implementation. Furthermore, it is to ensure transparency and provide feedback to the Province on the progress of implementation. The roles and responsibilities of the mayor are intricately tied to the policy directions of the council and are defined by various acts, including the Local Government: Municipal Structures Act 117 of 1998 and the Local Government: Municipal Systems Act 32 of 2000. The mayor's leadership is instrumental in guiding the municipality through the unique challenges and opportunities presented by small-town regeneration.

In South Africa, the roles and responsibilities of councillors are quite comprehensive. These roles and responsibilities are subject to the policy directions of the council. The duties of the councillors are defined by various acts, including the Local Government: Municipal Structures Act 117 of 1998 and the Local Government: Municipal Systems Act 32 of 2000. Councillors play a vital role in steering small-town regeneration by engaging with the community, driving policy decisions, and ensuring effective utilization of resources for sustainable development.

The STR Municipal Task Team Project Manager is key to successful implementation and should be a senior municipal official (Director). The Project Manager will represent the municipality and the Municipal Task Team during implementation narrow the gap between municipalities and the community and restore the trust of the community in municipalities. The STR Municipal Task Team Project Manager is to facilitate oversight and the STR-related functions are highlighted in the following table, with the associated role and responsibility and an illustrative task for each function. This role should ultimately be bestowed on the Municipal Manager, with the support of the IDP Coordinator.

The internal Task Team will comprise of town planners, representatives of the Technical Department and the Finance and Community Services Department, to ensure a cross-departmental task team.

The STR advocates for establishing a Community Task Team to facilitate and oversee the implementation of the STR. The Community Task Team is:

• a group of local community representatives working with the Municipal Task Team to utilise their knowledge and resources towards regeneration efforts.

• a group of representatives that assists with mobilising capacity (skills, time, etc.) and resources (human, financial, etc.) from the community that may be leveraged in the implementation of co-developed STR projects and programmes.

• established to be a working group and support, providing oversight and guidance in line with the approved STR to implement the STR in the town.

• represent the community's voice and interest and serve as a platform from which STR projects and programmes may be driven. A functional Community Task Team is a leadership team with a governance structure in place which facilitates the integrated mobilisation of capacity (skills, time, etc) and resources (human, financial, etc) that may be leveraged in the implementation of co-developed STR projects and programmes.

The Community Task Team is essential in representing the community's voice and interest and serves as a platform from which STR projects and programmes may be driven.

The Community Task Team will only be established after stakeholder mapping have taken place. This Task Team is a-political.

The Community Task Team serves as a strategic partner by establishing a long-term, mutually beneficial relationship with the Municipal Task Team. This involves collaboration and integration of efforts between the community representatives and the municipal stakeholders to achieve the regeneration goals and objectives outlined in the STR plan. The partnership is characterised by a coordinated approach that aligns the interests and efforts of both teams towards the common goal of town regeneration.

Why is incorporating a community task team necessary, given that we already have elected councillors representing the community in municipal councils?

Incorporating a community task team is essential because while councillors offer broad representation, a task team provides a more direct, in-depth, and diverse community perspective. Community Task Team members often possess specific expertise, local knowledge, and community insights that elected representatives may not fully capture. This supplementary input ensures a more nuanced and comprehensive approach to addressing the unique needs and aspirations of the community.

See supporting documentation attached **as Annexure D.1 – D.2.**

LEGAL IMPLICATIONS

1. Municipal Systems Act 32 of 2000
2. Local Government Municipal Systems Act – Chapter 5
3. Section 20 of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)
4. Section 10 of the Western Cape Land Use Planning Act, 2014 (Act 3 of 2014
5. Section 10(2) of the Swellendam Municipal By-Law on Municipal Land Use Planning, 2020;
6. Municipal Finance Management Act 56 of 2003

7. Municipal Planning and Performance Management Regulations, 2001
8. Municipal Budget and Reporting Regulations, 2009

FINANCIAL IMPLICATIONS

None

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENT FROM DEPARTMENTS

Director: Corporate Services

None

Director: Community Services

None

Director: Financial Services

None

Director: Infrastructure Services

None

Comment from Municipal Manager

The recommendation is supported.

This item served on the Mayoral Committee meeting held on Monday, 19 August 2024.

RECOMMENDED TO COUNCIL

1. that Council confirms that the Municipal Manager is appointed as Project Manager for the Internal Small-Town Regeneration Institutional Task Team.
2. that the Internal Small-Town Regeneration Institutional Task Team be established with representatives from each department, as assigned by the Municipal Manager.
3. that Council appoints a political representative or committee to provide support in the strategic direction of the Small-Town Regeneration initiatives.
4. that Railton, including Matjoks, be chosen as the focus area for the implementation of the Small-Town Regeneration project in Swellendam.
5. that stakeholder mapping with reference to point 4 above commences.
6. that the Municipal Manager as Project Manager, submit reports on the implementation of the Small-Town Regeneration to Council on a quarterly basis.

9.1.7

Item number A131. 28.04.2024

SASRIA INSURANCE CLAIM – THUSONG COMMUNITY HALL AND MAIN MUNICIPAL BUILDING

Report of the Director Financial Services:	Ms E. Wasserman
Department	Financial Services
Section	Finances
File number	15/14/2/2

PURPOSE OF REPORT

The report aims to inform the Council of the progress and offer from SASRIA on the insurance claim for the Main Municipal Building and the Thusong Community Hall.

FACTS AND BACKGROUND

The process of the SASRIA insurance claim is summarised below:

Thusong Community Hall

- Date of Loss – 20 September 2023;
- First Site Visit – 23 November 2023;
- Appointment of Structural Engineer – 10 November 2023 (Municipality-appointed);
- Appointment of Quantity Surveyor – 10 November 2023 (Insurer-appointed);
- Site Visit with Engineer & QS – 23 November 2023;
- First Report to Insurers – 6 December 2023;
- Receipt of Structural Engineer's Report – 14 December 2023;
- Supplementary Report to Insurers – 4 March 2024;
- Teams Meeting with Municipal representatives – 5 March 2024;
- Receipt of Quantity Surveyor's Report – 8 May 2024;
- Receipt of Contents Claim – 8 May 2024
- Appointment of Municipal Quantity Surveyor to review offer – 30 July 2024
- Final report received Quantity Surveyor – 6 August 2024

Main Municipal Building

- Date of Loss – 16 August 2023;
- First Site Visit – 23 November 2023;

- Appointment of Structural Engineer – 10 November 2023 (Municipality-appointed);
- Appointment of Quantity Surveyor – 10 November 2023 (Insurer-appointed);
- Site Visit with Engineer & QS – 23 November 2023;
- First Report to Insurers – 6 December 2023;
- Receipt of Structural Engineer's Report – 14 December 2023;
- Supplementary Report to Insurers – 4 March 2024;
- Teams Meeting with Municipal representatives – 5 March 2024;
- Receipt of Quantity Surveyor's Report – 28 June 2024;
- Receipt of Contents Claim – 16 August 2024
- Appointment of Municipal Quantity Surveyor to review offer – 30 July 2024
- Final report received Municipal Quantity Surveyor – 6 August 2024

DISCUSSION

The following agreement of loss has been received from SASRIA for the two buildings excluding professional fees and contents claim:

Thusong Community Hall (Annexure E.1)		Amount
1.	Estimated repair costs – Building – per QS detailed repair costing	R3 143 860
2.	Estimated demolition costs – as priced and to be incurred	R 130 706
3.	Estimated Professional Fees – withheld for now – not incurred	Nil
4.	**Total Claim excluding VAT**	**R3 274 566**
5.	**Add 15% VAT**	**R 491 185**
6.	**Total Claim including VAT**	**R3 765 751**
	Contents Claim	**Amount**
1.	Combined	R161 790
2.	Computer Equipment	R60 933
3.	Air Conditioning	R24 442
4.	Consulting Engineering Reports	R16 485
	Total Claim excluding VAT	**R263 650**
	Add 15% VAT	**R39 548**
	Total Claim including VAT	**R303 197**

It should be noted that SASRIA has applied an average on the replacement Cost to determine the final agreement loss amount for the Thusong Community Hall.

Main Municipal Building (Annexure E.2)		Amount
1.	Estimated repair costs – Building – per QS detailed repair costing	R11 735 709
2.	Estimated demolition costs – as priced and to be incurred	R352 071
3.	Estimated Professional Fees – withheld for now – not incurred	Nil
	Total Claim excluding VAT	**R12 087 780**
	Add 15% VAT	**R1 813 167**

	Total Claim including VAT	**R13 900 947**
Contents Claim		**Amount**
1.	Combined	R1 302 327
2.	Computer Equipment	R2 117 392
3.	Air-Conditioning	R167 707
4.	Security	R1 348 457
5.	Re-Establishment Cost ICT	R516 085
6.	Rental	R906 093
7.	Consulting Engineering Reports	R117 151
	Total Claim	**R6 475 210.38**
	Add 15% Vat	**R971 281.56**
	Total Claim Including VAT	**R7 446 491.93**

Both buildings contents' claims are still under review by the insurers and might change as negotiations on the contents unfold.

