



MINUTES OF AN ORDINARY MEETING OF THE SWARTLAND MUNICIPAL COUNCIL HELD IN THE COUNCIL CHAMBER, MALMESBURY ON THURSDAY, 29 MAY 2025 AT 10:00

PRESENT:

Speaker, ald M A Rangasamy
Executive Mayor, ald J H Cleophas
Executive Deputy Mayor, ald J M de Beer

COUNCILLORS:

Bess, D G (DA)	Penxa, B J (ANC)
Booyesen, A M (VF+)	Pieters, C (ANC)
Fortuin, C (ANC)	Pypers, D C (DA)
Gaika, M F (EFF)	Smit, N (DA)
Jooste, R J (DA)	Van Essen, T (DA)
Nel, M (DA)	Vermeulen, G (VF+)
Ngozi, M (ANC)	Warnick, A K (DA)
O'Kennedy, E C (DA)	Williams, A M (DA)
Papier, J R (GOOD)	White, G E (PA)

Officials:

Municipal Manager, mr J J Scholtz
Director: Financial Services, mr M A C Bolton
Director: Civil Engineering Services, mr L D Zikmann
Director: Electrical Engineering Services, mr T Möller
Director: Protection Services, mr P A C Humphreys
Director: Corporate Services, ms M S Terblanche
Director: Development Services, ms J S Krieger
Manager: Secretariat and Records, ms N Brand

1. OPENING

The Speaker welcomed the Executive Mayor, councillors, lady councillors, aldermen, officials and members of the public.

Cllr N Smit opened the meeting with scripture reading and prayer at the invitation of the Speaker.

The Speaker conveyed his blessings, on behalf of the Council, to councillors and officials who have recently celebrated birthdays. A minute of silence was requested for councillors and officials who have lost loved ones in recent times.

2. LEAVE OF ABSENCE

Leave of absence was granted to cllrs I S le Minnie and P E Soldaka.

3. DEPUTATIONS / STATEMENTS / COMMUNICATIONS / PRESENTATIONS

None.

4. MINUTES FOR APPROVAL

4.1/...

4.1 MINUTES OF AN ORDINARY COUNCIL MEETING HELD ON 24 APRIL 2025

RESOLUTION

(proposed by cllr E C O'Kennedy, seconded by cllr B J Penxa)

That the minutes of an Ordinary Council meeting held on 24 April 2025 be approved and signed by the Speaker.

5. FEEDBACK ON RESOLUTIONS TAKEN BY THE EXECUTIVE MAYOR IN TERMS OF DELEGATED AUTHORITY

RESOLUTION

That notice be taken of the Executive Mayor's decisions in terms of delegated authority, as contained in the minutes below:

5.1 MINUTES OF AN ORDINARY MEETING OF THE EXECUTIVE MAYORAL COMMITTEE HELD ON 16 APRIL 2025

read with

MINUTES OF PORTFOLIO COMMITTEE MEETINGS HELD ON 9 APRIL 2025

6. FEEDBACK ON RESOLUTIONS TAKEN BY THE MUNICIPAL MANAGER IN TERMS OF DELEGATED AUTHORITY

RESOLUTION

That notice be taken of the Municipal Manager's decisions in terms of delegated authority, as contained in the minutes below:

6.1 MINUTES OF A BID ADJUDICATION COMMITTEE MEETING HELD ON 16 APRIL 2025

6.2 MINUTES OF A BID ADJUDICATION COMMITTEE MEETING HELD ON 23 APRIL 2025

6.3 MINUTES OF A BID ADJUDICATION COMMITTEE MEETING HELD ON 9 MAY 2025

7. MATTERS ARISING FROM THE MINUTES

None.

8. MATTERS FOR DISCUSSION

8.1 2025 AMENDED INTEGRATED DEVELOPMENT PLAN (IDP) AND AREA PLANS (2/1/4/4/1)

The Integrated Development Plan (IDP) of a municipality serves as the main strategic plan that deals with the most critical development needs in the municipal area (external focus), as well as the most critical management needs of the organisation (internal focus).

The review of the IDP and associated process is governed by various legislative requirements.

Cllr A M Booyesen requested that provision be made in the IDP for the provision of alternative housing for persons who are unlawfully evicted to comply with the legislative requirements and as supported by SALGA.

The Municipal Manager mentioned that this is an important matter to consider, but given the large number of persons on the waiting list, alternative housing cannot be provided for persons affected by way of an eviction order, as it would be considered "queue jumping".

