



ORDINARY MEETING OF THE COUNCIL

GEWONE VERGADERING VAN DIE RAAD

INTLANGANISO YESIQHELO YEBHUNGA

MINUTES / NOTULE /

IMIZUZU

**DATE / DATUM / UMHLA : 29 MARCH / MAART / MATSHI
2023**

**VENUE / PLEK / INDAWO : BANQUETING HALL /
BANKETSAAL**

**CIVIC CENTRE / BURGERSENTRUM / IZIKO LOLUNTU
HERMANUS**

TIME / TYD / IXESHA: 10:00

OVERSTRAND

MUNICIPALITY / MUNISIPALITEIT / U-MASIPALA

MINUTES OF AN ORDINARY COUNCIL MEETING HELD IN THE **BANQUETING HALL**, CIVIC CENTRE, HERMANUS, ON **29 MARCH 2023 AT 10:00**

PRESENT: Councillors were present as per attached attendance register.






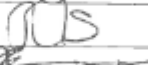









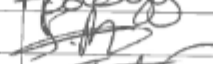





OFFICIALS PRESENT: Mr D O'Neill, Municipal Manager
Ms D Arrison, Director : Management Services
Ms S Reyneke-Naudé, Director : Finance
Mr J Solomons, Acting Director : Community Services
Mr N Michaels, Director : Protection Services
Mr S Müller, Director : Infrastructure & Planning
Mr S Madikane, Director : LED
Mr C Le Roux, Deputy Director : Finance & SCM
Ms R Louw, Senior Manager : Strategic Services
Ms A Le Roux, Manager : Property Administration
Ms H van Tonder, Manager : Council Support Services
Mr D van der Heever, Chief Audit Executive
Mr L Tait, Accountant : Operating Budget
Ms K Johnson, Accountant : Budget Office
Ms Z Komani, Budget Office Intern
Ms R Steenekamp, Media & Social Media Liaison Officer
Mr T Louw, Technical Support: Auditorium
Ms S Swart, Administrative Officer : Council Support Services

ALSO PRESENT: Members of the Public

MINUTES/....

OVERSTRAND MUNICIPALITY
ATTENDANCE REGISTER

COUNCIL MEETING
29 MARCH 2023

ALDERMAN/COUNCILLORS	SIGNATURE
AFRICA, F	
BANDEZA, V	
BRICE, KD	
COETZEE, DP	
COHEN, G	
DE CONING, CA	Apology (husband = cc)
DEES, RM	
ELS, T	
FOURIE, SH	
GILLION, E	
GRIMBEEK, MD	
GWELE, T	
KOMANI, AS	
LERM, CH	
LOMBARD, H	H Lombard
NGQANDANA, K	
NOMATITI, M	
NQINATA, NNT	N. Nqinata
NTSABO, L	
NUTT, R	Apology (Miss Saunders)
RABIE, AL	
RESANDT, CT	Apology (sick leave)
SIHLAHLA, M	
TAFU-NWONKWO, CC	
VAN STADEN, JA	
WILLIAMS, SH	

1. OPENING

The Speaker, Cllr G Cohen, opened the meeting and welcomed those present. The Municipal Manager, Mr D O'Neill, read the convening notice and Cllr J van Staden opened with prayer.

2. APPLICATIONS FOR LEAVE OF ABSENCE

Ald R de Coning
Cllr R Nutt
Cllr C Resandt

RESOLVED:

that the above-mentioned applications for leave of absence **be approved**.

3. CONFIRMATION OF MINUTES

- 3.1 Minutes of an **Ordinary Meeting** of the **Overstrand Municipal Council** held on **Tuesday, 28 February 2023** at **10:00**

RESOLVED:

that the Minutes of an **Ordinary Meeting** of the **Overstrand Municipal Council** held on **Tuesday, 28 February 2023** at **10:00** **be confirmed**.

4. STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE SPEAKER / EXECUTIVE MAYOR

The Municipal Manager, Mr D O'Neill, reminded councillors of the OMAF meeting which is taking place today, 29 March 2023 at 18:00 in the Auditorium, Civic Centre, Hermanus.