The Insurer's quantity surveyor reports were submitted to an independent quantity surveyor appointed by the municipality to establish if the offers were reasonable. The report is attached as **Annexure E.3.**

LEGAL IMPLICATIONS

Local Government: Municipal Finance Management Act

FINANCIAL IMPLICATIONS

The agreement of loss is for a cash settlement for both buildings, which means that the Council can then determine if the buildings will be reinstated and repaired on the same footprint or if the buildings must be rebuilt to a different layout.

The most cost-effective method will be to reinstate both buildings. For the Council to consider the various options available it is proposed that an architect/consultant be appointed for a concept design and costing.

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS

Director: Corporate Services

None

Director: Community Services

None

Director: Financial Services

None

Director: Infrastructure Services

Municipal Manager

As per the report.

This item served on the Mayoral Committee meeting held on Monday, 19 August 2024.

RECOMMENDED TO COUNCIL

1. that Council notes the report on the offer from SASRIA on the insurance claim for the Main Municipal Building and the Thusong Community Hall.
2. that Council accepts the Agreement of Loss from SASRIA as a cash settlement.
3. that the Municipal Manager be mandated to negotiate and settle the contents claim of both buildings.
4. that an architect/draftsperson be appointed for a concept design and draft costing on the future designs of the two buildings.

9.1.8

Item number A132. 28.08.2024

CAPITAL IMPLEMENTATION 2023/2024 FINANCIAL YEAR

Report of the Director Financial Services:	Ms E. Wassermann
Department	Financial Services
Section	Finances
File number	5/1/1/25

PURPOSE OF REPORT

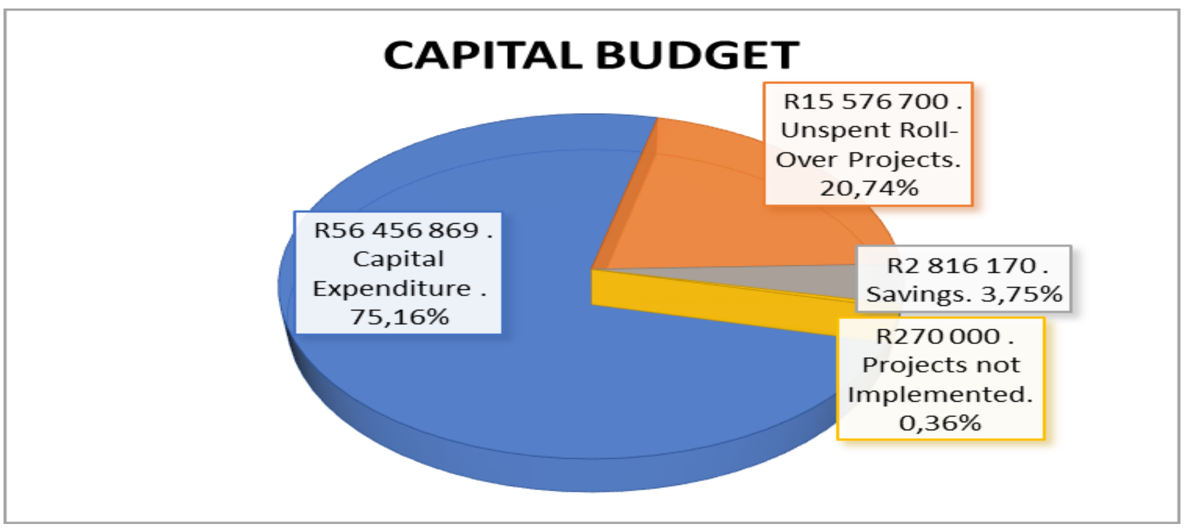
The purpose of the report is to inform the Council about the implementation of the 2023/2024 Capital Budget.

FACTS AND BACKGROUND

Council has requested a report on the reasons for the unspent Capital Projects for the 2023/2024 financial year.

DISCUSSION

The capital expenditure for the 2023/2024 financial year is R56,456,868, representing 75.4% of the capital budget.



The following is a list of the projects which will be rolled over to the 2024/2025 Capital Budget. The relevant departments have provided input into the reasons for the rollovers.

Nr	Capital Project	Funding	Original Budget	Amended Budget	Actuals Total	Roll-Over Budget
1	3rd pump at N2 sewer pump station	CRR		655 000	469 490	185 510
2	Railton sanitation upgrade, street front sewers	BOR		800 000	535 162	264 835
3	New Silo wastewater Pump station	CRR	3 000 000	3 000 000	224 563	2 775 435
4	Barrydale Sewer Manholes (82 Houses)	HOUSING	1 100 000	1 100 000	400 473	699 527
5	Replace Air conditioners at various buildings	CRR	50 000	210 000	129 791	80 208
6	Railton Upgrading of Gravel Roads and Stormwater	CRR	1 305 000	1 305 000		1 305 000
7	Rehabilitation of roads (RRAMS priority list)	CRR	3 000 000	3 000 000	579 931	2 420 065
8	Rehabilitation of section of Van Riebeeck Street	CRR	2 100 000	2 100 000	616 494	1 483 505
9	Railton Walkway Project	RESEP	782 609	782 609	641 985	140 620
10	Erosion damage to culvert/outfall, Trichardt Street	DISASTER		304 347	74 443	229 900
11	Damage to Gabion retainer Kerk Street bridge	DISASTER		130 435	86 690	43 740
12	Railton Walkway Project	CRR		135 000		135 000
13	Swellendam (Railton): Bulk Water Reticulation	BOR	2 300 000	3 899 000	2 642 080	1 256 920
14	Upgrade of Irrigation pump station Suurbraak	CRR	250 000	300 000		300 000
15	Barrydale mid-reservoir booster pump station	CRR	380 000	380 000	200 793	179 205
16	Water Machinery and Equipment 2023_2024	CRR	30 000	30 000	4 345	
17	Repairs to earth channel (Primary raw water storage	DISASTER		739 130	306 682	432 445
18	Grootkloof 1 raw water inlet erosion	DISASTER		391 304	72 726	318 575
19	Rietkuil's new reservoir and supply link	MWRG		1 739 130	135 334	1 603 795
20	Upgrade of Telemetry (Swellendam)	CRR		505 500		505 500
21	Steps and channel grids with railings for Swellendam	CRR	100 000	120 000		120 000
22	New MCC with Magflow for Swellendam Waterworks	CRR		280 000	5 438	274 560
23	Sewerage - Machinery and equipment	CRR	30 000	30 000		30 000
24	Installation of chlorination system WWTW 2023/24	BOR	1 298 050	298 050		298 050
25	Diesel Trailor 500l x1	CRR		65 000	48 367	16 630
26	Installation of chlorination system WTW	BOR		700 000	248 010	451 990

Nr	Capital Project	Funding	Original Budget	Amended Budget	Actuals Total	Roll-Over Budget
	Total					**R15 576 700**

The reasons for the underperformance and roll-over request are:

1. 3rd pump at N2 sewer pump station

- The most critical part of the project has been completed.
- Due to a delay in delivery of some electronic parts there is a portion of the work outstanding to be completed.
- The work to be completed mostly includes electronic control systems and some mechanical items.

2. Railton sanitation upgrade, street front sewers

- The funding remaining on the project is a saving on the bulk sewer network. The project scope is not limited to the bulk sewer network, but do include the installation of house connections and toilets for the respective beneficiaries. The rollover of the savings towards the house connections and toilets are imperative in terms of the objectives to provide basic services for the needy and poor.

3. New Silo Wastewater Pump station

- The Infrastructure Offices had to halt some of the own funded projects, due to uncertainty caused by the cost of damage by the violent protests. Furthermore, the administration had to consider financing the grant funded projects, whilst awaiting the rollover for Provincial and National Grants.
- The project is currently under appeal from a prospective bidder, hence the municipality could not complete the appointment of the contractor.

4. Barrydale Sewer Manholes (82 Houses)

- Funding was approved by the Department of Human Settlements for: rock excavations for foundations (R385 473.00), the removal of existing structures (R15 000.00), and additional sewer manholes (R787785.00), and a combined corresponding amount was allocated to the 2023/24 business plan by the Department of Infrastructure under the heading of Barrydale manholes.

- Details were confirmed with the Department Technical Services (Swellendam Municipality) regarding the construction of 35 inspection chambers in the position of existing sewer rodding eyes.