8.1/...

In future housing projects provision is made for various land uses, for e.g. institutional developments.

[Note: Cllr B J Penxa mentions that the comments on the IDP and Budget were forwarded by the ANC caucus on the same day as the closing date, but after the stipulated time of 12:00.]

The Speaker brought the matter to a vote and the approval of the 2025 amended IDP is decided (in the absence of two council members) with 14 votes in favour and seven council members abstaining.

RESOLUTION

(proposed by ald J H Cleophas, seconded by ald J M de Beer)

- (a) That the 2025 Amended Integrated Development Plan (IDP) for the Swartland municipal area, as well as the five Area Plans for 2025/2026, be approved in terms of Chapter 5 of the Municipal Systems Act No 32 of 2000;
- (b) That the comments/inputs that were received by 30 April 2025 at 12:00, the SIME comments and in-puts received during the Mayoral Consultative Forum meeting held on 16 April 2025 as well as other public comments, have been thoroughly considered and are being dealt with in accordance with **ANNEXURES 3 and 4**;
- (c) That the legal process, as prescribed in the Municipal Systems Act No 32 of 2000, Municipal Finance Management Act No 56 of 2003 and the Municipal Budget and Reporting Regulations, 2009, be concluded after approval of the IDP by Council.

8.2 AMENDMENT OF MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK (ROR) (15/1/4/1)

The amendment to the Municipal Spatial Development Framework (ROR) aims to incorporate the Capital Expenditure Framework and to make changes to the urban peripheral areas and land use proposals for the towns of Malmesbury, Darling and Riebeek Kasteel.

Cllr B J Penxa inquired about the possibility of not establishing the GAP housing adjacent to the low-cost housing project in De Hoop, due to the exposure to criminal elements.

Mr A M Zaayman mentioned that the Municipality supports integrated planning and gives an indication where the ± 300 GAP housing opportunities are planned in De Hoop.

The adoption of the amended ROR in terms of section 7(3) of the Municipal Land Use Planning By-law (PK 8226 of 25 March 2020) is put to the vote by the Speaker, and

UNANIMOUS RESOLUTION

(proposed by cllr A K Warnick, seconded by ald J M de Beer)

That Council adopts the amendments of the Swartland Municipality: Municipal Spatial Development Framework for the towns of Malmesbury, Darling and Riebeek Kasteel, taking into account the Capital Expenditure Framework, in terms of section 7(3) of the Land Use Planning By-Law (PN 8226 of 25 March 2020) subject to the following:

- (a) The Council must within 14 days of decision making give notice of its decision in the media and Provincial Gazette;
- (b) All comments from persons/institutions that participated in the public participation process were thoroughly considered and where necessary, appropriate adjustments have been made, and that Council's decision and response be communicated accordingly;

(c)/...

8.2/...

- (c) All future development proposals be evaluated in accordance with the principles as set in the Municipal Spatial Development Framework;
- (d) Action plans within Municipal Spatial Development Framework annually be submitted via the IDP process for budgeting;
- (e) Special attempts be made annually to address action plans within the Municipal Spatial Development Framework;
- (f) That this amendment currently makes no proposal regarding an alternative access from Riebeek Kasteel, east of the railway line to the R46;
- (g) That this amendment accommodates the urban edge amendment to Riverlands as received during the public participation process;
- (h) The final maps for Malmesbury, Darling, Riebeek Kasteel and Riverlands be included in the amended Municipal Spatial Development Framework: 2023-2027.

8.3 **APPROVAL OF THE FINAL MULTI-YEAR CAPITAL AND OPERATING BUDGETS, AMENDED BUDGET AND RELATED POLICIES, PROPERTY RATES, TARIFFS AND OTHER CHARGES FOR 2025/2026, 2026/2027 AND 2027/2028 (5/1/1/1, 5/1/1/2)**

The Speaker gave the opportunity to the Executive Mayor, ald J H Cleophas, to deliver his fourth *State of the Municipal Address* as Executive Mayor of the Swartland Municipal Council (see attached for completeness).

The Executive Mayor mentioned, as an introduction to the Municipal Budget Speech, that a budget is presented that reflects Swartland Municipality's shared commitment to responsible governance, economic resilience and inclusive growth, and the following four focus areas are expanded on –

- (1) Investing in infrastructure to ensure a sustainable future;
- (2) Meaningful addressing of housing needs;
- (3) Safety, which remains an absolute shared priority;
- (4) Investing in communities by addressing social degradation.

