



**ORDINARY MEETING OF THE COUNCIL**

**GEWONE VERGADERING VAN DIE RAAD**

**INTLANGANISO YESIQHELO YEBHUNGA**

**MINUTES / NOTULE /**

**IMIZUZU**

**DATE / DATUM / UMHLA : 28 MAY / MEI / MEYI 2015**

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

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

**TIME / TYD / IXESHA: 11:00**

# OVERSTRAND

MUNICIPALITY / MUNISIPALITEIT / U-MASIPALA

**MINUTES OF THE COUNCIL MEETING  
HELD IN THE BANQUETING HALL, CIVIC CENTRE,  
HERMANUS, ON 28 MAY 2015, AT 11:00**

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**PRESENT/ TEENWOORDIG**

Councillors were present as per attached attendance register.

**OFFICIALS PRESENT/  
AMPTENARE TEENWOORDIG**

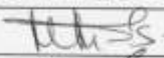

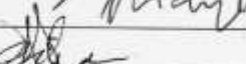

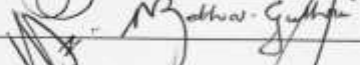

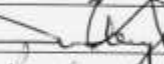
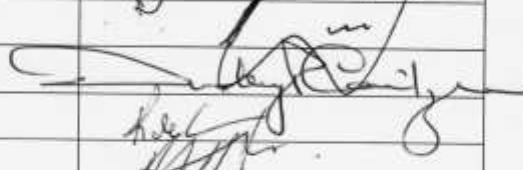

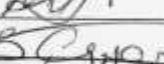
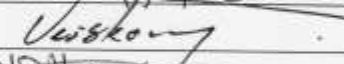
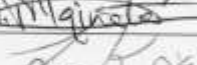



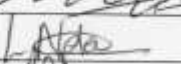


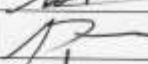
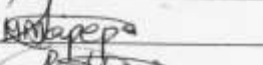

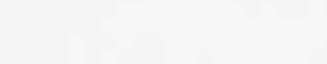



Mr C Groenewald, Municipal Manager  
Ms S Reyneke-Naudé, Director : Finance  
Mr S Müller, Director : Infrastructure & Planning  
Ms D Arrison, Director : Mangement Services  
Mr N Michaels : Director : Protection Services  
Mr R Williams, Director : Community Services  
Mr H Blignaut, Deputy Director : Engineering Services  
Mr C le Roux, Deputy Director: Finance  
Ms H van der Stoep, Senior Town Planner  
Mr F Myburgh, Senior Manager : Gansbaai Administration  
Ms R Louw, Senior Manager: Strategic Services  
Mr B King, Senior Manager : Financial Services  
Ms E Hooneberg, Senior Manager : Income  
Mr F Frans, Manager: Housing Administration  
Mr G Smit, Manager : Social Development  
Mr J van Taak, Manager: Solid Waste  
Ms N Zweni, Communications Officer  
Ms H van Tonder, Manager: Council Support Services  
Mr L Tait, Accountant : Capital Budget  
Ms V Allen, Manager : Financial Accounting  
Ms E Sales, PA : Director : Infrastructure & Planning  
Ms R Pretorius, PA : Municipal Manager  
Mr P Roux, Town Planner  
Ms S Swart, Administrative Officer : Council Support Services  
Ms G Erasmus, Clerk : Auditorium & Administration  
Interns

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**MINUTES/....**

OVERSTRAND MUNICIPALITY  
ATTENDANCE REGISTER

COUNCIL MEETING  
28 MAY 2015

ALDERMAN/COUNCILLORS	SIGNATURE
ANDREWS, M	
APPELGREIN, P	
BEYERS-CRONJE, L	
BOTHA, D	
BOTHA-GUTHRIE, N	
BRICE, K	
COETSEE, A	
COETZEE, DP	
DE CONING, R	
DYANI, M	
GXAMESI, S	
JANUARIE, JJS	
NQINATA, NNT	
KRIGE, L	
MACOTHA, VC	
MANDINDI, CQ	
MAY, P	
NELL, E	
NDEVU, L	
OPPERMAN, M	
PIE, MT	
PONOANE, MV	
PRINS, A	
SAPEPA, NM	
SMITH, RJ	

**1. OPENING**

The Municipal Manager, Mr C Groenewald, read the notice convening the meeting.