- The site handover meeting, for the construction of the sewer manholes, will be scheduled for 5 August 2024 with an estimated completion period of 8-10 weeks Completion date will be not later than 11 October 2024.

- The additional amount gazetted and transferred by the Department of Infrastructure represents approximately 3 months of construction activity, originally planned for April 2024 to June 2023, for the construction of freestanding houses and duplex rows. Construction of the freestanding houses (40m2 and 45m2, for beneficiaries qualifying for disability variances) is already underway, and work on the duplex typologies is expected to commence during July 2024. Work associated with the balance of the funding (rolled over) is expected to be completed by the end of September 2024, for payment during October 2024.

5. Replace Air conditioners at various buildings

- The funding for the air conditioners were availed during the February 2024 Adjustment Budget. The municipality do have a tender in place for the installation of the air conditioners. A national shortage of air conditioners, cause a delay in the acquisition of units. The issues at the ports in South Africa further contributed to the shortages in stock.
- The municipality did in installation of several air conditioners, as the units became available. The surplus funding of 2023/24 is required to complete the installation of units at the designated offices.

6. Railton Upgrading of Gravel Roads and Stormwater

- This s a MIG project. The project was initiated on 07 September 2023, after the violent August 2024 protests. The technical report was prepared and submitted to MISA for review and they provided a recommendation in October 2024. The project was then submitted to MIG for pre-appraisal and appraisal and was approved by 06 February 2024.

- The Consultant was instructed in terms of stage 3 (Design Development), which was accepted by 03 April 2024. Stage 4 (Tender, documentation and management) was initiated and the procurement process was only concluded by 05 August 2023.

- This is a multi-year project, hence the amount budgeted in the 2023/24 financial year is small compared to the amount budgeted for the 2024/25 financial year. The project is planned for implementation of the 2023/24, 2024/25, 2025/26 and 2026/27 financial years, respectively.

7. Rehabilitation of roads (RRAMS priority list) – Russel Street

- The impact of the protests and damage to municipal infrastructure severely impacted on the implementation of projects, especially those funded by own funding.

- The following projects were grouped under the same tender - SMT37/23/24:

  i. Rehabilitation of roads (RRAMS priority list) – Russel Street
  ii. Rehabilitation of section of Van Riebeeck Street
  iii. Erosion damage to culvert/outfall, Trichardt Street
  iv. Damage to Gabion retainer Kerk Street bridge
  v. Repairs to earth channel (Primary raw water storage)
  vi. Grootkloof 1 raw water inlet erosion

- The rehabilitation portion is funded by the municipality, whilst the storm damage portions are funded by the Disaster Relief Grant.

- The Professional Services Provider (BVi Consulting Engineers) was appointed on 22 August 2023. The project portions were initiated. Stage 3 (Design Development) commenced, followed by stage 4 (Tender, documentation and management) and having the project advertised by 22 February 2024. The procurement process and evaluation culminated in the appointment of the Contractor on 10 June 2024.
- The municipality received funding for the Disaster Relief Grant portion in March 2023. A rollover application was concluded and approved for implementation in the 2023/24 financial year. The municipality awaited the rollover application approval, which was provided in October 2023.
- The Infrastructure Offices had to halt some of the own funded projects, due to uncertainty caused by the cost of damage by the violent protests. Furthermore, the administration had to consider financing the grant funded projects, whilst awaiting the rollover for Provincial and National Grants.
- All the aspects mentioned above led to delays in the implementation of the project portions.

8. Rehabilitation of section of Van Riebeeck Street

- The impact of the protests and damage to municipal infrastructure severely impacted on the implementation of projects, especially those funded by own funding.

- The following projects were grouped under the same tender - SMT37/23/24:

  i. Rehabilitation of roads (RRAMS priority list) – Russel Street
  ii. Rehabilitation of section of Van Riebeeck Street
  iii. Erosion damage to culvert/outfall, Trichardt Street
  iv. Damage to Gabion retainer Kerk Street bridge
  v. Repairs to earth channel (Primary raw water storage)
  vi. Grootkloof 1 raw water inlet erosion

- The rehabilitation portion is funded by the municipality, whilst the storm damage portions are funded by the Disaster Relief Grant.
- The Professional Services Provider (BVi Consulting Engineers) was appointed on 22 August 2023. The project portions were initiated. Stage 3 (Design Development) commenced, followed by stage 4 (Tender, documentation and management) and having the project advertised by 22 February 2024. The procurement process and evaluation culminated in the appointment of the Contractor on 10 June 2024.
- The municipality received funding for the Disaster Relief Grant portion in March 2023. A rollover application was concluded and approved for implementation in the 2023/24 financial year. The municipality awaited the rollover application approval, which was provided in October 2023.
- The Infrastructure Offices had to halt some of the own funded projects, due to uncertainty caused by the cost of damage by the violent protests. Furthermore, the administration had to consider financing the grant funded projects, whilst awaiting the rollover for Provincial and National Grants.
- All the aspects mentioned above led to delays in the implementation of the project portions.

9. Railton Walkway Project (RSEP Funding)

- Project Objective: To upgrade a pedestrian walkway that connects the Railton residential area to the Railton Clinic. The pedestrian walkway upgrade was completed to maximize the use of the walkway by providing universal access for the physically impaired, seating areas for visitors, and trading spaces for informal traders.
- The walkway will contribute to the general safety of the area through the provision of tamper-proof public lighting.
- The appointment of the Contractor was made on the 8th of March 2024. The site handover was done on the 15th of April 2024.
- While the site handover was taking place the Western Cape Government: Department of Infrastructure (DoI) was simultaneously upgrading the Clinic in Railton (Swellendam). The clinic upgrade project was behind schedule and under construction directly adjacent to the position where the walkway had to be constructed.
- The contractor therefore had to wait for the clinic upgrade project to achieve a certain milestone before this project could effectively start on the ground. This caused a delay in the initiation of construction by the contractor.
- The performance of the contractor was not optimal, as it is an emerging contractor.
- The municipality then had to spend time assisting and developing the capacity of the contractor to implement the project.
- This, combined with cash flow problems, led to the project being further delayed, and not achieving the planned completion date of 30 June 2024.
- The project eventually progressed on a schedule that was achievable by the contractor.

10. Erosion damage to culvert/outfall, Trichardt Street

- The impact of the protests and damage to municipal infrastructure severely impacted on the implementation of projects, especially those funded by own funding.

- The following projects were grouped under the same tender - SMT37/23/24:

  i. Rehabilitation of roads (RRAMS priority list) – Russel Street
  ii. Rehabilitation of section of Van Riebeeck Street
  iii. Erosion damage to culvert/outfall, Trichardt Street
  iv. Damage to Gabion retainer Kerk Street bridge
  v. Repairs to earth channel (Primary raw water storage)
  vi. Grootkloof 1 raw water inlet erosion

- The rehabilitation portion is funded by the municipality, whilst the storm damage portions are funded by the Disaster Relief Grant.
- The Professional Services Provider (BVi Consulting Engineers) was appointed on 22 August 2023. The project portions were initiated. Stage 3 (Design Development) commenced, followed by stage 4 (Tender, documentation and management) and having the project advertised by 22 February 2024. The procurement process and evaluation culminated in the appointment of the Contractor on 10 June 2024.
- The municipality received funding for the Disaster Relief Grant portion in March 2023. A rollover application was concluded and approved for implementation in the 2023/24 financial year. The municipality awaited the rollover application approval, which was provided in October 2023.
- The Infrastructure Offices had to halt some of the own funded projects, due to uncertainty caused by the cost of damage by the violent protests. Furthermore, the

administration had to consider financing the grant funded projects, whilst awaiting the rollover for Provincial and National Grants.

- All the aspects mentioned above led to delays in the implementation of the project portions.

11. Damage to Gabion retainer Kerk Street bridge

- The impact of the protests and damage to municipal infrastructure severely impacted on the implementation of projects, especially those funded by own funding.

- The following projects were grouped under the same tender - SMT37/23/24:

  i. Rehabilitation of roads (RRAMS priority list) – Russel Street
  ii. Rehabilitation of section of Van Riebeeck Street
  iii. Erosion damage to culvert/outfall, Trichardt Street
  iv. Damage to Gabion retainer Kerk Street bridge
  v. Repairs to earth channel (Primary raw water storage)
  vi. Grootkloof 1 raw water inlet erosion

- The rehabilitation portion is funded by the municipality, whilst the storm damage portions are funded by the Disaster Relief Grant.
- The Professional Services Provider (BVi Consulting Engineers) was appointed on 22 August 2023. The project portions were initiated. Stage 3 (Design Development) commenced, followed by stage 4 (Tender, documentation and management) and having the project advertised by 22 February 2024. The procurement process and evaluation culminated in the appointment of the Contractor on 10 June 2024.
- The municipality received funding for the Disaster Relief Grant portion in March 2023. A rollover application was concluded and approved for implementation in the 2023/24 financial year. The municipality awaited the rollover application approval, which was provided in October 2023.
- The Infrastructure Offices had to halt some of the own funded projects, due to uncertainty caused by the cost of damage by the violent protests. Furthermore, the administration had to consider financing the grant funded projects, whilst awaiting the rollover for Provincial and National Grants.
- All the aspects mentioned above led to delays in the implementation of the project portions.