Schulphoek Housing Project:

The Executive Mayor, Ald A Rabie, reported that a tender was advertised for a turnkey agent for the Schulphoek Housing Project, which tender has already closed. It is envisaged that the bid adjudication process will take place during next week.

The Executive Mayor, Ald A Rabie, reported on the electrification programme for the Marikana and Ward 12 area for which only R2,6 m was received. This amount was enough for the electrification of only 200 houses and more money was needed. She thanked all those who were involved in acquiring more funds and a total of approximately R5,6 m is now available.

The Executive Mayor, Ald A Rabie, reported that the SIU report is still outstanding.

The Executive Mayor, Ald A Rabie, reported on the investigation into the possible corruption and fraud at Fleet Management and the Municipal Manager, Mr D O'Neill, handed the final report over to the Executive Mayor. A press release in this regard will be issued and a formal case will be lodged with the SAPS.

The Deputy Executive Mayor, Cllr L Ntsabo, informed the meeting of work done by the Protection Services Directorate and about the launch of a new project of the Reaction Unit.

5. CONSIDERATION OF RECOMMENDATIONS MADE BY THE EXECUTIVE MAYOR TO COUNCIL, IN TERMS OF SECTION 160(2) OF THE CONSTITUTION, 1996, AND SECTION 59(1)(a) OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT 2000 (ACT 32 OF 2000)

5.1

GANSBAAI: ALIENATION OF A PORTION OF REMAINDER ERF 210 GANSBAAI (SITUATED IN INDUSTRY CIRCLE, GANSBAAI), ±5HECTARES IN EXTENT, BY MEANS OF A COMPETITIVE PROCESS

(ITEM 5 PAGE 1 : MAYORAL COMMITTEE MEETING : 27 MARCH 2023)

This matter was referred back at the Mayoral Committee meeting of 27 March 2023, but revisited at the council meeting.

RESOLVED (SUPPORTED BY 23 COUNCILLORS):

1. that Council's approval of 23 September 2009 for the alienation of a portion of Remainder Erf 210 Gansbaai ±5ha (FIVE HECTARES) in extent by means of a competitive process for industrial purposes at a market related price **be noted**; and
2. that it is hereby confirmed by Council that the municipal property herewith envisaged to be alienated is not required for the provision of basic municipal services in terms of paragraph 5 of the Administration of Immovable Property Policy approved by Council on 25 November 2015 and Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003).

RESPONSIBLE OFFICIAL :

W MURTZ

TARGET DATE FOR IMPLEMENTATION :

14 APRIL 2023

TARGET DATE TO INFORM APPLICANT :

28 APRIL 2023

TARGET DATE TO INFORM OBJECTOR :

N/A

REMARK

Please note that the following recommendation is subject to confirmation or amendment by the Executive Mayor in view of the fact that the **compilation of the Council agenda** was done before the Mayoral Committee of 27 March 2023 had formally sat.

5.2

RECISSION OF COUNCIL RESOLUTION DATED 24 MAY 1995 FOR THE AUTOMATIC RENEWAL FOR PERIODS OF SIX MONTHS - LEASES FOR SEMI-PERMANENT STANDS ON A PORTION OF ERF 207 GANSBAAI (GANSBAAI CARAVAN PARK)

(ITEM 7 PAGE 20 : MAYORAL COMMITTEE MEETING : 27 MARCH 2023)

RESOLVED (SUPPORTED BY 23 COUNCILLORS):

that the item **be withdrawn**.

RESPONSIBLE OFFICIAL:

A LE ROUX

TARGET DATE FOR IMPLEMENTATION:

28 APRIL 2023

TARGET DATE TO INFORM APPLICANT:

N/A

TARGET DATE TO INFORM OBJECTOR:

N/A

REMARK

Please note that the following recommendation is subject to confirmation or amendment by the Executive Mayor in view of the fact that the **compilation of the Council agenda** was done before the Mayoral Committee of 27 March 2023 had formally sat.

