

ORDINARY COUNCIL MEETING
AGENDA
31 MAY 2024



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Notice is hereby given, in terms of Section 19(b) of the Local Government: Municipal Systems Act, 32 of 2000 as amended, that an **ORDINARY MEETING** of the **MUNICIPAL COUNCIL** of Knysna Municipality will be held in the Council Chambers on **FRIDAY, 31 MAY 2024** at **10:00** to consider the business set forth in the attached agenda.

Kennis geskied hiermee as gevolg van Artikel 19(b) van die Plaaslike Regering : Munisipale Stelsels Wet, 32 van 2000, dat 'n **GEWONE VERGADERING** van die **MUNISIPALE RAAD** van Knysna Munisipaliteit in die Munisipale Raadsaal op **VRYDAG, 31 MEI 2024** om **10:00** gehou sal word ten einde sake soos uiteengesit in die aangehegte agenda te oorweeg.

Ibhunga lika**MASIPALA** waseKnysna lazisa ngomthetho okwisolotya 19(b) wenkqubo mgaqo olawula oMasipala, 32 of 2000, njengoko utshintshiwe, **NGENTLANGANISO EKHETHEKILEYO** ye**BHUNGA** lika**MASIPALA** waseKnysna eyakubanjelwa **NGOLWESIHLANU, NGOMHLA WE 31 UCANZIBE 2024** ngentsimbi ye **10:00** umba iyakuba lushishino oluchazwe kwi-agenda.

CLLR MD SKOSANA

The Speaker

Die Speaker

Usomlomo

MS A DUNYWA

Acting Municipal Manager

Waarnemende Munisipale Bestuurder

Bambela Mphathi kaMasipala

Date : 28 May 2024

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1. OPENING AND WELCOMING
2. SILENT PRAYER
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 - 3.2 COUNCILLORS WITH LEAVE
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4. NOTING THE PROVISIONS OF SCHEDULE 1 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL SYSTEMS ACT, 2000
5. DISCLOSURE OF INTERESTS BY COUNCILLORS

6. **NEW MATTERS SUBMITTED BY THE MUNICIPAL MANAGER**

6.1

C01/05/24	FINANCE: COMMENTS RECEIVED ON EXTERNAL LOANS TO FINANCE CAPITAL PROJECTS FOR THE 2023/2024 FINANCIAL YEAR
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REPORT FROM THE DIRECTOR: FINANCIAL SERVICES

PURPOSE OF THE REPORT

To present to Council, comments received from the National and Provincial Treasury's in terms of the item tabled at the Special Council meeting held on Monday 22 April 2024.

PREVIOUS RESOLUTIONS

Council at a Council meeting held on 22 April 2024 resolved through Council resolution SC02/04/24 –

- [a] That the report on the taking up of external loans to finance capital projects for the 2023/2024 financial year be noted;*
- [b] That it be noted that no written comments were received from the local public;*
- [c] Five-year loan of R 3,905,000:*
 - [i] The debt agreement with Standard Bank for the external loan of R 3,905,000 for the procurement of infrastructure, vehicles and equipment (2023/2024 capital budget) be approved;*
 - [ii] It be noted that the capital installments (R 390,500.00 x 10) for the loan in point [c][i] above is based on a re-payment period of five years and a fixed interest rate of 11.04% as at 23 February 2024;*
 - [iii] It be noted that the fixed interest rate (11.04% as at 23 February 2024) might still change depending on the base rate on the date of the signing of the loan agreement referred to in point [c][i] above;*
 - [iv] The Executive Mayor be authorised to certify that Council has approved the debt agreement referred to in point [c][i] above;*
 - [v] The Municipal Manager be authorised to sign the debt agreement referred to in point [c][i] above on behalf of Council;*
 - [vi] It be noted that the debt agreement is for external loans to be raised to finance the procurement of property, plant and equipment in the 2023/2024 capital expenditure budget; and*

[vii] It be noted that the property, plant and equipment forms part of the Integrated Development Plan prioritised needs.

[d] Ten-year loan of R 21,100,000:

[i] The debt agreement with Standard Bank for the external loan of R 21,100,000 for the procurement of infrastructure, and equipment (2023/2024 capital budget) be approved;

[ii] It be noted that the capital installments (R 1,055,000.00 x 20) for the loan in point [d][i] above is based on a re-payment period of ten years and a variable interest rate of 10.53% as at 23 February 2024;

[iii] It be noted that the variable interest rate (10.53% as at 23 February 2024) might still change depending on the base rate on the date of the signing of the loan agreement referred to in point [d][i] above;

[iv] The Executive Mayor be authorised to certify that Council has approved the debt agreement referred to in point [d][i] above;

[v] The Municipal Manager be authorised to sign the debt agreement referred to in point [d][i] above on behalf of Council;

[vi] It be noted that the debt agreement is for external loans to be raised to finance the procurement of property, plant and equipment in the 2023/2024 capital expenditure budget;

[vii] It be noted that the property, plant and equipment forms part of the Integrated Development Plan prioritised needs; and

[viii] It be noted that Council reserves the right to draw less than what was advertised.

*File Number: 9/1/2/10
Execution: Director: Financial Services*

*Cllr Willemse stepped out at 12:09
Cllr Willemse returned at 12:16
Cllr Bester stepped out at 12:19
Cllr Bester returned at 12:31
Cllr Khumelwana stepped out at 12:38
Cllr Grootboom stepped out at 12:38
Cllr Petros stepped out at 12:41
Cllr Petros returned at 12:44
Cllr Khumelwana returned at 12:45*

BACKGROUND

Council's intention to raise external loans for the funding of capital expenditure (infrastructure, vehicles and equipment) was advertised in the local newspapers on Thursday 21 March 2024. The advertisement notice formed part of the Information Statement that was circulated to all councilors on 18 March 2024. The National Treasury and the Western Cape Provincial

Treasury on 18 March 2024 was also invited by email to render their comments on the external loans to be raised.

The local community and other role-players have the right to render written comments or objections on the external loans and was advertised in the local newspapers to be raised by not later than Friday 19 April 2024.

DISCUSSION

Section 46 of the MFMA determines that a municipality may incur long-term debt only with and in accordance to any applicable provisions of the Act, including Section 19, and only for the purpose of capital expenditure on property, plant and equipment to be used for the purposes of achieving the objects of local government as set out in Section 152 of the Constitution.

FINANCIAL IMPLICATIONS

N/A

RELEVANT LEGISLATION

Section 46 of the MFMA.

RECOMMENDATION OF THE MUNICIPAL MANAGER

- [a] That it be noted that no written comments were received from the local public;
- [b] That it be noted the written comments received from the Provincial Treasury; and
- [c] That it be noted the written comments received from the National Treasury.

APPENDIX / ADDENDUM

Annexure A – Western Cape Provincial Treasury Comments dated
26 April 2024; and

Annexure B – National Treasury Comments dated 29 April 2024.

File Number: 9/1/2/10

Execution: Director: Financial Services

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ANNEXURE A



Provincial Treasury
Malcolm Booyen
Director: Fiscal Policy
malcolm.booyen@westerncape.gov.za | Tel: 021 483 3386

Reference: PTR 16/1/26/1

Enquiries: Mr W Baatjes

Private Bag X9165

Cape Town,

8001

The Municipal Manager
Knysna Municipality
P O BOX 21
KNYSNA
6570

Via email: mm@knysna.gov.za

For attention: Mr O.P. Sebola

WESTERN CAPE PROVINCIAL TREASURY COMMENT ON THE LONG-TERM BORROWING PROPOSAL FOR THE KNYSNA MUNICIPALITY

Provincial Treasury (PT) has considered the long-term borrowing proposals of Knysna Municipality and herewith provides comments based on compliance with the legislative requirements in terms of the Local Government: Municipal Finance Management Act (Act No. 56 of 2003) (MFMA) as well as raising our concerns on the affordability of the proposed long-term borrowing proposal. It is expected that PT's comments are tabled in the Municipal Council.

Compliance Assessment

1. The Municipality released a statement of information detailing the proposed external financing for its capital program.
2. PT notes that the Municipality did not submit all the required information as per MFMA Circulars 26, 42 and 115 with the information statement as received on 18 March 2024. The outstanding information was only submitted on 3 April 2024. Furthermore, the covering letter which accompanied the information statement to PT stated that the loan will be considered by Council on 30 May 2024.
3. The Municipality has established its goals in accordance with section 152 of the South African Constitution (Act No. 108 of 1996) and has ensured full compliance with the MFMA and Municipal Supply Chain Management Regulations.



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Table 1 indicates the relevant sections in relation to the National Treasury (NT) Circulars which provide the necessary legislative guidelines and information required to make the needed comments as stated in section 46(3)(a) of the MFMA.

Table 1: Compliance with MFMA in relation to MFMA Treasury Circular 26, 42 & 115 as issued by National & Provincial Treasury

MFMA/ Treasury Circulars	Details	Compliance Yes/No
S46(3) (a) (i) and (ii)	The information statement and media advertisements were made public in the Knysna-Plett Herald, Action Ads local newspapers, as well as in libraries, on notice boards of the Municipality and the Municipal Website on 21 March 2024.	Yes
S46(3) (b) (i) and (ii)	The loan funds will be sourced from financial institutions accredited in terms of the Banks Act.	Yes
S46(6), S17(2), S19	The long-term loan is consistent with its Capital budget as referred to in section 17(2) of the MFMA. The total loan amount is for R25.00 million.	Yes
S46(5)	This section is not applicable, because the borrowing (debt) purpose is not for refinancing existing long-term borrowing (debt).	N/A
S19(1) (d)	The sources of the funding have been considered, are available and have not been committed for other purposes.	Yes
MFMA National Treasury Circular No. 26/2005	A schedule of all long-term borrowing (debt) obligations in the format of the QBMR showing principal and interest payments for the life of all loans and any associated investments set up as sinking funds etc.	Yes
MFMA Provincial Treasury Circular No. 42/2010	The Long-Term Debt Certification to be dated and signed by the Municipal Manager (Accounting Officer) and the Executive Mayor/Chairperson of the Board.	Yes
S 18 of MFMA, Reg 22 of MBRR & MFMA National Treasury Circular 115	The Annual Budget may only be funded by realistically anticipated revenues to be collected, cash-backed accumulated funds from previous years' surpluses not committed for other purposes, and borrowed funds, but only for capital budget referred to in section 17(2) of the MFMA. An adjustments budget of a municipality must be appropriately funded.	No

Affordability Assessment

4. The following affordability assessment is based on the 2021/22 and 2022/23 Audited Annual Financial Statements (AFS); the In-year monitoring (IYM) operating and capital expenditure reports for the 2023/24 financial year as of 29 February 2024; the Cash Flow Actual performance for the 2023/24 financial year as of 29 February 2024 and the Integrated Development Plan (IDP) 2023/24.
5. The purpose of the external loans is to raise R3.905 million (5-year loan) and R21.10 million (10-year loan) with Standard Bank Limited to provide various infrastructure (i.e. sewerage, water, roads, stormwater, and electricity), the establishment of a fire station, and the procurement of vehicles and equipment to improve service delivery.
6. The interest rates applicable for the loans are currently set at 11.04 per cent (5-year loan) and 10.53 per cent (10-year loan), respectively which is in line with the current prime lending rate of 11.75 per

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cent. The combined finance charges would contribute R12.874 million to the total cost of the external loans.

7. The repayments for both loans will be made semi-annually. The first instalment on the 5-year loan is scheduled for 28 June 2024 and the last payment for 29 December 2028. The first instalment on the 10-year loan is scheduled for 28 June 2024 and the last payment due on 30 December 2033.
8. In considering the affordability of the proposed loans, a selected number of financial ratios (based on the Audited AFS of 2021/22 and 2022/23) were considered and are depicted in Table 2 below.

Table 2 Ratio analysis

Ratio	National Treasury Norm or acceptable range	Comment	2021/22 (Audited)	2022/23 (Audited)	M08 February 2024 (In-year monitoring)
Current Ratio	1.5:1 to 2	Below NT norm	0.78:1	0.66:1	1.07:1
Debtors' collection period	30 days	Negatively above NT norm	60 days	59 days	59 days
Capital Cost (Interest paid and redemption to total operating expenditure)	6% - 8%	Within NT norm	5.9%	7.0%	3.32
Total Liabilities to Total Assets	<50%	Within NT norm	40.8%	43.6%	32.81%
Cash and cash equivalents to Current liabilities	1:1	Below NT norm	0.1:1	0.1:1	0.06:1
Debt (Total Borrowings) to Total Operating Revenue	45%	Within NT norm	36.2%	37.8%	45%

9. The current ratio has deteriorated from 0.78:1 in 2021/22 to 0.66 in the 2022/23 financial year and remains below NT's acceptable norm. The ratio indicates that the Municipality may not have sufficient cash and cash equivalents to meet its short-term obligations.
10. The net debtor's collection has slightly improved from 60 days in 2021/22 to 59 days in 2022/23. However, the ratio remains above the NT norm of 30 days. To increase cash flow from outstanding debt and align the debtor collection duration in with NT's norms, the Municipality should strengthen its present credit management and debtor collection policies and processes.
11. The interest paid and redemption to total operating expenditure ratio has deteriorated from 5.9 per cent in 2021/22 to 7.0 per cent in 2022/23 and remains below the NT norm of 6-8 per cent. However, it is moving towards the upper limit and increasing the debt levels might result in this ratio not being affordable especially if there is no improvement in the cash flow of the municipality.
12. The total liabilities to total assets ratio increased from 40.8 per cent in 2021/22 to 43.6 per cent in 2022/23 but remains within the NT norm. This ratio result indicates that the Municipality has sufficient assets to cover its liabilities when they are due. The Municipality's net asset position is moving towards



Western Cape Provincial Treasury comment on the long-term borrowing proposal for the Knysna Municipality

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the upper limit. It is imperative for the municipality to set strategies in place to ensure that this is monitored, given the fact that the liquidity position is not favourable.

13. The cash and cash equivalents to current liabilities ratio remain unchanged at 0.1:1 between the 2021/22 and 2022/23 financial years. The ratio is below the NT norm of 1:1, indicating that the Municipality hold insufficient liquid cash resources to cover its current liabilities and remain unfavourable for the period under review.
14. The debt to total operating revenue ratio deteriorated from 36.2 per cent in 2021/22 to 37.8 per cent in the 2022/23 financial year and remains within the NT norm of 45 per cent, implying that the Municipality has capacity to increase its borrowings. The ratio will increase to 45 per cent, maximizing the borrowing limits, including the current long-term borrowing proposal. However, it remains doubtful if the municipality can afford further borrowings unless the cash flow strategy is implemented to service the debt. The Municipality appears to have a weak financial position, and this is further evidenced by analysis of the liquidity ratios.
15. In addition to the financial ratios calculated from the 2021/22 and 2022/23 audited AFS, further analyses based on the 2023/24 IYM have been performed.
 - a) The operating revenue amounted to R808.31 million or 69.2 per cent of the adjusted budget of R1.17 billion while the actual operating expenditure is at R657.71 million or 56.3 per cent against the adjusted budget of R1.17 billion as at 29 February 2024. This translates to a year-to-date surplus of R150.59 million which is below the projected surplus of R173.34 million for the period to-date. Given the above performance, the Municipality demonstrates the ability to generate revenue, however, the realisation of the revenue generated is dependent on the strict enforcement of the credit control and debt collection policy.
 - b) The Municipality reported total debtors as at 29 February 2024 amounts to R466.21 million indicating an increase of R6.13 million or 1.3 per cent from the R460.10 million reported in January 2024 and a year-on-year increase of R117.92 million or 33.9 per cent when compared to the R348.30 million reported in February 2023.
 - c) In February 2024, the liquidity ratio deteriorated to 0.06 times from 0.10 times compared to January 2024. The ratio is below the National Treasury recommended norm of 1.1, indicating that the Municipality may not be able to pay its short-term debt when it is due. This denotes that the Municipality is exposed to a liquidity risk.
 - d) In February 2024, the cost coverage ratio deteriorated to -0.32 times from -0.18 times compared to January 2024, indicating the municipality may not have the ability to meet at least its monthly fixed operating commitments from cash and short-term investments without collecting any additional revenue.
 - e) The Municipality made amendments to its final adopted 2023/24 MTREF Budget in February 2024 and the adjustments budget was assessed to be unfunded by Provincial Treasury.

Conclusion

16. After assessing the proposed long-term borrowing and the current financial position of the municipality, PT draws the Municipality's attention to the following:
 - a) Ensure that the Municipality's funding position improves to a funded 2024/25 adopted budget.
 - b) The Municipality appears to have a weak financial position which is likely to negatively affect the ability to service the intended loan.



Western Cape Provincial Treasury comment on the long-term borrowing proposal for the Knysna Municipality

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- c) The Municipality is in financial difficulty with its monthly commitments exceeding available cash and cash equivalents.
- d) Revenue and Cash Flow Management remain the main challenge.
- e) The unfunded 2023/24 adjustments budget suggests that the net cash available from operations is inadequate to sustain the projected repayment on the current outstanding external borrowing in the current financial year.
- f) Taking the above factors into consideration, the PT does not support the loan application and urges the municipality to consider PT's comments/ recommendations before making a final decision in this regard.
- g) This letter should be presented to Council for consideration.

Kind regards,

Shirley Robinson

Digitally signed by
Shirley Robinson
Date: 2024.04.26
15:28:26 +02'00'

MS S ROBINSON
CHIEF DIRECTOR: PUBLIC POLICY SERVICES
WESTERN CAPE PROVINCIAL TREASURY



Western Cape Provincial Treasury comment on the long-term borrowing proposal for the Knysna Municipality

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ANNEXURE B

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001 • 40 Church Square, PRETORIA, 0002 • Tel: +27 12 315 5111, Fax: +27 12 406 9055 • www.treasury.gov.za

Email: mfma@treasury.gov.za

The Municipal Manager
Knysna Municipality
P.O Box 21
KNYSNA
6570

For Attention: Mr Ombali Sebola

Fax: (044) 302 6333

Dear Sir

RE: RAISING OF PROPOSED DEBT THROUGH BORROWING: R25 MILLION

The correspondence received on 15 March 2024, requesting the National Treasury's comments, on the municipality's intention to incur long-term borrowing, has reference.

We have noted the contents of the correspondence. The municipality intends to raise R25 million through long-term borrowing to finance the approved 2023/24 capital infrastructure program.

Section 46(3)(a) of the MFMA requires the municipality to, at least 21 days prior to the meeting of the council at which approval for the debt is to be considered, make public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided. The municipality is also required to invite the public, the National Treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed debt. We have noted the information statement which contains an extract of the advertisement and trust that the municipality has publicised the information statement and advertisement as required. The municipality is reminded to consider all comments received during the public participation process.

Municipalities are encouraged to use borrowings to fund revenue-generating assets as this will assist in ensuring financial sustainability. We have noted the projects to be funded by the borrowing. The municipality has indicated that the loan will be taken in two tranches, with R3.9 million over a 5-year period at an interest rate of 11.04% per annum, and R21.1 million over 10 years at an interest rate of 10.53% per annum.

The interest rate for the 5-year loan is higher than for the 10-year loan. Notwithstanding that the rate for the 5-year loan is fixed while the 10-year loan is on a floating rate, this level of variance is unusual. To the extent that this has not been done already, the municipality should consider negotiating better rates, noting the provisions in regulation 24 of the Municipal SCM Regulations.

Nkqamwa wa Tloko • Gwama la Muvhuso • Nasionale Tesourie • Lefapha la Bosethi haba la Madotlo • uMnyango wezezimali • Litiko leTetimali taVelonkhe • Tirolo ya Madotlo a Bosethi haba
Tshebetso ya Madotlo a Naha • UMnyango wezimali • Irebe leNgqowa Mali yaLizwe

National Treasury | @TreasuryRSA

Additionally, municipality is cautioned that the levelized principal repayment structures that have been presented, while seemingly manageable for the amount that will be borrowed, could become burdensome if the incremental cash flow from the financed assets do not cover the principal and interest payments as and when they become due. This situation is more likely in the early stages of financing, and this requires the municipality to be extra vigilant in its cash flow management.

We provide the following comments on the financial position and performance as observed through our analysis of the 2021/22 and 2022/23 audited annual financial statements and the approved 2023/24 MTREF Budget.

The municipality's proposed borrowing appears to be a strategic move to finance some essential infrastructure projects. However, its financial position and performance reveals significant liquidity concerns, working capital management issues and fluctuations in revenue collection rates. These are explained in more detail below.

The municipality's current ratio is significantly below the norm of 1.5, with a notable decline from 0.78 in 2021/22 to 0.66 in 2022/23. The cash coverage ratio was 0.63 months for 2021/22 and declined to 0.29 months 2022/23. This is also below the norm of between 1 and 3 months. When the trends for both of these ratios are considered, it becomes evident that the municipality is exposed to a high level of financial risk, which is likely to spill over into a payment default risk in the absence of stringent and urgent actions to improve cash flow management. The earlier mentioned need for extra vigilance in cash flow management is re-emphasised here.

The municipality's financial performance over recent years indicates a deteriorating state of financial health. The municipality's cash position has fallen from R79 million in 2019/20 to R20 million at the end of the 2022/23 financial year. This highlights the municipality's strained liquidity position.

In terms of the working capital management, it takes the municipality 82 days to receive cash from consumers and 173 days to pay its creditors. This indicates that the municipality is unable to efficiently collect from consumers or pay its creditors within a period of 30 days. It is essential for the municipality to adequately manage its working capital and strengthen processes to ensure prompt receipts and payments.

The municipality's collection rate increased from 93% in 2021/22 to 96% in 2022/23 and is above the norm of 95 per cent. However, as of 31 January 2024 the collection rate is 83.1%.

The debt to revenue ratio is indicated at 39% in the audited 2022/23 annual financial statements. Taking account of the proposed borrowing of R25 million for the 2023/24 financial year, R40.8 million for 2024/25 and R41.6 million for 2025/26, together with the redemption of existing borrowings over the same period, this ratio is expected to decline to 28% in 2023/24, further decline to 25% in 2024/25

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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and even further to 24% in 2025/26, according to the 2023/24 Medium-Term Revenue and Expenditure Framework (MTREF). It is worth noting that these ratios are below the norm of 45%.

In light of the above, we caution the municipality that financial discipline is critical in ensuring adequate liquidity for debt repayments as well as to improve its capacity to undertake long-term borrowing.

We trust that you will be guided accordingly.

Yours sincerely

Signed by: SHABEER HAMID KHAN
Signed at: 2024-04-29 12:28:12 +02:00
Reason: Witnessing SHABEER HAMID K

Shabeer Khan

Shabeer Khan
Accountant-General

Date: 29/04/24

Cc: Chief Financial Officer

Cc: MFMA Coordinator: Western Cape Provincial Treasury

Nkqama we Tiko - Gwama le Muvhuso - Nasionale Tesourie - Lefapha la Bosebhaba la Madoto - uMnyango wezimali - Litiko leTetimali taVelonkhe - Tirelo ya Madoto a Bosebhaba
Tshebetso ya Madoto a Naha - UMnyango weZimAli - Isabe leNqowa Mali yaLizwe

National Treasury @TreasuryRSA

6.2

C02/05/24 MONTHLY & QUARTERLY BUDGET STATEMENT – MARCH 2024
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REPORT FROM THE DIRECTOR: FINANCIAL SERVICES

PURPOSE OF THE REPORT

To present to Council the Section 71 Monthly Budget Statement and Section 52 Quarterly Budget Statement as at 31 March 2024.

BACKGROUND

Section 71(1) of the Municipal Finance Management Act (No. 56 of 2003) (MFMA) determines that the Accounting Officer of a Municipality must by no later than 10 working days after the end of each month submit to the Executive Mayor of the Municipality and the relevant Provincial Treasury a statement in the prescribed format on the state of the Municipality's Budget.

Section 52 of the MFMA determines that:

"The mayor of a municipality –

- (a) must provide general political guidance over the fiscal and financial affairs of the municipality;*
- (b) in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;*
- (c) must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;*
- (d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and*
- (e) must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor."*

DISCUSSION

The Monthly Budget Statement and Quarterly Budget Statement as at 31 March 2024 has been prepared in compliance with the legislative requirements stipulated in section 71 and section 52 of the MFMA.

FINANCIAL IMPLICATIONS

The financial implications are contained in the annexure attached hereto.

RELEVANT LEGISLATION

Section 71 and Section 52 of the MFMA (No. 56 of 2003).

RECOMMENDATION OF THE MUNICIPAL MANAGER

- [a] That Council notes the Section 71 Monthly Budget Statement and Section 52 Quarterly Budget Statement as at 31 March 2024;
- [b] That Council notes that the Section 71 Monthly Budget Statement and Section 52 Quarterly Budget Statement as at 31 March 2024 was submitted to the Executive Mayor, the National Treasury and the Western Cape Provincial Treasury on 15 April 2024 being the 10th working day after the end of March 2024;
- [c] That Council notes that the Section 71 Monthly Budget Statement and Section 52 Quarterly Budget Statement as at 31 March 2024 has been published on the municipal website.

APPENDIX / ADDENDUM

Annexure 1 – Monthly and Quarterly Budget Statement – March 2024.

File Number: 9/1/2/10
Execution: Director Financial Services

ANNEXURE A



Monthly and Quarterly Budget Statement

(Sections 71 and 52 of the MFMA)

Prepared in terms of the Local Government:
Municipal Finance Management Act (No 56 of 2003);
Municipal Budget and Reporting Regulations; and
Government Gazette 32141, dated 17 April 2009.

March 2024



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PART 1: IN-YEAR REPORT

1. LEGAL CONTEXT

1.1 Monthly Budget Statement

Section 71 of the Municipal Finance Management Act (MFMA) determines that:

- “(1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality’s budget reflecting the following particulars for that month and for the financial year up to the end of that month –*
- (a) Actual revenue, per revenue source;*
 - (b) Actual borrowings;*
 - (c) Actual expenditure, per vote;*
 - (d) Actual capital expenditure, per vote*
 - (e) The amount of any allocations received;*
 - (f) Actual expenditure on those allocations, excluding expenditure on –*
 - (i) Its share of the local government equitable share; and*
 - (ii) Allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and*
 - (g) When necessary, an explanation of –*
 - (i) Any material variances from the municipality’s projected revenue by source, and from the municipality’s expenditure projections per vote;*
 - (ii) Any material variances from the service delivery and budget implementation plan; and*
 - (iii) Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality’s approved budget.*
- (2) The statement must include –*
- (a) A projection of the relevant municipality’s revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and*
 - (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).*
- (3) The amounts reflected in the statement must in each case be compared with*

the corresponding amounts budgeted for in the municipality's approved budget.

- (4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.*
- (5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.*
- (6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.*
- (7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter".*

1.2 Quarterly Budget Statement

Section 52 of the MFMA determines that:

"The mayor of a municipality –

- (a) must provide general political guidance over the fiscal and financial affairs of the municipality;*
- (b) in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;*
- (c) must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;*
- (d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and*

- (e) *must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor."*

1.3 Responsibility of the Executive Mayor

Section 54 of the MFMA determines that:

- "(1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must –*
- (a) Consider the statement or report;*
 - (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;*
 - (c) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;*
 - (d) Issue any appropriate instructions to the accounting officer to ensure –*
 - (i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and*
 - (ii) That spending of funds and revenue collection proceed in accordance with the budget;*
 - (e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and*
 - (f) In the case of a section 72 report, submit the report to the council by 31 January of each year.*
- (2) If the municipality faces any serious financial problems, the mayor must –*
- (a) Promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include –*
 - (i) Steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;*
 - (ii) The tabling of an adjustments budget; or*
 - (iii) Steps in terms of Chapter 13; and*
 - (b) Alert the council and the MEC for local government in the province to those problems.*
- (3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly".*

EXECUTIVE MAYOR'S REPORT

2.1 In-Year Report: Monthly Budget Statement

- 2.1.1 This report represents the Section 71 MFMA monthly budget statement and Section 52 quarterly budget statement for the month ending 31 March 2024, and reflects the implementation of the budget and the financial state of affairs of the Municipality.
- 2.1.2 I hereby wish to submit a report to the Council on the implementation of the budget and the financial state of affairs of the Municipality as at the end of March 2024.
- 2.1.3 Further to the above, Section 54(1) of the MFMA determines that the Executive Mayor must consider the Section 71 report submitted by the Accounting Officer and assess whether the Municipality's approved budget is implemented in accordance with the approved Service Delivery Budget Implementation Plan (SDBIP), and if necessary issue appropriate instructions to the Accounting Officer.

2.2 Overall Financial Status of the Municipality

- 2.2.1 The Commitments exceed the Cash and Cash Equivalents by R 52.0 million as at end of March 2024. This is a decrease of R 32.5 million from the shortfall of R 84.5 million as at end February 2024. The cashflow position remains a critical concern. The investment portfolio of the Municipality will be systematically build for the ring fencing of Unspent Grants and Unspent Loans.
- 2.2.2 The overdraft facility of R 20 million was cancelled on 15 March 2024.
- 2.2.3 The tender for the provision of R 25 million borrowings to fund capital projects budgeted is currently being assessed, our records are also showing unspent borrowings amounting to R 29.9 million that could affect our ability to make draw downs on the new loans until the other borrowing is used. This also result in fruitless and wasteful expenditure if the funds was drawn without being used.
- 2.2.4 The Finance Directorate discloses an Unpaid Housing Grant balance amounting to R 17.2 million as 31 March 2024 which decreased by R 8.6 million from R 25.8 million as at end of February 2024.

Human Settlements has identified claims that is recoverable from the Department of Human Settlements which are in the process of resubmission after the finalisation of the reconciliation that was conducted internally. The age-based claims for

beneficiaries will be taken up with the Department of Infrastructure for confirmation of repayment to the municipality. The municipality awaits the agreement on the refund of Covid claims from the Department of Infrastructure. A sundry debtor account relating to Covid claims for SC Housing will be opened for recovery thereof.

2.2.5 The municipality continuous to implement the debtors collection policy through the disconnection of long outstanding accounts. The political by-in with this process is commended. Furthermore the new appointments made within the Income Section will positively contribute the revenue enhancement.

2.2.6 Following completion of the DBSA / Profmap Revenue Enhancement project, the Municipality has developed an internal Revenue Enhancement Implementation Plan. This goes hand in hand with the support plan for the adopted Diagnostics Report.

2.3 Recommendations

- (a) That Council notes the Section 71 Monthly Budget Statement and Section 52 Quarterly Budget Statement as at 31 March 2024.
- (b) That Council notes that the Section 71 Monthly Budget Statement and Section 52 Quarterly Budget Statement as at 31 March 2024 will be published on the municipal website.

CLLR AUBREY TSENGWA
EXECUTIVE MAYOR
DATE: 15 April 2024

2. ACCOUNTING OFFICER'S REPORT

3.1 Introduction

- 3.1.1 In accordance with Section 71(1) of the Municipal Finance Management Act (MFMA), I submit the required statement on the state of Knysna Municipality's budget reflecting the financial information for the month ending March 2024.
- 3.1.2 Section 52(d) of the MFMA requires from the Executive Mayor to submit a quarterly report to Council on the implementation of the approved budget. The report relates to the quarter ending 31 March 2024.
- 3.1.3 Section 54(1) of the MFMA requires from the Mayor of a municipality to take certain actions, if needed, following receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).
- 3.1.4 The financial performance of the operating and capital budget for the 2023/2024 financial year, and an overview of the financial position of the Municipality, is provided below.

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3.2 Financial Performance Overview

3.2.1 Year-to-date actual operating revenue (Row 18 in table below) of R 915.5 million compared to the year-to-date budgeted operating revenue of R 920.1 million results in a negative variance of -R 4.6 million or -0.5% (capital grants excluded). Variances of a material value in nature in the operating revenue budget are presented with appropriate comments in the table below.

Variances between Year-to-Date Actual and Year-to-Date Budget								
Row Number	Description	Original Budget	Adjusted Budget (Excluding Variances)	Year-to-Date Actual	Year-to-Date Budget	Positive / (Negative) Variance	Positive / (Negative) Variance %	Reasons for Material Variance (D - E)
Column Reference	A	B	C	D	E	F	G	H
1	Service charges - Electricity	384,728,101	358,549,554	252,650,869	259,751,753	-5,099,894	-2.3%	The variance is mainly as a result of the reduced revenues received on Prepaid Electricity for February and March months compared to the R13 million estimated monthly budget.
2	Service charges - Water	84,358,754	89,582,630	73,451,841	69,713,108	3,738,633	5.4%	The incorrect billing in February was corrected with a journal of R3.1 million hence a reduced variance when comparing February against March results. The water still continues to perform more than the monthly budget estimate on Business category.
3	Service charges - Waste Water Management	20,854,367	32,370,708	26,054,506	26,725,710	-671,114	-2.5%	
4	Service charges - Waste management	30,029,458	31,413,434	26,346,141	26,684,576	-258,435	-1.0%	
5	Sale of Goods and Rendering of Services	29,358,519	38,501,582	25,229,258	27,050,293	-2,720,995	-9.7%	The variance relates to Human Settlement Grant revenue receipt projected as a result of lower spending compared to budget as well as claims received compared to claims submitted.
6	Agency services	4,032,719	4,032,719	3,219,906	3,021,959	198,037	6.6%	
7	Interest earned from Receivables	14,751,081	21,043,956	20,021,825	18,294,384	1,737,441	9.5%	The variance is mainly due to Refuse and Sewer management interest raised over the annual budget to date. The successful implementation of the 50 percent reduction on outstanding debtors will reduce the interest on services significantly.
8	Interest from Current and Non Current Assets	1,826,291	1,826,291	1,549,167	1,652,309	-113,142	-6.8%	
9	Rental from Fixed Assets	6,936,143	7,443,022	5,205,717	6,175,015	-899,238	-14.4%	
10	Licence and permits	45,480	98,349	97,399	92,099	5,230	5.7%	
11	Operational Revenue	6,022,888	6,508,156	3,895,093	4,815,081	-950,018	-19.7%	The variance is mainly on the legal suit revenue collection charge account as a result of legal cost billed to the customers. The Debt Collection panel was not yet appointed as planned due to tender cancellation.
12	Property rates	334,253,695	313,942,594	251,253,952	250,489,515	754,447	0.3%	
13	Fines, penalties and tickets	95,030,019	59,030,019	69,534,874	69,751,358	2,635,516	4.2%	The variance is mainly on the speeding fines due to various improved processes that are under way such as additional movable camera's installed at various sites, new service provider appointed within the current service provider to assist.
14	Licence and permits	1,742,614	1,742,614	1,071,515	1,374,991	-303,476	-22.1%	Immaterial value.
15	Transfers and subsidies - Operations	150,236,331	151,320,598	138,836,308	139,649,465	-813,167	-0.5%	The variance is as a result of underspend of various operating grants across Council. Separate report will be sent to managers following the section March 71 report.
16	Interest (Property Rates)	5,732,532	10,604,918	7,998,785	8,837,414	-837,629	-9.3%	Property rates interest slightly above the monthly estimate in February month. There was reduction of interest raised that is in line with the reduction on the debtors took from February - March opening balances. This means reduced interest raised against Rates accounts.
17	Gains on Disposal of PPE	500,000	500,000	38,795	223,259	-184,491	0.0%	
18	Total Revenue (Capital Grants Excluded)	1,184,594,322	1,138,725,396	915,508,872	920,102,249	-4,593,377	-0.5%	

3.2.2 Year-to-date actual operating expenditure (Row 32 in table below) of R 732.9 million

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compared to the year-to-date budgeted operating expenditure of R 737.4 million results in a positive variance of R 4.5 million or 0.6%. Variances of a material value in nature in the operating expenditure budget are presented with appropriate comments in the table below.

Variance between Year-to-Date Actual and Year-to-Date Budget							
Row Number	Description	Original Budget	Adjusted Budget (Including Variances)	Year-to-Date Actual	Year-to-Date Budget	Positive / (Negative) Variance	Positive / (Negative) Variance %
Column Reference	A	B	C	D	E	F	G
19	Employee related costs	306,656,192	313,339,507	238,113,336	224,331,011	-1,162,626	-0.6%
20	Remuneration of councillors	10,951,756	10,454,236	7,352,143	7,332,164	-1	0.0%
21	Bulk purchases - electricity	293,334,290	292,612,104	189,271,204	161,846,434	2,575,239	1.3%
22	Other materials	54,853,315	56,812,376	41,638,902	41,597,560	-41,342	0.0%
23	Debt impairment	149,726,891	159,614,791	43,654,796	45,154,926	1,500,130	3.3%
24	Depreciation and amortisation	49,116,856	58,131,672	36,953,513	36,962,761	-722	0.0%
25	Interest	31,846,485	37,564,791	22,225,316	22,781,839	556,523	2.4%
26	Contracted services	166,406,106	161,120,519	109,457,747	112,267,062	2,809,306	2.6%
27	Transfers and subsidies	1,157,456	2,146,888	602,469	632,233	129,744	20.6%
28	Irrecoverable debts written off	1,793,959	1,793,959	0	0	0	0.0%
29	Operational costs	73,456,922	73,823,757	55,799,077	53,509,219	-2,099,858	-3.5%
30	Losses on Disposal of Assets	0	0	0	0	0	0.0%
31	Other Losses	0	0	0	0	0	0.0%
32	Total Operating Expenditure	1,155,798,358	1,167,404,247	732,918,723	737,406,209	4,486,486	0.6%

3.2.3 The year-to-date actual operating revenue compared to the year-to-date actual operating expenditure results in an operating surplus of R 182.7 million compared to a budgeted operating surplus of R 182.7 million (capital grants excluded). This results in a negative operating surplus variance of R 106.9 thousand or -0.1% (Row 33 in the table below).

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Variances between Year-to-Date Actual and Year-to-Date Budget								
Row Number	Description	Original Budget	Adjusted Budget (including Variances)	Year-to-Date Actual	Year-to-Date Budget	Positive / (Negative) Variance	Positive / (Negative) Variance %	Reasons for Material Variance (D - E)
Column Reference	A	B	C	D	E	F	G	H
11	Total Revenue (Capital Grants Excluded)	1,164,884,322	1,168,729,396	913,608,872	926,102,269	-4,953,377	-0.5%	
32	Total Operating Expenditure	1,155,798,358	1,167,404,247	732,918,723	737,405,209	4,486,486	0.6%	
33	Operating Surplus/(Deficit)	8,795,964	1,325,149	182,990,149	182,997,040	-108,891	-0.1%	
34	Capital Grants	78,183,609	84,014,851	33,154,239	41,219,113	-8,064,874	-19.5%	This variance is mainly on the MIG, NCPG as well as MIG grants that were reduced by National Government. Special adjustments budget will be prepared to reduce these grants on receipt of revised approved business plans.
35	Public Contributions	0	0	0	0	0	0.0%	
36	Surplus/(Deficit) for the Year	88,979,573	85,339,850	215,744,388	223,916,153	-8,171,765	-3.6%	

3.2.4 The year-to-date actual surplus for the year of R 215.7 million (capital grants included) compared to the year-to-date budget surplus for the year of R 223.9 million results in a negative variance of -R 8.1 million or -3.6% (Row 36 in the table above).

3.2.5 Overtime

The Table below depicts the Overtime expenditure per Directorate:

Overtime									
Row Number	Directorate	Expenditure 2021/2022	Expenditure 2022/2023	Original Budget 2023/2024	Current Budget 2023/2024	Actual March 2024	YTD Budget 2023/2024	YTD Actual 2023/2024	Variance (G-H)
Column Reference	A	B	C	D	E	F	G	H	I
1	Executive and Council	4,978	0	0	0	0	0	0	0
2	Corporate Services	182,478	190,877	86,697	157,403	7,759	125,469	118,511	6,958
3	Financial Services	58,470	96,974	66,764	79,268	7,453	58,728	63,278	-4,550
4	Planning and Development	44,560	35,803	0	0	0	0	0	0
5	Integrated Human Settlements	24,103	40,834	27,584	67,348	0	50,289	46,323	3,966
6	Community Services	9,414,187	8,664,292	6,193,827	7,593,993	584,670	6,492,334	6,731,931	-239,597
7	Electrical Services	1,557,015	1,578,723	1,345,898	1,822,132	146,937	1,455,457	1,503,946	-48,489
8	Technical Services	7,088,895	7,335,761	5,344,032	7,086,510	773,859	6,344,868	6,644,091	-299,223
9	Grand Total	18,354,507	18,343,324	13,068,800	16,895,684	1,820,779	14,527,145	15,108,080	-580,935

The overspending is mainly on Community & Infrastructure Services as a result of the unplanned emergencies on repairs and maintenance which goes hand in hand with the Standby on table 3.2.7.

3.2.6 Standby

The Table below depicts the Standby expenditure per Directorate.

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Standby Allowance									
Row Number	Directorate	Expenditure 2021/2022	Expenditure 2022/2023	Original Budget 2023/2024	Adjusted Budget 2023/2024	Actual March 2024	YTD Budget 2023/2024	YTD Actual 2023/2024	Variance (G-H)
Column Reference	A	B	C	D	E	F	G	H	I
1	Executive and Council	0	0	0	165,000	0	148,179	148,179	0
2	Corporate Services	187,924	182,157	202,176	190,540	16,826	145,303	144,969	634
3	Financial Services	116,329	152,718	179,010	179,010	0	42,535	42,535	0
4	Planning and Development	0	0	0	0	0	0	0	0
5	Integrated Human Settlements	0	0	0	0	0	0	0	0
6	Community Services	1,682,999	1,735,951	775,845	1,330,438	121,084	1,089,619	1,177,734	-88,115
7	Electrical Services	916,804	1,130,295	916,159	1,420,776	150,282	1,100,912	1,184,693	-83,781
8	Technical Services	2,887,134	2,826,944	3,203,103	3,419,303	311,589	2,330,744	2,431,893	-41,149
9	Grand Total	5,681,190	6,026,055	5,270,393	6,695,067	599,571	4,909,292	5,121,593	-212,211

3.2.7 Use of Consultants

The Table below depicts the Use of Consultants per Directorate:

Use of Consultants per Directorate										
Row Number	Directorate	Expenditure 2020/2021	Expenditure 2021/2022	Expenditure 2022/2023	Original Budget 2023/2024	Current Budget 2023/2024	Actual March 2024	YTD Budget 2023/2024	YTD Actual 2023/2024	Variance (G-H)
Column Reference	A	B	C	D	E	F	G	H	I	
1	Executive and Council	270,000	159,000	0	0	0	0	0	0	0
2	Corporate Services	6,090,579	4,540,628	6,694,895	5,090,770	8,120,774	138,915	6,191,918	6,213,261	-21,345
3	Financial Services	10,490,437	3,791,019	3,868,450	3,371,575	2,895,865	3,935	1,232,954	1,110,385	122,599
4	Planning and Development	816,360	1,401,449	1,294,495	3,483,292	2,216,183	1,031	972,595	466,971	511,554
5	Integrated Human Settlements	4,998,330	1,129,751	2,467,243	2,900,000	5,995,317	0	3,845,617	590,143	3,256,674
6	Community Services	172,354	239,625	357,991	1,043,836	322,047	2,970	110,224	30,720	71,504
7	Electrical Services	17,280	224,427	0	305,882	176,010	0	44,763	0	44,763
8	Technical Services	383,503	2,857,026	2,822,785	3,126,906	717,135	0	230,142	79,600	150,333
9	Grand Total	22,218,922	14,433,986	17,635,846	18,432,225	20,496,635	196,820	12,838,331	8,493,260	4,145,071

The Use of Consultants must be scrutinised to determine why there is a dependency on Consultants, and whether any of the functions performed by these external consultants are in fact included in the Job Descriptions of Municipal staff. If yes, this represents duplicated expenditure by the Municipality. This must be rectified during the review of the new organogram. Furthermore the variance is mainly on the Integrated human settlements as a result of an adjustment made on the projects.

3.2.8 Rental Costs: Office Accommodation

The table below depicts the YTD Rental Costs.

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Rental Costs: Office Accommodation										
Row Number Column Reference	Directorate	Expenditure 2020/2021	Expenditure 2021/2022	Expenditure 2022/2023	Original Budget 2023/2024	Current Budget 2023/2024	Actual March 2024	YTD Budget 2023/2024	YTD Actual 2023/2024	Variance (G-H)
	A	B	C	D	E	F	G	H	I	J
1	Executive and Council	0	0	0	0	0	0	0	0	0
2	Corporate Services	5,563,072	5,575,703	6,208,197	6,700,060	6,500,360	1,107,770	6,428,616	5,466,704	959,912
3	Financial Services	0	0	0	0	0	0	0	0	0
4	Planning and Development	0	0	0	0	0	0	0	0	0
5	Integrated Human Settlements	0	0	0	0	0	0	0	0	0
6	Community Services	0	0	0	0	0	0	0	0	0
7	Electrical Services	0	0	0	0	0	0	0	0	0
8	Technical Services	0	0	0	0	0	0	0	0	0
9	Grand Total	5,563,072	5,575,703	6,208,197	6,700,060	6,500,360	1,107,770	6,428,616	5,466,704	959,912

The rental of Office Accommodation is still in line with the budget and if the trend continue it might result in a saving at year end.

3.2.9 Security Costs

Table below depicts the Security Costs per Directorate.

Security Costs										
Row Number Column Reference	Directorate	Expenditure 2020/2021	Expenditure 2021/2022	Expenditure 2022/2023	Original Budget 2023/2024	Current Budget 2023/2024	Actual March 2024	YTD Budget 2023/2024	YTD Actual 2023/2024	Variance (G-H)
	A	B	C	D	E	F	G	H	I	J
1	Executive and Council	0	0	127,800	0	0	0	0	0	0
2	Corporate Services	0	0	0	0	0	0	0	0	0
3	Financial Services	0	0	0	0	0	0	0	0	0
4	Planning and Development	0	0	0	0	0	0	0	0	0
5	Integrated Human Settlements	0	0	0	0	0	0	0	0	0
6	Community Services	12,710,608	18,098,396	19,715,620	8,400,000	18,500,360	1,916,554	15,590,795	15,841,275	-150,480
7	Electrical Services	0	0	0	0	0	0	0	0	0
8	Technical Services	366,663	344,417	0	362,671	0	0	0	0	0
9	Grand Total	13,077,271	18,442,813	19,843,420	8,762,671	18,500,360	1,916,554	15,590,795	15,841,275	-150,480

The expenditure incurred on security reflects an upward trends and is also indicated potential overexpenditure which must be monitored and control to ensure that no unauthorised expenditure is to be incurred at year end.

3.2.10 Repairs and Maintenance

Repairs and Maintenance per Directorate are found in below table.

Repairs and Maintenance										
Row Number Column Reference	Directorate	Expenditure 2020/2021	Expenditure 2021/2022	Expenditure 2022/2023	Original Budget 2023/2024	Current Budget 2023/2024	Actual March 2024	YTD Budget 2023/2024	YTD Actual 2023/2024	Variance (H-I)
	A	B	C	D	E	F	G	H	I	J
1	Executive and Council	0	0	0	0	0	0	0	0	0
2	Corporate Services	2,484,727	1,677,469	2,671,655	2,834,334	2,054,986	6,426	1,146,103	614,270	533,833
3	Financial Services	50,037	25,549	105,421	54,653	104,653	15,015	76,443	82,433	-4,914
4	Planning and Development	0	0	0	0	0	0	0	0	0
5	Integrated Human Settlements	36,518	281,209	1,409,670	82,058	110,195	106,990	65,009	163,732	-96,723
6	Community Services	5,288,832	7,205,067	8,555,059	9,153,610	8,836,604	936,700	4,600,186	5,215,226	-618,042
7	Electrical Services	6,300,075	7,709,016	12,822,830	23,129,656	17,026,324	738,522	10,161,544	10,762,637	-600,943
8	Technical Services	31,583,264	36,372,068	41,866,100	41,107,319	28,246,622	1,136,525	10,331,673	20,084,258	-762,269
9	Grand Total	47,725,474	53,273,428	58,336,754	73,331,713	56,332,243	2,945,196	35,378,264	36,915,036	-1,536,774

The YTD actual total of R 36.9 million represents 68% spent within 9 months of the financial year against a full year budget allocation of R 54.4 million. The overspending is mainly on Infrastructure Services as a result of the unplanned emergencies.

3.3 Financial Position Overview

3.3.1 Current Ratio (1.32 : 1)

The Current Ratio as at 31 March 2024 equates to 1.32 : 1 compared to the National Treasury norm of 1.5 – 2 : 1, and a budgeted current ratio of 1.13 : 1.

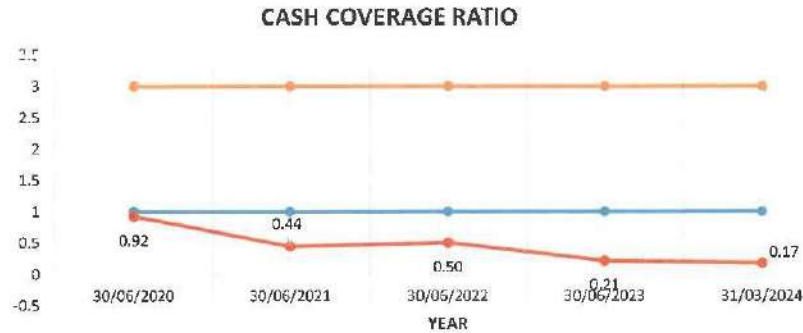
The actual current ratio is based on current assets of R 324.3 million and current liabilities of R 244.9 million.



The current ratio were budgeted less than the norm due to prior challenges, however there are measures and controls in place which will improve the outcome.

3.3.2 Cash/Cost Coverage Ratio (0.17 months)

The Cash /Cost Coverage Ratio as at 31 March 2024 equates to 0.17 months compared to the National Treasury norm of 1 – 3 months.



It is exceptionally concerning that the Municipality continues to deteriorate, over a 5-year period, to levels below the range of the NT Norm.

3.3.3 Cash and Cash Equivalents (R 50.4 million)

Cash and Cash Equivalents (Row 3 in the Table below) equates to R 50.4 million as at 31 March 2024.

3.3.4 Current Investments (R 20.5 thousand)

Investments (Row 2 in the Table below) equates to R 20.5 thousand at the end of March 2024.

Cash and Cash Equivalents versus Commitments					
Row Number	Description	January 2024	February 2024	March 2024	Movement (C to D)
Column Reference	A	B	C	D	F
1	Cash at Bank	24,870,757	16,034,981	50,386,735	34,351,754
2	Investments - Current	20,203	20,333	20,473	140
3	Total Cash and Cash Equivalents	24,890,960	16,055,314	50,407,208	34,351,894
4	Unspent Conditional Transfers and Grants	40,491,191	38,052,800	41,248,354	3,195,553
5	Unspent Conditional Public Contributions	0	0	0	0
6	VAT Payable to SARS	0	0	0	0
7	Unspent External Loans	30,824,133	30,820,075	29,946,192	-873,883
8	Payables from Exchange Transactions	41,488,500	31,737,944	31,225,291	-512,653
9	Total Commitments	112,813,824	100,610,819	102,419,837	1,809,018
10	Surplus / (Shortfall)	-87,922,864	-84,555,505	-52,012,629	32,542,876

3.3.5 Cash Commitments (R 102.4 million)

Total commitments (Row 9 in the Table above) increased by R1.8 million during the month under review from R100.6 million at the end of February 2024 to R 102.4 million at the end of March 2024. Commitments exceed the cash and cash equivalents at the end of March 2024 by R 52.0 million (Row 10 in the Table above), thereby resulting in a shortfall.

3.3.6 Overdraft Facility

Council approved an Overdraft facility of R 20 million which has been cancelled/expired on 15 March 2024. The below table depicts the interest on overdraft incurred.

Overdraft - Interest incurred						
Row Number	Description	December 2023	January 2024	February 2024	March 2024	Movement (Dto E)
Column Reference	A	B	C	D	E	F
1	Interest Costs	0	1,550	24,114	25,727	-1,613

3.3.7 Unpaid Conditional Grants (R 17.3 million)

Unpaid Conditional Grants (Row 3 in the Table below) reflects a total balance of R 17.3 million at the end of March 2024.

Unpaid Conditional Grants					
Row Number	Description	Opening Balance: 01/07/2023	Receipts: 01/07/2023 till 29/02/2024	Expenditure: 01/07/2023 till 29/02/2024	Closing Balance: 29/02/2024
Column Reference	A	B	C	D	F
1	Integrated Human Settlements Grant	19,395,355	-21,937,995	19,769,719	17,227,079
2	Maintenance of Proclaimed Roads	157,054	-79,596	0	77,458
3	Total	19,552,409	-22,017,592	19,769,719	17,304,536

Human Settlements has identified claims that is recoverable from the Department of Human Settlements which are in the process of resubmission. It is evident that the claims are being refunded hence the reduced closing balance compared to the prior month's balance of R 25.8 million.

3.3.8 Unspent Conditional Grants (R 41.2 million)

Unspent Conditional Grants (Row 14 in the Table below) reflects a total balance of

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R 41.2 million as at 31 March 2024. Based on the table depicted below it is clear that we have spent 55% of the conditional grants receipt to date and to avoid future Roll-Over Grant applications from being rejected, Directorates are to ensure full spending of their respective grants by 30 June 2024.

Unspent Conditional Grants							
Row Number	Description	Directorate	Opening Balance: 01/07/2023	Receipts: 01/07/2023 till 31/03/2024	Expenditure: 01/07/2023 till 31/03/2024	Repayment of Unspent	Closing Balance: 31/03/2024
Column Reference	A	B	C	D	E	F	G
1	Municipal Infrastructure Grant	Technical Services	1,918,398	24,202,000	-12,155,447	-1,918,447	12,046,505
2	Neighbourhood Development Partnership Grant	Technical Services	2,095,553	8,397,000	-3,958,532	-2,055,353	4,438,468
3	Energy Efficiency Demand Side Management Grant	Electrical Services	56,884	0	0	0	56,884
4	Nedbank SME Incubator Program	Planning and Development	22,904	0	0	0	22,904
5	Finance Management Grant Capacity Building Grant	Financial Services	38,273	-38,273	0	0	0
6	Integrated National Electrification Programme	Electrical Services	36	40,000,000	-18,965,880	0	21,334,946
7	Finance Management Capacity Grant	Financial Services	186,540	539,000	-32,304	0	753,606
8	Emergency Loadshedding	Electrical Services	134	0	0	0	134
9	Finance Management Grant	Financial Services	0	1,771,000	-869,009	0	1,181,991
10	Water Services Infrastructure Grant	Water Services	0	3,460,000	-3,363,447	0	96,554
11	Library Services Grant	Community Services	0	10,978,000	-9,813,126	0	1,164,874
12	Community Development Workers	Corporate Services	0	87,000	-36,034	0	20,966
13	EPWP	Planning and Economic Development	0	1,074,000	-963,477	0	110,523
14	Total		4,318,822	93,179,227	-49,530,195	-4,014,000	41,248,354

3.3.9 Payables from Exchange Transactions (R 31.2 million)

Payables from Exchange Transactions (Row 3 in the Table below) decreased by R 512.7 thousand during the month under review from R 31.7 million at the end of February 2024 to R 31.2 million at the end of March 2024.