12. Railton Walkway Project (Own Funding):

- <u>Project Objective</u>: To upgrade a pedestrian walkway that connects the Railton residential area to the Railton Clinic. The pedestrian walkway upgrade was completed to maximize the use of the walkway by providing universal access for the physically impaired, seating areas for visitors, and trading spaces for informal traders.
- The walkway will contribute to the general safety of the area through the provision of tamper-proof public lighting.
- The appointment of the Contractor was made on the 8th of March 2024. The site handover was done on the 15th of April 2024.
- While the site handover was taking place the Western Cape Government: Department of Infrastructure (DoI) was simultaneously upgrading the Clinic in Railton (Swellendam).

The clinic upgrade project was behind schedule and under construction directly adjacent to the position where the walkway had to be constructed.

- The contractor therefore had to wait for the clinic upgrade project to achieve a certain milestone before this project could effectively start on the ground. This caused a delay in the initiation of construction by the contractor.
- The performance of the contractor was not optimal, as it is an emerging contractor.
- The municipality then had to spend time assisting and developing the capacity of the contractor to implement the project.
- This, combined with cash flow problems, led to the project being further delayed, and not achieving the planned completion date of 30 June 2024.
- The project eventually progressed on a schedule that was achievable by the contractor.

13. Swellendam (Railton): Bulk Water Reticulation (this related to the telemetry funding – highlighted in purple)
    - SMT 29/222/23 (Mechanical Electrical) and SMT 30/22/23 (Civil) wwere completed in the 2023/24 financial year. This entailed the upgrading of the Raw Water Pump Station and riising main toward the Water Treatment Works.
    - The gravity main pipeline from the Grootkloof 3 dam to the Raw Water Pump Station could not be conclude, as it was awaiting the completion of an Environmental Assessment. This process is still ongoing and the municipality should have an outcome in the 2024/25 financial year. The completion of the bulk water pipeline is imperative towards the provision of water security for the town.

14. Upgrade of Irrigation pump station Suurbraak

    - The temporary halt on large CRR capital projects meant a late start to most of the less critical projects.

    - The upgrade was to be undertaken by means of a three-year mechanical and electrical term tender.

    - Risk for late completion of the works necessitated to halt the project in order to avoid risk and complete the upgrade as one single project.

15. Barrydale mid-reservoir booster pump station

    - The temporary halt on large CRR capital projects meant a late start to most of the less critical projects.

    - The project was partly completed with the replacement of the telemetry system to be followed by the upgrade of the MCC panel.

    - Due to unpredictable delays in the ordering of the electrical equipment it was decided to complete the last part of the upgrade in the new financial year with a lower risk to both the Municipality and Contractor

16. Water Machinery and Equipment 2023_2024

- Due to uncertainty of the magnitude of the financial impact following the protests and loss of buildings some of the less critical expenditure was temporarily halted.

- After the go-ahead to continue with project the user department failed to take up the ordering of plant equipment.

- In order not to fall behind on the replacement of broken and aged equipment it is requested for this money to be rolled-over to ensure all important equipment is functioning to ensure service delivery can continue at the expected standard.

17. Repairs to earth channel (Primary raw water storage

- The impact of the protests and damage to municipal infrastructure severely impacted on the implementation of projects, especially those funded by own funding.

- The following projects were grouped under the same tender - SMT37/23/24:

  i. Rehabilitation of roads (RRAMS priority list) – Russel Street
  ii. Rehabilitation of section of Van Riebeeck Street
  iii. Erosion damage to culvert/outfall, Trichardt Street
  iv. Damage to Gabion retainer Kerk Street bridge
  v. Repairs to earth channel (Primary raw water storage)
  vi. Grootkloof 1 raw water inlet erosion

- The rehabilitation portion is funded by the municipality, whilst the storm damage portions are funded by the Disaster Relief Grant.
- The Professional Services Provider (BVi Consulting Engineers) was appointed on 22 August 2023. The project portions were initiated. Stage 3 (Design Development) commenced, followed by stage 4 (Tender, documentation and management) and having the project advertised by 22 February 2024. The procurement process and evaluation culminated in the appointment of the Contractor on 10 June 2024.
- The municipality received funding for the Disaster Relief Grant portion in March 2023. A rollover application was concluded and approved for implementation in the 2023/24 financial year. The municipality awaited the rollover application approval, which was provided in October 2023.
- The Infrastructure Offices had to halt some of the own funded projects, due to uncertainty caused by the cost of damage by the violent protests. Furthermore, the administration had to consider financing the grant funded projects, whilst awaiting the rollover for Provincial and National Grants.
- All the aspects mentioned above led to delays in the implementation of the project portions.

18. Grootkloof 1 raw water inlet erosion

- The impact of the protests and damage to municipal infrastructure severely impacted on the implementation of projects, especially those funded by own funding.

- The following projects were grouped under the same tender - SMT37/23/24:

  i. Rehabilitation of roads (RRAMS priority list) – Russel Street

ii. Rehabilitation of section of Van Riebeeck Street
iii. Erosion damage to culvert/outfall, Trichardt Street
iv. Damage to Gabion retainer Kerk Street bridge
v. Repairs to earth channel (Primary raw water storage)
vi. Grootkloof 1 raw water inlet erosion

- The rehabilitation portion is funded by the municipality, whilst the storm damage portions are funded by the Disaster Relief Grant.
- The Professional Services Provider (BVi Consulting Engineers) was appointed on 22 August 2023. The project portions were initiated. Stage 3 (Design Development) commenced, followed by stage 4 (Tender, documentation and management) and having the project advertised by 22 February 2024. The procurement process and evaluation culminated in the appointment of the Contractor on 10 June 2024.
- The municipality received funding for the Disaster Relief Grant portion in March 2023. A rollover application was concluded and approved for implementation in the 2023/24 financial year. The municipality awaited the rollover application approval, which was provided in October 2023.
- The Infrastructure Offices had to halt some of the own funded projects, due to uncertainty caused by the cost of damage by the violent protests. Furthermore, the administration had to consider financing the grant funded projects, whilst awaiting the rollover for Provincial and National Grants.
- All the aspects mentioned above led to delays in the implementation of the project portions.

19. Rietkuil's new reservoir and supply link

- The grant was published in the gazette by 06 October 2023, hence a late allocation.
- The project to upgrade the water infrastructure of Rietkuil was identified by province. The funding was availed to the municipality for the implementation of the project.
- The municipality is not the Water Services Authority in Rietkuil, as they are receiving the potable water from the Overberg Water Services. The municipality had to firstly asses and understand the water infrastructure, where after a Professional Services Provider (WEC Consulting) was appointed to formulate a design to upgrade the water infrastructure. The assessment process was delayed due to the unique way that Rietkuil functions, as well as the difference between the view point of the current water committee and that of the former water committee.
- The project was advertised on 20 March 2024, after the design development and tender documentation processes were completed.
- The Contractor was appointed on 26 June 2024. The project is in process.

20. Upgrade of Telemetry (Swellendam)

- The project funding was committed to the Swellendam (Railton): Bulk Water Reticulation project. An amendment/extension was completed and approved to include the telemetry work into the set project. The project funding to be allocated to the rollover of the funding related to Swellendam (Railton): Bulk Water Reticulation. The funding forms part of the overall project and will be committed to the upgrading of gravity main from the Grootkloof 3 dam to the Raw Water Pump Station.

21. Steps and channel grids with railings for Swellendam

- The temporary halt on large CRR capital projects meant a late start to most of the less critical projects.

- This project was started under the electrical and mechanical term tender. Most of the manufacturing has been completed but installation could not be completed because of delays on the manufacturing of the grids and steps.

- The money is requested to be rolled over to complete the installation of the steps and grids.

22. New MCC with Magflow for Swellendam Waterworks

- The temporary halt on large CRR capital projects meant a late start to most of the less critical projects.

- This project was started under the electrical and mechanical term tender. Most of the manufacturing has been completed but installation could not be completed because of delays on the manufacturing of the pipe installation as well as import delays on the flow meter.

- The funds are requested to be rolled-over in order for the installation of the flow meter and associated pipe work to be completed. This is an important project as it will reduce water losses on the filtration plant caused by aged infrastructure.