The Executive Mayor, with reference to Section 23 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA), confirmed that careful consideration was given to the inputs received during the public participation process.

The approval of the multi-year capital and operating budgets, amended budget-related policies, levying of property taxes, tariffs and other charges 2025/2026, 2026/2027 and 2027/2028 is put to a vote and decided (in the absence of two councillors) with 13 councillors in favour and eight councillors abstaining.

RESOLUTION

(proposed by ald J H Cleophas, seconded by ald J M de Beer)

- (a) That having considered all of the representations (**Annexure A, Inputs received on Draft Budget**) received by 30 April 2025, in its entirety, including the inputs made during the Mayoral Consultative Forum meeting held on 16 April 2025, the following amendments to the proposed final budget are made:
 - i. The rebate of R300 000 to increase to R400 000;
 - ii. Increased financial assistance to the registered old age care facilities in Swartland by having reduced their charges for water;
 - iii. Income threshold for qualifying indigent households increases to R4 660.00;
 - iv. The CFO be tasked with financing the around R2m in additional expenditure to give effect to the above;
 - v. That council approve the final amendments to the Indigent-, Municipal Property Rates, Funding & Reserves and the Budget Implementation & Monitoring Policies, occasioned by the suggestions/ input considered during the meeting of the 16th of April 2025 and or other input, read together with recommendation (r);

- vi. That the Disaster Management and Fire- and Emergency Services Department's capacity be extended with 2 additional key appointments;
- (b) That council consider the inputs received from the Provincial Treasury (SIME report), especially the PT's cautioning of reduced planned surpluses over the outer years not being in line with Council's historical performance, potentially impacting future sustainability **(Annexure A, Inputs received on Draft Budget)**;
- (c) That no further amendments be made to the council's MTREF, given council's longer-term vision to ensure a high standard of sustainable service delivery, the need for massive investment in water and sewerage infrastructure starting from year 3, without placing an additional burden on the paying public. This view aligns with the PT's draft budget analysis, cautioning the municipality to consider the impact of the planned reduced surpluses in the outer years as it could impact future investment in infrastructure and ultimately financial sustainability **(Annexure A, Inputs received on Draft Budget)**;
- (d) That council takes note that the costs as envisaged by Section 19 (2)(a)(b) were derived after consultation with the respective director(s) who has confirmed the costs as per **(Annexure B: 2025/2026 – 2027/2028 Final Budget and Tariff File)** and consider same;
- (e) That council prior to approving the capital projects above R 50 million as listed in **(Annexure C: 2025/2026 – 2027/2028 Capital Projects ito Sec 19)**, first consider the projected cost covering all financial years until the project is operational and the future operational costs and revenue on the project, including municipal tax and tariff implications;
- (f) That council deemed it appropriate to consider the entire capital program excluding the 4 contractually combined projects above R 50 million as the aforementioned capital program's operational cost, inclusive of future costs will be covered by the rates regime and the normal cost centres found in the operational budget;
- (g) That council approves the additional R 5.1 million required for the Highlands Landfill: Security Wall due to the initial cost estimate that was done during August 2024 for a 2.4m high concrete palisades at R 4.5 million, having the impact of higher maintenance and security costs on the operational account, taking the cost to R 9.6 million. Council to note that the external loan financing source was replaced with CRR funding for the Highlands New Landfill site Cell;
- (h) That council considers the funding sources linked to council's capital program and take note that these funding sources are available and have not been committed for other purposes;

FINANCING SOURCES	FINAL BUDGET 2025/26	FINAL BUDGET 2026/27	FINAL BUDGET 2027/28
Capital Replacement Reserve (CRR)	R 143 511 923	R 138 083 611	R 156 818 041
External Loans	R 30 000 000	R -	R -
Municipal Infrastructure Grant (MIG)	R 25 405 000	R 27 293 000	R 28 388 000
Dept. of Infrastructure	R 58 112 132	R 38 657 000	R 103 110 672
Integrated National Electrification Programme (INEP)	R 17 821 124	R 20 868 000	R 21 811 000
Water Services Infrastructure Grant	R 17 044 000	R -	R -
Regional Socio-economic Projects	R 78 261	R -	R -
Fire Service Capacity Support Grant	R 478 261	R -	R -
Water Resilience Grant	R 1 304 348	R -	R -
Dept. Cultural Affairs and Sport	R 43 478	R 43 478	R 43 478
GRAND TOTAL	R 293 798 527	R 224 945 089	R 310 171 191