Payables from Exchange Transactions					
Row Number	Description	January 2024	February 2024	March 2024	Movement (C to D)
Column Reference	A	B	C	D	E
1	Trade Payables	26,048,484	17,259,466	16,076,152	-1,182,314
2	Retentions	15,450,016	14,479,478	15,149,139	669,661
3	Total	41,498,500	31,737,944	31,225,291	-512,653

3.3.10 External Borrowings (R 339.7 million)

External Borrowings as at 31 March 2024 equate to R 339.7 million (Row 6 in the

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Table below), and are taken up to fund capital expenditure only. The loans has decreased which indicates that the municipality is honouring it's liabilities.

External Borrowings					
Row Number	Description	January 2024	February 2024	March 2024	Movement (C to D)
Column Reference	A	B	C	D	E
1	Opening Balance	341,258,277	340,958,222	340,171,165	-787,057
2	New Loans Acquired	0	0	0	0
3	Interest Capitalised	827,663	322,141	362,459	40,318
4	Repayments	-1,764,827	-1,109,199	-877,399	231,800
5	Adjustments	837,109	0	0	0
6	Closing Balance	340,958,222	340,171,165	339,656,225	-514,940
7	Budgeted Operating Revenue (Conditional Operating Grants excluded) =	1,014,354,931			
8	Gearing Ratio =	33.5%			

External borrowings as a percentage of budgeted operating revenue (conditional operating grants excluded) equates to a gearing ratio of 33.5% which is below the National Treasury benchmark of 45%.

The tender for the provision of R25 million borrowings to fund capital projects budgeted is currently being assessed. Directorates have been requested to temporarily suspend the implementation of the projects funded by borrowings until this process has been finalised. Our records are also showing unspent borrowings amounting to R 29.9 million that could affect our ability to make draw downs on the new loans until the other borrowing is used. This also result in fruitless and wasteful expenditure if the funds was drawn without being used.

3.3.11 Consumer Debtors (R 443.4 million)

Total outstanding debtors of R 443.4 million as at 31 March 2024 (Row 7 in the Table below) is presented by both Income Source and by Customer Group.

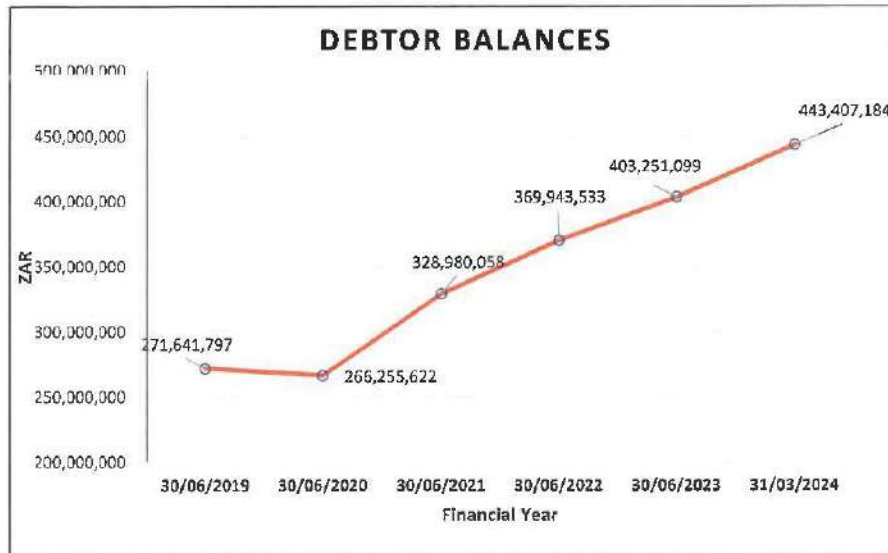
The total outstanding debtors have decreased by R 23 million from R 466 million as at 29 February 2024 to R 443 million as at 31 March 2024. The decrease is mostly as a result of Indigent write-off amounting to R 19.7 million.

The total due by Organs of State and Businesses of R164.8 million constitutes 47.3% of the total outstanding debtors of R 443.4 million.

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Debtor Age Analysis						
By Income Source						
Row Number	Description	0-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total Outstanding Debtors
Column Reference	A	B	C	D	E	F
1	Water	8,471,434	4,706,119	3,096,445	66,617,903	82,891,901
2	Electricity	20,614,606	7,339,870	4,728,676	60,534,688	93,217,842
3	Property Rates	20,830,822	8,167,810	4,994,352	97,959,682	131,972,666
4	Sanitation	2,627,476	1,492,195	1,222,110	63,901,249	68,143,030
5	Refuse	2,622,862	1,366,106	1,081,958	54,314,377	59,304,392
6	Other	748,306	629,003	232,536	5,267,246	6,877,153
7	Grand Total	55,815,600	23,740,102	15,356,137	348,495,345	443,407,184
8	% of Total Outstanding Debtors =	12.6%	5.4%	3.5%	78.6%	100.0%
By Customer Group						
Row Number	Description	0-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total Outstanding Debtors
Column Reference	A	B	C	D	E	F
9	Organs of State	2,517,525	1,705,689	656,650	9,311,760	14,191,724
10	Commercial	20,661,913	7,851,917	6,089,387	116,179,687	150,783,104
11	Households	32,636,362	14,162,496	8,610,100	223,003,698	278,432,356
12	Grand Total	55,815,600	23,740,102	15,356,137	348,495,345	443,407,184
13	% of Total Outstanding Debtors =	12.6%	5.4%	3.5%	78.6%	100.0%

Below is a graphical representation of the year-on-year outstanding debtor balances. It is clearly evident that the outstanding debtor balances have significantly increased year-on-year.



3.3.12 Debtor Collection Rate (88.5 %)

The overall Debtor Collection Rate as at 31 March 2024 equates to 88.5 % (Row 14 in the Table below), compared to the National Treasury norm of 95%. This reflects an upwards trend that could result in the municipality achieving the National Treasury norm of 95% in the near future.

It should be noted that the formula used in the Table below will be reviewed and could be amended going forward.

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Debtor Collection Rate								
Row Number	Month	Annual / Monthly Billing	Payments Received	% Revenue Collected	Year-to-Date Billing	Year-to-Date Payments Received	Year-to-Date % Revenue Collected	% Increase in Payment Rate
Column Reference	A	B	C	D	E	F	G	H
1	July 2023 (Annual)	130,477,573	43,080,591	24.1%	178,505,740	43,000,591	24.1%	24.1%
2	July 2023 (Monthly)	48,028,167						
3	August 2023 (Monthly)	50,171,188	76,835,770	153.1%	226,976,926	116,918,361	52.4%	28.3%
4	September 2023 (Monthly)	48,742,610	70,660,306	145.0%	277,419,535	190,582,667	68.7%	16.3%
5	October 2023 (Monthly)	61,524,195	59,017,941	95.9%	338,943,730	249,600,608	73.6%	4.9%
6	November 2023 (Monthly)	48,688,433	60,297,601	124.0%	387,632,163	306,998,209	80.0%	6.3%
7	December 2023 (Monthly)	55,125,728	53,838,234	97.3%	442,757,891	363,636,443	82.1%	2.2%
8	January 2024 (Monthly)	60,393,263	54,441,571	90.1%	503,151,154	418,078,014	83.1%	1.0%
9	February 2024 (Monthly)	58,472,186	52,195,841	89.3%	561,623,340	470,273,855	83.7%	0.6%
10	March 2024 (Monthly)	33,715,971	56,498,232	167.6%	595,340,311	526,770,087	88.5%	4.7%
11	April 2024 (Monthly)							
12	May 2024 (Monthly)							
13	June 2024 (Monthly)							
14	Totals	595,340,311	526,770,087	167.6%	595,340,311	526,770,087	88.5%	4.7%

3.3.13 Capital Expenditure per Directorate (36.3%)

The year-to-date actual capital expenditure of R 43.2 million (Row 9 in Table below) equates to 36.3% (Row 10 in Table below) of the capital expenditure budget of R 118.9 million. Commitments of R 37.0 million (31.1%) and the year-to-date actual capital expenditure in total equates to R 80.2 million or 67.4% of the capital expenditure budget.

Capital Expenditure per Directorate									
Row Number	Directorate	Original Budget (OB)	Adjustments Budget (AB)	Year-to-Date Budget	Year-to-Date Actual Expenditure	Commitments	Year-to-Date Expenditure and Commitments	Actual Expenditure and Commitments as a % of AB	Available Funds
Column Reference	A	B	C	D	E	F	G	H	I
1	Executive and Council	0	0	0	0	0	0	0.0%	0
2	Corporate Services	200,000	445,799	103,783	121,093	118,525	239,558	53.3%	210,181
3	Financial Services	0	61,130	0	0	0	0	0.0%	61,130
4	Planning and Development	5,000	0	0	0	0	0	0.0%	0
5	Integrated Human Settlements	0	3,798,000	0	0	0	0	0.0%	3,798,000
6	Community Services	11,829,910	12,615,304	950,936	930,936	4,123,352	5,054,298	40.1%	7,561,015
7	Electrical Services	47,747,000	15,568,490	7,202,413	17,254,002	23,620,651	40,874,653	89.7%	4,713,527
8	Technical Services	50,906,899	56,374,270	19,048,298	24,861,582	5,130,342	33,991,924	80.3%	22,392,346
9	Grand Total	110,738,699	118,988,923	27,285,419	43,167,552	36,993,771	80,160,623	67.4%	38,728,300
10				% of Adjusted Budget =	36.3%	31.1%	67.4%		32.6%

3.3.14 Capital Expenditure per Funding Source (36.3%)

Table below depicts the same financial information contained in the table above however, the below table categorises the capital expenditure by funding source.

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Capital Expenditure per Funding Source									
Row Number Column Reference	Funding Source	Original Budget (OB)	Adjustments Budget (AB)	Year-to-Date Budget	Year-to-Date Actual Expenditure	Commitments	Year-to-Date Actual Expenditure and Commitments	Actual Expenditure and Commitments as a % of AB	Available Funds
	A	B	C	D	E	F	G	H	I
1	National Government Grant	78,183,609	80,176,881	29,648,242	34,856,313	32,502,777	57,368,050	84.0%	12,807,591
2	Provincial Government Grant	0	3,838,000	0	0	0	0	0	3,838,000
3	District Municipality Grant	0	0	0	0	0	0	0	0
4	Borrowings	26,005,000	27,342,944	4,034,100	4,853,876	2,805,258	7,763,234	28.4%	19,579,310
5	Internally Generated Funds	7,550,000	7,529,898	2,603,068	3,347,253	1,881,035	5,028,259	66.8%	2,501,389
6	Grand Total	110,738,609	118,286,923	27,285,410	43,167,552	36,993,071	80,160,623	57.4%	38,726,300
7	% of Adjusted Budget =				36.3%	31.1%	47.4%		32.6%

The year-to-date actual and committed capital expenditure is funded by National Grants of 81.0%; external borrowings of 268.4% and, internally generated funds of 66.8%.

Year-to-date actual capital expenditure of R 43.1 million (36.3%) and capital commitments of R 37.0 million (31.1%) of the capital expenditure budget results in available funds of R 38.7 million (32.6%), which must be spent by 30 June 2024.

3.4 Cost Containment

Since 2016, National Treasury highlighted the extent of the wastage of public resources on unnecessary expenditure. In an attempt to promote good governance and the management of municipal finances, National Treasury gazetted Cost Containment Regulations to ensure that municipal resources are used effectively, efficiently and economically. As per the Regulation, municipalities are required to implement cost saving measures, and to provide a quarterly report thereon to Council.

The below table presents the budget, expenditure and savings realised on the cost containment categories of expenditure to be reported, as per the National Treasury Cost Containment Regulations.

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Cost Containment									
Row Number	Expenditure Measures	Approved Budget	Quarter 1 Expenditure	Quarter 2 Expenditure	Quarter 3 Expenditure	Quarter 4 Expenditure	Year-to-Date Expenditure	% of Approved Budget	Available Budgeted Expenditure
Column Reference	A	B	C	D	E	F	G	H	I
1	Use of Consultants	18,452,225	3,713,715	1,594,675	3,084,876	0	8,493,266	46.0%	9,568,965
2	Vehicles used for political office-bearers	0	0	0	0	0	0	0.0%	0
3	Travel and Subsistence	280,120	84,685	107,041	153,100		344,826	123.1%	-64,705
4	Domestic Accommodation	1,971,533	12,723	12,264	16,276	0	41,263	2.1%	1,830,370
5	Sponsorships, Events and Catering	3,762,983	910,930	519,527	118,448	0	1,548,906	41.2%	2,213,077
6	Communication	191,341	25,383	28,843	58,210	0	123,446	64.5%	67,895
7	Other related expenditure items	0	0	0	0	0	0	0	0
8	Totals	24,687,402	4,748,446	2,362,448	3,440,305	0	10,251,800	42.8%	14,115,602

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3.5 Remedial or Corrective Steps

Remedial Actions				
Row Number	Action Description	Responsible Official	Completion Date	Status
Column Reference	A	B	C	C
1	Strengthen Debt Collection and Credit Control processes	Director: Financial Services Senior Manager: Revenue Services	Ongoing	Ongoing
2	Conversion of all conventional meters to prepaid meters	Director: Financial Services Director: Infrastructure Services	Ongoing	Ongoing
3	Amendments to the Debt Collection and Credit Control policies	Director: Financial Services	2024/02/28	
4	Implementation of Revenue Enhancement recommendations by DBSA	Director: Financial Services Senior Manager: Revenue Services	2024/06/30	
5	Traffic Fines Service Provider to improve performance	Director: Community Services	2024/06/30	Ongoing
6	Development and implementation of drastic cost reduction measures	All Directorates	Ongoing	Ongoing
7	Strict expenditure control	All Directorates	Ongoing	Ongoing
8	Closely monitor and manage the performance of Service Providers / Contractors	All Directorates & SCM	Ongoing	Ongoing
9	Ascertain the level of dependency on external Consultants	All Directorates	Ongoing	Ongoing
10	Improve Cashflow Management to ensure long-term financial sustainability	Director: Financial Services	Ongoing	Ongoing
11	Human Settlements Department to ensure claims are processed timely and all uncollected Grants settled immediately	Director: Integrated Human Settlements	Ongoing	Ongoing
12	Approve a functional and cost-effective organogram	Director: Corporate Services	Ongoing	Ongoing
13	Review and approval of the Overtime and Standby Policy	Director: Corporate Services	Ongoing	Ongoing
14	Implementation of the Overtime and Standby Project	Director: Financial Services	Ongoing	Ongoing

3.6 Conclusion

More emphasis will be placed on collecting outstanding debt; implementing revenue realisation recommendations; and, reducing operating expenditure through cost containment measures.


QMBALI PHINEAS SEBOLA
MUNICIPAL MANAGER
DATE: 15 April 2024

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

I, **Ombali Phineas Sebola** the Municipal Manager of Knysna Municipality, hereby certify that

X	The monthly budget statement
X	The quarterly report on the implementation of the budget and financial state of affairs of the municipality
	The mid-year budget and performance assessment

for the month and quarter, March 2024 the 2023/2024 financial year has been prepared in accordance with the Municipal Finance Management Act and Regulations made under that Act.


OMBALI PHINEAS SEBOLA
MUNICIPAL MANAGER
DATE: 15 April 2024

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PART 2: IN-YEAR BUDGET STATEMENT SCHEDULES

Table C1: Monthly Budget Statement Summary

WC048 Knysna - Table C1 Monthly Budget Statement Summary - M09 March

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	256,193	304,254	313,943	20,132	251,254	250,430	764	0%	313,943
Service charges	440,263	530,061	511,916	36,430	387,483	390,775	(3,292)	-1%	511,916
Investment revenue	2,014	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	2,014	1,826	1,826	45	1,540	1,662	(113)	-7%	1,826
Other own revenue	307,604	328,454	341,044	50,554	275,222	277,175	(1,953)	-1%	-
Total Revenue (excluding capital transfers and contributions)	1,008,239	1,164,594	1,165,729	107,261	915,509	920,102	(4,593)	-0%	1,166,729
Employee costs	282,409	305,528	313,390	23,512	228,114	224,931	1,183		313,390
Remuneration of Councillors	9,787	10,082	10,454	830	7,332	7,332	(0)		10,454
Depreciation and amortisation	51,416	40,119	58,132	4,093	36,954	36,953	1		58,132
Interest	35,276	31,848	37,565	368	22,225	22,782	(557)		37,565
Inventory consumed and bulk purchases	296,755	347,358	333,424	21,611	230,880	233,444	(2,564)		333,424
Transfers and subsidies	1,934	1,457	2,147	6	602	632	(130)	-21%	2,147
Other expenditure	387,507	410,376	405,343	24,786	208,912	211,331	(2,420)	-1%	405,343
Total Expenditure	1,075,152	1,165,738	1,167,404	75,205	732,618	737,405	(4,787)	-1%	1,167,404
Surplus/(Deficit)	(66,913)	8,796	1,325	31,956	182,890	182,697	(193)	-0%	1,325
Transfers and subsidies - capital (monetary)	38,501	78,184	84,015	8,052	33,154	41,219	8,065	-20%	84,015
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	(28,412)	86,980	85,340	43,848	215,744	223,916	(8,172)	-4%	85,340
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-		-
Surplus/(Deficit) for the year	(28,412)	86,980	85,340	43,848	215,744	223,916	(8,172)	-4%	85,340
Capital expenditure & funds sources									
Capital expenditure	-	110,739	118,887	10,018	43,188	27,285	15,862	58%	118,887
Capital transfers recognised	-	78,184	84,015	8,869	34,866	20,548	14,218	69%	84,015
Borrowing	-	25,095	27,343	874	4,954	4,034	920	23%	27,343
Internally generated funds	-	7,530	7,530	275	3,347	2,693	744	29%	7,530
Total sources of capital funds	-	110,739	118,887	10,018	43,188	27,285	15,862	58%	118,887
Financial position									
Total current assets	128,006	212,790	205,486	-	324,303	-	-	-	205,486
Total non current assets	1,644,057	1,662,309	1,661,449	-	1,649,491	-	-	-	1,661,449
Total current liabilities	285,844	271,557	267,859	-	244,867	-	-	-	267,859
Total non current liabilities	538,601	490,349	487,668	-	504,530	-	-	-	487,668
Community wealth/Equity	1,021,145	1,107,277	1,105,937	-	967,718	-	-	-	1,105,937
Cash flows									
Net cash from (used) operating	252,918	117,489	191,628	46,540	227,958	309,541	72,583	24%	191,628
Net cash from (used) investing	(21,314)	(119,239)	-	(7,819)	(49,400)	-	49,400	#DIV/0!	-
Net cash from (used) financing	(39,593)	(39,361)	(46,542)	(515)	(25,193)	-	25,193	#DIV/0!	(46,542)
Cash/cash equivalents at the month/year end	20,358	24,321	5,901	34,332	50,407	273,818	223,411	82%	5,901
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	55,616	23,740	15,356	12,283	12,556	9,750	113,867	200,050	443,407
Creditors Age Analysis									
Total Creditors	16,675	-	-	-	-	-	-	-	16,675

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Table C2: Financial Performance (Standard Classification)

WC048 Knyara - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		305,878	343,953	361,366	26,982	287,768	251,897	(3,929)	-1%	361,366
Executive and council		5,132	6,250	5,290	1,174	4,735	4,953	(218)	-4%	5,290
Finance and administration		330,796	336,673	356,086	26,408	283,034	256,744	(3,711)	-1%	356,086
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		128,201	148,463	148,373	14,056	101,460	103,360	(1,900)	-2%	148,373
Community and social services		12,026	12,508	12,679	1,104	10,903	11,864	(962)	-8%	12,679
Sport and recreation		1,430	1,361	1,473	117	1,091	1,226	(136)	-11%	1,473
Public safety		87,818	101,881	98,806	11,516	69,178	66,425	2,751	4%	98,806
Housing		26,867	33,735	39,415	1,321	20,291	23,844	(3,554)	-15%	39,415
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		22,828	31,089	31,758	1,192	16,254	16,255	(11)	0%	31,758
Planning and development		10,843	10,193	5,910	803	7,880	4,837	3,043	63%	5,910
Road transport		11,091	20,896	25,748	389	5,276	11,329	(3,053)	-27%	25,748
Environmental protection		893	-	100	(1)	98	100	(1)	-1%	100
Trading services		594,890	718,242	710,247	73,424	543,180	548,999	(5,819)	-1%	710,247
Energy services		343,742	463,884	437,620	44,396	313,961	326,774	(5,813)	-2%	437,620
Water management		116,750	123,185	140,091	13,424	115,201	114,215	986	1%	140,091
Waste water management		80,798	80,172	80,145	8,980	51,002	62,432	(1,430)	-2%	80,145
Waste management		51,601	51,001	52,402	5,636	17,016	46,577	438	1%	52,402
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1,051,795	1,242,778	1,252,744	115,253	546,663	561,321	(12,658)	-1%	1,252,744
Expenditure - Functional										
Governance and administration		165,630	212,982	226,219	16,885	136,273	136,945	(672)	0%	226,219
Executive and council		17,676	31,154	31,270	1,092	10,623	10,803	(180)	-2%	31,270
Finance and administration		143,237	176,823	189,571	15,482	122,283	127,457	(174)	0%	189,571
Internal audit		4,718	5,005	5,278	230	3,386	3,686	(310)	-9%	5,278
Community and public safety		246,969	235,472	246,049	11,547	123,287	126,756	(3,469)	-3%	246,049
Community and social services		22,863	17,169	21,568	1,253	18,077	17,703	374	2%	21,568
Sport and recreation		25,023	23,962	22,121	1,761	17,121	16,762	361	2%	22,121
Public safety		149,893	145,014	152,506	6,080	65,136	65,165	969	2%	152,506
Housing		49,090	49,327	49,563	2,452	31,652	37,125	(5,173)	-14%	49,563
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		79,842	84,035	88,705	5,949	60,450	59,961	468	1%	88,705
Planning and development		36,371	40,063	40,857	2,849	25,648	26,493	(545)	-2%	40,857
Road transport		37,089	38,927	42,045	2,615	30,958	29,831	1,128	4%	42,045
Environmental protection		6,483	5,145	5,804	484	3,543	3,659	(115)	-3%	5,804
Trading services		575,190	623,309	596,793	40,985	412,909	412,222	687	0%	596,793
Energy services		313,207	389,892	365,245	23,249	250,041	252,973	(2,932)	-1%	365,245
Water management		111,040	98,024	99,838	6,430	64,196	64,191	7	0%	99,838
Waste water management		50,739	59,675	64,877	4,583	60,879	59,675	1,204	2%	64,877
Waste management		59,203	45,918	47,034	6,673	37,791	35,364	2,407	7%	47,034
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1,057,181	1,158,783	1,157,766	78,205	732,910	735,905	(2,986)	0%	1,157,766
Surplus (Deficit) for the year		(15,386)	86,980	94,978	40,048	213,744	225,416	(9,672)	-4%	94,978

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Table C3: Financial Performance (Revenue and Expenditure by Municipal Vote)

WC048 Knyena - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March											
Vote Description		Ref	2022/23	Budget Year: 2023/24							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Revenue by Vote		1									
Vote 1 - EXECUTIVE AND COUNCIL (31: IE)			-	-	-	-	-	-	-	-	
Vote 2 - CORPORATE SERVICES (32: IE)			-	-	-	-	-	-	-	-	
Vote 3 - COMMUNITY SERVICES (33: IE)			7,059	-	7,874	245	3,030	5,378	(2,348)	-43.7%	7,874
Vote 4 - FINANCIAL SERVICES (34: IE)			56	(471)	-	-	-	-	-	-	-
Vote 5 - OPERATING SERVICES (35: IE)			5,452	-	171	5	157	162	5	3.1%	171
Vote 6 - 1. Executive AND Council (110: IE)			5,132	5,280	5,280	1,174	4,735	4,963	(218)	-4.4%	5,280
Vote 7 - 2. Corporate (120: IE)			6,579	6,363	6,895	652	4,690	5,641	(752)	-13.3%	6,895
Vote 8 - 3. Finance (130: IE)			278,773	318,662	334,772	21,226	264,025	263,783	(2,759)	-1.0%	334,772
Vote 9 - (140: IE)			-	-	-	-	-	-	-	-	-
Vote 10 - 5. Planning (150: IE)			7,001	5,112	5,910	439	5,536	4,837	549	11.4%	5,910
Vote 11 - 6. Community (160: IE)			156,346	187,192	176,323	23,106	144,549	140,640	4,509	3.2%	176,323
Vote 12 - 7. Electricity (170: IE)			343,742	463,884	437,620	44,396	319,991	329,774	(6,613)	-2.1%	437,620
Vote 13 - 8. Community (180: IE)			234,755	223,020	239,620	22,638	192,123	183,143	(1,020)	-0.6%	239,620
Vote 14 - 9. Technical (180: IE)			26,870	33,735	35,980	1,321	10,798	23,409	(3,612)	-15.4%	35,980
Vote 15 - 9. Housing Services (190: IE)			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	1,951,795	1,242,778	1,252,264	115,253	948,683	961,121	(12,438)	-1.3%	1,252,264
Expenditure by Vote		1									
Vote 1 - EXECUTIVE AND COUNCIL (31: IE)			259	529	686	43	531	528	2	0.5%	686
Vote 2 - CORPORATE SERVICES (32: IE)			84	64	226	5	211	203	1	0.5%	226
Vote 3 - COMMUNITY SERVICES (33: IE)			2,064	33,344	27,259	1,189	20,388	22,127	(1,738)	-7.9%	27,259
Vote 4 - FINANCIAL SERVICES (34: IE)			41	78	232	28	207	183	24	12.8%	232
Vote 5 - OPERATING SERVICES (35: IE)			(348)	5,117	5,336	384	2,428	2,861	(463)	-15.7%	5,336
Vote 6 - 1. Executive AND Council (110: IE)			25,856	41,061	40,080	1,601	16,331	16,769	(439)	-2.8%	40,080
Vote 7 - 2. Corporate (120: IE)			53,338	68,156	70,225	7,333	49,331	49,401	(70)	-0.1%	70,225
Vote 8 - 3. Finance (130: IE)			53,741	88,622	106,479	5,696	59,570	60,525	(955)	-1.6%	106,479
Vote 9 - (140: IE)			-	3,633	2,575	55	964	1,450	(485)	-33.5%	2,575
Vote 10 - 5. Planning (150: IE)			27,161	559,086	533,505	33,487	357,292	357,532	(540)	-0.2%	533,505
Vote 11 - 6. Community (160: IE)			273,432	251,011	259,143	17,093	143,321	138,505	4,816	3.5%	259,143
Vote 12 - 7. Electricity (170: IE)			316,968	30,835	25,182	1,800	20,195	20,947	(749)	-3.6%	25,182
Vote 13 - 8. Community (180: IE)			246,108	69,510	75,319	5,645	57,091	56,055	1,035	1.8%	75,319
Vote 14 - 9. Technical (180: IE)			48,545	4,711	12,969	842	5,057	8,392	(3,336)	-39.7%	12,969
Vote 15 - 9. Housing Services (190: IE)			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	1,067,131	1,155,798	1,157,286	75,295	732,919	735,905	(2,986)	-0.4%	1,157,286
Surplus/ (Deficit) for the year		2	(15,336)	86,980	94,978	40,048	215,764	225,216	(9,472)	-4.2%	94,978

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Table C4: Financial Performance (Revenue and Expenditure)

WC048 Knyasa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		305,379	394,778	355,550	27,960	263,681	269,752	(6,091)	-2%	358,550
Service charges - Water		77,198	84,359	85,583	4,792	73,482	69,713	3,739	5%	89,583
Service charges - Waste Water Management		29,240	30,854	32,371	1,639	25,056	26,726	(671)	-2%	32,371
Service charges - Waste management		28,466	30,029	31,413	1,809	25,316	25,595	(258)	-1%	31,413
Sale of Goods and Rendering of Services		31,369	35,359	38,602	1,493	25,239	27,950	(2,721)	-10%	38,602
Agency services		4,066	4,033	4,033	265	3,220	3,022	198	7%	4,033
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		22,440	14,751	21,044	2,200	20,022	18,294	1,737	10%	21,044
Interest from Current and Non Current Assets		2,314	1,826	1,826	46	1,649	1,562	-	-	1,826
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rent from Fixed Assets		6,396	6,938	7,415	523	5,286	6,175	(889)	-14%	7,413
Licence and permits		71	45	96	7	37	92	5	6%	96
Operational Revenue		7,912	6,023	5,598	365	3,855	4,915	(950)	-20%	5,598
Non-Exchange Revenue										
Property rates		255,193	304,254	313,543	20,132	251,294	250,499	794	0%	313,943
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		87,568	95,060	95,090	11,508	65,595	56,751	2,834	5%	99,000
Licence and permits		1,377	1,743	1,743	105	1,072	1,375	(303)	-17%	1,743
Transfers and subsidies - Operational		133,960	140,239	151,321	33,224	138,836	139,940	(611)	-0%	151,321
Interest		7,795	5,733	10,805	853	7,970	6,837	(868)	-11%	10,805
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		2,815	500	500	-	39	223	(184)	-37%	500
Other Gains		3,320	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1,068,290	1,184,984	1,168,729	107,201	915,609	920,102	(4,593)	0%	1,168,729
Expenditure By Type										
Employee related costs		262,469	306,658	313,340	23,512	225,114	224,931	1,193	1%	313,340
Remuneration of councillors		9,767	10,022	10,454	830	7,332	7,332	-	0%	10,454
Bulk purchases - electricity		258,307	293,304	282,612	18,379	180,271	151,946	(2,575)	-1%	282,612
Inventory consumed		58,457	54,053	55,812	3,232	41,605	41,568	37	0%	55,812
Debt impairment		136,599	145,730	165,615	4,464	43,655	45,155	(1,500)	-3%	165,615
Depreciation and amortisation		51,416	45,119	58,132	4,053	35,894	36,953	(1,059)	-3%	58,132
Interest		35,276	31,848	37,685	368	22,225	22,752	(557)	-2%	37,565
Contracted services		167,171	185,406	161,121	9,378	109,456	112,267	(2,809)	-3%	151,121
Transfers and subsidies		1,304	1,457	2,147	6	502	532	(30)	-21%	2,147
Irrecoverable debts written off		-	1,764	1,784	-	-	-	-	-	1,784
Operational costs		62,516	73,456	73,824	10,944	55,798	53,309	2,489	4%	73,824
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		1,221	-	-	-	-	-	-	-	-
Total Expenditure		1,075,153	1,155,758	1,167,404	75,205	732,919	737,405	(4,486)	-1%	1,167,404
Surplus/(Deficit)		(6,863)	8,756	1,325	31,966	182,690	162,697	(1,077)	(0%)	1,325
Transfers and subsidies - capital (monetary allocations)										
		38,301	78,154	84,015	8,052	33,154	41,219	(8,065)	(24%)	84,015
Surplus/(Deficit) after capital transfers & contributions		(28,052)	86,990	85,340	49,948	215,744	223,916	(8,172)	(4%)	85,340
Income Tax										
Surplus/(Deficit) after income tax		(28,052)	86,990	85,340	49,948	215,744	223,916	(8,172)	(4%)	85,340
Share of Surplus/(Deficit) attributable to Joint Venture										
Share of Surplus/(Deficit) attributable to Municipality		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(28,052)	86,990	85,340	49,948	215,744	223,916	(8,172)	(4%)	85,340
Share of Surplus/(Deficit) attributable to Associates										
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(28,052)	86,990	85,340	49,948	215,744	223,916	(8,172)	(4%)	85,340

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Table C5: Capital Expenditure (Municipal Vote, Standard Classification and Funding)

WC048 Kaysna - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 March

Vote Description	Ref	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
Multi-Year expenditure appropriation	2								
Vote 16 - CAPITAL SUSPENSE (25: CAPEX)		-	-	-	-	-	-	-	-
Vote 17 - 1. Executive AND Council (110: CAPEX)		-	-	-	-	-	-	-	-
Vote 18 - 2. Corporate (120: CAPEX)		-	-	-	-	-	-	-	-
Vote 19 - 3. Finance (130: CAPEX)		-	-	-	-	-	-	-	-
Vote 20 - 5. Planning (150: CAPEX)		-	-	-	-	-	-	-	-
Vote 21 - 6. Community (160: CAPEX)		-	-	-	-	-	-	-	-
Vote 22 - 7. Electricity (170: CAPEX)		-	-	-	-	-	-	-	-
Vote 23 - 8. Technical (180: CAPEX)		-	-	-	-	-	-	-	-
Vote 24 - 9. Housing Services (190: CAPEX)		-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4.7	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2								
Vote 16 - CAPITAL SUSPENSE (25: CAPEX)		-	110,739	119,354	10,018	43,900	27,196	15,902	56%
Vote 17 - 1. Executive AND Council (110: CAPEX)		-	-	-	-	-	-	-	-
Vote 18 - 2. Corporate (120: CAPEX)		-	-	-	-	-	-	-	-
Vote 19 - 3. Finance (130: CAPEX)		-	-	51	-	-	-	-	51
Vote 20 - 5. Planning (150: CAPEX)		-	-	-	-	-	-	-	-
Vote 21 - 6. Community (160: CAPEX)		-	-	103	-	51	51	-	103
Vote 22 - 7. Electricity (170: CAPEX)		-	-	53	-	-	-	-	53
Vote 23 - 8. Technical (180: CAPEX)		-	-	26	-	7	7	-	26
Vote 24 - 9. Housing Services (190: CAPEX)		-	-	240	-	-	-	-	240
Total Capital single-year expenditure	4	-	110,739	119,987	10,018	43,958	27,253	15,952	56%
Total Capital Expenditure		-	110,739	119,987	10,018	43,958	27,253	15,952	56%
Capital Expenditure - Functional Classification									
Governance and administration		-	700	1,140	17	209	192	17	9%
Executive and council		-	-	-	-	-	-	-	-
Finance and administration		-	700	1,140	17	209	192	17	9%
Internal audit		-	-	-	-	-	-	-	-
Community and public safety		-	10,490	14,910	-	550	550	-	-
Community and social services		-	600	940	-	-	-	-	940
Sport and recreation		-	7,190	6,821	-	830	830	-	830
Public safety		-	2,500	3,991	-	-	-	-	3,991
Housing		-	-	3,738	-	-	-	-	3,738
Health		-	-	-	-	-	-	-	-
Economic and environmental services		-	25,291	30,871	2,366	12,707	10,418	2,291	22%
Planning and development		-	150	155	-	32	13	23	2300%
Road transport		-	25,136	30,700	2,030	12,675	10,405	2,259	22%
Environmental protection		-	5	-	-	-	-	-	-
Trading services		-	74,267	71,955	7,951	29,401	15,827	13,574	56%
Energy services		-	47,247	45,058	6,705	17,254	7,202	10,052	140%
Water management		-	12,107	19,045	954	5,621	4,737	1,084	22%
Waste water management		-	13,514	6,432	218	6,336	3,886	2,439	83%
Waste management		-	1,499	1,400	-	-	-	-	1,400
Other		-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	-	110,739	119,987	10,018	43,958	27,253	15,952	56%
Funded by:									
National Government		-	75,154	83,177	8,838	34,836	20,640	14,219	63%
Provincial Government		-	-	3,838	-	-	-	-	3,838
District Municipality		-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (M&P Prov)		-	-	-	-	-	-	-	-
Depositor Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Water/Electric Institutions		-	-	-	-	-	-	-	-
Transfers recognised - capital		-	75,154	86,915	8,838	34,836	20,640	14,219	66%
Borrowing	6	-	25,005	27,343	874	4,854	4,034	920	22%
Internally generated funds		-	7,550	7,530	245	3,347	2,602	744	24%
Total Capital Funding		-	110,739	119,987	10,018	43,958	27,283	15,992	56%

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Table C6: Financial Position

WC048 Knysna - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		20,358	24,321	5,901	50,407	5,901
Trade and other receivables from exchange transactions		59,245	71,456	77,749	107,292	77,749
Receivables from non-exchange transactions		18,705	80,146	85,017	137,967	85,017
Current portion of non-current receivables		4	4	4	4	4
Inventory		11,799	13,818	13,818	14,826	13,818
VAT		18,942	25,875	25,875	13,354	25,875
Other current assets		(49)	(2,878)	(2,878)	453	(2,878)
Total current assets		129,005	212,740	205,486	324,303	205,486
Non current assets						
Investments		-	-	-	-	-
Investment property		67,661	88,614	68,614	67,661	88,614
Property, plant and equipment		1,458,508	1,473,802	1,472,942	1,463,943	1,472,942
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		14,613	17,435	17,435	14,613	17,435
Intangible assets		64	8	8	64	8
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		(8)	(8)	(8)	(8)	(8)
Other non-current assets		3,218	2,458	2,458	3,218	2,458
Total non current assets		1,544,057	1,582,309	1,561,449	1,549,491	1,561,449
TOTAL ASSETS		1,673,062	1,775,049	1,766,935	1,673,794	1,766,935
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		48,822	51,046	51,046	48,371	51,046
Consumer deposits		14,928	14,573	14,573	15,406	14,573
Trade and other payables from exchange transactions		206,248	174,123	174,123	114,302	174,123
Trade and other payables from non-exchange transactions		(22,267)	(5,344)	(9,142)	19,735	(9,142)
Provision		33,910	33,777	33,777	32,286	33,777
VAT		(773)	(1,082)	(1,082)	9,690	(1,082)
Other current liabilities		5,077	4,563	4,563	5,077	4,563
Total current liabilities		285,944	271,657	267,659	244,867	267,859
Non current liabilities						
Financial liabilities		319,072	273,206	270,524	294,324	270,524
Provision		129,825	125,357	125,357	124,263	125,357
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		89,701	81,786	91,786	85,952	91,786
Total non current liabilities		538,601	480,349	487,668	504,539	487,668
TOTAL LIABILITIES		824,545	752,006	755,327	749,397	755,527
NET ASSETS	2	848,517	1,013,043	1,011,408	1,124,398	1,011,408
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1,021,149	1,107,577	1,105,937	997,718	1,105,937
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	1,021,149	1,107,577	1,105,937	997,718	1,105,937

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Table C7: Cash Flow

WC048 Knysna - Table C7 Monthly Budget Statement - Cash Flow - M09 March

Description	Ref	2022/23	Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates		237,376	280,007	—	20,465	129,690	—	129,690	#DIV/0!
Service charges		311,601	495,555	1,074,669	44,252	294,615	913,636	(619,021)	-65%
Other revenue		24,836	38,721	—	6,161	35,700	—	35,700	#DIV/0!
Transfers and Subsidies - Operational		109,664	167,773	—	31,901	228,387	—	228,387	#DIV/0!
Transfers and Subsidies - Capital		—	78,184	(3,758)	13,865	72,599	(760)	73,359	-9658%
Interest		493	1,825	1,826	—	—	1,862	(1,662)	-100%
Dividends		—	—	—	—	—	—	—	—
Payments									
Supplies and employees		(453,604)	(922,757)	(843,465)	(70,426)	(553,124)	(580,916)	(37,792)	5%
Interest		(2,440)	(31,949)	(37,565)	(362)	(22,191)	(22,792)	(44,913)	197%
Transfers and Subsidies		—	—	—	—	—	—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES		262,918	117,459	161,628	46,640	227,958	200,841	12,863	24%
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		2,105	500	—	—	39	—	39	#DIV/0!
Decrease (increase) in non-current receivables		—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments		—	—	—	—	—	—	—	—
Payments									
Capital assets		(95,415)	(110,739)	—	(7,616)	(49,438)	—	49,439	#DIV/0!
NET CASH FROM/(USED) INVESTING ACTIVITIES		(93,310)	(110,239)	—	(7,616)	(49,400)	—	49,400	#DIV/0!
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short-term loans		—	—	—	—	—	—	—	—
Borrowing long-term/financing		—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—	—
Payments									
Repayment of borrowing		(35,593)	(38,361)	(46,542)	(515)	(25,159)	—	25,159	#DIV/0!
NET CASH FROM/(USED) FINANCING ACTIVITIES		(35,593)	(38,361)	(46,542)	(515)	(25,159)	—	25,159	#DIV/0!
NET INCREASE/(DECREASE) IN CASH HELD		132,011	(32,140)	145,086	38,509	153,359	300,641		145,086
Cash/cash equivalents at beginning:		(111,659)	56,462	(136,195)	(3,955)	(102,951)	(139,183)		(102,951)
Cash/cash equivalents at month/year end:		20,350	24,321	5,901	34,352	50,407	273,618		5,901

Supporting Table SC3: Debtors Age Analysis

WC048 Knyasa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	NT Code	Budget Year 2023/24										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts (Lo Council Policy)
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days+ 1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	8,471	4,706	3,036	2,899	2,302	2,369	23,858	35,339	82,882	65,678	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	20,616	7,340	4,729	3,310	3,742	2,327	13,903	37,252	89,218	60,533	-	-
Receivables from Nonexchange Transactions - Property Rents	1400	20,531	3,186	4,954	4,123	3,355	2,848	38,754	47,761	131,973	97,980	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	2,527	1,492	1,222	1,123	1,058	1,046	17,971	42,203	69,143	63,801	-	-
Receivables from Exchange Transactions - Waste Management	1600	2,523	1,385	1,092	959	1,416	876	14,955	35,009	59,304	54,314	-	-
Receivables from Exchange Transactions - Property Rental Outlets	1700	522	186	58	75	56	54	1,213	7,254	9,400	5,653	-	-
Interest on Asset Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unutilised, irregular, useless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1910	226	443	135	93	127	109	2,120	5,839	12,509	13,359	-	-
Total By Income Source	2000	53,816	23,740	15,356	12,283	12,555	9,730	113,867	200,040	443,407	346,455	-	-
2022/23 - totals only		44,543	18,547	11,580	8,685	8,077	7,422	95,851	175,805	374,550	289,851	-	-
Debtors Age Analysis By Customer Group													
Organ of State	2200	2,519	1,705	657	625	511	478	5,272	2,427	14,192	9,312	-	-
Commercial	2300	20,662	7,852	6,068	4,566	6,351	4,121	38,675	62,074	150,793	116,190	-	-
Households	2400	32,636	14,482	8,610	6,580	5,713	5,141	69,920	135,539	278,432	223,004	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	53,816	23,740	15,356	12,283	12,555	9,730	113,867	200,040	443,407	346,455	-	-

Supporting Table SC4: Creditors Age Analysis

WC048 Knyena - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description	NT Code	Budget Year 2023/24								Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	921	-	-	-	-	-	-	-	921	8,756
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	15,155	-	-	-	-	-	-	-	15,155	4,184
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	16,076	-	-	-	-	-	-	-	16,076	10,940

Supporting Table SC5: Investment Portfolio

WC048 Kuyasa - Supporting Table SC5 Monthly Budget Statement - Investment portfolio - W09 March

Investments by maturity Name of institution & Investment ID R thousands	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate (%)	Commission Paid (Rands)	Commission in Receipt (Rands)	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (R)	Investment Top Up	Closing Balance
Municipality		Year/Months												
Investec - (Ceded to DEBA)	021941-500	Call	Call Deposit	Call Deposit	Fixed	3.35%	-	-	Call Deposit	3,092	21			3,113
Investec - (Own Funds)	021941-503	Call	Call Deposit	Call Deposit	Fixed	3.35%	-	-	Call Deposit	20	0			20
Investec - (Own Funds)	021941-501	Call	Call Deposit	Call Deposit	Fixed	3.35%	-	-	Call Deposit	0	0			0
Municipality sub-total										3,112		-	-	3,133
TOTAL INVESTMENTS AND INTEREST	2									3,112		-	-	3,133

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Supporting Table SC6: Transfers and Grant Receipts

WC048 Khyasa - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		120,871	138,581	138,880	32,203	128,499	128,518	340	0.3%	138,880
Equitable Share		111,172	122,388	122,388	30,589	122,358	122,358	—	—	122,388
Expanded Public Works Programme Integrated Grant		1,044	1,264	1,264	192	663	1,028	(603)	-8.3%	1,264
Integrated National Electrification Programme Grant		1,400	5,707	5,217	1,015	2,435	2,558	(124)	-4.9%	5,217
Local Government Financial Management Grant		1,721	1,771	1,771	93	699	1,196	(687)	-99.1%	1,771
Municipal Infrastructure Grant		4,655	5,081	4,827	314	2,494	—	2,494	N/A	4,827
Neighbourhood Development Partnership Grant		379	1,957	1,957	—	—	783	(783)	-100.0%	1,957
Water Services Infrastructure Grant		—	443	1,487	—	—	595	(595)	-100.0%	1,487
Provincial Government:		11,159	11,028	12,341	4,023	9,881	11,031	(1,150)	-10.4%	12,341
Grant Income - WC P A		10,799	11,319	11,115	1,823	8,849	10,541	(692)	-6.6%	11,115
Grant Income - WC P A (GIS Implementation)		—	—	250	—	—	100	(100)	-100.0%	250
Grant Income - WC P A (Municipal Service Delivery and Capacity Building)		—	—	250	—	—	100	(100)	-100.0%	250
Grant Income - WC P A (MCBG)		363	539	726	—	32	290	(438)	-99.0%	726
Other grant providers:		—	—	100	(1)	98	100	(1)	-1.2%	100
South Africa National Biodiversity Institute (SANBI)		—	—	100	(1)	98	100	(1)	-1.2%	100
Total Operating Transfers and Grants	5	131,929	159,229	151,321	33,225	138,838	139,649	(811)	-0.4%	151,321
Capital Transfers and Grants										
National Government:		34,896	79,184	80,177	8,052	33,154	40,452	(7,297)	-18.9%	80,177
Integrated National Electrification Programme Grant		8,348	38,067	34,763	6,199	16,231	17,048	(829)	-4.9%	34,763
Municipal Infrastructure Grant		23,140	24,127	22,437	1,284	9,662	11,371	(1,709)	-16.0%	22,437
Neighbourhood Development Partnership Grant		2,526	13,043	13,043	—	3,559	6,075	(2,116)	-34.8%	13,043
Water Services Infrastructure Grant		—	2,957	6,933	—	3,303	5,947	(2,644)	-44.9%	6,933
Provincial Government:		1,888	—	3,838	—	—	768	(768)	-100.0%	3,838
Capital Grant WCFA		1,888	—	3,838	—	—	768	(768)	-100.0%	3,838
Total Capital Transfers and Grants	5	36,884	79,184	84,015	8,052	33,154	41,219	(8,065)	-19.6%	84,015
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	168,223	238,423	235,336	41,277	171,993	180,868	(8,875)	-4.9%	235,336

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Supporting Table SC7(1): Transfers and Grant Expenditure

WC048 Knyana - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly total	YearTD actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Resources										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		37,342	33,276	37,372	4,050	29,305	28,351	955	3.4%	37,372
Equitable Share		32,803	30,637	32,882	3,643	28,219	29,469	751	2.9%	32,882
Expanded Public Works Programme Integrated Grant		1,044	1,284	1,254	192	663	754	189	21.3%	1,254
Local Government Financial Management Grant		1,721	1,936	1,817	95	609	564	(75)	-10.9%	1,917
Municipal Infrastructure Grant		1,975	1,471	1,829	122	1,517	1,468	169	7.8%	1,809
Provincial Government:		39,935	43,980	39,371	2,275	29,543	32,221	(2,642)	-8.2%	39,371
Allowance Acting		119	14	—	—	—	—	—	—	—
Bonuses		150	—	4	—	4	4	—	—	4
Buildings		1,351	10	79	195	103	58	55	248.3%	79
Fuel and Oil		128	131	131	10	88	91	7	7.4%	131
Fuel Management Rental Fee		3	4	4	0	1	2	(1)	-20.1%	4
Grant - WC P A		12,508	18,796	18,948	1,074	15,405	16,353	(578)	-6.0%	18,948
Grant - WC P A (Edenburg 100)		7,400	—	6,000	—	—	2,000	(2,000)	-100.0%	6,000
Grant - WC P A (GIS Implementation)		—	—	250	—	—	—	—	—	250
Grant - WC P A (Happy Valley OS)		4,901	6,724	3,190	548	4,514	3,190	1,454	46.9%	3,190
Grant - WC P A (Hlabeni 213)		5,958	9,400	6,430	108	4,142	3,185	(5,042)	-56.9%	6,430
Grant - WC P A (Municipal Service Delivery and Capacity Building)		—	—	250	—	—	—	—	—	250
Grant - WC P A (Graham)		7	—	2,340	—	—	1,340	(1,340)	-100.0%	2,340
Grant - WC P A (TM/CBG)		310	639	720	—	32	19	13	68.0%	720
Grant - WC P A (Hedavale) Planning		—	8,212	—	428	5,150	—	5,150	100.0%	—
Grant - WC P A (Mokondeni)		5,883	—	—	—	—	—	—	—	—
Grant - WC P A (Fenters 23)		—	—	3,160	—	—	840	(940)	-100.0%	3,160
Greater Knyana Food Security Forum		1,000	—	—	—	43	—	43	100.0%	—
Temp/Casual Staff		—	—	5	—	5	5	—	—	5
Temp/Casual Staff UIF		—	7	1	—	0	0	—	—	1
Title Deeds Restoration project		10	1,374	1,374	—	—	—	—	—	1,374
Other grant providers:		1,000	—	—	—	43	—	43	100.0%	—
Greater Knyana Food Security Forum		1,000	—	—	—	43	—	43	100.0%	—
Total operating expenditure of Transfers and Grants:		78,477	78,258	80,582	6,323	59,929	61,512	(2,583)	-4.2%	80,582
Capital expenditure of Transfers and Grants										
National Government:		—	78,184	80,177	8,969	34,806	20,646	14,216	68.9%	80,177
Integrated National Electrification Programme Grant		—	36,042	34,783	5,769	18,131	6,452	8,579	156.9%	34,783
Municipal Infrastructure Grant		—	24,137	22,437	2,101	12,840	8,301	4,539	54.7%	22,437
Neighbourhood Development Partnership Grant		—	13,043	13,043	—	2,934	2,934	—	—	13,043
Water Services Infrastructure Grant		—	2,962	5,913	—	2,931	2,931	—	—	5,913
Provincial Government:		—	—	3,838	—	—	—	—	—	3,838
Furniture and Equipment		—	—	40	—	—	—	—	—	40
Happy Valley		—	—	858	—	—	—	—	—	858
Knyana Vision (1353) USBP		—	—	1,290	—	—	—	—	—	1,290
Safety Fence: Colweni		—	—	240	—	—	—	—	—	240
Sedgefield Infr - Informal Settlements Upgrading Partnership Grant		—	—	1,500	—	—	—	—	—	1,500
Total capital expenditure of Transfers and Grants:		—	78,184	84,015	8,969	34,806	20,646	14,216	68.9%	84,015
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		78,477	157,442	164,517	15,194	93,795	82,158	11,935	14.2%	164,517

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Supporting Table SC7(2): Expenditure against Approved Roll-overs

WC048 Knysna - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M09 March

Description	Ref	Budget Year 2023/24				
		Approved Rollover 2022/23	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
<u>Operating expenditure of Approved Roll-overs</u>						
National Government:		—	—	—	—	—
Equitable Share					—	
Expanded Public Works Programme Integrated Grant					—	
Integrated National Electrification Programme Grant					—	
Local Government Financial Management Grant					—	
Provincial Government:		—	—	—	—	—
Grant Income - W C P A					—	
District Municipality:		—	—	—	—	—
(insert description)					—	
Other grant providers:		—	—	—	—	—
South Africa National Biodiversity Institute (SANBI)					—	
Total operating expenditure of Approved Roll-overs		—	—	—	—	—
<u>Capital expenditure of Approved Roll-overs</u>						
National Government:		—	—	—	—	—
Integrated National Electrification Programme Grant					—	
Provincial Government:		—	—	—	—	—
District Municipality:		—	—	—	—	—
Other grant providers:		—	—	—	—	—
Total capital expenditure of Approved Roll-overs		—	—	—	—	—
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		—	—	—	—	—

ORDINARY COUNCIL MEETING
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Supporting Table SC8: Councillor and Staff Benefits