23. Sewerage - Machinery and equipment

- Due to uncertainty of the magnitude of the financial impact following the protests and loss of buildings some of the less critical expenditure was temporarily halted.

- After the go-ahead to continue with project the user department failed to take up the ordering of plant equipment.

- In order not to fall behind on the replacement of broken and aged equipment it is requested for this money to be rolled-over to ensure all important equipment is functioning to ensure service delivery can continue at the expected standard.

24. Installation of chlorination system WWTW 2023/24

- The temporary stop on large CRR capital projects meant a late start to the chlorination tender processes.

- The contract was awarded early in 2024 but with long lead times of parts of the equipment the complete scope could not be completed in time.

- Project completion is at around 90% with monitoring equipment outstanding to complete the system.

25. Diesel Trailor 500l x1

- The trailer was delivered just before the close of the financial year. Due to problems with the supplier the trailer did not conform to the specifications as put out in the request for quotation.

- Following the lack of complying to the full specification the municipality paid a reduced amount for the product as advised by the user department in relation to the shortcomings taking into account the funds needed to get the equipment to the original desired specification.

- A roll-over is required for the left-over funds to complete the installation of required accessories in-house to align with the original specification put out for quotation.

26. Installation of chlorination system WTW

- The temporary stop on large CRR capital projects meant a late start to the chlorination tender processes.

- The contract was awarded early in 2024 but with long lead times of parts of the equipment the complete scope could not be completed in time.

- Project completion is at around 70% with electrical systems and monitoring equipment outstanding to complete the system.

Two projects will not be implemented to the value of R270 000 which is

Nr	Capital Project	Funding	Original Budget	Amended Budget	Actuals Total	Amount not implemented
1	SSEG for security cameras	CRR	150 000	150 000	0	150 000
2	Stone Trap - Barrydale Waste Water Network	CRR	120 000	120 000		120 000
	Total					**R270 000**

1. SSEG for security cameras

- The project was to procure cameras for Malgas and Infanta as part of the safety plan. After discussions with various stakeholders, it was decided to donate funds instead, resulting in the expenses being moved to the operational budget.

2. Stone Trap – Barrydale Waste Water Network

- After the purchase of a new jetting machine and the periodic jetting of the main outfall sewer the problems with blockages were drastically improved. It was decided to hold off on the installation of a stone trap.
  The money is not required to be rolled over.

Of the 88 Capital Projects, 53 were completed which is 60,2% and savings resulted in an amount of R2 816 170.

LEGAL IMPLICATIONS

Local Government: Municipal Finance Management Act

FINANCIAL IMPLICATIONS

None

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS

Director: Corporate Services

None

Director: Community Services

None

Director: Financial Services

None

Director: Infrastructure Services

None

Municipal Manager

None

This item served on the Mayoral Committee meeting held on Monday, 19 August 2024.

RECOMMENDED TO COUNCIL

1. that Council notes the report on the implementation of the Capital Budget for the 2023/2024 financial year.

9.1.9

Item number A133. 28.04.2024

SUPPLY CHAIN MANAGEMENT MONTHLY REPORT – JULY 2024

Report by the Director Financial Services:	Ms. E Wassermann
Department	Financial Services
Section	Supply Chain Management
File number	9/2/1/5

PURPOSE OF REPORT

The SCM monthly report is prepared to inform Council on key SCM monthly activities and adhere to the reporting requirements in terms of the Legislative Framework.

FACTS AND BACKGROUND

In terms of section 6 of the Supply Chain Management Regulations, Council has a responsibility to maintain oversight over the implementation of the Supply Chain Management Policy.

Section 36(2) of the Supply Chain Management Regulation requires that the accounting officer must record the reasons for any deviation from the procurement process and report it to the next council meeting.

DISCUSSION

The SCM monthly report for July 2024 is attached as **Annexure F** to enable the council to fulfil its oversight role. The report informs on the following matters:

- Procurement Statistics for the month
- Awards made above R 100 000 which was reported to National Treasury
- SCM deviations

There are no material problems with the implementation of SCM policy.

LEGAL IMPLICATIONS

- Municipal Finance Management Act, 2003
- Municipal Supply Chain Management Regulation, 2005
- Municipal Supply Chain Management Policy, 2024

FINANCIAL IMPLICATIONS

None

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS

Director: Corporate Services

None

Director: Community Services

None

Director: Financial Services

None

Director: Infrastructure Services

None

Municipal Manager

None

RECOMMENDED

1. that Council takes cognisance of the Supply Chain Management Report for July 2024 attached as Annexure F.

9.1.10

Item number A134. 28.08.2024

AUDIT ACTION PLAN FOR THE 2022/2023 AUDIT OUTCOME – AUGUST 2024

Report of the Director: Financial Services:	Ms. E. Wassermann
Department:	Financial Services
Section:	Financial Services
File number:	5/15/1/1

PURPOSE OF THE REPORT

The report aims to inform Council of the action plan audit findings received during the 2022/2023 audit outcome.

FACTS AND BACKGROUND

A snapshot of the audit outcome is presented below:

OVERALL AUDIT OUTCOMES

6. The overall audit outcome of the municipality is unqualified with findings. This is a regression from the previous year's audit outcome.

Audit results per outcome area

Outcome area	Movement	2022-23	2021-22	2020-21
Financial statements	►			
Annual performance report				
• Objective 4 – to enhance access to basic services and address maintenance backlogs	▼			
Compliance with legislation				
• Annual Financial statements, performance reports and annual reports	▼			
• Expenditure management	►			
• Utilisation of conditional grants	►			
• Consequence management	►			
• Strategic planning and performance management	►			
• Revenue management	►			
• Asset management	►			
• Human resource management	►			
• Procurement and contract management	►			

	Unqualified / No material findings		Qualified		Adverse		Disclaimed		Material findings		Not audited

▲	Improvement	▼	Regression	►	Unchanged

During the 2022/2023 audit, the Auditor-General issued fifty-nine (59) communication of audit findings which contain 65 issues. The detailed audit findings are classified as follows:

a) Matters affecting the audit report – These matters should be addressed as a matter of urgency;
b) Other important matters – These matters should be addressed to prevent material misstatements in the financial statements or material findings on the annual performance report and compliance with legislation in the future; also includes matters that significantly affected auditee performance;
c) Administrative matters – Matters do not directly impact the audit outcome or significantly impact auditee performance, but were communicated to assist with improving processes and mitigating risks.

The updated OPCAR report is attached as Annexure G.

A summary of the detailed audit findings is as follows:

Classification	Description	Number of Findings	Outstanding Actions	Completed Actions
A) Matters affecting the audit report	Financial Statements	8	1	7
	Pre-determined Objectives (AoPO)	1	0	1
B) Other Important Matters	Financial Statements	31	3	28
	Pre-determined Objectives (AoPO)	4	0	4
	Procurement and Contract Management	2	2	0
	Compliance	1	0	1
	Water and Sanitation	1	1	0
	Use of Consultants	2	2	0
C) Administrative Matters	Information Systems	10	8	2
	Financial Systems	4	1	3
	Governance	1	1	0
	Total	**65**	**19**	**46**

The updated Audit Action Plan for the 2022/2023 audit is attached as **Annexure G.**

LEGAL IMPLICATIONS

Municipal Finance Management Act, No 56 of 2003

FINANCIAL IMPLICATIONS

The financial implications must be determined depending on the actions to be taken. Especially on important ICT matters, financial implications will be referred to the 2024/2025 budget.

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS

Director: Community Services

None

Director: Financial Services

The audit was completed on 12 March 2024, and the budget processes followed soon after. The finance department immediately began addressing the actions identified in the report, even though the report was only submitted to Council in June 2024. Most of the findings from the audit have been addressed and corrected during the audit.

Progress on the 2022/2023 audit findings and the audit action plan is reported to Council and other stakeholders, including the National and Provincial Treasury, the Audit and MPAC Committees, and Senior Management Committee meetings bi-monthly.

The only outstanding finding from the 2021/2022 financial year is the ICT Disaster Recovery, which was also a repeat finding for the 2022/2023 financial year. This outstanding finding will be included in the 2022/2023 audit action plan going forward.

The finance department is currently in the process of preparing interim financial statements to ensure:

- Correctness of template
- Roll-over of Opening Balances
- Correction of any misstatements as per the overs and unders schedule for 2022/2023.

It is proposed that Council takes note of the updated audit action plan for the 2022/2023 audit.

Director: Infrastructure Services

None

Municipal Manager

None

RECOMMENDED

1. that Council takes note of the 2022/2023 Audit Action Plan based on the audit findings.
2. that Council takes note of the progress made on the 2022/2023 Audit Action Plan for 2022/2023.
3. that the progress on the Audit Action Plan be reported to Council bi-monthly.