- (i) That council approves the capital projects as part of its consolidated capital program as per **(Annexure B: 2025/2026 – 2027/2028 Final Budget and Tariff File)**;
- (j) That council approves the raising of an external loan to the amount of R 30 million for the new 2025/26 MTREF for the partial financing of the 132/11kV Eskom Schoonspruit Substation capital project, by means of testing the market as envisaged by MFMA section 46, requesting tenders from the financial institutions;
- (k) That the following total expenditure by vote (per directorate) be approved, which includes both operating and capital expenditure per directorate (VOTE), in order that departments pro-actively prevent unauthorised expenditure;

2025/26 MTREF R thousands	Capital Expenditure by Vote			Operating Expenditure by Vote			Total Expenditure by Vote		
	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
Vote 1 - Corporate Services	573	575	577	49 233	52 164	55 536	49 807	52 739	56 113
Vote 2 - Civil Services	143 991	116 213	145 139	431 330	451 042	472 550	575 321	567 255	617 690
Vote 3 - Council	12	12	12	25 469	26 504	27 629	25 481	26 516	27 641
Vote 4 - Electricity Services	88 166	62 174	59 942	559 645	599 564	643 261	647 810	661 737	703 203
Vote 5 - Financial Services	168	76	672	84 577	90 928	97 432	84 745	91 003	98 104
Vote 6 - Development Services	59 076	44 747	103 205	172 555	212 688	170 291	231 632	257 435	273 496
Vote 7 - Municipal Manager	12	12	12	11 298	11 910	12 679	11 310	11 922	12 691
Vote 8 - Protection Services	1 800	1 136	612	124 701	131 430	138 699	126 501	132 566	139 311
Grand Total	293 799	224 945	310 171	1 458 809	1 576 229	1 618 077	1 752 608	1 801 174	1 928 248

- (l) That the final high-level multi-year Capital and Operating budgets in respect of the **2025/2026 – 2027/2028** financial years, be approved as final, in accordance with sections 16, 17 and 19 of the MFMA;

	Original Budget 2024/25	Adjustments Budget 2024/25	Final Budget 2025/26	Final Budget 2026/27	Final Budget 2027/28
Capital budget	376 477 670	325 809 079	293 798 527	224 945 089	310 171 191
Operating Expenditure	1 189 045 717	1 210 970 777	1 458 809 231	1 576 228 890	1 618 076 969
Operating Revenue	1 458 996 894	1 485 060 204	1 606 490 727	1 676 968 153	1 777 306 422
Budgeted (Surplus)/ Deficit	(269 951 177)	(274 089 427)	(147 681 496)	(100 739 263)	(159 229 452)
Less: Capital Grants & Contributions	246 062 275	247 277 010	120 565 734	86 861 478	153 353 150
(Surplus)/ Deficit	(23 888 902)	(26 812 417)	(27 115 762)	(13 877 785)	(5 876 302)

- (m) That council approves the notice given in terms of section 14(1) and (2) of the Local Government: Municipal Property Rates Act, 2004, to levy the final property tax rates (cent in the rand amount), exemptions and rebates on property reflected in the schedule below and in the property rates policy for the 2025/26 financial year with effect from 1 July 2025;

Category of property	Rate ratio	Cent amount in the Rand rate determined for the relevant property category
Residential properties	1: 1	0.005623
Business and Commercial properties	1: 1,6671	0.009374
Industrial properties	1: 1,6671	0.009374
Agricultural properties	1: 0,25	0.001406

Mining properties	1: 1,6671	0.009374
Public Service Infrastructure	1: 0,25	0.001406
Properties owned by an organ of state and used for public service purposes	1: 1,6671	0.009374
Public Benefit Organizations	1: 0	0.000000
Vacant properties	1: 1,4965	0.008415
Municipal properties	1: 0	0.000000
Conservation Areas	1: 0	0.000000
Protected Areas	1: 0	0.000000
National Monuments	1: 0	0.000000
Informal Settlements	1: 0	0.000000

Exemptions and Reductions

- **Residential Properties:** For all residential properties, the municipality will not levy a rate on the first R15 000 of the property's market value. The R15 000 is the statutory impermissible rate as per section 17(1)(h) of the Municipal Property Rates Act.