WC048 Kaysna - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M05 March

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		8 219	8,368	8,885	574	6,603	6,093	(510)	0%	8 505
Pension and UIF Contributions		851	863	867	55	525	525	0	0%	867
Medical Aid Contributions		168	211	211	12	103	103	(10)	0%	211
Motor Vehicle Allowance		249	239	358	34	255	255	(94)	0%	358
Cellphone Allowance		544	612	624	60	439	439	-		624
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		16	-	-	-	-	-	-		-
Sub Total - Councillors		9 787	10,082	10,484	628	7,332	7,332	(104)	0%	10,454
% Increase	4		3.0%	8.8%						6.8%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5 070	7,212	6 206	483	3 772	3 768	4	0%	6 206
Pension and UIF Contributions		350	522	462	43	321	283	38	13%	462
Medical Aid Contributions		60	50	63	5	47	47	-		63
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		(171)	199	214	-	30	39	-		214
Motor Vehicle Allowance		522	430	630	52	432	372	60	15%	630
Cellphone Allowance		5	5	12	1	9	9	-		12
Housing Allowances		-	-	56	8	25	25	-		50
Other benefits and allowances		36	-	-	-	-	-	-		-
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Enhancement		-	-	-	-	-	-	-		-
Society		-	221	221	-	-	-	-		221
Aiding and post-retired allowances		-	-	12	(1)	11	12	-		12
In-kind benefits		-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		5,880	8,838	8,856	591	4,647	4,647	100	2%	8,859
% Increase	4		46.5%	16.2%						18.7%
Other Municipal Staff										
Basic Salaries and Wages		170,278	175,752	179,174	14,581	134,275	134,575	(298)	0%	179,174
Pension and UIF Contributions		35,343	35,378	37,007	3,133	25,048	27,952	96	0%	37,007
Medical Aid Contributions		13,329	15,254	14,215	1,181	10,170	10,213	(13)	0%	14,215
Overtime		24,483	19,406	21,554	1,979	18,150	17,646	505	3%	21,554
Performance Bonus		13,570	13,866	13,549	-	13,635	13,405	130	1%	13,549
Motor Vehicle Allowance		8,322	7,600	8,252	675	5,862	5,970	(7)	0%	8,252
Cellphone Allowance		-	200	260	-	-	-	-		260
Housing Allowances		2,564	2,989	2,804	212	1,742	1,723	18	1%	2,504
Other benefits and allowances		-	-	-	-	-	-	-		-
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Enhancement		-	-	-	-	-	-	-		-
Society		-	-	-	-	-	-	-		-
Aiding and post-retired allowance		-	-	-	-	-	-	-		-
In-kind benefits		-	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		267,805	272,355	277,524	21,752	211,884	211,483	401	0%	277,524
% Increase	4		1.7%	3.6%						3.6%
Total Parent Municipality		283,472	291,876	294,837	23,153	223,864	223,363	501	0%	294,837
TOTAL SALARY, ALLOWANCES & BENEFITS		283,472	291,876	294,837	23,153	223,864	223,363	501	0%	294,837
% Increase	4		2.7%	4.0%						4.0%
TOTAL MANAGERS AND STAFF		273,685	288,954	284,383	22,353	216,532	216,851	501	0%	284,383

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Supporting Table SC9: Monthly targets for Cash Receipts and Payments

WC048 Knysna - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M09 March																	
Ref	Description	Budget Year 2023/24												2023/24 Medium Term Revenue & Expenditure Framework			
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Budget	May Budget	June Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year 2023/24	
1	R thousands																
	Cash Receipts By Source																
	Property rates	1 458	37 659	2 042	1 900	1 924	22 360	21 234	20 758	20 465	-	-	160 417	290 007	300 162	314 311	
	Service charges - Electricity revenue	14 635	18 267	18 106	17 725	18 058	16 425	22 731	23 701	31 259	-	-	176 125	364 147	417 977	437 559	
	Service charges - Water revenue	4 694	6 373	5 922	6 790	6 543	5 837	6 794	7 122	9 181	-	-	18 267	76 528	82 778	91 657	
	Service charges - Waste Water Management	1 505	2 738	2 350	1 950	1 991	1 680	1 856	1 828	1 900	-	-	(163 953)	27 779	26 303	30 831	
	Service charges - Waste Management	1 588	3 364	2 558	2 211	2 066	1 870	2 104	2 046	1 971	-	-	7 362	27 100	28 393	29 977	
	Rental of facilities and equipment	304	217	303	343	319	605	365	246	501	-	-	3 045	6 349	6 668	7 029	
	Interest earned - external investments	-	-	-	-	-	-	-	-	-	82	82	1 682	1 828	1 916	2 078	
	Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Fines, penalties and tribals	1 018	1 101	1 155	1 146	1 193	963	977	1 558	1 451	-	-	4 269	14 564	32 000	38 159	
	Licences and permits	124	139	145	142	137	91	135	2 030	1 561	-	-	(2 805)	1 799	1 887	1 876	
	Agency services	120	144	240	132	138	112	148	131	306	-	-	2 560	4 133	4 220	4 429	
	Transfers and Subsidies - Operational	89 238	2 088	34 823	23 283	25 114	36 429	2	4 510	31 301	-	-	(58 814)	167 773	179 630	175 920	
	Other revenue	1 340	767	871	1 107	1 697	778	1 418	1 552	2 163	-	-	193	11 517	12 249	12 924	
	Cash Receipts by Source	95 827	72 912	69 355	55 402	59 200	87 191	57 766	71 523	102 780	98 520	87 488	144 528	883 381	1 067 343	1 146 676	
	Other Cash Flows by Source																
	Transfers and subsidies - capital (monetary allocations)	-	-	-	8 397	18 100	-	8 473	-	(3 886)	(750)	(750)	7 104	79 194	71 574	78 499	
	(National / Provincial and District)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Transfers and subsidies - capital (non-monetary allocations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	(Municipal / Provincial and District)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Increases (decreases) in consumer deposits	-	-	-	-	-	38	-	-	-	-	-	-	461	500	500	
	Decreases (increases) in non-current receivables	-	-	-	-	-	-	0	353	236	-	-	-	20 505	21 592	22 136	
	Decreases (increases) in non-current investments	711	243	166	95	328	93	81	693	463	-	-	(590)	-	-	-	
	Decreases (increases) in non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	203	3 067	3 217	3 568	
	Total Cash Receipts by Source	119 552	73 215	69 521	63 895	77 628	87 323	66 320	72 588	111 373	95 870	96 729	175 211	1 096 136	1 194 226	1 251 776	

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Monthly and Quarterly Budget Statement – March 2024

ORDINARY COUNCIL MEETING
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Supporting Table SC13(a): Capital Expenditure on New Assets

WC046 Knyasa - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M09 March										
Description	Ref	2023/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		—	48,747	47,825	6,902	18,043	7,938	(10,208)	-130.2%	47,825
Roads Infrastructure		—	3,000	4,500	—	545	509	(46)	-8.2%	4,500
Roads		—	—	1,500	—	—	—	—	—	1,500
Capital Spares		—	3,000	3,000	—	545	509	(46)	-8.2%	3,000
Electrical Infrastructure		—	42,047	39,387	6,769	16,708	6,702	(10,006)	-149.3%	39,387
MV Switching Stations		—	2,500	2,500	—	—	—	—	—	2,500
MV Networks		—	1,500	1,701	—	373	47	(327)	-698.5%	1,701
LV Networks		—	38,047	35,188	6,769	16,335	6,656	(9,679)	-145.4%	35,188
Capital Spares		—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		—	3,450	3,419	34	789	635	(154)	-24.2%	3,419
Water Treatment Works		—	750	750	—	429	429	—	—	750
Bulk Mains		—	—	—	—	—	—	—	—	—
Distribution		—	700	500	—	—	—	—	—	500
Distribution Pumps		—	260	419	34	346	192	(154)	-80.1%	419
PRV Stations		—	—	—	—	—	—	—	—	—
Capital Spares		—	1,750	1,750	—	14	14	—	—	1,750
Ref Infrastructure		—	250	270	—	—	—	—	—	270
Drainage Collection		—	250	270	—	—	—	—	—	270
Information and Communication Infrastructure		—	—	250	—	—	—	—	—	250
Data Centres		—	—	250	—	—	—	—	—	250
Community Assets		—	2,000	3,280	—	—	—	—	—	3,280
Community Facilities		—	2,000	3,280	—	—	—	—	—	3,280
Fire/Ambulance Stations		—	2,000	3,280	—	—	—	—	—	3,280
Investment properties		—	—	—	—	—	—	—	—	—
Other assets		—	—	2,298	—	—	—	—	—	2,298
Housing		—	—	2,298	—	—	—	—	—	2,298
Staff Housing		—	—	—	—	—	—	—	—	—
Social Housing		—	—	2,298	—	—	—	—	—	2,298
Computer Equipment		—	200	200	17	121	104	(17)	-16.6%	200
Computer Equipment		—	200	200	17	121	104	(17)	-16.6%	200
Furniture and Office Equipment		—	—	127	—	7	7	—	—	127
Furniture and Office Equipment		—	—	127	—	7	7	—	—	127
Machinery and Equipment		—	650	740	—	195	172	(23)	-13.1%	740
Machinery and Equipment		—	650	740	—	195	172	(23)	-13.1%	740
Transport Assets		—	1,400	1,400	—	—	—	—	—	1,400
Transport Assets		—	1,400	1,400	—	—	—	—	—	1,400
Land		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Total Capital Expenditure on new assets	†	—	62,997	65,870	6,820	18,365	8,121	(10,245)	-128.2%	55,870

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Supporting Table SC13(b): Capital Expenditure on Renewal of Existing Assets

WC048 Knysna - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M09 March

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		—	23,252	27,075	1,258	9,071	7,564	(1,477)	-16.4%	27,075
Roads Infrastructure		—	19,592	22,623	329	7,094	6,547	(547)	-8.4%	22,623
Roads		—	19,592	22,623	329	7,094	6,547	(547)	-8.4%	22,623
Water Supply Infrastructure		—	3,850	3,950	930	1,978	1,048	(930)	-88.8%	3,950
Water Treatment Works		—	150	150	—	50	50	—	—	150
Drinking Water		—	—	—	—	—	—	—	—	—
Distribution		—	3,800	3,800	930	1,927	997	(930)	-83.2%	3,800
Solid Waste Infrastructure		—	—	502	—	—	—	—	—	502
Capital Spares		—	—	502	—	—	—	—	—	502
Community Assets		—	750	750	—	167	167	—	—	750
Community Facilities		—	5	—	—	—	—	—	—	—
Nature Reserves		—	5	—	—	—	—	—	—	—
Sport and Recreation Facilities		—	750	750	—	167	167	—	—	750
Indoor Facilities		—	—	—	—	—	—	—	—	—
Outdoor Facilities		—	—	—	—	—	—	—	—	—
Capital Spares		—	750	750	—	167	167	—	—	750
Heritage Assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Intangible Assets		—	—	—	—	—	—	—	—	—
Services		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		—	—	—	—	—	—	—	—	—
Machinery and Equipment		—	—	—	—	—	—	—	—	—
Machinery and Equipment		—	—	—	—	—	—	—	—	—
Transport Assets		—	—	—	—	—	—	—	—	—
Transport Assets		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Living resources		—	—	—	—	—	—	—	—	—
Total Capital Expenditure on renewal of existing assets	1	—	24,007	27,825	1,258	9,238	7,761	(1,477)	-19.0%	27,825

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Supporting Table SC13(c): Expenditure on Repairs & Maintenance

WC048 Knysna - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M05 March

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		52,680	59,922	48,645	2,118	29,242	27,613	(1,628)	-5.9%	40,541
Roads Infrastructure		3,518	6,892	6,882	256	3,811	4,367	555	12.7%	6,801
Roads		3,005	6,783	6,783	256	3,811	4,362	551	12.6%	6,763
Capital Spares	13	13	19	19	—	—	5	5	100.0%	19
Storm water Infrastructure		877	1,166	540	132	437	380	(57)	-15.8%	540
Drainage Collection	70	25	25	25	—	4	9	5	56.9%	25
Storm water Conveyance	807	1,141	514	132	433	370	(62)	-16.6%	514	
Attenuation	—	—	—	—	—	—	—	—	—	—
Electrical Infrastructure		20,898	27,209	19,729	673	14,084	13,731	(352)	-2.6%	19,729
Power Plants	—	—	—	—	—	—	—	—	—	—
HV Substations	2,171	2,580	2,224	—	2,500	2,224	(276)	-12.6%	2,224	
HV Switching Stations	211	659	272	6	13	7	(6)	-85.2%	272	
HV Transmission Conductors	1,959	2,406	1,406	—	747	912	165	18.1%	1,406	
MV Substations	—	—	—	—	—	—	—	—	—	—
MV Switching Stations	—	—	—	—	—	—	—	—	—	—
MV Networks	9,447	12,778	8,746	193	1,838	4,957	69	1.8%	8,746	
LV Networks	4,170	8,796	7,680	474	5,956	5,632	(324)	-5.6%	7,680	
Capital Spares	—	—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		15,743	13,423	9,953	372	5,262	6,848	585	8.5%	9,953
Water Treatment Works	13,676	10,738	8,639	10	5,380	6,127	747	12.2%	8,639	
Capital Spares	2,067	3,025	1,324	363	883	721	(162)	-22.4%	1,324	
Sanitation Infrastructure		9,946	9,651	2,953	214	4,100	2,065	(2,036)	-98.6%	2,953
Pump Station	—	—	—	—	—	—	—	—	—	—
Refiltration	—	—	—	—	—	—	—	—	—	—
Waste Water Treatment Works	9,946	9,651	2,953	214	4,100	2,065	(2,036)	-98.6%	2,953	
Solid Waste Infrastructure		1,218	1,280	660	470	547	222	(324)	-146.0%	660
Landfill Sites	—	—	—	—	—	—	—	—	—	—
Waste Transfer Stations	1,218	1,280	660	470	547	222	(324)	-146.0%	660	
Community Assets		4,816	4,634	3,294	81	2,321	2,362	41	1.8%	3,294
Community Facilities		3,465	3,165	2,095	74	1,593	1,641	48	2.9%	2,095
Halls	227	265	235	—	145	167	22	13.1%	235	
Fire/Ambulance Stations	67	134	—	—	—	—	—	—	—	—
Trading Stations	—	—	—	—	—	—	—	—	—	—
Museums	78	98	39	14	30	22	(8)	-37.0%	39	
Galleries	—	—	—	—	—	—	—	—	—	—
Theatres	—	—	—	—	—	—	—	—	—	—
Libraries	540	569	325	10	241	233	(8)	-3.3%	325	
Caravans/Cranitoria	660	511	306	—	298	298	1	0.4%	306	
Police	29	183	50	—	15	27	12	64.7%	50	
Parks	—	—	—	—	—	—	—	—	—	—
Public Open Space	1,502	1,409	1,141	48	864	893	29	3.2%	1,141	
Sport and Recreation Facilities	1,351	1,469	1,199	7	728	721	(7)	-0.9%	1,199	
Indoor Facilities	—	—	—	—	—	—	—	—	—	—
Outdoor Facilities	1,351	1,469	1,199	7	728	721	(7)	-0.9%	1,199	
Capital Spares	—	—	—	—	—	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets		3,251	3,456	2,481	158	527	971	44	4.6%	2,481
Operational Buildings		740	2,445	2,112	46	787	856	69	8.0%	2,112
Municipal Offices	917	2,140	2,035	42	765	823	58	7.0%	2,035	
Depots	123	256	78	4	22	33	11	32.8%	78	
Capital Spares	—	—	—	—	—	—	—	—	—	—
Housing		2,511	1,010	379	112	139	115	(24)	-21.3%	379
Staff Housing	1,120	1,000	300	4	6	77	71	92.4%	300	
Social Housing	1,391	10	79	109	133	38	(95)	-248.3%	79	
Capital Spares	—	—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets	—	—	—	—	—	—	—	—	—	—

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<u>Intangible Assets</u>		-	-	-	-	-	-	-	-	-
<u>Computer Equipment</u>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<u>Furniture and Office Equipment</u>		14	40	17	-	-	4	4	100.0%	17
Furniture and Office Equipment		14	40	17	-	-	4	4	100.0%	17
<u>Machinery and Equipment</u>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<u>Transport Assets</u>		6,140	6,215	6,368	590	3,780	3,358	(421)	-12.5%	6,368
Transport Assets		6,140	6,215	6,368	590	3,780	3,358	(421)	-12.5%	6,368
<u>Land</u>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<u>Living resources</u>		-	-	-	-	-	-	-	-	-
<u>Total Repairs and Maintenance Expenditure</u>	1	66,820	74,286	52,815	2,937	96,269	94,306	(1,960)	-5.7%	52,815

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Supporting Table SC13(d): Depreciation

WC048 Knysna - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M09 March

Description	Ref	2022/23	Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD Variance	YTD variance %
R thousands	1								
Depreciation by Asset Class/Sub-class									
Infrastructure		48,379	91,114	38,498	2,583	23,337	23,336	(1)	0.0%
Roads Infrastructure		5,818	5,156	8,799	432	3,890	3,890	-	-
Roads		5,818	5,156	8,269	432	3,890	3,890	-	-
Road Structures		-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-
Storm water infrastructure		1,029	901	916	75	676	676	-	-
Drainage Collection		1,029	901	916	75	676	676	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-
Electrical Infrastructure		5,001	7,675	10,092	556	5,909	5,907	(1)	0.0%
Power Plants		3	6	6	0	6	5	(1)	-13.7%
HV Substations		7,999	7,669	10,086	556	5,902	5,902	-	-
Water Supply Infrastructure		17,501	16,651	18,065	1,404	12,638	12,638	-	-
Water Treatment Works		206	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-
Distribution		17,293	16,651	18,065	1,404	12,638	12,638	-	-
Distribution Ponds		-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-
Sanitation Infrastructure		6,120	152	1,007	13	114	114	-	-
Pump Station		1	28	28	2	21	21	-	-
Refuse Collection		5,099	-	-	-	-	-	-	-
Waste Water Treatment Works		165	79	534	7	59	59	-	-
Outfall Sewers		-	-	-	-	-	-	-	-
Toilet Facilities		44	44	44	4	33	33	-	-
Capital Spares		-	-	-	-	-	-	-	-
Solid Waste Infrastructure		1,616	50	50	4	37	37	-	-
Landfill Sites		1,616	50	50	4	37	37	-	-
Information and Communication Infrastructure		92	99	99	6	74	74	-	-
Data Centres		-	-	-	-	-	-	-	-
Cable Layers		-	-	-	-	-	-	-	-
Distribution Layers		92	99	99	6	74	74	-	-
Capital Spares		-	-	-	-	-	-	-	-
Community Assets		2,524	1,681	1,693	148	1,261	1,261	-	-
Community Facilities		1,500	1,626	1,630	135	1,219	1,219	-	-
Halls		255	68	68	6	51	51	-	-
Centres		7	528	528	44	396	396	-	-
Crèches		-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-
First Aid/Ambulance Stations		68	41	42	3	30	30	-	-
Testing Stations		0	0	0	0	0	0	-	-
Museums		6	6	6	0	4	4	-	-
Galleries		-	-	-	-	-	-	-	-
Theatres		-	1	1	0	1	1	-	-
Libraries		572	332	332	26	248	249	-	-
Cemeteries/Crematoria		9	23	26	2	18	18	-	-
Police		2	55	55	5	41	41	-	-
Ports		252	181	181	15	135	135	-	-
Public Open Space		-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-
Public Ablution Facilities		-	8	8	1	6	6	-	-
Markets		-	-	-	-	-	-	-	-
Stalls		22	71	71	6	53	53	-	-
Aberlons		-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-
Taxi Rank/Bus Terminals		327	313	313	26	235	235	-	-
Capital Spares		-	-	-	-	-	-	-	-
Sport and Recreation Facilities		624	66	62	5	41	41	-	-
Indoor Facilities		-	1	9	0	1	1	-	-
Outdoor Facilities		624	64	54	4	40	40	-	-

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<u>Investment properties</u>	137	145	145	12	109	109	—	—	145	
Revenue Generating	137	145	145	12	109	109	—	—	145	
Improved Property	137	145	145	12	109	109	—	—	145	
Unimproved Property	—	—	—	—	—	—	—	—	—	
Non-revenue Generating	—	—	—	—	—	—	—	—	—	
Improved Property	—	—	—	—	—	—	—	—	—	
Unimproved Property	—	—	—	—	—	—	—	—	—	
<u>Other assets</u>	1,773	1,624	2,936	135	1,331	1,331	—	—	2,936	
Operational Buildings	1,773	619	631	52	464	464	—	—	631	
Municipal Offices	1,773	619	631	52	464	464	—	—	631	
Housing	—	1,605	1,905	84	867	867	—	—	1,905	
Staff Housing	—	—	—	—	—	—	—	—	—	
Social Housing	—	1,005	1,905	84	867	867	—	—	1,905	
Capital Stores	—	—	—	—	—	—	—	—	—	
<u>Biological or Cultivated Assets</u>	—	—	—	—	—	—	—	—	—	
Biological or Cultivated Assets	—	—	—	—	—	—	—	—	—	
<u>Intangible Assets</u>	16	72	72	6	54	54	—	—	72	
Services	—	—	—	—	—	—	—	—	—	
Libraries and Rights	16	72	72	6	54	54	—	—	72	
Water rights	—	—	—	—	—	—	—	—	—	
Effluent Licenses	—	—	—	—	—	—	—	—	—	
Solid Waste Licenses	—	—	—	—	—	—	—	—	—	
Computer Software and Applications	16	72	72	6	54	54	—	—	72	
Local Settlement Software Applications	—	—	—	—	—	—	—	—	—	
Unspecified	—	—	—	—	—	—	—	—	—	
<u>Computer Equipment</u>	973	3,924	3,924	327	2,943	2,943	—	—	3,924	
Computer Equipment	973	3,924	3,924	327	2,943	2,943	—	—	3,924	
<u>Furniture and Office Equipment</u>	1,616	6,902	6,902	575	5,176	5,176	—	—	6,902	
Furniture and Office Equipment	1,616	6,902	6,902	575	5,176	5,176	—	—	6,902	
<u>Machinery and Equipment</u>	735	621	1,227	52	468	468	(0)	0.0%	1,227	
Machinery and Equipment	735	621	1,227	52	468	468	(0)	0.0%	1,227	
<u>Transport Assets</u>	3,263	3,036	3,134	263	2,277	2,277	—	—	3,134	
Transport Assets	3,263	3,036	3,134	263	2,277	2,277	—	—	3,134	
<u>Land</u>	—	—	—	—	—	—	—	—	—	
Land	—	—	—	—	—	—	—	—	—	
<u>Zoo's, Marine and Non-biological Animals</u>	—	—	—	—	—	—	—	—	—	
Zoo's, Marine and Non-biological Animals	—	—	—	—	—	—	—	—	—	
<u>Living resources</u>	—	—	—	—	—	—	—	—	—	
<u>Total Depreciation</u>	1	51,416	49,119	58,132	4,853	36,954	36,953	(1)	0.0%	58,132

ORDINARY COUNCIL MEETING
AGENDA
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Supporting Table SC13(e): Upgrading of Existing Assets

WC048 Knysna - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M09										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		—	25,754	27,871	1,940	14,795	10,635	(4,100)	-98.1%	27,871
Roads Infrastructure		—	5,834	8,083	1,722	5,562	3,860	(1,722)	-44.6%	8,083
Roads		—	5,834	8,083	1,722	5,562	3,860	(1,722)	-44.6%	8,083
Road Structures		—	—	—	—	—	—	—	—	—
Road Furniture		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Storm water Infrastructure		—	500	500	165	206	80	(165)	-205.8%	500
Drainage Collection		—	500	500	165	206	80	(165)	-205.8%	500
Storm water Conveyance		—	—	—	—	—	—	—	—	—
Attenuation		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	2,700	2,700	—	—	—	—	—	2,700
Power Lines		—	—	—	—	—	—	—	—	—
HV Substations		—	—	—	—	—	—	—	—	—
HV Switching Station		—	—	—	—	—	—	—	—	—
HV Transmission Conductors		—	—	—	—	—	—	—	—	—
MV Substations		—	400	400	—	—	—	—	—	400
MV Switching Stations		—	—	—	—	—	—	—	—	—
MV Networks		—	2,300	2,300	—	—	—	—	—	2,300
LV Networks		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		—	4,707	11,575	—	3,064	3,064	—	—	11,575
Dams and Weirs		—	500	500	—	—	—	—	—	500
Boreholes		—	—	—	—	—	—	—	—	—
Reservoirs		—	—	—	—	—	—	—	—	—
Pump Stations		—	—	—	—	—	—	—	—	—
Water Treatment Works		—	250	250	—	—	—	—	—	250
Bank Mains		—	250	250	—	123	123	—	—	250
Distribution Points		—	3,707	10,663	—	2,931	2,931	—	—	10,663
PRV Stations		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Substation Infrastructure		—	12,014	4,912	53	5,914	3,641	(2,273)	-62.4%	4,912
Pump Station		—	750	794	—	—	—	—	—	794
Residuals		—	11,014	3,668	53	5,914	3,641	(2,273)	-62.4%	3,668
Waste Water Treatment Works		—	250	250	—	—	—	—	—	250
Community Assets		—	7,980	7,321	—	769	769	—	—	7,321
Community Facilities		—	800	800	—	—	—	—	—	800
Cemeteries/Crematoria		—	800	800	—	—	—	—	—	800
Sport and Recreation Facilities		—	7,180	6,521	—	769	769	—	—	6,521
Indoor Facilities		—	—	—	—	—	—	—	—	—
Outdoor Facilities		—	7,180	6,521	—	769	769	—	—	6,521
Total Capital Expenditure on upgrading of existing	†	—	33,734	35,192	1,940	15,563	11,404	(4,150)	-36.0%	35,192

6.3

C03/05/24 AUDIT COMMITTEE OVERSIGHT REPORT TO COUNCIL
--

REPORT FROM THE MUNICIPAL MANAGER

PURPOSE OF THE REPORT

The purpose of this report is to provide to Council the audit committee's oversight report on its activities.

PREVIOUS RESOLUTIONS

Not applicable

BACKGROUND

The Audit Committee is required to report to Council on the work it is doing focusing on its primary responsibilities outlined in terms of Section 166 of the Municipal Finance Management Act for the purpose of advising the Municipal Council, political office bearers and the Accounting Officer.

DISCUSSION

The report outlines the activities of the audit committee for the period 01 December 2023 to 30 April 2024. Attached to this item is the detailed report.

FINANCIAL IMPLICATIONS

Not applicable

RELEVANT LEGISLATION

The Municipal Finance Management Act, Act no 56 of 2003.

RECOMMENDATION OF THE MUNICIPAL MANAGER

- [a] That the Council notes the oversight report of the Audit Committee for the period 01 December 2023 to 30 April 2024;
- [b] That the detailed recommendations as made in the oversight report be adopted by Council and implemented by management.

APPENDIX / ADDENDUM

APPENDIX A AUDIT COMMITTEE OVERSIGHT REPORT

APPENDIX B EXECUTIVE SUMMARY OF INTERNAL AUDIT REPORTS

File Number: 9/1/2/10/4

Execution: Municipal Manager
Chief Audit Executive

All Directors
Manager IDP & PMS
Chief Risk Officer

**KNYSNA MUNICIPALITY AUDIT COMMITTEE
OVERSIGHT REPORT
01 December 2023 to 30 April 2024**



**KNYSNA MUNICIPALITY AUDIT COMMITTEE
OVERSIGHT REPORT
01 December 2023 to 30 April 2024**

1. Purpose

- 1.1. The Committee is submitting its oversight report to the Council for noting and implementation by management.

2. Legislative requirements

- 2.1. The Audit Committee is required to report to the Council on the work it is doing focusing on its primary responsibilities outlined in terms of Section 166 of the Municipal Finance Management Act for the purpose of advising the Municipal Council, political office bearers and accounting officer.
- 2.2. The committee has in terms of circular 65 of MFMA adopted an appropriate formal terms of reference clearly setting out the establishment, purpose, authority, composition and the relationship with council, management, internal and external auditors as per its charter.
- 2.3. The committee has adopted the Audit Committee Charter for the 2023/2024 financial year.

3. Matters relating to the structure of the committee and its responsibilities:

3.1. The structure of the Committee

- 3.1.1. The established committee currently consists of 7 independent external members.

Mr J Jacobs: Chairperson	Chairperson with effect 01 May 2023
Mr VVN Litoli: Member	01 July 2021 to 30 June 2024
Mr LC Tatayi: Member	01 July 2021 to 30 June 2024
Mr A Karriem: Member	01 January 2023 to 31 December 2025
Mrs R Shaw: Member	01 January 2023 to 31 December 2025
Ms G Bolton: Member	01 January 2023 to 31 December 2025
Adv.D.Block	06 June 2023 to 05 June 2026

**KNYSNA MUNICIPALITY AUDIT COMMITTEE
OVERSIGHT REPORT
01 December 2023 to 30 April 2024**

4. Meetings held

- 4.1. The committee held its meetings as follow to execute its mandate in accordance with the approved charter.

The details of attendance of the meetings were as follow:

Committee Member	11 December 2023	25 January 2024	12 March 2024	26 April 2024
Mr. J.Jacobs: (Chairperson)	1	1	1	1
Mr WN Litoli	1	1	0	1
Mr LC Tatayi	0	1	1	1
Mr A Karriem:	0	1	0	0
Mrs R Shaw:	1	1	1	0
Ms G Bolton:	1	1	1	1
Adv.D.Block	1	1	1	1

In as far as member's attendance is concerned, overall the Chairperson is satisfied with member's conduct. Members who have been unable to attend, made an in advance apology.

- 4.2 The committee maintains a resolutions register to track progress made on implementing the recommendations made by the Committee. The committee are provided with an update at each ordinary committee meeting.

- 4.3 The meeting held on 25 January 2024 was a special meeting for presentation of the draft Annual Report. The committee will express its views and recommendations in this regard later on in this report.

5. Internal Audit

- 5.1. The Audit Committee is required to continuously evaluate the activities and performance of Internal Audit to ensure that it remains independent and objective in discharging its responsibilities.
- 5.2. The internal audit functions continues to operate through a co-sourcing model. The contract of PKF George Consulting ended on 31 December 2024 and a new

**KNYSNA MUNICIPALITY AUDIT COMMITTEE
OVERSIGHT REPORT
01 December 2023 to 30 April 2024**

appointment was made to Moore Southern Cape for a 36 month period, starting from 01 April 2024. The Internal Audit function reports to the Audit Committee functionally to ensure its independence and objectivity in performance of its duties.

- 5.3. On 26 April 2024, the committee approved an amendment to the 2023/2024 risk-based internal audit plan for implementation by Internal Audit.
- 5.4. The progress of internal audit work performed against this plan is as follows:

Project name	Audit assigned	Frequency	Progress
Performance Management including: Quarterly Section 52(d) reports Performance Agreements & Evaluations SDBIP reviews	Internally	Quarterly and Annually	Final reports - Q1 Performance Information 21/22 Performance Evaluations, 2023/24 - SDBIP review - Performance Agreements Management letters: Q2 Performance information
DORA/Grants	Internally	Annually	MIG report finalised. Proclaimed Roads-grant not utilised within claim deadline.
Billing: Indigents	Outsourced to Moore	Annually	To commence on 27 May of 2024
Cash counts	Internally	Continued	Cash count completed at main income building for all cashiers.
Revenue enhancement project implementation: Follow up	Outsourced to Moore	Annually	Project in planning phase.
Stock count (Year end 30 June 24)	Internally	Annually	Planning to commence in May of 2024
Overtime	Internally	Annually	To commence in May of 2024

KNYSNA MUNICIPALITY AUDIT COMMITTEE

OVERSIGHT REPORT

01 December 2023 to 30 April 2024

Consequence management	Outsourced to PKF	Annually	Completed
Credit control	Outsourced to PKF	Annually	Completed
Payroll	Internally	Annually	Project in its execution phase
Procurement	Outsourced to PKF	Annually	Completed
SCM (BSC, BEC and BAC)	Outsourced to Moore	Annually	Commencing 03 June 2024
Legal services	Outsourced to PKF	Annually	Completed
Fleet management	Outsourced to Moore	Annually	In progress from 15 April 2024

- 5.5. The contract expiry and number of internal staff, contributed in necessitating the adoption of an amended internal audit plan. The committee is however satisfied that the amendment represents a realistic and achievable outcome for the remainder of the financial year.
- 5.6. The committee advises management to implement internal audit findings and recommendations properly and on time in order to prevent repetitive audit findings and to ensure improvement of audit outcomes.
- 5.7. The committee further recommended that Management should be measured against the response time to internal audit requests for information and management letters through developing and including a Key Performance Indicator in the performance agreements.
- 5.8. The committee noted the findings in relation to performance management and advised that officials be upskilled on the Ignite system and a workshop be held by the Manager IDP/PMS to address repetitive findings and its root-causes.
- 5.9. The committee further notes the reports issued by the internal audit and discussed at the committee's meetings \ during this reporting period as follow:
- Performance Management: Quarter 1 for the 2023/2024 financial year
 - Performance Management: 2023/2024 SDBIP
 - Legal Services 2023/2024 financial year
 - Consequence Management 2023/2024 financial year.
 - Performance Agreements of Senior Managers/Directors.
- 5.9 Attached as Appendix A, is a redacted version of the findings raised under these reports.

KNYSNA MUNICIPALITY AUDIT COMMITTEE

OVERSIGHT REPORT

01 December 2023 to 30 April 2024

- 5.10 It was also reported to the committee that a revised internal audit structure has been proposed and approved by the Municipal Manager. The committee recommends the implementation of this structure, following the necessary approval in line with the Municipal staff regulations. This will ensure that the internal audit function is able to execute its internal audit plan and decrease the spending on co-sourcing fees.

6. Internal Control

- 6.1. Based on the reviews of audit reports and engagements held during the committee's meeting, the committee is of the opinion that the system of internal control is not entirely effective. Management were to review and implement internal control as recommended by the auditors in order to improve the control environment.
- 6.2. Management should design, implement, and monitor the compilations and processing monthly reconciliations of all transactions and also to ensure effective performance management.
- 6.3. Management must ensure that the key performance areas talk to the goal towards achieving clean audit through the development and reviews of the performance management systems and policies and proper implementations.
- 6.4. Management must also ensure that more weight is allocated into good or clean governance in enforcing and directing proper implementations of audit findings and recommendations.

7. Risk Management matters

- 7.1. The risk management implementation is the responsibility of the management in terms of the MFMA. The role of the audit committee is to advise management on the implementation of effective risk management in the municipality.
- 7.2. The committee reviewed the risk management progress report on both 12 March and 26 April 2024 and noted the strategic risk register being monitored.
- 7.3. The committee advised that management ensure the linking of the SDBIP with the strategic risks as identified.

8. Compliance Management

KNYSNA MUNICIPALITY AUDIT COMMITTEE

OVERSIGHT REPORT

01 December 2023 to 30 April 2024

- 8.1 The committee reviewed the Compliance management reports and resolved that management held those accountable for failure to comply with relevant legislation and prescriptions.
- 8.2 The committee further advised that relevant users update the system utilised to track compliance within required deadlines, so that reports can produce accurate outcomes.

9. Performance Management

- 9.1 The committee was presented with the mid-year budget and performance assessment report (performance report) and advised management that the report must provide clearer reasons for under performance and all achievements to be supported by a portfolio of evidence.
- 9.2 The committee was not provided with the quarter three-performance report and was provided with a verbal update in their meeting held.
- 9.2 The Audit Committee urges Management & Council to ensure that the performance management system is updated within the given timelines and reports generated, reviewed and tabled within the legislated timelines.
- 9.3 Management should further ensure that the reports are presented to the audit committee to enable the committee in fulfilling its oversight responsibility.

10. Legal

- 10.1 The committee noted the litigation matters instituted against and by the municipality and advises management to ensure that all matters are reported and at the correct estimates.
- 10.2 The committee is also concerned with the amount of cases and related expenditures incurred. It is recommended that management and Council develop an action plan and report on the plan to the audit committee for monitoring.

11. Financial Information

- a. The committee discussed the monthly Section 71 reports for September 2023 to March 2024 and expressed its concern about the cash flow constraints that the municipality is facing.
- b. The committee is concerned, in particular with the spending incurred on overtime and advised management to produce and table a plan on how this spending will be managed and reduced in the long term. Critical vacancies in departments must be filled as a mechanism to curtail overtime expenses.
- c. The committee is monitoring the cash flow position at each meeting.

KNYSNA MUNICIPALITY AUDIT COMMITTEE

OVERSIGHT REPORT

01 December 2023 to 30 April 2024

- d. The committee noted that deviations with regards to the security costs and has provided recommendations to the relevant Department for consideration when concluding its new service level agreement.
- e. The committee further provided comment on the supply chain management report and advised management to put these reports as a monthly agenda point on the management meetings..

12. Information Communication Technology

The committee noted the ICT report and requested management to provide a report reflective of the costs related to the new office accommodation at the Knysna mall.

13. AGSA 2022/2023 audit

- 13.1 The Audit Committee has concurred with the AGSA audit outcomes as reported in the management and audit report.
- 12.2 The committee advised management to implement an audit action plan that covers all aspects reported in the management and audit report with clear accountability and time lines.
- 12.3 The committee is concerned with the percentage progress made towards implementing corrective action plans and has advised management to ensure that all high risk items (qualifications) and compliance matters are dealt with, without delay.

13. Municipal Public Accounts Committee (MPAC)

- 13.1 The committee has more recently requested that the minutes of all MPAC meetings be tabled to the committee. This will enable the committee to monitor if the irregular and fruitless & wasteful expenditures are being submitted for investigations.
- 13.2 The committee would like to emphasise its concerns on the slow pace, the related investigations has moved on prior financial year's expenditures.
- 13.3 We recommend that the MPAC plan its meetings in such a manner that the issues of irregular and fruitless & wasteful expenditures be dealt with at a separate meeting.
- 13.4 As previously recommended, management is advised to split their irregular expenditure register into two parts; technical and non-technical matters. This should assist the MPAC to be more effective and efficient in performing its legislated investigations.
- 13.5 Council is further advised to ensure that those related irregular and fruitless & wasteful expenditures are sent to the Disciplinary Board for investigation (where deemed necessary) on a timeous basis.

KNYSNA MUNICIPALITY AUDIT COMMITTEE
OVERSIGHT REPORT
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14. Human Resource Management

- 14.1 The committee has reviewed progress made in the review of the organisational structure. The committee advises that Council support the conclusion of a reviewed structure, in compliance with Municipal Systems Act. The committee will track progress through its standing agenda items.
- 14.2 The committee has further advised management to ensure that all officials are aware of its organisational wide policies and that such are placed on the municipal intranet and website.
- 14.3 Lastly, we have noted the report on disciplinary matters and have advised that such matters be dealt with without delay to avoid excessive costs related to such hearings and related acting allowances.

15. Conclusion

- a. The committee would like to thank the Internal Audit Unit, Management and Council for the ongoing support provided.
- b. The committee will direct more efforts in improving the audit opinion of the municipality.

16. Recommendation to Council

- a. The committee recommends this report to the Council for noting and implementation of specific recommendations under each section, by management.
- b. That Council refers the oversight report to MPAC for monitoring implementation of recommendations.

Mr Johan Jacobs

Chairperson of the Audit Committee

07 May 2024

2023/2024 PERFORMANCE MANAGEMENT: QUARTER ONE PERFORMANCE INFORMATION

Finding & Root Cause	Recommendation and Action Plans
1. Performance not monitored [Repeat Finding]	
Root Cause - Lack of pre-audits by the performance management unit - Capacity constraints in the performance management unit - Lack of an adequate review process of the performance management system by senior management - Non alignment of the performance information uploaded in the performance management system with the approved 2023/2024 SDBIP	Recommendation: The responsible KPI owners should upload the correct supporting documentation on the system within the due dates communicated by the performance management section. Directors or their delegates must review and sign off on the performance information captured into Ignite as confirmation that complete, valid and accurate information is provided for inclusion in the quarterly reports. For any non or under-performance, a corrective measure that address the non or under performance should also be provided for each KPI The Manager responsible for Institutional performance should review the performance information, together with the required supporting evidence prior to reporting to confirm that: - The reported performance information is valid, accurate and complete. - The reported performance is supported by the required source of evidence (valid and complete). The Manager responsible for Institutional performance should ensure that performance information in the Section 52(d) report is accurate and complete by reviewing the information entailed in the draft report against the Ignite system before final submission to the Accounting Officer and Council. The quality certification that is included in the quarterly report should be amended and include a statement relating to the reliability of reported performance information. The development of standard operating procedures, as previously recommended should be completed as a control measure to reporting directorates. Management Action Plan Response 1(a) - Management agrees with the finding in terms of improved performance reporting is required by KPI owners and reviewed by Directors. 1(b) Management do not agree with the Finding - All reports recorded and developed are informed by KPIs that are registered on the TL SDBIP. All TL SDBIP KPIs are registered on the Departmental KPIs and thus automatically update on the Top Layer once updated on the Departmental SDBIP 1(c) Management agree with the finding Action Plan 1(a)To assist in ensuring that improved performance reporting is performed and reviewed, management is instituting the reporting of performance per department is reported at section 80 committee meetings. This intent is to create greater awareness on reporting and review of performance.

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	1(b) No Action required 1(c) Management will review all reported performance more carefully, specific KPIs which the IA section identified as KPIs that were not updated on the system Estimated Completion Date and Timing: March 2024 Responsible Official: Manager IDP/PMS & IGR Auditor's Conclusion 1(b) We acknowledge that both TL and departmental KPI's are reported on the system, however the finding relates to the fact the KPI's have been incorrectly captured on the system and therefore pulled through to the TL reporting. The finding remains.
2. Lack of review of the performance information reported on the system [Repeat Finding]	
Root Cause Management does not exercise their responsibility of oversight regarding performance reporting	Recommendation The development of a standard operating procedure as previously recommended should be implement which articulates the monthly, quarterly and annual performance reporting procedure. The Municipal manager should enforce the use of the review function by the user departments and the performance management section and implement consequence management where such is not done as required. Management Action Plan Response Management agrees with the finding in terms of improved performance reporting is required by KPI owners and reviewed by Directors. Action Plan To assist in ensuring that improved accurate performance reporting is performed and reviewed, management is instituting the reporting of performance per department is reported at section 80 committee meetings. This intent is to create greater awareness on reporting and review of performance. Estimated Completion Date and Timing: Continuous Responsible Official All Directors Manager IDP/PMS&IGR
3. Invalid/inaccurate portfolio of evidence submitted in support of reported performance	
Root Cause Lack of adequate review of the performance information uploaded on the system	Recommendation Management should review the performance information uploaded on the system, to ensure that all data recorded agrees to the supporting evidence and are accurate, valid and complete

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	The responsible KPI owner should provide the correct supporting documentation to the performance management unit for uploading on the system for the outstanding POE The manager responsible for performance management should consider introducing digital signing of the performance agreement, where the date and time of signing of a document would be visible on the document. The Municipal manager should enforce the use of the review function by the user departments and the performance management section and implement consequence management where such is not done as required. Management Action Plan Response Management agrees with the finding. Action Plan Management will review all reported performance and communicate all incorrect performance based on incorrect POEs to relevant Directors and KPI owners. . Estimated Completion Date and Timing: Continuous Responsible Official Manager IDP/PMS&IGR
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2023/2024 SDBIP: SMART & CONSISTENCY REVIEW

Finding & Root Cause	Recommendation and Action Plans
1. Non alignment of the performance information uploaded in the performance management system with the approved 2023/2024 SDBIP	

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Root Cause I. Lack of capacity in the performance management unit II. Lack of standard operating procedures on the compilation of the Service delivery and Budget Implementation Plan [SDBIP] III. Lack of review of performance information uploaded on the performance management system.	Recommendation: The manager responsible for performance management should develop and document the process and procedures for the development of Key Performance Indicators (KPIs). The performance information uploaded in the performance management system should be reviewed by the manager responsible for performance management in order to ensure that there is alignment to the approved SDBIP. The proof of review should be kept for audit purposes. Management Action Plan Response Management agrees with the finding. Action Plan Re-alignment between approved SDBIP and the KPIs on the Ignite System will be undertaken Estimated Completion Date and Timing: March 2024 Responsible Official: Manager IDP/PMS&IGR
2. Performance Indicator do not meet the “good” principle	
Root Cause • Lack of capacity in the performance management unit • Lack of standard operating procedures on the compilation of the Service delivery and Budget Implementation Plan [SDBIP]	Recommendation The manager responsible for performance management should develop and document the process and procedures for the development of Key Performance Indicators (KPIs). The municipality should include a technical KPI/indicator description as one of the annexures to the service delivery and budget implementation plan for all the indicators The indicators that do not meet the good principle and the unit of measurement that do not align to the good indicator should be amended with the adjustment of the 2023/2024 SDBIP Management Action Plan Response Management agrees with the finding specific to some KPIs, though not all Action Plan Management will correct the KPIs, targets where applicable Estimated Completion Date and Timing: Amended SDBIP-March 2024 Responsible Official Manager IDP/PMS&IGR
3. Performance target do not meet the “SMART” principle	
Root Cause	Recommendation

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• Lack of capacity in the performance management unit • Lack of standard operating procedures on the compilation of the Service delivery and Budget Implementation Plan [SDBIP]	The manager responsible for performance management should develop and document the process and procedures for the development of Key Performance Indicators (KPIs). The targets that do not meet the SMART principle should be amended with the adjustment of the 2023/2024 SDBIP Management Action Plan Response Management do not agree with the finding in terms of TL12, 15 and 23. Management agrees with finding on TL25 Action Plan Management will correct/restate the KPI to include on a quarterly basis Estimated Completion Date and Timing: Amendment of SDBIP – March 2024 Responsible Official: Manager IDP/PMS&IGR
4. Performance Target not comparative to current baseline	
Root Cause • Lack of capacity in the performance management unit • Lack of standard operating procedures on the compilation of the Service delivery and Budget Implementation Plan [SDBIP]	Recommendation: The manager responsible for performance management should develop and document the process and procedures for the development of Key Performance Indicators (KPIs). The municipality should include a column in the SDBIP that clearly indicates the financial year from which the baseline information was extracted from. The targets that are not relative to the current baseline should also be adjusted during the adjustment of the 2023/2024 SDBIP. Management Action Plan Response Management agrees with finding Action Plan Management will correct during Amendment of SDBIP Estimated Completion Date and Timing: March 2024 Responsible Official: Manager IDP/PMS&IGR
5. Inadequate baseline information	
Root Cause • Lack of capacity in the performance management unit	Recommendation: The manager responsible for performance management should 1. Develop and document the process and procedures for the development of Key Performance Indicators (KPIs).

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Lack of standard operating procedures on the compilation of the Service delivery and Budget Implementation Plan [SDBIP]	- Consider including a column in the SDBIP that clearly indicates the financial year from which the baseline information was extracted from as it is currently being done by other municipalities. - Use the audited prior performance information and/or the minimum acceptable level of performance, or the level of performance that is generally expected [performance standards] as baseline information. - Where performance standards is used as baseline. The information should be informed by legislative requirements, policies, benchmarked against performance levels in other institutions, or according to accepted best practices and service-level agreements. - Amend the baseline information that has been reported incorrectly Management Action Plan Response Management agrees with the finding Action Plan Management will correct during the Amendment SDBIP Estimated Completion Date and Timing: March 2024 Responsible Official: Manager IDP/PMS&IGR
6. Non alignment of the 2023/2024 SDBIP with the Budget	
Root Cause - Lack of standard operating procedures on the compilation of the Service delivery and Budget Implementation Plan [SDBIP] - Lack of capacity in the performance management unit	Recommendation: - The manager responsible for performance management should develop and document the process and procedures for the development of Key Performance Indicators (KPIs). - The manager responsible for performance management should implement the guideline on timeframes of drafting the SDBIP as advised by National Treasury. Management Action Plan Response Management agrees with the finding. Management however wishes to indicate that management is not responsible for the drafting of the SA7 table, but the Finance department Action Plan Correct the tables (non-financial information) with the adjustment budget process and submit to budget section for inclusion. Estimated Completion Date and Timing: March 2024

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	Responsible Official: Manager PMS,IDP & IGR
7. Performance Indicators do not align to municipal strategic objective and the national key performance area	
Root Cause - Lack of capacity in the performance management unit - Lack of standard operating procedures on the compilation of the Service delivery and Budget Implementation Plan [SDBIP]	Recommendation: Management should amend the non-alignment of the indicators to the municipal strategic objectives and the national KPA with the 2023/2024 adjustment SDBIP. Management Action Plan Response Management do not agree with the finding. All relevant KPIs are directly linked to the National KPA on Municipal Financial Viability and Management and the municipality strategic objective which states to Grow the Revenue Base of the Municipality. Auditor's Conclusion As per the management report discussion held on 05 February 2024, the Manager IDP, PMS & IGR agreed that the responses will be amended , together with an action plan and target date and submitted to Internal audit by 14 February 2024. These responses were not received. It is therefore concluded that management accepts the risks related to these findings
8. Proof that the draft and final 2023/24 SDBIP's was communicated in the newspapers not provided.	
Root Cause - Lack of capacity in the performance management unit - Lack of standard operating procedures on the compilation of the Service delivery and Budget Implementation Plan [SDBIP]	Recommendation: The manager responsible for performance management should communicate the approved 2023/2024 SDBIP as per the Municipal System Act. Management Action Plan Response Management do not agree with finding on non-compliance. The Approved SDBIP was indeed published on the municipality website as a platform of advertisement. Members of the public had an opportunity to partake in the setting of KPIs by given time to comment on the Draft SDBIP which was included in the Draft IDP when the IDP was consulted with the public. Management could not publish in local press due to contractual agreement that expired at the time Auditor's Conclusion As per the management report discussion held on 05 February 2024, the Manager IDP, PMS & IGR agreed that the responses will be amended , together with an action plan and target date and submitted to Internal audit by 14 February 2024. These responses were not received. It is therefore concluded that management accepts the risks related to these findings
9. General key performance indicators not included in the approved 2023/2024 Service delivery and budget implementation[SDBIP]	
Root Cause	Recommendation:

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• Lack of capacity in the performance management unit • Lack of standard operating procedures on the compilation of the Service delivery and Budget Implementation Plan [SDBIP]	The manager responsible for performance management should communicate the approved 2023/2024 SDBIP as per the Municipal System Act. Management Action Plan Response Management do not agree with this finding. On the percentage of HH getting access to services the measure is exactly the percentage and not the numbers. On the % of HH earning less than the threshold refers to percentage and not numbers as audited. All capital projects are indeed measured for expenditure and not only grant funded projects. On personnel from employment equity targets employed in three highest levels, the report referred to include the numbers as per the employment equity plan. Auditor's Conclusion As per the management report discussion held on 05 February 2024, the Manager IDP, PMS & IGR agreed that the responses will be amended , together with an action plan and target date and submitted to Internal audit by 14 February 2024. These responses were not received. It is therefore concluded that management accepts the risks related to these findings
10. Performance information entailed in the approved 2023/2024 SDBIP not set in consultation with the employee	
Root Cause • Lack of capacity in the performance management unit • Lack of standard operating procedures on the compilation of the Service delivery and Budget Implementation Plan [SDBIP]	Recommendation The manager responsible for performance management should develop and document the process and procedures for the development of Key Performance Indicators (KPIs). A compliance checklist for the development of KPIs should be developed and sign off by the manager responsible for performance management as proof of review. Management Action Plan Response The work session with Directors included not only departmental indicators but all indicators for which the Directors and key personnel is responsible for reporting and review. Auditor's Conclusion As per the management report discussion held on 05 February 2024, the Manager IDP, PMS & IGR agreed that the responses will be amended , together with an action plan and target date and submitted to Internal audit by 14 February 2024. These responses were not received. It is therefore concluded that management accepts the risks related to these findings

2023/2024 PERFORMANCE AGREEMENTS OF SENIOR MANAGEMENT.

Finding & Root Cause	Recommendation and Action Plans
1. Inadequate proof of review of section 54A/56 employee's performance agreement (Repeat finding)	
Root Cause Lack of oversight and standard operating procedure for the annual review of the performance agreement of the section 54A/56 Employees.	Recommendation: A quality assessment checklist for performance agreements should be developed in order to ensure that the agreements meet the required quality and standard. Directors & the Municipal Manager should perform quality checks on their performance agreement by making use of the quality control checklist. Both the Municipal Manager and the relevant Director should sign the performance agreement and the quality control checklist and thereafter the performance agreement should be sent to the performance management unit. In terms of the performance agreement of the Municipal Manager, both the Executive Mayor and the Municipal Manager should sign the quality control checklist. Before filing, the performance management unit should also perform quality assurance on the document and if errors/omissions has been identified, the performance agreement should be returned for amendments [in consultation with the employee] The checklist should be signed by the Manager: Institutional Performance as an indication that he has reviewed the performance agreement and confirms that it meets the required standard. A standard operating procedure should be developed to assist in ensuring the process is documented and communicated. Management Action Plan The Municipal PMS process is guided by the Adopted Municipal PMS Policy. Response Quality Control Checklist to be completed. The formulation of a SOP for PMS will be prioritised. Action Plan Estimated Completion Date and Timing: 31 May 2024 Responsible Official: Manager IDP/PMS & IGR

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	Auditor's Conclusion Internal audit takes note of the management comment and action plan. A follow up audit will be scheduled during the next audit cycle.
2. Non-alignment between the 2023/2024 performance agreement, SDBIP and Ignite.	
Root Cause Lack of standard operating procedure for the annual review of the performance agreement of the section 54A/56 Employees Lack of review of performance information uploaded on the performance management system.	Recommendation The Performance Agreements is but one part of the performance management system for the municipality and therefore management should ensure that the SDBIP, performance agreements and the performance management system (Ignite) contains the same information. The manager responsible for performance management should ensure that all the indicators entailed in the performance agreements are uploaded in the performance management system for monitoring and measuring. Management Action Plan Response The municipality's Performance Management Policy. has been reviewed. The Process that sets out IDP/PMS/Budget Process Plan was adopted by Council in August 2023. Action Plan Request Service Provider to (where necessary) adjust KPI's on Electronic PMS to improve alignment between SDBIP and Electronic PMS. Estimated Completion Date and Timing: 31 May 2024 Responsible Official Manager IDP/PMS&IGR Auditor's Conclusion Internal audit takes note of the management comment and action plan. A follow up audit will be scheduled during the next audit cycle.
3. 2023/2024 Performance Agreements not compliant with legislation	
Root Cause Inadequate review of section 54A/56 employee's performance agreement Lack of standard operating procedure for the annual review of the performance agreement of the section 54A/56 Employees	Recommendation The manager responsible for performance management should review and amend the 2023/2024 performance agreements in order to ensure that they do comply with legislation. A quality assessment checklist for performance agreements should be developed in order to ensure that the agreements comply with legislation. The checklist should be signed by the Manager: Institutional Performance as an indication that he has reviewed the performance agreements and confirms that they do meet the legislative requirements. Management Action Plan Response Performance Agreements are currently in their amendment stage for the Final Quarter of 2023/2024. Performance reviews are being led by the Municipality's Performance Management Policy.