9.1.11

Item number A135. 28.08.2024

ADJUSTMENTS BUDGET: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2024/2025 (Roll-over Budget)

Report from the Director Financial Services:	Ms E Wassermann
Department	Financial Services
Section	Budget
File number	5/1/1/20

PURPOSE OF THE REPORT

The purpose of the report is to submit the 2024/2025 Roll-Over Adjustments Budget in respect of unspent grants as well as capital projects funded from the CRR in the 2023/2024 financial year that were not completed and should be rolled over to the 2024/2025 financial year for completion. **(See Annexure H)**

FACTS AND BACKGROUND

Council must apply for a rollover of any grants received from the National Government or Provincial Government that are unspent on 30 June of a financial year subject to the funds being committed and reasons for the underspending being provided.

The municipality did apply on 15 July 2024 for the rollover of certain unspent grants as prescribed by Provincial Treasury. The application for the rollover of the balance of the unspent grants will be submitted by 31 August 2024 in terms of the Division of Revenue Act and National Treasury Guidelines.

Subject to the outcome letter another adjustments budget will be submitted in terms of section 23(3) of the municipal budget and reporting regulation.

DISCUSSION

The following provincial grants received were unspent on 30 June 2024 and approval for these grants to be rolled over was already received on 17 August 2023. The approval letter is attached:

Capital Projects:

Function	**Project**	**Amount**
Town Planning	Railton Walkway Project	R 144 830
Waste Water Services	Barrydale Sewer Manholes (82 Houses)	R 736 813
Water Services	Rietkuil New Reservoir and Supply Link	R 1 603 796
	Total	**R 2 485 439**

Operating Projects (Expenditure)

Function	**Project**	**Amount**
Town Planning	Railton Walkway project	R 82 091

Electricity	Upgrade Electricity Infrastructure	R13 407 013
Housing	Second Phase: Low-Cost Housing	R16 436 704
	Total	**R29 925 808**

Operating Revenue Recognition

Function	Project	Amount
Town Planning	Railton Walkway project	R 260 960
Electricity	Upgrade Electricity Infrastructure	R15 418 066
Housing	Second Phase: Low-Cost Housing	R16 436 704
Waste Water Services	Barrydale Sewer Manholes (82 Houses)	R736 813
Water Services	Rietkuil New Reservoir and Supply Link	R1 603 796
Water Services	Municipal Water Resilience Grant	R240 570
	Total	**R34 696 609**

The following projects funded from Council's own resources were unspent as of 30 June 2024 and are requested to be rolled over:

Function	Project	Amount
Building Maintenance	Replace Airconditioners at various buildings	R80 208
Roads & Stormwater	Rehabilitation of section of Van Riebeeck Street,	R1 483 505
Roads & Stormwater	Railton Upgrading of Gravel Roads and Stormwater	R1 305 000
Waste Water Services	Machinery and Equipment - Waste Water Services	R30 000
Water Services	Water Machinery and Equipment 2023_2024	R25 000
Waste Water Services	3rd pump at N2 sewer pumpstation	R185 510
Waste Water Services	New Silo wastewater Pump station	R2 775 435
Roads & Stormwater	Rehabilitation of roads (RRAMS priority list)	R3 020 069
Town Planning	Railton Walkway Project	R135 000
Water Services	Swellendam (Railton): Bulk Water Reticulation	R1 256 920
Water Services	Upgrade of Irrigation pump station Suurbraak	R300 000
Water Services	Barrydale mid reservoir booster pumpstation	R179 207
Water Services	Swellendam (Railton): Bulk Water Reticulation	R505 500
Water Services	Steps and channel grids with railings for Swellendam	R120 000
Water Services	New MCC with magflow for Swellendam waterworks	R274 561
Waste Water Services	Installation of chlorination system WWTW 2023/24	R298 050
Water Services	Diesel Trailor 500l x1	R16 633
Water Services	Installation of chlorination system WTW	R666 947
Waste Water Services	Railton sanitation upgrade, street front sewers	R264 000
	Total	**R 12 921 545**

Considering the above the 2024/2025 budget is adjusted as follows:

Description	Original Budget	Adjustments	Adjusted Roll-Over Budget
Total Revenue	R542 746 228	R34 696 908	R577 443 137
Total Expenditure	R522 616 507	R29 925 808	R552 542 315
Total Capital	R61 003 609	R15 406 984	R76 410 593

The B-Schedules will be distributed under separate cover.

The reasons for the unspent capital are included under a separate Item on the agenda.

LEGAL IMPLICATIONS

In terms of section 16 of the MFMA (act 56 of 2003),

"Municipal adjustments budgets
28. (1) A municipality may revise an approved annual budget through an adjustments budget.

(2) An adjustments budget-

(e) may authorise the spending of funds that were unspent at the end of the past financial year where the underspending could not reasonably have been foreseen at the time to include projected rollovers when the annual budget for the current year was approved by Council."

In terms of the Municipal Budget and Reporting Regulations: sections 23(3) and (5):

"23(3) If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustment budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues."

"23(5) An adjustments budget referred to in section 28(2)(e)of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council by the 25 August of the financial year following the financial year to which the roll-overs relate."

FINANCIAL IMPLICATIONS

The funding for these projects is available as per the previously approved budget for the 2023/2024 financial year.

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS:

Director: Community Services

None

Director: Financial Services

As per the report.

Director: Infrastructure Services

None

Municipal Manager

None

RECOMMENDED

1. that Council approves the projects listed below to be rolled over to the 2024/2025 financial year:

1.1 Own Funds

Function	Project	Amount
Building Maintenance	Replace Airconditioners at various buildings	R80 208
Roads & Stormwater	Rehabilitation of section of Van Riebeeck Street,	R1 483 505
Roads & Stormwater	Railton Upgrading of Gravel Roads and Stormwater	R1 305 000
Waste Water Services	Machinery and Equipment - Waste Water Services	R30 000
Water Services	Water Machinery and Equipment 2023_2024	R25 000
Waste Water Services	3rd pump at N2 sewer pumpstation	R185 510
Waste Water Services	New Silo wastewater Pump station	R2 775 435
Roads & Stormwater	Rehabilitation of roads (RRAMS priority list)	R3 020 069
Town Planning	Railton Walkway Project	R135 000
Water Services	Swellendam (Railton): Bulk Water Reticulation	R1 256 920
Water Services	Upgrade of Irrigation pump station Suurbraak	R300 000
Water Services	Barrydale mid reservoir booster pumpstation	R179 207
Water Services	Swellendam (Railton): Bulk Water Reticulation	R505 500
Water Services	Steps and channel grids with railings for Swellendam	R120 000
Water Services	New MCC with magflow for Swellendam waterworks	R274 561
Waste Water Services	Installation of chlorination system WWTW 2023/24	R298 050
Water Services	Diesel Trailor 500l x1	R16 633
Water Services	Installation of chlorination system WTW	R666 947
Waste Water Services	Railton sanitation upgrade, street front sewers	R264 000
	Total	**R 12 921 545**

1.2 Provincial Treasury Grants

Capital Projects:

Function	Project	Amount
Town Planning	Railton Walkway Project	R 144 830
Waste Water Services	Barrydale Sewer Manholes (82 Houses)	R 736 813
Water Services	Rietkuil New Reservoir and Supply Link	R 1 603 796
	Total	**R 2 485 439**

Operating Projects:

Function	Project	Amount
Town Planning	Railton Walkway project	R 82 091
Electricity	Upgrade Electricity Infrastructure	R13 407 013
Housing	Second Phase: Low-Cost Housing	R16 436 704
	Total	**R29 925 808**

1.3 Revenue Recognition of Grants

Function	Project	Amount
Town Planning	Railton Walkway project	R 260 960
Electricity	Upgrade Electricity Infrastructure	R15 418 066
Housing	Second Phase: Low-Cost Housing	R16 436 704
Waste Water Services	Barrydale Sewer Manholes (82 Houses)	R736 813
Water Services	Rietkuil New Reservoir and Supply Link	R1 603 796
Water Services	Municipal Water Resilience Grant	R240 570
	Total	**R34 696 609**

2. that the Roll-Over Adjustments Budget for the financial year 2024/2025, as set out in the below-prescribed budget tables be approved;

2.1 Table B1 Adjustments Budget Summary;
2.2 Table B2 Adjustments Budget Financial Performance (functional classification);
2.3 Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote);
2.4 Table B4 Adjustments Budget Financial Performance (revenue and expenditure);
2.5 Table B5 Adjustments Capital Expenditure Budget by vote and funding;
2.6 Table B6 Adjustments Budget Financial Position;
2.7 Table B7 Adjustments Budget Cash Flows;
2.8 Table B8 Cash-backed reserves/accumulated surplus reconciliation;
2.9 Table B9 Asset Management;
2.10 Table B10 Basic service delivery measurement;

3. that the adjustment budget be placed on the municipal website and be submitted to Provincial and National Treasury.