Rebates in respect of a category of owners of property are as follows:

- **Indigent owners:** 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy to a maximum valuation of R105 000;
- **Qualifying senior citizens, qualifying indigent owners and disabled persons:** A rebate to an amount equal to the rates payable on the first amount of the valuation of such property to a limit of R300 000. The rebate will increase to R400 000 as it relates to the 2025/2026 policy effective for the 2026/2027 financial year.

NB: Please refer to the municipality's property rates policy in respect of all rebates offered.

- (n) That council approve the final property tax rates, tariff structures and charges for water, refuse removal, sewerage, electricity and other sundry charges as set out in **(Annexure B: 2025/2026 – 2027/2028 Final Budget and Tariff File)**;
- (o) That council approve the electricity tariffs for the 2025/2026 financial year, **bearing in mind that it is still subject to NERSA's review**;
- (p) That the phasing in of the restructured electricity tariffs, per the cost of supply study, are planned for implementation in 2026/27;
- (q) That the annual budget tables as required by the Budget and Reporting Regulations be approved as set out in **(Annexure D: Budget Report and A-Schedules 2025/2026 – 2027/2028)**;
- (r) That the **amendments** to the budget and related policies as set out in **(Annexure E: Final Amended Budget & Related Policies 2025/2026)** hereto, be approved as final;
- (s) That council takes note that any changes to budget related policies insofar as it relates to the delegations, will be amended after final budget adoption;
- (t) That the training budget of R 1 782 533 for the 2025/2026 financial year be approved as final;
- (u) That Council takes note of the increases of the Directors that are contractually linked to the other personnel, which is negotiated and determined at a national level:
 - In respect of all personnel, an increase of **5.01%** for 2025/2026; **5.25%** for 2026/2027 and **5.75%** for the 2027/2028 financial years, excluding the increase in other benefits that are applicable and the annual 2.415% notch increase where applicable;
 - All salary adjustments are adequately budgeted for;

- Provision has been made for a **3%** increase for political office bearers which is within the mid band of the inflation targets set by the South African Reserve Bank (SARB);
- (v) That Council takes note of the budgeted operating surpluses and that the budget is “cash-funded” as a result of cash reserves in table A8, the total expenditure growth of **20.5%** from the current to the new financial year and the revenue streams with growth in revenue of **8.2%** for the MTREF period as well as the cash flow statement as per **(A-schedule A7)** for the next three financial years;
- the budgeted risk factor for cash coverage for operating expenses are **9.2 months** for 2025/26, **8.9 months** for 2026/27 and **8.9 months** for 2027/28;
 - the net operating surpluses **excluding capital grant income** decreased compared to the draft budget as a result of allocations from the Provincial Department of Infrastructure relating to Proclaimed roads for which the municipality must contribute 20%, increasing the draft expenditure appropriation;
 - over the next three financial years the planning is such that net operating surpluses **(excluding capital grant income)** are envisaged for 2025/26 to an amount of **R 27 115 762**, for 2026/27 an amount of **R 13 877 785** and for 2027/28 an amount of **R 5 876 302** which is well **below the NT guideline of at least a surplus of 5%**. (At this juncture it is appropriate to emphasize that the aforementioned net surpluses is the more appropriate measurement of budgeted surpluses/deficits from a budgeted cash flow perspective);
- (w) That council takes note that the extensive revenue modelling exercise, includes a proportion for growth, given the trend of increased household consumption and services connection growth;
- (x) That the Director: Financial Services adhere to the requirements of the Budget Circulars and Budget Reforms in the context of the reporting requirements to Provincial and National Treasury;
- (y) That council takes note that the 2025/26 MTREF Grant allocations included in the budget **(listed in Annexure D)**, reconcile with the PT Gazette of 26 March 2025 and the NT DORA that was re-issued late on 21 May 2025;
- (z) That Council takes note that the budget was prepared in the new mSCOA Version 6.9 as required by National Treasury.

[Note: The English version of the resolution will be relied upon for completeness and implementation.]

8.4 ADOPTION OF THE TARIFF BY-LAW (1/1)

The draft Tariff By-law was submitted to Council on 31 March 2025 and was approved to go through the public participation process. No inputs/comments were received thereon by the deadline of 9 May 2025.