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	Action Plan Performance Agreement checklist to be formulated Estimated Completion Date and Timing: 31 May 2024. Responsible Official Manager IDP/PMS&IGR Auditor's Conclusion Internal audit takes note of the management comment and action plan. A follow up audit will be scheduled during the next audit cycle.
4. 2023/2024 Performance Agreement not yet submitted to Council and the MEC	
Root Cause Lack of compliance monitoring Lack of standard operating procedure for the annual review of the performance agreement of the section 54A/56 Employees.	Recommendation The Manager responsible for performance management should ensure that the compliance management system is updated for monitoring of compliance The 2023/2024 performance agreements should be submitted to the MEC for local government in the province and to Council. Management Action Plan Response Copies of signed amended Performance Agreements to be submitted to the Office of the MEC for Local Government. Action Plan Submit signed copies of Performance Agreements to the Office of the MEC Estimated Completion Date and Timing: 31 May 2024. Responsible Official Manager IDP/PMS&IGR Auditor's Conclusion Internal audit takes note of the management comment and action plan. A follow up audit will be scheduled during the next audit cycle.
5. Inadequate implementation of the Performance Development Plan[Repeat Finding]	
Root Cause Lack of standard operating procedure for the annual review of the performance agreement of the section 54A/56 Employees.	Recommendation The business process of the training and development unit should be amended in order to include the implementation of the PDP's The quality checklist should also include a checklist on the personal development plan

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	Should their not be a need for any training and development, the document should be completed with a strike through and signed off by both parties. Management Action Plan Response Noted Action Plan Amended 2023/2024 Performance Agreements to address recommendations. Estimated Completion Date and Timing: 31 May 2024 Responsible Official Manager IDP/PMS&IGR Auditor's Conclusion Internal audit takes note of the management comment and action plan. A follow up audit will be scheduled during the next audit cycle.
6. Inadequate management of the performance agreement conclusion process	
Root Cause Lack of oversight Lack of compliance monitoring.	Recommendation The manager responsible for performance management should consider introducing digital signing of the performance agreement, where the date and time of signing of a document would be visible on the document. The manager responsible for performance management should ensure that the performance agreements of the newly appointed section 56 employees are concluded. Management Action Plan Response Performance Agreements for all Directors were signed and uploaded on the municipal Website. Currently undergoing an amendment process. Action Plan Copies to be send to the MEC for Local Government and uploaded on the Municipal Website. Estimated Completion Date and Timing: 30 April 20244 Responsible Official Manager IDP/PMS&IGR Auditor's Conclusion Internal audit takes note of the management comment and action plan. A follow up audit will be scheduled during the next audit cycle.
7. Non- disclosure of benefits and interest by the senior managers employees[Repeat Finding]	

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Root Cause Failure to complete when no disclosures is required.	Recommendation The performance management unit should ensure that the disclosure forms attached to the performance agreements are completed. The quality checklist should also include a checklist on the disclosure form of benefits and interest Management Action Plan Response Take note of the comment. Action Plan Municipality to ensure that disclosure forms are correctly completed. Estimated Completion Date and Timing: 30 April 2024 Responsible Official Manager IDP/PMS&IGR Auditor's Conclusion Internal audit takes note of the management comment and action plan. A follow up audit will be scheduled during the next audit cycle.
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Internal Audit Report – Legal Services FY24

Finding & Root Cause	Recommendation and Action Plans
1. Legal Service tender awarded after validity period had lapsed	
Root Cause - Supply Chain Management (SCM) Policy not aligned to the tender documents. - Expiry dates of the validity period of bids not consistently tracked and monitored. - Lack of experienced contract management human resources. - Lack of Standard Operating Procedures (SOP) for bid validity periods.	Recommendation: - The awarding of the tender, and all appointments through the process, was illegal and invalid ab initio and should be set aside by a competent court. - The municipality should be represented either by in-house Legal Counsel or an independent legal firm and not any of the Legal Services Providers that were erroneously appointed to provide legal services under this tender (due to their lack of independence). - The tender should be readvertised and must make provision for all the relevant legal disciplines required by the Municipality (please also refer to MLP 12. Legal Services deviations and

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The 90 days validity period lapsed, and no extension was provided	excessive legal fees for recommendations regarding tender specifications that could assist in an improvement of tender specifications and potential future savings on legal expenses for the municipality). • The recommendations noted by the In-House Internal Audit team's Contract Management report issued on 13 July 2023, is reiterated and should be applied to the 2021/2022 Tender Award Register as well where applicable (in addition to the 2022/2023 Tender Award Register tenders). In summary, where applicable: ○ <i>Tenders that have been awarded after the validity period had expired should be identified and the expenditure be classified as irregular expenditure in the register. These expenditures should then be submitted to the MFMA Section 32 committee for investigation.</i> ○ <i>All tenders that are still in the evaluation stages and their validity periods has expired, without obtaining the consent from bidders to extend the validity period, should be cancelled and re-advertised.</i> ○ <i>Approval for the extension of the validity period of the relevant bids should be obtained before expiry in order to finalise the evaluation, adjudication and award of the contract/tender. The SCM unit should compile and forward letters addressed to each bidder who submitted a bid in response to the bid advertisement advising them that the bid validity would be expiring and the municipality intends extending the validity of the bid for a stipulated period. The bidders should also be requested to confirm by a stipulated date whether they would be extending the validity of their bids on the same terms and conditions.</i> ○ <i>All responses received from the bidders should be assessed to establish whether or not the bidder is extending the validity period. All bidders who have indicated that they are not extending their bid validity period/who have not responded to the request for extension of the validity period should not be evaluated further and those who responded confirming the extension of the validity period of their bids on the same terms and conditions should be evaluated accordingly.</i> ○ <i>The Supply Chain Management Policy should be amended to include the process of the validity period and a SOP [with time frames] on the developed and communicated to all the municipal officials.</i> ○ <i>The Supply Chain Management unit should keep track of expiry dates of the validity period of bids.</i> ○ Management Action Plan Response Management agrees with the findings and the recommendations will be implemented, subject to concurrence from SCM Unit to ensure implementation of recommendations and Municipal Manager. Action Plan
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Estimated Completion Date and Timing: 30 April 2024 (ST)

Responsible Official:

Ms Marilyn Botha (Acting Manager: Legal Services)
Mr Tshegane Mampana (Manager: SCM)

2. All Disciplines included in Request for Proposal

Root Cause

- Public Law was indicated as a Discipline in the Specification and Pricing sections of the Tender 65 of 2020/21 document, but not under the Functionality (Proposal Evaluation) and therefore tenderers were subsequently be evaluated with reference to the Public Law Discipline.
- Lack of adequate review of tender specifications.

Recommendation

- Adequate review procedure be implemented in order to confirm that the information reflected on the Tender Awards Register is accurate, valid and complete before the register is published on the Knysna Municipality website.
- Adequate review practices be implemented in order to confirm the accuracy and completeness of the Bid Specifications.
- Adequate evaluation practices be implemented in order to confirm that all tender specifications are adequate evaluated and adjudicated.
- With reference to the following tender, attention should be given to finalise the tender process:
 - *Tender 48 of 2022/23 – Supply of Legal Practitioners to provide Legal Services in Diverse Fields of Law. [Closing date: 10 May 2023]*
 - *Tender 50 of 2022/23 - Knysna Municipality hereby invites tenderers from duly Qualified Attorneys and Registered Debt Collection Service Providers to assist Knysna Municipality with Collecting Revenue on Overdue Accounts, for a period of three years. [Closing date: 10 May 2023]*

**Management Action Plan
Response**

Management agrees with the findings and the recommendations will be implemented. Agreement with the finding is based on fact that under T65/2020/21, discipline of Public law was not awarded although included in specifications and evaluated and adjudicated as such. Specifications did not include discipline for High Court. Hence the need to advertise T48/2022/23 to provide for Public Law, High Court and Environmental law. The intention was for Tender 48 of 2022/23 to be awarded by July 2023. It is noted that the BEC met in July 2023, the item has however not yet been presented at the BAC. T50/2022/23 for Debt Collection was cancelled and resides within Revenue Services – agree that priority must be given to this

Action Plan

Estimated Completion Date and Timing: 30 June 2024 (MT)

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Responsible Official

Ms Marilyn Botha (Acting Manager: Legal Services)
Mr Tshegane Mampana (Manager: SCM)

3. Tenders identified on 2021/2022 Tender Awards Register where awards were after 90 Days validity had lapsed

Root Cause

- Supply Chain Management Policy not aligned to the tender documents.
- Expiry dates of the validity period of bids not consistently tracked and monitored.
- Lack of experienced contract management human resources.
- Lack of Standard Operating Procedures (SOP) for bid validity periods.
- The 90 days validity period lapsed, and no extension

Recommendation

- .Management considers the recommendations relating to **MLP 1: Concerns relating validity of award of Legal Services tender.**
- It is also recommended, in line with the Auditor-General's recommendations, that Management should implement processes which will ensure that validity periods set for bids are not only reasonable towards the tendering suppliers, but also enable the finalisation and awarding of the bids by the municipality. This should include tracking of validity periods and arranging Bid Evaluation Committee (BEC) and Bid Adjudication Committee (BAC) meetings to allow for sufficient time to award the bid within the set timelines. The total irregular expenditure incurred relating to the related bids should be quantified and evidence thereof provided to audit for evaluation. The irregular expenditure so determined should be recorded in the municipality's irregular expenditure register and in the Annual Financial Statements. (Implement and maintain a Tender Award Register, which will detail the timelines and progress of each tender process.

Management Action Plan

Response

Management agrees with the findings and the recommendations will be implemented by SCM Unit who will need to ensure that the tender register will be inspected in order to confirm whether the tenders identified are applicable and the applicable tenders will be included in the related court application, which is subject to approval by Municipal Manager.

Action Plan

Estimated Completion Date and Timing: 30 April 2024 (ST)

Responsible Official

Ms Marilyn Botha (Acting Manager: Legal Services)
Mr Tshegane Mampana (Manager: SCM)

4. Concerns relating accuracy of the information captured on the Tender Awards Register

. Root Cause

Recommendation

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Lack of adequate review of Tender Award Register, together with supporting documentation, before published on the Knysna Municipal website.	Adequate review procedures be implemented in order to confirm that the information reflected on the Tender Awards Register is accurate, valid and complete before the register is published on the Knysna Municipality website. A review by the User Department is also advised. Management Action Plan Response Management agrees with the findings and the recommendation, relating to the review of the Tender Award Register by the User Department, will be implemented Action Plan Estimated Completion Date and Timing: 30 April 2024 & Ongoing (ST) Responsible Official Ms Marilyn Botha (Acting Manager: Legal Services) Mr Tshegane Mampana (Manager: SCM)
5. No Service Level Agreement in place for Legal Service Provider	
Root cause: Service Provider indicated that they will not sign a Service Level Agreement.	Recommendation - A Service Level Agreement between the parties should be compiled and signed. - Instructions should not be issued to Legal Service Providers without having a valid and duly authorised Service Level Agreement in place. - The stipulations of the Service Level Agreement should be highlighted to the Legal Service Provider and implementation thereof monitored. (E.g. it should be monitored that no work commence before the Legal Service Provider is issued with an instruction.). Management Action Plan Response Management agrees with the finding and the recommendations will be implemented. Service Provider did not want to conclude a Service Level Agreement after an appeal was not dealt with satisfactory. Action Plan Estimated Completion Date and Timing: Going forward (ST) Responsible Official Ms Marilyn Botha (Acting Manager: Legal Services)
6 Lack of addendum to Service Level Agreement where Legal Service Provider continues with work under a previous Legal Service tender	
Root Cause	Recommendation

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• Service Level Agreements not updated with addenda relating to the extension of services. • Lack of adequate filing and recordkeeping. • Lack of adequate handover procedures before the Manager: Legal Services left the employment of the Municipality. • Lack of capacity and high workload within the Legal Services Section	• Approval should be obtained in cases where matters continue after the applicable Service Level Agreement end date. • The approval should be adequately filed for audit purposes. • An addendum to the applicable Service Level Agreement should be compiled, reviewed, duly authorised and filed. • Provision should be made in the Monthly Legal Services reporting to report on all matters which relate to allocations under a previous Legal Services Tender which is continuing in another Tender period. Please also refer to MLP 15: Legal Services Reporting – Inputs for consideration. • Attention should be given to the capacitation of the Legal Services Section Management Action Plan Response Management agrees with the finding and the recommendations will be implemented. Standard Operating Procedures is in the process of being drafted by the Manager: SCM in this regard. Action Plan Estimated Completion Date and Timing: 30 June 2024 & Going forward (MT) Responsible Official Ms Marilyn Botha (Acting Manager: Legal Services)
7. Service Level Agreements presented not reflecting adequate signoffs and agreed rates	
Root cause: • Lack of adequate review function to confirm the completeness of the content (e.g. inclusion of Annexure “A” which should reflect the charge out rates) of the Service Level Agreements. • The rate card included in the Request for Proposal document (as per the Knysna Municipal website) did not include all the Disciplines (Panels). • Lack of adequate monitoring and review function to confirm that the Service Level Agreements are adequately signed, dated and witnessed. • Lack of adequate filing and recordkeeping. • Lack of adequate handover procedures before the Manager: Legal Services left the employment of the Municipality. • Lack of capacity and high workload within the Legal Services Section	Recommendation • Service Level Agreements should be compiled and adequately reviewed for completeness, accuracy, and validity before submission to Legal Service Providers for sign-off. • All Service Level Agreements should be adequately signed, dated and witnessed by both representatives of the Service Provider and Knysna Municipality. • The Service Level Agreements should be reviewed and adequately filed in order to be timely available for audit purposes. Management Action Plan Response Management agrees with the finding and the recommendations will be implemented. Action Plan Estimated Completion Date and Timing: 30 June 2024 (MT) Responsible Official

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	Ms Marilyn Botha (Acting Manager: Legal Services)
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Finding & Root Cause	Recommendation and Action Plans
8. Supporting documentation not presented within the required the timeframe	
Root Cause • Lack of adequate filing and recordkeeping. • Lack of adequate handover procedures before the Manager: Legal Services left the employment of the Municipality. • Lack of capacity and high workload within the Legal Services Section. (The relevant responsible personnel that assisted in providing the requested supporting documentation assisted as their time and resources allowed, due to, amongst others, concurrent information requests also having been received from the Auditor-General as part of the external audit process.)	Recommendation: • Adequate records be kept of all supporting documentation relating to the “Allocation of work to Legal Practitioners” process followed. • Standard Operating Procedures should be considered in order to provide clarity relating to the procedures to be followed. • An approach to file all the related supporting documentation, relating to a specific case, be implemented. • Provision should be made for the filing of, amongst others, the following: ○ The Memorandum from the Directorate reflecting the background and need for Legal Assistance (and other supporting documentation). ○ The Court Papers/Notice of Motion in cases where the Municipality is served. [Please also refer to MLP 9: Supporting documentation relating to the request of legal assistance and subsequent approval of request not presented.] ○ The Official Routing Form reflecting the comments received through the circulation of the memorandum and the Municipal Manager's approval. ○ The Rotation Schedule which reflects, amongst others: [Please also refer to MLP 10: Rotation Schedule not adequately implemented and maintained for more recommendations relating to the Rotation Schedule.] ▪ The assessment in determining the applicable Discipline. ▪ The identification of the Legal Service Provider to be considered for the instruction. ▪ A motivation in cases where the next Legal Service Provider is not suggested by Legal Services to be instructed. ▪ The reason/motivation in cases where a different Legal Service Provider, than what was suggested by Legal Services, was approved by the Municipal Manager and instructed. ○ Email correspondence between the (Acting) Manager: Legal Services and the Service Provider reflecting whether the Service Provider accepted or declined the request (responses need to be within 24 hours, or less based on the Service Level Agreements). In cases where communication with the suggested Service Provider is telephonically, it is recommended that the telephonic conversation be followed-up with an email confirming the content of the conversation that took place.

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	○ The Instruction Letter, signed by the Municipal Manager or delegated authority, addressed to the Legal Service Provider. Management Action Plan Response Management agrees with the finding and the recommendations will be implemented. Legal Services has implemented a new approach by reflect the discipline, assessment on the rotation of the firms on the panel and rate per hour in the header of the Instruction Letter. An additional field has also been created where there is a deviation from the Rotation Schedule Action Plan Estimated Completion Date and Timing: 31 December 2023 & Ongoing (ST) Responsible Official: Ms Marilyn Botha (Acting Manager: Legal Services)
9. Supporting documentation relating to the request for legal assistance and subsequent approval of request not presented.	
Root Cause • Legal Practitioners perform work without the adequate approval process being followed. (Memorandum, approval by Municipal Manager, Legal Service Provider identified on Rotation Schedule, "go-ahead" by Municipal Manager, email to Legal Service Provider, feedback within the required time, Instruction Letter signed by the Municipal Manager). • Lack of memorandum to request legal assistance. Lack of Municipal Manager approval on request for legal assistance memorandum	Recommendation • Adequate record be kept of all supporting documentation relating to the "Allocation of work to the Legal Practitioners" process followed. • Standard Operating Procedures should be considered in order to provide clarity relating to the procedures to be followed. • An approach to file all the related supporting documentation, relating to a specific case, be implemented. • Provision should be made for the filing of, amongst others, the following: ○ The Memorandum from the Directorate reflecting the background and need for Legal Assistance (and other supporting documentation). ○ The Court Papers/Notice of Motion in cases where the Municipality is served. [For consistency, a memorandum, together with the Official Routing Form (for comments and the Municipal Manager's/Delegated Authority's approval on the way forward) be implemented with reference to instances where the municipality is served with court papers.] • The Official Routing Form reflecting the comments received through the circulation of the memorandum and the Municipal Manager's approval. • The Rotation Schedule which reflects, amongst others: [Please also refer to MLP 10: Rotation Schedule not adequately implemented and maintained for more recommendations relating to the Rotation Schedule.]

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	○ The assessment in determining the applicable Discipline. ○ The identification of the Legal Service Provider to be considered for the instruction. ○ A motivation in cases where the next Legal Service Provider is not suggested by Legal Services to be instructed. ○ The reason/motivation in cases where a different Legal Service Provider, than what was suggested by Legal Services, was approved by the Municipal Manager and instructed ○ Email correspondence between the (Acting) Manager: Legal Services and the Service Provider reflecting whether the Service Provider accepted or declined the request (responses need to be within 24 hours, or less based on the Service Level Agreements). In cases where communication with the suggested Service Provider is telephonically, it is recommended that the telephonic conversation be followed-up with an email confirming the content of the conversation that took place. ○ The Instruction Letter, signed by the Municipal Manager or delegated authority, addressed to the Legal Service Provider Management Response Management agrees with the finding and the recommendations will be implemented. It is also noted that Standard Operating Procedures, which distinguish between requests for legal assistance from the Departments and instances where the Municipality is served with court papers, will be compiled and implemented Action Plan Estimated Completion Date and Timing: 31 March 2024 (ST) Responsible Official Ms Marilyn Botha (Acting Manager: Legal Services)
10. Rotation Schedule not adequately implemented and maintained.	
Root Cause Lack of capacity and high workload within the Legal Services Section	Recommendation • The Rotation Schedule be updated to include the following: ○ A summary list of all legal matters to be addressed.

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- The motivation and result of the assessment conducted to determine the applicable Discipline.
- The next Service Provider as per the Rotation Schedule.
- The motivation and reason should the next/other Service Provider not be suggested as the Service Provider by the Legal Services Section.
- The date and discussion with the Municipal Manager with reference to the suggested Service Provider to be instructed.
- The reason/motivation should the Municipal Manager not agree with the suggested Service Provider to be instructed.
- The date and approval obtained from the Municipal Manager.
- Details and results of correspondence with the suggested Service Provider to take instruction or not.
- The date of the instruction issued.
- The Rotation Schedule be maintained and updated on a continuous basis with details (as suggested above) relating to all instructions.
- The Rotation Schedule also reflects the agreed rate per Service Provider.
- The Rotation Schedule be updated in order to confirm that the position (rank) of the Service Provider is in line with the agreed rates from low to high.
- Provision be made for the Preparer and Reviewer to sign-off and date the Rotation Schedule.
- On a monthly basis, the Preparer should sign-off and date the Rotation Schedule and submit it to a Reviewer to confirm the accuracy, validity and completeness of the information reflected in the Rotation Schedule
- For transparency the Rotation Schedule could also be submitted to oversight committees.

**Management Action Plan
Response**

Management agrees with the finding and the recommendations will be implemented

Action Plan

Estimated Completion Date and Timing:

31 March 2024 (ST)

Responsible Official:

Ms Marilyn Botha (Acting Manager: Legal Services)

11. Supporting documentation relating to correspondence with Legal Service Provider and issuing of approved instruction letter could not be presented

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Root Cause • Lack of adequate filing and recordkeeping • Lack of adequate handover procedures before the Manager: Legal Services left the employment of the Municipality. • Lack of capacity within the Legal Services Section. (The relevant responsible personnel that assisted in providing the requested supporting documentation assisted as their time and resources allowed, due to, amongst others, concurrent information requests also having been received from the Auditor-General as part of the external audit process.) • The previous Manager: Legal Services left the employment of the municipality and the current Acting Manager: Legal Services was not copied in all correspondence.	Recommendation: • Adequate records be kept of all supporting documentation relating to the allocation of work to Legal Practitioners process followed. • Standard Operating Procedures should be considered in order to provide clarity relating to the procedures to be followed. • An approach to file all the related supporting documentation, relating to a specific case, be implemented. • Provision should be made for the filing of, amongst others, the following: ○ The Memorandum from the Directorate reflecting the background and need for Legal Assistance (and other supporting documentation). ○ The Court Papers/Notice of Motion in cases where the Municipality is served. [For consistency, a memorandum, together with the Official Routing Form (for comments and the Municipal Manager's/Delegated Authority's approval on the way forward) be implemented with reference to instances where the municipality is served with court papers.] ○ The Official Routing Form reflecting the comments received through the circulation of the memorandum and the Municipal Manager's approval. ○ The Rotation Schedule which reflects, amongst others: [Please also refer to MLP 10: Rotation Schedule not adequately implemented and maintained for more recommendations relating to the Rotation Schedule.] ▪ The assessment in determining the applicable Discipline. ▪ The identification of the Legal Service Provider to be considered for instruction. ▪ A motivation in cases where the next Legal Service Provider is not suggested by Legal Services to be instructed. ▪ The reason/motivation in cases where a different Legal Service Provider, than what was suggested by Legal Services, was approved by the Municipal Manager and instructed. ○ Email correspondence between the (Acting) Manager: Legal Services and the Service Provider reflecting whether the Service Provider accepted or declined the request (responses need to be within 24 hours, or less based on the Service Level Agreements). In cases where communication with the suggested Service Provider is telephonically, it is recommended that the telephonic conversation be followed-up with an email confirming the content of the conversation that took place. ○ The Instruction Letter, signed by the Municipal Manager or delegated authority, addressed to the Legal Service Provider
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	Management Action Plan Response Management agrees with the finding and the recommendations will be implemented. Action Plan Estimated Completion Date and Timing: 31 March 2024 (ST) Responsible Official: Ms Marilyn Botha (Acting Manager: Legal Services)
12. Legal Services deviation and excessive legal fees	
Root Cause • Management override of controls by awarding contract to a Legal Practitioner, through the deviation process, while there are Legal Practitioners appointed on the Legal Panel for the specific required discipline and despite the guidance and comments that the deviation is not supported by Supply Chain Management and the Acting Chief Financial Officer. • Lack of adequate review of invoices to confirm reasonability, accuracy and validity of charges billed.	Recommendation: • The tender should be more specific in respect of pricing and not just allowing for an hourly tariff but should require the tenderers to quote on an hourly tariff as well as for perusal per page and drafting per page. Guidelines can be obtained from the Legal Practice Council ("LPC") in this regard. • There should be a mechanism built in that protects the Municipality and allows for bills of cost to be taxed in the event that the Municipality deems it to be excessive, alternatively the Municipality should award a tender to a legal cost consultant to scrutinise bills received from the Panel attorneys prior to payment thereof. • The bills of Nandi Bulabula Inc and Webber Wentzel be referred to the LPC for review. • In line with the Auditor-General's recommendations: ○ If applicable, Services Providers be blacklisted for poor performance and/or defaulting in terms of the terms and conditions stipulated on the Contracts or Service Level Agreements. ○ Management investigate Irregular and Fruitless and Wasteful Expenditure incurred and deal with it in terms of the Consequence Management policies by initiating disciplinary action against all officials responsible for non-compliance with regulations and incurring of Unauthorised, Irregular and Fruitless and Wasteful Expenditure, as well as to criminally charge all political office bearers for incurring Unauthorised, Irregular and Fruitless and Wasteful Expenditure.

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	In addition to the above-mentioned, it should be confirmed that all deviations are adequately reported on (E.g. The Deviation Register should be updated with the details of all deviations.) and that adequate record be kept of such reporting. In addition to the above-mentioned, please also refer to the following related findings and recommendations: • MLP 2: All Disciplines included in Request for Proposal not assessed and awarded. • MLP 5: No Service Level Agreement in place for Legal Service Provider (Nandi BulaBula Inc.). • MLP 10: Rotation Schedule not adequately implemented and maintained. • MLP 16: Concerns noted relating approval of Legal Services deviations Management Action Plan Response Management agrees with the finding and the recommendations will be implemented. Action Plan Estimated Completion Date and Timing: Immediately(ST) Responsible Official: Ms Marilyn Botha (Acting Manager: Legal Services)
13. Observations relating to the agreed rate charged and the review and approval of invoice	
Root Cause Rates, other than the agreed rates under the current Legal Services tender, are charged by the Legal Service Providers. Lack of adequate review of detail of the invoices presented for payment.	Recommendation: • In cases where rates, other than the agreed rates under the current Legal Services tender, are charged, the approver of the invoice should indicate in a note on the invoice this fact and provide a reason for the different rates being utilised. • Legal Service Providers, if applicable, should be requested to provide sufficient detail in their invoices as stipulated in the Service Level Agreements. • The invoices received from the Legal Service Providers should be adequate reviewed for accuracy and validity. Calculation errors should be communicated to the Legal Service Providers for correction.

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	• The (Acting) Manager: Legal Services reviews all legal related invoices and sign and date the invoices and proof of review and approval, together with the delegated official (should the invoice amount be higher than R200,000.) • Invoices should not be processed for payment if a detailed review of the invoice was not performed by the (Acting) Manager: Legal Services. Management Action Plan Response Management agrees with the finding and the recommendations will be implemented. Action Plan Estimated Completion Date and Timing: Immediately (ST) Responsible Official: Ms Marilyn Botha (Acting Manager: Legal Services)
14. Not all selected items identified in the legal Services reporting. Root Cause The Legal Services reports focusses on the current litigation matters instituted by or against the Knysna Municipality (Contingent Liabilities & Non-Contingent Liabilities) reflecting amongst others the case, estimated financial exposure, commencement date, legal costs spend to date as well as a brief outline of the case facts. It is noted that not all matters are incorporated into the legal Service reports Lack of adequate review of completeness and accuracy of reported information.	Recommendation: • Management reviews the findings, assess the completeness of the reporting and process updates if and where necessary. • Management considers expanded the Legal Services reports, to not only focus on the current litigation matters, but also to include reporting relating to the other legal matters where costs were incurred. • Adequate review processes be implemented in order to confirm the accuracy and completeness of information reported in the Legal Services Reports Management Action Plan Response Management agrees with the findings and the recommendations will be implemented. The confidentiality of matters (e.g. certain legal opinions) will however be considered during the reporting phase. Estimated Completion Date and Timing 31 March 2024 & Ongoing (ST)

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	Responsible Official: Ms Marilyn Botha (Acting Manager: Legal Services)
15. Legal Services Reporting-Inputs for consideration	
Root Cause Reporting is performed based on the format requested by the Section 80 Committee and Audit Committee.	Recommendation: • Attention should be given to the completeness and accuracy of reporting of legal fees per Service Provider. • Management considers the inputs provided for future reporting to the Section 80 Committee and Audit Committee. • Management considers the inputs relating to the Root Cause Analysis with reference to Excessive Legal Fees for implementation and reporting. Management Action Plan Response Management agrees with the findings and the recommendations will be implemented. Estimated Completion Date and Timing: 31 March 2024 Responsible Official: Ms Marilyn Botha (Acting Manager: Legal Services)
16. Concerns noted relating approval of Legal Service deviations	
Root Cause • Management override of controls by awarding contract to a Legal Practitioner, through the deviation process, while there are Legal Practitioners appointed on the Legal Panel for the specific required discipline and despite the guidance and comments that the deviation is not supported by Supply Chain Management and the Acting Chief Financial Officer. • Delegations are not adequate in design.	Recommendation: • Requests for Deviations should be disallowed should there be Service Providers already contracted to the Municipality for similar services. • All deviations should be requested by the Requesting Official from the Supply Chain Management unit, who should apply all the laws and regulations to the request prior to it being submitted for approval.

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	• All deviations be reviewed by the (Acting) Manager Legal Services prior to it being finalised, in order to prevent non-compliance in instances where other officials may not be fully informed or uncertain of the relevant laws and regulations. • Develop and maintain a Standard Operating Procedure and Checklist for Deviations, which must make provision for a review by the (Acting) Manager: Legal Services prior to submission for approval by the Municipal Manager. • It is therefore noted that deviations should not be considered for approval by the Municipal Manager if it has not been reviewed and is supported by the Acting Manager: Legal Services, Manager Supply Chain Management, and the Chief Financial Officer. • The Delegations should be reviewed and updated to include the above-mentioned and to confirm that a documented risk assessment is performed prior to decision-making to defend or not defend legal matters. • Initiate disciplinary action against any official responsible for incurring irregular or fruitless and wasteful expenditure. Management Action Plan Response Management agrees with the findings and the recommendations will be implemented. It is also noted that the Manager: SCM is in the process of proposing a Deviation Review Committee Estimated Completion Date and Timing: Immediately & Ongoing (ST) Responsible Official Ms Marilyn Botha (Acting Manager: Legal Services) Mr Tshegane Mampana (Manager: SCM)
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Internal Audit Report – Consequence Management FY24

Finding & Root Cause	Recommendation and Action Plans
1. Lack of adequate system to monitor and report on the implementation of Consequences Management Process procedures and requirements (Lack of Detailed Case Register)	
Root Cause	Recommendation:

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- Lack of system and/or Detailed Case Register to monitor implementation of Consequence Management related requirements (including time related requirements).
- Lack of adequate recordkeeping and filing of supporting documentation.
- Lack of adequate review and monitoring functions implemented.
- Resignation of previous Senior Labour Relations Officer and inadequate handover procedures.
- Changes in Acting Senior Labour Relation Officer position and reporting lines

Detailed Case Register:

- A Detailed Case Register be compiled, implemented and maintained.
- The Detailed Case Register should be kept for all Consequence Management related cases.
- The Detailed Case Register makes provision for, amongst others, the following:
 - The allocation of unique case numbers to the cases.
 - Details (Name, Surname, Job title, T-grade, Directorate, Section) of the Alleged Offender, the Presiding Officer and the Prosecutor.
 - Details relating to the Disciplinary Procedure Collective Agreement requirements per stage. With each disciplinary stage (procedure), the Case Register should be updated to indicate any delays as well as the reason thereof. The comments provided should be sufficiently descriptive.
 - Dates to assist in the monitoring of timeframes linked to requirements as per the Disciplinary Procedures Collective Agreement
 - The status (E.g., Not started, In Progress, Concluded) be updated on a monthly basis in order to “filter” the relevant cases.
 - The sign-off section by the Compiler be expanded to also include an indication of the date when the Case Register (and Monthly Reports) are signed-off by the Compiler.
 - A sign-off section for the Reviewer (Manager: Human Resources and/or Director: Corporate Services) be added to the Case Register in order for the Reviewer(s) to sign-off and date the Case Register after it, together with the related supporting documentation, have been reviewed for accuracy, validity and completeness

Case File Checklists:

Consideration be given to implement a “Case File Checklist” relating to each case, by considering the abovementioned recommendations, in order to confirm that all the required documentation, per stage, is adequately filed.

Monthly Labour Relations Report:

- Management utilises the relevant information documented in the Detailed Case Register in order to compile the Monthly Labour Relations Report. (The report to be submitted to the Section 80 Committee should be sensitised in order not to include personal/sensitive information that is recommended for inclusion in the Case Register.)
- The Monthly Labour Relations report should also reflect sections for the Preparer and Reviewer sign-offs. The Reviewer should sign-off and date the Monthly Reports after it have been reviewed for accuracy (all case details are accurately recorded), validity (all cases recorded on the Case Register should be included and are correctly classified, as per supporting documentation [prima facie]), and completeness (all valid cases are included in the Detailed Case Register).

Centralisation of Consequence Management Process:

Centralisation of the Disciplinary Process through Collaborator

**Management Action Plan
Response**

Management agrees with the findings and the recommendations relating to the Detailed Case Register, Case Checklists and Labour Relations Reports will be implemented.

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	Action Plan Estimated Completion Date and Timing: 31 March 2024 (ST) Responsible Official: Ms L Phillips (Manager: Human Resources) Mr L Fata (Acting Senior Labour Relations Officer)
2. Lack of adequate controls relating to recordkeeping and safeguarding of information for period under review	
Root Cause • Lack of adequate recordkeeping and filing of supporting documentation. • Lack of adequate review and monitoring functions implemented. • Resignation of previous Senior Labour Relations Officer and inadequate handover procedures • Changes in Acting Senior Labour Relations Officer position and reporting lines	Recommendation • Adequacy controls be implemented in order to confirm the completeness of supporting documentation. • Please refer to MLPs 6-16, as well as to MLP 1: Lack of adequate system to monitor and report on implementation of Consequence Management Process procedures and requirements (Lack of Detailed Case Register) for the recommendations relating to the implementation of a Detailed Case Register and Case File Checklists (supported with all the related documentation). • Adequate review and monitoring functions be implemented in order to confirm, amongst others, the accuracy, validity and completeness of supporting documentation. • Adequate access controls be confirmed with reference to electronic and manual documentation. Management Action Plan Response • Management agrees with the findings and the recommendations will be implemented. • The Acting Labour Relations Officer files supporting documentation on the W-drive (under the Labour Relations folder, under Human Resources) when it is received. Only the Manager: Human Resources and Acting Senior Labour Relations Officer have access to the above-mentioned folder. The folder is also backed-up on the network drive Action Plan Estimated Completion Date and Timing: Implemented (Ongoing) (ST) Responsible Official Ms L Phillips (Manager: Human Resources) Mr L Fata (Acting Senior Labour Relations Officer)

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3. Supporting documentation could not be presented to confirm that controls are adequate in design to confirm accuracy, validity and completeness of reporting on Labour Relations matters	
Root Cause - Lack of adequate review and monitoring functions implemented. - Resignation of previous Senior Labour Relations Officer and inadequate handover procedures. - Changes in Acting Senior Labour Relation Officer position and reporting lines.	Recommendation - Labour Relations Reports should be compiled on a monthly basis by the (Acting) Senior Labour Relations Officer, based on selected information included in the Detailed Case Register. - The (Acting) Senior Labour Relations Officer should sign-off and date the report and submit it to the Manager: Human Resources for review. - The Manager: Human Resources should review the report for accuracy, validity and completeness and sign-off and date the report was proof of the review. - The Manager: Human Resources should submit the Labour Relations Matter report, together with the Human Resources Matters report, to the Director: Corporate Services for review and approval before it is submitted to the Section 80 Committee. - All reports and supporting documentation relating to the review of reports should be adequately filed for audit purposes. Management Action Plan Response Management agrees with the findings and the recommendations will be implemented Action Plan Estimated Completion Date and Timing: 31 January 2024 (ST) Responsible Official Ms L Phillips (Manager: Human Resources) Mr L Fata (Acting Senior Labour Relations Officer)
4. Lack of KPIs to measure and monitor Consequence Management Process related performance and compliance to requirements	
Root Cause Lack of KPI completeness assessment	Recommendation KPIs: - SMART KPIs, focused on the monitoring and measuring of performance and compliance relating to the Disciplinary Process and Procedures on a monthly basis, be set and included in the Departmental SDBIP. - The responsible person should report on a monthly basis on the KPIs and submit the documentation, that supports the reported performance on the Ignite Reporting System.

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	Labour Relations Reporting: Consideration be given to expand on the content of the current Labour Relations Reports [Disciplinary Procedures Implementation Reports) to reflect, amongst others, reporting on whether the Disciplinary Procedure requirements relating to the various cases were adequately implemented (whether the related requirements were therefore complied with) and/or whether challenges were encountered Management Action Plan Response Management agrees with the findings and the recommendations will be implemented. Management would like to expand the KPIs from just reporting on Labour Relation cases to also report on compliance with requirements (e.g. Disciplinary process to commence within 90 days). Action Plan Estimated Completion Date and Timing: 31 May 2024 (ST) Responsible Official Ms L Phillips (Manager: Human Resources) Mr L Fata (Acting Senior Labour Relations Officer)
5. Not all Consequence Management Process related requirements included in Eunomia Compliance Management System for monitoring and measuring compliance	
Root Cause: All Disciplinary Procedure related requirements are not uploaded to the Eunomia Compliance Management System	Recommendation With reference to Consequence Management requirements: - The completeness of the requirements relating to the Consequence Management process, loading on the Eunomia Compliance Management System, be assessed. - Consideration be given to the comparison between the requirements scoped into this assessment and the requirements identified on the Eunomia Compliance Management System, as reflected in Appendix 2: Business Process, Risk and Control Matrix. - Identify the additional requirements (relating to the Consequence Management process that are not uploaded) and upload these Consequence Management related requirement on the Eunomia Compliance Management System. - Timely reporting on the requirements should be implemented. - Monitoring controls be implemented to confirm the accuracy, completeness, validity and timeliness of the reporting. With reference to overall reporting on the Eunomia Compliance Management System: The concern relating to the lack of timely reporting on the Eunomia Compliance Management System should be escalated Management Action Plan Response

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	- It should be noted that there are occurrences where Chairpersons and/or Prosecutors withdraw or resign during the disciplinary process which impacts the status of compliance on the Eunomia Compliance Management System. The Eunomia Compliance Management System does not consider these circumstances. - Management will assess and consider the inclusion of additional requirements as indicated in the finding Action Plan Estimated Completion Date and Timing: 30 June 2024 Responsible Official Ms L Phillips (Manager: Human Resources) Mr L Fata (Acting Senior Labour Relations Officer)
6 Notification of alleged misconduct-Lack of supporting documentation to confirm compliance with related requirements	
Root Cause - Lack of adequate recordkeeping and filing of supporting documentation. - Lack of adequate review and monitoring functions implemented. - Resignation of previous Senior Labour Relations Officer and inadequate handover procedures. - Changes in Acting Senior Labour Relation Officer position and reporting lines	Recommendation Communication of Allegations: - A "Communication of Allegations" form, for the recording and communication of allegations to the correct officials, be compiled and implemented in order to confirm, amongst others, that the correct communication channels, in line with the delegations, are utilised. - All supporting documentation relating to the communication of allegations be adequately filed. Case File Checklist: - A Case File Checklist be compiled to confirm that all the required documentation, which forms part of the Disciplinary Processes, is considered, completed and adequately filed. With reference to this finding, provision should be made for the inclusion of: - Communication of Allegations - Supporting documentation relating to Allegations in order to determine whether there is a prima facie cause to believe that an act of misconduct has been committed. - Approval by Director and Municipal Manager to institute disciplinary action. - Confirmation that the Disciplinary Hearing commenced within 3 months since the decision was taken to institute disciplinary action. - The Case File Checklist be completed and supporting documentation adequately filed by the Preparer. - The Case File Checklist, together with the supporting documentation, be reviewed by the Reviewer on at least a monthly basis. - Proof of the preparation and review should be evident. Management Action Plan Response Management agrees with the findings and the recommendations will be implemented.

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	Action Plan Estimated Completion Date and Timing: 31 March 2024 (ST) Responsible Official Ms L Phillips (Manager: Human Resources) Mr L Fata (Acting Senior Labour Relations Officer)
7. Appointment of Presiding Officer- Lack of supporting documentation to confirm compliance with related requirements	
Root cause: • Lack of adequate recordkeeping and filing of supporting documentation. • Lack of adequate review and monitoring functions implemented. • Resignation of previous Senior Labour Relations Officer and inadequate handover procedures. • Changes in Acting Senior Labour Relation Officer position and reporting lines.	Recommendation Case File Checklist: • A Case File Checklist be compiled to confirm that all the required documentation, which forms part of the Disciplinary Processes, is considered, completed and adequately filed. With reference to this finding, provision should be made for the inclusion of: ○ SALGA List: Presiding Officer [It is recommended that the SALGA list, that was utilised in identifying a suitable Presiding Officer be filed on the specific case file.] ○ Appointment Letter: Presiding Officer. ○ Task Level of Presiding Officer: One or two levels higher than Task Level of Employee ○ The Case File Checklist be completed and supporting documentation adequately filed by the Preparer. ○ The Case File Checklist, together with the supporting documentation, be reviewed by the Reviewer on at least a monthly basis. ○ Proof of the preparation and review should be evident. Detailed Case Register: A Detailed Case Register be compiled, maintained, reviewed and reported on. Management Action Plan Response Management agrees with the findings and the recommendations will be implemented. Action Plan Estimated Completion Date and Timing: 31 March 2024 (ST) Responsible Official

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	Ms L Phillips (Manager: Human Resources) Mr L Fata (Acting Senior Labour Relations Officer)

Finding & Root Cause	Recommendation and Action Plans
8. Appointment of Employer Representative-Lack of supporting documentation to confirm compliance with related requirements	
Root Cause • Lack of adequate recordkeeping and filing of supporting documentation. • Lack of adequate review and monitoring functions implemented. • Resignation of previous Senior Labour Relations Officer and inadequate handover procedures. • Changes in Acting Senior Labour Relation Officer position and reporting lines.	Recommendation: Case File Checklist: • A Case File Checklist be compiled to confirm that all the required documentation, which forms part of the Disciplinary Processes, is considered, completed and adequately filed. With reference to this finding, provision should be made for the inclusion of: ○ SALGA List: Employer Representative [It is recommended that the SALGA list, that was utilised in identifying a suitable Employer Representative be filed on the specific case file.] ○ Appointment Letter: Employer Representative ○ Task Level of Employer Representative: One or two levels higher than Task Level of Employee ○ The Case File Checklist be completed and supporting documentation adequately filed by the Preparer. ○ The Case File Checklist, together with the supporting documentation, be reviewed by the Reviewer on at least a monthly basis. ○ Proof of the preparation and review should be evident. Detailed Case Register: A Detailed Case Register be compiled, maintained, reviewed and reported on. Management Action Plan Response Management agrees with the findings and the recommendations will be implemented Action Plan Estimated Completion Date and Timing: 31 March 2024 (ST) Responsible Official: Ms L Phillips (Manager: Human Resources) Mr L Fata (Acting Senior Labour Relations Officer)

9. Notice to Attend Disciplinary Hearing-Lack of supporting documentation, lack of proper and/or timely serving of Notice and suggested updates to Notice template

Root Cause

- Lack of adequate recordkeeping and filing of supporting documentation.
- Lack of adequate review and monitoring functions implemented.
- Resignation of previous Senior Labour Relations Officer and inadequate handover procedures.
- Changes in Acting Senior Labour Relation Officer position and reporting lines

Recommendation

Notice to Attend Disciplinary Hearing Template:
Consideration be given to the suggestion updates relating to the Notice to Attend Disciplinary Hearing.

Case File Checklist:

- A Case File Checklist be compiled to confirm that all the required documentation, which forms part of the Disciplinary Processes, is considered, completed and adequately filed. With reference to this finding, provision should be made for the inclusion of:
 - Notice to Attend Disciplinary Hearing Signed and dated by Employer Representative
 - Signed and dated by Employee.
 - Signed and dated by person who delivered the Notice.
- The Case File Checklist be completed and supporting documentation adequately filed by the Preparer.
- The Case File Checklist, together with the supporting documentation, be reviewed by the Reviewer on at least a monthly basis.
- Proof of the preparation and review should be evident.

Detailed Case Register:

A Detailed Case Register be compiled, maintained, reviewed and reported on

Management

Response

Management agrees with the findings and the recommendations will be implemented.

Action Plan

Estimated Completion Date and Timing: 31 March 2024 (ST)

Responsible Official

Ms L Phillips (Manager: Human Resources)
Mr L Fata (Acting Senior Labour Relations Officer)

10. Precautionary Suspension-Lack of supporting documentation to confirm compliance with related requirements and non-compliance with related requirement

Root Cause

Recommendation

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• Lack of adequate recordkeeping and filing of supporting documentation. • Lack of adequate review and monitoring functions implemented. • Resignation of previous Senior Labour Relations Officer and inadequate handover procedures. • Changes in Acting Senior Labour Relation Officer position and reporting lines.	Notice of Intention to Suspend & Notice of Suspension Template • With reference to the Acknowledgement of Receipt, consideration be given to: ○ Make provision for the Name, Signature, Date and Time of a Witness, should the Employee refuse to acknowledge receipt of the Notice. ○ Refrain from typing in a certain date relating to the Acknowledgement of Receipt of the Notice by the Employee. The Employee (or Employee Representative) should sign and date the Notice. Case File Checklist: A Case File Checklist be compiled to confirm that all the required documentation, which forms part of the Disciplinary Processes, is considered, completed and adequately file With reference to this finding, provision should be made for the inclusion of: • Notice of Intention to Suspend [with proper and timely Acknowledgement of Receipt by the Employee or Employee Representative]. • Supporting documentation leading to the issuing of a Notice of Intention to Suspend. • Representation letter in response to the Notice of Intention to Suspend [with indication whether it was received within 48-hours]. • Outcome (Pre-cautionary Suspension) letter [with indication whether it was submitted within the 5-day timeframe, and which reflect proper and timely Acknowledgement of Receipt by the Employee or Employee Representative]. • Extension of Pre-cautionary Suspension Letter • The Case File Checklist be completed and supporting documentation adequately filed by the Preparer. • The Case File Checklist, together with the supporting documentation, be reviewed by the Reviewer on at least a monthly basis. • Proof of the preparation and review should be evident. Detailed Case Register: A Detailed Case Register be compiled, maintained, reviewed and reported on. Management Action Plan Response Management agrees with the findings and the recommendations will be implemented. Action Plan Estimated Completion Date and Timing: 31 March 2024 (ST) Responsible Official:
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Ms L Phillips (Manager: Human Resources)
Mr L Fata (Acting Senior Labour Relations Officer)

11. Commencement of Disciplinary Hearing-Lack of supporting documentation to confirm compliance with related requirements and non-compliance with related requirements

Root Cause

- Lack of adequate recordkeeping and filing of supporting documentation.
- Lack of adequate review and monitoring functions implemented.
- Resignation of previous Senior Labour Relations Officer and inadequate handover procedures.
- Changes in Acting Senior Labour Relation Officer position and reporting lines

Recommendation:

Case File Checklist:

- A Case File Checklist be compiled to confirm that all the required documentation, which forms part of the Disciplinary Processes, is considered, completed, and adequately filed. With reference to this finding, provision should be made for the inclusion of:
 - Notice of Disciplinary / Notice to Attend Disciplinary Hearing [with proper and timely Acknowledgement of Receipt by the Employee or Employee Representative].
 - Disciplinary Hearing Postponed – Supporting documentation relating to the reason; Correspondence between the Presiding Officer, Employer Representative and Employee Representative relating to the set of a new date.
 - Updated Notice to Attend Disciplinary Hearing [with proper and timely Acknowledgement of Receipt by the Employee or Employee Representative].
 - The Case File Checklist be completed and supporting documentation adequately filed by the Preparer.
 - The Case File Checklist, together with the supporting documentation, be reviewed by the Reviewer on at least a monthly basis.
 - Proof of the preparation and review should be evident.

Detailed Case Register:

A Detailed Case Register be compiled, maintained, reviewed, and reported on

Management Action Plan

Response

Management agrees with the findings and the recommendations will be implemented

Action Plan

Estimated Completion Date and Timing: 31 March 2024 (ST)

Responsible Official:

Ms L Phillips (Manager: Human Resources)
Mr L Fata (Acting Senior Labour Relations Officer)

12. Right to terminate services- Lack of supporting documentation to confirm compliance with related requirements

Root Cause

- Lack of adequate recordkeeping and filing of supporting documentation.
- Lack of adequate review and monitoring functions implemented.
- Resignation of previous Senior Labour Relations Officer and inadequate handover procedures.
- Changes in Acting Senior Labour Relation Officer position and reporting lines

Recommendation:

Case File Checklist:

- A Case File Checklist be compiled to confirm that all the required documentation, which forms part of the Disciplinary Processes, is considered, completed, and adequately filed. With reference to this finding, provision should be made for the inclusion of:
 - Letter of Termination of Services (Resignation/Retirement)
 - Confirmation that the Letter of Termination of Services was submitted before findings were handed down by the Presiding Officer.
 - Letter of Consent (Written consent by the Employee that the Employer may deduct amounts owing by the Employee to the Employer from any monies payable to the Employee.)
 - The Case File Checklist be completed and supporting documentation adequately filed by the Preparer.
 - The Case File Checklist, together with the supporting documentation, be reviewed by the Reviewer on at least a monthly basis.
 - Proof of the preparation and review should be evident.

Detailed Case Register:

A Detailed Case Register be compiled, maintained, reviewed, and reported on

Management Action Plan

Response

Management agrees with the findings and the recommendations will be implemented

Action Plan

Estimated Completion Date and Timing: 31 March 2024 (ST)

Responsible Official:

Ms L Phillips (Manager: Human Resources)
Mr L Fata (Acting Senior Labour Relations Officer)

13. Recording of proceedings-Lack of supporting evidence to confirm to compliance with related requirements

Root Cause

- Lack of adequate recordkeeping and filing of supporting documentation and evidence (including recordings of the disciplinary proceedings).
- Lack of adequate review and monitoring functions implemented.
- Resignation of previous Senior Labour Relations Officer and inadequate handover procedures (including asset management).

Recommendation:

Recording of proceedings:

- The Labour Relations Section should be issued with a Recorder for utilisation during disciplinary proceedings.
- Adequate controls should be implemented in order to confirm that the Recorder is adequately safeguarding and only accessed by authorised officials.
- Recordings of disciplinary proceedings should be adequately saved in order to prevent unauthorised access.
- Adequate controls should be implemented in cases where an Employee or his Representative require a copy of a specific recording.
- In cases where there is a change in Labour Relation Officers, adequate handover procedures should be implemented in order to confirm, amongst others, the handover of the Recorder, as well as the completeness of the recordings.

Case File Checklist:

- A Case File Checklist be compiled to confirm that all the required documentation, which forms part of the Disciplinary Processes, is considered, completed, and adequately filed. With reference to this finding, provision should be made for the inclusion of:
- Recording of Disciplinary Hearing(s) filed securely.
- The Case File Checklist be completed and supporting documentation adequately filed by the Preparer.
- The Case File Checklist, together with the supporting documentation, be reviewed by the Reviewer on at least a monthly basis.
- Proof of the preparation and review should be evident.

Detailed Case Register:

A Detailed Case Register be compiled, maintained, reviewed, and reported on

Management Action Plan

Response

Management agrees with the findings and the recommendations will be implemented.

Action Plan

Estimated Completion Date and Timing: 31 March 2024 (ST)

	Responsible Official: Ms L Phillips (Manager: Human Resources) Mr L Fata (Acting Senior Labour Relations Officer)
14. Non-attendance of Disciplinary Hearing-Lack of supporting to confirm compliance with related requirements	
Root Cause • Lack of adequate recordkeeping and filing of supporting documentation. • Lack of adequate review and monitoring functions implemented. • Resignation of previous Senior Labour Relations Officer and inadequate handover procedures. • Changes in Acting Senior Labour Relation Officer position and reporting lines.	Recommendation: Case File Checklist: • A Case File Checklist be compiled to confirm that all the required documentation, which forms part of the Disciplinary Processes, is considered, completed, and adequately filed. With reference to this finding, provision should be made for the inclusion of: ○ Non-attendance: Clearly documented/minuted that forty-five (45) minutes has elapsed from the time set for the start of the hearing and that the Notice of Disciplinary Hearing was properly served, and therefore the proceedings continued in the absence of the Employee/Employee Representative. • The Case File Checklist be completed and supporting documentation adequately filed by the Preparer. • The Case File Checklist, together with the supporting documentation, be reviewed by the Reviewer on at least a monthly basis. • Proof of the preparation and review should be evident. Detailed Case Register: • A Detailed Case Register be compiled, maintained, reviewed, and reported on. Management Action Plan Response Management agrees with the findings and the recommendations will be implemented. Estimated Completion Date and Timing: 31 March 2024 (ST) Responsible Official: Ms L Phillips (Manager: Human Resources) Mr L Fata (Acting Senior Labour Relations Officer)
15. Confirmation of findings by Presiding Officer-Lack of supporting documentation to confirm compliance with related requirements	
Root Cause	Recommendation: .Case File Checklist:

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• Lack of adequate recordkeeping and filing of supporting documentation. • Lack of adequate review and monitoring functions implemented. • Resignation of previous Senior Labour Relations Officer and inadequate handover procedures. • Changes in Acting Senior Labour Relation Officer position and reporting lines.	• A Case File Checklist be compiled to confirm that all the required documentation, which forms part of the Disciplinary Processes, is considered, completed, and adequately filed. With reference to this finding, provision should be made for the inclusion of: ○ Confirmation of findings of the Presiding Officer [Submitted within 10 days to the Municipal Manager and Employee/Employee Representative; Proper and timely Acknowledgement of Receipt from Employee/Employee Representative reflected]. • The Case File Checklist be completed and supporting documentation adequately filed by the Preparer. • The Case File Checklist, together with the supporting documentation, be reviewed by the Reviewer on at least a monthly basis. • Proof of the preparation and review should be evident. Detailed Case Register: A Detailed Case Register be compiled, maintained, reviewed, and reported on. Management Action Plan Response Management agrees with the findings and the recommendations will be implemented. Estimated Completion Date and Timing: 31 March 2024 (ST) Responsible Official: Ms L Phillips (Manager: Human Resources) Mr L Fata (Acting Senior Labour Relations Officer)
16. Appeal- Lack of supporting documentation to confirm compliance with related requirements	
Root Cause • Lack of adequate recordkeeping and filing of supporting documentation. • Lack of adequate review and monitoring functions implemented. • Resignation of previous Senior Labour Relations Officer and inadequate handover procedures. • Changes in Acting Senior Labour Relation Officer position and reporting lines	Recommendation: Case File Checklist: • A Case File Checklist be compiled to confirm that all the required documentation, which forms part of the Disciplinary Processes, is considered, completed, and adequately filed. With reference to this finding, provision should be made for the inclusion of: ○ Appeal lodged on prescribed form (Submitted within the required 7 days of receipt of written notification of findings/sanctions). ○ Notice of Appeal. ○ Appointment letter of Presiding Officer of Disciplinary Appeal Hearing (Confirmation of required management level).