**2. APPLICATIONS FOR LEAVE OF ABSENCE**

**Cllr J J Januarie**

**RESOLVED**

that the above-mentioned application for leave of absence, **be granted.**

**3. CONFIRMATION OF MINUTES**

- 3.1 Minutes of an **Ordinary Meeting** of the Overstrand Municipal **Council** held on **Wednesday, 29 April 2015 at 11:00**

**RESOLVED**

that the Minutes of an **Ordinary Meeting** of the Overstrand Municipal **Council** held on **Wednesday, 29 April 2015 at 11:00, be confirmed.**

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

None

**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  
WRITING OFF OF IRRECOVERABLE DEBT**

**(ITEM 1, PAGE 1 : FINANCE AND ECONOMIC DEVELOPMENT PORTFOLIO - MAYORAL COMMITTEE MEETING : 28 MAY 2015)**

**RESOLVED (UNANIMOUSLY):**

that the irrecoverable debt to the value of R278,432.53 as listed, **be written off** as bad debt.

**RESPONSIBLE OFFICIAL :**

**E M HOONEBERG**

**TARGET DATE FOR IMPLEMENTATION :**

**30 MAY 2015**

**5.2****GRANTS-IN-AID: RECOMMENDATIONS FOR 2015/16 AND FINAL REPORT FOR 2014/15****(ITEM 1, PAGE 1 : MANAGEMENT SERVICES PORTFOLIO - MAYORAL COMMITTEE MEETING : 28 MAY 2015)****RESOLVED (UNANIMOUSLY):**

that the Grants-in-Aid:

1. Schedule of recommended beneficiaries for the 2015/16 financial year;
2. Schedule of unsuccessful applicants 2015/16; and
3. Final schedule of beneficiaries 2014/15

**be noted.**

**RESPONSIBLE OFFICIAL :**

**G SMIT**

**TARGET DATE FOR IMPLEMENTATION :**

**1 JULY 2015**

**5.3****ADDITION TO THE DELEGATION OF POWERS AND DUTIES: LEGAL REQUIREMENTS****(ITEM 5, PAGE 1 : MAYORAL COMMITTEE MEETING : 28 MAY 2015)****RESOLVED (UNANIMOUSLY):**

that the additions to the Delegation of Powers and Duties: Legal Requirements, **be approved.**

**RESPONSIBLE OFFICIAL :****H VAN TONDER****TARGET DATE FOR IMPLEMENTATION :****28 MAY 2015**

**5.4****MONTHLY REPORT TO COUNCIL ON SUPPLY CHAIN MANAGEMENT (SCM) POLICY: PARAGRAPH 36, 16(1)(B) AND 17(1)(C), FOR APRIL 2015****(ITEM 6, PAGE : MAYORAL COMMITTEE MEETING : 28 MAY 2015)****THE ANC REQUESTED THE MEETING TO ADJOURN FOR A CAUCUS AT 11:20****THE MEETING RESUMED AT 11:32****MEMBERS OF THE ANC INDICATED THAT THEY ARE AGAINST THE RECOMMENDATION AND CLLRS V MACOTHA MADE A COUNTER PROPOSAL TO THE EFFECT THAT THE RECOMMENDATION SHOULD READ AS FOLLOWS:****RECOMMENDATION TO THE COUNCIL:**

1. that the deviations from the procurement processes, approved in terms of the delegated authority for April 2015, **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 April 2015, **be approved**; and
3. that the Schedule of Approvals in terms of Paragraph 17(1) of the SCM Policy : Overstrand Municipality – April 2015 as per Annexure B to the item, be referred to the Section 32 Committee.