The adoption of the Tariff By-law is put to a vote by the Speaker and decided upon by twelve councillors in favour and the remainder abstaining.

RESOLUTION

(proposed by cllr N Smit, seconded by cllr A K Warnick)

- (a) That the Swartland Municipality: Tariff By-law be adopted by Council and promulgated in the Provincial Gazette to take effect on 1 July 2025;
- (b) That fines for offences of the by-law be determined by the Department of Justice.

8.5 SWARTLAND MUNICIPALITY: GRANTS-IN-AID POLICY (12/2/5/2-9/2)

Section 67 of Local Government: Municipal Financial Management (Act 56 of 2003) contains the requirements for the transfer of funds to organisations and bodies outside any sphere of government.

The implementation and enforcement of the Grants-in-Aid Policy ensures that funds are only transferred after confirmation of compliance with all the relevant legislative requirements and the following of the necessary approval processes.

RESOLUTION

(proposed by cllr A K Warnick, seconded by cllr N Smit)

That cognizance be taken of the amended Grants-in-Aid Policy, to be read within the context of MFMA Circular No. 131 of National Treasury.

8.6 RECOMMENDATION FOR APPROVAL OF THE ORGANISATIONAL STRUCTURE TAKING INTO ACCOUNT AMENDMENTS TO PROTECTION SERVICES (2/6)

Section 66 of the Municipal Systems Amendment Act, 2011, stipulates that the organisational structure must be approved by the Municipal Manager.

The report to the agenda contains the proposed amendments and motivations for the creation of the various posts in the Directorate Protection Services which were considered for submission to Council at a meeting of the Local Labour Forum held on 22 May 2025.

RESOLUTION

(proposed by cllr A K Warnick, seconded by cllr N Smit)

- (a) That the Council takes note that the amendments were recommended at the meeting of the Local Labour Forum held on 22 May 2025;
- (b) That the Council approves the amendments to the organisational structure for the directorate Protection Services with effect from 1 July 2025.

8.7 REVISION OF SYSTEM OF DELEGATIONS (2/5/1, 2/5/2)

Section 59 of the Municipal Systems Act stipulates that a Council must develop and maintain a System of Delegations (SOD) that optimises administrative and operational efficiency.

The annexures to the agenda comprise the fourth revision of the System of Delegations adopted by Council on 16 November 2021.

The proposed revision of the SOD was considered for recommendation to Council at an Executive Mayoral Committee meeting held on 21 May 2025.

RESOLUTION

(proposed by cllr N Smit, seconded by cllr D C Pypers)

- (a) That the proposed amendments to Council's System of Delegation (4th revision) as per Annexures B and C be approved, and changes to job titles and incumbents be noted with reference to Annexure A;
- (b) That changes made to the Systems of Delegation of to the Executive Mayor, Municipal Manager and the Chief Financial Officer be noted with reference to Annexure A;
- (c) That cognizance be taken that no amendments were effected to the Section 53 Role Demarcation of political structures, political office bearers and the Municipal Manager, which document forms part of the System of Delegation;

- (d) That approval be granted by Council for its System of Delegation to be amended in order to make provision for changes/new delegations which may arise from amendments to budget-related policies as dealt with elsewhere in the agenda, for implementation with immediate effect.

8.8 FUEL PURCHASES: IRREGULAR EXPENDITURE AS IDENTIFIED BY THE AUDITOR-GENERAL DURING THE 2023/2024 REGULATORY AUDIT (5/15/1/2)

During the 2023/2024 external audit, there was a sample taken by the Auditor-General regarding the purchases of fuel at various service stations. It was found that fuel is purchased from service stations that have not been appointed as a service provider of the Municipality by way of the Supply Chain Management process, and consequently does not offer discounts on diesel. However, the Municipality was under the impression that these purchases may be made by way of the approved bank tender.

However, the Auditor-General took the view that the Bank is merely a conduit for acquisition, and not the service provider itself. The expense is therefore considered irregular.

RESOLUTION

(proposed by cllr C O'Kennedy, seconded by cllr R Jooste)

- (a) That the irregular expenditure of R711 424.57 be retained as expensed in the financial statements as no losses has been incurred and that the additional amount of R344 929.15 for the 2024/25 financial year be added and correctly included in the financial statements for this financial year;
- (b) That recommendations made by the Auditor General to again sensitise all users of the requirements have already been implemented;
- (c) That the new tender for fuel will be advertised and will be in place as of 1 July 2025;
- (d) That the irregular expenditure of R1 056 353.72 be written-off by Council as the irregular expenditure was incurred within normal operational requirements, with no fraud identified by the AGSA or the CFO and that no further investigation is required.