5.3

A PORTION OF ERF 10572, A CLOSED PORTION OF GOLF STREET, HERMANUS: SERVITUDE RIGHT OF WAY IN FAVOUR OF THE OWNERS OF ERF 1272 HERMANUS, THE EDC HOUSE TRUST

(ITEM 8 PAGE 36 : MAYORAL COMMITTEE MEETING : 27 MARCH 2023)

RESOLVED (SUPPORTED BY 23 COUNCILLORS):

that, subject to the outcome of the Land Use Planning application, the registration of a servitude right of way over Municipal property, being a portion of Erf 10572 Hermanus, a closed portion of Golf Street, Hermanus in favour of the owners of Erf 1272 Hermanus at a market related price, **be approved.**

RESPONSIBLE OFFICIAL :	M ERASMUS
TARGET DATE FOR IMPLEMENTATION :	28 APRIL 2022
TARGET DATE TO INFORM APPLICANT :	28 APRIL 2022
TARGET DATE TO INFORM OBJECTOR :	N/A

REMARK

Please note that the following recommendation is subject to confirmation or amendment by the Executive Mayor in view of the fact that the **compilation of the Council agenda** was done before the Mayoral Committee of 27 March 2023 had formally sat.

5.4

A PORTION OF REMAINDER ERF 4771 HERMANUS KNOWN AS THE "NAUTILUS PROPERTY": DEVIATION FROM PARAGRAPH 18 OF THE ADMINISTRATION OF IMMOVABLE PROPERTY POLICY OF 2015 ALLOWING THE MUNICIPALITY TO ENTER INTO A FURTHER TEMPORARY LEASE AGREEMENT WITH JACKALSVLEI (PTY) LTD FOR SHORT-TERM PERIOD PENDING THE FINALISATION OF THE TENDER PROCESS

(ITEM 9 PAGE 44 : MAYORAL COMMITTEE MEETING : 27 MARCH 2023)

The Executive Mayor, Ald A Rabie, requested that it be minuted that this property is not the Dutchies site, but the summer lounge site. The operation of the summer lounge will continue until the tender has been awarded.

RESOLVED (SUPPORTED BY 23 COUNCILLORS):

1. that the deviation from paragraph 18 of the Administration of Immovable Property Policy (2015) in order to enter into a lease agreement with Jackalsvlei (Pty) Ltd for another short-term period of 2 (TWO) months to lease a portion of Remainder Erf 4771 Hermanus, ±500m² in extent, for the purpose of operating a summer lounge at a total rental amount of R29,001.64 (TWENTY-NINE THOUSAND AND ONE RAND AND SIXTY-FOUR CENTS) (VAT included) for the period, without following a competitive process, **be approved**; and
2. that a condition be included in the lease agreement that the lessee must make use of local labour (as waiters/waitresses/cleaners/etc.) during the period of the lease.

RESPONSIBLE OFFICIAL :

M ERASMUS

TARGET DATE FOR IMPLEMENTATION :

15 MARCH 2023

TARGET DATE TO INFORM APPLICANT :

15 MARCH 2023

TARGET DATE TO INFORM OBJECTOR :

N/A

REMARK

Please note that the following recommendation is subject to confirmation or amendment by the Executive Mayor in view of the fact that the **compilation of the Council agenda** was done before the Mayoral Committee of 27 March 2023 had formally sat.

5.5

MONTHLY REPORT TO COUNCIL ON SUPPLY CHAIN MANAGEMENT (SCM) POLICY: PARAGRAPH 36, 16(1)(b) AND 17(1)(c) FOR FEBRUARY 2023

(ITEM 10 PAGE 51 : MAYORAL COMMITTEE MEETING : 27 MARCH 2023)

RESOLVED (SUPPORTED BY 23 COUNCILLORS):

1. that the deviations from the procurement processes, approved in terms of the delegated authority for February 2023, **be noted**;
2. that the awards made in terms of Paragraph 16(1)(b) and 17(1)(c), approved in terms of the delegated authority for February 2023, **be noted**; and
3. that the awards made through the Bid Committee system, and formal written price quotations in excess of R30 000 and all price quotations below R30 000 for February 2023, **be noted**.