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	○ Statement of case (Submitted at least 2 days prior to the Disciplinary Appeal Hearing; Confirming the statement is concise and set out the required information). • The Case File Checklist be completed and supporting documentation adequately filed by the Preparer. • The Case File Checklist, together with the supporting documentation, be reviewed by the Reviewer on at least a monthly basis. • Proof of the preparation and review should be evident. Detailed Case Register: Management Action Plan Response Management agrees with the findings and the recommendations will be implemented. Estimated Completion Date and Timing: 31 March 2024 (ST) Responsible Official: Ms L Phillips (Manager: Human Resources) Mr L Fata (Acting Senior Labour Relations Officer) A Detailed Case Register be compiled, maintained, reviewed, and reported on.
•	
17. Monitoring and reporting on the implementation of Disciplinary Regulations for Senior Managers Requirements-Control Gap	
Root Cause • Lack of adequate delegations relating to the roles and responsibilities with reference to the monitoring and reporting on compliance to Disciplinary Regulations for Senior Managers (other than Financial Misconduct). • Lack of system and/or Detailed Case Register to monitor implementation of Consequence Management related requirements (including time related requirements).	Recommendation: • The roles and responsibilities relating to, amongst others, the monitoring and reporting on Senior Manager Disciplinary Cases be adequately delegated. Consideration should be given to Financial Misconduct and Other Misconduct cases relating to Senior Managers. • A Detailed Case Register be compiled and maintained relating to Senior Managers Disciplinary Cases. • The Detailed Senior Manager Case Register should make provision for the recording and monitoring of the related requirements (including timeframe requirements) of the Disciplinary Regulations for Senior Manager requirements. • Adequate recordkeeping should be implemented in order be present the relating supporting documentation for audit purposes. • Adequate reporting should be implemented with reference to Senior Manager Disciplinary Cases.

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- Please refer to MLP 1: Lack of adequate system to monitor and report on the implementation of Consequence Management Process procedures and requirements (Lack of Detailed Case Register) for similar recommendations relating to the requirements, status, and sign-offs by the Compiler and Reviewer

Management Action Plan

Response

Standard Operating Procedures to be drafted in terms of the Disciplinary Regulations for Senior Managers regarding the flow of actions and responsible staff relating to discipline for Senior Managers

Action Plan

Estimated Completion Date and Timing: 30 June 2024 (MT)

Responsible Official:

Ms L Phillips (Manager: Human Resources)
Mr L Fata (Acting Senior Labour Relations Officer)

18. Grievance Process - No controls identified, and no supporting documentation presented relating to the Grievance Process

Root Cause

- Lack of adequate recordkeeping of grievances. (Lack of Grievances Register.)
- Lack of adequate filing of supporting documentation.
- Lack of adequate review and monitoring functions implemented.
- Lack of adequate reporting function implemented.
- Resignation of previous Senior Labour Relations Officer and inadequate handover procedures.
- Changes in Acting Senior Labour Relation Officer position and reporting lines

Recommendation

- A Detailed Grievance Register be compiled, implemented and maintained.
- The Detailed Grievance Register should make provision for the recording and monitoring of the related requirements (including timeframe requirements) of the Main Collective Agreement per Grievance Case.
- Adequate recordkeeping should be implemented in order to be present the relating supporting documentation for audit purposes.
- Adequate reporting should be implemented with reference to the Grievance Process.
- Human Resources should inform and/or refresh Municipal Officials' knowledge on the Grievance Process Procedures, as stipulated in the Main Collective Agreement. The processes and prescribed forms should be communicated to Municipal Officials.
- The Labour Relations Department be copied in a submission of all Grievances. .
- Please refer to MLP 1: Lack of adequate system to monitor and report on the implementation of Consequence Management Process procedures and requirements (Lack of Detailed Case Register) for similar recommendations relating to the requirements, status, and sign-offs by the Compiler and Reviewer.

Management Action Plan

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	Response Management agrees with the findings and the recommendations will be implemented. Action Plan. Estimated Completion Date and Timing: 31 March 2024 (ST) Responsible Official Ms L Phillips (Manager: Human Resources) Mr L Fata (Acting Senior Labour Relations Officer)
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ORDINARY COUNCIL MEETING
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Finding & Root Cause	Recommendation and Action Plans
17 Monitoring and reporting on the implementation of Disciplinary Regulations for Senior Managers Requirements-Control Gap	
Root Cause • Lack of adequate delegations relating to the roles and responsibilities with reference to the monitoring and reporting on compliance to Disciplinary Regulations for Senior Managers (other than Financial Misconduct). • Lack of system and/or Detailed Case Register to monitor implementation of Consequence Management related requirements (including time related requirements).	Recommendation: • The roles and responsibilities relating to, amongst others, the monitoring and reporting on Senior Manager Disciplinary Cases be adequately delegated. Consideration should be given to Financial Misconduct and Other Misconduct cases relating to Senior Managers. • A Detailed Case Register be compiled and maintained relating to Senior Managers Disciplinary Cases. • The Detailed Senior Manager Case Register should make provision for the recording and monitoring of the related requirements (including timeframe requirements) of the Disciplinary Regulations for Senior Manager requirements. • Adequate recordkeeping should be implemented in order be present the relating supporting documentation for audit purposes. • Adequate reporting should be implemented with reference to Senior Manager Disciplinary Cases. • Please refer to MLP 1: Lack of adequate system to monitor and report on the implementation of Consequence Management Process procedures and requirements (Lack of Detailed Case Register) for similar recommendations relating to the requirements, status, and sign-offs by the Compiler and Reviewer Management Action Plan Response Standard Operating Procedures to be drafted in terms of the Disciplinary Regulations for Senior Managers regarding the flow of actions and responsible staff relating to discipline for Senior Managers Action Plan Estimated Completion Date and Timing: 30June 2024 (MT) Responsible Official: • Ms L Phillips (Manager: Human Resources) • Mr L Fata (Acting Senior Labour Relations Officer)

ORDINARY COUNCIL MEETING
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18. Grievance Process-No controls identified, and no supporting documentation presented relating to the Grievance Process	
Root Cause • Lack of adequate recordkeeping of grievances. (Lack of Grievances Register.) • Lack of adequate filing of supporting documentation. • Lack of adequate review and monitoring functions implemented. • Lack of adequate reporting function implemented. • Resignation of previous Senior Labour Relations Officer and inadequate handover procedures. • Changes in Acting Senior Labour Relation Officer position and reporting lines	Recommendation • A Detailed Grievance Register be compiled, implemented and maintained. • The Detailed Grievance Register should make provision for the recording and monitoring of the related requirements (including timeframe requirements) of the Main Collective Agreement per Grievance Case. • Adequate recordkeeping should be implemented in order be present the relating supporting documentation for audit purposes. • Adequate reporting should be implemented with reference to the Grievance Process. • Human Resources should inform and/or refresh Municipal Officials' knowledge on the Grievance Process Procedures, as stipulated in the Main Collective Agreement. The processes and prescribed forms should be communicated to Municipal Officials. • The Labour Relations Department be copied in a submission of all Grievances. . • Please refer to MLP 1: Lack of adequate system to monitor and report on the implementation of Consequence Management Process procedures and requirements (Lack of Detailed Case Register) for similar recommendations relating to the requirements, status, and sign-offs by the Compiler and Reviewer. Management Action Plan Response Management agrees with the findings and the recommendations will be implemented. Action Plan. Estimated Completion Date and Timing: 31 March 2024 (ST) Responsible Official • Ms L Phillips (Manager: Human Resources) • Mr L Fata (Acting Senior Labour Relations Officer)

6.4

C04/05/24	REPORT ON 2ND JUDGMENT DELIVERED ON 28 MAY 2024 UNDER CASE 4247/2023: DA // THE SPEAKER & OTHERS & CASE 4441/2023: WC PROVINCIAL MINISTER OF LOCAL GOVERNMENT // KNYSNA MUNICIPALITY & OTHERS - APPOINTMENT OF MUNICIPAL MANAGER: MR SEBOLA
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REPORT FROM THE EXECUTIVE MAYOR

PURPOSE OF THE REPORT

To report to Council on the judgment delivered on 28 May 2024, under Case 4247/2023 and Case 4441/2023.

Background / Discussion

On 10 May 2024, the court delivered judgment under above-mentioned cases setting aside and declaring null and void, the appointment of Mr Ombali Sebola as Municipal Manager. The judgment was considered by Council on 15 May 2024 during which meeting it was confirmed that Mr Sebola, lodged an application for leave to appeal on same date.

The effect of the application for leave to appeal meant that the judgment dated 10 May 2024, was suspended until such time that application for leave to appeal is heard. Mr Sebola thus resumed with his duties as Municipal Manager on 16 May 2024.

For ease of reference, Council Resolution SC02/05/24, dated 15 May 2024 is enclosed hereto as **Annexure "A"**.

Subsequent to above application for leave to appeal filed by Mr Sebola, the Democratic Alliance and the MEC for Local Government, the respective applicants in both matters, filed applications in terms of section 18(1) of the Superior Courts Act, 10 of 2013 and notices of opposition to Mr Sebola's leave to appeal application.

Above applications and Mr Sebola's application for leave to appeal were heard on 28 May 2024. The court subsequently ordered as follows, **Annexure "B"**:

In case numbers 4247/23 and 4441/23

1. The Fourth Respondent's (Mr O P Sebola) leave to appeal application dated 13 May 2024 is struck from the roll with costs on scale B.
2. The applications in terms of section 18(1) read with section 18(3) of the Superior Courts Act 10 of 2013, are granted.
3. In terms of section 18(1) read with section 18(3) of the Superior Courts Act 10 of 2013, it is ordered that the operation and execution of the Court's judgment and orders handed down on 10 May 2024 in the abovementioned matters, are not suspended and shall remain operative and be executable notwithstanding Mr Sebola's amended leave to appeal application(s), any Petition for leave to appeal and/or appeal.
4. The Fourth Respondent is ordered to pay the costs of the section 18 applications

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Due to Mr Sebola's application for leave to appeal being struck from the roll and the order handed down under prayer 2 above, the judgment handed down on 10 May 2024, are not suspended, shall remain operative and executable.

Thus, the decision by Council to appointment of Mr Sebola as Municipal Manager, is null and void and the appointment of Mr Sebola, in consequence of the council resolution, is set aside.

The judgment handed down under Case 4247/23 and 4441/23 dated 28 May 2024, is accordingly submitted to Council for consideration.

FINANCIAL IMPLICATIONS

None under the 28 May 2024 Judgment.

RELEVANT LEGISLATION

Municipal Structures Act, 117 of 1998
Municipal Finance Management Act, 56 of 2003

RECOMMENDATION BY EXECUTIVE MAYOR

- [a] That the report on the Judgments handed down under consolidated Cases 4247/2023 and 4441/2023, dated 28 May 2024, be noted;
- [b] That Council notes that the Mr Sebola's application for leave to appeal was struck from the roll with costs;

- [c] That Council notes that the applications in terms of section 18(1) read with section 18(3) of the Superior Courts Act, 10 of 2013, filed by the Democratic Alliance and the MEC for Local Government, was granted;
- [d] That Council notes that it was ordered that the operation and execution of the Court's judgment and orders handed down on 10 May 2024, are not suspended and shall remain operative and be executable notwithstanding Mr Sebola's amended leave to appeal application(s), any petition for leave to appeal and/or appeal; and
- [e] That Council mandates the Executive Mayor to inform Mr O Sebola, in writing, of the outcome of the Judgments under consolidated Cases 4247/2023 and 4441/2023, dated 28 May 2024, and request Mr O Sebola, to return all tools of trade and to vacate the office of Municipal Manager, with immediate effect and to.

APPENDIX

Annexure "A": Council Resolution SC02/05/24 dated 15 May 2024

Annexure "B": Judgment handed down under Cases 4247/23 and 4441/23: 28 May 2024.

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SPECIAL COUNCIL MEETING
MINUTES
15 MAY 2024

SC02/05/24 **HIGH COURT JUDGEMENT DELIVERED ON FRIDAY, 10 MAY 2024 UNDER CASE #4247/2023 – DA // THE SPEAKER OF KNYSNA MUNICIPALITY & OTHERS, AND CASE #4441/2023 DELIVERED ON THE SAME DAY; WESTERN CAPE MEC FOR LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS & DEVELOPMENT PLANNING // KNYSNA MUNICIPALITY & OTHERS**

DA Caucus from 15:15 until 15:45

Proposal 1

- [a] That the report on the Judgments handed down under consolidated Cases 4247/2023 and 4441/2023, dated 10 May 2024, a letter dated 15 May 2024 from Messrs Duncan Korabie Attorneys addressed to Nandi Bulabula Inc, a copy of an Application for Leave to Appeal in the matter between Ombali Phineas Sebola and Others and a copy of the confirmation of receipt of the Office of the Chief Justice of the Western Cape of an Application for Leave to Appeal in the aforementioned matters dated 15 May 2024, circulated by e-mail to all Councillors at the Special Council Meeting dated 15 May 2024, , be noted; and
- [b] That all Municipal Respondents in both matters of the MEC & the DA, that is the Speaker, Executive Mayor, The Municipal Manager in their official capacities, and the Municipal Council in respect of the MEC, that all the Municipal Respondents will abide the decision in the appeal matter.

Proposer : Cllr S Campbell
Seconder : Cllr M Willemsse

UNANIMOUSLY RESOLVED

- [a] That the report on the Judgments handed down under consolidated Cases 4247/2023 and 4441/2023; dated 10 May 2024, a letter dated 15 May 2024 from Messrs Duncan Korabie Attorneys addressed to Nandi Bulabula Inc, a copy of an Application for Leave to Appeal in the matter between Ombali Phineas Sebola and Others and a copy of the confirmation of receipt of the Office of the Chief Justice of the Western Cape of an Application for Leave to Appeal in the aforementioned matters dated 15 May 2024, circulated by e-mail to all Councillors at the Special Council Meeting dated 15 May 2024, , be noted; and
- [b] That all Municipal Respondents in both matters of the MEC & the DA, that is the Speaker, Executive Mayor, The Municipal Manager in their official capacities, and the Municipal Council in respect of the MEC, that all the Municipal Respondents will abide the decision in the appeal matter.

ORDINARY COUNCIL MEETING
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File Number: Sp.Sebola,O
Execution: The Office of the Executive Mayor



**IN THE HIGH COURT OF SOUTH AFRICA
(WESTERN CAPE DIVISION, CAPE TOWN)**

Case Number: 4247/2023

In the matter between:

DEMOCRATIC ALLIANCE

Applicant

and

**THE SPEAKER OF THE KNYSNA MUNICIPAL
COUNCIL**

First Respondent

**THE EXECUTIVE MAYOR OF THE KNYSNA
MUNICIPALITY**

Second Respondent

**THE MUNICIPAL MANAGER OF THE KNYSNA
MUNICIPALITY**

Third Respondent

OMBALI PHINEAS SEBOLA

Fourth Respondent

**WESTERN CAPE MINISTER, LOCAL GOVERNMENT,
ENVIRONMENTAL AFFAIRS AND DEVELOPMENT
PLANNING**

Fifth Respondent

**MINISTER FOR CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS**

Sixth Respondent

Case Number: 4441/2023

In the matter between:

**WESTERN CAPE PROVINCIAL MINISTER
OF LOCAL GOVERNMENT, ENVIRONMENTAL
AFFAIRS AND DEVELOPMENT PLANNING**

Applicant

and

THE KNYSNA MUNICIPALITY

First Respondent

**THE SPEAKER OF THE KNYSNA MUNICIPAL
COUNCIL**

Second Respondent

**THE MUNICIPAL MANAGER OF KNYSNA
MUNICIPALITY**

Third Respondent

OMBALI PHINEAS SEBOLA

Fourth Respondent

Dates of hearing: 27 May 2024

Date of judgment: 28 May 2024

**JUDGMENT: LEAVE TO APPEAL APPLICATION DATED 13 MAY 2024 AND
SECTION 18(1) APPLICATIONS**

PANGARKER AJ

1. On 10 May 2024, pursuant to my judgment, I granted certain orders in case numbers 4247/23 and 4441/23 whereby the appointment of the municipal manager for Knysna Municipality was declared null and void and set aside. The orders were to have prospective effect only and would not affect the decisions taken by Mr Sebola in his capacity as municipal manager from date of his appointment to date of the Order.

2. The effect of the declaration of invalidity was that Mr Sebola was to vacate the position of municipal manager and the further remedial relief was that the appointment of a municipal manager was remitted to the Knysna Municipal Council which was to commence the advertisement process afresh¹. At all material times during the matters and the hearing, Nandi Bulabula Inc. were the legal representatives of the municipal respondents which included Mr Sebola as the fourth respondent in both applications.

3. On 16 May instant, my Registrar received an email from Ms Jonker of Minde Schapiro Inc for the DA, which attached an application in terms of section 18(1) of the Superior Courts Act 10 of 2013 and a Rule 7(1) notice, calling on Mr Duncan Korabie of Duncan Korabie Attorneys to lodge with the Registrar a copy of a power attorney signed by Mr Sebola that the former was duly authorized to act on his behalf in the prosecution of the leave to appeal application. Attached to the email was a copy of a leave to appeal

¹ Pages 75-77 judgment

application by Mr Sebola in both matters in relation to the whole judgment and Orders granted therein. The leave to appeal application, dated 13 May instant, was unsigned but bore the details of Duncan Korabie Attorneys for Mr Sebola.

4. This leave to appeal application was not filed with the Registrar nor brought to her attention by Mr Korabie, thus the first I was made aware of it was when I had sight of Ms Jonker's email and attachments. None of the other respondents in the matters lodged an application for leave to appeal. Ms Jonker requested that the applications and rule 7(1) notice be brought to my attention urgently as the DA had launched the section 18(1) application on an urgent basis. I noted that prayer 1 of the section 18 application sought that the Court hears the matter as one of urgency. Furthermore, the Notice sought that the applicant would seek the urgent relief on the first available date after 23 May.

5. On 17 May, the Registrar informed the legal representatives that my first availability for the hearing was on 27 May. Subsequently, on 22 May, Mr Korabie emailed the Registrar informing her that he represented Mr Sebola in the section 18 and leave to appeal applications in both matters. No leave to appeal application had at that stage been filed with the Registrar.

6. Also on 17 May, Ms Jonker confirmed that the DA's legal representatives were available on 27 May for the hearing. On 22 May, Mr Korabie addressed correspondence dated 6 May indicating, in summary, the following: he complained about the date of 27 May which was done without his consultation and consideration of his and his counsel's diary; that the previous counsel who represented Mr Sebola in the main applications indicated on 20 May that they were no longer available to represent him; that the time to prepare to argue the leave to appeal and section 18 applications was insufficient given that the record of proceedings were prepared for counsel and that he (Mr Korabie) had not yet received confirmation of the availability of senior counsel for the hearing.

7. Mr Korabie's correspondence further indicated that he required six weeks to consider the papers, consult with counsel, amend the leave to appeal and argue the applications. He contends that it would be unreasonable to expect of Mr Sebola to be ready to proceed with new legal representatives given that the matter was coming on for a year.

8. This correspondence was met by Ms Jonker indicating that Mr Sebola had not filed a notice to oppose the section 18 application by 20 May; that the six weeks requested was ridiculous; and that the contention that the record of proceedings was only received on 21 May was questionable as she wondered how the leave to appeal was drafted without reference to the record. Ms Jonker was of the view that the time period was sufficient to brief counsel and argue the matter and any request for a six week extension would be opposed but she was amenable to an extension of a day.

9. Later on 22 May, the MEC delivered his urgent section 18 application and a notice of opposition to Mr Sebola's leave to appeal application. Subsequent developments included Mr Korabie's further correspondence reiterating the further five weeks needed to prepare and consult and he questioned Ms Jonker's authority to depose to the DA's affidavit supporting the section 18 application.

10. The date of 27 May remained fixed and the matter was to be heard at 09h00. Approximately a half hour prior to the commencement of the hearing, the Registrar brought to my attention what purported to be an amended leave to appeal application which was seemingly served per email during the evening of Sunday 26 May. The grounds on which leave to appeal were sought were extended and suffice to point out that, on my perusal, I note that the amended application contains very serious allegations against Mr Borgstrom SC who represented Mr Sebola and the other municipal respondents at the main hearing.

11. Mr Korabie was present at the hearing on 27 May and I enquired whether Mr Sebola had provided a power of attorney authorizing him to act and whether he had right of appearance in the High Court. Mr Korabie confirmed that he did not have right of appearance in the High Court and that the power of attorney was only due to be filed by 31 May. Notwithstanding questions as to authority to act and no right of appearance in the High Court, Mr Korabie was given an opportunity to address the Rule 7 issue. Mr Bishop, counsel for the DA, disagreed with his understanding and import of rule 7.

12. Having heard the submissions, I accepted Mr Bishop's argument and found that there was non-compliance with rule 7, no power of attorney provided/filed and that Mr Korabie was at the time, not authorized to act for Mr Sebola in the leave to appeal and section 18 applications. The reasons for these findings are recorded *ex tempore* and not repeated herein. Consequently, Mr Korabie requested to be excused from the proceedings, which request was granted.

13. Counsel for the MEC and DA submitted that in the circumstances where the attorney was not authorized to act, the leave to appeal application dated 13 May, was to be dismissed or struck from the roll. My view is that in the circumstances and events which occurred and leading up to the hearing, the leave to appeal is to be struck from the roll.

14. Before turning to the section 18 applications, as a matter of transparency, I set out what occurred after yesterday's hearing which ended approximately 10h30. At the end of proceedings I indicated that as I had another matter waiting, judgment would be delivered electronically either later in the day or today. Having concluded the second matter at 13h00, I then proceeded to write the judgment.

15. At 14h55, the Registrar informed me that Mr Filand was present to hand deliver a bundle of documents on the request of Mr Korabie. Mr Filand, in the presence of the Registrar, informed me that he did not yet hold a brief to act for Mr Sebola but that Mr Korabie had requested him to deliver the documents. I informed Mr Filand that I would note the time and that the parties and legal representatives would be informed of the turn of events per email, which they duly were. As for the bundle, it was stamped 27 May 2024, and on a quick perusal, I noted that it contained: a leave to appeal application dated 26 May 2024, a power of attorney by Mr Sebola in respect of Mr Korabie related to case numbers 4247/23 and 4441/23, and a Legal Practice Council Fidelity Fund Certificate held by Mr Korabie. Whether this new or recent leave to appeal application is a copy of the amended application circulated on Sunday, is unclear and not something I need to pronounce upon.

16. At 15h40, I was met with another development, again emanating from Mr Korabie, and this time in the form of an email addressed to the Registrar, including the various legal representatives of the DA and MEC and a few others, attaching correspondence addressed directly to me. In the correspondence Mr Korabie "confirmed" my ruling regarding the rule 7 issue² and stated that because of the ruling, the application for leave to appeal was a nullity and *"...any proceedings flowing from that application constitutes a nullity. This includes the two section 18 applications as those application (sic) is premised on an application for leave to appeal that following the ruling this morning is non-existent"*³.

17. The correspondence then informs me that Mr Korabie has since prepared a new leave to appeal application which was served on all the parties concerned. This new application seems to be a reference to the application hand delivered by Mr Filand. The propriety of addressing correspondence directly to me aside, the question is whether Mr

² Par 2, correspondence dated 27 May instant

³ Par 3, correspondence 27 May instant

Korabie's understanding of the effect of the rule 7/no authority finding earlier in the proceedings, on the section 18 applications, is correct. In my view, this question requires consideration before turning to the section 18 applications.

18. The finding that Mr Korabie was not authorized to act for Mr Sebola in the 13 May leave to appeal application and also not potentially oppose the section 18 applications, though no answering affidavits were filed, render the leave to appeal a nullity. However, that does not mean that the section 18 applications are also a nullity. Mr Korabie's view that this is indeed the case, is based on a misconception of the law related to section 18.

19. Both counsel held the view that the fact that the leave to appeal was to be struck from the roll or dismissed because it was not authorized, did not mean that the section 18 applications would follow the same fate as they were not dependent on the leave to appeal application. With reference to *Ntlemeza v Helen Suzman Foundation*⁴ it becomes apparent that the law as it stands is that the Court's power in terms of section 18, to order that a decision shall remain operative and be executed, is competent even after an applicant applies for leave to appeal the decision. In this instance, the High Court has an "*inherent right*"⁵ to control its own processes and judgments⁶.

20. I point out further that a section 18(1) application may also be brought where it is evident that there is an indication of an impending leave to appeal application or an intention to apply for leave to appeal is expressed⁷. Given that the leave to appeal application dated 13 May 2024 was served per email on the DA and MEC in the respective matters, it stands to reason that these parties would be entitled in those circumstances to approach the Court in terms of section 18 of the Act.

⁴ 2017 (5) SA 402 SCA para 31-32

⁵ Copthall Stores Ltd v Willoughby's Consolidated Co Ltd (1) 1913 AD 305 at 308

⁶ See also Ntlemeza, par [32]

⁷ Erasmus Superior Court Practice, Volume 1, D-122, Original Service 2023

21. It follows from what is stated above that it is not a correct conclusion to draw, as Mr Korabie does in his recent correspondence addressed to me, that the section 18 applications are or were a nullity in light of the finding that he was not authorized to act at the time of launching the leave to appeal application. Put differently, the section 18 applications were not rendered null due to Mr Korabie's lack of authorization to act for Mr Sebola at the time. These applications, as I explain above with reference to *Ntlemeza*, would at the very least require an indication of an intention to apply for leave to appeal, and this threshold was met in the prevailing circumstances of these matters. In view of this finding, I thus proceed to consider the section 18 applications in turn.

22. Firstly, there are three requirements for relief sought under section 18, and these are:

- 22.1 Exceptional circumstances;
- 22.2 Irreparable harm to the party applying for relief in terms of section 18;
- 22.3 No irreparable harm to the other party (respondent in the section 18 application)⁸.

In respect of the irreparable harm requirement, the proof thereof should be on a balance of probabilities.

23. In case number 4247/23, the DA seeks relief that the operation and execution of the judgment and orders granted in its application on 10 May instant, are not suspended pending Mr Sebola's application for leave to appeal and any further applications, petition and/or appeal. The supporting affidavit by Ms Jonker, the longstanding attorney in this matter, points out that in the main application, Mr Sebola had along with the other municipal respondents, filed an affidavit wherein he accepted that he was unlawfully appointed by the Knysna Municipal Council. He had thus accepted that his appointment was unlawful.

⁸ Ntlemeza, par [36]; Incubeta Holdings (Pty) Ltd and Another v Ellis and Another 2014 (3) SA 189 (GJ) par 16

24. Ms Jonker points out, correctly so, that this Court in its judgment and orders, did not grant the DA's additional relief which it had sought and decided the matter on the agreed grounds, which Mr Sebola had conceded. This too is correct, though I must add that in the judgment, I dealt extensively with whether the agreed grounds were competent and proper with reference to the prevailing authorities.

25. Mr Sebola's leave to appeal application dated 13 May 2024, was based on the following grounds or reasons: that the Court erred in that it over relied on the Steele report and it ignored his right to equality and fairness in the selection process as the defects in such process could not be attributed to Mr Sebola; the Court ignored the fact that it was the MEC who had the necessary standing to challenge the validity of the appointment (and not private parties), and that the Court ignored the fact that all the necessary information was before the Municipal Council when deciding on the appointment of municipal manager⁹. While the leave to appeal application was not authorized, Ms Jonker correctly addressed that the Court did not make some of the findings which it is alleged to have made in the leave to appeal.

26. Insofar as exceptional circumstances are concerned, the DA states that the respondents had accepted the illegality of Mr Sebola's appointment, and this is indeed correct, as it is addressed and remarked in several instances in the judgment. The contention is that after the Court's judgment and order, Mr Sebola was removed from the municipal manager position but then subsequent to a letter from a representative, he was reinstated (presumably because of the leave to appeal application). Ms Jonker raises serious concerns where, in view of the Court's order declaring the municipal manager appointment null and void, and setting it aside, we once more have Mr Sebola occupying this position and making decisions which raises the question as to the validity of his decisions in circumstances where he accepted and conceded that the appointment was invalid and this Court had granted specific orders regarding the prospective effect of its

⁹ See para 1-4, Leave to appeal application dated 13 May 2024

orders and Mr Sebola's decisions.

27. Having regard to the facts raised and submissions by Mr Bishop, on a cursory glance of the leave to appeal application, it is apparent that it was premised on either an incorrect understanding of the judgment and its orders. The Court made no finding that the Steele report disqualified Mr Sebola, nor findings that his written assessment was less effective than the other two candidates, nor that the Court blamed him for the defects in the assessment process. As for the standing issue, this was also addressed in detail in the judgment and it is correct as stated, that the MEC also brought his own application for similar relief. As for the absence of certain information before the Council, it became apparent that the Council and Mr Sebola admitted or accepted that to be the case.

28. The exceptional circumstance is a factual determination. In this matter, a person in an important position, whose appointment was declared null and void and who deposed to an affidavit accepting this to be so, nonetheless applied for leave to appeal the Court's judgment and orders based on meritless grounds. My reference here is to the 13 May leave to appeal application which precipitated the section 18 application. To add, the grounds were based either on a misunderstanding or mis-reading of the 10 May judgment, alternatively, reading into the judgment "findings" which were never made.

29. Having regard to Mr Bishops' submissions, I must agree that the impression gained is that Mr Sebola wishes to buy more time by occupying the position of municipal manager and to hinder the advertisement process and hence, appointment process for a new municipal manager. The position of municipal manager is a senior position in a Municipality, and the person holding that official position must be properly and lawfully appointed. Furthermore, the appointment holds significant public interest more especially for the people of Knysna. By continuing to hold that office, in circumstances where it was accepted that the appointment was error-strewn and unlawful, and where the judgment set aside the appointment, taken with the factors mentioned above, amount to exceptional

circumstances.

30. On the irreparable harm requirement, the DA was found to have standing and to be an own interest litigant which is represented on the Knysna Municipal Council. It is a political party which is represented in Knysna, and the continued unlawful position of Mr Sebola as municipal manager means that there exists an ongoing or continuous illegality which causes harm to the public interest. I have already referred to the questions which will arise as to the validity and lawfulness of decisions which Mr Sebola takes particularly so in circumstances where the orders granted on 10 May are not implemented.

31. In my view, furthermore, for Mr Sebola to remain in office until an appeal process is finalized, would not only raise questions as to the validity of his official decisions but also prevent the Knysna Municipal Council from acting in terms of the referral order granted by this Court in terms of which it is to commence the advertisement process for a new municipal manager. This too, cannot be in the public interest. In view hereof, I am satisfied that the DA has established on a balance of probabilities that irreparable harm will be suffered should the orders of 10 May not be carried through.

32. On the requirement of no irreparable harm to Mr Sebola were the section 18 application to be granted, the glaring fact is that the judgment and orders in no way prevent Mr Sebola from applying for the municipal manager post once it is advertised. As with any other candidate, he would have to (if successful) go through an assessment and selection process within the parameters of the legislation as I refer to in the judgment. Any loss of salary in my view, does not amount to irreparable harm. Mr Sebola, given the facts apparent from the papers in the main application, is imminently employable and my finding is that he would not suffer irreparable harm should the section 18 application be granted. I am thus satisfied that the DA has met the threshold of the requirements for a section 18(1) application read with section 18(3).

33. In case number 4441/23, the MEC's section 18 application is premised on much of the same grounds as the DA's application. To add to the exceptional circumstance requirement, the MEC submits that it is exceptional for a party to agree that an order be granted which invalidates his appointment, only for that person to apply for leave to appeal exactly such order. I fully agree with Mr De Waal SC's submission on this point. At the risk of repetition, Mr Sebola deposed to an affidavit expressing such view and acceptance of the invalidity of his appointment and the Court took this into account. In my view, there is certainly merit that in applying for leave to appeal on the grounds which he raised and knowing full well that he accepted the invalidity of his appointment, he embarked upon an abuse of process. This amounts to an exceptional circumstance within the context and facts of this matter.

34. As for the irreparable harm requirements, this is set out succinctly and correctly from paragraph 21 of the section 18 affidavit. If Mr Sebola is allowed to remain in office as municipal manager until the appeal process runs its course, then the effect thereof would mean that the Knysna Municipality and third parties with whom Mr Sebola contracts within an official capacity, are bound by those decisions. The submission that the municipal manager acts as accounting officer and CEO for a municipality in terms of section 55(2) of the Local Government: Municipal Systems Act¹⁰ and is thus responsible for income and expenditure of the relevant Municipality is accepted.

35. The effect of Mr Sebola, who was unlawfully appointed and whose appointment was set aside, remaining in office for the duration of an appeal and acting as accounting officer and CEO for the Knysna Municipality would in all probability cause irreparable as he will be making decisions in circumstances where the Orders granted on 10 May had prospective effect. Should he continue as municipal manager, decisions he makes as an unlawfully appointed person would give rise to further unlawful decisions, which would in all probability not only affect the finances of residents and taxpayers of Knysna, but cause

¹⁰ 32 of 2000

potential harm and uncertainty in the Knysna Municipality.

36. It stands to reason that there would indeed be irreparable harm to the MEC, who as mentioned in the judgment, is the responsible person to oversee and monitor the appointment of municipal managers in accordance with section 54A and Regulations of the Systems Act. I agree with the view that were Mr Sebola allowed to remain in office until the appeal process is completed, not only would it undermine the Court order but it would also prevent the MEC from performing his legislative function in terms of section 54A. This would indeed cause irreparable harm to the MEC, and in my view, to the public interest.

37. I am in agreement with the MEC's view that no irreparable harm will fall on Mr Sebola if the section 18 application were to be granted not only for those reasons mentioned and found in the DA's application, but also as the Court granted no costs order against him in his personal capacity in the main application. I am thus satisfied that the MEC has met the requirements for an order in terms of section 18(1) read with (3).

38. As for urgency in both section 18 applications, I am satisfied that in the circumstances of the matters and given the orders granted on 10 May, plus the 13 May leave to appeal application, that the applications were indeed urgent. The 13 May leave to appeal application, for the reasons set out above, was indeed an abuse of process.

39. There are two remaining aspects: it was brought to my attention by counsel for the MEC in the main judgment, that Mr M Vassen, junior to Mr De Waal SC was not listed in the main judgment notwithstanding that he appeared with senior counsel at the hearing. Having reconsidered the Practice Note and my notes, it is indeed so that due to a typographical or clerical oversight, the reference to Mr Vassen was omitted from the main

judgment. Mr Borgstrom SC was included in an email by Mr De Waal SC highlighting the oversight. In the circumstances, the oversight or error will be rectified in that Mr Vassen will be added to the appearance of behalf of the MEC in case number 4441/23 in the main judgment.

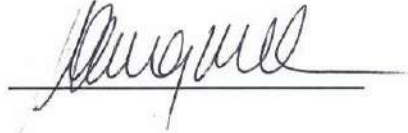
40. Lastly, on the outstanding rule 67A issue as per paragraphs 10 of the order in 4247/23 and paragraph 6 of 4441/23 of 10 May 2024, the submissions are accepted that section 67A would not apply to work done prior to 12 April 2024, hence, the costs orders are not to be amended.

41. In the result, I grant the following orders:

In case numbers 4247/23 and 4441/23

1. The Fourth Respondent's (Mr O P Sebola) leave to appeal application dated 13 May 2024 is struck from the roll with costs on scale B.
2. The applications in terms of section 18(1) read with section 18(3) of the Superior Courts Act 10 of 2013, are granted.
3. In terms of section 18(1) read with section 18(3) of the Superior Courts Act 10 of 2013, it is ordered that the operation and execution of the Court's judgment and orders handed down on 10 May 2024 in the abovementioned matters, are not suspended and shall remain operative and be executable notwithstanding Mr Sebola's amended leave to appeal application(s), any Petition for leave to appeal and/or appeal.
4. The Fourth Respondent is ordered to pay the costs of the section 18 applications

on Scale B.



M PANGARKER
ACTING JUDGE OF THE HIGH COURT

Appearances in case number 4247/23

For Applicant (Democratic Alliance): M BISHOP

Instructed by: Minde Schapiro and Smith Inc.

Ms E Jonker

Appearances in case number 4441/23

For applicant: H DE WAAL SC

M VASSEN

Instructed by State Attorney, Cape Town

Ms Melapi

(Mr Korabie in attendance for Mr Sebola)

6.5

C05/05/24 APPOINTMENT OF AN ACTING MUNICIPAL MANAGER
--

REPORT FROM THE EXECUTIVE MAYOR

PURPOSE OF THE REPORT

To recommend to Council the appointment of an Acting Municipal Manager for a period of three (3) months.

BACKGROUND

In terms of the Municipal Systems Act section 54a in Act 32 of 2002:

The Municipal Council of a municipality must appoint a Municipal Manager and acting Municipal Managers.

WITH REFERENCE TO THE GOVERNMENT GAZETTE 37245 DATED 17 JANUARY 2014:

The minimum requirements for an Acting Municipal Manager is as follows:

Requirements:

- Bachelor Degree in Public Administration/Political Sciences/Social Sciences/Law; or equivalent;
- Minimum of five (5) years relevant experience at a senior management level; and
- Have proven successful institutional transformation within public or private sector.
- Advanced knowledge and understanding of relevant policy and legislation;
- Advanced understanding of institutional governance systems and performance management;
- Advanced understanding of council operations and delegation of powers;
- Good Governance;
- Audit and risk management establishment and functionality; and
- Budget and finance management.
- The required core competencies as stipulated in Annexures A and B of the Regulations on Appointment and Conditions of Employment of Senior Managers Government Notice 21 in Government Gazette 37245 dated 17 January 2014

FINANCIAL IMPLICATIONS

The position is budgeted for in terms of the MTREF. Upper Limits in terms of Total Remuneration Packages payable to Municipal Managers and Managers directly accountable to Municipal Managers, amount for the Municipal Manager is subject to Total Cost to Council for a Category 3 Municipality per annum.

RELEVANT LEGISLATION

Municipal systems act 32 of 2000

Regulations on the Appointment of and Conditions of Senior Managers, January 2014
Government Gazette No. 431223 dated 20 March 2020 on the Upper Limits of Total
Remuneration Packages payable to Municipal Managers and Managers directly accountable
to Municipal Managers

RECOMMENDATION OF THE EXECUTIVE MAYOR

- [a] That the report regarding the appointment of an Acting Municipal Manager be noted;
- [b] That Council appointsas Acting Municipal Manager, for a
period of three (3) months or until the vacancy is filled, whichever comes first.

6.6

C06/05/24 KNYSNA MUNICIPALITY AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

REPORT FROM THE MUNICIPAL MANAGER

PURPOSE OF THE REPORT

The purpose of this report is to table the Amended 2024/2025 Integrated Development Plan (IDP) of Knysna Municipality before the Council for adoption.

BACKGROUND AND DISCUSSION

Section 34 of the Municipal Systems Act, 2000 (Act 32 of 2000) mandates all Municipal Councils conduct an annual review of its IDP.

“A municipal council –

- (a) must review its integrated development plan –*
 - (i) annually in accordance with an assessment of its performance measures in terms of section 41; and*
 - (ii) to the extent that changing circumstances so demand; and*
- (b) May amend its integrated development plan in accordance with a prescribed process.”*

The ever-changing political, economic, social, environmental and technological environments of public service delivery compelled the Knysna Municipal Council to craft and table an Amended IDP. The Amendment process is a strategic process that ensure that the municipality remains vision focused.

The following table makes provision for the key reasons that necessitated the amendment of the 2023/2024 Council Adopted IDP:

Amendment	Description
Municipal Council's vision, mission, values and objectives for longer term development (Batho Pele Principals added as core values)	Batho Pele Principals were added as municipal core values
Forward by the Executive Mayor	Amended as per review
Overview by the Municipal Manager	Amended as per review
Contextual analyses	Current stats was, as far as possible, replaced by Census 2022 results and updated Knysna 2022 Socio – Economic Survey
Ward Based Needs	Amendment as per review
State of the Nation and State of the Province amended	2024 SONA and SOPA directives were added

ORDINARY COUNCIL MEETING
AGENDA
31 MAY 2024

Knysna Diagnostic Report	New section focusing on the diagnostic assessment for the municipality and the way forward
MEC Comments on the 2023/2024 Council Adopted and 2024/2025 Draft Amended IDP	Analysis of shortcomings that were identified by the Office of the MEC and Provincial Government Departments
Organizational wide SWOT analysis included	New Section
Organizational Arrangements – Structure and Roles and responsibilities of Political Executive and Directors added	Amended as per review
Review of the SDF will be included once completed	Amendment as per review
Chapter on Disaster Management	Amendment as per review
Chapter on Local Economic Development	Amendment as per review
Chapter on Financial Planning	Amendment as per review
Chapter on Performance Management– Outlines review process and role of Internal Audit	Amendment as per review
Written public comments on Draft Amended 2024/2025 IDP	Amendment as per review

FINANCIAL IMPLICATIONS

None

RELEVANT LEGISLATION

- Municipal Systems Act, 2000 (Act 32 of 2000), Section 34
- Municipal Finance Management Act, 2003 (Act 56 of 2003) Sections 21, 24 and 53
- Municipal Planning and Performance Management Regulations, 2001

RECOMMENDATION BY THE MUNICIPAL MANAGER

- [a] That Council adopts the Amended 2024/2025 IDP;
- [b] That a notice be placed in the local media about the adoption of the 2024/2025 Amended IDP;
- [c] That copies of the adopted distributed to the Garden Route District Municipality, Western Cape Department of Local Government, Treasury and CoGTA;
- [d] That a copy of the Council Resolution and Adopted 2024/2025 IDP be placed on the Municipal Website;
- [e] That copies of the IDP be distributed to all municipal libraries.

APPENDIX / ADDENDUM

A. Amended 2024/2025 Draft Reviewed Integrated Development Plan of Knysna Municipality

File Number: 15/2/6/1/3
Execution: Municipal Manager
Manager IDP/PMS & IGR



Knysna
Municipality • Munisipaliteit • uMasipala

AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

inclusive • innovative • inspired

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

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KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

LIST OF ABBREVIATIONS

AG	Auditor-General
BESP	Built Environment Support Program
CAPEX	Capital Expenditure
CBD	Central Business District
CBP	Community Based Planning
CFO	Chief Financial Officer
CIlr	Councillor
CWP	Community Works Programme
DeCoG	Department of Co-operative Governance
DEA	Department of Environmental Affairs
DEADP	Department of Environmental Affairs and Development Planning
DM	District Municipality
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EPWP	Expanded Public Works Programme
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross Domestic Product
GKMA	Greater Knysna Municipal Area
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
HSP	Human Settlement Plan
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IGR	Intergovernmental Relations
IMFO	Institute for Municipal finance officers
INEP	Integrated National Electrification Programme
ISDF	Integrated Strategic Development Framework
Kl	Kilolitre (1,000 litres)
KM	Knysna Municipality
KPA	Key Performance Area

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KPI	Key Performance Indicator
KWh	Kilowatt-hour
LED	Local Economic Development
LGSETA	Local Government Sector for Education and Training Authority
LM	Local Municipality
LLF	Local Labour Forum
MAYCO	Mayoral Committee
MBRR	Municipal Budget and Reporting Regulations
MFMA	Municipal Finance Management Act, Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MEC	Member of the Executive Council
MERO	Municipal Economic Review & Outlook
MGRO	Municipal Governance Review & Outlook
MI	Megaliter (1,000,000 litres)
MM	Municipal Manager
MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act No. 32 of 2000
mSCOA	Municipal Standard Chart of Accounts
MSDF	Municipal Spatial Development Framework
MTREF	Medium Term Revenue & Expenditure Framework
NDP	National Development Plan
NDPG	Neighbourhood Development Program Grant
NERSA	National Energy Regulator of South Africa
NGO	Non-Governmental Organisation
NT	National Treasury
OPEX	Operating expenditure
PDI	Previously Disadvantaged Individual
PGWC	Provincial Government Western Cape
PMS	Performance Management System
PSDF	Provincial Spatial Development Framework
PSP	Provincial Strategic Plan
PPP	Public-Private Partnership

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PT	Provincial Treasury
RBIG	Regional Bulk Infrastructure Grant
ROD	Record of Decision-making
SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SO	Strategic Objective
SEA	Strategic Environmental Assessment
SONA	State of the Nation Address
SOPA	State of the Province Address
SWOT	Strengths, Weaknesses, Threats and Opportunities
STATSSA	Statistics South Africa
UISP	Upgrading of Informal Settlements Programme
VIP	Ventilated Improved Pit (toilet)
WSP	Workplace Skills Plan
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

KNYSNA MUNICIPALITY: SOCIO – ECONOMIC OVERVIEW

Demographics

Population Estimates, 2022; Actual households, 2022



Population
96 055

(Source: Census 2022)



Households
32 398

(Source: Knysna Municipality)

Education

2022



Matric Pass Rate **81.0%**
Learner Retention Rate **67.4%**
Learner-Teacher Ratio **28.9**

Poverty

2022



Gini Coefficient **0.63**
Poverty Head Count Ratio (UBPL) **63.1%**

Health

2022/23



Primary Health
Care Facilities
5
(excl. mobile/satellite
clinics)

Immunisation
Rate
66.6%

Maternal Mortality Ratio
(per 100 000 live births)
60.8%

Teenage Pregnancies –
Delivery rate to women
U/18
11.2%

Safety and Security

Actual number of reported cases in 2022/23



Residential
Burglaries
556

DUI
135

Drug-related
Crimes
795

Murder
18

Sexual Offences
164

Access to Basic Service Delivery

Percentage of households with access to basic services, 2022

Water

82.6%



Refuse Removal

89.3%



Electricity

93.9%



Sanitation

90.6%



Housing

83.7%



Labour

2022

Unemployment Rate
(narrow definition)
24.3%



Socio-economic Risks

Risk 1 Low economic growth
Risk 2 High inequality
Risk 3 Drug related crimes

Largest 3 Sectors

Contribution to GDP, 2021

Finance, insurance, real estate
and business services

31%



Wholesale & retail trade,
catering and accommodation

17%



Community, Social & Personal
Services

12%



Illustration 1: Knysna: Socio-Economic Overview

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

KNYSNA MUNICIPALITY: BASIC SERVICE DELIVERY

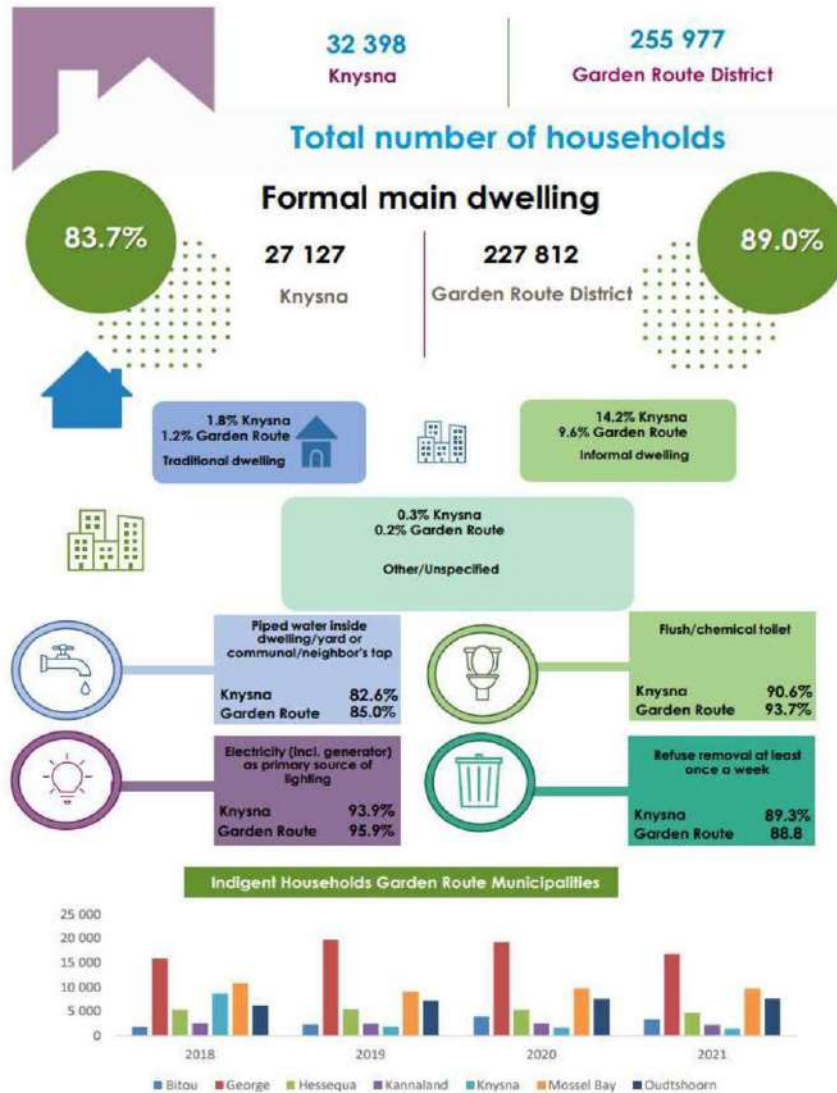


Illustration 2: Knysna: Basic Service Delivery

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

KNYSNA MUNICIPALITY: VULNARABILITY

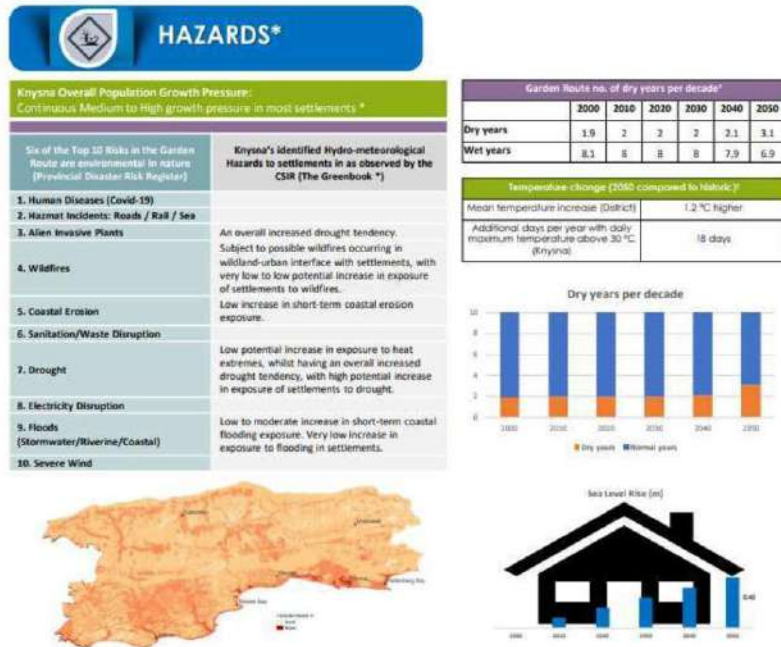


Illustration 3: Knysna: Vulnerability

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KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

KNYSNA MUNICIPALITY: POLITICAL GOVERNANCE

POLITICAL EXECUTIVE			MAYORAL COMMITTEE		
 Cllr Mncedisi Skosana (Speaker)	 Cllr Aubrey Tswenga (Executive Mayor)	 Cllr Alberto Marbi (Deputy Mayor)	 Cllr Kay Andrews (Integrated Human Settlements)	 Cllr Beauty Charlie (Infrastructure Services)	 Cllr Waleed Grootboom (Community Services)
WARD COUNCILLORS			MAYORAL COMMITTEE		
 Cllr Luvael Davis (DA - Ward 1)	 Cllr Cleone Vanstron (DA - Ward 2)	 Cllr Mncedisi Skosana (ANC - Ward 3)	 Cllr Alberto Marbi (Planning and Economic Development)	 Cllr Thando Matika (Finance and Governance)	 Cllr Aubrey Tswenga (Chairperson of Mayco)
WARD COUNCILLORS			PROPORTIONAL REPRESENTATIVES		
 Cllr Phidile Petros (ANC - Ward 4)	 Cllr Hilton Stroebe (DA - Ward 5)	 Cllr Kay Andrews (ANC - Ward 6)	 Cllr Susan Campbell (KIM)	 Cllr Beauty Charlie (ANC)	 Cllr Waleed Grootboom (PA)
 Cllr Mbeneli Khumelwana (ANC - Ward 7)	 Cllr Aubrey Tswenga (ANC - Ward 8)	 Cllr Sharon Sabbagh (DA - Ward 9)	 Cllr Neil Louw (EFF)	 Cllr Alberto Marbi (PB)	 Cllr Thando Matika (ANC)
 Cllr Peter Boster (DA - Ward 10)	 Cllr Russel Arends (ANC - Ward 11)		 Cllr Elmarie Maxim (DA)	 Cllr Luzuko Tyokolo (DA)	 Cllr Jason White (DA)
			 Cllr Mark Willems (KIM)		

Illustration 4: Knysna Political Governance

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

KNYSNA MUNICIPALITY: ADMINISTRATIVE GOVERNANCE

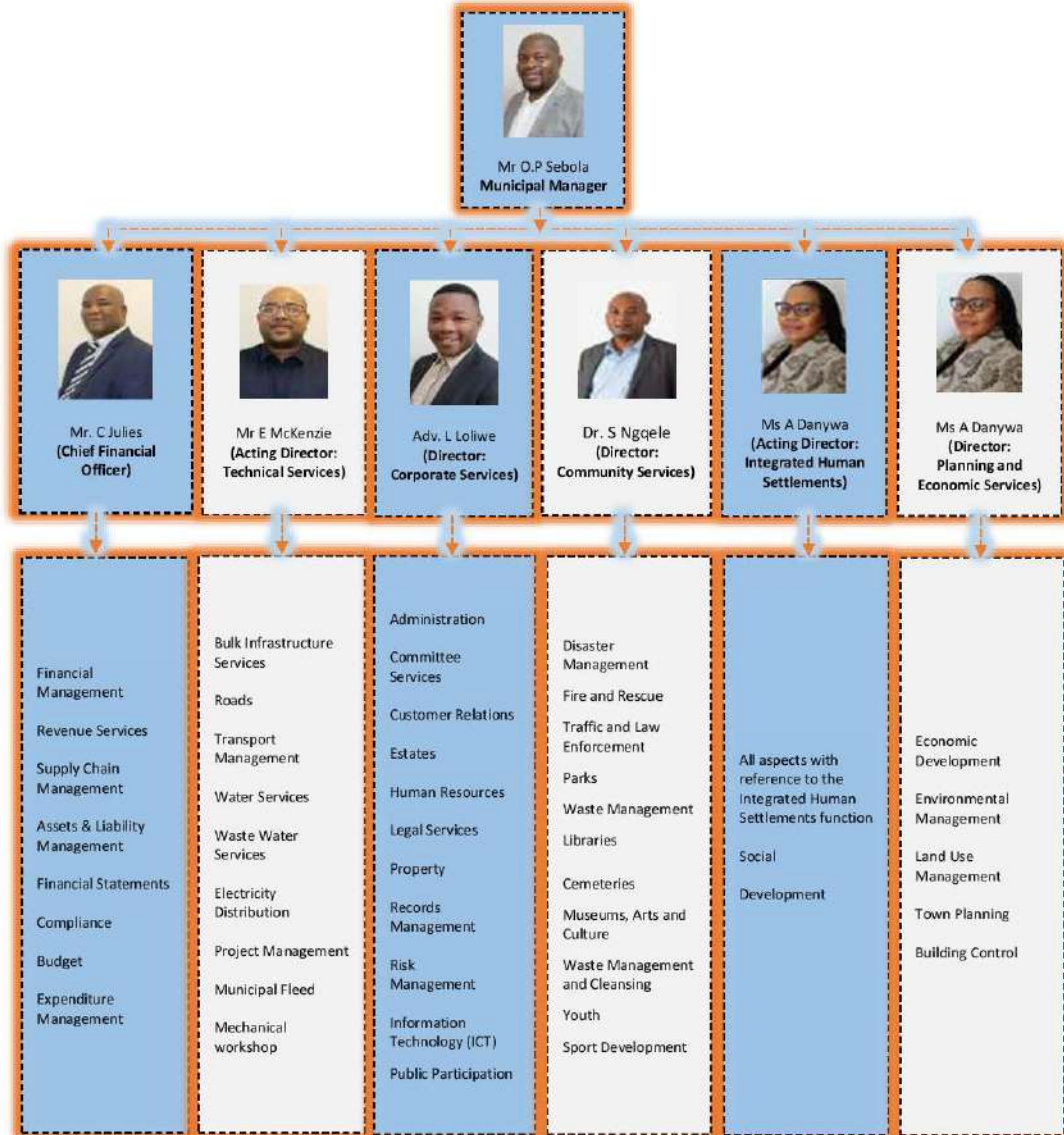


Illustration 5: Knyasna Municipality: Administration

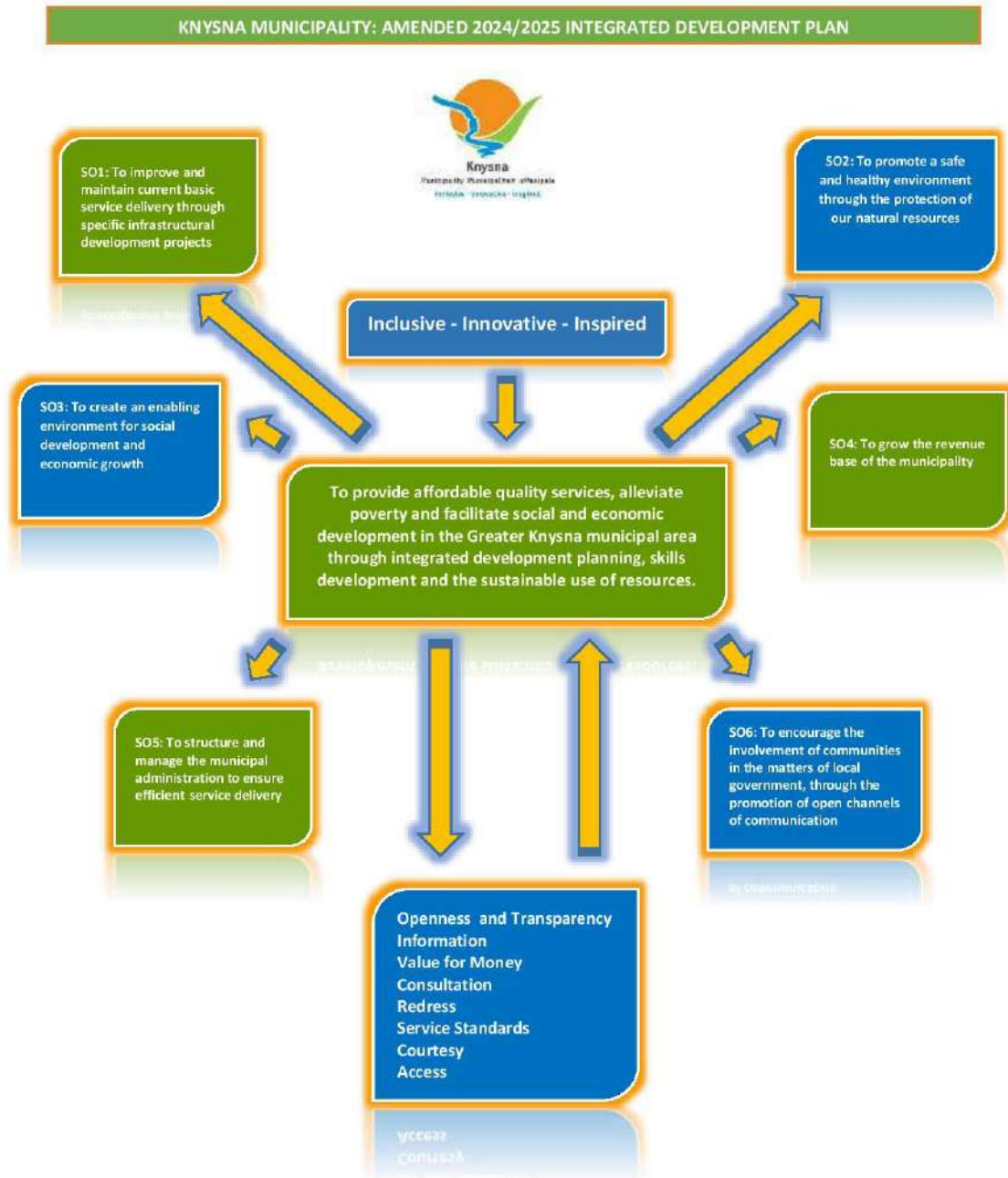


Illustration 6: Knysna: Vision, Mission and Strategic Objectives

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

EXECUTIVE MAYOR'S FORWARD



As the Executive Mayor of Knysna Municipality, I am extremely honored to present to the people of Knysna, our municipal stakeholders including our National, Provincial and Local Government counterparts our 2024/2025 Integrated Development Plan (IDP).

