LANGEBERG
MUNISIPALITEIT **MUNICIPALITY** MASIPALA

Raadslede van die Raad van die Langeberg Munisipaliteit

Kennis geskied hiermee van 'n Raadsvergadering
van die Raad van Langeberg Munisipaliteit wat gehou sal word op
25 JUNIE 2025 om 10H00
in die **Raadsaal,** Munisipale Kantore, Kerkstraat, Robertson
om oorweging te verleen aan die items op die aangehegte agenda.

Councillors of the Council of the Langeberg Municipality

Notice is hereby given of a Council Meeting
of the Municipal Council of the Langeberg Municipality to be held on
25 JUNE 2025 at 10H00
in the **Council Chambers,** Municipal Offices,
Church Street, Robertson to discuss the items on the appended agenda.

P Hess
CLLR • RDL P HESS
SPEAKER

A ITEMS

DEVIATIONS FROM THE NORMAL PROCUREMENT PROCESSES – APRIL 2025 : DIRECTORATE: CORPORATE SERVICES (9/2/1) (CHIEF FINANCIAL OFFICER)

Purpose of Report

To submit a report on deviations from the normal procurement processes for Council's notification.

Background

Paragraph 27(2) of the Supply Chain Management Policy of Council reads as follows:

(2) The Accounting Officer must record the reasons for any deviations in terms of subparagraph 1(a) and 1(b) of this Policy and report them to the next meeting of the Council and include it as a note to the annual financial statements.

The Report on Deviations for April 2025 **is attached to this report**.

Aanbeveling / Recommendation

That the contents of the report on deviations from the procurement processes is noted.

Dat kennis geneem word van die inhoud van die verslag in verband met afwykings van die verkrygingsprosesse.

This item served before the Municipal Public Accounts Committee (MPAC) on 11 June 2025
Die item het voor die Munisipale Openbare Rekeninge Komitee (MORK) gedien op 11 Junie 2025
Recommendation / Aanbeveling

That the contents of the report on deviations from the procurement processes is noted.

Dat kennis geneem word van die inhoud van die verslag in verband met afwykings van die verkrygingsprosesse.

DEVIATIONS FROM THE NORMAL PROCUREMENT PROCESSES – APRIL 2025 : DIRECTORATE COMMUNITY SERVICES (9/2/1) (CHIEF FINANCIAL OFFICER)

Purpose of Report

To submit a report on deviations from the normal procurement processes for Council's notification.

Background

Paragraph 27(2) of the Supply Chain Management Policy of Council reads as follows:

(2) The Accounting Officer must record the reasons for any deviations in terms of subparagraph 1(a) and 1(b) of this Policy and report them to the next meeting of the Council and include it as a note to the annual financial statements.

The Report on Deviations for April 2025 **is attached to this report**.

Aanbeveling / Recommendation

That the contents of the report on deviations from the procurement processes is noted.

Dat kennis geneem word van die inhoud van die verslag in verband met afwykings van die verkrygingsprosesse.

This item served before the Municipal Public Accounts Committee (MPAC) on 11 June 2025
Die item het voor die Munisipale Openbare Rekeninge Komitee (MORK) gedien op 11 Junie 2025
Recommendation / Aanbeveling

That the contents of the report on deviations from the procurement processes is noted.

Dat kennis geneem word van die inhoud van die verslag in verband met afwykings van die verkrygingsprosesse.

DEVIATIONS FROM THE NORMAL PROCUREMENT PROCESSES – APRIL 2025 : DIRECTORATE ENGINEERING SERVICES (9/2/1) (CHIEF FINANCIAL OFFICER)

Purpose of Report

To submit a report on deviations from the normal procurement processes for Council's notification.

Background

Paragraph 27(2) of the Supply Chain Management Policy of Council reads as follows:

(2) The Accounting Officer must record the reasons for any deviations in terms of subparagraph 1(a) and 1(b) of this Policy and report them to the next meeting of the Council and include as a note to the annual financial statements.

The Report on Deviations for April 2025 **is attached to this report**.

Aanbeveling / Recommendation

That the contents of the report on deviations from the procurement processes is noted.

Dat kennis geneem word van die inhoud van die verslag in verband met afwykings van die verkrygingsprosesse.

This item served before the Municipal Public Accounts Committee (MPAC) on 11 June 2025
Die item het voor die Munisipale Openbare Rekeninge Komitee (MORK) gedien op 11 Junie 2025
Recommendation / Aanbeveling

That the contents of the report on deviations from the procurement processes is noted.

Dat kennis geneem word van die inhoud van die verslag in verband met afwykings van die verkrygingsprosesse.

DEVIATIONS FROM THE NORMAL PROCUREMENT PROCESSES – APRIL 2025 : DIRECTORATE FINANCIAL SERVICES (9/2/1) (CHIEF FINANCIAL OFFICER)

Purpose of Report

To submit a report on deviations from the normal procurement processes for Council's notification.

Background

Paragraph 27(2) of the Supply Chain Management Policy of Council reads as follows:

(2) *The Accounting Officer must record the reasons for any deviations in terms of subparagraph 1(a) and 1(b) of this Policy and report them to the next meeting of the Council and include as a note to the annual financial statements.*

The Report on Deviations for April 2025 **is attached to this report**.

Aanbeveling / Recommendation

That the contents of the report of deviations from the procurement processes be noted.

Dat kennis geneem word van die inhoud van die verslag in verband met afwykings van die verkrygingsprosesse.

This item served before the Municipal Public Accounts Committee (MPAC) on 11 June 2025
Die item het voor die Munisipale Openbare Rekeninge Komitee (MORK) gedien op 11 Junie 2025
Recommendation / Aanbeveling

That the contents of the report on deviations from the procurement processes is noted.

Dat kennis geneem word van die inhoud van die verslag in verband met afwykings van die verkrygingsprosesse.

A4927

POLICY FOR FENCING ACROSS MUNICIPAL ROADS AND PEDESTRIAN PATHWAYS WITH THE PURPOSE OF RESTRICTING ACCESS FOR SAFETY REASONS (MANAGER: TOWN PLANNING)

Purpose of Report

To submit a draft policy to Council relating to applications to fence across municipal roads and pedestrian pathways with the purpose of restricting access for safety reasons.

Background

An application was lodged by a resident in Cedar Lane, Robertson to fence the end of Cedar Lane where it reaches a cul-de-sac adjoining the pavement along Church Street. Residents indicate that this through-route facilitates crime, particularly in that criminals on foot can escape across this area and evade police vehicles that need to access Church Street from alternative roads which have direct vehicular access to Church Street.

Councilors had mixed opinions on the desirability of the proposal and a decision could not be reached. It was agreed that a policy should be prepared to assist in taking decisions on applications such as this.

This item served before an Ordinary Meeting of Council on 02 May 2024
Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 02 Mei 2024
Eenparig Besluit / Unanimously Resolved

1. That the Town Planning Department be requested to draft a policy that will serve as a framework for Council in dealing with the closure of streets with fences and gated areas.

2. That as soon as the policy referred to under point 1 has been finally approved by Council, this application relating to Cedar Avenue, Robertson, be considered.

A draft policy is attached for Council's consideration and approval of a public participation process as this type of action impacts on the wider community.

Comments Director: Engineering Services

Policy is supported.

Comments Director: Corporate Services

The contents of the policy are noted. After the policy was advertised for public comments and/or inputs, further comments will be provided on any comments and/or inputs received.

Comments Director: Economic, Social and Integrated Development Services

The attached policy is supported.

Comments Director: Financial Services

Policy is supported.

Comments Director: Community Services

Policy is supported. Item 3.4.4 not relevant.

Comments Municipal Manager

The recommendation, as submitted, is supported.

RECOMMENDATION

That a public participation process be followed to obtain input on the Draft Policy relating to the Fencing Across Municipal Roads and Pedestrian Pathways with the Purpose of Restricting Access for Safety Reasons; whereafter the Policy be re-submitted to Council for approval.

This item served before an Engineering Services Portfolio Committee on 11 June 2025
Hierdie verslag het voor die Ingenieursdienste Portefeulje Komitee gedien op 11 Junie 2025
Aanbeveling / Recommendation

That a public participation process be followed to obtain input on the Draft Policy relating to the Fencing Across Municipal Roads and Pedestrian Pathways with the Purpose of Restricting Access for Safety Reasons; whereafter the Policy be re-submitted to Council for approval.

This item served before the Executive Mayoral Committee on 18 June 2025
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 18 Junie 2025
Aanbeveling / Recommendation

That a public participation process be followed to obtain input on the Draft Policy relating to the Fencing Across Municipal Roads and Pedestrian Pathways with the Purpose of Restricting Access for Safety Reasons; whereafter the Policy be re-submitted to Council for approval.

CONSTITUTION ROAD WINE GROWERS (PTY) LTD: APPLICATION FOR A PROPOSED PIPELINE AND SERVITUDE (REFERS TO A PUMP STATION AND ELECTRICAL SERVITUDE) OVER ERF 2 ROBERTSON (16/1/3/2) (ADMINISTRATOR: PROPERTY ADMINISTRATION)

Purpose of report

To submit a report to the Mayoral Committee for consideration regarding an application received from Mr H Volschenk on behalf of Constitution Road Wine Growers.

Background

The following letter was received from Mr H Volschenk:

"We trust this letter finds you well.

As a progressive and black-empowered enterprise committed to sustainable development, Constitution Road Wine Growers (Pty) Ltd is honoured to present this partnership proposal for the establishment of a bulk water pipeline from the Breede River to Robertson Nqubela and the surrounding agricultural lands.

This idea was born due to your helpful hand in establishing the servitude on your land to supply us with precious water for sustainable agricultural activities and the securing of jobs and job creation. This project promises long-term benefits for the municipality by addressing the critical need for reliable water infrastructure to support both community and agricultural growth.

Key Project Highlights

*1. **Advanced Pipeline Design.***

Our pipeline has been meticulously engineered to deliver 240 cubic meters per hour under regular operations, with a scalable capacity of up to 325 cubic meters per hour to meet increasing future demands.

*2. **Servitude Secured.***

The required servitude along the proposed route has been acquired, ensuring seamless implementation and legal compliance.

Environmental Stewardship

Reference Number 16/6/B1/14/1556/24.

A comprehensive environmental impact assessment has been conducted, confirming the viability of the project and adherence to ecological standards.

Collaboration Opportunities
We envision this partnership as an opportunity to:

1) *Enhance water accessibility for community and agricultural sustainability.*
2) *Build critical infrastructure that complements the municipality's development goals*
3) *Foster inclusive economic growth by leveraging our black empowerment framework*

At Constitution Road Wine Growers, we are ready to bring our expertise, dedication, and resources to this collaboration. We firmly believe that together we can achieve remarkable outcomes for the benefit of our community and future generations.

We kindly request a meeting at your earliest convenience to discuss this proposal in detail. Please do not hesitate to reach out to us at 082 429 6285 for any queries or additional requirements.

Thank you for considering this proposal. We look forward to exploring the possibilities of this strategic partnership and contributing to the municipality's vision for sustainable progress.

Yours faithfully,"

Comments:

Attached to the report is the shareholder mandate and location map.

The following comments were received:

Comments: Director: Strategy & Social Development

The following information for the project was obtained from the Department of Rural Development and Land Reform.

The then Department of Land Affairs established and implemented this project in 2008 under the now discontinued LRAD programme. The number of Beneficiaries was 183 at the beginning of the project implementation. Three workers trusts were formed, namely Robertson West Workers Trust (19% shareholding); Robertson East Workers Trust (26% shareholding); and Le Chasseur Workers Trust (21% shareholding), with a combined shareholding of the three Trusts at 66% and the Robertson Co-op Winemakery owning 34% shareholding in Constitution Road Wine Growers (Pty) Ltd. The total LRAD grant received was R4 466 298.00 with R4 290 000,00 that bought the 66 %shareholding in Constitution Road Winegrowers (Pty) Ltd, and R 174 298,00 was allocated for Soil preparation for Apricot establishment. Constitution Road Winegrowers (Pty) Ltd is the owner of Portion 4 (Remaining extent) of Over Het Roode Zand Farm No. 112, measuring 115.2236 ha in extent, situated in Robertson Registration Division. The commodities on the farm are Wine grapes, apricots, and pumpkins.

The application received is from the Manager of the farm, and is the request supported subject to engineering comments.

Comments: Director: Community Services

Supply chain management process be followed for partnership consideration.

Comments: Acting CFO

The application is supported subject to comments from engineering directorate given the fact that supply of water is a municipal function.

Comments: Director: Engineering Services

No comments were received.

Comments: Manager: Town Planning

There is no objection to the proposed pipeline over Erf 2 Robertson subject to the owner applying in terms of the Langeberg Land Use Planning Bylaw for a private water pipeline and pumphouse servitude, and electrical servitude/s. More detailed information will be required with the application relating to existing and proposed water rights (abstraction and storage) and applications required in terms of the National Water Act, 36/1998.

Comments: Manager: Civil Engineering Services

The Civil Engineering Department has no objection to the above proposed servitude. The servitude for the proposed bulk pipeline must be at least 4m wide to ensure that maintenance vehicles/equipment can access the pipe.

Comments: Snr Technician: Electrical engineering Services

An 50KVA electrical supply is technically available to the above Municipal owned Erf, subject to the following:

1. Written permission from the property owner of Erf 17/112 to extend the existing 11KV municipal OH line over his property.
2. The 50KVA capacity will be transferred from Erf RE/4/112 and Erf 31/112
3. Client responsible for all the costs associated with the new electrical supply.

Comments: Cllr Coetzee

I support the approval of the application.

Comments: Snr Manager: Administrative Support

The application is supported if all the legal processes are in place, which includes a public participation process. A physical onsite meeting by the committee will explain the application in full.

Comments: Director Corporate Services

The recommendation in the report is recommended for approval.

Comments: Municipal Manager

The recommendation, as submitted to Council, is supported.

Recommendation

1. That it be confirmed that the portions over municipal land situated on erf 2, Robertson is not needed for the provision of the minimum level of basic municipal services. (S14 of the MFMA 2003, Act 56 of 2003)

2. That the application from Constitution Road Wine Growers (Pty) Ltd for a proposed pipeline and servitude (refers to a pump station and electrical servitude) over erf 2 Robertson be approved in principle and the intention of the Municipality to alienate the property be advertised for comments.

3. That after the period for comments has lapsed and if no written views and/ or valid objections are received, the intention of the Municipality to alienate the property to Constitution Road Wine Growers (Pty) Ltd be proceeded with, subject to the following conditions:

3.1 That the applicant registers a proposed pipeline and servitude (refers to a pump station and electrical servitude) over erf 2 Robertson (as indicated on the plan submitted).

3.2 The applicant must apply in terms of the Langeberg Land Use Planning Bylaw for a private water pipeline and pumphouse servitude, and electrical servitude/s.

3.3 That the necessary processes be followed by the applicant in terms of the National Water Act 1998, Act 36/1998.

3.4 That the compensation to be paid to Langeberg Municipality for the servitude which be determined at the fair market related value of the area of the servitude.

3.5 That the servitude be subject to municipal rates being levied to be paid by the applicant.

3.6 That the servitude for the proposed bulk pipeline must be at least 4m wide to ensure that maintenance vehicles/equipment can access the pipe.

3.7 That all costs involved with advertising and finalising this process be for the account of the applicant.

3.8 That more detailed information will be required from the applicant with the application relating to existing and proposed water rights (abstraction and storage) and applications required in terms of the National Water Act, 36/1998.

3.9 That written permission be obtained from the property owner of Erf 17/112 to extend the existing 11KV municipal OH line over his property.

3.10 That the 50KVA capacity will be transferred from Erf RE/4/112 and Erf 31/112, and that the applicant will be responsible for all the costs associated with the new electrical supply.

3.11 That all costs involved with finalization of this transaction be for the account of the applicant.

This item served before the Corporate Services Portfolio Committee on 11 June 2025
Die item het voor die Korporatiewe Dienste Portefeulje Komitee gedien op 11 Junie 2025
Recommendation / Aanbeveling

1. That it be confirmed that the portions over municipal land situated on erf 2, Robertson is not needed for the provision of the minimum level of basic municipal services. (S14 of the MFMA 2003, Act 56 of 2003)

2. That the application from Constitution Road Wine Growers (Pty) Ltd for a proposed pipeline and servitude (refers to a pump station and electrical servitude) over erf 2 Robertson be approved in principle and the intention of the Municipality to alienate the property be advertised for comments.

3. That after the period for comments has lapsed and if no written views and/ or valid objections are received, the intention of the Municipality to alienate the property to Constitution Road Wine Growers (Pty) Ltd be proceeded with, subject to the following conditions:

3.1 That the applicant registers a proposed pipeline and servitude (refers to a pump station and electrical servitude) over erf 2 Robertson (as indicated on the plan submitted).

3.2 The applicant must apply in terms of the Langeberg Land Use Planning Bylaw for a private water pipeline and pumphouse servitude, and electrical servitude/s.

3.3 That the necessary processes be followed by the applicant in terms of the National Water Act 1998, Act 36/1998.

3.4 That the compensation to be paid to Langeberg Municipality for the servitude which be determined at the fair market related value of the area of the servitude.

3.5 That the servitude be subject to municipal rates being levied to be paid by the applicant.

3.6 That the servitude for the proposed bulk pipeline must be at least 4m wide to ensure that maintenance vehicles/equipment can access the pipe.

3.7 That all costs involved with advertising and finalising this process be for the account of the applicant.

3.8 That more detailed information will be required from the applicant with the application relating to existing and proposed water rights (abstraction and storage) and applications required in terms of the National Water Act, 36/1998.

3.9 That written permission be obtained from the property owner of Erf 17/112 to extend the existing 11KV municipal OH line over his property.

3.10 That the 50KVA capacity will be transferred from Erf RE/4/112 and Erf 31/112, and that the applicant will be responsible for all the costs associated with the new electrical supply.

3.11 That all costs involved with finalization of this transaction be for the account of the applicant.

This item served before the Executive Mayoral Committee on 18 June 2025
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 18 Junie 2025
Aanbeveling / Recommendation

1. That it be confirmed that the portions over municipal land situated on erf 2, Robertson is not needed for the provision of the minimum level of basic municipal services. (S14 of the MFMA 2003, Act 56 of 2003)

2. That the application from Constitution Road Wine Growers (Pty) Ltd for a proposed pipeline and servitude (refers to a pump station and electrical servitude) over erf 2 Robertson be approved in principle and the intention of the Municipality to alienate the property be advertised for comments.

3. That after the period for comments has lapsed and if no written views and/ or valid objections are received, the intention of the Municipality to alienate the property to Constitution Road Wine Growers (Pty) Ltd be proceeded with, subject to the following conditions:

3.1 That the applicant registers a proposed pipeline and servitude (refers to a pump station and electrical servitude) over erf 2 Robertson (as indicated on the plan submitted).

3.2 The applicant must apply in terms of the Langeberg Land Use Planning Bylaw for a private water pipeline and pumphouse servitude, and electrical servitude/s.

3.3 That the necessary processes be followed by the applicant in terms of the National Water Act 1998, Act 36/1998.

3.4 That the compensation to be paid to Langeberg Municipality for the servitude which be determined at the fair market related value of the area of the servitude.

3.5 That the servitude be subject to municipal rates being levied to be paid by the applicant.

3.6 That the servitude for the proposed bulk pipeline must be at least 4m wide to ensure that maintenance vehicles/equipment can access the pipe.

3.7 That all costs involved with advertising and finalising this process be for the account of the applicant.

3.8 That more detailed information will be required from the applicant with the application relating to existing and proposed water rights (abstraction and storage) and applications required in terms of the National Water Act, 36/1998.

3.9 That written permission be obtained from the property owner of Erf 17/112 to extend the existing 11KV municipal OH line over his property.

3.10 That the 50KVA capacity will be transferred from Erf RE/4/112 and Erf 31/112, and that the applicant will be responsible for all the costs associated with the new electrical supply.

3.11 That all costs involved with finalization of this transaction be for the account of the applicant.

A4929

REPORT TO COUNCIL RE COMPLAINTS RECEIVED ABOUT THE UNMAINTAINED STATE OF ERF 1120, 12 TIENVOET STREET, ROBERTSON AND PROPOSAL FOR THE MUNICIPALITY TO TAKE BACK PROPERTY (MANAGER: PARKS AND AMENITIES)

PURPOSE

To submit a report to the Council about the unmaintained state of vacant stand Erf 1120, 12 Tienvoet street, Robertson.

BACKGROUND

The Langeberg Municipality has received numerous complaints over time regarding the poor and unmaintained state of vacant stand Erf 1120, located at 12 Tienvoet Street, Robertson. Despite the municipality's repeated attempts to address the issue, the property remains neglected, contributing to various public safety and health concerns.

The **Langeberg Municipality Bylaw for the Prevention and Suppression of Nuisances**, as published in the Provincial Gazette 6751 on 28 May 2010, specifically outlines that:

"No person shall allow any premises to be overgrown with bush, weeds or grass or other vegetation except cultivated trees, shrubs, and grass to such an extent that, in the opinion of the municipality, it may be used as a shelter for vagrants, wild animals, or vermin or may threaten the public health or the safety of the community or may promote the spread of fires or cause the premises to be unsightly or objectionable or detrimental to the value of adjacent property."

PREVIOUS ACTIONS:

- The Langeberg Municipality has previously sent multiple notices and letters to the Otto family, the listed owners of the property according to the municipal Debtors and Billing system, requesting maintenance of the property.
- Regrettably, no response has been received from the owners.
- To resolve the situation, the Langeberg Municipality appointed a contractor to clean the property at the expense of the owner and, as per the Council approved Municipal budget tariffs, the Actual cost + 20% administration cost + VAT was added to the property municipal services account.

OUTSTANDING DEBT:

As of 30 June 2024, the outstanding balance on the municipal services account for the property is R 124 194,74. No payments have been received since 2 October 2018. The current market value of the property is R 60 000, which is considerably lower than the outstanding debt.

CONCERNS:

The unkempt state of the property has contributed to the following issues:

- Illegal dumping on the property, creating a health hazard.
- Encouragement of anti-social activities
- Increased fire risk due to overgrown vegetation.
- A negative impact on the surrounding property values and overall aesthetics of the area.

Comments: Director: Corporate Services

The correct procedure to deal with this problem is to proceed with the legal process to sell erf 1120, Robertson via a Sale in Execution. The recommendation must thus be amended to proceed with the legal process to sell Erf 1120, Robertson by way of a Sale in Execution.

Comments: Director: Economic, Social and Integrated Development Services

The comments from the Director Corporate Services that the recommendation must thus be amended to proceed with the legal process to sell Erf 1120, Robertson by way of a Sale in Execution, is supported

Comments: Engineering Services (Town Planning)

From a land use planning point of view, the recommendation is supported. The property is zoned Single Residential and there is a demand for residential properties in this area. The property could be resold as an_individual erf for residential purposes and / or subdivided into 2 or three smaller residential erven.

Comments: Director: Financial Services

Based on the actions taken by the Municipality previously to resolve this matter as well as the outstanding debt that is above current market value of the property, the comments from the Director Corporate Services and Engineering Services (Town Planning), the recommendation to proceed with the legal process to sell Erf 1120, Robertson by way of a Sale in Execution, is supported.

Comments: Municipal Manager

The recommendation to Council to proceed with the legal process to dispose of Erf 1120, Robertson by way of a Sale in Execution, be supported.

RECOMMENDATION:

Given the severe consequences of continued neglect, it is recommended that the legal process be proceeded with to sell erf 1120, Robertson by way of a sale in Execution.

This item served before a Community Services Portfolio Committee on 11 June 2025
Hierdie verslag het voor die Gemeenskapsdienste Portefeulje Komitee gedien op 11 Junie 2025
Aanbeveling / Recommendation

Given the severe consequences of continued neglect, it is recommended that the legal process be proceeded with to sell erf 1120, Robertson by way of a sale in Execution.

This item served before the Executive Mayoral Committee on 18 June 2025
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 18 Junie 2025
Aanbeveling / Recommendation

That given the severe consequences of continued neglect, it is recommended that the legal process be proceeded with to sell erf 1120, Robertson by way of a sale in Execution.

COUNCIL REPORT: MOTION – POLICY IN RELATION TO INFORMAL SETTLEMENTS – CLLR T COETZEE

PURPOSE

To respond on the motion submitted by Cllr T Coetzee that served at an ordinary Council meeting on 29 April 2025 where it was resolved that the motion be referred to and serve at the relevant Portfolio Committee meeting.

MOTION RECEIVED:

"Policy in relation to informal settlements

Motion 1: That a report be submitted to Council to clarify the management of informal settlements:

1. What is the status on the demarcation of our informal settlements and plan of action in terms of Council's Human Settlement Plan?
2. What land is protected from illegal settlement by the approved court mun interdicts?

Where is law enforcement factored in as a risk – it doesn't show up in any budget lines? e.g. nothing happened after I informed the Mayor and Counsellor Steyn about people occupying municipal ground outside the urban edge in Bonnievale more than a year ago. Is this land covered by the council interdicts?

3. What legislation regulates informal settlements and can prevent the influx of people to a set piece of land?

4. How can the number of people on one plot be controlled to ensure that the sewer system can work and not result in constant call outs, a cost to the Langeberg Municipality.

5. How are Fire regulations implemented in informal settlements?

6. How will service charges be levied? who will pay what on subsidized water or is it an unplanned cost to the Langeberg Mun?

7. We as council asked as instructed the administration in 2023 to look into the illegal electrical connections, and second connections. This Question are now being asked for the fourth time, and still no action plan has surfaced."

RESPONSE:

What is the status on the demarcation of our informal settlements and plan of action in terms of Council's Human Settlement Plan?

Below table illustrates all informal settlements in the municipal area. All has been listed and identified in the current SDF with the exclusion of Rondomskrik, Heyl and Sonskyn. Furthermore, it should be noted that the number of structures have been estimated as last numeration was done in 2020.