**WHEN PUT TO VOTE, 9 MEMBERS VOTED AGAINST THE RECOMMENDATION OF THE EXECUTIVE MAYOR AND 15 MEMBERS VOTED IN FAVOUR OF THE RECOMMENDATION OF THE EXECUTIVE MAYOR. THE RECOMMENDATION OF THE EXECUTIVE MAYOR WAS THUS CARRIED IN TERMS OF MAJORITY VOTE:****RESOLVED:**

1. that the deviations from the procurement processes, approved in terms of the delegated authority for April 2015, **be noted**; and
2. that the awards made in terms of Paragraph 16(1)(b) and 17(1)(c), approved in terms of the delegated authority for April 2015, **be noted**.

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



**5.5**

**FINAL INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW 2015/16**

**(ITEM 7, PAGE : MAYORAL COMMITTEE MEETING : 28 MAY 2015)**

**RESOLVED (UNANIMOUSLY):**

that the final reviewed Integrated Development Plan (IDP) for 2015/16, **be approved**

**RESPONSIBLE OFFICIAL :**

**R LOUW**

**TARGET DATE FOR IMPLEMENTATION :**

**1 JULY 2015**

**5.6****INTEGRATED WASTE MANAGEMENT PLAN 2015/2016****(ITEM 8, PAGE : MAYORAL COMMITTEE MEETING : 28 MAY 2015)****RESOLVED (UNANIMOUSLY):**that the Integrated Waste Management Plan for 2015/2016, **be approved.****RESPONSIBLE OFFICIAL :****J VAN TAAK****TARGET DATE FOR IMPLEMENTATION :****1 JULY 2015**

**5.7****REVISION OF ALL BUDGET RELATED POLICIES OF THE OVERSTRAND MUNICIPALITY****(ITEM 9, PAGE 218 : MAYORAL COMMITTEE MEETING : 28 MAY 2015)****RESOLVED (UNANIMOUSLY):**that the revised policies **be approved** and implemented with effect from 1 July 2015.**RESPONSIBLE OFFICIAL :****S REYNEKE-NAUDE****TARGET DATE FOR IMPLEMENTATION :****1 JULY 2015**

5.8

FINAL BUDGET FOR OVERSTRAND MUNICIPALITY : 2015/2016

**(ITEM 10, PAGE 465 : MAYORAL COMMITTEE MEETING : 28 MAY 2015)**

THE SPEAKER REQUESTED THAT IT BE MINUTED THAT HE AFFORDED THE EXECUTIVE MAYOR TIME TO DELIVER HER BUDGET SPEECH IN ACCORDANCE WITH RULE 30

THE EXECUTIVE MAYOR DELIVERED HER BUDGET SPEECH, A COPY OF WHICH IS ATTACHED AS ANNEXURE A TO THE MINUTES

CLLR N SAPEPA RAISED HER DISSATISFACTION ON BEHALF OF THE ANC WITH REGARD TO THE MUNICIPALITY'S CLEAN AUDIT VERSUS SERVICE DELIVERY TO THE PREVIOUS DISADVANTAGED COMMUNITIES. SHE HANDED OVER PHOTOGRAPHS AND WORKS ORDERS TO THIS EFFECT. THE SPEAKER REQUESTED THAT THE MUNICIPAL MANAGER COMPILE A FULL REPORT IN THIS REGARD. THE EXECUTIVE MAYOR REQUESTED THAT THE DETAILED REPORT BE SUBMITTED TO HER OFFICE FOR FURTHER INVESTIGATION.