9.1.12

Item number A136. 28.08.2024

TENDER NO: SMT30/20/21 – AMENDMENT OF AGREEMENT PROVISION OF AN ONLINE BULK ELECTRICITY METER READING SOLUTION AND RELATED SERVICES

Report by the Director Financial Services: Ms. E. Wassermann

Department	Financial Services
Section	Supply Chain Management
File number	8/2/1/3

PURPOSE OF REPORT

To inform Council in terms of a proposed amendment of the existing agreement between Swellendam Municipality and Power Meter Technics (Pty) Ltd.

FACTS AND BACKGROUND

Power Meter Technics (Pty) Ltd was appointed through a competitive bidding process for the Provision of an Online Bulk Electricity Meter Reading Solution and Related Services for the period 01 April 2021 to 31 March 2024 at an estimated value of R785,464.25, VAT inclusive.

The agreement was amended for a 6-month period from 01 April 2024 to 30 September 2024 in terms of MFMA Circular 62 for the monthly metering monitoring only at an estimated value of R117,819.60 (Incl. VAT), which presents 15% of the estimated contract value.

A request was received form the user department to amend the agreement for a 3-month period from 01 October 2024 to 31 December 2024.

MOTIVATION FOR AMENDMENT

- The tender is very technical by nature and will require an extended period to finalize a new procurement process.
- The municipality is currently exploring the possibility of procuring the service via the transversal tender from National Treasury.

LEGAL IMPLICATIONS

In terms of section 116(3) of the Municipal Finance Management Act the following needs to be followed when amending a contract which was procured through a supply chain management policy:

A contract or agreement procured through the supply chain management policy of the municipality or municipal entity may be amended by the parties, but only after—

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

(b) the local community—

- *(i) has been given reasonable notice of the intention to amend the contract or agreement; and*
- *(ii) has been invited to submit representations to the municipality or municipal entity.*

Notices about the proposed amendment was placed in the Langeberg Bulletin on Thursday, 01 August 2024. To date no representations were received. Please note that the closing date and time was **Friday, 23 August 2024** at **11:00**.

FINANCIAL IMPLICATIONS

The total estimated cost for this amendment is R90 000,00 (VAT Inclusive).

COMMUNICATIONS IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS

Director: Community Services

None

Director: Financial Services

None

Director: Infrastructure Services

None

Municipal Manager

None

RECOMMENDED

1. that the proposed amendment of the agreement between Swellendam Municipality and Power Meter Technics (Pty) Ltd for the Provision of an Online Bulk Electricity Meter Reading Solution and Related Services for the period 01 October 2024 to 31 December 2024 to the estimated amount of R90 000,00 (VAT Inclusive), be noted by Council.

9.1.13

Item number A137. 28.08.2024

TENDER NO: SMT44/20/21 – AMENDMENT OF AGREEMENT PROVISION OF LEGAL AND ADVISORY SERVICES MFMA, SCM AND RELATED SERVICES SPECIALIST

Report by the Director Financial Services: Ms. E. Wassermann

Department	Financial Services
Section	Supply Chain Management
File number	8/2/1/3

PURPOSE OF REPORT

To inform Council in terms of a proposed amendment of the existing agreement between Swellendam Municipality and Brasika Consulting (Pty) Ltd.

FACTS AND BACKGROUND

Brasika Consulting (Pty) Ltd was appointed through a competitive bidding process for the Legal Advisory Services MFMA, SCM And Related Services Specialist for the period from 01 June 2021 to 31 May 2024 at an estimated value of R660,000.00 (VAT included).

The agreement was amended for a 3-month period from 01 June 2024 to 31 August 2024 in terms of MFMA Circular 62 at an estimated value of R99,000 (Incl. VAT), which presents 15% of the estimated contract value.

A request was received form the user department to amend the agreement for a 2-year period from 01 September 2024 to 31 August 2026.

MOTIVATION FOR AMENDMENT

- The current service provider, Brasika Consulting (Pty) Ltd, renders sound service.
- Extending the agreement will be more cost effective.

LEGAL IMPLICATIONS

In terms of section 116(3) of the Municipal Finance Management Act the following needs to be followed when amending a contract which was procured through a supply chain management policy:

A contract or agreement procured through the supply chain management policy of the municipality or municipal entity may be amended by the parties, but only after—

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

(b) the local community—

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

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

Notices about the proposed amendment was placed in the Langeberg Bulletin on Thursday, 01 August 2024. To date no representations were received. Please note that the closing date and time was **Friday, 23 August 2024** at **11:00**.

FINANCIAL IMPLICATIONS

The total estimated cost for this amendment is R 440,000.00 (Incl. VAT).

COMMUNICATIONS IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS

Director: Community Services

None

Director: Financial Services

None

Director: Infrastructure Services

None

Municipal Manager

None

RECOMMENDED

1. that the proposed amendment of the agreement between Swellendam Municipality and Brasika Consulting (Pty) Ltd for the Legal Advisory Services MFMA, SCM and Related Services Specialist for the period 01 September 2024 to 31 August 2026 to the estimated amount of R 440,000.00 (Incl. VAT), be noted by Council.

9.1.14

Item number A138.	28.08.2024

2023/24 INTERNAL AUDIT REPORTS FOR THE PERIOD 01 APRIL 2024 – 30 JUNE 2024

Report of the Senior Internal Auditor: Mr. A Petersen

Department	Municipal Manager
Section	Internal Audit
File number	3/3/3/16

PURPOSE OF THE REPORT

The purpose of the report is to submit the 2023/24 Internal Audit Reports for the period 01 April 2024 – 30 June 2024 to Council for cognizance.

FACTS AND BACKGROUND

None

DISCUSSION

The 2023/24 Internal Audit reports for the period 01 April 2024 – 30 June 2024 to MPAC.

<u>Annexures on Annexure I.1 to I.5:</u>

1. 2023/24 Internal Audit Reports for the period 01 April 2024 – 30 June 2024. The following reports was submitted to the Audit and Performance Audit Committee on 26 June 2024:
   - Internal Quality Assurance and Improvement Program Review
   - 2023/24 3rd Quarter Performance Management Review
   - 2023/24 Supply Chain Management Procurement and Compliance Review
   - 2023/24 4th Quarter Follow-up Report
   - 2023/24 4th Chief Audit Executive Progress Report

LEGAL IMPLICATIONS

Section 166 of the Municipal Finance Management Act No. 56 of 2003, requires every Municipality to establish and maintain an Audit Committee, as an independent appraisal function.

In terms of National Treasury's Circular 65 of 2003, the committee must quarterly report to the Council on the performance of their functions and duties and the functions of the Internal Audit function.

FINANCIAL IMPLICATIONS

None

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS

Director: Community Services

None

Director: Financial Services

None

Director: Infrastructure Services

None

Municipal Manager

None

This item served on the Municipal Public Accounts Committee held on Monday, 05 August 2024.

RECOMMENDED

1. that cognizance be taken of the 2023/24 Internal Audit Reports for the period 01 April 2024 – 30 June 2024

9.1.15

Item number A139. 28.08.2024

APPEAL AGAINST DECISION TO WRITE OFF ACCOUNT MR. B. VAN ZYL: ERF 4590, SWELLENDAM

Prepared by:	K. D. Stuurman
Department:	Community Services
Section:	Solid Waste and Environment
File number:	5/5/1

PURPOSE OF REPORT

To address the appeal of Mr. B. van Zyl against the levies of a waste removal service in the Hermitage and the decision of the Executive Mayor to not write off the debt.

FACTS AND BACKGROUND

The Hermitage Village waste was never collected from door to door before the 2021 financial year. The residents used to bring their refuse in bags to a few central points such as the water works or at the corner of Andrew White- and Skool Street.

In 2021 it was decided that waste in Hermitage will be collected from street fronts and that the residents will be billed accordingly. According to the Manager Waste and Environment each resident was visited personally to inform them of the changes before it was implemented. Mr. van Zyl's argument was that there was no public participation in the process and made his appeal on this basis.

DISCUSSION

Before 2021 no waste levies were paid by the Hermitage residents although they made full use of the service. The levies were introduced after street side collections were introduced. All residents were informed about the changes and only Mr. van Zyl is aggrieved.