TOWN	SETTLEMENT	STRUCTURES	STATUS
Montagu	Mandela Square	288	The super-blocking concept has been approved by the council to facilitate the provision of basic services within the high-density settlement
Montagu	Mountain view	80 - 100	This settlement is located on privately owned land and lies outside the urban edge

Montagu	Van Wyk Straat (Sonkyn)	20 - 40	Recently established informal settlements have emerged within the residential dorp area along Van Wyk Street
Zolani	Phase 1 Nkandla	345	ASLA is currently assessing the feasibility of providing basic services in the area. Any potential expansion or formal upgrading would take place on privately owned land adjacent to the existing settlement. The municipality has approached the landowner regarding this matter; however, no response has been received to date.
Zolani	Phase 2 Karpad	84	ASLA is currently assessing the feasibility of providing basic services in the area. Any potential expansion or formal upgrading would take place on privately owned land adjacent to the existing settlement. The municipality has approached the landowner regarding this matter; however, no response has been received to date.
Ashton	Riemvasmaak		ASLA is currently assessing the feasibility of providing basic services in the area. It is important to note that any viable upgrading of the settlement would involve relocation to a designated portion of land adjacent to Zolani. The municipality has approached the landowner regarding this matter; however, no response has been received to date. This identified area has the potential to accommodate and address all informal settlements within Ashton.
Ashton	Rondomskrik	57	It is important to note that any viable upgrading of the settlement would involve relocation to a designated portion of land adjacent to Zolani. The municipality has approached the landowner regarding this matter; however, no response has been received to date. This identified area has the

			potential to accommodate and address all informal settlements within Ashton
Robertson	Behind Môreson Heyl Gronde	190	ASLA is in the process of investigating the potential provision of basic services to the area. However, the settlement will need to be decanted, as a portion of it is located on privately owned land. Should the land acquisition process be successful, the settlement is planned to be relocated to the Heyl site.
Robertson	Keurkloof / Oppie Koppie / Droëheuwel	615	ASLA is in the process of investigating the potential provision of basic services to the area. However, the settlement will need to be decanted, as a portion of it is located on privately owned land. Should the land acquisition process be successful, the settlement is planned to be relocated to the Heyl site.
Robertson	Gravelgat	45	This site is designated for the Robertson Heights project currently underway. Council should decide whether the existing occupants will be accommodated within the project or relocated.
Nkqubela	Nkanini	1070	This settlement should also be considered for relocation to the Heyl site, as Nqkubela has reached its full development capacity or alternative land should be identified.
McGregor	McGregor	70	In accordance with the conditions of the environmental authorisation, the occupants must be relocated. Suitable alternative land should be identified and assessed for this purpose.

What land is protected from illegal settlement by the approved court mun interdicts?

a) Portion of erf 907, Bonnievale and portion of Remainder of Farm 174, situated in the Langeberg Municipality, Division Bonnievale, earmarked for the Housing Project, known as "Boekenhoutskloof"
b) Portion of the Remainder erf 1, Montagu earmarked for the Housing Project, known as "Mandela Square".
c) Portion of the Remainder Erf 937, Montagu earmarked for the Housing Project known as "Kingna".
d) Portion of erven 298·1 and portion of erf 2445, Robertson earmarked for the Housing Project, known as "Robertson Heights"

What legislation regulates informal settlements and can prevent the influx of people to a set piece of land?

The legal framework for addressing land invasions in South Africa is primarily governed by the **Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (PIE Act)**. This legislation sets out the procedures to be followed when evicting unlawful occupiers, including in instances of land invasions.

To obtain an interdict preventing land invasions, the **Trespass Act 6 of 1959** is typically applied. This Act deals with unlawful entry and occupation of private property and outlines the legal consequences of trespassing. It provides landowners with mechanisms to report trespassers and pursue legal remedies, including interdicts to prevent further unlawful occupation.

Additionally, the **Spatial Planning and Land Use Management Act (SPLUMA) 16 of 2013** establishes a coherent framework for spatial planning and land use management across municipalities. It aims to ensure a uniform system for applying land use controls and managing spatial development.
From a preventative perspective, swift action is critical when addressing illegal occupation. The turnaround time for demolishing unlawful structures is a key factor, as early intervention—before structures are fully completed—can significantly impact the effectiveness of enforcement. This aligns with the principle of **counter-spoliation**, which allows landowners to lawfully remove incomplete or unoccupied structures without requiring a court order, irrespective of the time elapsed.

How can the number of people on one plot be controlled to ensure that the sewer system can work and not result in constant call outs, a cost to the Langeberg Municipality.

This can only be achieved through effective containment measures and proactive intervention to prevent further expansion and the construction of additional structures.

How are Fire regulations implemented in informal settlements?

There is currently no fire regulations specifically tailored to informal settlements, as these areas are generally considered temporary by nature. However, the fire service and other government agencies focus on fire prevention and mitigation efforts to reduce the impact in the event of a fire. Existing general regulations—such as those governing the storage of flammable substances, open fires, and spray painting—are applied to informal settlements as far as is practicable.

How will service charges be levied? who will pay what on subsidized water or is it an unplanned cost to the Langeberg Mun?

Please refer to comments under the Municipal Manager.

Where is law enforcement factored in as a risk – it doesn't show up in any budget lines? e.g. nothing happened after I informed the Mayor and Counsellor Steyn about people occupying municipal ground outside the urban edge in Bonnievale more than a year ago. Is this land covered by the council interdicts?

Please refer to comments under the Director Corporate Services.

<u>Comments: Director Engineering Services</u>

The maintenance of bulk services is the responsibility of the municipality, but not the installation thereof. We are however challenged with unsafe and illegal electric connections and is working on an audit of all meters as well as the appointment of a contractor to remove all unsafe and illegal connections. The key matters are timing and funding. We are mindful that it is an important basic service, implying it is essential for survival as electricity provides light at night (security), preserve some food products and is used for the preparation of meals. We are consequently investigating methods to provide safe and metered power to legal informal residents as it will be provision of a basic service and at the same time contribute to safety and correct the wrong (reduce illegal connections).

Comments: Director Corporate Services

Law Enforcement assist with matters when illegal occupation is identified and reported and is this the reason a three (3) year tender was awarded to a service provider (Security Consortium) to monitor the 5 towns and deal with illegal structures being erected on municipal land. The terminology "LAW Enforcement" also includes SAPS and is the need for SAPS assistance when illegal occupation is dealt with, and where communities become violent posing many challenges.

This matter is regularly discussed in the CSF (Cluster Meetings) to improve the assistance provided by SAPS.

Comments: Director Economic, Social and Integrated Development Services

All informal settlements are included in the Integrated Development Plan for potential funding from the provincial government to provide basic services where the topography allows. However, it is important to note that this may not be feasible in all areas, which could mean that some people may need to relocate. Additionally, the municipality collaborates with other government departments in joint operations to manage the influx of undocumented individuals seeking job opportunities. The private sector also has a social responsibility to work with the government to avoid employing undocumented individuals.

Comments: Chief Financial Officer

It remains impractical to levy services charges to informal residential areas because these are not legally occupied. There are also no bulk services in many of these areas. At this stage this poses a financial viability risk as the people living in these areas expect services but do not contribute to the revenue stream of the municipality.

Comments: Municipal Manager

As a norm the municipality has until now tried as far as possible to steer clear from basic services provision to informal and illegal settlements, save for some instances where water tanks are provided and regularly filled up by water tankers as well as stand pipes, the latter also referring to the recent Council resolution on the pilot project of 2 community taps in Zolani informal settlement (Nkandla).

Providing basic services poses various risks to Langeberg Municipality:

1. By providing basic services, illegal settlements are by implications legitimized.

2. More illegal occupiers will stream towards such areas as services are provided "free".

3. Services are provided free as communal services, with no income to the municipality, yet the municipality must purchase the bulk services, with no-where to cross subsidize the services from. The municipality is suppose to ringfence each core function service in respect of purchase cost, maintenance, operations and income receive from such services.

4. As also highlighted in my comments in the item to Council in April 2025 on Zolani Informal, the risk level of the Municipality will also drastically increase for all National KPI's in respect of services losses, ie water and electricity percentages, if service provision of basic services is provided to all informal settlements in an uncontrolled manner.

5. We must also remember that at all times we must instil consumer confidence, and we should always guard against providing services for free "uncontrolled" versus expecting our account holders to pay for the services. Up to now we have been successful to control this situation with our "Indigent Policy" and constantly updated "Indigent Register" for formalized areas.

RECOMMENDATION:

That the response to the motion be considered.

This item served before a Community Services Portfolio Committee on 11 June 2025
Hierdie verslag het voor die Gemeenskapsdienste Portefeulje Komitee gedien op 11 Junie 2025
Aanbeveling / Recommendation

That the response to the motion be considered.

This item served before the Executive Mayoral Committee on 18 June 2025
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 18 Junie 2025
Aanbeveling / Recommendation

That the response to the motion be considered.

A4931

HALF YEARLY PRESENTATIONS BY THE LOCAL TOURISM ASSOCIATIONS (12/2/3/3) (DIRECTOR: ECONOMIC, SOCIAL AND INTEGRATED DEVELOPMENT SERVICES)

Purpose of the Report:

To submit a report to Council regarding the half yearly presentations by the Local Tourism Associations.

Background:

1. The following funding has been made available for the 2024 / 2025 financial year:

Montagu/ Ashton Local Tourism Association	: R 468 000.00
Robertson Local Tourism Association	: R 468 000.00
McGregor Local Tourism Association	: R 468 000.00
Bonnievale Local Tourism Association	: R 468 000.00

2. The transfer of funds was completed during December 2024 and the Local Tourism Associations (LTA's) were required to do a presentation to Council based on the application and projects that they listed to be implemented.

The following conditions were listed as Key Performance Indicators (KPI's) applicable to the Local Tourism Associations in the Service Level Agreement signed between the Municipality and the Local Tourism Offices:

Key performance indicator (KPI definition)	Required Information
Report monthly by the 10th day of each month to the Municipality with the prescribed template provided (including reporting on the 2nd economy).	Proof of monthly report submitted to the Municipality.
Report quarterly to Council by the Chairperson/ Tourism Manager of the LTA.	Quarterly presentation presented to the Economic, Social and Integrated Development Services Portfolio Committee.
Assist the Municipality with Events Management Applications.	Proof of Events Application submitted to Municipality.
Include accurate, verifiable, visitor figures to the LTA office, in the Monthly Report.	Monthly report with visitors figures to the LTA office.
Include accurate, verifiable, visitor figures to three tourist attractions, in the Monthly Report.	Monthly report with visitor figures to three tourism attractions.
Submit audited Financial Statements of the Local Tourism Association to the Municipality by the 30th of September.	Proof of submitting audited Financial Statements.
Include Municipal logo on all brochures, information leaflets, maps and other marketing material.	Branded brochures, information leaflets, maps and other marketing material.
Submit an accurate events calendar by the 30th of September.	Proof of submitting Events calendar by September.
Submit a list of tourism initiatives in the previously disadvantaged Communities, as part of the monthly report.	Verified list of tourism initiatives in the previously disadvantaged Communities.
Include the list of LTA committee members in the monthly report.	Monthly report with list of LTA committee members.

The presentation to the Economic, Social and Integrated Development Services Portfolio Committee will concentrate on the following:

1. Submit an accurate list of projects that were rolled out to promote tourism in the different towns.
2. Include a list of Local Tourism Associations Committee members.

Recommendations

It is recommended that:

The Economic, Social and Integrated Development Services Portfolio Committee note and recommend to Council the approval of the content of the various Local Tourism Associations performance reporting for the second half of the 2024/2025 financial year.

This item served before the Economic, Social & Integrated Development Services Portfolio Committee on 11 June 2025
Hierdie item het gedien by die Ekonomies, Sosiaal & Geintegreerde Ontwikkelingsdienste Portefeulje Komitee op 11 Junie 2025
Aanbeveling / Recommendation

That Council approve the content of the various Local Tourism Associations performance reporting for the second half of the 2024/2025 financial year.

This item served before the Executive Mayoral Committee on 18 June 2025
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 18 Junie 2025
Aanbeveling / Recommendation

That Council approve the content of the various Local Tourism Associations performance reporting for the second half of the 2024/2025 financial year.

A4932

REPORT: EXPENDITURE OF ORGANISATIONS IN TERMS OF THE GRANT-IN-AID PROCESS (5/15/1/2) (DIRECTOR: ECONOMIC, SOCIAL AND INTEGRATED DEVELOPMENT SERVICES

Purpose of the report:
To submit a report to Council on the expenditure of funds in terms of the Grant-in-Aid organizations.

Background:
The following organizations/ institutions qualified for a Grant-in-Aid donations in terms of the policy adopted by Council.

In line with the approved Council decision (A4862), the Council approved an amount of R 9 800.00 to be paid per organization that successfully applied and received the Grant-in-Aid. Council also approved a payment of R 30 000.00 to be paid to Robertson Bejaarde Club to assist them to recover items lost in a fire.

	ORGANISATION	AMOUNT AWARDED	FUNDING REQUIRED	FUNDS UITILIZED
WARD 1				
1.	Robertson Bejaarde Club	R 38 800.00	Kitchen Equipment, Laptop and Printer, Crockery and Cutlery	Proof of bank statements Proof of invoices R 2 000.00 : Taxi Service Cost R 1 800.00 : Sport Day R 3 000.00 : Kitchen equipment R 600.00 : Cellphone repairs R 886.00 : Gas R 361.00 : Office Supplies R 30 000.00 not utilized yet. Waiting on insurance. Total: R 8 647.00
2.	Robertson Museum	R 9 800.00	Equipment	Proof of bank statements Proof of invoices R 1 257.00 : Herotel (Internet) R 201.25 : St Angelos Books and Auditors R 299.00 : Projector R 3 200.00 : Salary R 1 500.75 : Pastries R 759.00 : Cutlery R 1 764.00 : HDMI cable and TV stand R 874.00 : Updating of IT equipment Total: R 9 855.00
3.	Robertson Neighbourhood Watch	R 9 800.00	Park and Patroller Equipment	Proof of bank statements Proof of invoices R 1 481.00 : Fire extinguishers R 3 238.20 : Flash lights

				R 2 021.65 : Paramedic Workshop (medical equipment) Total: R 8 221.85
4.	Langeberg Hope for Hunger	R 9 800.00	Equipment and Non-Perishable Goods	Proof of bank statements Proof of invoices R 1 209.21 : Groceries R 229.80 : Serviettes R 165.98 : Groceries R 200.00 : Petrol R 128.00 : Equipment R 135.30 : Groceries R 32.90 : Groceries R 200.00 : Petrol R 134.16 : Groceries R 180.60 : Vegetables R 100.00 : Petrol R 150.00 : Petrol Total: R 2 865.95
5.	Brighten Lives	R 9 800.00	Material/ Equipment	Proof of bank statements Proof of invoices R 800.00 : Petrol R 179.90 : Black bags R 359.90 : Black bags R 600.00 : Petrol Total: 1 939.80
6.	Vrolike Vinkies	R 9 800.00	Cleaning Supplies, Food and Stationary	Proof of bank statements Proof of invoices R 5 347.70 : Maintenance R 174.90 : Maintenance R 736.90 : Maintenance R 153.60 : Servicing of fire extinguishers R 241.18 : Maintenance Total: 6 654.28
7.	ACVV Tripple-Toontjies	R 9 800.00	Equipment for classrooms, Uniforms and Stationary	Proof of bank statements Proof of invoices R 12 000.00 – Equipment Total: R 12 000.00
8.	Bright Stars	R 9800.00	Uniforms and Equipment	Proof of bank statements Proof of invoices R 3 530.00 : Uniforms and table clothes R 940.00 : Signs R 260.00 : Equipment R 500.00 : Uniforms R 1 495.00 : Urn R 1 100.00 : Gas stove

				Total: 7 825.00
9.	Morêson Voedingskema	R 9 800.00	Cleaning Supplies, Food and Utilities	Payment still outstanding due to personal banking account details.
WARD 2				
10.	Zanoxolo Gospel Singers	R 9 800.00	Equipment	Proof of bank statements Proof of invoices R 1 380.00 : Uniforms R 1 450.00 : Uniforms R 259.70 : Uniforms R 600.00 : Uniforms R 299.80 : Music Equipment R 950.00 : Invoice unclear R 427.13 : Groceries R 900.00 : Cash Deposit R 360.00 : Uniforms Total: R 6 626.63
11.	Siyakhuthaza Educare & Aftercare Centre	R 9 800.00	Chairs and Tables (educational items)	Proof of bank statements Proof of invoices R 9 800.00 : Educational item Total: R 9 800.00
12.	Young Chiefs FC	R 9 800.00	Uniforms, Shoes and Soccer Equipment	Proof of expenditure of funds not submitted.
13.	Avuya Educare and Aftercare	R 9 800.00	Educational items and food	Proof of expenditure of funds not submitted.
14.	Siyakha Educare	R 9 800.00	Educational items and food	Proof of expenditure of funds not submitted.
15.	Peacemakers FC	R 9 800.00	First aid equipment and uniforms	Proof of expenditure of funds not submitted.
16.	Sunshine Stars Créche	R 9 800.00	Educational items and food	Proof of bank statements Proof of invoices (attached 1 old invoice) R 1 864.89 : Groceries R 460.00 : Cleaning products R 744.89 : Groceries R 1 001.21 : Groceries R 456.17 : Groceries R 295.22 : Medicine R 380.00 : Stationery R 122.90 : Groceries R 105.40 : Groceries R 235.50 : Groceries R 274.57 : Groceries R 99.90 : Adult diapers Total: R 6 040.65
17.	Phumelela Edu+After Care	R 9 800.00	Equipment	Proof of bank statements Proof of invoices R 1 423.98 : Paint R 126.50 : Cement

				R 150.99 : Paint R 2 927.90 : Office equipment (Printer) R 300.00 : Laminated photos R 188.60 : Groceries R 241.00 : Invoice unclear R 1 030.00 : Furniture R 180.00 : Tony R5 Store R 502.12 : Groceries3 R 600.00 : Electricity R 256.10 : Groceries R 700.00 :Transport R 1 500.00 : Maintenance Total: R 10 127.19
18.	Little Stars Daycare	R 9 800.00	Equipment for creche and educational items	Proof of bank statements Proof of invoices R 2 076.00 : ECD equipment) R 1 515.00 : Office equipment (printer ink) R 1 223.91 : Cleaning products R 616.98 : ECD equipment R 5 29.94 : ECD equipment R 530.43 : Gas R 457.68 : Cutlery R 499.99 : Cookware R 500.00 : Gas stove R 800.00 : ECD equipment R 2 367.45 : Groceries Total: R 11 117.38
19.	Lihle Edu Care	R 9 800.00	Educational items	Proof of expenditure of funds not submitted.
WARD 3				
20.	Giving Hope Foundation	R 9 800.00	Food, Stationary and Equipment	Proof of bank statements Proof of invoices R 2 700.99 : Cell phone R 1 188.98 : Matric ball R 549.00 : Invoice unclear R 79.94 : Groceries R 34.23 : Groceries R 64.90 : Groceries R 266.17 : Groceries R 44.67 : Groceries R 142.88 : Groceries R 102.56 : Groceries R 33.51: Groceries R 326.00 : Groceries R 357.70 : Groceries R 14.99 : Groceries R 37.19 : Groceries R 54.38 : Groceries Total: R 5 998.09

21.	Kiddies Paradise Dagsorg	R 9 800.00	Cleaning supplies, Food and Equipment	Proof of bank statements Proof of invoices R 863.40 : Hardware R 1 459.00 : Stationery R 617.40 : Office equipment (printer ink) R 1 000.00 : Municipal account Total: R 3 939.80
22.	St. Blues Kersfees Koor	R 9 800.00	Band Equipment	Proof of bank statements Proof of invoices R 3 450.00 : Band Equipment R 1 350.00 : Transport R 2 500.00 : Band Equipment Total: R 7 300.00
23.	Robertson Community Brass Band	R 9 800.00	General support, Uniforms and Instruments	Proof of bank statements Proof of invoices R 4 800.00 : Band equipment R 999.99 : Office equipment (printer) R 357.38 : Cleaning products R 640.72 : Groceries R 66.50 : Groceries R 106.20 : Groceries R 1 600.80 : Groceries R 1 500.00 : Petrol Total: R 10 071.59
24.	Robertson Old St. Blues	R 9 800.00	Band instruments	Proof of expenditure of funds not submitted.
25.	Superstars Krieket Klub	R 9 800.00	Equipment and Uniforms	Proof of bank statements Proof of invoices R 965.00 : Robertson Sagtebal Krieket Unie R 465.00 : Signs R 560.00 : Equipment Total: R 1 990.00
26.	Titans Domino Club	R 9 800.00	Equipment and Uniforms	Proof of expenditure of funds not submitted.
27.	Ketso Playground	R 9 800.00	Tables, Chairs, Toys, Stationary (Educational items)	Proof of invoices R 2 417.42 : Sand and cement R 1 700.00 : Swing and tables R 1 500.00 : Tables R 1 250.00 : Mattresses R 620.00 : Doors R 300.00 : Cleaning material Total: R 8 087.42
WARD 4				
28.	New Breed Empowerment	R 9 800.00	Equipment	Proof of bank statements

				Proof of expenditure of funds not submitted.
29.	Roxy Foundation	R 9 800.00	Food and equipment	Proof of expenditure of funds not submitted.
30.	Promised Land Educare	R 9 800.00	Educational items	Proof of bank statements Proof of expenditure of funds not submitted.
31.	Rural Information Development	R 9 800.00	Educational Material	Proof of expenditure of funds not submitted.
WARD 5				
32.	The Breede Centre	R 9 800.00	Equipment	Proof of bank statements R 8 062.11 : Municipal account Total: R 8 062.11
33.	McGregor Rugby Klub	R 9 800.00	Rugby Clothing, Bags and Caps	Proof of expenditure of funds not submitted.
WARD 6				
34.	Rangers De Hoop RVK	R 9 800.00	Rugby Clothing, Bags and Caps	Proof of bank statements Proof of invoices R 10 500.00 : Transport Total: R 10 500.00
35.	Rooiberg United RVK	R 9 800.00	Uniforms	Proof of expenditure of funds not submitted.
WARD 7				
36.	TLRCO	R 9 800.00	Feeding scheme and equipment	Proof of bank statements Proof of expenditure of funds not submitted.
37.	Montagu Villagers RVK	R 9 800.00	Uniforms	Proof of bank statements Proof of invoices R 9 800.00 : Rugby jerseys Total: R 9 800.00
38.	Springroses Dienssentrum	R 9 800.00	Equipment	Proof of bank statements Proof of invoices R 3 080.00 : Vehicle tyres R 7 898.10 : Vehicle services Total: R 10 978.10
39.	Montagu Museum	R 9 800.00	Stationary	Proof of bank statements Proof of invoices R 9 944.72 : Stationary and maintenance Total: R 9 944.72
WARD 8				
40.	Jane Phillips Trust	R 9 800.00	Equipment	Proof of expenditure of funds not submitted.

WARD 9				
41.	Ashton Atletiek Klub	R 9 800.00	Uniforms	Proof of invoices R 3 475.00 : Boland Athletics Club Licence Total: 3 475.00
42.	Vipers Social Rugby Club	R 9 800.00	Uniforms	Proof of invoices R 1 100.00 : Tent and chairs R 1 500.00 : Medals R 500.00 : Transport R 7900.35 : Jersey and gym shorts Total: 11 000.35
43.	Mimosa Football Club	R 9 800.00	Uniforms and soccer shoes	Proof of bank statements Proof of invoices R 2 100.00 : Sports equipment (soccer balls) R 3 148.05 : Sports equipment (shin guards) R 69.90 : Sports equipment (Armbands) R 409.00 : Sports equipment (bibs) R 548.00 : Sports equipment (goal keeper gloves) Total: R 6 274.95
44.	Breerivier Wynland Landelike Ontwikkelings	R 9 800.00	Capacity building of rural communities (farm worker of the year)	Organization transferred the funds to Robertson Tourism Association.
45.	Mustang Krieket Klub	R 9 800.00	Uniforms	Proof of invoice. Proof of expenditure of funds not submitted.
46.	Jaguars Domino Klub	R 9 800.00	Uniforms	Proof of bank statements Proof of invoices R 5 000.00 : Uniforms R 4 500.80 : Caps/Golfers R 9500.80
47.	Ashton School of Dancing	R 9 800.00	Costumes/Uniforms	Proof of bank statements Proof of invoices R 2 016.60 : Groceries
48.	Ashton in Action	R 9 800.00	Equipment	Proof of bank statements Proof of invoices R 9 800.00 : Equipment (Tools) Total: R 9800.00
WARD 10				
49.	Boland Chambers Choir	R 9 800.00	Uniforms	Proof of invoices

				R 8 600.00 : Uniforms Total: R 8 600.00
50	Thandanani Service Centre	R 9 800.00	Cleaning supplies, equipment and food	Proof of bank statements Proof of invoices R 2 500.00 : Cash Deposit R 273.00 : Groceries R 1 200.00 : Computer equipment R 500.00 : Petrol Total: R 4 473.00
51.	Lingelihle Old Age Home	R 9 800.00	Matrasses and Curtains	Proof of expenditure of funds not submitted.
WARD 11				
52.	Excelsior Dominoes Klub	R 9 800.00	Equipment	Proof of Invoices R 10 300.50 : Uniforms Total: R 10 300.50
53.	Arabella Domino Club	R 9 800.00	Uniforms	Proof of bank statements Proof of invoices R 7830.00 – Uniforms Total: R 7830.00

Recommendation:

It is recommended that:

Council note the expenditure report of organizations in terms of the Grant-in-Aid.

This item served before the Economic, Social & Integrated Development Services Portfolio Committee on 11 June 2025
Hierdie item het gedien by die Ekonomies, Sosiaal & Geintegreerde Ontwikkelingsdienste Portefeulje Komitee op 11 Junie 2025
Aanbeveling / Recommendation

That Council note the expenditure report of organizations in terms of the Grant-in-Aid.

This item served before the Executive Mayoral Committee on 18 June 2025
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 18 Junie 2025
Aanbeveling / Recommendation

That Council note the expenditure report of organizations in terms of the Grant-in-Aid.

Updated report submitted for consideration

A4933

REPORT: APPROVAL TO PARTICIPATE IN GENDER-BASED VIOLENCE AND FEMICIDE (GBVF) 100-DAY CHALLENGE - DIRECTOR: ECONOMIC, SOCIAL AND INTEGRATED DEVELOPMENT SERVICES

Purpose of Submission:

This report seeks the Council's approval to participate in the Gender-Based Violence and Femicide (GBVF) 100-DAY Challenge.

Background

The South African government, through the National Strategic Plan on Gender-based Violence and Femicide (NSP GBVF), is promoting a multisectoral response to GBVF. Department of Cooperative Governance and Traditional Affairs and the Justice sector are taking the lead in translating this locally by organising GBVF-related 100-Day Challenges with the support of the Ford Foundation.

The Minister of Cooperative Governance and Traditional Affairs (COGTA) conducted a media briefing on 3 August 2023 to request support for the 100-Day Challenges. The 100-Day Challenges were effectively launched across the country on 9 August 2023 to commemorate National Women's Day. By the end of August 2023, only eleven (11) municipalities had conducted their lift-off sessions, wherein teams were confirmed, and 100-Day goals were agreed upon.