Firstly, I wish to utilise this opportunity to acknowledge all our Councillors, Ward Committees, communities, local stakeholder forums including national and provincial partners for their continued efforts to strengthen our democratic processes by making the amendment of this people's plan possible.

On 27 April 2024, South Africans and residents of the Greater Knysna in particular were fortunate to celebrate 30 years, yes three decades of freedom. The Knysna Municipal council, however, do not only associate this "freedom" as political freedom, but define it as an extension of our mandate to create a better future, where communities freed from economic inequalities, poverty and unemployment can interact freely in harmony

In light of aforesaid, the 2024/2025 IDP will once again echo the determination of our predecessors who met in Kliptown–1955 to reject the injustices of apartheid through the adoption of the Freedom Charter, which pronounced that "the people shall govern". It is also for this reason that we recommit ourselves to excavate the footpaths of democracy by meeting and engaging our people from September 2023 to end May 2024, this year to solicit meaningful inputs that informed this People's Integrated Development Plan.

The IDP remains the foundation and cornerstone of our undertaking to promote an innovative, accountable, responsive, inspired and inclusive municipality. At Knysna Municipality, we are not proponents of the "let's tick-the-box" methodology, but believe that the IDP is a driving force of the municipality's socio-economic developmental agenda. It is, in essence, the most vital element of the municipality's strategy to deliver to the people of Knysna.

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

In partnership with our administration and provincial and national counterparts we will continue to:

1. Fill senior managers' vacant positions;
2. Embark on a robust revenue enhancement process and refrain from taking up borrowings;
3. Put in place control systems, policies, administrative and governance structures that will accelerate the realizing of our service delivery constitutional mandate;
4. Continue to speed up implementation of the municipal objectives and commitments through the IDP and Budget; and
5. Implement our audit action plan.

Despite our challenges, negative publicity, the damaging allegations, criticisms and agendas of destruction, we still relate to Knysna Municipality as one of the best performing municipalities in the country. We remain determined to work with our communities and stakeholders to propose and activate sustainable approaches to improve the quality of our people's lives.

Our latest commitment to the Section 154 Support Plan, in collaboration with National and Provincial government departments to rebuild our institution towards an institution of excellence, responsive to the needs and aspirations of our peoples.

In conclusion, let me thank our Municipal Manager and his administrative team, for their hard work. We indisputably salute you for your allegiance to value the principals of diligence, performance, transparency and public accountability when engaging in your daily tasks at hand.

I believe the 2024/2025 financial year will be filled with much more rewards and value for our communities as we commit to accelerate the level of excellence in service delivery.

.....
Cllr. Aubrey Tsengwa
EXECUTIVE MAYOR:
KNYSNA MUNICIPALITY

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

MESSAGE BY THE MUNICIPAL MANAGER



Since municipalities are the closest sphere of government to their local communities, Knysna Municipality remains in charge of its Constitutional duty to serve its people through the efficient, economic and effective provisioning of basic services, that include but is not limited to, the provisioning of clean drinking water, sanitation, electricity, housing and refuse removal.

We remain the profound advocates of Chapter 7 of our Constitution, which provides a comprehensive governance and administrative framework within which all municipalities in South Africa must operate. This Chapter also empowers us to establish administrative mechanisms, structures and systems to channel our resources in a direction to boundlessly uplift the people of Knysna.

Similar to other municipalities, Knysna, also had its fair share of distresses, including limited financial resources, the technical capacity to deliver and indefatigable increase in unwelcomed pressures that somehow confined us to focus our energies on our task at hand. The Amended 2024/2025 IDP furthermore takes place alongside the background of severe economic difficulties. The banking industry has predicted an economic growth of 1 per cent for the next twelve months. Rising fuel and food prices, unemployment and increasing number of people that apply for relief are just a few of the realities that we cannot just overlook. The impact of all these elements places immense pressure on the real income of our poorer households and communities. Notwithstanding our challenges the budget and IDP presents a total municipal expenditure budget of 1,3 billion rand for the 2024/2025 financial year. The capital expenditure is in the vicinity of 88, 8 million rand. The municipality's operating expenditure budget approximates 1,2 billion rand.

The 2024/2025 financial year will be approached with a great sense of optimism to ultimately lay a strong foundation for an improved future for the people of Knysna. As a point of departure, is the filling of the vacancies of Director: Infrastructure and Director: Integrated Human Settlements with highly skilled, dedicated and experienced professionals. In addition, the municipality will continue to invest in its human capital through the training and development of both our political and administration leadership and the creation of a working environment that contributes positively to the achievement of our goals and objectives.

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Council, recently adopted a Section 154 Support Plan that was compiled by the Western Cape Provincial Government. Emanating from this was the establishment of a considerably commendable Steering Committee, working groups and work plans to accelerate the achievement of our medium-term objective to turn around the financial state of Knysna municipality. The immediate areas of intervention include municipal governance, waste management, energy generation, water and sanitation and Local Economic Development (LED). In addition, Council is also revisiting our long-term spatial development path through the amendment of the Municipal Spatial Development Framework, the adoption of a Spatial Development Framework for Sedgefield and similarly the adoption of a revised Coastal Management by-law.

The Knysna vision leads Inclusive, Innovative, Inspired. The IDP remains a people's document and the municipality's strategy to deliver. For this reason, I wish to appeal to our communities to engage with the municipality, to report problems timeously and employ the official municipal channels to provide feedback and constructive ideas on our existing initiatives.

.....
Ombali P Sebola
Municipal Manager:
Knysna Municipality

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

LEGISLATION GUIDING INTEGRATED DEVELOPMENT PLANNING

The Constitution of the Republic of South Africa (Act 108 of 1996)

Provides the basic outline of the type of local government the country must have.

Section 152 and 153 thereof stipulate what the objects of local government are as well as the developmental duties of municipalities:

Section 152

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and a healthy environment; and
- To encourage the involvement of communities and community organizations in the matters of local government.

Section 153

A Municipality must:

Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community; and to promote the social and economic development of the community and participate in national and provincial development programs.

The White Paper on Local Government 1998

Emphasises the prominence of maximising social and economic growth, integration and co-ordination, democratising development and learning.

The Municipal Systems Act (MSA) (Act 32 Of 2000)

Obliges municipalities to implement an IDP which is strategic, inclusive, consultative and participatory to enhance local development. Requires municipalities to develop Integrated Development Plans which should be single yet inclusive and strategic in nature. The Act also stipulates further the precise IDP process as well as the components to be included.

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LEGISLATION GUIDING INTEGRATED DEVELOPMENT PLANNING

Local Government: Municipal Planning and Performance Management Regulations of 2001

Regulation 2 (1) states that the municipality's IDP must at least identify:

- The institutional framework, which must include an organogram required for the implementation of the Integrated Development Plan and addressing the internal transformation;
- Any investment initiatives in the municipality;
- Any development initiatives in the municipality, including infrastructure, physical, social and institutional development;
- All known projects, plans and programs to be implemented within the municipality by any organ of the state; and
- The key performance indicators set by the municipality.

Regulation 2 (2) states that an IDP may:

- Have attached to it maps, statistics and other appropriate documents;
- Refer to maps, statistics and other appropriate documents that are not attached, provided they are open for public inspection at the offices of the municipality.

The Municipal Finance Management Act (Act 56 of 2003)

Section 21(2) states that, when preparing the annual budget, the mayor of a municipality must:

- Take into account the Municipality's Integrated Development Plan;
- Take all reasonable steps to ensure that the municipality revises the integrated development plan in terms of section 34 of the MSA, taking into account realistic revenue and expenditure projections for future years;
- Take into account the national budget, the relevant provincial budget, the national government's fiscal and macroeconomic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum;
- Consult the relevant district municipality and all other local municipalities within the area of the district municipality, if the municipality is a local municipality;
- The relevant provincial treasury, and when requested, the National Treasury; and
- Any national or provincial organs of state, as may be prescribed; and
- Provide, on request, any information relating to the budget to the National Treasury; and
- Subject to any limitations that may be prescribed, to the national departments responsible for water, sanitation, electricity and any other service as may be prescribed;
- Any other national and provincial organ of states, as may be prescribed; and
- Another municipality affected by the budget.

Table 1: Legislation Guiding the IDP Process

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

CREDIBLE IDP INDICATORS

This document is a depiction the KM's Amended 2024/2025 Integrated Development Plan (IDP).

In accordance with Chapter 5 and Section 26 of the MSA (2000), this IDP conforms with the following sections:

Section 26	U X
The Knysna Municipal Council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs (Inclusive, Innovative, Inspired)	✓
The Knysna Municipal Council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs (Organizational Arrangements – Chapter 1)	✓
An assessment of the existing level of development in the municipal area, and includes an identification of communities which do not have access to basic municipal services (Situational Analysis – Chapter 2)	✓
The Municipal Council's development priorities and objectives for its elected term, including its Local Economic Development (LED) aims and its internal transformation needs (IDP Chapter – Chapter 7)	✓
The Municipal Council's development strategies which must be aligned with any national and provincial sectoral plans and planning requirements binding on the municipality in terms of legislation (IDP Chapter – Chapter 4)	✓
A Spatial Development Framework (SDF), which must include the provision of basic guidelines for a land-use management system for the municipality (IDP Chapter – Chapter 5)	✓
Council's operational strategies (Annexure – Annexure to IDP)	✓
Council's disaster management plans (IDP Chapter – Chapter 6)	✓
Council's financial plan, which must include a budget projection for at least the next three years (Chapter 9 and Annexure to IDP)	✓
Council's Key Performance Indicators (KPI's) and performance targets determined in terms of section 41 (Chapter 10 and Annexure to IDP)	✓

Table 2: Credible IDP Indicators

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

AMENDMENTS TO 2023/2024 COUNCIL ADOPTED IDP

According to the Municipal Systems Act, all municipalities must undertake a process to produce IDPs. Since the IDP is a legislative prerequisite, it has a legal status. The IDP supersedes all other plans that guide development at local government level.

In South Africa, the IDP was introduced in 2000 to enhance the transformation of municipal development planning processes. This came after government through the Reconstruction and Development Program (RDP), acknowledged the need for participatory and inclusive development planning. The process is aimed at replacing the rigid, post-modern, democratic, strategic and developmental type of planning system and top-down segregation planning of the past with bottom-up approach that involve the joint engagement of communities and all municipal stakeholders in development planning. Furthermore, the IDP has the objectives of fast-tracking service delivery, safeguard equal distribution of state resources, promote the participation of communities in the development processes of municipalities and co-ordinate the efforts of the three spheres of government to ensure sustainable democracy.

Section 34 of the MSA (2000) prescribes that a municipality:

a) must review its integrated development plan-

- annually in accordance with an assessment of its performance measurements in terms of section 41; and
- to the extent that changing circumstances so demand;

b) may **amend** its IDP in accordance with a prescribed process.

The ever-changing political, economic, social, environmental and technological environments of public service delivery compelled the Knysna Municipal Council to craft and table an Amended IDP. The Amendment process is a strategic process that ensure that the municipality remains vision focused.

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KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

The following table makes provision for the key reasons that necessitated the amendment of the 2023/2024 Council Adopted IDP:

Amendment	IDP Page	Description
Municipal Council's vision, mission, values and objectives for longer term development (Batho Pele Principals added as core values)	6	Batho Pele Principals were added as municipal core values
Forward by the Executive Mayor	7 – 8	Amended as per review
Overview by the Municipal Manager	9 – 10	Amended as per review
Contextual analyses	36 – 57	Current stats was, as far as possible, replaced by Census 2022 results and updated Knysna 2022 Socio – Economic Survey
State of the Nation and State of the Province amended	112 – 114	2024 SONA and SOPA directives were added
Knysna Diagnostic Report	25 – 28	New section focusing on the diagnostic assessment for the municipality and the way forward
MEC Comments on the 2023/2024 Council Adopted and 2024/2025 Draft Amended IDP	65	Analysis of shortcomings that were identified by the Office of the MEC and Provincial Government Departments
Organizational wide SWOT analysis included	30	New Section
Organizational Arrangements – Structure and Roles and responsibilities of Political Executive and Directors added	16 – 35	Amended as per review
Review of the SDF will be included once completed	122 – 135	Amendment as per review
Chapter on Disaster Management	136 – 143	Amendment as per review
Chapter on Local Economic Development	145 – 148	Amendment as per review
Chapter on Financial Planning	153 – 158	Amendment as per review
Chapter on Performance Management–Outlines review process and role of Internal Audit	160 – 167	Amendment as per review
Written public comments on Draft Amended 2024/2025 IDP	Annexure A	Amendment as per review

Table 3: IDP Amendments

CHAPTER 1: ORGANISATIONAL ARRANGEMENTS/ IDP IMPLEMENTATION STRUCTURE

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1.1 Introduction

Municipalities may be established in a dissimilar way to perform their legislative duties in the most effective manner. Section 155 (1) of the Constitution distinguish between three different categories of municipalities namely:

- **Category A:** These municipalities have exclusive executive and legislative authority in their jurisdiction. This implies that, there is only one municipal council in such a municipal area. Such municipalities have a high population density with thriving economic states and are mostly situated within urban centres. In South Africa, there are eight such municipalities, with the City of Cape Town currently being the only one in the Western Cape Province.
- **Category B:** Category B municipalities share their municipal executive and legislative authority with a Category C municipality within whose area they reside. These are mostly rural and semi-urban areas often with a single central business district and low population density. Currently there are 205 Category B (local municipalities) in South Africa. The Knysna Municipality is one of seven municipalities (Bitou, George, Mossel Bay, Hessequa, Oudtshoorn and Kannaland Municipality) that resides within the jurisdiction and share their executive and legislative authority with the Garden Route District Municipality.
- **Category C:** A Category C municipality refers to municipalities that have municipal legislative and executive authority in an area that has more than one local municipality. Currently there are 44 Category C municipalities in South Africa. The Garden Route District Municipality consists of seven B-municipalities, including Bitou, Knysna, George, Mossel Bay, Hessequa, Oudtshoorn and Kannaland Municipality.

1.2 Municipal Powers and Functions

Section 7 of the Municipal Structures Act makes provision for five types of municipal executive systems. These include:

1. Collective executive system
2. Mayoral executive system
3. Plenary executive system
4. Sub-council participatory system
5. Ward participatory system

The functions and powers of a municipality are further assigned to it in terms of Sections 156 and 229 of the Constitution. To give effect to the provisions of the Constitution, Chapter 5 of the Local Government Municipal Structures Act (Act 117 of 1998) distinctly describe the functions and powers vested in a local community as follows:

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- To provide democratic and accountable government for local communities;
- To ensure provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organizations in the matters of local government.

Section 152 of the Constitution of the Republic of South Africa (Act 108 of 1996) read together with Schedule 4, Part B thereof, provides that the objects of local government vest the powers and functions in a local municipality. In line with the above described functions and powers in a local community, the following are the powers and functions assigned to the district municipality (Garden Route District Municipality) and Knysna Municipality.

Garden Route District Municipality	Shared Powers and Functions	Knysna Municipality
• Integrated development planning for the district municipality • Potable water supply systems • Bulk supply of electricity • Solid waste disposal sites, in so far as it relates to: 1. the determination of a waste disposal strategy, 2. the regulation of waste disposal. 3. the establishment, operation and control of waste disposal sites, and 4. bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district. • Domestic wastewater and sewage disposal systems • Municipal roads which form an integral part of a road transport system for the area of the district municipality • Regulation of passenger transport services • Municipal airports • Municipal health services • Firefighting services • The establishment, conduct and control of fresh produce markets and abattoirs • The establishment, conduct and control of cemeteries and crematoria • Promotion of local tourism	• Cemeteries, funeral parlours and crematoria • Markets • Municipal abattoirs • Municipal roads • Refuse removal, refuse dumps and solid waste disposal	• Air Pollution • Building regulations (National Building Regulations) • Child Care Facilities • Pontoons, Ferries, Jetties, Piers and Harbours • Storm Water Management • Trading regulations and Liquor • Beaches and Amusement Facilities • Billboards and the Display of advertisement in Public places • Cleaning • Control of Public Nuisances Facilities for the Accommodation, Care and Burial of Animals • Fencing and Fences • Licensing of Dogs • Local amenities • Local Sport Facilities • Municipal Parks and Recreation • Noise Pollution • Pounds • Municipal Roads • Public Places • Street Trading • Street Lighting • Electricity distribution • Municipal Planning • Local Tourism • Traffic and Parking

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Garden Route District Municipality	Shared Powers and Functions	Knysna Municipality
- Municipal public works relating to any of the above functions or any other functions assigned to the district municipality - The receipt, allocation and, if applicable, the distribution of grants made to the district municipality		- Refuse Removal, Refuse Disposal and Solid Waste - Cemeteries and Crematoria - Fire Fighting Services

Table 4: Knysna Municipality Powers and Functions

1.3 Knysna Municipality Governance and Council Structure

Local government operates in an extremely intricate environment. In order to be thriving in its obligation to render quality, affordable and sustainable municipal services, municipalities ought to be structured in a manner that allows them to expedite effective governance as well as to ensure proper oversight and measure their performance. The municipal council is the main decision-making body at a local government sphere. Subsequently, it must provide strategic direction and is responsible for the approval of fundamental decisions. According to Section 151(2) of the Constitution of the Republic of South Africa (Act 108 of 1996), council has both executive and legislative powers rest within the municipal council.

Knysna Municipality is a Category B municipality with an Executive Mayor Governance System. The Executive Mayor is supported by six (6) Mayoral Committee Members who are responsible for heading their respective Section 80 Portfolio Committees to which departments must report. The Speaker is the Chairperson of Council and is responsible for overseeing the functioning of Council and its committees. The Office of the Speaker is furthermore also responsible for the establishing and operations of the ward committees.

The formation of several councils, including municipal, district and metropolitan councils, was mandated under the Local Government Transition Act. Council comprises of twenty-one (21) councillors. Eleven (11) Councillors are Ward Councillors, whilst the remainder of councillors are Proportional Representative Councillors. They are the bond between Knysna Municipality and its 11 wards. The following tables provide an overview of the municipal council.

Political Party	Total
African National Congress	7
Democratic Alliance	8
Economic Freedom Fighters	1
Knysna Independent Movement	2
Patriotic Alliance	2
Plaaslike Besorgde Inwoners	1
Total	21

Table 5: Knysna Council: Political Parties

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Ward	Name and Surname	Political Party
1	Cllr Levael Davis	Democratic Alliance (DA)
2	Cllr Cleone Vanstrom	Democratic Alliance (DA)
3	Cllr Mcedisi Skosana	African National Congress (ANC)
4	Cllr Pindile Petros	African National Congress (ANC)
5	Cllr Hilton Stroebe	Democratic Alliance (DA)
6	Cllr Kay Andrews	African National Congress (ANC)
7	Cllr Mboneli Khumelwana	African National Congress (ANC)
8	Cllr Aubrey Tsengwa	African National Congress (ANC)
9	Cllr Sharon Sabbagh	Democratic Alliance (DA)
10	Cllr Peter Bester	Democratic Alliance (DA)
11	Cllr Russel Arends	African National Congress (ANC)

Table 6: Knysna Ward Councillors

Ward	Name and Surname	Political Party
PR	Cllr Susan Campbell	Knysna Independent Movement (KIM)
PR	Cllr Beauty Charlie	Patriotic Alliance (PA)
PR	Cllr Waleed Grootboom	Patriotic Alliance (PA)
PR	Cllr Neil Louw	Economic Freedom Fighters (EFF)
PR	Cllr Alberto Marbi	Plaaslike Besorgde Inwoners (PBI)
PR	Cllr Thando Matika	African National Congress (ANC)
PR	Cllr Elmarie Maxim	Democratic Alliance (DA)
PR	Cllr Luzuko Tyokolo	Democratic Alliance (DA)
PR	Cllr Jason White	Democratic Alliance (DA)
PR	Cllr Mark Willemse	Knysna Independent Movement (KIM)

Table 7: Knysna Municipality: Proportional Representatives

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The Mayoral Committee (MAYCO), is chaired by the Executive Mayor and draws membership from the chairs of the following 5 (five) Municipal Portfolio Committees (Section 80 Committees):

Name and Surname	Portfolio Committee	Areas of Oversight
Cllr Kay Andrews	Integrated Human Settlements	• All Housing – related services
Cllr Beauty Charlie	Infrastructure Services	• All infrastructure-related services • Fleet management • Mechanical services
Cllr Waleed Grootboom	Community Services	• Disaster Management • Fire and Rescue • Traffic and Law Enforcement • Parks • Libraries • Arts and Culture • Waste Management • Youth • Sport • Social Development
Cllr Alberto Marbi	Planning, Economic Development and Tourism	• Land Use Management • Building Control • Environmental Management • Economic Development • Tourism services
Cllr Thando Matika	Finance and Governance	• IDP and Internal Audit • All Finance-related matters • Administration services • Records and Archives • Committee Service • Property Management • Legal Services • Human Resources • Customer Relations • Public Participation • Information Communication Technology (ICT)

Table 8: Knysna Municipality: Mayoral Committee Members

To promote the highest level of compliance with national and provincial government legislative requirements, Ordinary Council Meetings sit at least once per quarter. In addition, council may also schedule “Emergency” or Special Council Meetings to accelerate governance responsiveness or in order to meet compliance requirements in relation to issues such as budget approvals, mid-term budget reviews, adjustments budgets, IDP Reviews, Annual Report and Annual Report Oversight reviews.

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A Section 79 (Municipal Public Accounts Committee (MPAC)) was also established in particular to assist the Knysna Council with its municipal oversight function. The MPAC functions as the oversight committee of municipal council in respect of the Annual Report, and its oversight report is submitted and published in accordance with the MFMA requirements and directives. The MPAC consists of members of the majority and opposition parties and is chaired by a member of the opposition.

1.4 Knysna Municipality Administrative Governance

Municipal administrations consist mainly of the officials (appointed staff of the municipality). The Accounting Officer in every municipality is the Municipal Manager, who is appointed by the municipal council and whose performance is evaluated on a mid-yearly and annual basis. He/she is the linkage between the council (policy-makers) and the officials who implement the delivery plans. It is the responsibility of the municipal manager ensure that the council's executive decisions are implemented. Subsequently, he/she must give regular feedback to the council on the implementation of these decisions.

In order to strengthen and support the operations of the Municipal Manager, the macro-organizational structure caters for the appointment of six Directors (Section 57 appointees). These Directors are appointed on the basis of their leadership abilities, skills, experience at a Senior Management Level and specialised knowledge of the particular municipal function. It is the responsibility of directors to advise the Municipal Manager on departmental or project performance and promote, institutionalise and implement the responsibilities as assigned to them via their Performance Agreements in a cost-effective, efficient and economic manner.

The KM reviews its organizational structure on a regular basis to ensure that there is aligned to the powers and functions assigned to the municipality and implementation of the IDP's strategic objectives. The Municipality recently appointed a new Chief Financial Officer. Some critical vacancies, however, still need to be filled, including the position of Director: Integrated Human Settlements and Director: Infrastructure Services. Notwithstanding the aforesaid, the municipality remains dedicated to improve as an institution by ensuring alignment and adherence to legislation as well as using innovative strategies to improve its daily service delivery operations.

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Department	Responsibilities	Director
Financial Services (CFO)	- Financial Management - Revenue Services - Supply Chain Management - Assets and Liability Management - Financial Statements - Budget - Expenditure Management	Mr. Clifford Julies
Infrastructure Services	- Bulk Infrastructure Services - Roads and transport - Water Services - Waste Water Services - Electricity Distribution - Project Management - Municipal Fleet - Mechanical Workshop	Mr. Grant MacDonald (Acting) (Post advertised)
Corporate Services	- Committee Services - Customer Relations - Estates - Human Resources - Legal Services - Property and Records Management - Risk Management - Information Technology (ICT) - Public Participation	Adv. Luvuyo Loliwe
Community Services	- Disaster Management - Fire and Rescue - Traffic and Law Enforcement - Parks - Waste Management - Libraries - Cemeteries and Halls - Museums, Arts and Culture - Waste Management and Cleansing - Youth - Sport Development	Dr. Sandile Ngqele
Integrated Human Settlements	All local municipal operations with reference to Integrated Human Settlements	Ms. Andiswa Dunywa (Acting) (Post advertised)
Planning and Economic Development Services	- Economic Development - Environmental Management - Land Use Management - Town Planning and Building Control	Ms. Andiswa Dunywa

Table 9: Administration: Roles and Responsibilities

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The current organisation structure caters for 1117 staff comparing to 635 full-time employed individuals. It should be noted that the existing approved organisation structure leaves a substantial gap of critical vacancies which is of extreme importance for optimal functioning of the organisation.

1.5 Skills Shortages

Continuous transformation over the past thirty (30) years have placed pressure on the political and municipal administration to be capacitated with the necessary skills and competencies in order to meet the demands of communities. Therefore, the most appropriate human resources practices, policies and procedures ought to be formulated and implemented to capacitate employees, cultivate the culture of Knysna municipality, improve employee productivity and ensure the retention of employees.

1.6 Human Resources Policies

The following table reflects the status of the Human Resources related policies within the Corporate Service Department. Some of these policies were already earmarked for review in the 2024/2025 financial year.

Policy	Status
Code of Conduct for Councillors	✓
Code of Conduct for Officials	✓
Recruit and Selection Policy	✓
Acting Policy	✓
Scare Skills and Retention Policy	✓
Promotion and Demotion Policy	✓
Job Evaluation Policy	✓
Workplace Skills Plan	✓
HR Placement Policy	✓
Bursary Policy	✓
EAP Policy	✓
Injury on Duty Policy	✓
Leave Policy	✓
Internship Policy	✓
EPWP Policy	✓
Mobile Communication Policy	✓
Overtime Policy	✓

Table 10: Knysna Municipality: HR Related Policies

1.7 KM Workplace Skills Plan (WSP)

To be able to successfully perform their functions and operations, municipalities and their entire leadership and administration should possess a high level of skills and competencies. It is the objective of the Knysna municipality to elevate the existing knowledge, skills and behavioural competencies of both the political leadership, employees and communities to the required level to achieve and exceed the institutional requirements contained in the integrated development plan of the municipality. The WSP is an annually reviewed document consisting of the municipality's learning and development needs.

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It is a document that contains data about skills that employees acquired and identifies the skills that employees are lacking. The WSP is formulated through a process of consultations between the managers or officials in a supervisory position and the employees whom they supervise. The consultations are followed by the annual compilation of a document that is being debated by management and labour to have the WSP signed and submitted to Sector for Education and Training Authority (SETA) (LGSETA) by 30 April each year.

A total of 131 beneficiaries including 21 Councillors and 16 Interns already benefitted by partaking in the following programmes:

- Quantity Surveying
- Disaster and Safety Management
- Municipal Financial Management
- Human Resources Management
- Diploma in Public Accountability
- Diploma in Public Administration
- Construction: Plumbing
- Construction Materials Testing
- Bricklaying and Plastering
- Fitting and Turning

Twenty-one (21) students benefitted from the WSP through the municipality's internship programme. The municipality furthermore contribute to the National Treasury Internship Programme, which aims to provide graduates with the necessary skills and abilities to manage municipal budgets and Treasury Offices.

Knysna Municipality has also applied for the following Discretionary Grants for the unemployed youth for the 2024/2025 financial year:

- Electrical Apprenticeship
- Work Integrated Learning
- Graduate Placement
- Artisan (Plumber)
- Artisan ((Mechanical Fitting)
- Artisan (Millwright)
- Internships

1.8 Knysna Municipality Diagnostic Assessment

According to section 73 (1)-(b) of the MSA, the rendering of services must be equal and sustainable and in a manner that is economic, efficient and effective given the limited resources that are allocated. To be able to successfully perform its functions and obligations, a municipality and the entire leadership and officials should possess a high level of skills and competence. Section 154 of the Constitution, in turn, recommend that "national and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions optimally".

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The three spheres of government are autonomous, independent, but interrelated. Despite the fact that municipalities are autonomous, this autonomy is somehow absolute since all three spheres of government are interconnected and interdependent. Being interdependent signifies that the municipalities must be supported by both national and provincial governments in the execution and discharging of their constitutional obligations. Being interrelated implies furthermore that the three spheres of government have a constitutional mandate to foster co-operation with one another in order to deliver basic municipal services to communities.

The Constitution furthermore imposes two duties on provincial government. In terms of section 156 (1) of the provinces must support municipalities to improve on the services that are being delivered to the people. Section 139 (1)(a) to (c) of the Constitution authorizes provincial governments to take over the executive functions of municipalities that are failing to perform such executive obligations that are imposed in terms of the Constitution and other legislation. If the reasons for the aforementioned are not rational and justifiable, it leads to the unconstitutionality of such a resolution.

A comprehensive diagnostic assessment report was the product of continued engagements between the KM and its national, provincial and local counterparts. The overall purpose of these engagements was to detect, analyse and ultimately suggest possible interventions to remedy the prevailing municipal threats and existing areas that demand improvement. Following this phase was the establishment of a Section 154 Steering Committee with the following objectives:

To:

- Establish a dedicated Committee in the Province that will give effect to their constitutional mandate to monitor and support local government;
- Create a single space for discussion, alignment and coordination of Knysna municipal support;
- Use municipal evidence-based information and local insights to determine appropriate support for Knysna Municipality;
- Enable and share the comprehensive collection of data based on knowledge management principles, holistic interpretation of intelligence from key stakeholders and the application of targeted criteria which will shape potential support interventions;
- Provide a platform for discussion on key issues identified during the monitoring and evaluation phase and how these challenges will shape potential Knysna support interventions;
- Consider and guide coordination of support and capacity building aimed at Knysna Municipality by different provincial sector departments, to ensure that the identified gaps/needs identified are addressed;
- Organise resources in collaboration with stakeholders engaged in similar areas of support, to contribute towards sustainability of Knysna municipal support; and
- Ensure that the impact of the operational support and capacity building is continuously assessed.

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The following table aligns the identified diagnostics with the National KPA's and the Municipality's strategic objectives:

National KPA: Basic Services Delivery and Infrastructure	
Diagnostic	Knysna Strategic Objective
• Aging water, sewer, settlement and waste water infrastructure • Upgrading of municipal pump stations • Waste recovery • Municipal waste by-laws • Integrated Waste Management • Master Plans to be reviewed • Energy generation	To improve and maintain current basic service delivery through specific infrastructural development projects

National KPA: Good Governance and Public Participation	
Diagnostic	Knysna Strategic Objective
• Capacity constraints – Filling of strategic/critical vacancies to give effect to service delivery challenges • Legislative Compliance • Municipal Risk Management • Training and development of councillors and officials/Minimum Competency requirements • Review/adjustment of Municipal By – Laws	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication

National KPA: Municipal Transformation and Institutional Development	
Diagnostic	Knysna Strategic Objective
• Capacity constraints – Filling of strategic/critical vacancies to give effect to service delivery challenges • Legislative Compliance • Municipal Risk Management • Training and development of councillors and officials/Minimum Competency requirements • Review/adjustment of Municipal By – Laws	To structure and manage the municipal administration to ensure efficient service delivery

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National KPA: Financial Viability	
Diagnostic	Knysna Strategic Objective
• Introduce alternative revenue enhancement strategies • ICT risk management • Expenditure Management	Grow the revenue base of the municipality
National KPA: Economic Development	
Diagnostic	Knysna Strategic Objective
• Small Business Development • Investment opportunities	To create an enabling environment for social development and economic growth

Table 11: Knysna Municipality: Diagnostic Assessment

1.9 Knysna Municipality: SWOT Analysis

Various methodologies and systems could be used to detect and analyse the strategic and developmental issues at a local government level. One of these techniques is SWOT analysis which municipal councils use to formulate and implement their strategic objectives and identify all the factors involved in making informed decisions. The SWOT analysis is a critical tool for decision support and is generally used for systematic analysis of internal and external influences on basic service delivery.

The following table presents a consolidated SWOT analysis for the Knysna Municipality:

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Strengths	Weaknesses
Intergovernmental Co-operation with other spheres of government Section 154 Support Plan and Steering Committee in place Strong political and administrative leadership Automation of some functions/processes (mSCOPA compliant) Major policies and developmental frameworks in place (Water and Sanitation, SDF, Land Use) Dedicated public participation section Effective institutional systems and controls Oversight structures operational (Portfolio Committees, MPAC, Internal Audit) Skills development programs that are targeted at residents and communities Disaster management plan in place	Limited financial resources Critical posts that are vacant Departments working in silos Lack of confidence in the administration
Opportunities	Threats
Achievement of Constitutional mandate and vision, mission and strategic objectives IGR has developed good working relationships with the other spheres of government Dedicated programs for community participation Improved municipal credit rating Clean Audit Quality of natural endowments and beaches The N2 corridor from Quebera to Cape Town, which already transports a host of tourists through the town Access to services Access to land and legal framework surrounding such access Improved access to economic opportunities and tourism development Access to Grant Funding Access to employment and economic opportunities New Investment opportunities (Grant Funding) Integration of socio-economic and environmental issues into spatial planning Continued engagement with province on Disaster management	Fraud and corruption/Fruitless and wasteful expenditure Increased levels of poverty and unemployment Legislation hindering spatial development Non-compliance High demand for middle/affordable human settlements Water losses Limited opportunities for LED in rural areas Slow economic growth Inadequate or ageing roads, water, sanitation, storm water infrastructure Public unrest Natural disasters Damage and vandalism to municipal property Service delivery protests Poor investor confidence The backlog of basic services such as water, sanitation, electricity

Table 12: Knysna Municipality: SWOT Analysis

1.10 Municipal Risk Management

KM is not immune to disruptions and its programs and projects are prone to risks that are surrounding the municipal environment. The Municipality subscribes to the Section 62 (1)(c) of the MFMA (2003), Public Sector Risk Management Framework as well as King IV Code of Corporate Governance and other best practice directives. This process forms an integral part of the internal system and processes of a municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can have a negative impact on the municipality's capacity to serve its communities. If properly executed and

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institutionalised, risk management may most likely increase the probability for KM successfully in achieving its Section 152 mandate.

The KM seeks to identify, understand and manage the threats and opportunities involved in service delivery as well as those associated with municipal plans and strategies, to encourage a responsible and informed approach to risk management. Risk management is a very valuable support to good governance. It is fundamental to good governance, and plays a pivotal role towards the achievement of municipal objectives through providing assurance that the risks are identified and actively managed. The Municipality recognises that by ensuring that risk management is integrated into service planning and delivery arrangements, its ability to achieve its objectives and execute its strategies will be enhanced. The Municipality furthermore acknowledge that the achievement of the municipal objectives depends largely on the implementation of programmes and projects that are designed to withstand any operation turbulences.

The Municipal Council approved a Risk Management Policy. This policy will be reviewed on an annual basis. The objective of the Risk Management Policy includes the following:

- To align risk-taking behaviour with the strategic business objectives in the integrated development plan;
- To promote a risk management culture within the organisation and improve risk transparency to all stakeholders
- To maximise value and net worth by managing risks that impact on the defined financial and performance drivers; and
- To assist the municipality in enhancing and protecting those opportunities that represents the greatest service delivery benefits.

Council is the primary accountable body within the municipality with regards to risk. Oversight in respect of all risk related issues will be performed by the Chair of the Finance, Economic Development and Governance Committee. As per the MFMA (2003), the Accounting Officer will be the Municipal Manager. The Municipality also established a Risk Management Committee. This Committee consist of the Municipal Manager, Directors, the Chief Risk Officer and the Manager: Performance, Internal Audit and Risk Management. A minimum of at least one manager from each directorate will be designated as a Risk Champion, whilst management will be all other managers, departmental managers, process owners and section managers. A Risk Management Committee was appointed and chaired by the Accounting Officer. Its responsibility is to review and assess the effectiveness and control processes of risk management within the municipality and present its findings to the Audit Committee.

Internal Audit is responsible for reviewing the risk philosophy of the institution including the Risk Management Strategy, Risk Management Policy, Risk Management Implementation Plan, fraud prevention plan and the risk management reporting structure. In addition, Internal Audit is the primary assurance provider regarding the design and functioning of the risk control environment and provides assurance over the institution's risk identification and assessment processes. The Audit Committee, on the other hand, is responsible for providing the Accounting Officer with independent counsel, advice and direction in respect of risk management. The stakeholders rely on the Audit Committee for an independent and objective view of the institution's risks and effectiveness of the risk management processes.

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The following table provides an overview of KM's key risks, the risk rating and the identified interventions to mitigate the identified risks:

No	Risk	Rating	Action Plan
1	Failure to be financially viable and to remain a going concern	20	Monitor cash flow Performance and Compliance management monitoring to All directorates. Implementation of the revenue enhancement.
2	Inadequate human capital development	15	Schedule quarterly meetings with Unions
3	Poor condition of the roads due to lack of maintenance that may lead to public liability claims against the Municipality	20	Fund and develop a Roads & Storm water Master Plan
4	IDP not providing an overall framework for development and implementation with reference to co-ordinating the work of local and spheres of government in a coherent plan to improve the quality of life	8	Regular interaction with all departments and stakeholders Established a platform integrated planning between different Sector departments
5	Failure to comply with Section 57 of the MSA (2000)	12	Schedule one-on-one sessions between the Executive Mayor and Municipal Manager, and the Municipal Manager and Directors, to review and reach consensus on the content of the performance agreements
6	SDBIP may not be completed by the budget approval date	12	Ongoing engagements with user departments, the extended management team and councillors
7	Non appointments of employment equity targets	12	Enhancement of the Employment Equity Plan
8	Inadequate human capital	16	Follow-up with all stakeholders including ratepayers' associations and private sector partners. Review Policies
9	Non-compliance with relevant legislation and regulations relating to MPAC and submission of the oversight reports.	12	Schedule of meetings and approved by Council
10	Non-compliance with relevant legislation and regulations relating to the number of Council meeting conducted during the financial period	12	Council annually approves the meeting schedules
11	Comprehension and acceptance of the housing policy	20	Workshop Ward Committees and Councillors
12	Inadequate funding for the provision of housing for the poor	16	Continued implementation
13	Non availability of land for housing for the poor	12	Proper feasibility/planning processes to be commissioned

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No	Risk	Rating	Action Plan
14	Inadequate oversight	15	Continuous maintenance and monitoring of the risk register
15	Failure to ensure continuous electricity supply.	25	Developed an Electricity Network Master Plan and seek funding for rollout.
16	Continuous theft and vandalism on electrical infrastructure	25	Restore vandalised infrastructure with anti-theft proof installations, based on budget availability
17	Loss of lives (Human and Livestock) due to injuries resulted from illegal connections	16	Applied for INEP funding to electrify informal homes
18	Loss of revenue due to electricity theft, damage to electricity equipment	20	Proactive monitoring of electrical infrastructure at a high level to prevent vandalism theft and damage. Moving over to prepaid meters for all consumers.
19	Lack of Land availability for business and residential	16	Submit a report to Council on the viability of land for commercial and industrial premises by end-June
20	Low EPWP Integrated Grant Allocation	12	EPWP must be linked to the Directors Performance Contracts; Management interventions. Quarterly meetings of EPWP Steering Committee meetings
21	Failure to adequately implement and monitor the Water Master Plan.	16	Review of the Water Master Plan
22	Failure to comply with SANS 241 for potable water	12	Maintenance and cleaning regime of water treatment plants and reservoirs
23	Water and sanitation backlogs.	16	Current staff compliment attends to existing complaints
24	Lack of annual review and submission of the Disaster Management Plan to Council	16	Review of Disaster Management Plan Submit the Approved Disaster Management Plan to Council
25	Internal audit plan might not be risk-based	12	Link audit plan to risk register. Submission of the revised organogram for internal audit for approval
26	Inadequate budget to conduct the Waste facilities audits	12	Submission of reports to Council

Table 13: Knysna Municipality: Risk Register

1.11 Performance Audit Committee

The appointment of audit committee members is set out in section 166(5) of the MFMA. KM has appointed its own External Audit Committee comprising of members all of whom are appointed from outside of the political and administrative structure of the Municipality.

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The Chairperson and the other members of the External Audit Committee are all suitably qualified and function in accordance with the Audit Committee Charter. Section 79 of the Municipal Structures Act provides that:

- Council to establish an Oversight Committee;
- These committees, (for example MPAC) report directly to council;
- Committees function in accordance with specific terms of reference;
- Oversight relates to both the administrative and executive arms of the municipality; and
- Management generates accurate reports to allow the Committee to play its oversight role.

1.12 Integrity Management: Anti-Fraud and Anti-Corruption Strategy

KM subscribes to the principles of good municipal governance, which requires the provisioning of services in an honest and transparent manner. Consequently, the Municipality is committed to fighting fraudulent behaviour at all levels within the organisation. In addition to promoting ethical conduct, the Anti-Fraud and Anti-Corruption Policy and Plan is intended to assist in preventing, detecting, investigating and sanctioning fraud and corruption.

1.13 Community Based Planning

Community Based Planning (CBP) is a bottom-up approach to the municipal wide planning process and seeks to assist the municipality to develop a credible IDP based on the views of communities. It is dynamically linked to the statutory Integrated Development Plan (IDP) and Budget process. CBP as a process enables the greater involvement of stakeholders in the development of credible IDP. It therefore, seeks to ensure that the municipal annual budget is guided by the priorities of the wards. CBP process is planned for Council in preparation for the new 2024/2025 IDP Review. The development of ward-based plans will be instrumental in creating a credible IDP and strengthened ward programs under leadership of Ward Councillors.

The principals that guide KM's CBP process are as follows:

- Poor people are the main clients
- Plans and planning processes are realistic
- Planning is linked to legitimate structures like ward committees
- Planning should include implementation, monitoring, evaluation and the annual review
- Plan are citizen-focused and empowering
- The emphasis is on be to build on strengths and opportunities rather than focus on problems
- Plans cover all sectors
- Councillors and officials are accountable and committed to deliver on plans

1.14 Intergovernmental Relations (IGR)

KM subscribe to all Garden Route District Intergovernmental Forums. District plays a co-ordinating role at the request of the Local Municipalities to source assistance and interventions to mitigate challenges experienced at a local level. Municipal functioning, challenges and best practices are discussed at technical sub-fora and escalated to the Technical Support Forum which is made up of Municipal Managers. Once the Technical Support Forum has discussed the reports from the sub-fora a consolidated report with recommendations and/or resolutions is then escalated to the District Intergovernmental Forum for further consideration.

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Two of the most prominent are the Municipal Managers Forum and the District Co-Ordinating Forum consisting of all the Mayors whose municipalities reside within the jurisdiction of The Garden Route District. It is extremely important that municipalities are represented to ensure that informed resolutions made and that resolutions are being implemented and monitored.

The following is a list of IGR Forum which KM attend at a district level either on a monthly, quarterly or bi-annual basis:

Forum	Frequency
District Communicators Forum	Quarterly
Joint District Chief Risk Officers and Chief Audit Executives Forum	Quarterly
Public Safety Forum	Quarterly
District IDP and Public Participation Managers Forum	Bi – Annually
IDP, Budget and PMS Representative Forum	Quarterly
South Cape Economic Partnership/LED Managers/Tourism forum	Quarterly
District Green Energy Forum	Quarterly
District Co-ordinating Forum	Quarterly
Garden Route Municipal Managers Forum	Quarterly
District EPWP Forum	Quarterly
Garden Route/ Central Karoo HR Forum	Annually
Regional Skills Development Facilitators Forum	Quarterly
District/Regional Task Committee	Monthly
Garden Route/ Central Karoo OHS Forum	Quarterly
Garden Route/Central Karoo District Labour Practitioners Forum	Quarterly
District CFO Forum	Quarterly
District Roads and Infrastructure Forum	Quarterly
District Human Settlements Forum	Quarterly
Garden Route ICT and GIS Forum	Quarterly

Table 14: Knysna Municipality: IGR Forms

1.15 Ward Committees

The operations of the municipality's Ward Committees KM is in line with the provisions of Chapter 4 of MSA (2000). Ward committees were established in all eleven (11) wards. It is the objective of ward committees to increase the participation of local residents in municipal decision making. They are a direct link with the council representative of the local ward and are responsible for strategic functions such as:

- Integrated Development Planning Process
- Municipal performance management
- The municipal budget and process

1.16 IDP Communication

The Municipality has committed itself to effective communication with its stakeholders to ensure all share its vision and to meet the information needs of the residents. To achieve this, the Municipality has a multi approached strategy to disseminate information and to reach as many people as possible. The strategy ensures a two-way communication system, designed to not only communicate to communities, but also have dialogue with residents.

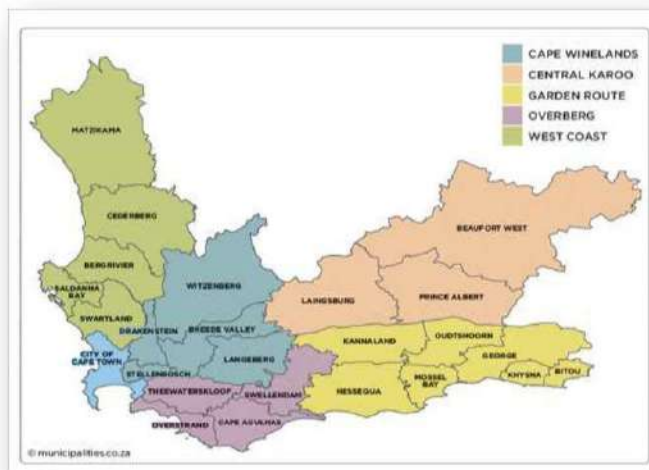
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The Municipality engages various communication platforms at multiple levels to build awareness of the municipality's programmes and foster active stakeholder involvement in municipal governance processes. A communication policy is also in place to ensure that communication takes place in a more coordinated way.

The following communication platforms are used to communicate with residents:

1. KM Newsletter
2. Social media (WhatsApp, X, Facebook)
3. Radio
4. Municipal Website

CHAPTER 2: CONTEXTUAL ANALYSIS



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2.1 Introduction

Knysna, “the jewel of the Garden Route”, derives from the Khoi-khoi word “naizna”, which means ferns. The KM is located on the South Coast of the Western Cape Province. The municipal area is approximately 500 kilometres east of Cape Town and 267 kilometres west of Gqeberha and resides within the jurisdiction of the Greater Garden Route District Municipal Area. The municipal land covers a geographical area of approximately 1059 square kilometres and includes the towns of Sedgefield, Hornlee, Knysna Central, Northern Areas (Nekkies, Knoetzie, Hornlee, Concordia, Xolweni, Joodse Kamp, Sunridge) as well as a number of Forestry Villages (Rheenendal, Brackenhill, Karatara, Springveld, Middelerf and Swanneberg).

The area is best known for the Knysna Heads that is located at the mouth of the Knysna River and breath-taking natural surroundings. Sedgefield, west of Knysna Central, creates the relaxing atmosphere of a village. The Waterfront Area, which caters for art galleries, boutiques and seafood restaurants. Annual Knysna Oyster Festival also celebrates the region’s succulent oysters and dynamic lifestyle, attracting tourists from around the globe. Apart from the aforesaid, more and more visitors are attracted to the municipality’s local cultural and traditional activities.

The region’s flora includes the Afromontane or temperate rainforest, which covers the hilly terrain. An abundance of unique Cape Fynbos (fine or delicate bush) grows throughout the region. The area is prone to wetlands, steep topography which on the one side some compromises housing developments, especially in our improvised areas identified as spaces for residential purpose, whilst on the other side provides for great access points to natural forestry areas for the exploring tourist which frequently visit the Knysna area.