LEGAL IMPLICATIONS

The Municipal By-Law on Refuse Removal, Refuse Dumps and Solid Waste Disposal (2015)

Section 62, Municipal Systems Act, 32 of 2000

FINANCIAL IMPLICATIONS

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS

None

Director: Community Services

None

Director: Financial Services

None

Acting Director: Infrastructure Services

None

Municipal Manager

None

RECOMMENDED

1. that the appeal against a decision not to write off the levies introduced for waste removal in respect of Erf 4590, Swellendam lodged by Mr B. van Zyl, not be upheld.
2. that the appellant be advised accordingly.

9.1.16

Item number A140. 28.08.2024

ASSET MANAGEMENT: ASSET COUNT 2023 / 2024

Report of the Director: Financial Services: Ms E Wassermann

Department Financial Services

Section Financial Services

File number 6/1/3

PURPOSE OF REPORT

To inform and obtain the Council's approval for the write-off/disposal of assets not found during the 2023/2024 asset count.

FACTS AND BACKGROUND

A complete asset count of all assets reflecting on the asset register of Swellendam Municipality took place at the end of the 2023/2024 financial year. During the asset count, it was found that certain assets could not be verified or were redundant.

The applicable assets are included in the attached **Annexure J.**

DISCUSSION

There were 897 assets not accounted for which amounted to approximately R 963 512.51. The carrying value will be recalculated on the relevant dates of disposal. A breakdown of these assets per category is attached in **Annexure J** as Annexure A to G. There are various reasons for the missing assets:

- Assets burnt during the Main Office Building Fire on 16 August 2023;
- Assets burnt during the Thusong Centre Fire on 12 September 2023;
- Theft – These assets are reported and referred to the insurers;
- Assets which were broken and redundant;
- Assets which are lost or stolen;
- Assets missing with a zero carrying value;
- Assets no longer in use or upgraded;

A summary of the assets is:

Description		No of assets	Carrying Amount
Annexure B	- Main Office Building Fire	624	796 338,00
Annexure C	- Thusong Centre Fire	74	35 763,74
Annexure D	- Vehicle Accessories	57	2 517,06
Annexure E	- Various Assets in 2023/2024	31	23 359,34
Annexure F	- Various Assets prior to 2022/2023	22	-

Annexure G	- Intangible Assets	89	105 534,37
	Total	**897**	**963 512,51**

LEGAL IMPLICATIONS

In terms of section 63 of the MFMA (act 56 of 2003):

(1) The accounting officer of a municipality is responsible for the management of—
  (a) the assets of the municipality, including the safeguarding and the maintenance of those assets; and
  (b) the liabilities of the municipality.

(2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure—
  (a) that the municipality has and maintains a management, accounting, and information system that accounts for the assets and liabilities of the municipality;
  (b) that the municipality's assets and liabilities are valued in accordance with standards of generally recognized accounting practice; and
  (c) that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

FINANCIAL IMPLICATIONS

The missing assets resulted in an accounting loss of approximately R963 512,51 which must be written off / disposed from the asset register.

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS

Director: Community Services

None

Director: Financial Services

From the report, it is clear that the responsibility of assets must regularly be brought to the attention of all personnel so that they understand the importance of proper internal control, safeguarding, and reporting of missing assets.

The unfortunate riots and civil unrest which led to fire damage and staff being relocated to various locations impacted this year's movable asset count. It should also be noted the municipality has limited resources to perform more than one asset count per annum. It is proposed that standard operating procedures be developed for moveable assets to improve the current internal controls.

Director: Infrastructure Services

None

Municipal Manager

None

RECOMMENDED

1. that Council takes cognizance of the assets that were not found during the 2023/2024 asset count.
2. that Council approves the write-off/disposal of the assets per Annexure A to G for the 2023/2024 asset count to the carrying value of approximately R 963 512.51. The real carrying values are to be recalculated on the dates of disposal.
3. that Standard Operating Procedure be developed and all asset users be trained to improve the current internal controls.

9.2 Consideration of matters which require non-disclosure

Rules of Order regulating the conduct of Meetings of the Council of the Municipality of Swellendam (Provincial Gazette 6347 dated 3 March 2006)
PART 3: MEETINGS
6. Non-disclosure of Matters

(1) Matters which require non-disclosure, must be marked as such in the agenda.
(2) When such matters are to be considered, the speaker must direct that all members of the public leave the venue of the meeting.
(3) Any member can prior to the commencement of th emeetings, request the speaker to deal with a certain matter as a non-disclosed matter.

9.3 Consideration of urgent matters

Rules of Order regulating the conduct of Meetings of the Council of the Municipality of Swellendam (Provincial Gazette 6347 dated 3 March 2006)
PART 3: MEETINGS
7. Speaker may introduce urgent matters

The speaker may at any time and without notice make any statement or introduce urgent matters.

10 MINUTES OF COMMITTEES AND AD HOC COMMITTEES

The following minutes are distributed as a separate document for cognisance:

10.1 Minutes of an Ordinary Mayoral Committee meeting held on Monday, 22 July 2024.
10.2 Minutes of an Ordinary meeting of the Municipal Public Accounts Committee held on Monday, 05 August 2024.

11 CONFIRMATION OF MINUTES

Rules of Order regulating the conduct of Meetings of the Council of the Municipality of Swellendam (Provincial Gazette 6347 dated 3 March 2006)
PART 3: MEETINGS
13. Minutes

(1) The municipal manager must compile the minutes of the proceedings of meetings in printed form.
(2) The minutes of a meeting must be confirmed by the council at the next meeting and signed by the speaker.
(3) The minutes shall be taken as read, for the purpose of confirmation, if a copy thereof was sent to each member within a reasonable period before the next meeting.

The following minutes are distributed as a separate document for confirmation:

11.1 Minutes of an Ordinary Council meeting as held on Wednesday, 31 July 2024.

12. MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING

Rules of Order regulating the conduct of Meetings of the Council of the Municipality of Swellendam (Provincial Gazette 6347 dated 3 March 2006)
PART 3: MEETINGS
13(4). The speaker shall declare that the minutes are open for discussion as soon as the mintues are confirmed.

13. CONSIDERATION OF MATTERS OF EXIGENCY

Rules of Order regulating the conduct of Meetings of the Council of the Municipality of Swellendam (Provincial Gazette 6347 dated 3 March 2006)
PART 7: RULES OF DEBATE
29. Matters of exigency

(1) A member can prior to the commencement of a meeting direct the attention of the speaker to any matter which does not appear on the agenda and of which no previous notice has been given, for consideration during the meeting.

(2) The speaker must use his own discreetion to decide if the matter must be considered or not during the meeting in terms of subsection (3).

(3) Urgent matters must be of such a nature that it will receive the approval of the council or that it will not elicit any discussion or only serve as information to members.

14. GENERAL

15. CLOSURE

16. NOTICE TO THE PUBLIC

Rules of Order regulating the conduct of Meetings of the Council of the Municipality of Swellendam (Provincial Gazette 6347 dated 3 March 2006)
PART 3: MEETINGS

8(4). The municipal manager must give notice to the public of the date, time and venue of every meeting by publishing a notice in a local newspaper determined by him or her, provided that he or she may depart from this requirement when time constraints make this impossible.

SWELLENDAM MUNICIPALITY

NOTICE

Notice is hereby given in terms of Section 19 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) that an **Ordinary Council meeting** of the Municipal Council of Swellendam Municipality is scheduled as follows:

Date: Wednesday, 28 August 2024
Time: 10:00.
Location: **COUNCIL CHAMBERS, RHENIUS STREET, SWELLENDAM**

A. VORSTER/MUNICIPAL MANAGER **PO. BOX 20, SWELLENDAM**
Notice no.: A31/2024 **6740**

MUNISIPALITEIT SWELLENDAM

KENNISGEWING

Kennisgewing geskied hiermee in terme van Artikel 19 van die Wet op Plaaslike Regering: Wet op Munisipale Stelsels, 2000 (Wet 32 van 2000) dat 'n **Gewone Raadsvergadering** van die Swellendam Munisipale Raad soos volg geskeduleer is:

Datum: Woensdag, 28 Augustus 2024.
Tyd: 10:00.
Plek: **RAADSAAL, RHENIUSSTRAAT, SWELLENDAM**

A. VORSTER/MUNISIPALE BESTUURDER **POSBUS 20, SWELLENDAM**
Kennisgewing Nr: A31/2024 **6740**

17. BLANK APPLICATION FOR LEAVE OF ABSENCE FORM

SWELLENDAM MUNICIPALITY

APPLICATION FOR LEAVE OF ABSENCE FROM MEETING

(Note: To be submitted to the Chairperson before the start of the meeting)

Name of Councillor …………………………………………………………...

Herewith I apply for leave of absence from the following meeting(s):

MEETING	DATE
Council Meeting	
Special Council Meeting	
Executive Mayoral Committee Meeting	
Any other Committee/Forum/Workshop (Please specify)	
Reason for absence	

SIGNATURE

DATE