A 100-Day Challenge is a structured journey of learning and discovery that aims to achieve a concrete impact in a specific area of focus within 100 days and that is designed to inspire intense collaboration, rapid innovation and disciplined execution. 100-Day Challenges have a few distinct elements:

- Team of 8-15 members, typically front-line officials from several stakeholder governments and civil society organisations, including individuals with lived experience.
- Audaciously ambitious, outcome-oriented 100-day goal set by the team at a facilitated work session.
- Self-governance, including elected team leaders and rules of engagement set by the team itself.
- Agreement with organisational leaders to protect the team's autonomy, create ample space for experimentation (trial and error), and support the team as needed during the 100 days of implementation.
- Coaching and facilitation support that truly honours the agency of the team.

Recommendation / Aanbeveling

It is recommended that the council:

Approve Langeberg Municipality's participation in the Gender-Based Violence and Femicide (GBVF) 100-DAY Challenge.

This item served before the Economic, Social & Integrated Development Services Portfolio Committee on 11 June 2025
Hierdie item het gedien by die Ekonomies, Sosiaal & Geintegreerde Ontwikkelingsdienste Portefeulje Komitee op 11 Junie 2025
Aanbeveling / Recommendation

That it be approved that Langeberg Municipality participate in the Gender-Based Violence and Femicide (GBVF) 100-DAY Challenge.

This item served before the Executive Mayoral Committee on 18 June 2025
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 18 Junie 2025
Aanbeveling / Recommendation

That it be approved that Langeberg Municipality participate in the Gender-Based Violence and Femicide (GBVF) 100-DAY Challenge.

A4934

AUDIT & PERFORMANCE COMMITTEE: SUBMISSION OF THE QUARTERLY REPORT FOR QUARTER 3 OF 2024 / 2025 (5/14/R) (ACTING CHIEF AUDIT EXECUTIVE)

Purpose of report

To submit the Audit & Performance Committee report for quarter 3 of the 2024/25 financial year to Council for noting.

Background

In terms of Circular 65 of the Municipal Finance Management Act (MFMA) (Act No. 56 of 2003), the chairperson of the Audit & Performance Committee will report on a quarterly basis, or more frequently if required, to the municipal council on the operations of the Internal Audit Activity and the Audit & Performance Committee. The report should include:

- A summary of the work performed by the Internal Audit Activity and the Audit & Performance Committee against the annual work plan;
- Effectiveness of internal controls and additional measures that must be implemented to address identified risks;
- A summary of key issues dealt with such as significant internal and external audit findings, recommendations and updated status thereof;
- Progress with any investigations and its outcomes;
- Details of meetings and the number of meetings attended by each member; and
- Other matters requested of the Internal Audit Activity and Audit & Performance Committee.

The Audit & Performance Committee report for quarter 3 of 2024/25 **is attached to this report.**

Comments: Director: Community Services

The contents of the report are noted.

Comments: Director: Corporate Services

The contents of the report are noted.

Comments: Director: Engineering Services

The contents of the report are noted.

Comments: Director: Economic, Social and Integrated Development Services

The contents of the report are noted.

Comments: Acting Director: Financial Services

The contents of the report are noted.

Comments: Municpal Manager

The contents of the report are noted with sincere appreciation and the recommendation to Council, supported.

Recommendation

That the contents of the Audit & Performance Committee report for quarter 3 of the 2024/25 financial year be noted by Council.

This item served before the Municipal Public Accounts Committee (MPAC) on 11 June 2025
Die item het voor die Munisipale Openbare Rekeninge Komitee (MORK) gedien op 11 Junie 2025
Recommendation / Aanbeveling

That the contents of the Audit & Performance Committee report for quarter 3 of the 2024/25 financial year be noted by Council.

FRAUD & RISK MANAGEMENT COMMITTEE – FRAUD & RISK MANAGEMENT COMMITTEE REPORT AND UPDATED RISK REGISTER FOR QUARTER 3 – 2024 / 2025 (5/14/R) (ACTING CHIEF AUDIT EXECUTIVE)

Purpose of report

To submit the Fraud & Risk Management Committee report and the updated risk register for quarter 3 of 2024/25 to Council for noting.

Background

Section 62 (1) (c) (i) of the MFMA states that:

> "*The Municipal Manager of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all responsible steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and* ***risk management*** *and internal control*".

Furthermore, it is also stated in the Risk Management Policy that:

> "*Council takes an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the Langeberg Municipality against significant risks*".

The Fraud & Risk Management Committee (FARMCO) report and the updated risk register for quarter 3 of the 2024/25 financial year were presented to the Audit & Performance Committee on 31 March 2025.

The FARMCO report for quarter 3 of 2024/25 and the updated risk register **are attached to this report.**

Comments: Director: Community Services

The contents of the report are noted.

Comments: Director: Corporate Services

The contents of the report are noted.

Comments: Director: Engineering Services

The contents of the report are noted.

Comments: Director: Economic, Social and Integrated Development Services

The contents of the report are noted.

Comments: Acting Director: Financial Services

The contents of the report are noted.

Comments: Municpal Manager

The contents of the reports are noted with sincere appreciation and the recommendation to Council, supported.

Recommendation

That the contents of the Fraud & Risk Management Committee (FARMCO) Report and the updated risk register for quarter 3 of the 2024/25 financial year be noted by Council.

This item served before the Municipal Public Accounts Committee (MPAC) on 11 June 2025
Die item het voor die Munisipale Openbare Rekeninge Komitee (MORK) gedien op 11 Junie 2025
Recommendation / Aanbeveling

That the contents of the Fraud & Risk Management Committee (FARMCO) Report and the updated risk register for quarter 3 of the 2024/25 financial year be noted by Council.

PROGRESS REPORT ON ALLOCATED HUMAN SETTLEMENTS PROJECTS WITHIN LANGEBERG MUNICIPALITY FOR JANUARY – MARCH 2025 (17/5/R) (DIRECTOR: COMMUNITY SERVICES)

PURPOSE

To update Council of developments on the Langeberg municipal housing pipeline.

PROGRESS ON THE IMPLEMENTATION PLAN

PROJECT READINESS: PROJECTS

IMPLEMENTATION PLAN OF LANGEBERG PROJECTS	PROGRAMME	2023/2024		COMMENTS
		SITES SERVICE D	HOUSE S BUILT	
McGregor	IRDP		10	• Ten Subsidy applications has been submitted to the Department of which 8 has been approved and 2 declined. The housing section has submitted an additional two to the department
McGregor informal settlement	UISP			• Project has been listed as part of ASLAS's scope.
Bonnievale Boekenhoutskloof (224)	UISP	574		• Project Completed. • Currently the department is facing challenges with foreign national not wanting to share service s as approved by council. Request for assistance has been submitted to law enforcement.
Montagu Mandela Square (173	UISP	148		• Council approved super blocking concept for shared services. This includes construction of roads and block of ablution facilities. The application funding will motivate 4 families to a toilet and there will be 6 toilets per block with two was throughs and two standpipes. Layouts indicate 25 blocks throughout the settlement. • Shared services do not make provision for individual electrical connection only High Mast Lighting • Environmental approval expected June/July 2025 • Funding allocation for the 25/26 financial year R7 753 000
Bonnievale Uitsig (68)	IRDP: TOPS		58	• Council prioritised 31 qualifying applicants from Uitsig and the rest from Bonnievale waiting list. • Currently no formal street layout. Project Initiation Document to be completed and submitted to the Department.

				• Project included in the scope of new service provider.
Bonnievale Uitsig	10 Flips units			• Project included as part of ASLA's scope.
Montagu Strydom Street (14)	IRDP: TOPS			• Project will entail the demolition of existing structures and the redevelopment of 14 new structures. • The current site will not be able to accommodate 14 BNG structures. • The housing section with Town planning has identified a possible site within a 2km radius of Strydom Street. • Project has been listed as part ASLA's scope.
Robertson Heights	IRDP: TOPS			• Bulk confirmation has been issued. PIRR submitted to the department for approval. • LUPA application submitted. • Interdict has been approved and notice boards erected on each side. Demarcation of each area underway. • R5m allocated for bulk services in the 24/25 financial year.
Title Deed Restoration Programme			713	• With the approval of the Scaife and Rivier Street properties the housing department proceeded in signing Deeds of Sales. • With the assistance of corporate / legal services the department is busy retrieving lost titles to proceed with outstanding transfers. • The Municipality received a R230 000 allocation from the department for TRP.

IMPLEMENTING AGENT

This item served before an Ordinary Meeting of Council on 31 July 2024
Eenparig Besluit / Unanimously Resolved

1. Council authorises the Municipal Manager to sign the contract on behalf of the municipality.
2. That it be noted that the correct MFMA processes were followed.
3. That Council approve the contract term of 10 years.
4. Comments from National Treasury be incorporated within the draft contract

Project Name/Description	Housing Program	Approximate Number of Stands/ Units	Town/Suburb	Erf Number
Montagu Kinga River	IRDP	500	Montagu	937
Robertson North	UISP/ IRDP		Robertson	
Cogmanskloof Informal Settlement	UISP/IRDP		Ashton	
Zolani Informal settlement	UISP/IRDP		Ashton	
Bonnievale Uitsig/ Boekenhoutskloof (68) IRDP Ptn 1, 2, 4 & 5 / 695 Swellendam	IRDP	68	Bonnievale	Ptn 1, 2 4 & 5 / 695
ISSP McGregor Remainder Erf 397 (30) UISP	UISP	30	Mc Gregor	397
Strydom Straat Erven 2384, 2385, 2386, 2387 2388, 2389, 2390, 2391, 2392, 2394 & 2395 Montagu	IRDP/EHP	14	Montagu	2384, 2385, 2386, 2387, 2388, 2389 2390, 2391, 2392 2394 & 2395 Remainder Erf 1

Asla Construction (PTY) Ltd has been the successful bidder to act as implementing agent for the above projects.

HUMAN SETTLEMENT PLAN

This item served before an Ordinary Meeting of Council on 26 February 2025
Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 26 Februarie 2025
Eenparig Besluit / Unanimously Resolved

1. For Council to approve the Human Settlement Plan.
2. That the presentation that was done be requested from the relevant party and be submitted to the Councillors.

HOUSING SELECTION POLICY

This item served before an Ordinary Meeting of Council on 26 February 2025
Hierdie item het gedien voor 'n Gewone Vergadering van die Raad op 26 Februarie 2025
Eenparig Besluit / Unanimously Resolved

For Council to approve housing selection policy with the following amendments:

1. Paragraph 4.1 - Council to approve the Housing Section Policy with the removal of paragraph 4.1 second bullet that reads "Persons who previously owned property is recorded as property owners on the system in order to come into consideration for other housing programs".
2. Paragraph 6.4 - relates to quotas for groups historically not registered due to geographic isolation with emphasis on farm dwellers. It is the directorate's view that we remain with this section as the quotas are there to address systematic exclusion that might arise due to poor registration. See attached Circular C10/2015.
3. Paragraph 6.5 – Catchment areas to remain for future inclusions

RECOMMENDATION

That the Council takes cognisance of the current progress project readiness report for the Langeberg Municipality.

This item served before a Community Services Portfolio Committee on 11 June 2025
Hierdie verslag het voor die Gemeenskapsdienste Portefeulje Komitee gedien op 11 Junie 2025
Aanbeveling / Recommendation

That the Council takes cognisance of the current progress project readiness report for the Langeberg Municipality.

This item served before the Executive Mayoral Committee on 18 June 2025
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 18 Junie 2025
Aanbeveling / Recommendation

That the Council takes cognisance of the current progress project readiness report for the Langeberg Municipality.

REPORT: MOTION – CLARIFICATION REGARDING SPAZA SHOP APPLICATIONS

Purpose of Submission:

To submit a progress report regarding the clarification of Spaza Shops applications.

Background

On 18 November 2024, foodborne illnesses were classified as a National Disaster in terms of Section 23 of the Disaster Management Act (the Act). Consequently, all affected organs of state are expected to submit progress reports as required by the National Disaster Management Centre and as outlined in section 24(4) to (8) of the Act. The Minister of CoGTA and Minister of Western Cape Department of Local Government addressed all Western Cape Municipalities regarding the National State of Disaster announcement by the President.

Updated business license applications:

Towns	Applied Spaza Shop	Not Applied spaza shop	Approved spaza shop	Declined	In Process
1. Robertson	143	19	6	114	24
2. Ashton	54	11	None	40	14
3. McGregor	19	3	2	8	9
4. Bonnievale	40	0	4	27	9
5. Montagu	61	13	2	35	24

This Standard Operating Procedure (SOP) (Annexure A) outlines the process for efficiently managing the business licence process in the Langeberg Municipality.

1. **Process to apply for a business licence application in Langeberg:**

1.1 Applications for Business Licences must be lodged with the Municipality in terms of the Business Act, 1991.

1.2 The application must be submitted on the application form (Annexure B), and accompanied by the application fee / proof of payment and a copy of the applicant's ID.

1.3 The following supporting documents must be submitted with the business licence application to confirm that the premises are suitable for the proposed use and that the public's health and safety are protected:
- 1.3.1 Zoning Certificate confirming that the property has land use rights for a business.
- 1.3.2 Copy of the approved Building Plans and occupancy certificate.
- 1.3.3 Fire Certificate.
- 1.3.4 Certificate of Acceptability (Health).

1.4 It remains the responsibility of the applicant, not the various Departments, to provide the above supporting documents.

1.5 Where the relevant supporting documentation is not available, the applicant must lodge the relevant applications to obtain these approvals.

Comments Director Corporate Services

The contents of the report and SOP is noted.

Comments Director Engineering Services

The recommendation is supported.

Comments Director Community Services

Council to take cognizance of the report provided.

Comments Acting Chief Financial Officer

The recommendation is supported.

Comments Municipal Manager

The recommendation is supported.

Recommendation / Aanbeveling

It is recommended that:

The Council note the content of the clarification regarding spaza shop applications.

This item served before the Economic, Social & Integrated Development Services Portfolio Committee on 11 June 2025
Hierdie item het gedien by die Ekonomies, Sosiaal & Geintegreerde Ontwikkelingsdienste Portefeulje Komitee op 11 Junie 2025
Aanbeveling / Recommendation

That Council note the content of the clarification regarding spaza shop applications.

This item served before the Executive Mayoral Committee on 18 June 2025
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 18 Junie 2025
Aanbeveling / Recommendation

That Council note the content of the clarification regarding spaza shop applications.

A4938

ROBERTSON FLYING CLUB: APPLICATION FOR THE RENEWAL AND LONGER- TERM LEASE OF ROBERTSON AIRFIELD (7/2/3/1/5) (ADMINISTRATOR: PROPERTY ADMINISTRATION)

Purpose of report

To submit a report to the Mayoral Committee for consideration regarding an application received from Mr H de Bod on behalf of Robertson Flying Club.

Background

The following letter was received from Mr H de Bod:

"The Robertson Flying Club hereby officially request the Langeberg Municipality to renew the lease agreement for Robertson Airfield. The current lease agreement comes to an end on 30 June 2025. Currently it is a 9 year 11-month lease agreement with a 3 month notice period to terminate the contract.

The Robertson flying Club and airfield have been in existence since 1938. In the 1980`s the airfield was upgraded with generous funding from Mr Graham Beck. The Robertson Flying Club has been managing the Robertson airfield on behalf of the municipality since 1971. Robertson Airfield and Langeberg Municipality had a good partnership through many years to the benefit of the whole municipal area. The Robertson Airfield is the only CAA (Civil Aviation Authority) licensed airfield in the Langeberg Municipal area.

It has come to the intention of the Robertson flying Club that other municipal airfield leases are for much longer periods. Stellenbosch, Still Bay and Mossel Bay have for instance lease contracts for between 20 and 50 years with options to renew these lease agreements for the same periods. The contracts for Still Bay and Mossel Bay are attached to this letter (refer to Annexures A and B). Stellenbosch Flying Club`s contract is in the process of being finalized but can also be send to you once available.

Robertson Flying Club generates money from fuel sales and membership fees. Film crews have in the past hired the Airfield to shoot films. This money is used to upgrade and maintain Robertson Airfield`s infrastructure and facilities. Robertson Airfield is a non-profit organization which benefits the whole area.

If you read the letters of support received and attached from the Western Cape Sport Parachute Club. AMS (Red Cross), the South African Airforce, Robertson Tourism and Working on Fire, one realizes the important role the Robertson Airfield in the local economy and community services.

It creates jobs through Jaffie Aviation flying school and Mastertech. The airfield is important in disaster management for emergency evacuation and emergency crew to dispatched to and from other areas. It can also be used for air transport of critically ill patients when needed. It is a contributor to economic activities through businesspeople, tourists, parachute jumpers, film crews and many more industries flying in and visiting the town, staying over and investing and spending money in our area.

The current 3 month notice period to terminate the contract from the municipality`s side is of particular concern to the club, as outside investors are not willing to invest with this clause in the contract. *For obvious reasons it inhibits meaningful investment in the facility. See attached letter concern from Incomar (Annexure H).*

Currently the best option for the flying club is to buy the property on which the airfield is located to ensure long-term confidence for investors, as were done in the cases of Morning Star and Swellendam`s Airfields. After previous discussions with Langeberg Municipality, this proposal was turned down by municipal management but still the best option from the flying club`s perspective.

At the least we request a renewal of our lease agreement for a longer period and without the 3-month cancellation clause. *We obtained a legal opinion from Boy Louw Attorneys stating that the airfield can legally be leased for a much longer period if the correct legal process is followed. With a fair contract in place, we as Robertson Flying Club, can continue to maintain the airfield to the benefit of all.*

With kindly request your consideration of this proposal and would appreciate the opportunity to discuss the matter further at your convenience. Thank you for your time and support in recognizing the vital role that the Robertson Airfield plays in our community.

We look forward to a positive response."

Comments:

A location map **is attached**.

The following comments were received:

Comments: Manager: Town Planning

The long-term strategic importance of the Robertson airfield is recognised in the new Langeberg SDF, both in terms of its physical location and the functions it performs in support of the region. Accordingly, the renewal of the lease agreement is supported from a land use planning point of view subject to the following:

1. The existing buildings and lease area must be surveyed and a survey plan prepared which shows at least the following: the outer boundary of the lease area; the number and outer figure of all existing buildings and their uses; the alignment and nature of existing services; and the number, position and maximum size of all proposed buildings within the lease area.
2. The lease agreement must specify the Standard Operating Procedure, to be followed by the lessee to obtain authorisation from the lessor, prior to lodging building plans.
3. If a long-term lease is to be entered into, or a short-term lease that will be registered, an application must be lodged in terms of Section 15 of the Langeberg Land Use Planning Bylaw, 2015.

Comments: Director: Engineering Services

The application is supported on the conditions as provided by the Manager of our Town Planning Department.

Comments: Acting CFO

If a renewal is considered it should be based on a recent market value and considering the below as well.

If the lease was done through the SCM process, Section 116(3) of the MFMA is applicable which states:

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

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

Comments: Director: Strategy & Social Development

There is no objection to the renewal of the lease agreement; however, it should follow a public participation process if we propose a longer period as requested.

Comments: Director: Community Services

Robertson Airfield management supported to ensure that the Airfield is maintained in accordance with applicable legislation and regulations during the lease agreement term.

Comments: Manager: Civil Engineering Services

The Civil Engineering Department has no objection to the above application.

Comments: Cllr Coetzee

I would support the renewal of the lease agreement with Robertson Flying Club for the same period or for a longer period, if possible. The airfield is an important asset to the Langeberg area."

Comments: Snr Manager: Administrative Support

The long-term strategic importance of the Robertson airfield is recognised in the functions it performs in support of the whole region. Accordingly, the renewal of the lease agreement is supported for a term of 9 years and 11 months. Conditions 1 - 3 from the inputs from the Manager: Town Planning, must be included in the new lease agreement.

Comments: Director: Corporate Services

The renewal of the lease agreement is supported for a period of 9 years and 11 months and further subject to the conditions as proposed. If the Robertson Flying Club does not accept the proposed decision, the Management of the Robertson Airfield must then be advertised to with other interested parties to lease and manage the Robertson Airfield on behalf of the Municipality.

Comments: Municipal Manager

The Municipality should never find itself in a position where they will be in a position to consider disposing of a valuable asset, as in this case the Airfield. It is a strategic asset, that contributes to economic and tourism development within the municipality and the greater region. As a result, the recommendation in respect of a long term lease, to be advertised for public comment, is supported.

Recommendations

1. That it be confirmed that the municipal property is not needed for the provision of the minimum level of basic municipal services. (S14 of the MFMA 2003, Act 56 of 2003).

2. That the application received Mr H de Bod on behalf of Robertson Flying Club for the renewal and longer- term lease of Robertson airfield be approved in principle and the intention of the Municipality to lease the property to Robertson Flying Club for a period of 9 years and 11 months be advertised for comments.

3. That after the period for comments has lapsed and if no written views and/ or valid objections were received, the lease of the property to Robertson Flying Club be proceeded with, subject to the following conditions:

3.1 That the rental amount be determined by way of a reasonable market value.

3.2 That the rental amount per month will increase annually with a percentage that will be determined by the annual CPIX, and the Lessee is responsible for the payment of the insurance for the portion of the land.

3.3 That the Lessee always be responsible for the maintenance off good order, behaviour and government on the portion of land and within any buildings and/ or structures thereon.

3.4 That the Lessee will not without prior written consent from the Lessor, be entitled to make any changes, improvements, or additions to the property. The improvements that must be done will be for the account of the Lessee. No claims for the improvements done will be considered.

3.5 That the building plan must comply with all requirements and regulations and be approved by the Building Control Department of the Municipality before any erection is done.

3.6 That the existing buildings and lease area be surveyed and a survey plan prepared which shows at least the outer boundary of the lease area; the number and outer figure of all existing buildings and their uses; the alignment and nature of existing services; and the number, position and maximum size of all proposed buildings within the lease area before the lease agreement is signed by the Municipal Manager.

3.7 That the Lessee is required to submit an application in accordance with Section 15 of the Langeberg Land Use Planning Bylaw, 2015.

3.8 That should it be necessary to upgrade, repair or install, municipal services on the portion of land, the Council then has a right to do so without being liable for damages.

3.9 That the Lessee applies where applicable for all required licences, permits, permissions, and observe and comply with all laws and regulations or regulations imposed for their own cost.

3.10 That the Lessee is responsible for maintaining the road to the airfield and the replacement of the windsock if applicable.

3.11 That the Lessee is responsible for the maintenance of the surface of the runway. The Lessor will provide the material for the maintenance of the tarred surface, while the Lessee observes that the maintenance is for their account.

3.12 That the Lessee is responsible for the maintenance of the grass adjacent to the runway and surrounding area.

3.13 That no activities such as drags and spinning be approved to the leased area and such approval will be to the immediate cancellation of the lease agreement, indicating that such activities will cause damage to the runway and adjacent area.

3.14 That the Lessee indemnifies the Lessor for any responsibility and also any liability that may arise from any action, lawsuits, judicial steps, claims or collections, costs, damage compensation or any other action of whatever nature which might occur from the leasing of the property to Robertson Flying Club as well as any transaction, action, omission or negligence by the Lessee, his workers or any person under his control and supervision. This indemnity will also be in effect in respect of third parties and/or their property.

3.15 That this renewal cannot create a reasonable expectation of continued / automatic renewal. The Lessee may apply for a further renewal for consideration at the end of this lease agreement.

This item served before the Executive Mayoral Committee on 18 June 2025
Hierdie item het voor die Uitvoerende Burgemeesterskomitee gedien op 18 Junie 2025
Aanbeveling / Recommendation

1. That it be confirmed that the municipal property is not needed for the provision of the minimum level of basic municipal services. (S14 of the MFMA 2003, Act 56 of 2003).

2. That the application received Mr H de Bod on behalf of Robertson Flying Club for the renewal and longer-term lease of Robertson airfield be approved in principle and the intention of the Municipality to

lease the property to Robertson Flying Club for a period of 9 years and 11 months be advertised for comments.

3. That after the period for comments has lapsed and if no written views and/ or valid objections were received, the lease of the property to Robertson Flying Club be proceeded with, subject to the following conditions:

3.1 That the rental amount be determined by way of a reasonable market value.

3.2 That the rental amount per month will increase annually with a percentage that will be determined by the annual CPIX, and the Lessee is responsible for the payment of the insurance for the portion of the land.

3.3 That the Lessee always be responsible for the maintenance off good order, behaviour and government on the portion of land and within any buildings and/ or structures thereon.

3.4 That the Lessee will not without prior written consent from the Lessor, be entitled to make any changes, improvements, or additions to the property. The improvements that must be done will be for the account of the Lessee. No claims for the improvements done will be considered.

3.5 That the building plan must comply with all requirements and regulations and be approved by the Building Control Department of the Municipality before any erection is done.

3.6 That the existing buildings and lease area be surveyed and a survey plan prepared which shows at least the outer boundary of the lease area; the number and outer figure of all existing buildings and their uses; the alignment and nature of existing services; and the number, position and maximum size of all proposed buildings within the lease area before the lease agreement is signed by the Municipal Manager.

3.7 That the Lessee is required to submit an application in accordance with Section 15 of the Langeberg Land Use Planning Bylaw, 2015.

3.8 That should it be necessary to upgrade, repair or install, municipal services on the portion of land, the Council then has a right to do so without being liable for damages.

3.9 That the Lessee applies where applicable for all required licences, permits, permissions, and observe and comply with all laws and regulations or regulations imposed for their own cost.

3.10 That the Lessee is responsible for maintaining the road to the airfield and the replacement of the windsock if applicable.

3.11 That the Lessee is responsible for the maintenance of the surface of the runway. The Lessor will provide the material for the maintenance of the tarred surface, while the Lessee observes that the maintenance is for their account.

3.12 That the Lessee is responsible for the maintenance of the grass adjacent to the runway and surrounding area.

3.13 That no activities such as drags and spinning be approved to the leased area and such approval will be to the immediate cancellation of the lease agreement, indicating that such activities will cause damage to the runway and adjacent area.

3.14 That the Lessee indemnifies the Lessor for any responsibility and also any liability that may arise from any action, lawsuits, judicial steps, claims or collections, costs, damage compensation or any other action of whatever nature which might occur from the leasing of the property to Robertson Flying Club as well as any transaction, action, omission or negligence by the Lessee, his workers or any person under his control and supervision. This indemnity will also be in effect in respect of third parties and/or their property.