THE ANC REQUESTED THE MEETING TO ADJOURN FOR A CAUCUS AT 12:26

THE MEETING RESUMED AT 12:35

**RESOLVED (UNANIMOUSLY):**

1. that, in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003), the annual budget of the Municipality for the 2015/16 to 2017/2018 MTREF (Medium Term Revenue and Expenditure Framework) period **be approved** as set out in the following schedules:

- Schedule 1:** Budgeted financial performance (revenue & expenditure by municipal vote)
- Schedule 2:** Budgeted financial performance (revenue by source & expenditure by type)
- Schedule 3:** Budgeted multi- and single year capital appropriations by standard classification (vote) and funding by source
- Schedule 4:** Budgeted financial position
- Schedule 5:** Budgeted cash flow
- Schedule 6:** Cash backed reserves and acc. surplus reconciliation
- Schedule 7:** Asset management
- Schedule 8:** Basic service delivery measurement

2. that the property rates reflected in **Annexure A to the item, be imposed** for the budget year 2015/16;
3. that tariffs and charges reflected in **Annexure A to the item, be approved** for the budget year 2015/16;
4. that the Municipal Manager be authorised to sign all the necessary agreements and documents to give effect to the three year borrowing programme for external loans amounting to R30 million per annum;
5. that the following schedules be noted:
  - Schedule 9:** Budgeted financial performance (revenue & expenditure by standard classification)
  - Schedule 10:** Budgeted capital appropriations by municipal vote
6. that **cognisance be taken** of the letters of comment received from the community and the LG MTEC 3 Assessment Report by Provincial Treasury and the Provincial Department of Local Government, included in Annexures I and J respectively of the budget report; and
7. that **cognisance be taken** of the 2015/2016 Budget Report.

**RESPONSIBLE OFFICIAL :**

**BA KING**

**TARGET DATE FOR IMPLEMENTATION :**

**1 JULY 2015**

**ALD M PONOANE RAISED A MOTION ON A POINT OF ORDER WITH REGARD TO THE REACTION OF MEMBERS IN THE GALLERY AND/OR COUNCILLORS WHEN THE ANC REQUESTED A CAUCUS. THE SPEAKER MENTIONED THAT THE MOTION DID NOT PERTAIN TO THE BUDGET ITEM, BUT THAT HE WILL ALLOW IT AS A POINT OF ORDER IN TERMS OF RULE 19 OF THE STANDARD BY-LAW ON RULES OF ORDER FOR INTERNAL ARRANGEMENTS PERTAINING TO THE CONDUCT OF COUNCILLORS AND MEMBERS OF THE PUBLIC IN THIS COUNCIL CHAMBER. SPEAKER TOOK NOTE OF ALD M PONOANE'S POINT OF ORDER BUT MADE NO RULING THEREON, AS HE HAS DEALT WITH THE MATTER IMMEDIATELY WHEN THE REACTION HAPPENED IN THE CHAMBER.**

**6.1****IRREGULAR EXPENDITURE: SCIE 2015/004 – MULTI CHOICE TELEVISION SERVICES****3/2/3/8****H van Tonder  
6 May 2015****(028) 313 8037****Corporate Head Office**

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**EXECUTIVE SUMMARY**

The purpose of the report is to request Council to approve the writing off of irregular expenditure incurred for payment towards Multi Choice Television Services.

**RESOLVED (UNANIMOUSLY):**

that, in view of the municipality having received value for money, the irregular expenditure with regard to payment towards Multi Choice Television Services to the amount of R39 565.00 be certified as irrecoverable and written off in terms of Section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

**RESPONSIBLE OFFICIAL:****B KING / R LA COCK****TARGET DATE FOR IMPLEMENTATION:****8 JUNE 2015**

**6.2****IRREGULAR EXPENDITURE: MOBILE TELECOMMUNICATION SERVICES****3/2/3/8****H van Tonder****(028) 313 8037****Corporate Head Office****6 May 2015**

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**EXECUTIVE SUMMARY**

The purpose of the report is to request Council to approve the writing off of irregular expenditure incurred for the provision of mobile telecommunication services for use in the operation of Overstrand Municipal Telemetry Systems for a period ending June 2013.