RESPONSIBLE OFFICIAL :

C LE ROUX

TARGET DATE FOR IMPLEMENTATION :

TO BE NOTED

REMARK

Please note that the following recommendation is subject to confirmation or amendment by the Executive Mayor in view of the fact that the **compilation of the Council agenda** was done before the Mayoral Committee of 27 March 2023 had formally sat.

5.6

REPORT OF THE JOINT AUDIT AND PERFORMANCE AUDIT COMMITTEE (JAPAC) TO THE OVERSTRAND MUNICIPAL COUNCIL

(ITEM 11 PAGE 66 : MAYORAL COMMITTEE MEETING : 27 MARCH 2023)

RESOLVED (SUPPORTED BY 23 COUNCILLORS):

that the report from the JAPAC to the Overstrand Municipal Council **be noted**.

RESPONSIBLE OFFICIAL :

DC VAN DER HEEVER

TARGET DATE FOR IMPLEMENTATION :

29 MARCH 2023

REMARK

Please note that the following recommendation is subject to confirmation or amendment by the Executive Mayor in view of the fact that the **compilation of the Council agenda** was done before the Mayoral Committee of 27 March 2023 had formally sat.

5.7

AMENDMENT TO THE JOINT AUDIT AND PERFORMANCE AUDIT COMMITTEE (JAPAC) CHARTER PURSUANT TO ITS REVIEW BY THE JAPAC

(ITEM 12 PAGE 104 : MAYORAL COMMITTEE MEETING : 27 MARCH 2023)

RESOLVED (SUPPORTED BY 23 COUNCILLORS):

that the amendments be made to the current JAPAC Charter and **be adopted**.

RESPONSIBLE OFFICIAL :

DC VAN DER HEEVER

TARGET DATE FOR IMPLEMENTATION :

29 MARCH 2023

REMARK

Please note that the following recommendation is subject to confirmation or amendment by the Executive Mayor in view of the fact that the **compilation of the Council agenda** was done before the Mayoral Committee of 27 March 2023 had formally sat.

5.8

FINAL AMENDMENT TO CHAPTER 13: PERFORMANCE MANAGEMENT IN THE APPROVED INTEGRATED DEVELOPMENT PLAN (IDP) FOR THE CURRENT FINANCIAL YEAR (2022/23)

(ITEM 13 PAGE 119 : MAYORAL COMMITTEE MEETING : 27 MARCH 2023)

RESOLVED (SUPPORTED BY 23 COUNCILLORS):

that the final amendment to Chapter 13: Performance Management in the approved Integrated Development Plan (IDP) of 31 May 2022 **be approved.**

RESPONSIBLE OFFICIAL :

R LOUW

TARGET DATE FOR IMPLEMENTATION :

29 MARCH 2023

REMARK

Please note that the following recommendation is subject to confirmation or amendment by the Executive Mayor in view of the fact that the **compilation of the Council agenda** was done before the Mayoral Committee of 27 March 2023 had formally sat.

5.9

CONSIDERATION OF THE 2021/22 ANNUAL REPORT AND ADOPTION OF AN OVERSIGHT REPORT

(ITEM 14 PAGE 139 : MAYORAL COMMITTEE MEETING : 27 MARCH 2023)

RESOLVED (SUPPORTED BY 23 COUNCILLORS):

that, in terms of Section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and having duly considered the 2021/22 Annual Report of the Overstrand Municipality and the content of this item, the said report **be approved** without reservation.

RESPONSIBLE OFFICIAL :

R LOUW

TARGET DATE FOR IMPLEMENTATION :

NOT APPLICABLE

REMARK

Please note that the following recommendation is subject to confirmation or amendment by the Executive Mayor in view of the fact that the **compilation of the Council agenda** was done before the Mayoral Committee of 27 March 2023 had formally sat.

5.10**DRAFT INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW FOR 2023/24**

(ITEM 15 PAGE 161 : MAYORAL COMMITTEE MEETING : 27 MARCH 2023)

RESOLVED (SUPPORTED BY 23 COUNCILLORS):

1. that the draft IDP review for 2023/24 **be noted**; and
2. that the draft IDP review for 2023/24 **be advertised** for public comment in order for Council to consider the final document during the May 2023 Council meeting.