3.15 That this renewal cannot create a reasonable expectation of continued / automatic renewal. The Lessee may apply for a further renewal for consideration at the end of this lease agreement.

A4939

FINANCIAL REPORTING IN TERMS OF SECTION 71 OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 – MAY 2025 (9/2/1/3) (DIRECTOR: FINANCIAL SERVICES - CFO)

Purpose of report

To submit a report in terms of the Monthly Budget Statement of the Local Government: Municipal Finance Management Act, 2003 to Council for information.

Comments

The report, as submitted to the Executive Mayor, National Treasury and Provincial Treasury, was provided separately.

Aanbeveling / Recommendation

That the content of the report be noted.

Dat kennis geneem word van die inhoud van die verslag.

This item served before the Finance Portfolio Committee on 18 June 2025
Hierdie item het gedien voor die Finansies Portefeulje Komitee op 18 Junie 2025
Recommendation / Aanbeveling

That the content of the report be noted.

Dat kennis geneem word van die inhoud van die verslag.

A4940

COMPILING OF THE JUNE 2024 / 2025 ADJUSTMENTS BUDGET (DIRECTOR: FINANCIAL SERVICES - CFO)

Purpose of Report

To submit an Adjustment budget for the 2024/2025 financial year as a result of Adjustment budget allocation to the municipality for the 2024/2025 financial year to the Council for Consideration.

Background

The Medium-Term Revenue & Expenditure Framework (MTREF) report, which is compiled in terms of the Municipal Budgeting and Reporting Regulations (MBRR), was distributed prior to the Council meeting on the 25 of June 2025.

An adjustment of R2 065 970.00 was incorporated in the budget due to an additional allocation for the Informal Settlements Upgrading Partnership Grant.

An adjustment on housing expenditure, this adjustment was necessary to correct the VAT calculated on housing grants to align it with the VAT exemption on residential properties.

Summary of Adjustments is as follows:

ADJUSTMENTS - JUNE 2025 ADJB

OPERATIONAL REVENUE

Description	Department	Funding	April Budget 202425	Adjustment Own Funds	Adjustment Grants	June 2025 Adjustments Budget
ISUPG Rev Recognition -Housing	COMMUNITY_Housing	ISUPG	- 35 877 000.00		- 2 065 970.00	- 37 942 970.00
			- 43 413 453.00	-	- 2 065 970.00	- 45 479 423.00
			Own funds	-		**MFMA s28(2)(B)**
			PT / NT -	2 065 970.00		**MFMA s28(2)(F)**

OPERATIONAL EXPENDITURE

Description	Department	Funding	April Budget 202425	Adjustment Own Funds	Adjustment Grants	June 2025 Adjustments Budget
					4 679 609.00	
Professional services	COMMUNITY_Housing	ISUPG	31 197 391.00		6 745 579.00	37 942 970.00
Title Deeds Grant- Legal Cost Legal Advice and Litigation	COMMUNITY_Housing	TRG	200 000.00		30 000.00	230 000.00
Inventory Consumed-Housing Stock	COMMUNITY_Housing	HSDG	6 353 437.38		953 015.62	7 306 453.00
Contracted Services - AHD	COMMUNITY_Housing	CRR	7 626 387.00	- 7 626 387.00		-
			45 377 215.38	- 7 626 387.00	7 728 594.62	45 479 423.00
			Own funds	-		**MFMA s28(2)(B)**
			PT / NT	102 207.62		**MFMA s28(2)(F)**

Legal Framework

Section 28 (2) (b) (f) of the MFMA states the following:

An Adjustments Budget – "*may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for.*

An Adjustments Budget – "*may correct any errors in the annual budget*"

In terms of the Budget and Reporting Regulations, Regulation 23(5) in Government Gazette No: 32141, Notice No: 393 of 2009 states; *If a national or provincial adjustment 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 adjustment budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.*

Financial implications

Financial implications are contained in the detailed report, **which will be provided separately**.

Legal context

1. The MFMA Section 28, 30 and 16(3)
2. Municipal Budget and Reporting Regulations
3. Municipal Council Budget related Policies

Recommendation

That in respect of:

The Roll-over Adjustment Budget 2024/2025: 25 June 2025

1. Council approves the Adjustment Budget for 2024/2025 financial year as set out in the following:

    i. Municipal Budget tables B1 – B10
    ii. Municipal Budget Supporting Documentation SB1 – SB19

2. The Service Delivery Budget Implementation Plan to be amended in line with these adjustments.

This item served before the Finance Portfolio Committee on 18 June 2025
Hierdie item het gedien voor die Finansies Portefeulje Komitee op 18 Junie 2025
Recommendation / Aanbeveling

That in respect of:

The Roll-over Adjustment Budget 2024/2025: 25 June 2025

1. Council approves the Adjustment Budget for 2024/2025 financial year as set out in the following:

    i. Municipal Budget tables B1 – B10
    ii. Municipal Budget Supporting Documentation SB1 – SB19

2. The Service Delivery Budget Implementation Plan to be amended in line with these adjustments.

A4941

COUNCIL REPORT: UPDATED WHEELING POLICY (DIRECTOR: ENGINEERING SERVICES)

1. Purpose of Report

To inform the Council of the proposed updates to the Wheeling Policy and to obtain approval for its implementation effective 1 July 2025.

2. Background

The current Wheeling Policy requires updating to align with recent directives and to ensure the continued integrity and reliability of the municipal electricity network. Two key areas necessitate these updates:

2.1. Municipal Account Status

Following a directive from National Treasury, only municipal account holders whose accounts are paid up to date will be eligible to participate in Wheeling. This has the following implications:

- New Applications: Applications for Wheeling will only be considered, processed, or approved if the municipal account for the relevant property is fully paid.
- Ongoing Participation: If an existing Wheeling participant falls into arrears, their participation will be paused until the account is settled. This may result in financial losses for the participants during the suspension period.

2.2. Quality of Supply

To protect the municipal electricity network and other consumers, it is essential to maintain a high quality of power supply. Therefore:

- A measuring and control device will be mandatory for all Wheeling systems with a capacity of 350 kVA or greater.
- This device will monitor and ensure compliance with the required power quality standards, preventing negative impacts on the network.

3. Comments from Municipal Manager and Directors

Director: Engineering Services

The update is appropriate and supported.

Director: Corporate Services

The amendments are supported.

Director: Community Services

Amendment supported.

Director: Economic, Social and Integrated Development Services

The amendments are supported.

Acting Chief Financial Officer

The amendments are supported. The municipal accounts of both the energy generator and the energy off taker must be in good standing at all times during the wheeling process.

Municipal Manager

In the case where the energy generator and the energy off taker is the same institution that will wheel energy from one premises to another, that institution's municipal account needs to be in good standing at all time. In the case where the energy generator and the energy off taker are different institutions, both their respective municipal accounts need to be in good standing at all time during the wheeling process.

The recommendation affecting the changes to the policy is supported.

4. Recommendation

It is recommended that the Council:

1. Approve the updated Wheeling Policy, incorporating the above changes.

2. Implement the updated policy with effect from 1 July 2025.

(A4941)

LANGEBERG
MUNISIPALITEIT MUNICIPALITY MASIPALA

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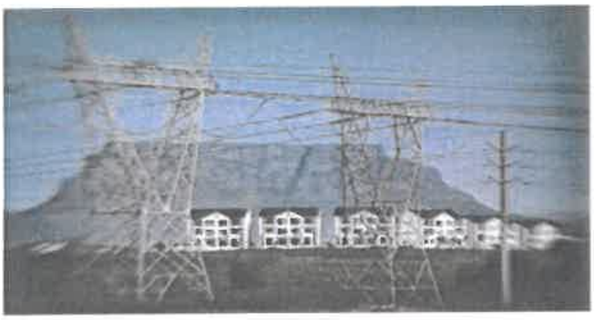
LANGEBERG MUNICIPALITY WHEELING OF ENERGY POLICY



June 2025

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1. INTRODUCTION

This policy describes the process and requirements for Renewable Power Producers (RPPs) to wheel electrical energy on the Langeberg Municipality (Langeberg) distribution grid (Grid). The policy sets the requirements to enable wheeling and energy trading in Langeberg. The guideline sets the parameters of capacity allowed on the network and does not limit or restrict the number of consumers. This policy will be regularly reviewed and amended, as technical capacity is built through approved applications by RPPs.

2. DEFINITIONS

Electrical Department	The Electrical Department of Langeberg.
Director	The Director: Engineering Services of Langeberg
Distribution	The conveyance of electricity through a distribution power system excluding trading. 'distribute' and 'distributing' have corresponding meanings;
Distribution power system	A power system that operates at or below 132kV;
End user	A user of electricity or a service relating to the supply of electricity
Energy regulation act (ERA)	National Energy Regulator Act, 2004 (Act 40 of 2004);
Energy credit	The monetary value of energy sold by RPPS or traders and provided to consumers via Langeberg's grid
Eskom grid	The transmission or distribution power system owned by Eskom.
Generator	A person who generates electricity.
Langeberg's grid	The distribution power system in Langeberg's licensed supply area.
Grid	An electrical power system used to transport electrical energy. Also referred to as network.
Off taker	A Langeberg electricity consumer and the purchaser of third-party electrical energy. Also referred to as end-user.
Reticulation	Trading or distribution of electricity and includes services associated therewith;
The Constitution	The Constitution of the Republic of South Africa, 1996.
RPPs	(Renewable Power Producer) A generator who generates power using renewable energy sources either in Eskom or Langeberg Grid.
Trader	A licensed entity engaged in trading.
Trading	The buying or selling of electricity as a commercial activity;
Wheeling	The transportation of electrical energy through a network not owned, controlled, or leased by such party.

3. SCOPE OF GUIDELINE

The guideline will cover the following:

- **Legal and regulatory framework**

  In an uncertain and constantly changing energy regulatory environment, it is important to review and update the guideline to ensure compliance with national legislation.

- **Requirements to wheel energy on the Langeberg Grid (Annexure A)**

  These requirements will be constantly reviewed, as technical capacity is built over time.

- **Wheeling scenarios.**

  The different wheeling scenarios will be explained in this section.

- **Application process.**

  The application process will be explained, as well as the information requirements from RPPs.

4. LEGAL AND REGULATORY FRAMEWORK

The Constitution states that a municipality has the "executive authority" with respect to electricity reticulation and "has the right to administer" electricity reticulation (S156). The Constitution further states that the public administration of service should be provided "impartially, fairly and equitably and without bias" (S229).

The municipality must, however, adhere to national legislation regarding the administration. The applicable act is the Energy regulation act (ERA). The act states that "A transmission or distribution licensee must, to the extent provided for in the licence, provide non-discriminatory access to the transmission and distribution power systems to third parties" S21(3).

Furthermore, in S21(4) the act states that access must be provided on the conditions set out in the licence of the distributor as it relates to, but is not limited to the following:

- Access being allowed or refused.
- Compliance with any rule, code or practice made by the regulator.

The licence conditions consist of financial, legal, and technical conditions. There are various technical conditions mentioned in the licence but the one specifically applicable to wheeling is NRS 048 (quality of supply).

Langeberg is thus obligated to allow RPPs access to the Grid but must still adhere to its licence conditions. According to the ERA, Langeberg may grant or refuse access on the conditions of the licence. It is therefore the stated intention of Langeberg to impose additional conditions on wheeling entities only insofar as it will ensure the quality of supply to its consumer base.

The additional requirements will be mostly technical in nature. Langeberg aims to develop the technical capacity with pilot projects and foresees the requirements being amended regularly. The municipality does not want to take unnecessary technical risks by enabling wheeling. The project will rely on standards already developed for small scale embedded generators (SSEG's). This will ensure minimal technical risk for Langeberg and compliance with all relevant technical standards.

An important financial condition is that a municipal account holders will only be able to participate in Wheeling, if their Municipal Accounts are paid up to date.

The continuous monitoring of the quality of supply (also known as power quality monitoring) is needed for all suppliers with capacity equal or larger than 350kVA. The installation of a suitable instrument is compulsory to ensure a stable and reliable power source.

In summary, Langeberg will allow non-discriminatory access to the municipal grid by RPPS in full compliance with national legislation and the rules or codes published by the regulator. In addition, it will create requirements for RPPS to ensure the municipal compliance to its licence conditions.

5. WHEELING SCENARIOS

The tariff applicable and the technical requirements depend on the location at which the ***generator*** and the ***off taker*** are connected. The options are:

1. Generator connected to another grid than the Langeberg grid.
2. Generator connected to the Langeberg grid.
3. Off taker connected to another grid than the Langeberg grid.
4. Off taker connected to the Langeberg grid.

"Another grid" as mentioned above could be either Eskom, another Municipality or possibly any other licensed distributor of electricity.

Both traders and generator will be allowed to wheel electricity. Both must adhere to NERSA's rules and regulations in terms of licensing and registration as well as national legislation.

For the initial period a generator alone cannot wheel to more than one consumer. A trading licence issued by NERSA would be required to wheel to more than one consumer.

The following figures shows the wheeling scenarios.

Eskom connected generator wheeling to a Municipal off taker

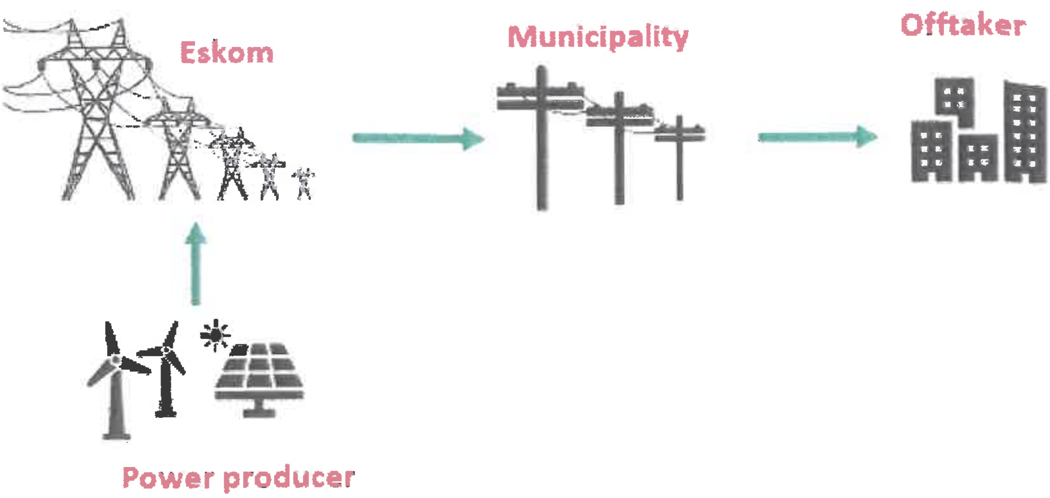

Figure 1: Eskom connected generator wheeling to a Municipal off taker

Municipal-connected generator wheeling to a Municipal off taker

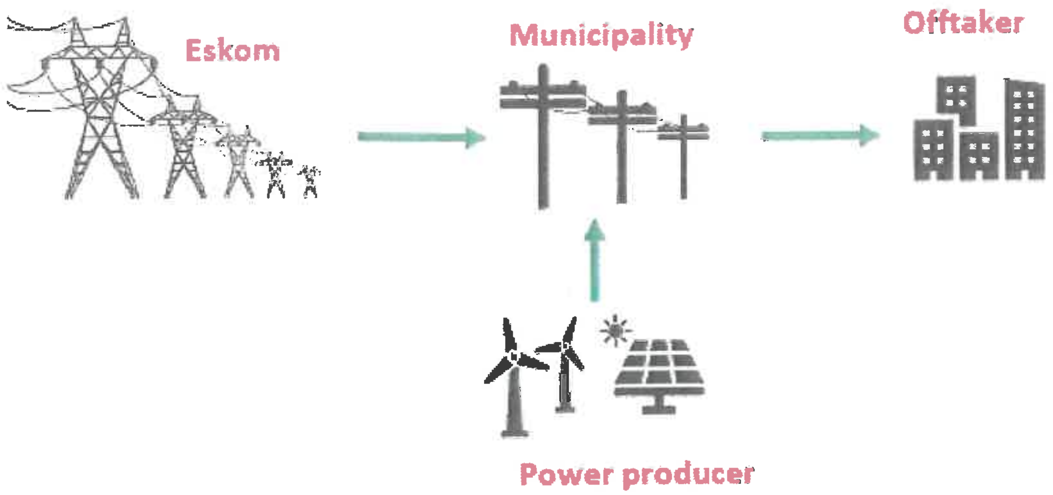

Figure 2: Municipal-connected generator wheeling to a Municipal off taker

Municipal-connected generator wheeling to Eskom-connected off taker or a municipal off taker in another municipality.

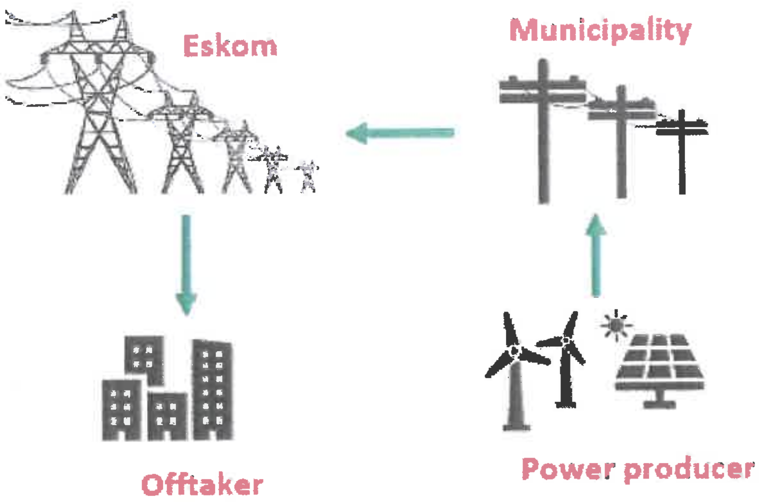

Figure 3: Municipal-connected generator wheeling to Eskom-connected off taker or a municipal off taker in another municipality.

6. APPLICATION PROCESS

The application process will be handled on a case-by-case basis. The applicant is to inform the Electrical Department as soon as possible, when considering entering a wheeling arrangement. All the requirements in **Annexure A** should be met.

The contracts mentioned below must be signed before wheeling can take place.

1. Generator registration at municipality. The proposed generator/ current generator will need to register as an SSEG or adhere to the relevant generator criteria with Langeberg and comply with the connection requirements. This requirement is in addition to registration or licensing requirements as imposed by NERSA (by the generator) in terms of the Electricity Regulation Act.
2. Amended supply contract with the off taker. The consumer will need to amend its supply agreement with the municipality.
3. Use of systems agreement between the trader/generator and the municipality.

7. ANNUXURE A: REQUIREMENTS OF THIRD-PARTY ENERGY PROVIDER

The requirements are listed in two sections. The first section is only applicable if the generator is connected to the Langeberg Grid. The second section is applicable to all applicants.

Langeberg connected Generator:

1. **Generator tariff**
   The generator must be on the applicable time of use tariff for consumption.

2. **Generator connection agreements**
   The generator must adhere to the generation connection requirements for the connection of the generation facility.

3. **Generator connection Voltage.**
   Generators are preferred to be connected at 11kV or higher to the Langeberg Grid. Low Voltage (400V) connected generators can be approved by the Director.

Applicable to all:

1. **NERSA licenced / registered**
   Only generators that comply with NERSA's generator licensing requirements will be allowed to wheel.

2. **Limit on total capacity.**
   The allocation of Langeberg's wheeling capacity will be done on a basis to ensure that competitive market will prevail, and lowest possible prices can be achieved. This value will be determined by the Director. The Municipality will review this allocation when required.

3. **Limit on capacity per applicant**
   3 MVA maximum export capacity allocation will be allowed per applicant per site. The Director can approve higher export capacity.

4. **Minimum connection size of the off taker.**
   The off taker must be on a Time of Use (TOU) tariff.

5. **Contractual agreements**
   The use of systems agreement will be developed on a case-by-case basis and must adhere to the current requirements set in the Policy.

6. **Revenue neutrality**
   The tariffs must be at least surplus (lost revenue – cost savings) neutral for the municipality. Any additional charges for wheeling added by Eskom to the municipality's account will be for the off takers' account.

7. **Off taker requirements.**
   The off taker must be approved by Langeberg and the off takers' supply agreements must be amended.

8. **Billing reconciliation period.**
   The billing will be reconciled monthly for corresponding TOU periods until the billing system can reconcile for hourly or half-hourly periods. No banking will be allowed.

9. **Any off taker may not receive any electrical energy from more than one RPP or one energy trader, other than the municipality, as applicable.**

10. **No energy banking**
    Any electrical energy not consumed by the off taker will not be credited i.e., no banking of energy will be allowed. This means that Langeberg will receive this energy free of charge.

11. **Load shedding or outages**
    No wheeling will be allowed or possible during a network outage or load shedding. All wheeling generators shall have dead grid safety lock equipment installed to disconnect the generator from the grid in case of an outage.

12. **Municipal accounts paid up to date**
    Confirmation that Municipals accounts are paid in full to date.

8. ANNEXURE B: ACCOUNTING

Accounting for wheeling will be done as follows:

Municipal Grid connected Generator:

Eskom bill to the Municipality:

- Eskom's bill will automatically reduce because less energy will flow from Eskom to the municipality as the energy will be generated by the Generator connected after the Eskom meter.
- The amount of energy reduction in the Eskom bill will include the reduction in the losses as the flow of energy through the networks closest to the Eskom supply will reduce.
- There will however not be a clear adjustment in the Eskom bill, the consumption quantities will simply be lower.

Generator Bill:

- The generator will be billed for the standard Langeberg applicable TOU tariff charges including:
  - Standard Basic charge
  - Demand and Access charges in respect of:
    - the maximum capacity it wants to take from the Grid and based on the actual demand used
    - or in cases where the network capacity is exceeded based on the wheeling demand.

- The generator will pay for any energy used at the standard energy charges but will not be credited for any energy wheeled.

The Off taker:

- The bill at the standard tariff applicable to the off taker will be the same as before the wheeling and thus firstly reflect all the energy going through the off-taker meter.
- An additional Basic charge will be levied to cover the additional costs relating to the implementation of the wheeled energy approach of the off taker.
- An energy credit will be applied for the wheeled energy at the Eskom Megaflex energy charges (all kwh charges) as applied to Langeberg by Eskom to the network where the consumer is connected.
- The energy credit will reflect:
  - the total kWh wheeled
  - Minus the amount of kWh wheeled which exceed the amount consumed during every half hour period. (over wheeled energy)
- No credit is applied in respect of demand and access charges.

Municipal Grid connected Generator wheeling to Eskom consumer:

- This will not be allowed. The main reason is because such generator will be using the capacity available on the Langeberg Grid to install generators to benefit Langeberg consumers.

Eskom connected Generator:

Eskom bill to the Municipality:

- Eskom will charge an additional basic charge for wheeling to the generator.
- Eskom will credit the account by the amount of wheeled energy as provided by the generator at the TOU energy charges of the Eskom WEPS tariff but not in respect of:
    - The losses factor.
    - Ancillary service charge and electrification and rural subsidy charge.
    - No adjustments in Maximum Demand or Access charges.

Generator Bill:

- Eskom will charge the Generator.

The Off taker:

- The bill at the standard tariff applicable to the off-taker (in future on TOU) will be the same of before the wheeling and thus firstly reflect all the energy going through the off-taker meter.
- Two additional Basic charges will be levied to cover the additional costs relating to the wheeling:
    - The municipal wheeling Basic charge.
    - The Eskom wheeling basic charge.
- An energy credit for the wheeled energy will be the same as that by which Eskom credits the account to Langeberg. (WEPS TOU energy rate excluding losses) These amounts will be per TOU period and will not be reconciled per half hour period but per month.
- In cases where there is over wheeling in any TOU period, the benefit will be for Langeberg. No banking will also be allowed between the different TOU periods.

AMENDMENT OF THE FOLLOWING CONTRACT FOR TENDER 19/2013 THIRD PARTY VENDING SERVICES - SYNTELL) PROCURED THROUGH THE SUPPLY CHAIN MANAGEMENT POLICY OF LANGEBERG MUNICIPALITY IN COMPLIANCE WITH SECTION 116(3) OF THE MFMA. (CHIEF FINANCIAL OFFICER)

Purpose

To obtain Council's approval to amend the following contract in compliance with section 116(3) of the Municipal Finance Management Act 56 of 2003:

1. TENDER 19/2013: THIRD PARTY VENDING (Syntell – selling of prepaid electricity)

Background

The above-mentioned contract is expiring on 30 June 2025; the Municipality is still in the process of implementing the financial system (ERP) which has challenges in the revenue department. Hence, a possible change of the vending system would pose significant risk in the revenue generation of the municipality which will negatively impact the financial viability of the municipality.

Syntell currently has a seamless integration with the CCG ERP system. A change of the vending system might put a strain on the implementation of the CCG ERP system and consequently result in the public not being able to purchase electricity. Electricity revenue is a significant revenue stream of the municipality. It is hereby requested that the municipality extends the prepaid vending contract until the 30 June 2026 to allow for the CCG ERP system provider to address all challenges experienced with the implementation of the ERP system. The initial scope of the contract will remain the same.

Objective

The objective is to amend the contract to allow the current service provider to deliver the services to the municipality for the following periods:

1. TENDER 19/2013: THRID PARTY VENDING (SYNTELL – SELLING OF PREPAID ELECTRICITY) – 01 July 2025- 30 June 2026

Legal Context

The Municipal Finance Management Act, section 116 (3) states:

> "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."

In compliance with section 116(3)(b) above a notice was placed on the Langeberg Municipality's website on the 3rd of June 2025, calling on the local community to submit comments or representation by no later than 18 June 2025 at 12:00.

In addition, an advert was placed on the local newspaper, Standard Breederivier Gazette on 5 June 2025, calling on the local community to submit comments or representation by no later than 18 June 2025 at 12:00.

Furthermore, MFMA Circular no.130 requires municipalities to consult and obtain written inputs of the National Treasury and the relevant Provincial Treasury when extending any vending related system. Annexure B of the MFMA Circular no.80 requires a third party solution to integrate and constantly balance with the core financial system without a manual intervention. The Syntell S3 third party vending solution seamlessly integrates with CCG ERP system which is the core financial system.

Comments Received

No comments or representations were received from the local community.

Based on the MFMA Circular no.130, comments will be sourced from the National Treasury and the relevant Provincial Treasury.

Financial Implications

Funding is available.

Comments: Director – Corporate Services

Recommendation supported

Comments: Director – Engineering Services

Recommendation supported

Comments: Director – Community Services

Recommendation supported

Comments: Director - Economic, Social and Integrated Development Services

Recommendation supported

Comments: Municipal Manager

The recommendation as submitted to Council, is supported.