8.9 SERVICES FROM TELKOM: IRREGULAR EXPENDITURE AS IDENTIFIED BY THE AUDITOR-GENERAL DURING THE 2023/2024 REGULATORY AUDIT (5/15/1/2)

The audit finding by the Auditor-General entails that the Municipality incurred expenditure for telecommunication services provided by Telkom, under the assumption that Telkom is a state-owned entity and Section 110(2) of the Local Government: Municipal Financial Management, Act 56 of 2003 (MFMA) was therefore applied.

However, Telkom switched from a state-owned entity to a private company in 2018. A formal procurement process must therefore be followed to appoint telecommunications service provider.

RESOLUTION

(proposed by cllr E C O'Kennedy, seconded by cllr A M Williams)

- (a) That the irregular expenditure of R4 259 577.68 be retained as expensed in the financial statements as no losses has been incurred and that the additional amount of R544 181.35 for the 2024/25 financial year be added and correctly included in the financial statements for this financial year;
- (b) That the user department and officials acted within operational requirements of the municipality to provide a service to the community and the irregular expenditure was not because of deliberate or gross negligence or as a result of fraud or other dishonest intent;
- (c) The AGSA also found no fraud in respect of the transaction above;

- (d) That the irregular expenditure of R4 803 759.03 be written-off by Council as the officials acted in good faith and the municipality received an equal value of goods/services in re-turn and that no further action can be taken by the user department with respect to this matter;
- (e) That no further investigation is required on this matter.

8.10 PROPOSED ALIENATION OF IMMOVABLE MUNICIPAL PROPERTY, SUBDIVIDED ERF 2386, MALMESBURY, SITUATED BETWEEN JAKARANDA AND JAPONIKA STREETS, MALMESBURY FOR RESIDENTIAL PURPOSES (12/2/5/2-8/5)

Erf 2386 (size 1237 m²), located between Jakaranda and Japonika Streets, Malmesbury was subdivided into four portions in 2023 to create an opportunity for first-time homeowners to acquire property.

The report aims to obtain the Council's approval for the sale of the relevant properties (to natural persons only) by means of a public tender process at the proposed reserve prices which are considered to be at fair market value.

RESOLUTION

(proposed by ald T van Essen, seconded by cllr E C O'Kennedy)

- (a) That, in terms of Section 14 of the Municipal Finance Management Act (Act No. 56 of 2003) the Council confirms and resolves:
- (b) That the subject properties have been identified for residential purposes in terms of its zoning, and are not needed for the provision of a minimum level of basic municipal services;
- (c) That the fair market value of the assets and the economic and community value to be received for the assets have been considered;
- (d) That in-principle approval be granted by Council in terms of the applicable By-law as well as Section 14 of the Municipal Finance Management Act, 2003 for financial offers to be invited by means of public tender for the disposal of the following properties in Jakaranda/Japonika Street, Malmesbury, at the reserve prices as indicated, being fair market value for the properties:
 - (i) Erf 14205: R114 500.00 excluding VAT
 - (ii) Erf 14206: R114 500.00 excluding VAT
 - (iii) Erf 14207: R114 500.00 excluding VAT
 - (iv) Rem/2386: R114 500.00 excluding VAT
- (e) That the properties be made available voetstoots for disposal to first homeowners, limited to natural persons;
- (f) That Council's intention to offer the properties for sale by means of a public competitive process be published for comment and/or objections;
- (g) That authorization be given as follows:
 - to the Executive Mayoral Committee to:
 - (i) deal with any comments and/or objections received in respect of the proposed transactions; and to
 - (ii) finalise a decision regarding the transfer of the assets after all applicable Supply Chain and other legal prescripts have been complied with;
 - to the Director: Corporate Services to finalise the conditions of sale for tender purposes with all the relevant internal role-players;
- (h) That approval be granted that should any or all of the properties remain unsold after the competitive process, it be sold out-of-hand on a 'first come first served' basis at the reserve price or higher, provided that the reserve price corresponds with fair market value (based on the municipal valuation of the property/properties when disposal takes place), and provided further that the Municipality shall make known its intention to sell the property/properties out-of-hand from a given date.

**SIGNED:
SPEAKER**