RESPONSIBLE OFFICIAL :**R LOUW****TARGET DATE FOR IMPLEMENTATION :****TO BE NOTED**

REMARK

Please note that the following recommendation is subject to confirmation or amendment by the Executive Mayor in view of the fact that the **compilation of the Council agenda** was done before the Mayoral Committee of 27 March 2023 had formally sat.

5.11

REVIEW OF THE DISASTER MANAGEMENT PLAN

(ITEM 16 PAGE 174 : MAYORAL COMMITTEE MEETING : 27 MARCH 2023)

RESOLVED (SUPPORTED BY 23 COUNCILLORS):

that the Overstrand Municipality Disaster Management Plan **be adopted**.

RESPONSIBLE OFFICIAL :

**NJ MICHAELS
L SMITH**

TARGET DATE FOR IMPLEMENTATION :

1 APRIL 2023

REMARK

Please note that the following recommendation is subject to confirmation or amendment by the Executive Mayor in view of the fact that the **compilation of the Council agenda** was done before the Mayoral Committee of 27 March 2023 had formally sat.

5.12

DRAFT BUDGET FOR 2023/2024, INDICATIVE BUDGET FORECASTS FOR 2024/2025 TO 2025/2026 AND DRAFT BUDGET RELATED POLICIES

(ITEM 17 PAGE 290 : MAYORAL COMMITTEE MEETING : 27 MARCH 2023)

THE SPEAKER, CLLR G COHEN, AFFORDED THE EXECUTIVE MAYOR, ALD A RABIE, TIME TO DELIVER HER BUDGET SPEECH. THE EXECUTIVE MAYOR, ALD A RABIE, DELIVERED HER BUDGET SPEECH, A COPY OF WHICH IS ATTACHED AS ANNEXURE A TO TO THE MINUTES.

RESOLVED (SUPPORTED BY 23 COUNCILLORS):

1. that the tabling of the Draft Budget for 2023/2024, indicative budget forecasts for 2024/2025 to 2025/2026 and the draft budget related policies **be noted**; and
2. that the Draft Budget for the 2023/2024 MTREF **be advertised** for public comment in order for Council to consider the final budget at a Council meeting to be held on 31 May 2023.

RESPONSIBLE OFFICIALS:

**S REYNEKE-NAUDE
BA KING**

TARGET DATE FOR IMPLEMENTATION:

TO BE NOTED

REMARK

Please note that the following recommendation is subject to confirmation or amendment by the Executive Mayor in view of the fact that the **compilation of the Council agenda** was done before the Mayoral Committee of 27 March 2023 had formally sat.

5.13

**DRAFT SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)
FOR 2023/24**

**(ITEM 18 PAGE 292 : MAYORAL COMMITTEE MEETING : 27 MARCH
2023)**

RESOLVED (SUPPORTED BY 23 COUNCILLORS):

that the draft Top Layer Service Delivery and Budget Implementation plan (SDBIP) for 2023/24 **be noted**.

RESPONSIBLE OFFICIAL :

RG LOUW

TARGET DATE FOR IMPLEMENTATION :

NOT APPLICABLE

6. URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER (IF ANY)

None

7. CONSIDERATION OF NOTICES OF MOTIONS / QUESTIONS

None

8. CONSIDERATION OF MOTIONS OF EXIGENCY (IF ANY)

None

The meeting adjourned at 11:27

DATE

THE SPEAKER – G COHEN

MAYOR – DRAFT BUDGET 2023/2024 SPEECH**A The proposed budget for the 2023/24 financial year:**

1. The budgeted revenue **excluding** capital grants received, amounts to R1,692 billion.
2. The budgeted operational expenditure amounts to R1,749 billion – this includes non cash items like depreciation.

Hence an accounting deficit of R57,066m is reflected.

3. The Capital budget amounts to R203,615m– It is to be used for very specific Capital projects

B. Projected Revenue per functional classification, including capital grants are:

Governance and administration	R460,614m
Community and Public Safety	R179,758m
Economic and Environmental services	R21,679m
Trading services	R1,084 billion

Trading services include electricity/energy; water management, waste water management, and waste management.