**RESOLVED (UNANIMOUSLY):**

that, in view of the municipality having received value for money, the irregular expenditure in total R5 176,74 (including VAT) with regard to the provision of mobile telecommunication services for use in the operation of Overstrand Municipal Telemetry Systems for a period ending June 2013, be certified as irrecoverable and written off in terms of Section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

**RESPONSIBLE OFFICIAL:****B KING / R LA COCK****TARGET DATE FOR IMPLEMENTATION:****8 JUNE 2015**

**6.3****IRREGULAR EXPENDITURE: SCMIE 2014/002: CLEANING CONTRACTS****3/2/3/8****H van Tonder****(028) 313 8037****Corporate Head Office****6 May 2015**

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**EXECUTIVE SUMMARY**

The purpose of the report is to request Council to approve the writing off of irregular expenditure incurred in respect of tenders 1140/2011 and 1101/2011 for cleaning contracts.

**RESOLVED (UNANIMOUSLY):**

that, in view of the municipality having received value for money, the irregular expenditure to the amount of R72 567,81 for the cleaning contracts tenders 1140/2011 and 1101/2011 be certified as irrecoverable and written off in terms of Section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

**RESPONSIBLE OFFICIAL:****B KING / R LA COCK****TARGET DATE FOR IMPLEMENTATION:****8 JUNE 2015**



6.4

**IRREGULAR EXPENDITURE: SCIE 2015/005 GRABOUW SUZUKI**

3/2/3/8

H van Tonder

(028) 313 8037

Corporate Head Office

6 May 2015

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**EXECUTIVE SUMMARY**

The purpose of the report is to request Council to approve the writing off of irregular expenditure incurred for the services rendered by Grabouw Suzuki for the servicing of two motorbikes.

**RESOLVED (UNANIMOUSLY):**

that, in view of the municipality having received value for money, the irregular expenditure to the amount of R3 838,69 (VAT inclusive) for services rendered by Grabouw Suzuki be certified as irrecoverable and written off in terms of Section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

**RESPONSIBLE OFFICIAL:****B KING / R LA COCK****TARGET DATE FOR IMPLEMENTATION:****8 JUNE 2015**

6.5

**RECESS : JUNE / JULY 2015**

3/2/1/4

H van Tonder

(028) 313 8037

Corporate Head Office

28 April 2015

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**EXECUTIVE SUMMARY**

The purpose of the report is to obtain confirmation of Council's recess from 24 June 2015 (**immediately after conclusion of the Council Meeting**) to 19 July 2015 and related matters.

**RESOLVED (UNANIMOUSLY):**

1. **that the proposed period of recess, i.e. 24 June 2015** (immediately after conclusion of the Council Meeting) **to 19 July 2015** (the latter included) **be approved**; and
2. that during the period of recess all urgent matters/emergency situations be dealt with by the Executive Mayor (or acting) in consultation with the Municipal Manager (or acting), except those reserved by law for full Council.

**RESPONSIBLE OFFICIAL :****H VAN TONDER****TARGET DATE FOR IMPLEMENTATION :****NOT APPLICABLE**

**7. URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER**

None

**8. CONSIDERATION OF NOTICES OF MOTIONS / QUESTIONS**

None

**9. CONSIDERATION OF MOTIONS OF EXIGENCY**

None

**The meeting adjourned at 12:50**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**THE SPEAKER – A COETSEE**

## MAYORAL SPEECH ON THE BUDGET AT THE COUNCIL MEETING ON 28 MAY 2015

Mr Speaker  
Deputy Executive Mayor  
Mayoral Committee Member for Finance  
Councillors  
The Municipal Manager  
Officials  
Ladies and gentlemen

**I herewith with a great sense of pride and thankfulness present the 2015/16 budget for the Overstrand Municipality to Council for consideration and approval.**