2.2 Knysna Demographic Profile

According to Census 2022, the Municipality’s population is estimated at approximately 96 055. This ranks the GKMA as the fourth largest in the Garden Route next to George, Mossel Bay and Oudtshoorn. If the municipal area continues to grow at the current pace, the total population could reach an estimated total of almost 101 603 by the year 2027. The total number of households have also increased exponentially from approximately 21 893 households in 2011 to an estimated 32 398 in 2022. Compared to the 73,8 % of 2011, 83.7% of households were occupying formal dwellings. A total of 1.8% (568) of the population was living in traditional dwellings, 14.2% (4611) in an informal dwelling and a mere 0.3% (91) in the other category.

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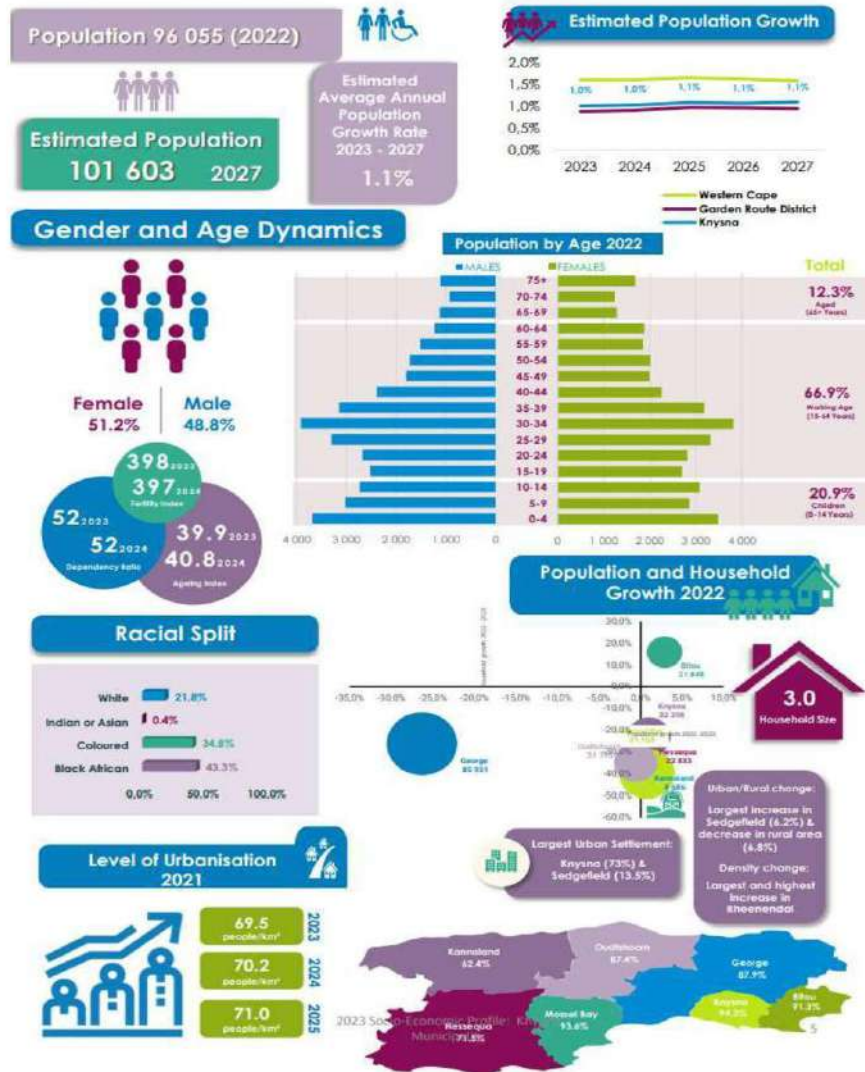


Illustration 7: Knysna: Demographics

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Graph1: Knysna Population

The overall sex ratio (SR) represents the number of males per 100 females in the population. Census 2022 provides that there are less males than females in the GKMA with a ratio of 48.8 per cent males per 51.2 per cent females. The sex ratio for Knysna increased slightly over the past ten years, which could be attributed to a wide range of factors including as an increase in female mortality rates as well as the potential in-migration of working males to the area.

2.3 Population Density

In the context of the Western Cape's ongoing urbanisation trend, population density data becomes a valuable tool for the IDP process. This information helps in addressing environmental concerns, individual health factors, and optimising service delivery. In 2022, the population density in the Knysna municipal area was 69 individuals per square kilometre. This data provides critical insights into the socio-economic landscape and resource allocation within the region.

2.4 Age Cohorts

Between 2022 and 2026, the largest population growth projection was recorded in the children (aged 0 -14) cohort which grew at an annual average rate of 1.5 per cent. This is an indication that the population of the Knysna area have a young population, which indicates that there are lots of potential workers for the future which might have a positive effect on the long-term economic sustainability of the municipal area.

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2.5 Access to Basic Services

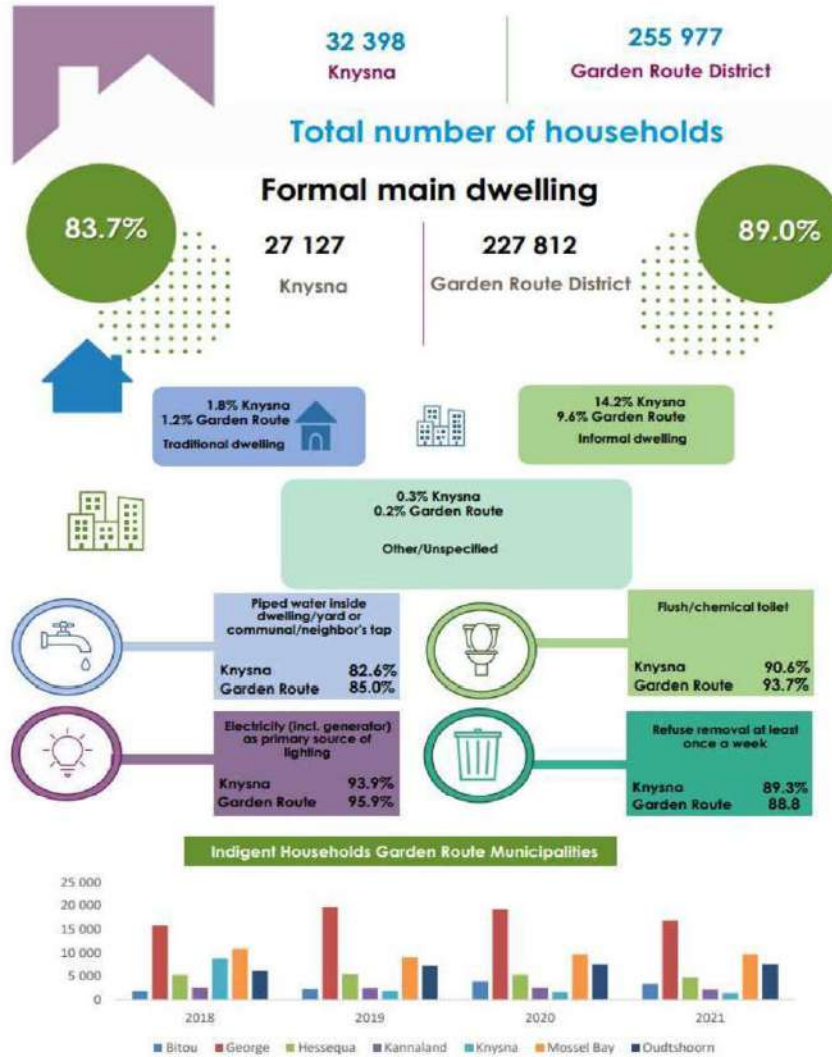


Illustration 8: Knysna Municipality: Access to Basic Services

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2.5 Access to Basic Services

Among the 32 398 households in the Knysna municipal area, 83,7 per cent had access to formal housing, which is slightly lower than the Garden Route District's average of 89 per cent. In contrast, Knysna had a higher proportion of informal dwellings, totalling 14, 2 per cent, whereas the District's average for informal housing was 9.6 per cent. Service access levels within the municipal area exceeded the access to formal housing significantly.

Approximately 82,6 per cent of households had access to piped water either inside the dwelling/yard or through communal/neighbour's taps. An impressive 90.6 per cent had access to flush toilets or chemical toilets, and 93, 9 per cent had access to electricity (including generators) for lighting.

Additionally, local authorities removed refuse at least weekly for 89.3 per cent of households in the area and is also the only service in Knysna that exceeds the Garden District average marginally. These disparities in housing and service access have socio-economic implications, impacting the living conditions and quality of life for the local population

2.6 Free Basic Services

Municipalities offer a set of essential services at no cost to households facing financial hardship and difficulty in covering service expenses. In the Knysna municipal area, there has been a significant decline in the number of households receiving free basic services, from 8,780 in 2018 to 1,924 in 2019, 1,689 in 2020 and 1,485 in 2021.

Given the challenging economic circumstances, it is estimated that these conditions will place added strain on household incomes, leading to a likely upsurge in the demand for free basic services and subsequently, the number of households falling under the "indigent" category. Yet, it's important to note that this trend is specific to the region and contingent on the eligibility criteria applied.

2.7 The Impact of Waste and Pollution

Any pollution within the urban area will eventually impact upon the estuary as it is eventually carried along streams and storm water channels that flow into the estuary. Similarly, the natural watercourses, storm water channels, and groundwater may be polluted from a number of human-induced factors. These can be summarized as follows:

- Informal settlement areas having limited or no access to adequate toilet and waste water disposal systems.
- Leaks and blockages in sewer infrastructure or sewer pipes in close proximity to storm water pipes.
- Private septic tank units leaking or not operating effectively.
- Operation failure and constraints at waste water treatment plants.
- Illegal disposal of chemicals in storm water system or natural watercourses and leaks and contamination from industrial and business activities.

The Knysna Estuary Pollution Committee was formed in 2009 and comprises of South African National Parks, GRDMA and KM as well as representatives of the Western Cape Government Department of Environment and Development Planning and the Breede – Gouritz Catchment Management Agency.

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With support and guidance from the committee, more than one MSc has been undertaken giving all stakeholders a better understanding of the different sources of pollution entering the estuary.

2.8 Natural Environmental Challenges

The impacts of climate change are already an accepted reality and if not addressed timeously, they will exacerbate current service delivery challenges faced by local governments such as provision of water and sanitation, access to energy and impacting on the local economy. Climate events may create new challenges, making it more difficult for local governments to become sustainable and climate resilient in the long term. Achieving sustainability and climate programmes provide livelihood opportunities for disadvantaged communities of Knysna. The Climate Change Adaptation Plan is in the final stages of development. Wetland Restoration - The functionality of wetlands in the low-lying areas of Knysna and Sedgefield needs to be improved in order to mitigate anticipated climate driven changes in rainfall patterns where protracted droughts are expected to be followed by short, intense rainfall events.

2.9 Knysna Economy

The Gross Domestic Regional Product (GDP) of the Knysna municipal area is expected to remain relatively stagnant, contracting by a further 1.0 per cent in 2023. Notably, the finance sector, a substantial contributor to the GDP, is anticipated to experience growth, projected at 2.0 per cent in 2023 and an additional 1.2 per cent in 2024. The performance of the finance sector in 2022 was boosted by semigration, which buoyed the local property market. The average sale price of property increased by 10.3 per cent between 2021 and 2022, even as the number of property sales in the Wilderness, Knysna and Sedgefield areas declined by an average of 4.7 per cent. The extent of the price increase is apparent when considering the average Provincial property price increase over the same period, recorded at 5.9 per cent.

The Knysna municipal area's economy faced significant challenges due to its reliance on tourism, especially during the COVID-19 pandemic. The pandemic led to a sharp contraction of 4.7 per cent in 2020. However, the economy began to recover, expanding by 2.4 per cent in 2022. This growth rate signifies a rebound from the economic downturn experienced in 2020. These economic fluctuations have substantial socio-economic implications, impacting local employment, income levels, and overall economic well-being.

The economy of the Knysna municipal area is mainly dependent on household spending, either on tourist activities or for the acquisition of goods and services within local communities. This makes the economy particularly vulnerable to the conditions affecting the national economy. It is forecast that the municipal economy will contract by a further 1.0 per cent in 2023 before stagnating in 2024, primarily because of continued declines in the construction sector and poor growth prospects for the trade sector.

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Illustration 9: Knysna: Economy

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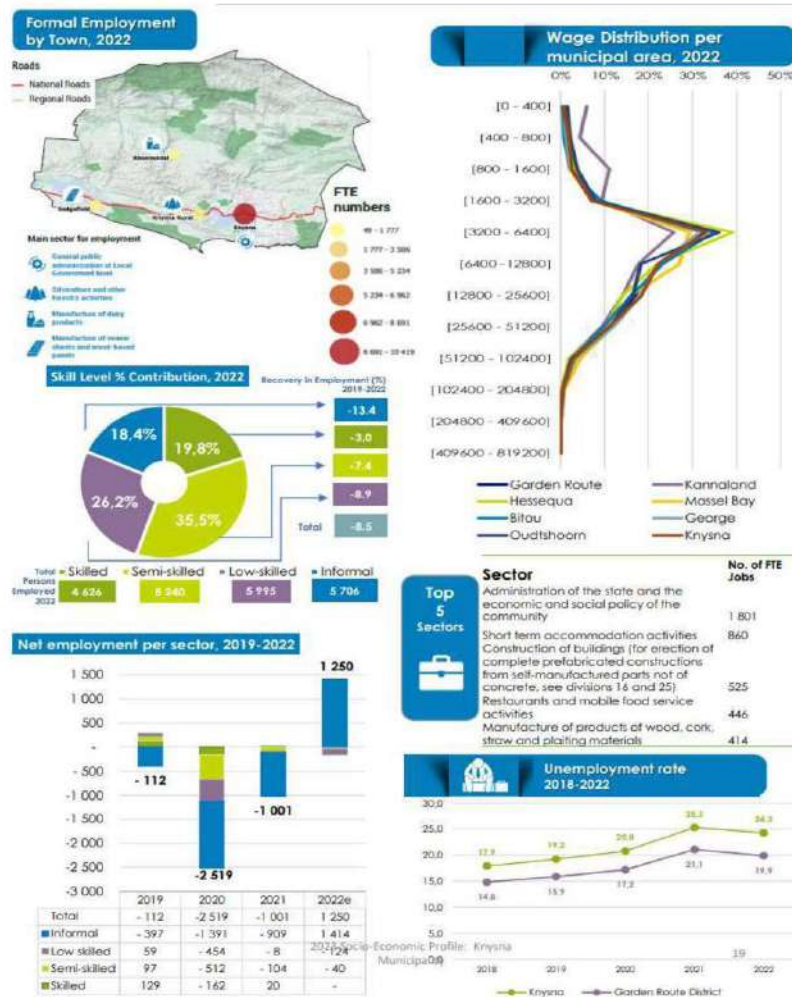


Illustration 10: Knysna Employment

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2.10 Social Development Challenges

2.10.1 Health

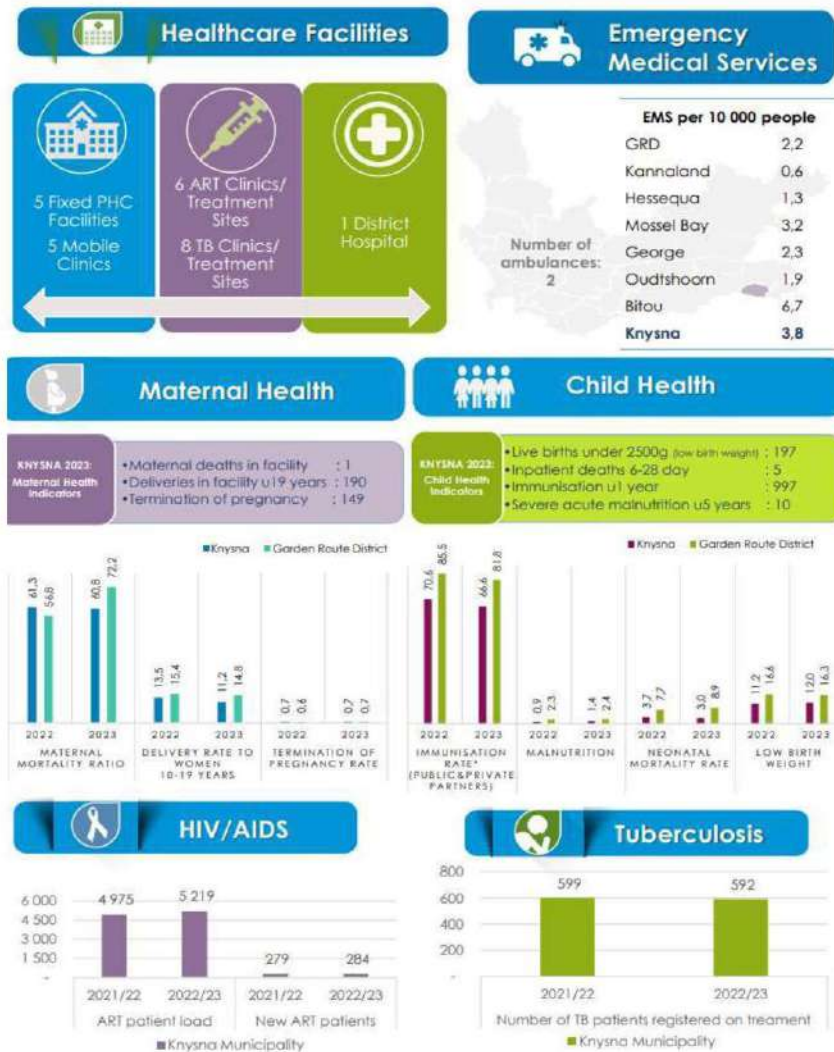


Illustration 11: Knysna Municipality: Social Challenges

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2.10.2 Maternal Health

Maternal health has a direct influence on the well-being of both mothers and communities. It has an effect on healthcare expenditure, employment, childcare development and poverty alleviation. The number of maternal deaths per 100 000 live births in Knysna, exceeded the Garden Route District average in 2022, but slightly recovered below the district average in 2023. The percentage of babies born to mothers under the age of 18 years, however, remained just below the district average in both 2022 and 2023. Addressing maternal health issues involves an inclusive approach, including improved healthcare access, promotion of education and addressing social determinants of health. Such efforts contribute not only to the health of mothers but also to the overall socio – economic development and resilience of communities.

2.10.3 Child Health

There were slight shifts in key health metrics between 2022 and 2023 as Immunisation coverage for infants under one year declined modestly from 70.6 per cent to 66.6 per cent during this period. A concerning trend was observed in the increase of severe acute malnutrition among children under five in Knysna, with the rate increasing notably from 0.9 to 1.4 per 100 000 people between 2022 and 2023. The Garden Route District experienced a slight uptick in malnutrition rates, rising from 2.3 to 2.4 during the same timeframe.

The neonatal mortality rate, measuring deaths per 1 000 live births within 28 days, displays a declining trend between 2022 and 2023, however the Garden Route district displays the opposite and are growing over the same period. Furthermore, the rate of low-birth-weight infants, those born under 2 500 grams, within Knysna are growing marginally whereas the district average is declining over the same period.

2.10.4 HIV/AIDS and Tuberculosis

The number of registered patients receiving antiretroviral treatment (ART) in the Knysna municipal area increased by 244 patients between 2021/22 to 2022/23. In total, 279 new registered patients received antiretroviral treatment in the Knysna municipal area in 2021/22 growing to 284 in 2022/23. There has been an average annual decline of 1.2 per cent between 2021/22 (599) and 2022/23 (592) in the number of registered patients receiving TB treatment in the Knysna municipal area.

2.10.5 Health Care Facilities

In 2021, the GKMA have had 5 primary healthcare facilities, comprising of 4 fixed clinics and 1 community day centre, as well as 4 mobile/satellite clinics. In addition to these primary healthcare facilities, there is 1 district hospital, no regional hospitals. The GKMA also has 6 ART treatment sites and 8 TB clinics. The municipal area has 10 out of the 82 (12.2 per cent) of the healthcare facilities within the Garden Route district.

2.10.6 Emergency Medical Services

The provision of more operational ambulances can provide greater coverage of emergency medical services. The KM has a total of three operational ambulances in the municipal area, which equates to 0.4 ambulances per 10 000 people servicing the region during 2021/2022. This number only refers to Provincial ambulances and excludes all private service providers.

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2.11 Education

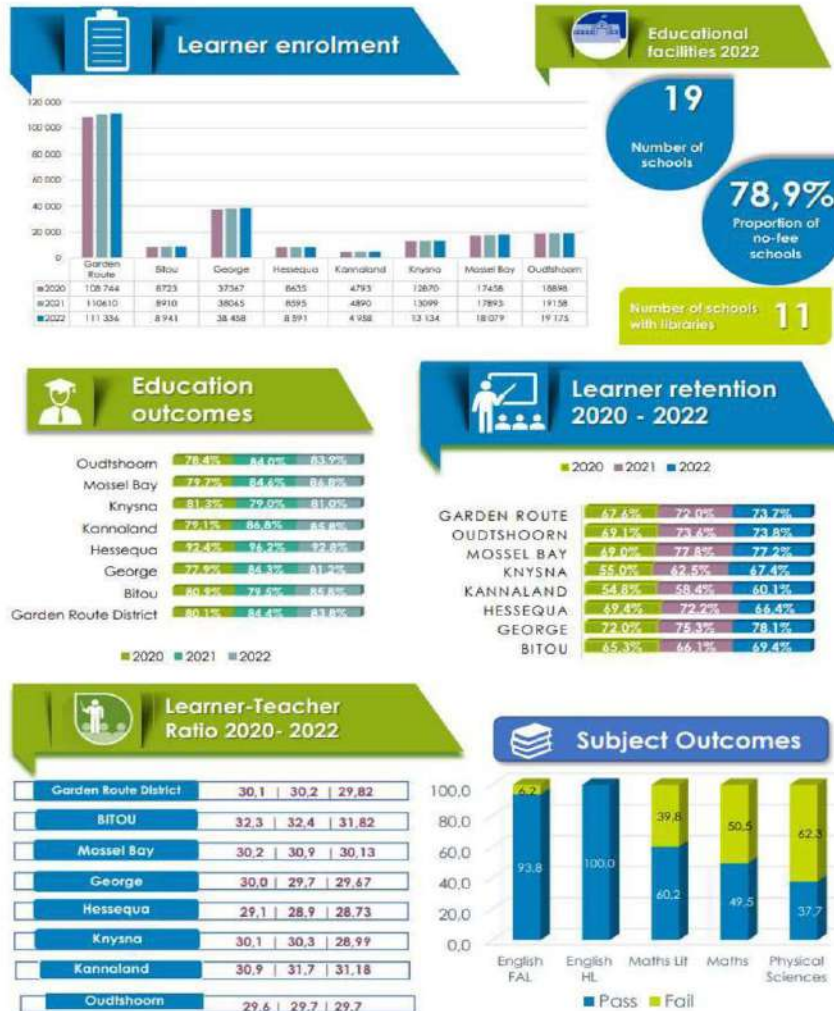


Illustration 12: Knyasna Municipality: Education

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2.11.1 Learner enrolment

A total of 12 668 learners were enrolled in 2019 in the GKMA and this number marginally increased to 13 099 in 2021, which implies an average annual growth of 1.69 per cent over this period. This is consistent with the high growth in the age group 0–14 of the population and could have positive effects on the economic sustainability of the municipality.

2.11.2 Learner Retention

The learner retention rate measures the proportion of learners in Grade 12 who were in Grade 10 two years prior. The learner retention rate can be affected by low socio-economic background, student attitudes towards education, critical thinking skills, study skills and other personal circumstances which can make it difficult for the learner to focus on education. Overcrowded classrooms are also blamed as being the corresponding reason behind learner drop-out rates. Although the learner retention rate in the GKMA improved gradually from 51.2 per cent in 2019 to 55.0 per cent in 2020 and 62.5 per cent in 2021, more than 30 per cent of the learners did not successfully complete their studies.

2.11.3 Matric Pass Rate

Knysna's matric pass rate gradually declined from 83.8 per cent in 2019 to 81.3 per cent in 2020 and thereafter 79.0 per cent in 2021, which was the lowest in the Garden Route district.

2.11.4 Education Infrastructure/Number of Schools

There are 19 schools within the KM, of which 78.9 per cent are no fee schools. This is positive to note as 24 per cent of learners in 2021 indicated that they dropped out of school because they could not afford it (GHS, 2021). Furthermore, of the 19 schools, 12 were equipped with libraries. The availability of library facilities within schools contributes towards narrowing the academic attainment gap by allowing students access to information which is in turn directly linked to improved education outcomes.

No additional schools will be built in the KM from 2022/2023 to 2023/2024 (MTEF). However, whilst some schools received funding for mobile units or the erection of additional classes in 2024, Concordia Primary School will receive 83-million-rand allocation for new and replaced infrastructure over the MTEF.

2.11.5 Schools with Libraries and Media Centres

In the GKMA, 12 schools out of the 19 schools are equipped with libraries in 2021. The availability of library facilities within schools contributes towards narrowing the academic attainment gap by allowing students access to information which is in turn directly linked to improved education outcomes.

2.12 Labour Market

With 18,4 per cent of workers engaged in informal employment, the informal sector has become a crucial source of employment in the KMA. The job growth observed in 2022 led to a 1, 0 percentage point reduction in the unemployment rate, bringing it down to 24,3 per cent, which is slightly below the Western Cape unemployment rate of 24,5 per cent.

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2.12.1 Skills Distribution

It is projected that Knysna will have a total workforce of 23,317 individuals in 2023. Among them, 19,217 (81,6 per cent) will be formally employed, while 4 100 (18, 4 per cent) will work in the informal sector. The informal economy was chiefly responsible for the significant job losses experienced in 2021, which is concerning, as the informal sector is typically expected to act as a buffer during economic downturns.

The majority of those in formal employment in Knysna were comprised of semi-skilled workers (35, 5 per cent) and skilled workers (19, 8 per cent), while the low-skilled category accounted for 26, 2 per cent of the total formal workforce. However, from 2019 to 2022, all categories of skilled employment in Knysna exhibited a notably sluggish recovery as the economy recuperated from the impacts of the COVID-19 pandemic. Among these, the skilled category demonstrated signs of faster recovery, reflecting the rising market demand for skilled labour and emphasising the need for skills development initiatives, particularly in light of the growing tertiary sector in the Knysna municipal area. These workforce dynamics have significant socio-economic implications, affecting income levels, employment opportunities, and the region's overall economic resilience.

2.12.2 Wage Distribution

The wage distribution data of Knysna indicates high levels income inequality and the disparities within the socio-economic landscape within Knysna. In Knysna, 33,2 per cent of workers fall into the [R3200 - R6400] income range, and 22,2 per cent are in the (R 6400–R 12800) bracket. However, there are no workers in the highest income brackets, such as (819200 rand –1638400 rand).

Compared to other municipalities in the Garden Route, Knysna has a relatively higher concentration of workers in the (3 200 – 6 400) income range. This data highlights the income disparities and distribution within Knysna, showcasing the concentration of workers in the middle-income brackets and the absence of extremely high-income earners in the region. These income distribution patterns have socio-economic implications for the area, including factors like living standards, affordability, and access to goods and services

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2.13 Crime

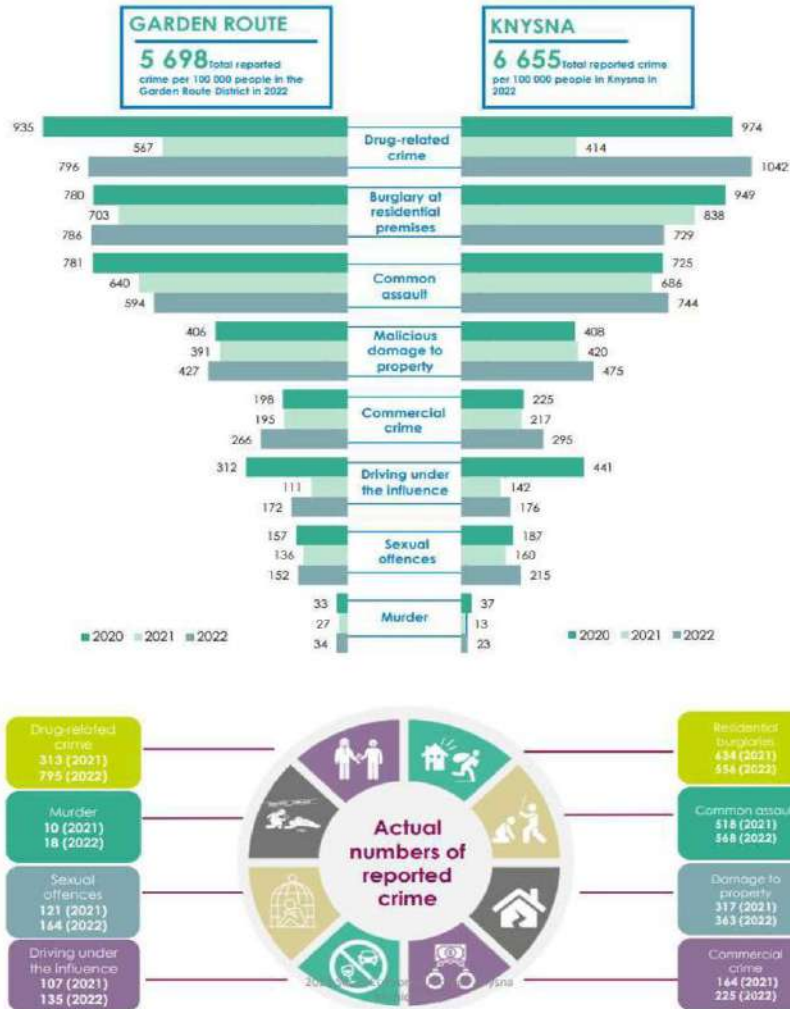


Illustration 12: Knysna Municipality: Crime

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2.14 Knysna Municipality Challenges

Similar to other municipalities, KM also has its fair share of challenges. The following table provides an overview of the core challenges that the Municipality is faced with:

Municipal Function	Challenge
Sanitation	• Migration patterns result in a rapid increase in population growth in the Knysna area • Mushrooming informal housing settlements and the upgrading thereof place excessive pressure on the existing services and infrastructure capacity • Uncontrolled informal settling in the road reserve and other SANRAL land makes the provision of basic services and infrastructure virtually impossible • Anything other than a full waterborne system is perceived as a lower standard of service • Limited resources are available to alleviate the sanitation backlogs • Vandalism of sanitation infrastructure and public amenities • Sub-standard quality of effluent from WWTW's • Dependency on conventional sanitation technologies
Water Supply	• There are still a large number of households who do not have access to drinking water inside their homes or on their premises especially in informal settlements • Limited budget is available to alleviate the water supply backlogs in the GKMA • Migration patterns has an adverse impact on the already limited water resources of the municipality • None of the water treatment systems have Blue Drop Status • Knysna is predominantly dependent on river and groundwater abstraction systems for water supply, and face a high risk of insufficient flow volumes given fluctuating rainfall patterns arising from climate change. • Water security has been severely compromised due to the limited storage infrastructure especially during drought situations.
Electricity	• Electrification is dependent on funding from other spheres of government • Limited availability of qualified and competent electrical technicians • Proper township establishment is a pre-requisite for electrification of informal settlements • High cost of electricity for end users and potential developers • Feasibility of overhead distribution network vs. underground cabling

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Municipal Function	Challenge
Streets and Storm Water Management	- Relatively poor condition of roads infrastructure especially in township areas - Irregular maintenance of roads infrastructure - Ineffective public transport and ITC networks in certain areas limits connectivity and subsequent access to economic opportunities - Roads infrastructure backlog (estimated at R85m) is much higher than available financial resources - Absence of proper storm water infrastructure in certain areas
Integrated Human Settlements	- Increasing demand for adequate quality housing opportunities - Limited availability of suitable land for implementation of human settlement projects - Housing delivery is dependent on funding from other spheres of government - Migration trends resulting in an increase in population which subsequently increase the demand for houses at the lower end of the income bracket - Uncontrolled settlement of people on municipal or SANRAL land - Limited resources for emergency housing initiatives as a result of disaster situations - Urban expansion, including informal settlements, existing land uses impact on sensitive natural systems, increases vulnerability to disaster and results in a mounting infrastructure maintenance backlog. - Potential risk of illegal land occupation in ecologically sensitive areas
Decent employment opportunities and job creation	- The slow growth in the local economy has resulted in increased unemployment and decreased job creation, as well as a decline in revenue - Lack of incentives to attract meaningful investment - Seasonality of the economy and resultant employment opportunities - Lack of funding to roll out planned interventions, slow turnaround time, staff capacity constraints
Rural development	- Remote location of rural communities and settlements makes the cost for basic services and infrastructure non-feasible (forestry villages) - High cost and in-effective public transport systems for rural communities
Environmental Conservation	- The impact of the disaster on the natural landscape and system requires both immediate hazard mitigation and long-term rehabilitation measures - Climate change has a direct impact on agricultural production, the sustainability of the community and vulnerability to extreme weather events - Alien invasive plants species are prevalent
	- Climate change will have an impact on the likelihood of natural disasters (e.g.: rising sea level, etc.) - The GKMA has been prone to natural disasters such as floods and droughts in the recent past

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Municipal Function	Challenge
Disaster management	- Regular occurrences of fires in informal settlements and veld fires - Limited accessibility for emergency vehicles in informal settlements - Relatively slow reaction time to fires in remote rural areas - High cost of resources required to combat disasters
Youth Development	- Increasing youth unemployment rate - Increasing involvement of youngsters in criminal activity - Relatively high rate of teenage pregnancies - Low skill level of local youth - Limited opportunities for youth entrepreneurs - High rate of early school leavers
Care for the Elderly	Inadequate capacity of retirement homes for the elderly
Opportunities for women and people living with disability	- Not all the public amenities in the municipal area are disabled friendly - Women and children are exposed to gender-based violence - Increase in sex related crime especially against children
HIV/Aids awareness	- People in rural areas have limited access to quality primary health care facilities - The HIV and TB prevalence have increased during the past few years
Sound Financial Planning	- Limited financial resources to fund basic services, address backlogs, maintain existing infrastructure, is exacerbated by the underfunding of government departments and the impact of slow growth in the economy - Although the municipality would like to provide wider access to free basic services, the debtor levels and unwillingness of certain communities to pay for specific services remains a challenge. - Further challenges include the continuous increase in staff costs and the integration of municipal systems. - Knock-on impact of municipality-wide decline in property values due to property surplus, due to increase in supply and decline in demand. - Less consumption of services from residents and businesses which have been adversely affected by the fire disaster
Institutional Capacity Building	- Even though the municipal vacancy rate has improved significantly, and nearly 80% of all posts have been filled, the frequent staff turn-around remains a challenge. - The ability to attract scarce skills, as well as availability of funding to develop human resources remains a challenge. - High cost of staff structure limits the filling of new posts - Limited co-operation between the municipality and private sector - The lack of adequate office space for administration to serve the public and operate efficiently remains a challenge.

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Municipal Function	Challenge
Ward Committee System	• Optimal functioning of the ward committee system to improve public participation • Improved communication between ward committees and the constituencies they represent • Capacity building and training programmes for ward committees • Limited collaboration between municipality and other government sector departments in public participation processes
Communication	• Improved Intergovernmental Relations (IGR) with other spheres of government • Ineffective communication strategy between the municipality and stakeholders • Current public participation process does not yield the desired outcomes
Responsive and accountable system of Local Government	• Councillors to have more frequent feedback and consultation sessions with communities • Effective response to complaints and suggestions by citizens • Allocation of resources in the budget must reflect the real needs of communities

Table 15: Knysna Municipality: Key Challenges

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2.15 Knysna Municipality: Developmental Strategies Aligned to Areas of Need

National KPA: Basic Service Delivery and Infrastructure		
No	Key Challenge	Description
1	Water security	- The design and construction of a new dam for Knysna for a 30 Year horizon at a cost of – R140M is required - Upgrade of Water Supply Schemes at a cost of R630M to support new housing and enterprise development - Construction of a New Waste Water Treatment Plant to support new housing development and enterprise development at a cost of R140M
2	Electrical Infrastructure development and upgrade to support electrification of residential, industrial and other spaces	- Upgrade switchgear from Oil to SF6(gas) to improve reliability, reducing power outages and equipment failure at a cost of R140M - Waste to Energy Plant at Knysna Waste Water Treatment Plant to produce 10MW of electricity, reduce the carbon footprint and be fully online in three years - Upgrading of Medium Voltage Bulk Infrastructure - Upgrading of OHL to Chickadee Conductor at a cost of R74M to strengthen capacity and service reliability - Upgrading of Low Voltage Bulk Infrastructure - OHL LV Bundle Cable Network at a cost of R122M
3	Maintenance of the road infrastructure	- The upgrading of road infrastructure and bus shelters at estimated to cost R1,3 billion - Currently approximately 160km of gravel roads in the KM across all wards in Knysna. To improve access to people's homes, allow for access to emergency services and unlock economic development. - Upgrade of George Rex Drive – To stimulate access to tourist destinations at an estimate cost of R90M
4	Bulk sewer infrastructure	- Finalise EIA - Upgrade of existing sewer pump stations - Installation of new sewer outfall - Connection to existing works - Landscaping and clearing
5	Storm water infrastructure	- Investigation of sources of water - Design of engineer solutions - Construction of drainage systems to direct water away from homes. - Road reconstruction and storm-water drainage and management - To prevent flooding of homes. Improve living conditions and health of the community

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6	Waste management facilities	- Current lease of Waste Transfer Station for temporary storage prior to transporting to Waste Dumping Facility in Mossel Bay. - Develop new Green Waste facility - Regional Landfill site – GRDM function – Municipalities to contribute based on volumes generated - Fleet – replacement of refuse compactors, aged around 15-20 Years
National KPA: Municipal Transformation and Organisation Development		
No	Key Challenge	Description
7	Skills development	- KM has a responsibility to facilitate the improvement of literacy levels of the community and to ensure adequate skills base to foster enterprise growth and job creation. - Scarce skills need to be developed and transferred through partnership with industries and the different organizations that exist in the area
8	Sector Planning	- The Water Services Development Plan is currently outdated, thus requiring a review - The Electricity Master Plan is in process of being reviewed - The Roads Master Plan is currently outdated and requires review - The Waste Management Plan is currently outdated and requires review
9	Human Resources Management	- Current levels of overtime are beyond control - This is due to number of factors; including vacancy rate within Infrastructure Services Department, Community Services Department - High levels of skills shortages - Weak management and control in departments - Outdated tools of trade - Outdated organogram impacts on structure amendments compromising service delivery
National KPA: Good Governance and Public Participation		
No	Key Challenge	Description
10	Public Participation	Alternative marketing/communication mechanisms should be employed to increase the level of trust between the municipality and communities
National KPA: Financial Viability and Management		
No	Key Challenge	Description
11	Chapter 9	Chapter 9

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National KPA: Local Economic Development		
No	Key Challenge	Description
12	Job Creation	- Considering the current economic climate and global recession, greater efforts must be made to address the key development challenges in the Municipality. - All departments must engage with different sector departments and agencies in search of sustainable economic development solutions that will assist in improving economic growth and creation of jobs.
13	High levels of poverty and inequalities	The current high levels of poverty and inequalities in the municipality reflect the national status quo. This is further exacerbated by lack of skills, unemployment and sluggish economic growth. It is therefore necessary to come up with strategic objectives that will enable job opportunities and economic development.
National KPA: Transversal Needs		
No	Key Challenge	Description
14	Clinics	Limited Clinics, especially in rural and forestry communities
15	Old Age Facilities	Limited Old-Age homes for the elderly in all communities
16	Crèches/ Early Childhood development	Limited Crèches/ Early Childhood development facilities/programs to stimulate childhood development
17	Basic Education	Schools located in areas not easily accessible for learners, having to cross the N2 to access schools of learning, Distances from schools, learners having to be ready for pick-up at as early as 05h00 to access schools transport
18	Public Safety and Security	Public safety and security
19	Libraries	Limited access to public libraries, in areas, Rheenendal, Karatara, Forestry Villages
20	Limited sport and recreational facilities across residential areas	No access to recreational facilities (parks, sport facilities, youth centres) in Forestry villages, limited access in areas as Hornlee

Table 16: Knysna Municipality: Developmental Strategies

CHAPTER 3. INTEGRATED DEVELOPMENT PLANNING

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

3.1 Introduction

Ever since the dawn of democracy, the South African government had been forging to be developmental in nature with the determination to alleviate poverty in local communities. This led to the government to unveiling of the Reconstruction and Development Programme (RDP) which served as the basis for formulation of strategies for uplifting communities. In order to operationalise the RDP, the national government had to make some form of interventions that were to unambiguously set out directives that compel districts and local municipalities to prepare a strategic development plan which was ultimately named the integrated development plan.

3.2 Legal Context of the IDP

The MSA (2000) mandates South African municipalities to formulate a five-year Integrated Development Plan (IDP) plan. The objective of this strategic plan is firstly, to inform the municipal medium – to longer – term budget and leads programmes and associated projects within a particular municipal area. The IDP is argued to be the Municipality's "principal strategic plan" that deals with the most critical development concerns within the boundaries of a municipal area and the most critical governance needs of the organization.

Section 34 of the MSA (2000) prescribes that a municipality –

- a) must review its integrated development plan-
 - annually in accordance with an assessment of its performance measurements in terms of section 41; and
 - to the extent that changing circumstances so demand;
- b) may amend its IDP in accordance with a prescribed process.

The ever-changing nature of our internal and external environments of public administration encouraged the Knysna Municipal Council to resolved that the Municipality's IDP be Amended and not reviewed. The Amendment process is a strategic process that ensure that the municipality remains vision focussed. The key reasons for the amendment of the Knysna IDP include;

1. Changes in the socio-economic landscape of the municipal area;
2. The findings of the recent Diagnostic Assessment for the KM;
3. The MEC comments on the municipality's 2023/2024;
4. LGMIM outcomes
5. Review of the Municipal Spatial Development Framework (2020); and
6. Filling of critical vacancies to give effect to the strategic objectives of Council.

An IDP adopted by KM:

- a) is the principal strategic planning instrument which directs and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality;
- b) binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's integrated development plan and national or provincial legislation, in which case such legislation prevails; and
- c) binds all other persons to the extent that those parts of the integrated development plan that impose duties or affect the rights of those persons have been passed as a by-law.

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Chapter 5 and Section 26 of the MSA (2000) provides that:

An integrated development plan must reflect:

- a) The municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- b) An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- c) The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- d) The council's development strategies which must be aligned with any national and provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- e) A spatial development framework which must include the provision of basic guidelines for a land-use management system for the municipality;
- f) The council's operational strategies;
- g) Applicable disaster management plans;
- h) A financial plan, which must include a budget projection for at least the next three years; and
- i) The key performance indicators and performance targets determined in terms of section 41.

3.3 The Local Government: General: Laws Amendment Bill, 2024

The Department of Cooperative Governance recently introduced a process to review the various pieces of legislation that impacts municipalities with the view to enhance good practices. This resulted in the development of the Local Government: General Laws Amendment Bill, 2024. The Bill seeks to amend the following pieces of legislation to strengthen and improve various matters within municipalities:

- a) Local Government: Municipal Structures Act, 1998;
- b) Local Government: Municipal Systems Act, 2000; and
- c) Local Government: Municipal Property Rates Act, 2004.

Key to the Bill was:

- To include growth and climate change scenarios as a core component of the integrated development plan;
- To provide for the responsibility of national and provincial organs of state to provide inputs into a municipality's integrated development plan;
- To provide that the additional needs of women and youth are considered in the consultation and development of the integrated development plan;
- To provide that the MEC for local government must facilitate the coordination and alignment of integrated development plans across spheres of government; and
- To require metropolitan or local councils to establish ward committees within 120 days after the election of the speaker of the municipal council.

The due date for comments and inputs is 28 June 2024. Once all comments were received, the Bill will go for assent by the President of the Republic of South Africa.

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3.4 Roles and Responsibilities

3.4.1 Mayor and Mayco

The Executive Committee or Executive Mayor of a municipality must, in accordance with section 29 of the MSA (2000):

- a) manage the drafting of the municipality's integrated development plan;
- b) assign responsibilities in this regard to the municipal manager; and
- c) submit the draft plan to the municipal council for adoption by the council.

The responsibility of drafting of the IDP has been assigned to the municipal manager and delegated to the IDP coordinator within Development and Planning

3.4.2 Office of the Speaker

The Office of the Speaker is responsible for the coordination and implementation of public engagements including collection of community needs to be submitted to be IDP coordinator to incorporated into the IDP.

3.4.3 Council

The municipal council must adopt an IDP Process Plan that will outline the process towards the adoption of the final IDP. Council must ensure that:

- All relevant role-players are appropriately involved;
- Appropriate mechanisms and procedures for public consultation and participation are applied;
- The planning events are undertaken in accordance with the time schedule;
- The IDP Process is related to the developmental challenges in the municipality and that it is a strategic and implementation-oriented process; and
- The sector planning requirements are satisfied.

Council furthermore:

- Consider and approve the IDP;
- Review the IDP in accordance with the MEC for Local Government's proposals; and
- Ensure that the annual business plans, budget, and land use management decisions are linked to and based on the IDP.

3.4.4 Proportional Councillors, Ward Councillors and Ward Committee Members (Ward Committees)

- Assist with public participation process;
- Assist the ward councillor (who is the chairperson) in identifying challenges and needs of residents; Provide a mechanism for discussion and negotiation between different stakeholders in the ward; Interact with other forums and organizations on matters affecting the ward;
- Draw up a ward plan that offers suggestions on how to improve service delivery in the particular ward;

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- Disseminate information in the ward; and
- Monitor the implementation process concerning its area.

3.4.5 The Municipal Manager

As Chief Accounting Officer, the Municipal Manager is the head of the administration and is responsible and accountable for the implementation of the municipality's IDP, and the monitoring of progress with the implementation of the plan. The Municipal Manager is also responsible for championing the IDP process and reports to the Executive Mayor Heads of Departments and Municipal Officials.

As the persons in charge of implementing IDPs, Heads of Departments and Municipal Officials must be involved in the IDP process as well as be responsible for the compilation and execution of relevant business and sectoral plans.

They are responsible to:

- Provide relevant technical, sector and financial information for analysis for determining priority issues;
- Contribute technical expertise in the consideration and finalization of strategies and identification of projects;
- Draft annual operational business plans (SDBIP) to align the IDP with business operations; and
- Provide operational and capital budgetary information.

3.5 Relationship Between the IDP, Budget, Performance Management and Risk Management

The IDP Process, together with the performance management process, should be seamlessly integrated, where the IDP ensures that the planning stage for performance management occurs and performance management fulfils the implementation, monitoring and evaluation of the IDP process.

The role of the Budget is to attach money to the objectives that are contained in the IDP and the Budget gets monitored through the Service Delivery Budget Implementation Plan (SDBIP). The IDP therefore provides the strategic direction for the Municipality, whereas the Budget should ensure the implementation of the IDP.

Risk Management is a core municipal responsibility according to section 62 of the MFMA (2003) and is an integral part of the internal processes of any municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can negatively impact IDP implementation. When properly executed, risk management provides reasonable assurance that the Municipality will be successful in achieving its strategic objectives.

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3.6 MEC Comments on the Council Adopted 2023/2024 IDP

KPA	MEC Response (s)	KM Comments
Good Governance and Public Participation	No finding	Municipality reviewed its IDP and consulted extensively with communities and municipal stakeholders.
Good Governance and Public Participation	No Finding	The municipality included a Draft SDBIP with Key Performance Indicators and targets in the Final IDP and will continue doing so for the financial year in planning.
Good Governance and Public Participation	No Finding	IDP Aligns with key Global, National, Provincial and Local Strategies.
Good Governance and Public Participation	The Municipality intends to adopt a new five-year IDP with a timeframe of 2023–2028 that extends beyond Council's term of office which is 2022–2027	Municipality amended the Adopted IDP of predecessor and corrected date on Cover Page, referring to the Year the IDP was adopted. The municipality will for the future include a complete date at which the date the Draft and Final IDP was considered and adopted by Council.
Good Governance and Public Participation	IDP Process – KLM did not develop and approve an IDP Process Plan	Subsequent to the SIME report, KLM responded by developing and approved the Process plan during a Special Council sitting, dated 31 May 2022 as recommended per Council Resolution SC09/05/2022.
Good Governance and Public Participation	The tabled IDP does not contain a macro-organisational structure as required in terms of Regulation 2(1) of the MSA (2000) Regulations.	The municipality will include the latest approved macro-organisational structure in the IDP.
Good Governance and Public Participation	The tabled IDP does not reflect the status of sector plans in terms of when they were approved, last reviewed and when they are due for a review.	The Municipality will continue including a summary of the Sector Plans of the Municipality, including also the status of all sector plans.
Local Economic Development	The tabled IDP does not provide a clear strategy and mitigation plan to address the concerns relating to the impact of the energy disruptions to agricultural infrastructure such as cold storages, pack houses and irrigation water pumps.	To be included in 2024/2025 Amended IDP.

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KPA	MEC Response (s)	KM Comments
Basic Service Delivery	The Municipality should consider prioritising a Wetland Restoration and Rehabilitation Programme to assist with flood attention and improve the retention of water during dry spells.	To be considered by KM.
Basic Service Delivery	The Municipality should reflect the beneficiary selection criteria where top structure beneficiaries are prioritised and provide an indication on how the Municipality will manage the shift in the housing policy position of the national Department of Human Settlements i.e., from the prioritization of top structures to the delivery of serviced sites. The IDP does not reflect that the Municipality has been declared as a Priority Human Settlements and Housing Development Area (PHSHDA) and a Restructuring Zone as published in Gazette (No. 43316) on 15 May 2020.	To be considered by KM.
Financial Viability	The tabled IDP does not contain a financial plan with a budget projection for at least the next three years.	KM Strategic Plan consists of two components, The IDP and The Budget. The municipality will include the Budget as an Annexure to the 2024/ 2025 Amended IDP. A summary of budgeted Capital Projects for the financial year and outed years will be included as a section in the IDP.

Table 17: MEC Comments on Knysna 2023/2024 IDP

3.7 MEC Comments on KM IDP

Amongst the interventions above, the focus of the Amended IDP is also on the following:

- Legislative compliance in terms of chapter, 4, 5 and 6 of MSA (2000) Act No 32 of 2000;
- MEC Letter with assessment comments on the Final Amended IDP Review 2023/2024;
- Self-Assessment, based on past organizational performance outcomes;
- Strategic Framework;
- Development and review of the IDP core sector plans;
- District Development Model;

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- Alignment with Government Priorities E.g., State of the Nation Address, WCPG State of the Province Address;
- Community inputs received during the community outreach programs (IDP Roadshows); and
- Different stakeholder comments and requirements.

3.8 MEC Recommendations on the Draft Amended 2024/2025 IDP

KPA	MEC Response (s)
Good Governance and Public Participation	When proposing to adopt the proposed amendments to the IDP, set out reasons for the proposal to amend the IDP in a memorandum to Council, which should accompany the submission of the amended IDP to the MEC for Local Government.
Local Economic Development	The Municipality is encouraged to consult the findings of the Bureau for Food and Agricultural Policy study which focused on the impact of load shedding on the Agricultural sector in the Western Cape.
Basic Service Delivery	Include all known projects, plans, and programs to be implemented within the Municipality by any organ of state, into the proposed IDP Amendment prior to its adoption.
Basic Service Delivery	Implement measures to prevent land invasions on state-owned land. This could involve improved security, community engagement, and exploring legal avenues.
Basic Service Delivery	Ensure that its capital and operational plans address the growing infrastructure backlogs. This could involve prioritizing key areas of need, securing funding, and implementing projects in a phased manner.
Basic Service Delivery	Work towards the development of an inclusionary housing policy that ensures affordable housing for all residents.
Basic Service Delivery	Identify, package, and release well-located public land for the development of mixed-income and mixed-use land development
Basic Service Delivery	Implement Social Housing Initiatives: Implement social housing initiatives in the restructuring zone to provide affordable housing options.
Basic Service Delivery	Ensure that engineering infrastructure investments are aligned with the Municipal Spatial Development Framework (MSDF) and Capital Expenditure Framework.
Basic Service Delivery	Conduct an annual performance review of the Integrated Development Plan (IDP) and MSDF to track progress and identify any changes that would necessitate an MSDF amendment.
Basic Service Delivery	Actively participate in the Housing Market Studies Round 2 project. Provide the necessary information needed for the study to be a success for Knysna.
Basic Service Delivery	Prioritise the adoption of the draft HSP and LITP, review the WSDP and SWMP, and reflect integration thereof into future reviews of the IDP.

Table 18: MEC Comments on Knysna Draft Amended 2024/2025 IDP

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3.9 Public Participation

The lack of or poor communication in sharing with the communities the challenges and progress towards effectively delivering services becomes the key reasons of the communities' frustrations. It leads to a decline in community trust and is evidenced by numerous service delivery protests across the country.

The Knysna Municipal Council resolved to Amend its 2023/2024 IDP. The Municipal Diagnostic Report findings, the review of the municipal SDF, changing socio-economic circumstances, annual municipal performance and medium-term budget, the filling of critical vacancies and necessitated the Municipality to amend its IDP.

Section 28 of the MSA (2000) states that the municipality must adopt a process plan that will guide the review of the IDP. The Amendment of the IDP was directed by the Council adopted IDP, Budget and OPMS Time schedule. This schedule was approved by Council on 22 August 2023 and was in line with Section 21(b) of the MSA (2000). This time – schedule recommends that planned public participation meetings be advertised and rolled-out to solicit community inputs as part of the Municipality's planning process.