RECOMMENDATION

That in respect of the amendment of the abovementioned contract:

1. Council notes that in compliance with section 116(3) of the Municipal Finance Management Act 56 of 2003 the following contract:

a) TENDER 19/2013: THIRD PARTY VENDING SERVICES (Syntell (Pty) Ltd) be amended to allow the current service provider to deliver the services to the municipality for the periods until 30 June 2026.

2. Council note that reasonable notice was given to the local community of the intention to amend the contract as set out in (1) above and.

3. That the local community was invited to submit comments or representations to the municipality on the intended amendment of the above-mentioned.

4. The municipal manager is authorised to evaluate the representation received from National Treasury and the relevant Provincial Treasury, if any, and make a final decision on the amendment of the contracts as per (1) above.

(A4942)

NATIONAL TREASURY

MFMA Circular No. 130

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2025/26 MTREF

CONTENTS:

Introduction:

This budget circular provides guidance to municipalities with their compilation of the 2025/26 Medium Term Revenue and Expenditure Framework (MTREF). It is linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (*m*SCOA) and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial management reform agenda by focussing on key "game changers". These game changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, *m*SCOA is implemented correctly and that audit findings are addressed. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that are not covered in this circular.

1. The South African economy and inflation targets:

GDP growth is expected to average 1.8 per cent from 2025 to 2027. Medium-term growth will be underpinned by household consumption on the back of rising purchasing power, moderate employment recovery and wealth gains. Continued investments in renewable energy and easing structural constraints are expected to support higher investment. Key factors for achieving faster economic growth and creating much-needed jobs include greater collaboration with the private sector in energy and transport, rapid implementation of structural reforms, easing of regulatory constraints and increased infrastructure investment.

The following macro-economic forecasts must be considered when preparing the 2025/26 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2023 - 2028

Fiscal year	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate		Forecast	
CPI Inflation	6.0%	4.4%	4.3%	4.6%	4.4%

Source: National Treasury Budget Review 2025.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

Headline inflation declined to 2.9 per cent in the fourth quarter of 2024, resulting in average inflation of 4.4 per cent for the year. Consumer inflation is projected to average 4.3 per cent in 2025 and 4.6 per cent in 2026, picking up slightly as the value-added tax (VAT) increase pushes up prices. The VAT effect is seen mainly in core inflation, which, after averaging 4.3 per cent in 2024, is projected to rise to 4.6 per cent in 2026. Lower global crude oil prices are expected to support muted fuel price inflation.

Due to weaker economic growth and other economic factors such as the current VAT increase which puts added pressure on households, households will likely struggle to pay municipal accounts which will impact negatively on municipal own revenues. It is therefore noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections or for clear articulation of all the factors affecting the tariffs.

VAT Increase

In the Minister's Budget speech on 12 March 2025, two increases in the standard rate of VAT were announced. The first-rate increase of 0.5 percentage point applies from 1 May 2025, and the second-rate increase of 0.5 percentage point will apply from 1 April 2026. SARS has issued the following guidelines in this regard:

- A Pocket Guide on the VAT rate increase on 1 May 2025; and
- Frequently Asked Questions (FAQs) to guide vendors and the public on the first rate increase effective from 1 May 2025 and to ensure consistency on certain practical and technical aspects of implementing the change to the VAT rate. More guidance on the second-rate increase will be communicated in due course.

Municipalities should also refer to **VAT 404 – Guide for Vendors**. These guidelines are available on the SARS website **www.sars.gov.za**.

2. Key focus areas for the 2025/26 budget process:

2.1. Local government allocations

Over the 2025 MTEF, the local government equitable share and direct conditional grants amount to a total of R552.7 billion, made up of R332.4 billion in the local government equitable share, R52.9 billion in the general fuel levy sharing with metros and R167.4 billion in direct conditional grants. Direct transfers to local government grow in line with inflation, increasing at an annual average of 4.4 per cent over the MTEF, with the local government equitable share growing at a slightly higher rate (5.2 per cent).

Review of the Municipal Capacity Building Programme

As part of the next phase of the ongoing review of local government capacity-building programmes, the National Treasury will consolidate its financial management support initiatives into a unified Local Government Financial Management Capability Development Programme. This integrated programme will provide a comprehensive framework for equipping municipalities with the tools, knowledge and resources needed to strengthen governance and improve service delivery. By streamlining existing initiatives and fostering collaboration, the programme aims to deliver targeted, impactful and sustainable support to municipalities across the country.

The programme will align with the National Treasury's Capability Development Framework and adopt a differentiated approach tailored to the unique needs and maturity levels of municipalities. Key features include pre-grant capacity assessments to identify gaps, multi-year grants to build sustainable in-house capabilities and a municipal scorecard to monitor progress and link it to grant allocations. Collaboration with partners such as South African Local Government Association (SALGA), the Department of Cooperative Governance (DCoG) and academic institutions will ensure the design and delivery of customised capacity-building packages. Beyond financial management, the programme will serve as a foundation for a broader government-wide initiative to integrate capability development across all municipal functions, including governance and service delivery. This cohesive, long-term strategy underscores the importance of a unified effort to achieve sustainable municipal development and improve outcomes for communities nationwide.

Update on the conditional grant for smart prepaid meters

As indicated in the 2024/25 financial year, the National Treasury now oversees the smart meters grant as an indirect grant through a transversal contract to regulate distribution quality and costs. This grant aims to enhance energy efficiency and support the integration of renewable energy to better meet consumer needs.

Over the 2025 MTEF period, the grant will continue to support municipal debt relief efforts by focusing on municipalities already enrolled in the program. Over time, the grant is expected to expand to additional municipalities, aiming to enhance financial sustainability and management. This grant is allocated R2.3 billion over the 2025 MTEF.

Improving regulatory levers and reforms

By enhancing the usage of regulatory frameworks in the conditional grants system, the government is taking steps to ensure that municipalities prioritise critical projects and utilise resources effectively. The use of results from the Department of Water and Sanitation's Watch Reports in the prioritisation of water and sanitation projects funded from general-purpose grants such as the integrated urban development grant (IUDG), municipal infrastructure grant (MIG) and the urban settlements development grant (USDG) will improve the quality and impact of these projects. Further, requiring municipalities to use the results of green drop, blue drop and no drop assessments in planning and prioritising projects will drive greater accountability and transparency in the use of grant funds, promoting sustainable and effective service delivery.

2.2. Post 2024 MTBPS changes

Since the tabling of the 2024 MTBPS, additional changes have been proposed to local government allocations. These include:

- Shifting R245 million over the MTEF period from the MIG to the IUDG. This follows Alfred Duma Local Municipality qualifying to participate in the IUDG;
- Shifting R494 million in 2025/26 from the direct component of the MIG to the indirect component to address wastewater infrastructure issues in 21 municipalities;
- Introducing a new Urban Development Financing Grant (UDFG). The baseline of this grant is funded from the metro component of the neighbourhood development partnership grant (NDPG) (R924 million over the MTEF period) and 80 per cent of the programme and project preparation support grant (PPPSG) (R981 million over the MTEF period);
- Introducing a new Urban Development Financing Grant (UDFG). The baseline of this grant is funded from the component of the neighbourhood development partnership grant (NDPG) (R924 million over the MTEF period) and 80 per cent of the programme and project preparation support grant (PPPSG) (R981 million over the MTEF period);
- Expansion of the Water Financing Component in the 2024/25 Urban Settlement Development Grant to electricity and solid waste management, in addition to water and sanitation, in the Trading Services Component of the 2025/26 Urban Settlement Development Grant framework. This component introduces a condition that a minimum of 56 per cent of the USDG be allocated to water and sanitation, electricity and energy; and solid waste management services capital infrastructure projects aligned to metro-approved trading services investment plans of the grant;
- An additional R450 million in 2025/26, from the Public Employment Programme;
- Additional funding from the Budget Facility for Infrastructure that will flow through the UDFG is as follows:
  - City of Johannesburg: R578 million in 2026/27 and R533 million in 2027/28 for a wastewater project.

  - eThekwini Metropolitan Municipality: R56 million in 2025/26, R109 million in 2026/27 and R101 million in 2027/28 for a project to address non-revenue water.

- Merging the non-metro component of the NDPG and the remaining 20 per cent of the PPPSG into a single grant (called NDPG), with a baseline of R1.4 billion over the MTEF period;
- A reduction of R435 million in 2025/26 and increases of R425 million in 2026/27 and R660 million in 2027/28 to the public transport network grant (PTNG) to align with the revised implementation plan and cash flow projections for the City of Cape Town's MyCiTi programme, funded from the Budget Facility for Infrastructure;
- An additional R225 million in 2026/27 to the regional bulk infrastructure grant (RBIG) allocation for Drakenstein Local Municipality. This adjustment, carried through from the 2024 Division of Revenue Amendment Act, aligns with the municipality's revised implementation plan and cash flow projections; and
- Discontinuing the municipal systems improvement grant (MSIG). Its baseline will be redirected to the Department of Cooperative Governance and earmarked for national government to support municipalities.

2.3. Review of the local government fiscal framework

The aim of the review is to critically examine the financial viability of the local government fiscal framework (LGFF) and identify key factors influencing its effectiveness, stability, and long-term sustainability. This will be achieved by conducting an in-depth examination of existing policies, practices, and mechanisms governing the allocation, management, and utilisation of fiscal resources at the local government level. The review will be mainly centred around the following thematic areas:

- Overall LGFF baseline profile of distressed and optimally functioning local governments institutions and refinement of LGFF problem statement;
- LGES formula;
- Local government expenditure reviews;
- Fiscal leakages in local government; and
- Additional revenue considerations, including existing revenues options, including those that are undersubscribed, and exploring new additional own revenue sources and improved municipal borrowing for strengthening infrastructure investment and maintenance.

2.4. Update on the review of the conditional grants

In September 2024, government concluded a comprehensive review of the conditional grant system and developed reforms based on the findings. These reforms, which will be implemented progressively over the next three years, are designed to rationalise the conditional grant framework, integrate certain grants into the provincial equitable share and national departments' budget vote, and enhance the overall effectiveness of the system. This initiative underscores government's commitment to improving service delivery while ensuring the prudent management of public resources.

The review process was underpinned by an extensive consultation phase conducted between July and December 2024 during which the National Treasury presented the findings and recommendations arising from the review. Most of the proposed reforms are intended for medium- to long-term implementation, with a select number of reforms being prioritised for the short-term and will be introduced during the 2025 MTEF period.

Further consultations are planned to follow the tabling of the 2025 Budget. These engagements will include impact assessments and preparatory work to ensure the successful rollout of the proposed changes. The reforms aim to address systemic challenges within the grant system and are guided by the principles of equity, efficiency, and sustainability. Key areas of reform include the following:

I) *Enhancing differentiation and effectiveness in the grant system:* A central objective of the reforms is to introduce greater differentiation within the grant system to address the diverse needs of municipalities. This includes reducing the growing reliance on grants by metropolitan municipalities while providing targeted support to municipalities with limited capacity. By addressing service delivery challenges and locational disparities, the reforms aim to create a more responsive and equitable system. Specific measures under this initiative include refining allocation methodologies to balance equity and efficiency considerations, strengthening co-funding requirements to promote shared responsibility and sustainability, reducing restrictive earmarking and ring-fencing to allow for greater flexibility in the use of funds, introducing or enhancing performance-based incentives to drive accountability and improve outcomes, and improving the alignment of related grants to reduce fragmentation and duplication; and

II) *Rationalising the number of grants:* As part of the reforms, the number of conditional grants allocated to subnational governments will be streamlined to address the duplication of grants and mitigate the administrative burdens associated with the proliferation of funding streams. By simplifying the grant system, government aims to improve efficiency and reduce reporting requirements, enabling municipalities to focus on service delivery. Proposed measures include:
- Merging water reticulation grants to create a unified funding mechanism for water infrastructure;
- Consolidating energy grants to streamline support for energy-related projects;
- Combining urban development grants to enhance the coordination of urban infrastructure investments; and
- Discontinuing grants that are better suited as provincial programmes, such as those for road maintenance, sports development, and capacity-building initiatives.

These reforms represent a decisive step towards a more efficient and effective intergovernmental fiscal framework. By addressing systemic inefficiencies and aligning resources with service delivery priorities, government reaffirms its commitment to fostering sustainable development and improving the quality of life for all citizens. The implementation of these reforms will be closely monitored to ensure that they achieve their intended objectives while maintaining fiscal discipline and accountability.

2.5. Funding for Local Economic Development (LED) Programmes

National Treasury is mindful of the essential role played by municipalities in driving economic development and job creation to mitigate inequality and attract private investment. In addition to the infrastructure grants, municipalities also receive about 66 per cent of their allocations in unconditional grants, which can be utilised to fund operational parts of the LED initiatives. However, it is important to note that economic development does not rely solely on a single funding pot, but on various forms of government programmes and grants. This includes support and initiatives from the Department of Trade, Industry and Competition funded by provinces through their equitable share.

Whilst there is a call for the creation of a conditional grant, it is worth noting that the creation of a dedicated grant for LED initiatives comes with its challenges. In the past, when such grants were introduced, government institutions reprioritised funds that were initially funding the LED programmes, leading to over-reliance on conditional grants. This dependence undermines the purpose and sustainability of these programmes, as their funding is primarily dependent on the availability of funds from the fiscus and the performance of the economy. Therefore, there is a need to align conditional grants with economic development areas while also ensuring their integration with other government spheres to support the developmental mandate effectively.

In addition, it is also crucial for municipalities to provide essential services such as electricity, water, and sanitation efficiently. The efficient provision of these services is crucial for attracting private investment, fostering economic growth, and promoting a conducive environment for businesses to thrive. Therefore, National Treasury urges municipalities to prioritise the provision of these services to enhance economic development and improve the quality of life for their residents.

2.6. Metro Trading Services Reform Incentive

Background – the background to the metro trading services performance incentive grant was outlined in the 2024/25 Budget Circular under the heading `Reforms to improve the efficiency and financial sustainability of metro trading services. The local government grant review process and the metro trading services reform process are converging into an incentive grant to incentivise a turnaround in the performance of metro trading services.

Progress made – Over the last year metro municipalities have engaged in substantial preparatory work regarding turnaround and reform strategies in Water and Sanitation and Electricity and Energy. Metros have in respect of each of these trading services prepared Trading Services Reform Strategies (A) with annexures A1 (Institutional Road Maps), and A2 (Business and Improvement Plans). They are currently preparing Annexure A3 (Performance Improvement Action Plans)[1]. All submissions are assessed by interdepartmental teams from the Departments of Water and Sanitation, Mineral Resources and Energy, DCoG, DHS, National Treasury and SALGA.

Programme planning and assessment framework – the incentive grant framework is currently planned to run for six years from 2025/26 (Year 1) to 2030/31 (Year 6). Year 1 focuses on establishing the necessary accountability, financial transparency, and strategic planning foundations for the five subsequent years (Years 2 to 6) of strategy implementation.

Metros will have three planning opportunities

Development of version 1 of the Annexure A3: Performance Improvement Action Plan (A3: PIAP v1) (indicative targets for all indicators, accompanied by firm targets to achieve minimum commitments in year 1) to be approved by Council alongside metro budget documents by June 2025.

Development of version 2 of the A3: PIAP v2 (with minimum commitments achieved, and realistic annual targets for all indicators) to be approved by Council with metro budget documents by June 2026.

Development of version 3 of the A3: PIAP v3 (with minimum commitments retained and an opportunity to reset annual targets) to be approved by Council with metro budget documents by June 2028 (details provided in Guidance Note 4).

The intention of the incentive programme is that incentive grant allocations should be awarded to metros according to independently assessed performance against the targets of their reform strategies as set out in the relevant A3-PIAP.

Special arrangements are necessary to determine the provisional incentive allocations provided for under the Division of Revenue Bill (2025) for years 1 and 2 of the programme. In these

[1] See https://mfma.treasury.gov.za/Guidelines/Documents/Trading%20Services for Guidance Notes and Resource Documents issued to assist.

cases, performance will be assessed against the commitment to (year 1) and achievement of (year 2) minimum commitments as follows:

- **YEAR 1**: Metro Councils who in Year 0 (2024/25, i.e. by the end of this municipal financial year), pass a satisfactory A3 PIAP v1 with minimum commitments, will be awarded the Year 1 allocation as finalised in the National Adjusted Budget process;
- Draft submissions from participating metros were reviewed during the 2025 Mid-year Budget, and final submissions will similarly be assessed during 2025 Budget and Benchmarking engagements during April to May 2025. Assessment and independent confirmation will be undertaken and submitted to the National Treasury;
- **YEAR 2 and 3:** Similarly, Metro Councils who in Year 1 (2025/26, i.e. by the end of June 2026) achieve the eight minimum commitments and pass a satisfactory A3 PIAP v2, will be awarded the Year 2 and Year 3 allocations as finalised. This is appropriate since planned spending for those years will by then be based upon well-substantiated business turnaround and financial strategies;
- Draft and final submissions will be reviewed and assessed during the Mid-year Budget and Performance and Budget and Performance engagements, and final submissions to metro Council will need NT approval. Assessment and independent confirmation will be undertaken and submitted to the National Treasury; and
- **YEARS 4, 5 and 6:** Once strategy implementation is underway, incentive allocations for any year (Y) will depend upon metro performance against numerical targets set for year (Y-2). This must be assessed after financial year end, but early enough during year (Y-1) to enter the budget process for Year (Y). The earliest this can apply is for Year 4, based on assessed performance in Year 2. This arrangement will determine incentive allocations for Years 4, 5 and 6.
- Independent assessments will be conducted annually, to confirm that minimum commitments remain in place, and to assess performance against targets.

Indicative incentive allocations

The indicative incentive allocations per metro per financial year are based on poverty-weighted population formula. Annexure W1 to the 2025 division of revenue sets out indicative figures which represent the maxima potentially available to metros currently participating in the programme, based on the assessed status of each metro trading services strategy as at 15th of January 2025 (they include solid waste management from Year 2 (2026/27).

The indicative allocations are not yet actual budget allocations. Firm announcements regarding Year 1 (2025/26) incentive grant allocations will be included in the National Adjusted Budget in October 2025 and confirmed in allocation letters. Metros will accommodate these incentive allocations in their own adjustments budget as soon as possible but not later than the 28th of February 2026.

Adverse or disclaimed audit findings

No metro which has received an adverse or disclaimed financial audit for the previous financial year will be eligible to access their incentive grant award in the forthcoming year.

Re-opening of incentive grant window

As previously communicated, Solid Waste Management is scheduled for inclusion in the incentive programme from Year 2 (2026/27) onwards. Metros wishing to include solid waste management in their trading services reform strategies should submit the necessary documentation according to the following schedule:

a. **Council-approved Trading Services Reform Strategy (A)** which is due on 31st of July 2025 which includes Annexure A1 (Institutional Road Map) and Annexure A2 (Business and Improvement Plan);
b. **Draft Annexure A3 version 1 (Performance Improvement Action Plan)** at the Mid-year review stage which is due in January 2026;
c. **Final draft Annexure A3-PIAP version 1** at the Budget and Benchmark stage during April 2026; and
d. **Council approved A3-PIAP version 1** due by June 2026.

Note: This re-opening of the incentive grant window also applies to metros which (a) have not previously met eligibility requirements in the water and sanitation or electricity and energy trading services, and (b) seek another opportunity to enter the programme. Such metros should follow the same schedule as above.

2.7. Alignment between the Metro Trading Service Reform and MFMA Circular No.88

The implementation of MFMA Circular No. 88 continues in all categories of municipalities. In December 2024, Addendum 6 of the MFMA Circular No. 88 was published providing an update on the preparation of statutory planning and reporting documents required for the 2025/26 Medium Term Revenue and Expenditure Framework (MTREF). Addendum 6 provided guidance to the municipalities on in-year changes to indicators in the Service Delivery Budget and Implementation Plan (SDBIP) and guidance for 'estimate' values in indicator reporting. Further guidance on indicator revisions and definitional clarification was also provided.

Selected MFMA Circular No. 88 indicators are also being used to track the performance of the metros as part of the A3 PIAP: Performance Improvement Action Plan of the Metro Trading Service Reform (MTSR). In line with the rationalisation and standardisation objective of the MFMA Circular No. 88 reform, this ensures that there is alignment and line of sight across various reporting frameworks. Furthermore, this promotes consistency in planning, budgeting, and reporting while reinforcing the overall objectives of the reform agenda. The MTSR targets water and sanitation, electricity and energy and solid waste management in the metropolitan municipalities focusing on institutional performance and accountability, financial performance, governance and operational or service delivery performance. Although the MFMA Circular No. 88 reporting and the MTS reforms are complementary reforms, the MTS is a targeted reform linked to a performance incentive grant. Where possible the MTSR utilises the MFMA Circular No. 88 indicators, as reflected in MTSR Guidance Note 4 Addendum that was circulated to the metros on the 3rd of March 2025. However, noting the targeted business operations turnaround required of MTS, several performance indicators outside the MFMA Circular No. 88 process have been developed for operational monitoring and reporting distinct from the statutory plans and reports in which all MFMA Circular No. 88 indicators find expression.

Future reporting on the selected MFMA Circular No. 88 indicators that form part of the A3 PIAP should be sourced from the MFMA Circular No. 88 reporting platform to ensure seamless integration between the two reforms. At this stage, the exact modalities and protocols to derive reporting efficiencies between the A3 PIAP and the MFMA Circular No. 88 reporting platform are still being confirmed, and municipalities should expect further guidance from the National Treasury on the coordination and synchronisation of reporting.

This section should be read in conjunction with paragraph 2.3 of the MFMA Circular No. 88 Addendum 6.

2.8. Three-year and one-year capital appropriations

To facilitate the delivery of large capital projects, section 16(3) of the MFMA allows a municipality to appropriate capital budgets for three financial years, i.e. the budget year and the following two years of the MTREF. The aim of such multi-year capital appropriations is to:

- lock the council into funding the full cost of large capital projects so as to ensure their successful completion;
- facilitate the forward planning of capital projects and programmes; enable the municipality to initiate procurement processes for capital projects in the two outer years of the MTREF (given the funds are appropriated) and so ensure improved levels of capital spending; and
- enable funding for such capital projects to be brought forward in terms of section 31 of the MFMA to facilitate more rapid project implementation (although National Treasury would prefer municipalities to the use of the mid-year adjustments budget for this purpose).

Municipalities are encouraged to use these provisions of the MFMA appropriately, and ensure they divide their capital budgets correctly between the 'multi-year expenditure' and the 'single year expenditure' sections on Tables A5A and A5. Further information can be obtained in MFMA Circular No. 58.

2.9. Criteria for the release of the Equitable Share

The criteria for the release of the equitable share which were covered in MFMA Circulars No. 122 remains relevant, and are still applicable for the release of equitable share instalments in the 2025/26 financial year.

Failure to comply with the criteria will result in National Treasury invoking Section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

2.10. Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2024 (Act No.24 of 2024) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2024 (Act No. 48 of 2024), any conditional allocation or a portion thereof that is not spent at the end of the 2024/25 financial year reverts to the National Revenue Fund (NRF), unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of Section 21(2) of the 2024 DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of Section 21(2) of the 2024 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated, spent and the balance per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):

a) Proof that the service provider was appointed for delivery of the project before 31 March 2025; or
b) Proof of project tender and tender submissions published and closed before 31 March 2025 or with the appointment of contractor or service provider for delivery of service before 30 June 2025 in cases where additional funding was allocated during the course of the financial year of the project;
c) Incorporation of the Appropriation Statement; and
d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2025 (attach cash flow projection for the applicable grant).

4. A progress report (also reflecting percentages) on the status of each project's implementation that includes an attached legible implementation plan);
5. The value of the committed project funding and the conditional allocation from the funding source;
6. Reasons why the grants were not fully spent during the year on the original allocation per the DoRA;
7. Rollover of rollovers will not be considered. Municipalities must therefore not include previous year's unspent conditional grants as rollover request;
8. An indication of the time period within which the funds are to be spent if the rollover is approved; and
9. Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy; this also includes acting appointments because of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2025, the application will be declined.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of Sections 71 and 72 of the MFMA and Section 12 of the 2024 DoRA, **including the Municipal Manager and Chief Financial Officer signing-off on the information** sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2025;
3. Accurate disclosure of grant performance in the 2024/25 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. Despite the fact that local government is required to comply with different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relate to rollover processes and disclose conditional grant performance in the 2024/25 pre-audited Annual Financial Statements (i.e. Cash coverage and unspent conditional grants in the Statement of Financial Position) in order to verify grant expenditure; and
5. Cash available reflected in the Statement of Financial Position and Cash Flow Statements and the bank (net position including short term investments) as at 30 June 2025 is equivalent to the unspent amount at the end of the financial year. If the amount that is requested for rollover is not entirely cash-backed, such a rollover will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to rollover:

1. The entire 2024/25 allocation to the municipality. In cases where the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2024/25 allocation;
2. Rollover request of the same grant for the third consecutive time. In a case where a municipality is applying for rollover as a result of additional funding, the application will be carefully considered;
3. Funding for projects procured through Regulation 32 and 37 of the Municipal Supply Chain Management Regulations (Gazette No.27636) – Projects linked to additional funding and disasters are exempted; and
4. A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 March 2025. All invoices issued to the municipality before 31 March 2025 should be paid within the same year against the allocated conditional grants. i.e. invoices must be paid within 30 days.

2.11. Unspent conditional grant funds for 2024/25

The process to ensure the return of unspent conditional grants for the 2024/25 financial year will be managed in accordance with Section 21 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

Step 1: Municipalities must submit their June 2025 conditional grant expenditure reports according to Section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconciles;

Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2025. The unspent grant values must be determined based on the guidance that was provided in *m*SCOA Circular No. 13 in as far as VAT, retention and interest is concerned; and

Step 3: If the receiving officer wants to motivate in terms of Section 21(2) of the 2024 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2025.

National Treasury will not consider any rollover requests that are incomplete or received after this deadline.

Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 22 October 2025;

Step 5: National Treasury will communicate the unspent conditional grants amount by 12 November 2025. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund (NRF) by 19 November 2025; and

Step 6: Any unspent conditional grant funds that should have but has not been repaid to the National Revenue Fund (NRF) by 19 November 2025, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's December 2025 equitable share allocation.

All other issues pertaining to Appropriation Statement and reporting on approved rollovers are addressed in the Annexure to MFMA Circular No. 86.