**The preparation of the 2015/16 budget was informed by the 3<sup>rd</sup> review of our 5 year Integrated Development Plan, which sets the strategic direction of Council.** In the draft 2015/16 IDP review our Vision, Mission and 5 Strategic goals remain unchanged. To refresh your minds I will repeat the Municipality's 5 strategic goals as contained in the draft IDP review:

1. The provision of democratic, accountable and ethical governance
2. The provision and maintenance of municipal services
3. The encouragement of structured community participation in the matters of the municipality
4. The creation and maintenance of a safe and healthy environment
5. The promotion of tourism, economic and social development.

The Municipality involves all citizens in the process of ensuring a people-led government. Encouragement of structured community participation in the matters of the Municipality is a strategic objective. The input received from our ward committees, which we regard as the official channel for community consultation, the voices of our residents and other stakeholders were taken into consideration. This process started in August last year.

**Before I discuss the final outcome of the budget process, I will briefly reflect on the broader economic factors that informed the Budget for 2015/16 -**

We are still in a difficult economic climate, with indications that the year ahead will not bring about any improvement. We are also painfully aware that our pensioners and people whose only form of income is the interest on their life savings, cannot afford sharp increases of municipal rates and tariffs.

The affordability of tariff increases are thus of utmost importance to the municipality and the level of services versus the associated cost is a constant consideration.

Our consumers will again this year be negatively affected by the excessive electricity increase approved for Eskom, which will have a huge negative impact on the electricity tariffs of the Municipality, including the reality that load shedding will be part of our lives for the foreseeable future.

At the beginning of the budget process, political guidance was given to the administration that increases in tariffs should be limited to 6% and the increase in property rates should not increase by more than 7%. This excludes electricity where NERSA had given Eskom the right to increase their rates in excess of inflation.

The 6 kℓ free water per 30-day period has since 2014 only been given to residents who are registered for the indigent grant. National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective. The second level of phasing in the increase in the 0 – 6 kℓ category to recover the cost of the production of water was postponed in 2014/15. This has now been implemented, representing an 11.5% increase applicable to the consumption of water between 0 – 6 kℓ per month.

The guideline given for sundry fees, for example building plan approval, will be limited to a 10% increase.

An Independent Financial Assessment of the Overstrand Municipality was prepared for us by the INCA Portfolio Managers.

This included an assessment of the Integrated Development Plan and sector master plans of the municipality. This was done with the purpose of identifying material matters that could impact on the long term financial sustainability of the municipality as well as to inform proposals regarding future policy directions.

It was recommended that the municipality, amongst others –

- avoid excessive overtime and standby time costs by filling critical vacancies;
- optimise the use of internal capacity and external service providers, and;
- explore more sharing of services with other municipalities.

We went out of our way to eliminate non-core spending and we have paid special attention to cost-containing measures. Suffice to say that apart from the administration being called upon to ensure that costs are contained in every possible way, we also need to put in place measures to generate a more substantial surplus from our operating budget.

- As part of the Municipality's cost re-prioritisation and cash management strategy, vacancies have been significantly rationalised downwards. A total of twenty three posts were abolished from the organisational structure.
- The Protection Services directorate has been restructured whereby a shift system has been introduced resulting in substantial savings on overtime and standby allowances.
- From my side, I only appointed one Mayco Member following the retirement of two Mayco members last year. This is in addition to the vacancy that already existed on my Mayco.
- All remuneration increases have been budgeted for at 6,1%, pending the outcome of salary negotiations and determinations.

Budget appropriations for asset renewal as part of the capital programme and operational repairs and maintenance of existing asset infrastructure remain a challenge.

We are mindful of the fact that repairs and maintenance of municipal assets are required to ensure the continued provision of services and this has been taken into account during the drafting process of the budget.