TOTAL REVENUE (Including capital grants) R1,746 billion

C. Projected Operational Expenditure per functional classification, are:

Governance and administration	R334,374m
Community and Public Safety	R297,756m
Economic & Environmental Services	R211,088m
Trading services	R901,649m
Other	R4,104m

TOTAL OPEX EXPENDITURE R1,749 billion

(with a nett deficit of R3,399m)

A surplus on any trading service is crucial as it is intended and required to generate surplus cash to partly fund capital expenditure such as vehicles and ICT infrastructure. This is to ensure adequate cash backing of reserves and funds.

D. Employee and Councillor related remuneration.

In the budget a provision of R551,04m is made for employee related costs and the remuneration of Councillors. This is 31,51% of the total operating expenditure and is within the National Treasury norm of 25 – 40%.

The proposed increase in the salary budget is 5.4% and notch increases, which average 2% have also been budgeted for in view of the Agreement, thus a 7.4% increase.

Staff vacancies are still frozen and may only be filled following a motivation to the Municipal Manager. No new posts were considered for inclusion in this draft budget.

E. Mr Speaker before I announce the new tariffs on basic services for the next financial year, allow me to reference the cost of rendering services.

With regards to electricity our total expenditure is R606,066m and our income R640,359m which allows for a surplus of R34,294m or a margin of 5.36%, versus the margin of 7,89% for the previous Draft Budget.

In the case of water, our expenditure is R161,098m against an income of R164,563m giving us a surplus margin of 2.11% or R3,465m

Wastewater management provides for a net surplus of 3.25% or R4,142m. This is against an income of R127,423m and an expenditure of R123,281m.

Waste management, Mr Speaker carries with a total income of R104,634m against an expenditure of R104,393m leaving a negligible surplus of 0.23% or R0,241m.

F. Mr Speaker, allow me to now deal with the tariffs for the next financial year.

The following increases are proposed:

1. The Rates increase approved almost a year ago for the current financial period (2022/2023) is 5.9%.

However, to note that the rate in the rand is downwards adjusted for 2023/2024, as follows:

Current Business rate (c/R)	0.009940	-26% Discounted Draft rate (c/R)	0.0073680
Current Residential rate (c/R)	0.006570	-36% Discounted Draft rate (c/R)	0.0042100
Current Vacant Erven rate (c/R)	0.008990	-30% Discounted Draft rate (c/R)	0.0063150
Current Farms rate (c/R)	0.001640	-36% Discounted Draft rate (c/R)	0.0010530

Calculations, based on the new valuations, are the basis for the new rate in the rand recommended in the draft budget to Council for consideration. The calculation will entail the following formulae:

- i. A rebate of R15 000 on all residential properties will be rewarded.
- ii. An additional rebate of R35 000 on improved residential properties will also be awarded.

The adjusted (decreased) cent in the Rand assessment on Urban Residential erven with improvements, will be:

R0,004210 X the property value after rebates = R YYY

MINUS a further 20% rebate of the property rates payable if used for residential purposes only.

The adjusted (decreased) cent in the Rand assessment for bona fide Agricultural land is:

R0,001053 X the property value = R ZZZ

Pensioners Rebates on Property Rates will still be considered, as follows:

- 100% to approved applicant who are older than 60, who's gross monthly household income may not exceed the amount of two times (2X) of state funded social pensions per month.
- 50% to approved applicant who are older than 60, who's gross monthly household income may not exceed the amount of four times (4X) of state funded social pensions per month.
- 40% to approved applicant who are older than 60, who's gross monthly household income is more than four times (4X) but less than eight times (8X) of state funded pension per month.

Other Tariffs proposed are as follows:

2. Sewer 6.8% Basic/Fixed 7.5% unit costs (Average 7.21%)
3. Refuse 6.8%
4. Water 6.5% Basic/Fixed 6.8% unit costs (Average 6.65%)
5. Electricity 15% indicative, based on Eskom increases

The average increase of this basket of services excluding Electricity amounts and Property Rates, relate to an average increase between 6.5% and 7.5%. In instances where water consumption exceeds 18kl, the increase might be higher.