2.12. Rollover of the Urban Development Financing Grant : metro trading services component

The normal rules regarding rollovers will apply to the incentive grant. Essentially the Budget allocated during the National MTEF and reflected in the annual Division of Revenue Bill will make provision that the cash flows be synchronised to achievements in line with the Annexure A3: Performance Improvement Action Plan (A3: PIAP).

Municipalities must submit all rollover applications and queries related to the conditional grants to Rolloverapplication@treasury.gov.za.

3. Revenue Management

3.1. Prioritise funding the Electricity Revenue Protection Program

Past years' increasing electricity tariffs continue to strain consumers' ability to afford this service. Municipalities as a result are at higher risk of non-technical losses particularly related to theft and illegal by-passing. Many municipalities do not have dedicated Revenue Protection staff in place or have reduced their operational funding for Revenue Protection culminating in an overall reduced collection and related strain on cash flow and the ability to pay creditors. Municipalities are advised to prioritise the following Revenue Protection measures in the 2025/26 and future MTREFs:

- A dedicated Revenue Protection Unit for Electricity administered by the senior manager responsible for the municipal Electricity Infrastructure Directorate taking into consideration the recommendations and standards the recommendations and standards set-out in NRS055 (Code of Practice for Revenue Protection);
- Allocating adequate funds in the budget to fund the municipality's Electricity Revenue Protection Unit's operational needs;
- In allocating funding, the business threat of increasing non-technical losses to the municipality's particular specifics must be considered to achieve a balance, while ensuring the Revenue Protection staff organogram and operational program is adequately funded and able to fulfil its role; and
- The municipality to demonstrate in its MTREF submission that a percentage of the revenue from the Energy function is ring-fenced to fund the municipal Revenue Protection Program operational need(s) towards developing the program to fruition.

3.2. Revenue Management Assessment Tool

Every municipality, in anticipation of the annual budget process and the review of critical revenue management related policies should assess and review its revenue management value chain to identify any gaps, duplications and / or inefficiencies for alignment with the approved organogram and related delegations. Refer to MFMA Budget Circular No. 126 (Annexure B: Submission checklist: Revenue Management Documents) and MFMA Budget Circular No. 128 (Item 7.3 contained in Annexure A). The municipality must submit its review to the National Treasury in the format of the Municipal Revenue Management Assessment Tool – to be uploaded to the National Treasury GoMuni upload portal annually as part of the Revenue Management Documents that are required.

The Revenue Assessment Tool was developed through the collaboration of the National Treasury, the Department of Cooperative Governance (DCoG) and SALGA. The initiative created the opportunity for stakeholders to acknowledge the fragmented and diverse nature of support provided to municipalities in this area often resulting in duplicated efforts and little systemic change across municipalities and the need for a Single Integrated Revenue Management Framework (SIRMF).

The SIRMF is a national framework for revenue management that guides and outlines the intervention and leadership role both municipalities and oversight bodies should play in addressing challenges relating to the revenue management value chain and ultimately financial sustainability. The SIRMF emphasises the significant role of National and Provincial Government in supporting municipalities in the process of revenue management improvement and how the relevant departments will coordinate their support and their monitoring and evaluation role(s).

The SIRMF was designed on the existing statutory framework, with an emphasis on compliance. Within the scope of related tasks and responsibilities, the SIRMF provides direction on how municipalities may enhance revenue management as a major approach for increasing the municipality's viability and sustainability. Completing the Municipal Revenue Assessment Tool can assist the municipal council, senior management team and oversight bodies to assess, understand and improve critical revenue management practices of the municipality.

The tool provides an indication of gaps, flaws, duplications, inefficiencies and risks in the existing revenue value chain that could compromise or affect whether the revenue component of the budget sufficiently caters for long-term planning and is credible and funded. It further provides a comprehensive overview of current revenue management processes by identifying strengths, weaknesses, and areas that need improvement. The tool focuses on eighteen (18) critical areas within the revenue management value chain and helps pinpoint specific areas for optimising revenue collection processes.

National Treasury is in the process of institutionalising and implementing the tool, this includes conducting training throughout provinces.

The tool is comprehensive and must be completed by all municipalities during the 2025/26 MTREF with a thorough review of the revenue value chain, thereafter this exercise will only be necessary in every alternate year. However, municipalities with revenue collection rates below 85 per cent and all municipalities participating in Debt Relief must annually undertake this exercise until they achieve an average annual collection of 95 per cent as outlined in MFMA Circular No. 71.

The tool was already rolled out during the 2024/25 financial year and the National Treasury provided training. The Municipal Revenue Assessment Tool is attached as **Annexure A** of this Circular.

3.3. Cost Reflective Tariff Tool

As part of the budget process, the municipality must annually undertake an assessment to determine if the intended / implemented tariffs are cost reflective, whether all critical cost components were considered in the tariff calculation(s), whether the Local Government Equitable Share component relating to basic services were allocated to the actual service(s) and to demonstrate that the Revenue Component of the budget is credible and funded; etc. To facilitate this exercise, the municipality must complete and submit this calculation(s) / tariff assessment in the format of the National Treasury Tariff Tool as part of its tabled, adopted and adjustment MTREF submissions to the National Treasury GoMuni portal. The Cost Reflective Tariff Tool outcomes must also be reported to and approved by Council as part of the respective tabled and adopted MTREF submissions.

If the Tariff Tool indicates significant tariff shortfalls, any major tariff increases should be phased-in over two to three years and can be approved for the outer years (2026/27, 2027/28 and 2028/29). Thus, the indicative tariffs can be phased in over a period of three years.

The latest format of the National Treasury Tariff Tool that must be used and submitted is attached as **Annexure B** of this circular.

3.4. Electricity Tariffs

Cost of Supply Study (COS) for electricity tariff applications

On 20 October 2022, the Nelson Mandela Bay Chamber of Business issued a ruling outlining the requirements that municipalities must comply with when determining tariffs. The ruling found NERSA's Guideline and Benchmark method for approving municipal electricity tariffs unlawful and invalid. The court ordered that all electricity tariff applications from 2024/25 Financial Year, should be supported by a Cost of Supply (COS) study. Municipalities are reminded of the critical importance of complying with the court order, failing which, municipalities would be in breach of the court order and in contempt of court. The need for conducting a COS timeously and adhering to the timelines set by NERSA for the submission of applications is imperative as these cannot be approved by NERSA without the COS.

NERSA has indicated that it will be able to process and decide on municipal tariff applications based on Cost of Supply (COS) studies for the financial year 2025/26 by the end of June 2025 for the implementation in the new Financial Year. However, the Minister of Finance will engage NERSA to conclude this process sooner, to allow municipalities sufficient time to take account of the approved tariffs in the finalisation of their budgets. Tariff applications will not be considered unless they are supported by a Cost of Supply study. NERSA has indicated that the approval of Eskom's Retail Tariff Plan (RTP) and Eskom's Retail Tariff Structural Adjustment (ERTSA) for FY2025/26 is anticipated prior to 15 March 2025. Following the ERTSA decision, municipalities will be informed of the outcome to assist them in formulating their individual tariffs, which will then be approved for implementation in FY2025/26.

From the 2025/26 MTREF, municipalities will be required to submit the following documents pertaining to electricity tariff applications to the GoMuni Upload portal:

- NERSA D Form and COS study submitted to NERSA. For the 2025/26 tariff increase, municipalities with the tabled budget and thereafter 31 October 2025 (i.e. applications pertaining to 2026/27 tariff increases and beyond); and
- NERSA tariff approval with the tabled budget.

3.5. Municipal Valuation Roll Reconciliation Tool

Reference is made to MFMA Circulars No. 93 (paragraph 3), No. 98 (paragraph 4.1), No. 123 (paragraph 5.1), and particularly No. 126, (paragraph 3.1). To ensure the municipality's rates base is complete, and aligns to the business process and system requirements articulated in Annexure B of MFMA Circular No. 80 (08 March 2016) and the Municipal Property Rates Act (MPRA) (section 23): Part A: Register of the latest consolidated general valuation roll (GVR), and the MPRA categories, the municipality need to monthly perform the reconciliation in the format of the National Treasury Municipal Valuation Roll Reconciliation Tool.

The municipality must submit the completed tool together with the related documentation to the National Treasury GoMuni portal as follows:	**Timeframe**
1. The municipality's list of Property Rates tariffs approved by council for the financial year reported on together with the Council resolution that approved such.	Annually

2.	The municipality's time schedule for implementing its new general valuation roll (GVR) (aligned to the MPRA).	Annually
3.	The Municipal Property Rates Act (MPRA) (section 23): Part A Register of the latest consolidated general valuation roll (GVR).	Annually
4.	Municipality Valuation Roll Reconciliation – undertake monthly but only required to submit quarterly.	Quarterly
5.	Property Rates Transaction List (for the 3rd month of every quarter).	Quarterly

To assist municipalities in complying with these requirements, the National Treasury will provide follow-up training.

3.6. Prohibition on vending system(s) / third party vending solutions without consulting the National Treasury

Recently there have been several iterations on private service offerings of vending system(s) / solution(s) offered to municipalities. These include service provider(s) funding metering solutions for municipalities parallel to a pre-paid solution (requiring a vending platform) – these service providers then collect on behalf of the municipality in exchange for a fee. However, in several cases, the service provider does not pay over to the municipality what is collected and / or claim a fee that is out of proportion to what is reasonable. This is worsened by many municipalities not weekly / monthly undertaking the appropriate reconciliation of what they provide / sell (also via pre-paid) against what revenue they receive in return from the service provider(s). *As an Example*: Most recently a municipality in Eastern Cape was victim to an arrangement where the service provider offered the municipality R60 million funding but will takeaway almost R540 million at the end of the arrangement causing significant harm to the community and official(s) of that municipality and may leave the municipality worse off than initially.

The MFMA, read together with the recently assented Public Procurement Act, provide a clear framework for procurement in local government. The MFMA regulatory framework in terms of section 116 read with MFMA Circular No. 62 furthermore provide clear guidance on how amendments to contracts should be undertaken. Any offerings beyond the initial scope of the contract, in our view, should not be considered as a contract amendment, but rather a change or extension of scope, which warrants a whole new or separate procurement process.

The National Treasury therefore confirms that with immediate effect, no municipality may enter into and / or extend any related vending system(s) / solution(s) without consulting and obtaining the written input of the National Treasury and the relevant Provincial Treasury. Should any municipal official and / or political office bearer fail to honour this prohibition, she/ he could render themselves personally liable for any related financial loss over and above potential criminal liability for financial misconduct.

In addition, third party vending solutions used by municipalities must align to the integration requirements set out in Annexure B of MFMA Circular No. 80 (08 March 2016). In terms of the requirements, third party solutions must, without (manual) intervention or manipulation, integrate and constantly balance with the core financial system solution. The rules for integration are determined by vendor of the core system solution. Where the core system solution already provides the necessary functionality offered by the third-party vendor and the municipality has already paid for the functionality and / or are paying annual licencing fees to access this functionality, such expenditure will constitute wasteful and fruitless expenditure and should be dealt worth accordingly.

The municipality should send any request for the written input of the National Treasury together with the signed and / or proposed contract for such a service offering to: both RevenueManagement@treasury.gov.za and mfma@treasury.gov.za for the attention of Mr. Sadesh Ramjathan, Director: Local Government Budget Analysis: Revenue Section, and Mr. Wayne McComans, Chief Director: MFMA Implementation and parallel to the relevant Provincial Treasury.

3.7. Training Tools by the National Treasury

Revenue Management Assessment Tool

Municipalities must submit the Revenue Management Assessment Tool annually as set-out above. Training was already undertaken across all provinces during the 2024/25 financial year. The National Treasury will facilitate follow-up training during 2025/26 upon request only to municipalities, provincial treasuries and technical advisors deployed to municipalities and provincial treasuries. Municipalities and provincial treasuries can request training via the relevant Provincial Treasury who is responsible to coordinate requests for training. It is noted that any National Treasury deployed technical advisor may directly request training from the National Treasury as may be required. Requests for training and any related queries must be directed to RevenueManagement@treasury.gov.za and Sadesh.ramjathan@treasury.gov.za for the attention of Mr. Sadesh Ramjathan.

Tariff Tool

Municipalities must undertake a tariff assessment in the format of the National Treasury Tariff Tool as explained above. The National Treasury will facilitate follow-up training during the first quarter of the financial year 2025 and thereafter upon request only to municipalities, provincial treasuries and technical advisors deployed to municipalities and provincial treasuries. Training must be scheduled for a **full day** and would be more relevant towards municipal processes if scheduled:

- Before and/ or during the **Adjustments Budget preparation** (for re-allocations);
- Before and/ or during the **Tabled Budget process** (to evaluate tariff changes); or
- Before the **final MTREF submission** to Council for approval.

Municipalities and provincial treasuries can request training via the relevant Provincial Treasury. Any National Treasury deployed technical advisor may directly request training as may be directed to National Treasury as may be required. Requests for training and any related queries must be directed to RevenueManagement@treasury.gov.za and Sadesh.ramjathan@treasury.gov.za for the attention of Mr. Sadesh Ramjathan.

Municipal Valuation Roll Reconciliation Tool

The National Treasury confirms the guidance already provided in MFMA Circular No. 129 to the effect that municipalities must reconcile valuation rolls monthly and submit such quarterly to the National Treasury together with the related documentation set-out above.

The National Treasury will facilitate follow-up training during the first quarter of the financial year and thereafter upon request only to municipalities, provincial treasuries and technical advisors deployed to municipalities and provincial treasuries on Municipal Valuation Roll Reconciliation Tool. Training must be scheduled for at least **two full days** and can be facilitated at any time since municipalities perform this task monthly. Municipalities and provincial treasuries can request training via the relevant Provincial Treasury. Any National Treasury deployed technical advisor may directly request training as may be required. Requests for training and any related queries must be directed to RevenueManagement@treasury.gov.za and Sadesh.ramjathan@treasury.gov.za for the attention of Mr. Sadesh Ramjathan.

4. Budget and other management issues:

4.1. 2025/26 Municipal Budget Tabling Timelines

The National Treasury would like to advise the municipalities that late tabling of the 2025 National Budget in Parliament does not really affect the timelines of the preparations/ conclusion of the municipal budget process. The 2025 National Budget was tabled by the Minister of Finance on 12 March 2025 which implies that Provincial Governments have two weeks thereafter to table the 2025 Provincial Budgets in the Provincial Legislatures, i.e. 31 March 2025. This is in line with the PFMA – Treasury Regulations. Municipalities have sufficient time to accommodate the allocations in the DOR Bill in their 2025/26 MTREF Budgets before tabling on 31 March 2025, that is 19 days or two weeks to table the budget before 31 March 2025.

The transfers from provinces to municipalities which are supposed to be included in provincial budgets and gazetted by provinces, should for all practical reasons also be available on the 27 March 2025. Given that municipalities have 10 months to prepare their upcoming budgets prior to tabling it in Council for consideration, National Treasury has previously advised municipalities to use the outer years of the Annual DoRA as projections, add inflation to calculate the third year of the MTREF, when finalising the tabled budget.

For those municipalities where the budgets were already in an advance stage of preparations, they will have between tabling and the adoption stage of the budget (end of May 2025) to include and accommodate all the transfers for both national and provincial governments. This will allow National and Provincial Treasuries to verify and reconcile the transfers with the DoR Bill and provincial Gazettes.

4.2. Management of Water Tankers

There is a growing trend of water challenges in most municipalities in the country which is spiraling out of control. This is a direct threat to municipalities' financial sustainability and could lead to a lack of trading in this key source of municipal revenue.

Most municipalities have tried to procure water tankers to close the gap in areas which are increasingly experiencing sporadic water supply challenges. As a result, the municipalities are not able to trade, leading to less revenue and an unprofitable water business.

It has emerged in the recent Mid-year Budget and Performance Review engagements that contracted water tankers have developed as a business rather than a stop gap measure.

As such, municipalities are encouraged to protect their revenue through avoiding protracted long contracts of water tankers. Where possible the municipality should use its internal water tankers as a temporary measure with a clear intention to restore the service.

If the municipality provides a long-term service, such as water for informal settlements, it is advised that tanks should be purchased and refilled with municipal water tankers. The aim should always be to strike a balance between the provision of service and protecting municipal revenue. Proper checks and balances must be considered as well as internal controls to avoid abuse in this regard and to ensure that in the event that the Office of the Auditor General Africa of South investigates these services, the use of water tankers and water tanks is based on sound business principles.

4.3. Asset Management

According to Municipal Budget and Reporting Regulations (Table A9), the municipalities were advised to allocate 60 per cent of the total Capital Expenditure budget to new acquisition while the remaining 40 per cent to renewal and upgrading of the new assets.

Given the current challenges of aging and dilapidated infrastructure faced by the municipalities, which contributes to high level of losses, municipalities are advised **to allocate at least 60 per cent** of the capital expenditure to renewal/ upgrading of the existing assets while 40 per cent should acquire new assets.

The National Treasury realised that year-on-year, municipalities priorities the acquisition of new assets and the existing assets are being neglected to a dilapidated condition. Another factor which causes a factor is lack of maintenance during the lifespan of the assets which National Treasury encourages the municipalities to allocate at least 8 per cent towards repairs and maintenance as outlined in MFMA Circulars No. 55 and 71.

5. Municipal Standard Chart of Accounts (*m*SCOA):

5.1. Go Live on Version 6.9 of the Chart

*m*SCOA version 6.9 will go live on 24 March 2025, whereafter municipalities will be able to upload their tabled budget (TABB) and tabled project files (PRTA) data strings for the 2025/26 MTREF on the GoMuni portal.

After going live on version 6.9 of the chart, all the reports available on the LGDRS will be aligned to *m*SCOA chart version 6.9. This includes the format of the Section 71 report for Q3 and Q4 of 2024/25 and the adjustments budget for 2024/25.

The Municipal Budget and Reporting Regulations (MBRR) Schedules (A to F) and non-financial data string (A1S) was also aligned to version 6.9 of the chart. A **protected** version of the MBRR Schedules for version 6.9 of the chart and A1 Schedule is available on the on the MFMA Webpage on the link below:

http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx

The reports on the Local Government and Reporting System (LGDRS) are populated from financial and non-financial data strings and both strings are required for the data to pull through correctly on the reports available on the LGDRS. Municipalities must use the linkages on GoMuni referred to above and not the formulas in the regulated Municipal Budget and Reporting (MBRR) Schedules when generating their A schedule from the financial system.

In terms of the *m*SCOA Regulations, municipalities must generate the regulated MBRR schedules that is tabled and adopted by Council directly from their integrated financial system solutions and not import or captured it on their system solutions at a later stage. This is necessary to ensure that there is 'one version of the truth', namely the data in the integrated financial system solutions is the same as the report tabled and adopted by Council and the information submitted to the National Treasury and other stakeholders.

5.2. mSCOA data strings credibility

Municipalities must verify the credibility and accuracy of the tabled budget (TABB) and project file (PRTA) data strings **prior and post** to uploading it to the National Treasury Local Government Database and Reporting System (LGDRS). These data strings will be the sole source used by National and Provincial Treasuries to analyse and determine if the municipality's budget is funded, and the credibility is therefore of utmost importance.

Registered users from municipalities, provincial treasuries and National Treasury have full access to their data on the LGDRS and can draw the information to verify the accuracy of the figures for their respective municipalities or province (in the case of provincial treasuries). The LGDRS reports can be accessed by registered users on the following link:

https://lg.treasury.gov.za/ibi_apps/signin

5.3. Submission of virement information

From the 2025/26 MTREF, municipalities will be required to report on their virements through the submission of a separate data string, as well as a report on virements done by the municipality. This submission must be done monthly to the GoMuni Upload Portal and should be generated from the core financial system. The validation rules applicable to the monthly IYM submission will also be applied to the virement data strings.

The attached **Annexure D** provides guidance on the layout and information required on the virement budget report, while **Annexure E** provides the layout of the virement data strings.

This will enable national and provincial treasuries to keep track of the virements done when they do their Section 71 analysis. The virements will be reflected in a separate report and will not form part of the consolidated Section 71(7) reporting to provincial legislatures or the consolidated Section 71 publication issued by the National Treasury. For the consolidated S71 reporting and publication, performance will only be compared to the adopted budget in the first eight months of the year and the adjustments budget in the last four months of the year.

Municipalities must review their virement policy annually and ensure that it aligns with the principles and guidance in MFMA Circulars No 12, 51 and 88 and *m*SCOA Circular No. 8 (29 April 2020). Virements may only be made between existing budget provisions and must be included in an adjustments budget. The Council approved virement policy must be submitted as part of the budget documents on Go Muni. Please note that documents must be submitted individually and not as a batch.

5.4. Medium-Term Development Plan (MTDP)

Cabinet has recently approved the Medium-Term Development Plan (MTDP) for 2024 to 2029. The Department of Planning, Monitoring and Evaluation (DPME) will issue the MTDP in due course. These revised priorities, reflecting the new administration's vision, will be integrated into *m*SCOA version 6.10. For *m*SCOA budgeting and reporting in the 2025/26 MTREF, municipalities should continue using the IUDF and MTSF priorities as per *m*SCOA version 6.9.

5.5. Upgrading and procurement of *m*SCOA system solutions and/or functionality

From March 2023, the National Treasury has alerted municipalities that the minimum business processes and system specifications for *m*SCOA will be regulated and that municipalities should exercise extreme caution when changing or upgrading their integrated financial system solutions to avoid procuring system functionality that might not comply with the said regulations. Municipalities are reminded to implement the due diligence processes set out in MFMA Budget Circulars No. 93, 98, 107, 112, 123 and *m*SCOA Circulars No. 5 and 6 **prior** to procuring new or upgrading system functionality to protect them from making incorrect decisions in this regard.

This also applies when 3rd party system functionality is procured that is required to integrate with the core system solution.

Importantly, if an open tender process is not followed (e.g. when Section 33 or 116 of the MFMA and SCM Regulations 36 (deviations) are utilised), **the market must be tested prior to embarking on procurement**. The municipality must be able to substantiate that the product, service or similar offering is not available elsewhere in the market at a cheaper cost and that using these procurement vehicles have significant economic or financial value benefits to the municipality. Where legislation requires that the views of the National Treasury must be sought, the relevant documentation must be emailed to mfma@treasury.gov.za. If the processes required in term of legislative are not followed, a contract might be found invalid by a court of law.

5.6. Issues pertaining to the regulations on the minimum *m*SCOA requirements

National Treasury is currently in the process of developing business processes, standard operating procedures (SOPs) and minimum system specifications to underpin the Regulations of the minimum business processes and system specifications for *m*SCOA.

All the required business processes, procedures and systems functionality pertaining to the Regulations will be made available to municipalities **at no cost** in a format that can be imported, customised and utilised in a process modelling tool of their choice. Municipalities are cautioned against incurring unnecessary expenditure to procure specialised software and tools or appoint service providers to adapt and customize their business processes, especially as the requirements have not been finalised yet.

It must further be emphasized that the documents released for comments on the MFMA Webpage are the sole property of the National Treasury and may only be used for the intended purpose of providing comments on the proposals. **Any company that sells or distributes these documents or parts thereof for any other purposes without the explicit written permission of the National Treasury will be blacklisted on the basis of Intellectual Property Violations (i.e. unauthorized distribution of government documents).**

It should also be noted that the intention of the recent demonstrations on the systems used by municipalities that was conducted by the National Treasury was to determine key implementation gaps as per MFMA Circular No. 80 (dated 08 March 2016). These gaps must be addressed by the respective municipalities in their *m*SCOA municipal road maps. National Treasury shared the observations with system vendors with a view that gaps in system functionality should be further explored and addressed by them. The demonstrations were not on any specific systems in the market but on modules used by a specific municipality to give effect to the requirements of MFMA Circular No 80. **It will therefore be unacceptable and a misrepresentation for any system vendor to claim that their respective system was found compliant by the National Treasury**.

5.7. Special adjustments budget to authorise unauthorised expenditure

In terms of regulation 23(6)(b) of the MBRR, council may authorise unauthorised expenditure in a special adjustments budget tabled in council when the mayor tables the annual report in terms of section 127(2) of the MFMA. This special adjustments budget **may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2)(a)(i) of the MFMA**. This process may not be used to condone poor planning, budgeting, or financial management after the adoption of the budget.

Detailed guidance in this regard was provided in MFMA Circular No. 68 (dated 13 October 2021).

Further development work with regard to this matter will be undertaken during 2025 and proper guidance will be provided in subsequent MFMA Budget Circulars. For now, municipality should continue with the current practices until further notice. Under no circumstances should municipalities require their systems vendors to open their financial systems especially where the Auditor General of South Africa have already signed off on their annual audited financial statements.

Municipalities are also reminded of the guidance provided in our email dated 21 August 2024 on the *Submission of the 2023/24 Annual Financial Statements (AFS) – (Pre-Audit Information)* and *m*SCOA Circular No. 15 (08 July 2024) on the period closures controls for the following periods.

- **Month 12**: The financial year ends in month 12 (as at 30 June of the financial year). Month 12 (4th Quarter section 71 reports) represents the **preliminary outcome** information. The closing balances of month 12 must be programmatically transferred in the core financial system to the opening balances of the new financial year in month 01 of the new reporting period;
- **Period 13** when the AFS are prepared during July and August annually. Period 13 represents the **pre-audit outcome** information (the AFS as submitted to the AG;
- **Period 14** represents the **audit outcome** information (the AFS on which the AGSA has expressed an opinion. Audit approved journals must be processed in period 14; and
- **Period 15** when the adjustments to the AFS following the approval of the adjustments budget to authorise and legalise unauthorised expenditure referred to in Regulation 28(6) of the MBRR is effected.

The AFS submitted to AGSA must reconcile with the pre-audited (PAUD, CRPA and DBPA), audited (AUDA, CRAU, DBAU) and restated (RAUD) data strings submitted to the GoMuni Upload portal and these data strings must be submitted as end-results and NOT movements when submitting the *m*SCOA data strings. Importantly, any transactions that were processed as part of the preparation and auditing of the AFS after year-end (month 12) in period 13, 14 and 15 must be reflected in the corresponding month of the new financial year by using net movements. The net movements will result in either an increase or decrease in the new financial year in the corresponding month of month 01 to 03 of the current financial year. E.g. changes in period 13 must be reflected in month 02 or 03 of the new financial year. A similar process is applicable when restatements of previous financial year figures occur and when material errors are identified which impacts on the previous years' AFS and must be corrected in period 15.

With regards to year-end information, the aim is to collect three sets of information (preliminary, pre-audited and audited). This ensures that the latest outcome information is always available to inform planning and budget decision making process for national, provincial and local government.