**On the positive side**, I can confirm that -

- All facilities and requirements related to the operating of the Municipal Court are in place, including the proclamation required for the court to become fully operational;

- The Karwyderskraal Landfill Site was officially opened on the 2<sup>nd</sup> of April 2015;
- The municipality has approved participation in a shared service appointment of a Risk Manager, where this appointment will benefit all municipalities in the Overberg District;
- Rebates in terms of the Property Rates Policy have been increased;
- Parking fees at Overstrand beaches have been abolished;
- Cemetery fees have not been increased in the 2015/16 budget;
- The tariffs for Building Line Departures have also not been increased.

The publishing of the regulation on the **Standard Chart of Accounts (SCOA)** on 22<sup>nd</sup> of April 2014 will have a profound effect on the business of local government. This reform is not limited to a financial reform, but a business reform as a whole. It is the largest reform since the promulgation of the Municipal Finance Management Act in 2003.

Overstrand municipality was identified as one of the national pilot sites for the early implementation of SCOA and the Bytes financial system. This budget has been compiled according to the SCOA classification framework.

**Total operating revenue** has grown by 10,5% to R895m for the 2015/16 financial year when compared to the 2014/2015 Adjustment Budget. For the two outer years, operational revenue will increase by 8,7 and 5,7% respectively. The higher increase for 2015/16 is informed by increased grant funding, which includes an additional equitable share of R12,5m and housing top structures amounting to R17m.

**Total operating expenditure** for the 2015/16 financial year has been appropriated at R964,5m and translates into a budgeted deficit of R69,5m. When compared to the 2014/2015 Adjustments Budget, operating expenditure has grown by 3,3% in the 2015/16 budget and by 7,6 and 5,9 per cent for each of the respective outer years of the MTREF. The increase of 3,3% for 2015/16 is notwithstanding an additional R17m expenditure for housing top structures.

The negative difference between income and expenses of R69,5 million is represented by non-cash items, one of the biggest items being depreciation. After other cash flows such as the redemption of external loans, we will be left with a cash surplus of R8,1 million.

**The capital budget** of R103,9m for 2015/16 is 15,4% less when compared to the 2014/2015 Adjustment Budget. The reduction is due to the available resources to fund the capital budget. The capital programme decreases to R94,6m in 2015/16 and amounts to R103,6m in the respective outer years. An estimated R100m is required annually to sustain capital infrastructure.

#### **So what are we achieving with this budget?**

- We have managed to limit the overall impact of the tariff increases on household bills below 6,3% and the increase for indigent households to 2,6%. *This excludes the impact of electricity tariff increases.*
- We have budgeted for a small surplus on the operational budget to provide funds from our own resources for capital expenditure during 2017/18 financial year.
- We will continue essential maintenance of our infrastructure.
- We will continue to focus on increasing productivity.
- We will continue to lobby National and Provincial Government to increase our equitable share and to eliminate unfunded mandates.

- We will also continue to lobby the Department of Human Settlements to increase our MIG grant for affordable housing to ensure that this does not put an additional financial burden on the Municipality.

The draft budget was assessed by a technical committee from the Western Cape Provincial Government who found the budget proposals to be credible and sustainable.

**In conclusion:**

Overstrand Municipality takes pride in achieving Clean Audit status for two consecutive years, and in being judged as the most productive local municipality in South Africa by the Municipal IQ during December 2014, as well as coming first in the Back-to-Basics Programme.

I want to conclude by thanking the community of the Overstrand and all role-players for their support and participation in the IDP review and Budget processes to ensure accountability and good governance to all the people of Overstrand.

I want to thank Clr Dudley Coetzee, Chairperson of Finance, the Municipal Manager and all the Directors for their commitment, dedication and support during the budget process, all councillors for studying the documents and their input via the ward committees. With all the assistance, Mr Speaker, I have pleasure in proposing the adoption of the 2015/16 Budget.

ALD NICOLETTE BOTHA-GUTHRIE  
EXECUTIVE MAYOR: OVERSTRAND  
28 May 2015