6. Sundry tariffs - ranging from 6% to variable deductions or to a cost recovery adjustment. The extended list of tariffs is available.
7. Implemented as part of our pro-poor approach in the current budget, the increased benefit for indigent households will continue in 2023/2024, as 10 kl of free water, and in respect of sewerage, 7 kl free sewerage units.

Comparison between basic charges 2021/22 2022/23 and the increases for 2022/23 2023/24 (Vat excluded)

Electricity	from	R438.66 to R504.46 (15%)
Water	from	R155.62 to R165.74 (6.5%)
Refuse	from	R213.48 to R228 (6.8%)
Sanitation Basic	(1) (can connect to network)	R137.88 to R147.40 (6.8%)
	(2) (tanker services)	R92.91 to R99.32 (6.8%)

Availability charges are needed to ensure that the fixed costs to have a 365 day operational service and networks in place to provide a service to every erf across the Overstrand, at any time that the service is required and at the capacity and place where it is needed.

G. Division of revenue allocation (DORA) grants have been published and are therefore receivable from the National and/or Provincial Governments in total- R351,604m

The contribution is as follows:

NATIONAL

Equitable Share	R157,935m
FMG	R1,550m
EPWP	R3,565m
MIG	R25,565m
INEP (electricity)	R24,380m
Energy efficiency & demand side management	R4,2m
Water infrastructure grant	R5m
TOTAL	<u>R222,195m</u>

PROVINCIAL

Resource funding K9 unit	R 3,345m
Reaction Unit	R 4,065m
Human Settlements Development Grant	R 79,918m
Informal Settlements Upgrading Partnership Grant	R 32,440m
Title Deeds Restoration Grant	R766,000
Construction of Transport Infrastructure	R 400 000
Provincial Library Services Grant	R 8,399m
Thusong services centres grant	R 0
Community Development Workers	R76,000
TOTAL	<u>R129,409m</u>

It is important to note that these amounts consist of both operational and capital budget transfers.

MIG, INEP, Water Infrastructure grants and a portion of the Housing grant are examples of capital grants.

H. CAPITAL BUDGET.

The Overstrand Capital budget ONLY amounts to R203.6m for 2023/2024. The decreased own funding from surplus is due to the limited availability of cash for capital investment for the 2023/2024 capital budget.

The dedicated infrastructure upgrading and/or replacement project for water and sewerage networks had a 3-year lifespan, which came to an end on 30 June 2021, except for a roll-over amount of R54 m which was spend during the previous and current financial year.

Our own funding through new borrowings is anticipated at R50m. Borrowings contribute 46.76% of the funding over the 2023/24 MTREF. Internally generated funds contribute 6.31% and capital grants 46,93%

For 2023/2024 an amount of R138,8m has been appropriated for the development of basic services infrastructure which represents 68.17% of the total capital budget of R203,6m

Wastewater infrastructure has the second highest allocation at R56,3m or 40.54%;

Water management at 18,45% or R25,6m

Waste management represents 0,29% or R0,4m and 40.73% or R56,5m is going towards electricity.

Over the 3-year MTREF, the capital housing grant expenditure relating to housing infrastructure provision amounts to R135,2m.

The top 10 capital projects are:

1. Low Cost Housing Construction Contracts across the Overstrand @ R41,890m
2. Kleinmond WWTW Refurbish Upgrade @ R28,5m
3. Electrification of low cost housing areas @ R27,4m
4. Franskraal Kleinbaai Birkenhead-new 66 11kv Substation @ R18,4m
5. Replacement of Overstrand Water Pipes @ R11,5m
6. Upgrade Stormwater Infrastructure-Proteadorp, Mountain view, Ext 6 & Overhills @ R8,2m
7. Upgrade Hermanus Well Fields Phase 2 @ R7,0m
8. New Disinfection Systems at Wastewater Treatment @ R7,0m
9. Upgrade Hawston Sport complex @ R6,5m
10. Hermanus MV LV Upgrade Replacement @ R5,2m

These are only the Top 10 and the budget schedules reflect further capital projects and are open for inspection.

Ends/