6. Submitting documents to the GoMuni Upload Portal:

6.1. Submission of additional reports

In addition to the virement policies that must be uploaded to GoMuni Upload portal from 01 July 2025, the following changes pertaining to document submissions to the GoMuni Upload portal must be noted:

Uploading of Section 41 Reports on prices and payments for bulk resources

From the 2025/26 MTREF, the Department of Water and Sanitation, Eskom, and Water Boards will be required to upload their monthly Section 41 reports on the GoMuni Upload portal to enhance transparency and oversight. This will replace the current email submission process. Training on the upload procedure will be provided to all relevant stakeholders to ensure a smooth transition.

Municipal Procurement Plans

MFMA Circulars No. 62 (dated 20 August 2012) and 94 (dated 08 March 2019) requested for the submission of annual municipal procurement plans. From the 2025/26 MTREF, municipalities will be required to upload their annual procurements plans in PDF format on the GoMuni Upload portal. These plans should encompass comprehensive information on planned procurements, estimated costs, and the proposed procurement strategies. Both draft and final procurement plans should be submitted with the annual tabled and adopted budget documentation.

Revenue related and debt relief documentation

All municipalities are required to annually upload the Revenue Management related documents as per the Document Submission Checklist attached as **Annexure C** to the GoMuni Upload Portal. These documents must be submitted in the specified format and within the timeframes indicated. Also note that items 15 and 17 in **Annexure C** are only relevant to Municipal (Eskom) Debt Relief participants and item 19 to both Municipal (Eskom) and Water Debt Relief participants. In relation to items 15, 17 and 19, all other municipalities must submit a "Not Applicable" form to prevent these items reflecting as outstanding.

6.2. Submission and sign-off of key tabling dates

In the past, the National Treasury requested information on an annual basis from municipalities on the actual tabling dates of legislated processes such as the various budget processes, AFS and Annual Report. This information was submitted through an excel spreadsheet. From 01 July 2025, municipalities will be required to enter the legislative tabling dates directly on the GoMuni portal, replacing the manual spreadsheet process.

Additionally, the Accounting Officer of each municipality will be required to sign-off on the accuracy of the captured dates on the LGDRS.

Further guidance on the submission and sign-off procedures will be provided in due course.

7. The Municipal Budget and Reporting Regulations:

7.1. Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape Buffalo City	Matjatji Mashoeshoe Pitso Zwane Mandla Gilimani	012-315 5553/ 0609242914 012-315 5171 012-315 5807/0661198036	Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za Mandla.Gilimani@treasury.gov.za

Free State	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng City of Tshwane and City of Johannesburg City of Ekurhuleni	Matjatji Mashoeshoe Pitso Zwane Willem Voigt Makgabo Mabotja Kgomotso Baloyi Lunathi Dumani	012-315 5553 012-315 7538 012-315 5830 012-315 5156 012-315 5866/082 887 2968	Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za Kgomotso.Baloyi@treasury.gov.za Lunathi.dumani@treasury.gov.za
KwaZulu-Natal eThekwini uMhlathuze	Kgomotso Baloyi Lunathi Dumani Kevin Bell Sifiso Mabaso Matjatji Mashoeshoe Pitso Zwane	012-315 5866 012-315 5725 012-315 5952/060 923 7343 012-315 5553/060 326 6885 012 315 7538	Kgomotso.Baloyi@treasury.gov.za Lunathi.dumani@treasury.gov.za Kevin.Bell@treasury.gov.za Sifiso.mabaso@treasury.gov.za Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za
Limpopo	Sifiso Mabaso Jabulile Ngwenya	012-315 5952/060 923 7343	Sifiso.Mabaso@treasury.gov.za Jabulile.ngwenya@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
North West Mafikeng	Willem Voigt Makgabo Mabotja Khanyisile Khosa Cethekile Moshane	012-315 5830 012-315 5156 012-315 5079	WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za khanyisile.khoza@treasury.gov.za Cethekile.moshane@treasury.gov.za
Western Cape Cape Town George	Willem Voigt Khanyisile Khoza Kgomotso Baloyi Sifiso Mabaso	012-315 5830 012-315 5385 012-315 5866/082 887 2968 012-315 5952/ 060 923 7343	WillemCordes.Voigt@treasury.gov.za khanyisile.khoza@treasury.gov.za Kgomotso.Baloyi@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
Technical issues on GoMuni	Data management		lgdataqueries@treasury.gov.za
Local government Conditional Grants			Sello.mashaba@treasury.gov.za Pretty.mavhungu@treasury.gov.za Marvin.ngobeni@treasury.gov.za Akanyang.modise@treasury.gov.za Sandra.adams@treasury.gov.za

Contact

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Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website http://www.treasury.gov.za/default.aspx

JH Hattingh
Chief Director: Local Government Budget Analysis
19 March 2025

Syntell Receiver Agreement

entered into by and between –

Syntell Proprietary Limited
(hereinafter referred to as "Syntell")

and

Langeberg Municipality
(hereinafter referred to as the "Receiver")

INTRODUCTION

The Receiver supplies various utilities and other services to End Users and wishes to engage the services of Syntell to assist the Receiver in its desired objective of expanding its distribution network of point of sale outlets to:-

- dispense and sell prepaid electricity to End Users

(referred to hereinafter as "Receiver Services").

To achieve these objectives Syntell shall perform the Receiver Services through Collector(s) appointed by Syntell and through internet websites, utilizing the Syntell Vending Gateway.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS —

PART 1 -GENERAL TERMS

1 DEFINITIONS

The following words and expressions shall have the meanings hereunder assigned them and cognate words and expressions will have their corresponding meanings, unless the context indicates to the contrary —

1.1 "ACB" means the Automated Clearing Bureau, being the South African Banks' represeritative institution, which accepts input magnetic tape transactions for settlement between various account drawers and beneficiary payees;

1.2 "Collector(s)" mean the various legal entities appointed by Syntell to perform the Receiver Services on behalf of Syntell;

1.3 "Confidential Information" means in addition to the definition set out in the latest edition of the Oxford English Dictionary, and without prejudice to the generality of the expression, all information of any nature whatsoever disclosed by the parties hereto to each other, their legal counsel, agents, associates or representatives and relating to Syntell and the Receiver, whether orally, in writing or in software format, in relation to:

1.3.1 the business of Syntell and the Receiver;

1.3.2 all information relating to the Website, the software, trademarks, logos and all intellectual property rights relating thereto.

1.4 "Data" means any data, including personal information as defined in the Protection of Personal Information Act, 2013 (Act No. 4 of 2013), the Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002), Personal Data and/or any equivalent legislation of the jurisdictions(s) where the obligations in terms of this Agreement are being provided and/or performed, supplied to Syntell by the Receiver or Processed on behalf of the Receiver by Syntell;

1.5 "Data Breach" shall mean any breach of security leading to unauthorized or unlawful destruction, loss, alteration or disclosure of Data;

1.6 "Data Protection Laws" means all applicable law relating to data protection, privacy and security when processing Data under the Agreement. This includes without limitation applicable international, regional, federal or national data protection, privacy, export or data security directives (e.g. directives of the European Union), laws, statures, regulations, rulings, decisions and other binding restrictions of, or by, any judicial or administrative body, whether domestic, foreign or international, including the Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002) and the Protection of Personal Information Act, 2013 (Act No. 4 of 2013);

1.7 "Day" means one 24 hour day, excluding public holidays, Saturdays and Sundays.

1.8 "End Users" means those persons who will be making use of the Receiver Services;

1.9 "Gross Sales" means the daily gross rand value of electricity sales including VAT thereon by the Collectors (including any debt component), and recorded on the Syntell Vending Gateway;

1.10 "Parties" means the Receiver and Syntell.

1.11 "Payment(s)" means any payments, made using the Syntell Vending Gateway in respect of Receiver Services.

1.12 Personal Data" shall mean personal data as defined in the Data Protection Laws, including any information relating to an identified or identifiable individual (including, but not limited to, name, postal address, email address, telephone number, date of birth, social security number, driver's license number, other government-issued identification number, financial account number, credit or debit card number, insurance ID or account number, health or medical information, consumer reports, background checks, biometric data, digital signatures, any code or password that could be used to gain access to financial resources, or any other unique identifier) that is Processed by Syntell under the Agreement;

1.13 "Process" shall mean any operation, or set of operations, performed on Data, by any means, such as by collection, recording, organization, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure or destruction and "Processing" shall have a corresponding meaning;

1.14 "Receiver" means the Langeberg Municipality, a metropolitan municipality, established in terms of the Local Government: Municipal Structures Act, 1998.

1.15 "Receiver Agreement"/"Agreement" means this Agreement entered into by and between the Receiver and Syntell.

1.16 "Receiver Nominated Bank Account" means —

BANK: Absa Bank
BANK ACCOUNT NO.: 1050 000 008
BRANCH: 334-513
ACCOUNT HOLDER: Langeberg Municipality

1.17 "Receiver Services" means the dispensing and selling of prepaid electricity to End Users;

1.18 "Server" means the server/s on which all transactions envisaged in terms of this Agreement are recorded and stored and which is —

1.18.1 to be housed at the premises of the Receiver;

1.18.2 required to interact with and be integrated to the Syntell Vending Gateway.

1.19 "Syntell" means Syntell Proprietary Limited (Registration No. 2003/022275/07) a company duly registered in accordance with the laws of South Africa.

1.20 "Syntell Vending Gateway" means the Syntell revenue switch, through which the Collector's POS network routes all transaction requests to the Server;.

1.21 "Syntell Vending Gateway Reports" means the Gross Sales reports automatically generated and emailed to the Receivers on a daily basis;

1.22 "Syntell Vending Web Services Specification" means the communication protocol, implementation guidelines and test site specifications, and the business logic required to interact with the Syntell Vending Gateway;

1.23 "Transaction Data" means the data as is held in the transaction data base records stored on the Server.

1.24 "Variance Report" means the report generated by Syntell, indicating the variances between the Receiver's aggregated daily sales report versus the Syntell Vending Gateway Report;

1.25 "Website" means the websites which shall be utilised from time to time to enable End Users to make Payments.

1.26 Words importing the singular shall include the plural and vice versa, words importing any gender shall include the other genders and words importing persons shall include partnerships and bodies corporate.

1.27 The head notes to the paragraphs to this Agreement are inserted for reference purposes only and shall not affect the interpretation of any of the provisions to which they relate.

1.28 The clause headings in this Agreement have been inserted for convenience only and shall not be taken into account in its interpretation.

1.29 If any provision in a definition is a substantive provision conferring rights imposing obligations on any Party, effect shall be given to it as if it were a substantive clause in the body of the Agreement, notwithstanding that it is only contained in the interpretation clause.

2 OBLIGATIONS AND DUTIES OF THE RECEIVER

The Receiver hereby agrees and undertakes:-

2.1 to reverse any Payment made where an error has arisen due to a technical problem or a duplication of Transaction Data resulting in the Receiver receiving a payment to which it is not entitled, or where a Payment is reversed for any reason whatsoever. Syntell shall as soon as it becomes aware of such an erroneous Payment or reversal, notify the Receiver, in writing, who undertakes to forthwith investigate the Payment concerned. If the Receiver is satisfied that an error or reversal has occurred, it undertakes to immediately refund Syntell for the amount of the erroneous payment or reversal;

2.2 to reimburse Syntell in respect of Payments made to Syntell or a Collector by an End User using a credit or debit card, the fees charged to Syntell/ Collector by the supplier of the credit or debit card. These fees are reflected in Schedule 1 and may be changed from time to time;

2.3 to reimburse Syntell, at Syntell's instance, in respect of cash payments made to a Collector any cash handling fees charges by the Collector's bank;

2.4 to use its reasonable endeavours to ensure that the Server remains on line on a 24 hour a day basis;

2.5 where reasonably possible to give Syntell prior written notice of any down times as may be necessary to maintain and support the Server;

2.6 provide Syntell with the Receiver's aggregated daily sales report on a daily basis.

3 OBLIGATIONS AND DUTIES OF SYNTELL

Syntell hereby agrees and undertakes —

3.1 to use its best endeavours to ensure that the Syntell Vending Gateway remains on line on a 24 hour a day basis;

3.2 to approach any prospective Collector as well as those recommended in writing by the Receiver with a view to signing them up as a Collector;

3.3 to ensure that all Collectors sign a Point of Sale Collector Agreement as approved by the Receiver and in so doing adhere to certain risk and management criteria and standards set by Syntell;

3.4 to notify the Receiver of all existing Collectors prior to signature hereof, if applicable;

3.5 to furnish the Receiver by no later than close of business on the 15th day of each month, with a consolidated report of all transactions that occurred in the preceding month, setting out the details of payments to the Receiver transmitted via ACB from Syntell to the Receiver's Nominated Bank Account;

3.6 to provide the Receiver with a performance guarantee, in a form acceptable to the Receiver, in an amount of R200 000 (two hundred thousand rand).

4 **METHOD OF PAYMENTS**

4.1 The consolidated total of all Payments reflected in the Syntell Vending Gateway Reports must be transferred the day following receipt of the Payments by Syntell, to the Receiver via ACB by crediting the Receiver's Nominated Bank Account.

4.2 The Receiver hereby agrees and undertakes to allow Syntell access to the Receiver's Nominated Bank Account via ACB in order to pass a credit of the consolidated total referred to in paragraph 4.1 above.

4.3 In the event that the Receiver's aggregated daily sales report varies from the Syntell Vending Gateway Report in the Variance Report, Syntell shall continue to pay on the Syntell Vending Gateway Report.

5 **COLLECTION FEE AND OTHER CHARGES**

5.1 The Receiver shall pay to Syntell a collection fee for each collected Payment reflected in the Syntell Vending Gateway Reports and at the rate specified in Schedule 1 annexed hereto.

5.2 The fee for each collected Payment shall be consolidated and the charges due in terms of paragraph 5.1 above shall be consolidated and shall be paid to Syntell within 30 (thirty) days of receipt by the Receiver of a detailed invoice.

5.3 The collection fee referred to in paragraph 5.1 above shall be reviewed annually on the anniversary of the signing of this Agreement, and if necessary the collection fee shall then be adjusted by mutual written agreement between the parties, and a fresh Schedule 1 signed.

6 MARKETING

The parties may not use the others logo's without the other's written consent.

7 CONFIDENTIALITY

7.1 The Parties acknowledge that all Confidential Information disclosed by them, their legal counsel, their associates or representatives during negotiations and discussions between the parties is private and confidential and as such the parties hereby undertake to accord such Confidential Information subject to the provisions of the Constitution of the Republic of South Africa Act 108 of 1996.

7.2 The parties shall at all times, unless otherwise agreed to in writing between the parties, hold the Confidential Information disclosed to them in strict confidence and shall use such Confidential Information only for such purpose and to the extent that it may be necessary for the parties to comply with their obligations in terms hereof.

7.3 Syntell agrees that it shall treat as confidential all Transaction Data and information of whatever nature acquired or received by it from the Receiver and furthermore agrees that such Transaction Data and information shall only be divulged and disclosed any other third party with the Receiver's prior written consent.

7.4 Intellectual Property Rights

7.4.1 All intellectual property rights (including, without limitation, any copyright, patents, design rights, trade marks or service marks) in the Website and any improvements or modifications thereto from time to time, whether carried out by Syntell or the Receiver shall remain the sole and exclusive property of Syntell.

7.4.2 As used here, "intellectual property rights" mean, without limitation, any technology, content, data, hyperlinks, graphic and any icons on the Website, all related patent rights, copyrights, inventions, designs, including software and hardware, layouts, trademark rights and other intellectual property rights therein and thereto, including all moral rights.

In particular, it is recorded that Syntell does not dispose of the ownership of or its rights under license to use any intellectual property on its Site.

7.5 This clause 7 shall survive the termination of this Agreement.

8 **DATA PROTECTION**

8.1 **Location of Receiver Data.** Notwithstanding any other provision in this Agreement, the Receiver agrees that, for Syntell to provide the Services, the Receiver's Data may be:

8.1.1 held on a variety of systems, networks and facilities worldwide including systems and databases used by Service Provider help desks, service desks and/or network management centres used for providing the Service/s and/or used for billing, sales, technical, commercial and/or procurement purposes;

8.1.2 located, hosted, managed, accessed or transferred worldwide; and

8.1.3 provided or transferred by Syntell to any Affiliated Company, subcontractor or supplier worldwide to the extent necessary to allow that Affiliated Company, subcontractor or supplier to perform its obligations in respect of the Service/s.

8.2 **Process of Receiver Data.** The Receiver shall advise Syntell what Personal Data, if any, is included in the Data provided by the Receiver ("Receiver Personal Data"). Therefore:

8.2.1 Syntell shall comply with any Data Protection Laws applicable to it in its Processing of Receiver Personal Data under or by virtue of this Agreement.

8.2.2 Syntell will only Process Receiver Personal Data to the extent necessary to provide the Services in accordance with this Agreement and will:

8.2.2.1 implement and take appropriate and reasonable technical and organisational measures, in accordance with its security policies as amended from time to time, to protect Receiver Personal Data against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or access; and

8.2.2.2 transfer Receiver Personal Data outside of South Africa, including to Affiliated Company, subcontractors or suppliers where required to provide the Services.

8.2.3 The Receiver shall provide sufficient notice and obtain sufficient consent and authorisation, under any applicable laws, from any relevant data subject (as defined in terms of Data Protection Laws) to permit the Processing of any Receiver Personal Data by Syntell, its respective Affiliated Companies, subcontractors or suppliers as provided for in this Agreement.

8.3 **Exemption of liability.** The Receiver agrees that Syntell, to the extent permitted by law, will not be liable for any complaint, claim or action brought by a data subject (as defined in terms of Data Protection Laws) arising from any action or omission by Syntell to the extent that such action or omission:

8.3.1 resulted from any failure by the Receiver to comply with this clause 8; or

8.3.2 resulted from Syntell complying with any instructions of Receiver or acting on behalf of the Receiver in accordance with those instructions,

and the Receiver shall indemnify, hold harmless and defend Syntell from and against any such claims or actions brought against Syntell;

8.4 **Compliance.** Syntell shall at all times strictly comply with all applicable Data Protection Laws which may be in force from time to time;

8.5 **Warranty.** Syntell hereby warrants, represents and undertakes that it:

8.5.1 shall not, at any time Process Data for any purpose other than with the express prior written consent of the Receiver, and to the extent necessary to provide the Services;

8.5.2 shall ensure that all its systems and operations which it uses to provide the Services including all systems on which Data is Processed as part of providing the Services, shall at all times be of a minimum standard required by all applicable Data Protection Laws;

8.6 **Identification of risks.** Syntell shall take reasonable steps to identify all reasonably foreseeable internal and external risks posed to Data under Syntell's possession or control and establish and maintain appropriate safeguards against any risks identified;

8.7 **Discovery of Data Breach.** Syntell shall provide the Receiver with prompt reasonably detailed written notice in case Syntell discovers any Data Breach, or any actual, pending or threatened enforcement proceeding, action, notification of breach, lawsuit against Syntell, or a Service Provider subcontractor, relating to Data. To the extent the Data Protection Laws require that an individual or authority be notified of a Data Breach, Syntell shall at the Receiver's request and subject to the Receiver's prior approval of the content, form and timing, provide any notices to such an individual or governmental authority containing the information as mandated by the Data Protection Laws. Syntell shall provide remediation services and other reasonable assistance to individuals impacted by the Data Breach directly or through a third party as required under the Data Protection Laws, or required by governmental authorities, or agreed by the Parties in writing. Upon Receiver's request, Syntell shall cooperate and provide the Receiver with information about the nature, circumstances and causes of the event at issue. Syntell will take all necessary actions to prevent further losses and otherwise limit the consequences of the event at issue.

8.8 **Return of Data.** At any time during the term of this Agreement at the Receiver's written request or upon the termination or expiration of this Agreement for any reason, Syntell shall promptly return to the Receiver all copies, whether in written, electronic or other form or media, of Receiver Personal Data in its possession, or securely dispose of all such copies, and certify in writing to the Receiver that such Receiver Personal Data has been returned to Receiver or disposed of securely. Service Provider shall comply with all reasonable directions provided by Receiver with respect to the return or disposal of Receiver Personal Data.

9 DURATION

9.1 This Agreement shall commence on 1 July 2021 and shall endure for a period of three (3) years.

9.2 Subject to the laws that apply to preferential procurement and local government, the period may be extended annually or for such period and on such conditions agreed upon by the Parties, but limited to an additional two (2) years.

10 NON-PAYMENT / LATE PAYMENTS

10.1 In the event that Syntell is unable to deposit Payments timeously, or at all, Syntell shall immediately upon becoming aware of this fact, notify the Receiver in writing thereof, together with a written explanation therefore. It is specifically recorded and acknowledged by Syntell that this notification is essential as the Receiver might otherwise disconnect or discontinue services to Syntell.

11 NON-LIABILITY

11.1 Subject to the provisions of paragraph 109 above, Syntell shall not be held liable to the Receiver whatsoever for any damages suffered, claims instituted or loss sustained by reason of Syntell's failure to make the deposits in terms of clause 4 timeously or at all, provided that such failure does not arise from the negligence or fraud of Syntell.

11.2 Syntell shall not be held liable to the Receiver in any way whatsoever, for any damages suffered, claims instituted or loss sustained, howsoever arising, by reason of any Collector's omission or failure to perform.

11.3 Syntell does not warrant that the service will operate uninterrupted and error free, and shall not be liable for any damages suffered, claims instituted or loss sustained by any such interruption.

11.4 Neither party shall be liable for consequential damages, indirect damages, loss of goodwill, loss of revenue or loss of profit. The provision of this clause shall not apply to loss occasioned by a breach of Clause 7 above.

12 BREACH

12.1 Should either Party hereto breach or fail to comply with any term or condition of this Agreement, then the party aggrieved thereby shall give the defaulting Party written notice to rectify such a breach.

12.2 In the event of the defaulting party failing to rectify such a breach within fourteen (14) days of the dispatch of such notice, the aggrieved party shall be entitled to give written notice of termination of this Agreement to the other party. Such termination shall take effect upon dispatch of such notice to the other party.

12.3 Should either Party repeatedly breach any of the terms and conditions of this Agreement in such a manner as to justify the aggrieved party in holding that the defaulting party's conduct is inconsistent with the defaulting party's intention to carry out the terms and conditions of this Agreement, then and in such event the aggrieved party shall without prejudice to its legal rights and remedies, be entitled to terminate this Agreement.

12.4 On terminating this Agreement, the aggrieved party will be entitled to claim and recover such damages as the aggrieved party may be able to prove that it has sustained.

13 TERMINATION

This Agreement shall terminate with immediate effect upon the happening of any of the following events:

13.1 If either party fails to rectify a breach of this Agreement as provided for in terms of Clause12;

13.2 If Syntell takes a resolution to wind-up its operations;

13.3 If Syntell commits any act of insolvency or is placed under final or provisional liquidation.

14 CESSION

The Parties shall not cede, assign, transfer or make over any of their rights, nor delegate any of their obligations, in terms of this Agreement to any third party without the prior written consent of the other Party which consent shall not unreasonably be withheld.

15 DOMICILIUM CITANDI ET EXECUTANDI

15.1 Each of the parties chooses *domicilium citandi et executandi* for the purposes of the giving of any notice, the serving of any legal process and for any purposes arising from this Agreement at their respective addresses set forth hereunder:

Receiver: Langeberg Municipality
28 Main Road
Ashton
6715

Syntell: Syntell Proprietary Limited
2nd Floor Great Westerford
240 Main Road
Rondebosch
7700

15.2 Any notice to any party shall be addressed to it at its *domicilium* aforesaid and be sent either by pre-paid registered post or be delivered by hand. In the case of any notice —

(a) Sent by pre-paid registered post, it shall be deemed to have been received, unless the contrary is proved, on the seventh day after posting; and

(b) Delivered by hand, it shall be deemed to have been received, unless the contrary is proved, on the date of delivery, provided such date is a business day or otherwise on the next following business day.

(c) Any party shall be entitled by notice in writing to the other, to change its *domicilium* to any other address within the Republic of South Africa, provided that the change shall become effective only fourteen (14) days after the service of the notice in question.

(d) Any notice addressed to the Receiver shall be required to be addressed to the Director: Income & Cash to be deemed to have been effectively delivered or served.

(e) Any notice addressed to Syntell shall be required to be addressed to Syntell: Legal Advisor to be deemed to have been effectively delivered or served.

16 VIS MAJOR

16.1 Neither party shall be liable to the other for any prevention, suspension or postponement of its performance in terms of this Agreement where such prevention, suspension or postponement is due to any event of *vis* major (including but not limited to any act of God, flood, fire, earthquake, terrestrial or extraterrestrial interference, satellite malfunction, war, riot, insurrection, strike or act of any civil or military authority, or other cause of similar nature beyond the reasonable control of a party hereto).

16.2 If any such event *vis major* shall continue for a period of sixty consecutive days, or ninety consecutive days, in the aggregate in any one-year contract period during the terms of this Agreement, either party shall have the option thereupon to terminate this Agreement upon no less than ten days written notice to the other party.

16.3 In the event of such termination, neither party hereto shall have any further obligations hereunder to the other party, except for payment of any fees, other sums or other consideration past due hereunder and obligations of indemnification expressly contained herein.

17 DISPUTE RESOLUTION

Any dispute between the Parties arising from or in connection with this Agreement shall be determined in accordance with the rules of the Arbitration Foundation of South Africa by an arbitrator or arbitrators nominated by it, save that either Party may have recourse to a court of competent jurisdiction where urgent relief is sought. Such arbitration shall take place in the Western Cape.

18 GENERAL CONDITIONS

18.1 No alteration, cancellation, variation of or addition to this Agreement shall be of any force or effect unless reduced to writing and signed by Syntell and the Receiver or their duly authorised representatives.

18.2 This Agreement constitutes the entire Agreement between the parties hereto and neither of the parties shall be bound by any undertakings, representations, warranties, promises or the like not recorded herein.

18.3 No extension of time or other indulgence granted by either party to the other in respect of either of the party's obligations will constitute a waiver of either of the party's right to enforce compliance with the terms of this Agreement. Neither shall it constitute a novation of this Agreement

19 GOVERNING LAW

The construction, validity, performance and interpretation and implementation of this agreement will be governed by the laws of the Republic of South Africa.

PART 2 – PREPAID ELECTRICITY PAYMENTS

These further terms and conditions listed in this Part 2 are applicable in respect of the collection of prepaid electricity payments.

1 **DEFINITIONS**

The following words and expressions shall have the meanings hereunder assigned them and cognate words and expressions will have their corresponding meanings, unless the context indicates to the contrary —

1.1 "Coupon" means a computer generated meter specific coupon whereon is recorded an encoded number by means of which a Receiver can activate and control his Energy Dispenser;

1.2 "Energy Dispenser" means the metering device utilised to measure and control electrical energy consumed at a consumer's premises;

2 **OBLIGATIONS AND DUTIES OF THE RECEIVER**

The Receiver hereby agrees and undertakes:-

2.1 to allow the Syntell Vending Gateway to interface with the Server for the sale of Coupons;

2.2 to deal with Receiver customer queries relating to the transactions.

3 **OBLIGATIONS AND DUTIES OF SYNTELL**

Syntell hereby agrees and undertakes:-

3.1 to ensure that the Syntell Vending Gateway is able to communicate and interact with the Server for the Sale of Coupons;

SIGNED AT Ashton THIS 2 DAY OF June 2021

AS WITNESSES:

1 ....

2 ....

....

DULY AUTHORISED TO SIGN ON BEHALF OF THE RECEIVER

SIGNED AT Syntell (Pty) Ltd THIS 03 DAY OF June 2021

AS WITNESSES:

1 Ettiene Thomas
Ettiene Thomas (Jun 3, 2021 14:54 GMT+2)

2 Juanita Parsotham
Juanita Parsotham (Jun 3, 2021 15:53 GMT+2)

Zahir Lalla
Zahir Lalla (Jun 3, 2021 15:05 GMT+2)

DULY AUTHORISED TO SIGN ON BEHALF OF SYNTELL

SCHEDULE 1

FEES PAYABLE BY RECEIVER:- 1. Prepaid electricity payments at 3rd party vending points not located within the municipal buildings at Robertson, McGregor, Ashton, Bonnievale and Montagu	commission of 4% on the Rand value of these Prepaid electricity sales reflected in the Syntell Vending Gateway Reports;
2. Switching fee for all transactions through The municipal pay points located within the municipal buildings at Robertson, McGregor, Ashton, Bonnievale and Montagu	commission of 1% on the Rand value of these Prepaid electricity sales recorded by the Promun POS and reflected in the Syntell Vending Gateway Reports
ALL FEES ARE QUOTED EXCLUSIVE OF VAT	
BANK COSTS RECOVERABLE FROM RECEIVER:- Fees will vary depending on the Collector involved and/or the Card type used:- Cash Handling Commissions : up to 1% Debit Card Commissions : up to 1% Credit Card Commissions : up to 2.15% Credit Card Charge Backs : up to 2.15% Instant EFT (SID) : up to 1.5% of transaction value	

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Ola M JB

FIRST ADDENDUM TO THE
SYNTELL RECEIVER AGREEMENT

entered into by and between:

LANGEBERG MUNICIPALITY

And

SYNTELL (PTY) LTD
(REGISTRATION NUMBER: 2003/022275/07)

1. PREAMBLE AND INTRODUCTION

1.1. The Parties concluded a Syntell Receiver Agreement dispensing and selling prepaid electricity to End Users on the 1st of July 2021. ("Agreement").

1.2. The Parties have agreed to include a Benchmark and Auditing of Services clause at no extra cost to the tendered amounts as stipulated in *Schedule 1* of the Agreement.

1.3. The Parties have agreed to commence the Benchmark and Auditing of Services clause from the date of signature.

1.4. In the circumstances, the Agreement shall be regarded as amended by the provisions of this FIRST ADDENDUM.

INITIAL: SYNTELL (PTY) LTD: ZL ZL WITNESS 1: LE LE WITNESS 2: KD KD

INITIAL: LANGEBERG MUNICIPALITY: WITNESS 1: WITNESS 2: P.C

2. AMENDMENTS

2.1. The Parties agree to the following amendments:

2.1.1. Benchmarking and Auditing of services

2.1.1.1. From time to time the Langeberg Municipality and Syntell may agree to engage an independent consultant, to measure and/or benchmark: the methodologies used by the service provider; and adherence to service levels.

2.1.1.2. Such a consultant must not be in competition with Syntell or its holding company and must be approved by Syntell, which approval must not be withheld unreasonably.

2.1.1.3. Syntell and the Langeberg Municipality shall discuss in good faith any recommendations made by the consultant, to assess the effort and the costs to implement such recommendations.

2.1.1.4. The costs and timeframes to implement any recommendations made by the consultant should be mutually agreed between the Langeberg Municipality and Syntell.

2.1.1.5. Syntell shall not be required to disclose any of its intellectual property and/or trade secrets during the aforesaid process.

2.1.2. The Agreement is varied by this FIRST ADDENDUM which together with the Agreement constitutes the sole agreement between the Parties and no further variation shall be of any force and effect unless reduced to writing and signed on behalf of both Parties.

LANGEBERG MUNICIPALITY	
FOR AND ON BEHALF OF THE LANGEBERG MUNICIPALITY WHO WARRANTS THAT HE / SHE IS DULY AUTHORISED THERETO	
SIGNATURE	
FULL NAMES OF SIGNATORY	DANIEL PETRUS LUBBE
CAPACITY	MUNICIPAL MANAGER
DATE	20/03/2024
PLACE	ASHTON
AS WITNESS 1:	
AS WITNESS 2:	

INITIAL: SYNTELL (PTY) LTD: ZL ZL WITNESS 1: LE LE WITNESS 2: KD KD

INITIAL: LANGEBERG MUNICIPALITY: WITNESS 1: WITNESS 2: P.C

SYNTELL (PTY) LTD	
FOR AND ON BEHALF OF SYNTELL (PTY) LTD WHO WARRANTS THAT HE / SHE IS DULY AUTHORISED THERETO	
SIGNATURE	Zahir Lalla Zahir Lalla (Mar 19, 2024 14:10 GMT+2)
FULL NAMES OF SIGNATORY	Zahir Lalla
CAPACITY	General Manager
DATE	Mar 19, 2024
PLACE	Cape Town
AS WITNESS 1:	LEdwards LEdwards (Mar 19, 2024 16:37 GMT+2)
AS WITNESS 2:	Karen Davies Karen Davies (Mar 20, 2024 10:52 GMT+2)

INITIAL: SYNTELL (PTY) LTD: ZL ZL WITNESS 1: LE LE WITNESS 2: KD KD

INITIAL: LANGEBERG MUNICIPALITY: ____ WITNESS 1: ____ WITNESS 2: P.C

Second Addendum to the

Syntell Receiver Agreement

entered into by and between –

Syntell Proprietary Limited
(hereinafter referred to as "Syntell")

and

Langeberg Municipality
(hereinafter referred to as the "Receiver")

(individually referred to as the "Party" and collectively as the "Parties")

THE PARTIES AGREE AS SET OUT HERE BELOW

1 Interpretation

1.1 The clause headings in this Addendum have been inserted for convenience only and shall not be taken into account in its interpretation.

1.2 This Addendum shall be governed by and construed and interpreted in accordance with the substantive laws of the Republic of South Africa.

1.3 Where the provisions in this Addendum conflict with the provisions of the Syntell Receiver Agreement, the provisions of this Addendum shall take precedence.

2 Introduction

2.1 Syntell, entered into a Receiver Agreement with the Receiver, effective 1 July 2021 ("the Agreement") for a period of 3 years.

2.2 The Agreement was amended by way of a first addendum dated 20 March 2024.

2.3 The Parties have now agreed to extend the term of the Agreement, as provided for in clause 9.2 of the Agreement.

2.4 For the sake of convenience, the definitions contained in clause 1 of the Receiver Agreement shall bear the same meaning in this Addendum.

3 Variation

The Parties agree to extend the term of the Agreement by a period of 12 months ending 30 June 2025.

4 Effective Date

The effective date shall be the date of final signature hereof.

5 Saving

Save as otherwise agreed to in the addendum by the Parties, the provisions of the Receiver Agreement shall remain of full force and effect.

ZL

ZL

6 **Whole Agreement**

The agreement recorded in this Addendum constitutes the whole agreement between the Parties as to the subject matter of this Addendum and no agreement, representation or warranties between the Parties other than those set out herein are binding on the Parties as regards the subject matter of this Addendum.

DATED AT CAPE TOWN ON THE DAY OF 2024 in the presence of the undersigned witnesses:	
AS WITNESSES:	
LEdwrds 1) LEdwrds (Jul 12, 2024 16:09 GMT+2) Full name:	Zahir Lalla Zahir Lalla (Jun 19, 2024 17:17 GMT+2) **FOR SYNTELL (PTY) LTD**
A.Hamburg 2) A.Hamburg (Jul 12, 2024 16:18 GMT+2) Full name:	**Zahir Lalla** who warrants that he is duly authorised thereto

DATED AT ASHTON **ON THE** 31ST **DAY OF** MAY **2024 in the presence of the undersigned witnesses:**	
AS WITNESSES:	
1) Ladane. Full name: Jo-Verda Ladaice	**FOR LANGEBERG MUNICIPALITY** DANIËL PETRUS LUBBE
2) Full name: Joselina Getruida Buis	Full name of signatory, who warrants that he is duly authorised thereto

ZL

ZL

MOTION TO SERVE AT THE LANGEBERG MUNICIPAL COUNCIL MEETING
Date: 25 June 2025

Submitted by:
Alderman Christopher John Grootboom
PR Councillor – People's Democratic Movement (PDM)
Contact: 073 252 4135
Email: cgrootboom@langeberg.gov.za

Subject: Equal and Consistent Application of Laws, Policies, and Regulations Across the Municipality

I, Alderman, Christopher John Grootboom, PR Councillor representing the People's Democratic Movement (PDM), hereby submit this motion to the Langeberg Municipal Council for consideration, discussion, and resolution.

It has come to my attention, through engagements with residents and stakeholders, that there are instances where legislation, regulations, by-laws, and municipal policies are not being consistently applied across the Langeberg jurisdiction. This perceived inconsistency undermines public confidence in the administration and contributes to a growing sense of inequality among community members. There is a prevailing concern that certain rules and penalties are enforced selectively – affecting only a portion of inhabitants – while others appear to act with impunity. As public representatives, we carry the responsibility to ensure that the principles of fairness, transparency, and equality before the law are upheld at all times.

I wish to highlight two specific areas where this concern is most frequently raised by the public:

1. **The Border Wall Policy ("Grensmuurbeleid")** – Reports suggest that enforcement of this policy is uneven, with some residents required to comply while others are not held accountable for non-compliance.
2. **Fines for Illegal Construction –** It is alleged that penalties for building without approved plans are not applied uniformly, with certain individuals facing consequences while others are allowed to proceed without proper authorisation.

These issues are affecting the community's trust in the Municipality's administration. Therefore, I respectfully request that Council investigate these concerns and take the necessary steps to ensure that all policies, by-laws, and regulations are applied fairly and consistently to all residents – regardless of their background, status, or influence. The people of Langeberg deserve a governance system that treats all individuals equally under the law. This motion is brought forward in that spirit,

I so move.

Grootboom
....
Ald. Christopher J. Grootboom
PR Councillor – People's Democratic Movement (PDM)

Date: 17 June 2025

(A4943)

MOTION TO SERVE AT THE LANGEBERG MUNICIPAL COUNCIL MEETING
Date: 25 June 2025

Submitted by:
Alderman Christopher John Grootboom
PR Councillor – People's Democratic Movement (PDM)
Contact: 073 252 4135
Email: cgrootboom@langeberg.gov.za

Subject: Equal and Consistent Application of Laws, Policies, and Regulations Across the Municipality

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I so move.

Grootboom
....

Ald. Christopher J. Grootboom
PR Councillor – People's Democratic Movement (PDM)

Date: 17 June 2025

A4944

MOTION TO SERVE AT THE LANGEBERG MUNICIPAL COUNCIL MEETING

DATE: 25 JUNE 2025

Submitted by:
Alderman Christopher John Grootboom
PR Councillor – People's Democratic Movement (PDM)
Contact: 073 252 4135
Email: cgrootboom@langeberg.gov.za

Subject: Utilisation of Unused Portion of the Old Municipal Building in McGregor

I, Alderman Christopher John Grootboom, PR Councillor representing the People's Democratic Movement (PDM), hereby submit this motion for consideration, discussion, and resolution by the Langeberg Municipal Council.

Several community organisations in McGregor have raised concerns regarding the unused portion of the Old Municipal Building located in Voortrekker Street, adjacent to the Local Tourism Association. This section of the facility has remained unutilised by the Municipality for a number of years.

Given the ongoing challenges facing the McGregor community – particularly among the youth and unemployed – there is an urgent need for functional space where registered community organisations can operate sustainable development projects. Issues such as rising crime, substance abuse, and a general sense of hopelessness continue to affect our people. In this regard, the Municipality is seen as a critical stakeholder in providing support and enabling solutions.

I therefore respectfully request that Council consider making the aforementioned vacant space available to a registered community organisation, under clear terms of use, for the implementation of community development initiatives.

The approval of this motion will greatly support the community's efforts toward empowerment, advancement, and social cohesion. It is my hope that the Langeberg Municipal Council will respond positively to this appeal in the spirit of partnership and inclusive development.

I so move.

....
Ald. Christopher J. Grootboom
PR Councillor – People's Democratic Movement (PDM) **Date:** 17 June 2025

(A4944)

MOTION TO SERVE AT THE LANGEBERG MUNICIPAL COUNCIL MEETING
Date: 25 June 2025

Submitted by:
Alderman Christopher John Grootboom
PR Councillor – People's Democratic Movement (PDM)
Contact: 073 252 4135
Email: cgrootboom@langeberg.gov.za

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The approval of this motion will greatly support the community's efforts toward empowerment, advancement, and social cohesion. It is my hope that the Langeberg Municipal Council will respond positively to this appeal in the spirit of partnership and inclusive development.

I so move.

Grootboom
....
Ald. Christopher J. Grootboom
PR Councillor – PDM

Date: 17 June 2025

A4945

LETTER RECEIVED FROM MEC – DISCIPLINARY CASE OF CLLR JCJ COETZEE (P/L JCJ COETZEE) (SPEAKER)

Purpose of report

To submit to Council for information the letter received from the MEC for Local Government, Environmental Affairs and Development Planning on the disciplinary case of Cllr JCJ Coetzee.

Background

Following the disciplinary hearing of Cllr JCJ Coetzee, the decision had to be sent to the MEC for his consideration.

Attached to this report is the letter dated 17 October 2024 as received from Minister Bredell.

Recommendation

That Council note the contents of the letter dated 17 October 2024 as received from the MEC for Local Government, Environmental Affairs and Development Planning.

Submitted for consideration

Western Cape Government

Ministry of Local Government,
Environmental Affairs & Development Planning

Tel: +27 21 483 3915
Fax: +27 21 483 6081

REFERENCE: 13/1/2/K5 (3/11/2/4 – 2024/139)

The Speaker
Langeberg Municipality
Private Bag X2
ASHTON
6715

Per email: phess@langeberg.gov.za

Dear Councillor Hess

CODE OF CONDUCT FOR COUNCILLORS: COUNCILLOR JCJ COETZEE: LANGEBERG MUNICIPALITY

I refer to the above and your correspondence dated 13 December 2023 and 29 February 2024, regarding the abovementioned matter.

Your Municipality requested me in terms of item 16(2)(c) to suspend Councillor Coetzee for four (4) months without remuneration. Upon an assessment of the documents that were supplied to myself, and in terms of item 16(7)(a), "*if the MEC is of the opinion that the councilor has breached a provision of this Code, and that such contravention warrants a suspension or removal from office, the MEC may suspend the councilor for a period and on conditions determined by the MEC.*"

The Code of Conduct further requires, in terms of item 16(8) that "any investigation in terms of this item and any action taken by the MEC in terms of subitem (7) must be in accordance with section 3 of the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000).

After having considered the documents and ensuring that both procedural and substantive fairness were applied in the disciplinary of Councillor Coetzee, I have come to the conclusion that based on procedural fairness, your Municipality may have erred. The reason for this is that the

Speaker, in terms of item 15 is required to authorize an investigation and report the matter to Council. Since the Speaker started the process and reached an opinion that a provision of the Code may have been breached, she may then not form part of the disciplinary panel as it may have compromised her impartiality.

It appears that in this instance, you were part of the disciplinary panel after initiating the item 15 provisions and as such, based on procedural grounds, may have tainted the process.

Based on the above assertions, I could thus not agree that procedural fairness occurred and therefore cannot concur to the sanctions imposed.

Sincerely,

A BREDELL
MINISTER
DATE: 17/10/2024

ASSESSMENT REPORT ON PROGRESS MADE IN ADDRESSING CRITICAL ISSUES RAISED ON IMPLEMENTATION OF THE ERP PROJECT (ACTING CHIEF FINANCIAL OFFICER)

Purpose of the report

The purpose of this report is to provide an update to Council on the progress made by CCG Systems (Pty) in addressing critical issues raised on implementation of the Enterprise Resource Planning (ERP) project.

Legal framework

Municipal Finance Management Act, No. 56 of 2003

Implementation of system

115. (1) The accounting officer of a municipality must - (a) implement the supply chain management policy of the municipality; and (b) take all reasonable steps to ensure that proper mechanisms and separation duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices.
(2) No person may impede the accounting officer in fulfilling this responsibility.

Contracts and contract management

116. (1) A contract or agreement procured through the supply chain management system of a municipality must-
(a) be in writing;
(b) stipulate the terms and conditions of the contract or agreement, which must include provisions providing for-

(i) the termination of the contract or agreement in the case of non- or underperformance;
(ii) dispute resolution mechanisms to settle disputes between the parties;
(iii) a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and
(iv) any other matters that may be prescribed.

(2) The accounting officer of a municipality must-
(a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality entity is properly enforced;
(b) monitor on a monthly basis the performance of the contractor under the contract or agreement;
(c) establish capacity in the administration of the municipality-
(i) to assist the accounting officer in carrying out the duties set out in paragraphs *(a)* and *(b)*
(ii) to oversee the day-to-day management of the contract or agreement; and
(d) regularly report to the council of the municipality, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.

(3) A contract or agreement procured through the supply chain management policy 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; and
(b) the local community-
(i) has been given reasonable notice of the intention to amend the contract or
(ii) has been invited to submit representations to the municipality.

Councillors barred from serving on municipal tender committees

117. No councillor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, nor attend any such meeting as an observer.

Interference

118. No person may- (a) interfere with the supply chain management system of a municipality or (b) amend or tamper with any tenders, quotations, contracts or bids after their submission.

Municipal Supply Chain Management Regulations, as amended
Chapter 1 -Establishment And Implementation of Supply Chain Management Policies
2. Supply chain management policies

(1) Each municipality must in terms of section 111 of the Act have and implement a supply chain management policy that-
(a) gives effect to (i) section 217 of the Constitution; and (ii) Part 1 of Chapter 11 and other applicable provisions of the Act.
(b) is fair, equitable, transparent, competitive and cost effective.

Background

Item A4889 served before an ordinary meeting of Council on 26 March 2025 whereby Council unanimously resolved:

1. That the Administration must be allowed to follow their processes to manage and monitor the implementation of the service level agreement and contract with CCG Systems (Pty) Ltd in terms of section 116 of the MFMA, and that the following immediate steps be noted:
1.1 The period of extension requested by CCG ends on 3 April 2025;
1.2 That after 3 April 2025, an assessment will be conducted on progress made by CCG on the critical focus areas as listed in the letter to them;
1.3 The outcome of performance in terms of the assessment will determine the way forward in applying provisions and measures in terms of the contractual agreement;
1.4 That a progress report will be submitted at the next Council meeting.
2. That Council notes the content of this report.

This report should be read in conjunction with item A4889 and A4917 for context and further background.

Summary of issues raised:

1. Incorrect billing of customer accounts.
2. Difficulty on monthly reconciliations.
3. Incorrect leave balances.
4. Difficulty on generating reports on PMS module.
5. ICT governance challenges.
6. Turn-around time to enquiries raised by Municipal Staff.

In the meeting that was held on 17 February 2025, the following interventions were proposed and agreed upon to address the issues raised:

No.	Intervention	Progress comments
1.	Deploy and implement a dedicated help desk platform for all staff to log all complains and/or requests to ensure that there is a centralized and dedicated communication platform.	Activity completed. Help desk was deployed to log queries.
2.	Rollout refresher training to all staff to ensure that they are up-to date with system upgrades – In progress, this activity is continuous. Refresher training provided as when and required by staff.	In progress, this activity is continuous. Refresher training provided as when and required by staff.
3.	Complete the process of transferring the take-on balances from Promun system to SAGE 200 Evolution.	Transfer of the take-on balances from Promun system to SAGE 200 Evolution completed.
4.	Allocate skills and resources to the development and set-up of parameters for mSCOA compliant transacting and reporting on the system such as Software Developers and Business Analysts.	The following skills and resources were allocated to attend to matters raised: • 2 X Senior Developer. • 1 X Lead Developer. • 1 X Business Analyst. • 2 X Senior Consultant. • 1 X Project Manager.
5.	CCG Systems (Pty) Ltd created a sub-project to address these issues and allocated resources to work on addressing the issues raised by the Municipality.	Sub-project still in progress as some issues remain unresolved.

Progress in addressing the issues raised was assessed as follows:

No.	Issue	Resolution	Status	Comment
1	Incorrect billing of customer accounts.	Continuous review of Meter Readings. Review of Email and Postal Address for Customer Accounts. Review of Municipal Accounts.	In Progress 90%	The volume of customer queries after each billing run have been significantly reduced.
				Most of the queries which were coming from metered services have been resolved. Municipality in pilot project to implement automated meter reading (AMR) for bulk consumers.
				Outstanding Issue on metered services is meter clock-overs which is caused by the unavailability of meter dials. Sage 200 and Route Master Integration Issues: Readings are not consistently reflecting on Sage 200 Evolution (discrepancies between the 2 Systems). The seamless integration is at deployment phase addressing issues raised by ICT department on implementation of the deployment change request.
				Queries for customers not receiving their statements and municipal accounts printing have been resolved. Billing module upgrade done.
2	Difficulty on monthly reconciliations	Completion of Audited Take-on Trial Balance as of 30 June 2025.	Completed 100%	Processing of the Audited Take-on TB as of 30 June 2024 has been completed.
				The process of correcting the incorrect mascot Guides/Accounts that were previous used has been completed.
		Develop Sub-Ledger Reconciliation Templates.	In Progress 80%	Reconciliation Templates for Creditors and Debtors provided, currently working on Salaries Reconciliations.
3	Incorrect leave balances	Update the System to credit Leave days at the end of the period.	In Progress 95%	A session was held with HR department where it was demonstrated to HR that the leave is accrued at the end of the month and the days that are indicated at the beginning of the month are not available to be taken. CCG recommend the Municipality to roll out Employee Self Service (ESS) to address the confusion caused by this issue. ESS is available and currently being utilized by secretaries and personal assistants. User acceptance to be resolved once ESS is rolled out to identify outstanding issues.
		Custom update of the System for additional 10 Days Sick Leave Credit.		The system is crediting the additional 10 sick days based on the number of taken days that were recorded in the new system as per policy. Acceptance to be verified upon roll out to all users.
4	Difficulty on generating reports on PMS module	Customising Mid-year and Annual Reports as per provided Templates. Configure the PMS Dashboards to allow application of filters.	In Progress 85%	Requirements for the Mid-year and Annual Reports were addressed and are currently under review by the Users with a more updates being done as they are noted and requested by the Users.
				Currently experiencing System slowness when running the PMS Reports and the issue is currently being investigated.
5	ICT Governance Challenges	Customise Audit Trail Reports requested by the Municipality	In Progress 80%	The Audit Trail Report has been customized which came with additional configurations having to be done in the System and as a result, changes which were done before the new configurations are not included on the Audit Trail Reports. User acceptance still required. The profile amendment reports must show data from 1 July 2024.

No.	Issue	Resolution	Status	Comment
		Limit VPN Access to Consultants	Completed 100%	VPN Access for CCG Systems Consultants is now limited to 08:00 to 16:00 and any request for access beyond that must be pre-approved.
		Review Access Permissions for Users and Administrators.	Ongoing	Ongoing
		Encryption of Payroll Back-up.	Completed 100%	The Sage 300 HR and Payroll Back-up has been encrypted, and Payroll Officials give access to take Back-ups before rolling over.
		Schedule all System Upgrades to be done on 2 Months Intervals for Version Control	Ongoing	Last Major Upgrades were done in April 2025, and the next run of Major Upgrades is expected in July 2025.
		System Architecture	In Progress 90%	Final updates currently being done to include all Integrations that were undertaken post-implementation. The following requires major development and update on the system functionality: Payment File from Sage 200 for Supplier payments is not secured/encrypted from anyone making changes. No segregation of duties for Supplier Master File Updates (Banking Details). No segregation of duties for Journals capturing and processing in the System. System Architecture is still outstanding
6	Turn-around time to enquiries raised by Municipal Staff	Implement a Help Desk Platform	Completed 100%	The Help Desk platform is now available for Users to raise queries. Use of the helpdesk platform by municipal staff still low. More awareness to be done.

The reporting status of the ERP system implementation is that all system modules are operational with issues being currently addressed. There are also post system implementation issues which are reported in the modules, General Ledger, Revenue and Billing, Supply Chain Management, Expenditure and Trade Payables, HR and Payroll, Performance Management, and ICT Administration.

Priority has been given to issues affecting Revenue and Billing as these were affecting the largest number of external stakeholders of the Municipality. As most of the billing issues have now been resolved, focus will now be more on the other modules to ensure that all issues raised are resolved.

In overall, some corrective measures have been implemented but the progress of those corrective measures is still being closely monitored. The municipality is also prepared interim financial statements to assist with readiness for the annual financial statements.

Project costs- budget versus actual expenditure incurred to implement project remain the same

Contract Amount:	R59 660 684.29 (VAT Inclusive)
Actual Expenditure to date:	R13 511 363.16 (VAT Inclusive)
Budget to date:	R17 840 685.83 (VAT Inclusive)

The expenditure was for implementation fees, annual licence fees, sub-system licence fees, annual support licence fees and user group/development fees. The contract is effective from 1 July 2023 until 30 June 2033.

Comments: Director – Corporate Services

Recommendation supported

Comments: Director – Engineering Services

Recommendation supported

Comments: Director – Community Services

Recommendation supported

Comments: Director - Economic, Social and Integrated Development Services

Content of the report is noted

Comments: Municipal Manager

The content of the report is noted with sincere appreciation and the recommendation to Council supported.

Recommendation

1. That the Administration continue to manage and monitor the implementation of the service level agreement and contract with CCG Systems (Pty) Ltd in terms of section 116 of the MFMA.
2. That a progress report will be submitted at the next Council meeting.
3. That Council notes the content of this report.