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AGENDA
31 MAY 2024

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MONTH	ACTIVITIES		
DEPARTMENT	IDP	PMS	BUDGET
PREPARATION & ANALYSIS PHASE			
August 2023			Submission of the 2022-23 Annual Financial Statement to the Auditor General Submit Monthly report on the budget for period ending 31 July 2023 within 10 working days to Executive Mayor
September 2023	Advertisement of IDP and Budget Time Schedule on website, local newspapers and notice boards		Submit Monthly report on the budget for period ending 31 August 2023 within 10 working days to Executive Mayor
	IDP Community Engagements		
	Submit monthly report for period ending 31/08/2023 on implementation of the budget and financial state of affairs of the municipality to Council		
	Strategy Workshop (Mayoral Committee, municipal manager, executive managers and selected senior managers) to reconcile views and opinions of the political structures and administration		
	Premier's Co-ordinating Forum – Joint consultation with Western Cape Cabinet, HoD's, Municipal Managers and relevant Senior Management		
	District IDP Manager Forum		
	Provincial IDP Managers Forum Meeting		
	IDP Indaba 1 – Project and budget alignment and implementation of		

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AGENDA
31 MAY 2024

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

MONTH	ACTIVITIES		
DEPARTMENT	IDP	PMS	BUDGET
	IDP projects between all three spheres of government using JDMA methodology		
October 2023		2023/2024 First Quarter Non-Financial Performance Assessment Report to TMT for revision	
		2023/2024 First Quarter Non-Financial Performance Assessment Report to Executive Mayor and Mayoral Committee	
	Strategy Review with Council (Mayoral Committee, municipal managers and selected senior managers) to reconcile views and opinions of the political structures and administration	2023/24 First Quarter Non-Financial Performance Assessment Report to Council	Determine funding/ revenue potentially available for the next 3 years
	Circulate Community inputs to all directorates for administrative / technical actions/ inputs	Review the municipality's performance management system (PMS) - participation of community (proposed amendments to municipal key performance indicators and targets)	Commence with the preparation of the capital programme. Determine project mapping. All projects to be captured onto the IDP module and adequately linked.
	GDS/JDMA Garden Route Technical Steering Committee Meeting		Submit Monthly report on the budget for period ending 30 September 2023 within 10 days working days to Executive Mayor
			Distribute capital programme to Directorates for costing and planning of new MTREF budget
			Submit Quarterly report for period ending 30/September/2023 on implementation of the budget and financial state of affairs of the municipality to Council

ORDINARY COUNCIL MEETING
AGENDA
31 MAY 2024

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

MONTH	ACTIVITIES		
DEPARTMENT	IDP	PMS	BUDGET
	HoD/MM engagement – Joint consultation on providing context to provincial policy priorities		Assess the Municipality's financial position and capacity (based on the Financial Statements (AFS) of the previous budgeted year)
	Medium-Term Budget Policy Committee – Alignment of provincial and municipal plans and budgets.		Hold Finance Management Technical Meetings with Directorates
	IDP Indaba 1 – Project and budget alignment and implementation of IDP projects between all three spheres of government using JDMA methodology		
STRATEGIES, PROGRAMME IDENTIFICATION PHASE			
November 2023	Councillor or Committee of Council submits a memorandum with recommendations for amendments to the IDP and Municipal Scorecard to Executive Mayor and Mayoral Committee	Submit the 2023/2024 First Quarter Non-Financial Performance Assessment Report to Provincial Government. Publicise Noted Section 52(d) reports on website and other identified platforms	Distribute February Adjustments budget information to service departments Distribute budget templates to service departments to revise the 2023/2024 operating budget and inputs to 2024/2025 operating budget MTREF. Distribute tariffs for Service Department Inputs.
	Workshop with IDP Representative Forum members, Garden Route District Municipality and sector departments	Place 2023/2024 First Quarter Non-Financial Performance Report on the municipal website	Review current budget related policies and compile newly needed budget related policies
	Consultation Sessions with Ward Committees		Submit Monthly report on the budget for period ending 31 October 2023 within 10 days working days to Executive Mayor
	Draft detailed project plans for community-based projects and programmes	Awareness on Program on Institutional PMS and Individual PM	Management Session in preparation for Adjustment Budget Submit inputs for 2023/2024 Operating Adjustments

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AGENDA
31 MAY 2024

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

MONTH	ACTIVITIES		
DEPARTMENT	IDP	PMS	BUDGET
			Budget and 2023/2024 Operating Budget to Finance
	Joint District IDP Managers Forum Engagement		Finalise Draft Capital Budget for 2023/2024 MTREF from the IDP Module
	IDP/Budget and PMS Representative Forum		Submit Draft Capital Budget for 2021/2024 to Executive Management
			Submit Draft Capital Budget for 2021/2024 to Budget Steering Com for discussion
			Submit monthly report for period ending 31/10/2023 on implementation of the budget and financial state of affairs of the municipality to Council
			Auditor General's Report on Annual Finance Statements and Annual Performance Report submitted to Municipal Manager
December 2023	Working Session: (Municipal manager, executive managers and selected senior managers) to consolidate all strategic inputs and to formulate the first draft of a new Strategy Chapter of the IDP		Submit Monthly report on the budget for period ending 30 November 2023 within 10 days working days to Executive Mayor
	Knysna Municipality Staff Recognition Awards – Still under discussion at Management Level.		
	District IDP Managers Forum		
	Provincial IDP Managers Forum		
January 2024		Submit the 2023/2024 Second Quarter Non-Financial Performance Assessment Report and Mid-Year Performance Assessment Report to TMT for revision	Convene first Budget Steering Committee for strategic direction, NT way forward in terms of latest budget Circular and Adjustments Budget Prepare and submit Mid-year Budget Assessment Report to Executive Mayor

ORDINARY COUNCIL MEETING
AGENDA
31 MAY 2024

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

MONTH	ACTIVITIES		
DEPARTMENT	IDP	PMS	BUDGET
		Submit the 2023/2024 Second Quarter Non-Financial Performance Assessment Report to Executive Mayor and Mayoral Committee	Submit Mid-year Budget and Performance Report to Provincial Treasury, National Treasury and PGWC by 25/01/2024
		Submit the 2023/2024 Mid-year Non-Financial Performance Assessment Report to Executive Mayor	Submit Quarterly report for period ending 31/12/2023 on implementation of the budget and financial state of affairs of the municipality to Council
		Submit the 2023/2024 Mid-year Budget and Non-Financial Performance Assessment Reports to Council	Submit Mid-year Budget and Performance Assessment Reports to Council
		Place the 2023/2024 Second Quarter Non-Financial Performance Assessment Report on the website	Start with the finalisation of 2023/2024 Adjustments Budget, and 2024-25 MTREF, Budget
		Make public the Mid-Year and Performance Report on municipal website	
February 2024	Tabled Annual Report submitted to Auditor General, Audit Committee, Provincial Treasury and PGWC		2023/2024 Adjustments Budget and 2024/2025 MTREF workshop with Budget Steering Com
	Make public the Annual Report for comments and inputs		Finalise 2023/2024 Adjustments Budget
	Technical Integrated Municipal Engagements with Provincial Sector Departments		Finalise 2024/2025 Draft MTREF budget
	Joint District IDP & Public Participation Managers Forum		Submit Monthly report on the budget for period ending 31 January 2023 within 10 days working days to Mayor
	MMF & DCF		
			MAYCO considers and adopts 2023/2024 Adjustments Budget and potentially Revised 2023/2024 SDBIP

ORDINARY COUNCIL MEETING
AGENDA
31 MAY 2024

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

MONTH	ACTIVITIES		
DEPARTMENT	IDP	PMS	BUDGET
February 2024			Submit 2022/2025 Draft MTREF, tariffs and budget related policies to Executive Management
			Submit monthly report for period ending 31/01/2024 on implementation of the budget and financial state of affairs of the municipality to Council
			Council considers and adopts 2023/2024 Adjustments Budget
			PGWC MEC 2 - Provincial Sector Departments inform municipalities of provincial budgetary allocations
			Submit 2022/2025 Draft MTREF, tariffs and budget related policies to MAYCO
APPROVAL			
March 2024	Provincial IDP Managers Forum Meeting	Executive Mayor and Mayoral Committee consider 2024/2025 draft SDBIP	Advertise the approved 2023/2024 Adjustments Budget and Revised SDBIP for 2023/24 and submit budget and B Schedules to National Treasury and Provincial Treasury as required per legislation (within 10 working days)
	Executive Mayor and Mayoral Committee consider 2024/2025 draft IDP	Council meeting on draft SDBIP (at least 90 days before the start of the budget year).	Submit monthly report on the budget for period ending 28 February 2024 within 10 days working days to Executive Mayor
	Council meeting on draft IDP	Submit the draft SDBIP to PGWC, National and Provincial Treasury, prescribed national or provincial organs of state and to other municipalities affected by the IDP and budget	Executive Mayor and Mayoral Committee consider 2024/2025 draft budget

ORDINARY COUNCIL MEETING
AGENDA
31 MAY 2024

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

MONTH	ACTIVITIES		
DEPARTMENT	IDP	PMS	BUDGET
March 2024	Council meeting to consider the Annual Report and adopt an Oversight Report containing the Council's comments on the report	Executive Mayor and Mayoral Committee consider Oversight Report i.t.o. Section 121 of the MFMA	
	Table 2022/2023 Annual Report to Council		Council meeting on draft budget, tariffs and budget related policies (at least 90 days before the start of the budget year).
	Submit the draft IDP to PGWC, National and Provincial Treasury, prescribed national or provincial organs of state and to other municipalities affected by the IDP and budget		Submit monthly report for period ending 28/02/2024 on implementation of the budget and financial state of affairs of the municipality to Council
		Submit draft IDP, budget to PGWC, National and Provincial Treasury, prescribed national or provincial organs of state and to other municipalities affected by the IDP and budget	
April 2024	Advertise the Draft IDP and provide at least 21 days for public comments and submissions	Submit to the National Treasury and Provincial Treasury the 2024/2025 draft service delivery and budget implementation plan	Advertise the Draft budget and other required documents and provide at least 21 days for public comments and submissions
	IDP / BUDGET Road Shows to consult the Draft IDP, SDBIP and Budget	Make public the Oversight Report (within 7 days of its adoption)	Submit Monthly report on the budget for period ending 31 March 2024 within 10 days working days to Executive Mayor
	IDP Representative Forum to consult the Draft IDP, SDBIP and Budget	Submit the Annual Report and Oversight Report to the provincial legislature as per circular	Submit Quarterly report for period ending 31/03/2024 on implementation of the budget and financial state of affairs of the municipality to Council

ORDINARY COUNCIL MEETING
AGENDA
31 MAY 2024

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

MONTH	ACTIVITIES		
DEPARMENT	IDP	PMS	BUDGET
April 2024	District IDP/Budget & PMS Forum	Submit the 2023/2024 THIRD Quarter Non-Financial Performance Assessment Report to TMT for revision	Advertise the Draft budget and other required documents and provide at least 21 days for public comments and submissions
	SIME LG MTEC: IDP and assessments – Provincial Government and Municipality to discuss findings and recommendations emanating from IDP and Budget assessment	Submit the 2023/2024 THIRD Quarter Non-Financial Performance Assessment Report to Executive Mayor and Mayoral Committee	
		Submit the 2023/2024 THIRD Quarter Non-Financial Performance Assessment Report to Council	Hold public meetings with the community.
		Submit 3rd Quarter 2023/2024 Non-Financial Performance Assessment Report to the National Treasury and Provincial Treasury	MANAGEMENT FINAL INPUTS ON BUDGET FOR RASPNOSIVE BUDGET – Compliance, Service Delivery and Development.
May 2024	Workshop with Executive Mayor and Mayoral Committee on submissions made by the local community, National or Provincial Treasury, national or provincial organs of state or municipalities (B-Municipalities)	Place 2023/2024 THIRD Quarter Non-Financial Performance Assessment Report on website	Submit Monthly report on the budget for period ending 30/04/2023 within 10 days working days to Executive Mayor.
	MAYCO meeting to approve Revised IDP, Performance Management Measures and targets and the budget (at least 30 days before the start of the budget year)	MAYCO meeting to approve Revised IDP, Performance Management Measures and targets and the budget (at least 30 days before the start of	Budget Steering Committee considers submissions made by the local community, National or Provincial Treasury, national or provincial organs of state or municipalities (B-Municipalities).

ORDINARY COUNCIL MEETING
AGENDA
31 MAY 2024

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

MONTH	ACTIVITIES		
DEPARTMENT	IDP	PMS	BUDGET
	Council meeting to adopt Revised IDP, Performance Management Measures and targets and the budget (at least 30 days before the start of the budget year)	Council meeting to adopt Revised IDP, Performance Management Measures and targets and the budget (at least 30 days before the start of the budget year) MAYCO meeting to approve Revised IDP, Performance Management Measures and targets and the budget (at least 30 days before the start of budget year)	Submit monthly report for period ending 30/04/2024 on implementation of the budget and financial state of affairs of the municipality to Council.
May 2024		Council meeting to adopt Revised IDP, Performance Management Measures and targets and the budget (at least 30 days before the start of the budget year)	Submit approved budget to National and Provincial Treasuries (both printed and electronic formats).
June 2024	Place the IDP, multi-year budget, all budget-related documents and all budget-related policies on the website	Submit to the Executive Mayor the SDBIP for the budget year (no later than 14 days after the approval of an annual budget)	Submit Monthly report on the budget for period ending 31/05/2024 within 10 days working days to Executive Mayor.
	Submit a copy of the revised IDP to the MEC for PGWC (within 10 days of the adoption of the plan)	Executive Mayor takes all reasonable steps to ensure that the SDBIP is approved (within 28 days after approval of the budget)	
	Give notice to the public of the adoption of the IDP and Budget (within 14 days of the adoption of the plan) and budget (within 10 working days)	Submit the 2023/2024 Fourth Quarter Non-Financial Performance Assessment Report to TMT for revision session	Submit monthly report for period ending 31/05/2024 on implementation of the budget and financial state of affairs of the municipality to Council.
June 2024	Joint District IDP & Public Managers Forum meeting to discuss the District Framework and IDP Budget & PMS Process Plan		
	MMF & DCF		
	Provincial IDP Managers Forum Meeting		

Table 19: Knysna Municipality: 2023/2024 IDP Process Plan

ORDINARY COUNCIL MEETING
AGENDA
31 MAY 2024

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

The schedule for the public participation meetings held during the months of September, October and November 2023 were as follows:

Ward	Councillor	Venue	Date	Time
1	Levael Davis	Smutsville Community Hall	19 October 2023	18H00
2	Cleone Vanston	Sedgefield Town Hall	31 October 2023	14H00
	Cleone Vanston	Protea Hall, Karatara	31 October 2023	18H00
3	Mncedisi David Skosana	Chris Hani Hall	3 September 2023	18H00
4	Phindile Petros	White Location Multi-Purpose Centre	18 October 2023	18H00
5	Hilton Stroebel	Brenton Community Hall	24 October 2023	15H00
	Hilton Stroebel	Rheenendal Community Hall	24 October 2023	18H00
6	Kay Andrews	Hornlee Community Hall	11 October 2023	18H00
7	Mboneli Khumelwana	Khayaletu Hall	05 October 2023	18H00
8	Aubrey Tsengwa	AFM Church-Concordia	17 October 2023	18H00
9	Sharon Sabbagh	Brackenhill Community Hall	10 October 2023,	18:00
	Peter Bester	Cearn Hall – Leisure Island	12 October 2023	18:00
	Russel Arends	Hored Church-Springveld	02 November 2023	18:00
10	Levael Davis	Municipal Council Chambers	08 November 2023	17:00
11	Cleone Vanston	Sunridge Primary School	06 November 2023	18:00

Table 20: Knysna Municipality: Public Participation 2023

Following the consideration by the Municipal Council on 22 March 2024, a notice of the Draft Amended 2024/2025 IDP was placed. This phase was followed by Budget/IDP Workshops with all eleven (11) Wards. All comments (whether written or orally communicated) was captured and added to a complete list. This was attached as Annexure A.

Section 16(1) and Section 29(1) of the MSA (2000) outline the processes and procedures to be adhered to in terms of community participation. Based on the legislative requirements, public participation forms an integral part of the Knysna IDP process. Communities were afforded the right to make representations and engage on the drafting of the IDP considering the needs of their communities. Notwithstanding the provisions of the Act, the Municipality utilises a variety of communication channels to convey information to the community. The approved traditional methods of communication have changed over time, however, KLM adheres as far as possible to the stated provisions of the act. The table that follows outlines the public engagements held per ward:

ORDINARY COUNCIL MEETING
AGENDA
31 MAY 2024

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward	Councillor	Venue	Date	Time
1	Levael Davis	Smutsville Community Hall	24 April 2024	18:30
2	Cleone Vanston	Sedgefield Town Hall	2 May 2024	16:30
2	Cleone Vanston	Karatara Community Hall	2 May 2024	18:30
3	Mncedisi David Skosana	Chris Hani Hall	13 May 2024	18:00
4	Phindile Petros	White Location Multi-Purpose Centre	23 April 2024	18:00
5	Hilton Stroebel	Rheenendal Community Hall	9 May 2024	18:30
5	Hilton Stroebel	Brenton Community Hall	08 May 2024	17:00
6	Kay Andrews	Hornlee Community hall	6 May 2024	18:00
7	Mboneli Khumelwana	Khayaletu Community Hall	30 April 2024	18:00
8	Aubrey Tsengwa	AFM Church	7 May 2024	18:00
9	Sharon Sabbagh	Ambleridge function room	15 May 2024	18:00
9	Sharon Sabbagh	Brackenhill	20 May 2024	17:30
10	Peter Bester	Council Chambers	29 April 2024	17:00
11	Russel Arends	Sunridge Primary School	25 April 2024	18:30

Table 21: Knysna Municipality: Public Participation 2024

3.10 Community Needs

The primary services that local government provides (clean drinking water, sanitation, electricity, shelter, waste removal and roads) are basic human rights, and essential components of the right to dignity enshrined in our Constitution and Bill of Rights, according to the Back-to-Basics Programme. The cross-cutting areas of needs received as part of the IDP consultation process are as follows:

- Provision of community sport fields;
- Streetlights in high crime areas;
- Provision of speed humps and traffic calming measures;
- Electricity supply in Eskom supply areas;
- Building of new clinics and libraries;
- Road maintenance and upgrading of existing roads and rural roads;
- Public Wi-Fi access in rural areas;
- Housing;
- High mast lighting;
- Water security;
- Job creation opportunities for the unemployed youth; and
- Recreational Facilities

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Priorities are not limited to the above, however these are the transversal needs identified across all wards.

Over and above the issues above, the following non-core functions were also raised:

- Clinics
- Old Age Home
- Crèches/ Early Childhood Development
- Schools
- Public Safety and Security
- Libraries

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN



KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 1



Cllr Lavael Davies

Ward Committee Members

Ward Committee Members	
Name	Area/Sector
Andrew Brough	Sedgefield Ratepayers association
Luvu Dayimani	Youth
Morne Galant	Religious
Nadia Hardnick	Community Safety
Cecilia McKay	Welfare
Vuyisile Pauli	Sport
David Tromans	The Island
Eunice Vena	Human Settlements and Agriculture

Table 22: Ward 1: Ward Committee Members



Image 1: Ward 1

ORDINARY COUNCIL MEETING
AGENDA
31 MAY 2024

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 1: Top Five Priorities:

- Low-cost housing development
- Electrification of informal areas
- Erosion repair and maintenance
- Repair, Reseal and Upgrading of Roads
- Provision of secure Water and Sanitation Supply for Sedgefield

Ward 1: Operating Budget

Ward 1, 2024-25 MTREF Operating Budget							
Row Labels	Exp Description	2023-24 Original Budget	2023-24 Revised Budget	2023-24 YTD Actual	2024-25 Draft Budget	2025-26 Draft Budget	2026-27 Draft Budget
Agency Payments	litter Picking and Street Cleaning	115,232	102,973	100,821	125,000	130,750	136,765
Buildings	Maintenance of Buildings and Facilities	183,620	25,671	20,612	80,000	83,680	87,529
Community Based Initiatives	Social Relief	20,000	20,000	-	20,000	20,000	20,000
Grass Cutting Services	Clearing and Grass Cutting Services	204,615	204,615	12,390	-	-	-
Project	Housing Rectification I	250,000	250,000	250,000	300,000	300,000	300,000
	Provision of Wendy Houses	150,000	16,000	16,000	-	-	-
	Emergency Housing Materials	150,000	150,000	156,522	-	-	-
	provision/maintenance of Temporary Toilets	500,000	436,000	-	375,000	375,000	375,000
	Retaining walls and Wheelchair ramps I	200,000	200,000	200,000	200,000	200,000	200,000
Ward Committee/Council Support	Contractors/Catering Services	1,500	1,500	-	1,000	1,000	1,000
Grand Total		1,774,967	1,406,759	756,346	1,101,000	1,110,430	1,120,294

Table 33: Ward 1: Operating Budget

Ward 1: Capital Budget

Ward 1, 2024-25 MTREF Capital Budget							
Branch Description	Capital Project Item Description	2023-24 Original Budget	2023-24 Revised Budget	2023-24 YTD Actual	2024-25 Draft Budget	2025-26 Draft Budget	2026-27 Draft Budget
7.3 - Electricity Distribution	Electrification of informal areas	500,000	500,000	232,410	-	150,000	-
8.5 - Roads, Sewerage/Water Drainage	Cola Beach	300,000	300,000	232,069	-	-	-
9.1 - Housing Administration	Sedgefield Infill - Informal Settlements Upgrading Partnership Grant	-	1,500,000	-	8,000,000	2,100,000	2,100,000
Total		800,000	2,300,000	464,479	8,000,000	2,250,000	2,100,000

Table 34: Ward 1: Capital Budget

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 2



Ward Committee Members	
Name	Area/Sector
Johnny Botha	Bosdorp
Fanus Brink	Environment
Cliff Elion	Sedgefield Ratepayers
Keith Killops	Safety and Security
Hendrias Morris	Welsyndorp and Bergvallei
Rodney Nay	Infrastructure
Nathaniel Oelf	Farleigh
Ari Seirlis	Business and Tourism

Table 23: Ward 2: Ward Committee Members



Image 2: Ward 2

ORDINARY COUNCIL MEETING
AGENDA
31 MAY 2024

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 2: Top Five Priorities

- Accelerated the implementation of low-cost housing projects and development and allocation of vacant land parcels for families on the updated Housing Waiting List
- Procurement of land parcels for FLISP and GAP housing and related services planning
- Identify and examine feasibility of agricultural projects, related skills training and job opportunities
- Development of a Youth Centre and sports facility
- Planning and implementation of renewable energy projects by 2028: Photo-Voltaic and Waste to Energy

Ward 2: Operating Projects

Row Labels	Exp Description	2023-24 Original Budget	2023-24 Revised Budget	2023-24 YTD Actual	2024-25 Draft Budget	2025-26 Draft Budget	2026-27 Draft Budget
Buildings	Maintenance of Buildings and Facilities	200,214	200,214	188,841	350,000	366,100	382,940
Community Based Initiatives	Social Relief	20,000	20,000	475	20,000	20,000	20,000
Grass Cutting Services	Clearing and Grass Cutting Services	195,763	192,000	162,000	265,000	277,190	289,941
Grounds and Gardens	Alien Vegetation Control	400,000	200,000	196,481	300,000	313,800	328,235
Materials Stores New Conns	Materials and Supplies	301,801	201,801	-	211,689	221,427	231,613
Project	Retaining Walls and Wheelchair ramps 2	400,000	400,000	350,000	-	200,000	200,000
Reporting to Public	Transportation	14,742	14,742	-	5,000	5,000	5,000
Vehicles	Contractors Electrical	659,274	272,169	8,327	285,505	298,638	312,375
	Maintenance of Unspecified Assets	928,065	1,022,065	230,138	975,090	1,019,944	1,066,862
Ward Committee/Council Support	Contractors Catering Services	1,500	1,500	-	1,000	1,000	1,000
	Transportation	1,500	1,500	-	1,000	1,000	1,000
Grand Total		3,122,859	2,525,991	1,136,262	2,414,284	2,724,099	2,838,966

Table 35: Ward 2: Operating Projects

Ward 2: Capital Projects

Branch Description	Capital Project Item Description	2023-24 Original Budget	Mid-Year Adjustments Budget	YTD Actual Expenditure (30/03/2024)	Budget 2024/2025	Budget 2025/2026	Budget 2026/2027
7.3 - Electricity Distribution	Groendel 11 kv line replacement	400,000	400,000	-	-	900,000	
8.10 - Water Reticulation	Re-align Karoo water pipeline	800,000	800,000	-	-	-	
8.10 - Water Reticulation	Bulk Water Supply - Karatara	400,000	200,000	-	-	1,500,000	1,500,000
8.6 - Sewerage Purification Services	Refurbishment of biotank in Karatara		-	-	400,000		
8.7 - Sewerage Reticulation Services	MIG 295640 Upgrading of Bulk Sewer Infrastructure Ph2 A Sedgeli	10,763,959	3,617,764	5,890,628	-	-	
Total		12,363,959	5,017,764	5,890,628	400,000	2,400,000	1,500,000

Table 36: Ward 2: Capital Projects

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 3



Cllr Mncedisi Skosana

Ward Committee Members	
Name	Area/Sector
Thembinkosi Bool	Faith Based
Migiel Lizwani	Safety and Security
Thanduxolo Mahlathi	Oupad
Ntombenani Mgqeba	Hlalani
Nomfundo Ndunana	Business
Nomsebenzi Ntabeni	Kaalkol
Fundile Slatsha	Youth, Sport, Arts and Culture

Table 24: Ward 3: Ward Committee Members



Image 3: Ward 3

ORDINARY COUNCIL MEETING
AGENDA
31 MAY 2024

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 3: Top Five Priorities

- Construction of a primary school
- Public Library
- Engage the property owners of Kruisfontein and Middelerf to buy the land for housing development
- Create and implement job creation initiatives for unemployed residents and utilization of local skilled labour in municipal projects
- Establishment of an adequately resourced Youth Advisory Centre in order to facilitate youth development programmes effectively

Ward 3: Operating Projects

Branch Description	Capital Project Item Description	2023-24 Original Budget	2023-24 Revised Budget	2023-24 YTD Actual	Budget 2024/2025	Budget 2025/2026	Budget 2026/2027	Project info
7.3 - Electricity Distribution	Electrification of informal areas	500,000	500,000	94,310	-	150,000	-	
7.3 - Electricity Distribution	Electrification of formal Houses (NFP) - Dariesbos and Hlatini	-	-	-	1,356,522	-	-	
8.10 - Water Retreatment	Upgrade of pipeline from Khayalethu Pumpstation (Ty-Ty)	450,000	450,000	-	-	-	-	
8.5 - Roads, Sewerage/Water Drainage	Upgrade Gravel Roads Ward 3	200,000	200,238	173,913	-	1,500,000	-	
8.5 - Roads, Sewerage/Water Drainage	Public Transport Facilities - Rehabilitation of Roads	13,043,478	13,043,478	2,964,655	9,110,435	13,043,478	869,565	Funding to be split between Wards 3,4,7,8
9.1 - Housing Administration	Krums Vision (2019) - Informal Settlements Upgrading Partnership	-	1,200,000	-	2,400,000	2,400,000	-	
Total		14,193,478	15,393,716	3,232,678	12,866,957	17,093,478	869,565	

Table 37: Ward 3 Operating Projects

Ward 3: Capital Projects

Branch Description	Capital Project Item Description	2023-24 Original Budget	2023-24 Revised Budget	2023-24 YTD Actual	Budget 2024/2025	Budget 2025/2026	Budget 2026/2027	Project info
7.3 - Electricity Distribution	Electrification of informal areas	500,000	500,000	94,310	-	150,000	-	
7.3 - Electricity Distribution	Electrification of formal Houses (NFP) - Dariesbos and Hlatini	-	-	-	1,356,522	-	-	
8.10 - Water Retreatment	Upgrade of pipeline from Khayalethu Pumpstation (Ty-Ty)	450,000	450,000	-	-	-	-	
8.5 - Roads, Sewerage/Water Drainage	Upgrade Gravel Roads Ward 3	200,000	200,238	173,913	-	1,500,000	-	
8.5 - Roads, Sewerage/Water Drainage	Public Transport Facilities - Rehabilitation of Roads	13,043,478	13,043,478	2,964,655	9,110,435	13,043,478	869,565	Funding to be split between Wards 3,4,7,8
9.1 - Housing Administration	Krums Vision (2019) - Informal Settlements Upgrading Partnership	-	1,200,000	-	2,400,000	2,400,000	-	
Total		14,193,478	15,393,716	3,232,678	12,866,957	17,093,478	869,565	

Table 38: Ward 3: Capital Projects

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 4



Cllr Pindile Petros

Ward Committee Members	
Name	Area/Sector
Luvuyo Fata	Education
Lukangela Halu	Safety and Security
Mzwanile Mambalu	Elderly
Nomonde Mali	Sport Development
Bethel Mene	Youth
Bulelwa Msebi	Religious
Shiela Nolungqu	Health
Zuzile Ntsiniyabo	Sport, Arts and Culture
Siphokazi Somlota	Business and Farming

Table 25: Ward 4: Ward Committee Members



Image 4: Ward 4

ORDINARY COUNCIL MEETING
AGENDA
31 MAY 2024

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 4: Top Five Priorities

- Electrification of informal areas
- Accelerated implementation of low-cost housing projects
- Construction of roads
- Rectification of houses
- Land Allocation

Ward 4: Operating Budget

Row Labels	Exp Description	2023-24 Original Budget	2023-24 Revised Budget	2023-24 YTD Actual	2024-25 Draft Budget	2025-26 Draft Budget	2026-27 Draft Budget
Buildings Estates	Maintenance of Buildings and Facilities	1,000,000	300,000	2,000	-	-	-
Community Based Initiatives	Social Relief	20,000	20,000	18,700	20,000	20,000	20,000
Grant - W C P A (Ethembeni 180)	Consultant - Project Management	-	4,000,000	-	-	-	-
Grant - W C P A (Happy Valley 95)	Happy Valley (95/120/104)	6,724,000	3,160,000	4,261,304	-	-	-
Grant - W C P A (Qolweni)	Contractors Building	-	2,340,000	-	-	-	-
Grass Cutting Services	Clearing and Grass Cutting Services	231,170	197,500	164,583	395,000	413,170	432,176
Project	housing Rectification 4	250,000	100,000	100,000	300,000	300,000	300,000
	Materials and Supplies	150,000	150,000	130,000	-	-	-
	Retaining walls and Wheelchair ramps 4	200,000	-	-	200,000	200,000	200,000
Reporting to Public	Hire Charges	6,318	6,318	4,800	6,000	6,000	6,000
Ward Committee/Council Support	Contractors/Catering Services	1,500	1,500	-	1,000	1,000	1,000
	Hire Charges	1,500	1,500	-	1,000	1,000	1,000
	Transportation	1,500	1,500	-	1,000	1,000	1,000
Grand Total		8,585,988	10,278,318	4,681,388	924,000	942,170	961,176

Table 39: Ward 4: Operating Projects

Ward 4: Capital Projects

Branch Description	Capital Project Item Description	2023-24 Original Budget	Mid-Year Adjustments Budget (February)	YTD Actual Expenditure (30/03/2024)	Budget 2024/2025	Budget 2025/2026	Budget 2026/2027	Project Info
7.3 - Electricity Distribution	Electrification of informal areas - Ward 4	-	200,787	46,726	-	350,000	-	
7.3 - Electricity Distribution	(IN EP) Households Electr - Phelaniaba Ward 4	2,976,522	2,721,143	1,972,668	-	-	-	
7.3 - Electricity Distribution	(IN EP) Households Electr - Nkanda Ward 4	2,895,652	2,647,211	1,934,299	-	-	-	
7.3 - Electricity Distribution	(IN EP) Households Electr - New Nest Ward 4	2,415,043	2,206,009	1,626,093	-	-	-	
7.3 - Electricity Distribution	(IN EP) Households Electr - Robolo Ward 4	2,815,652	2,574,075	862,651	-	-	-	
7.3 - Electricity Distribution	(IN EP) Households Electr - Qolweni Ward 4	643,478	588,269	671,659	-	-	-	
8.5 - Roads, Sewerage/Water Drainages: Streets	Upgrade Gravel Roads Ward 4	200,000	234,548	187,828	-	1,500,000	-	
8.5 - Roads, Sewerage/Water Drainages: Streets	Public Transport Facilities - Rehabilitation of Roads	13,043,478	13,043,478	2,964,455	9,110,435	13,043,478	869,565	Funding To be split between Wards 3,4,7,8
9.1 - Housing Administration	Qolweni - Informal Settlements Upgrading Partnership Grant	-	240,000	-	-	-	-	
9.1 - Housing Administration	Grant	-	858,000	-	-	-	-	
Total		24,987,825	25,913,521	10,286,429	9,110,435	14,683,478	869,565	

Table 40: Ward 4: Capital Projects

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 5



Cllr Hilton Stroebel

Ward Committee Members	
Name	Area/Sector
Elmae Bouwer	Greater Knysna Business Chamber
Winnefred Matthys	Block 5
Cedric Mqeke	Block 4
Hester Prinsloo	Block 1
Anthony Rischbieter	Brenton & Belvidere
Julanda Sass	Block 6
Paul Theron	Buffalo Bay

Table 26: Ward 5: Ward Committee Members

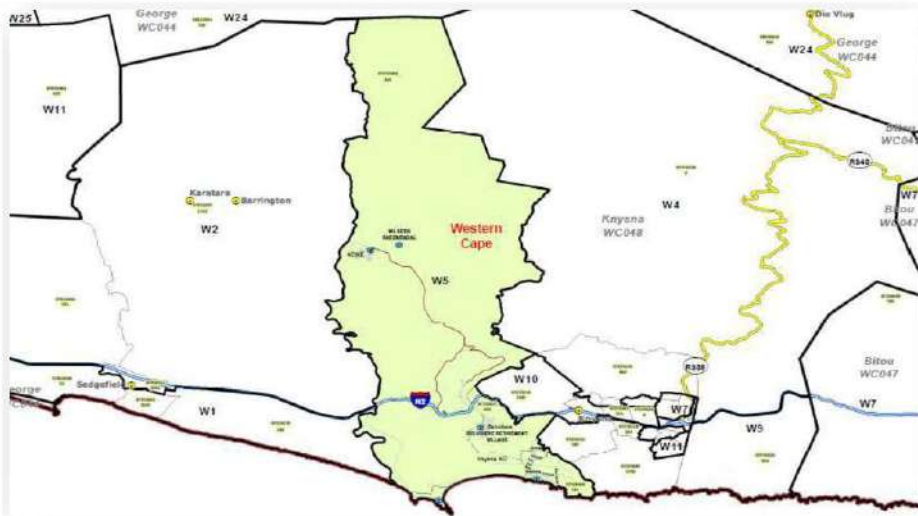


Image 5: Ward 5

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 5: Top Five Priorities

- Accelerated implementation of UISP and low-cost housing projects and lobbying funding for bulk services infrastructure
- Transformation of the tourism industry to create job opportunities to stabilize economic growth
- Establishment of an effective and affordable public transport system on major routes
- Alien Species Clearing Control Programme
- Transformation of the tourism industry to create job opportunities to stabilize economic growth

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 6



Cllr Kay Andrews

Ward Committee Members	
Name	Area/Sector
Maureen Brits	Block 2
Jane Fourie	Block 5
Rolanda George	Block 3
Engela Gesels	Block 1
Cameron Jantjies	Block 3
Allan Kock	Block 5
Elma Siegelaar	Block 4
Jenny Solomons	Block 2

Table 27: Ward 6: Ward Committee Members

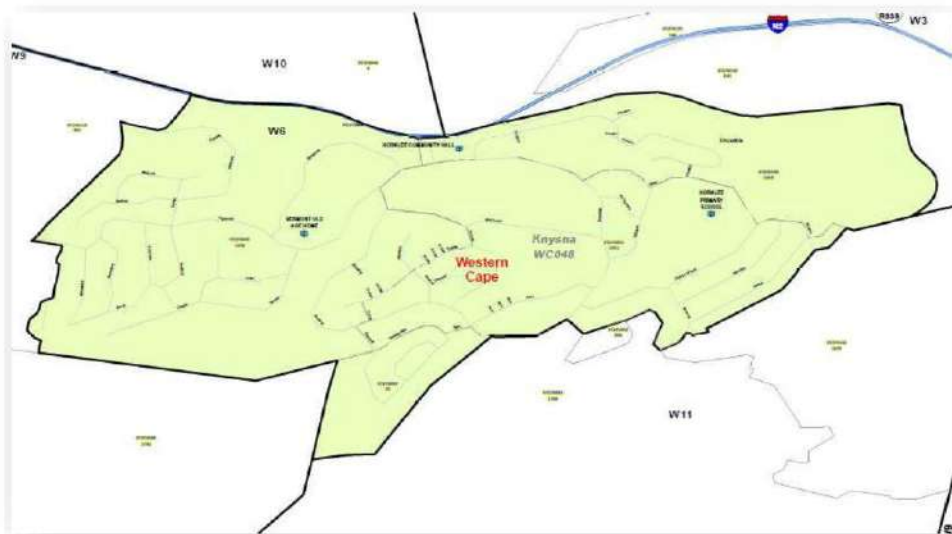


Image 6: Ward 6

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 6: Top Five Priorities

- Land and housing
- Electricity, sewerage and water provision for informal settlements and new developments (Erf 4712 & 3339)
- Building safer communities
- Youth development and elderly care
- Upgrading of sport and recreational facilities

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 7



Cllr Hilton Stroebe

Ward Committee Members	
Name	Area/Sector
Lucinda Bondt	Elderly, Disabled, GBV, Health
Romeo Daniels	Dinangwe
Simphiwe Falithenjwa	Bongani
Nwabisa Hamza	Khayaletu
Nonisa Mateyisi	Edameni
Nobulani Mazwi	Khayaletu Valley
Babalwa Mbombo	Youth and Education
Mbulelo Sokanyile	Kanonkop

Table 28: Ward 7: Ward Committee Members

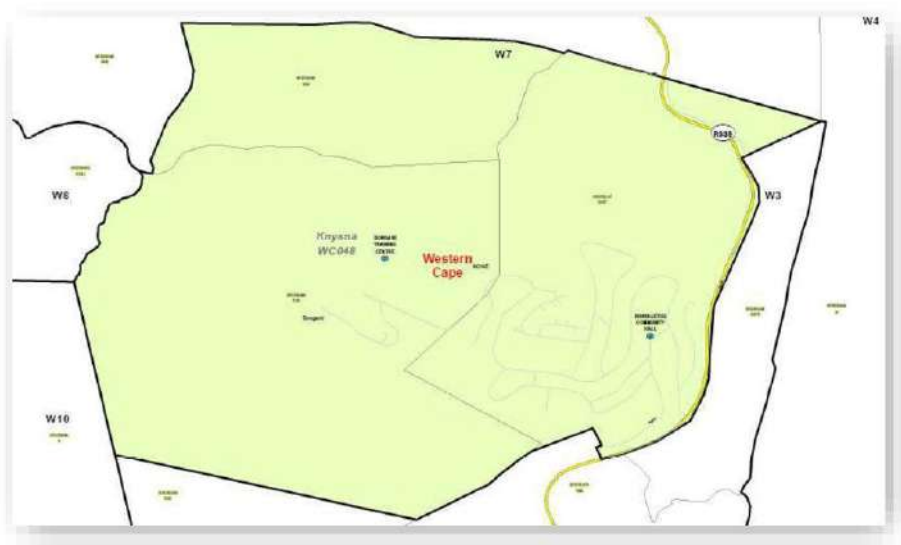


Image 7: Ward 7

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 7: Top Five Priorities

- Additional sanitation facilities
- Low-cost housing development
- Electrification of informal settlements
- Upgrading of gravel roads
- Satellite Fire station

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KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 8



Cllr Aubrey Tswenga

Ward Committee Members	
Name	Area/Sector
Zwelethu Dyonta	Joodsekamp, Rosemore
Pamela Gobeni	Concordia West, Masakhane
Nomfundu Jepe	Thembelitshe, Indlovo
Nokthembela Maxam	Happy Valley 2, Victor Molosi, Riverside
Babalwa Mgciza	Ezweni
Sinaye Miya	Ethembeni
Simphiwe Mkatali	Happy Valley 1
Nokuzola Ngqula	Concordia South

Table 29: Ward 8: Ward Committee Members



Image 8: Ward 8

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Ward 8: Top Five Priorities

- Installation of CCTV cameras
- Establishment of a sports field
- Electrification of informal settlements
- Upgrading/paving of roads
- Rectification of old RDP houses

Ward 8: Operating Projects

Row Labels	Exp Description	2023-24 Original	2023-24 Revised	2023-24 YTD Actual	2024-25 Draft	2025-26 Draft	2026-27 Draft
Agency Payments	litter Picking and Street Cleaning	151,150	27,057	24,900	250,000	261,500	273,530
Community Based Initiatives	Social Relief	20,000	20,000	10,910	20,000	20,000	20,000
Grant - WCPA(Vision459)	Building Contractor - Ward 8	-	-	-	-	36,800,000	27,300,000
Grass Cutting Services	Clearing and Grass Cutting Services	313,043	105,000	106,980	210,000	219,660	229,764
Project	Housing Rectification 8	250,000	250,000	169,218	300,000	300,000	300,000
	Management of Informal Settlements	150,000	130,000	-	-	-	-
	Outsourced Services:Sewerage Services	600,000	600,000	512,188	375,000	375,000	375,000
	Retaining walls and Wheelchair ramps 8	200,000	200,000	151,058	200,000	200,000	200,000
Reporting to Public	Hire Charges	9,000	9,000	3,500	6,000	6,000	6,000
	Transportation	9,000	9,000	1,200	5,000	5,000	5,000
Title Deeds Restoration project	Building	1,374,000	1,374,000	-	828,000	1,880,000	-
Ward Committee/Council Support	Contractors:Catering Services	1,500	1,500	-	1,000	1,000	1,000
	Translators, Scribes and Editors	1,500	1,500	-	1,000	1,000	1,000
	Transportation	1,500	1,500	1,800	1,000	1,000	1,000
Youth Advisory Centre	Event Promoters	26,852	26,852	21,000	26,852	28,087	29,379
Grand Total		3,107,545	2,755,409	1,002,754	2,223,852	40,098,247	28,741,673

Table 47: Ward 8: Operating Projects

Ward 8: Capital Projects

Branch Description	Capital Project Item Description	2023-24 Original Budget	Mid-Year Adjustments Budget (February)	YTD Actual Expenditure (30/03/2024)	Budget 2024/2025	Budget 2025/2026	Budget 2026/2027	Project Info
7.3 - Electricity Distribution	Electrification of informal areas - Ward	-	-	-	-	150,000	-	
7.3 - Electricity Distribution	Eastford 11KV Line to Concordia	-	-	-	-	400,000	-	
7.3 - Electricity Distribution	(INEP) Households Electr - Mashakane Ward 8	2,413,043	2,206,009	2,49,484	-	-	-	
7.3 - Electricity Distribution	(INEP) Households Electr - Lingshile Ward 8	2,413,043	2,206,009	498,994	-	-	-	
7.3 - Electricity Distribution	(INEP) Households Electr - Back of Thembelisha Ward 8	2,413,043	2,206,009	84,884	-	-	-	
7.3 - Electricity Distribution	(INEP) Households Electr - Sakhimamu Ward 8	804,348	735,337	685,807	-	-	-	
7.3 - Electricity Distribution	(INEP) Households Electr - Riverside Ward 8	2,413,043	2,206,009	972,634	-	-	-	
8.5 - Roads, Sewerage/Water Drainage: Streets	Upgrade Gravel Roads Ward 8	200,000	285,026	251,208	-	-	-	
8.5 - Roads, Sewerage/Water Drainage: Streets	Public Transport Facilities - Rehabilitation of Roads	13,043,478	13,043,478	2,964,455	9,110,435	13,043,478	869,565	
8.5 - Roads, Sewerage/Water Drainage: Streets	MIG : Upgrade of Gravel Roads - Ph2 (Northern Areas)	633,880	3,759,628	2,732,156	2,828,936	2,970,382	3,118,902	Funding To be split: between Wards 3,4,7,8
Total		24,333,878	26,647,506	8,439,712	11,939,371	16,563,860	3,988,467	

Table 48: Ward 8: Capital Projects

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 9



Cllr Sharon Sabbagh

Ward Committee Members	
Name	Area/Sector
Cobus Albrecht	Pezula/Fernwood
Mary-Ann Beviss	Challinor Leisure Island
Brian Cameron Bruce	Industrial Area
Wendy Dewberry	Noetzie
Paolo De Grandis	Costa Sarda/Lower Old Place/Fisher Haven
Jolinda Luiters	Brackenhill
Mark Sasman	Hunters Home/Hunters Estate/ Rexford
Siena van Schoor	Thesen Island

Table 30: Ward 9: Ward Committee Members

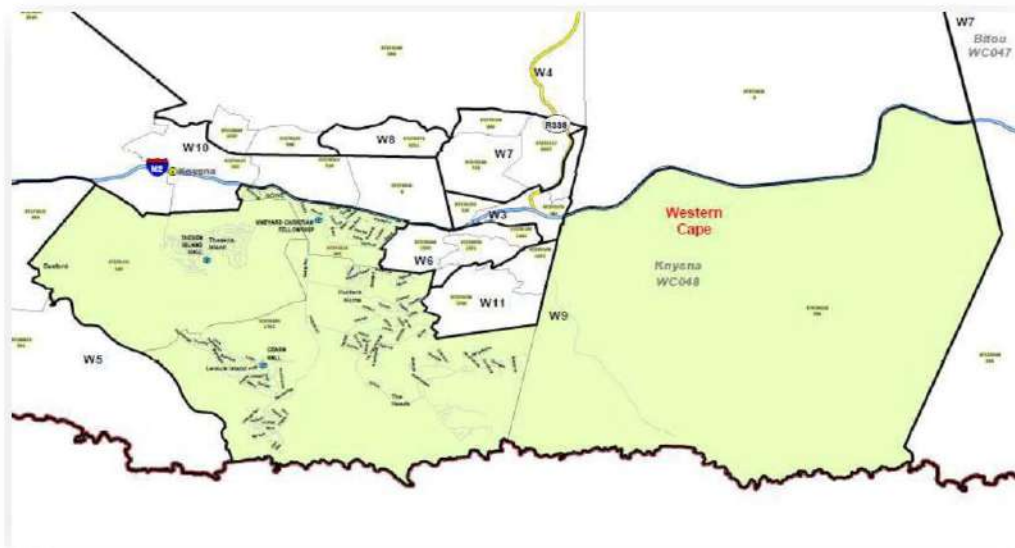


Image 9: Ward 9

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KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 9: Priorities

Springveld/Middelarf/Swanneberg

- Fixing of street lights (stolen cables)
- Upgrading of the sewerage system in Forestry Villages
- Water quality for Forestry Villages
- EPWP to include the residents from all Forestry Villages
- Upgrading of the access road to Middelarf
- Request for a library
- Housing Development
- Sport and recreational facilities
- Community Safety

Brackenhill

- Resurfacing of George Rex Drive from Vigilance to East Head
- Management and repair of Leisure Isle seawall and eroding dunes at Bollard beach
- Enhancement of safety and security inclusive of enforcement of all laws and by-laws through additional CCTV cameras and visible policing
- Effective management plan to prevent degradation of the estuary
- Portable water, storm water and sewer management (replacement of pipes) and repair throughout Ward 9

Ward 9: Operating Projects

Row Labels	Exp Description	2023-24 Original Budget	2023-24 Revised Budget	2023-24 YTD Actual	2024-25 Draft Budget	2025-26 Draft Budget	2026-27 Draft Budget
Community Based Initiatives	Social Relief	20,000	20,000	-	20,000	20,000	20,000
Grass Cutting Services	Clearing and Grass Cutting Services	212,791	212,791	168,000	380,000	397,480	415,764
Project	Hygiene Services	223,763	194,763	194,800	210,000	219,660	229,764
Ward Committee/Council Support	Contractors/Catering Services	1,500	1,500	-	1,000	1,000	1,000
	Transportation	1,500	1,500	600	1,000	1,000	1,000
Grand Total		459,554	430,554	363,400	612,000	639,140	667,528

Table 49: Ward 9: Operating Projects

Ward 9: Capital Projects

Branch Description	Capital Project Item Description	2023-24 Original Budget	2023-24 Revised Budget	2023-24 YTD Actual	Budget 2024/2025	Budget 2025/2026	Budget 2026/2027
6.9 - Safety Law Enforcement	Baboon deterrent equipment	500,000	311,000	-	-	-	-
8.10 - Water Reticulation	New reservoir @ Noetzie	-	-	-	-	2,000,000	2,000,000
8.5 - Roads, Sewerage/Water Drainage: S	George Rex Drive	-	-	-	-	10,000,000	10,000,000
8.5 - Roads, Sewerage/Water Drainage: S	Upgrade Howard Street Ward 9	2,000,000	1,069,565	694,913	-	-	-
Total		2,500,000	1,380,565	694,913	-	12,000,000	12,000,000

Table 50: Ward 9: Capital Projects

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 10



Cllr Peter Bester

Ward Committee Members	
Name	Area/Sector
Rudi Cronje	Paradise/Knysna Heights
Pierre Gouws	Business
John Huxter	Welbedacht
Jacques Jacobs	Infrastructure
Ypie Kingma	Tourism
Richard Sohn	CBD/Lower Town
Rachelle Smith	Upper Old Place
Carol Van Tonder	Safety & Security

Table 31: Ward 10: Ward Committee Members

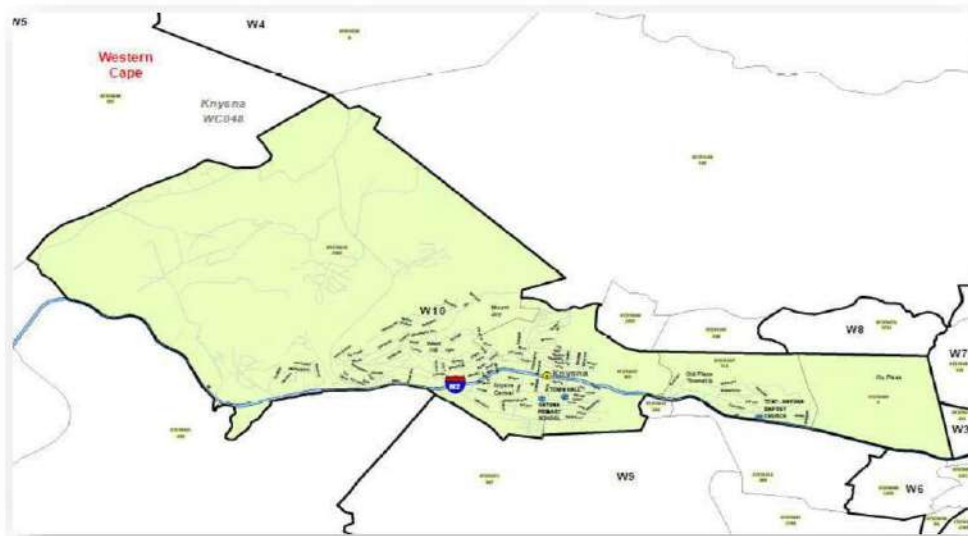


Image 10: Ward 10

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KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 10: Top Five Priorities

- Land for Housing Development
- Upgrading of streets
- Construction of a Primary School
- Sport and recreation facilities
- Shopping Centre
- Clinic (Health care facilities)

Ward 10: Operating Projects

Ward 10, 2024-25 MTREF Operating Budget							
Row Labels	Exp Description	2023-24 Original Budget	2023-24 Revised Budget	2023-24 YTD Actual	2024-25 Draft Budget	2025-26 Draft Budget	2026-27 Draft Budget
Buildings	Maintenance of Buildings and Facilities	876,894	650,971	475,663	466,429	470,700	492,352
Community Based Initiatives	Social Relief	20,000	20,000	-	20,000	20,000	20,000
Desalination plant	Water Purification Desalination plant	1,113,909	113,909	-	119,491	124,988	130,737
Electricity Infrastructure	Contractors Electrical	2,045,100	2,045,100	1,746,129	2,145,310	2,243,994	2,347,218
	Maintenance of Buildings and Facilities	1,203,000	203,000	-	212,947	222,743	232,989
	Maintenance of Equipment: General Repairs	2,526,300	2,026,300	1,620,032	2,125,589	2,223,366	2,323,641
Grass Cutting Services	Clearing and Grass Cutting Services	221,647	229,400	227,400	380,000	397,480	415,764
Office Accommodations Services	Maintenance of Buildings and Facilities	239,434	400,000	1,684	250,000	261,500	273,529
Plant Equipment	Maintenance of Equipment: General Repairs	1,716,119	720,285	607,345	763,738	798,870	835,618
Sewerage Infrastructure	Maintenance of Unspecified Assets	1,443,600	300,600	275,000	315,329	329,834	345,006
Ward Committee/Council Support	Contractors Catering Services	1,500	1,500	-	1,000	1,000	1,000
Water Infrastructure	Water Infrastructure Civil Contractor	106,720	106,720	9,609	111,950	117,100	122,487
Grand Total		11,514,223	6,817,785	4,963,062	6,911,783	7,211,575	7,542,341

Table 51: Ward 10 Operating Projects

Ward 10: Capital Projects

Ward 10, 2024-25 MTREF Capital Budget							
Branch Description	Capital Project Item Description	2023-24 Original Budget	2023-24 Revised Budget	2023-24 YTD Actual	Budget 2024/2025	Budget 2025/2026	Budget 2026/2027
6.3 - Public Toilets	Install turn style system at taxi rank	-	-	-	-	350,000	
6.8 - Safety Fire Brigade Services	Construction of Parking Bay		-	-	1,500,000		
7.3 - Electricity Distribution	Salt River switch gear Plant Upgrade	2,500,000	2,500,000	-	-	200,000	
8.10 - Water Reticulation	Old Place Pipe replacement - Melkhoud, Old Toll Road, Camdeboo, Sand piper	2,250,000	2,250,000	1,491,598	-	-	
8.4 - Roads, Sewerage/Water Drainage: Stormwater	Retaining Wall Knysna Heights - Stormwater	250,000	250,000	-	-	1,000,000	1,000,000
8.7 - Sewerage Reticulation Services	Upgrade main sewer p/station and sewers in the CBD	750,000	794,391	-	-	-	
8.7 - Sewerage Reticulation Services	Roos Bohon - Sewer line	-	-	-	-	1,300,000	
Total		5,750,000	5,794,391	1,491,598	1,500,000	2,850,000	1,000,000

Table 52: Ward 10: Capital Projects

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 11



Cllr Russel Arends

Ward Committee Members	
Name	Area/Sector
Kaylem Botha	Block 5
Luchelle Briesies	Block 4
Aschin Klein	Block 4
Shirley Koen	Block 3
Tina Nel	Block
Lorraine Opperman	Block 4
Janine Prins	Block 2
Katriena Van Rooyen	Block 1

Table 32: Ward 11: Ward Committee Members

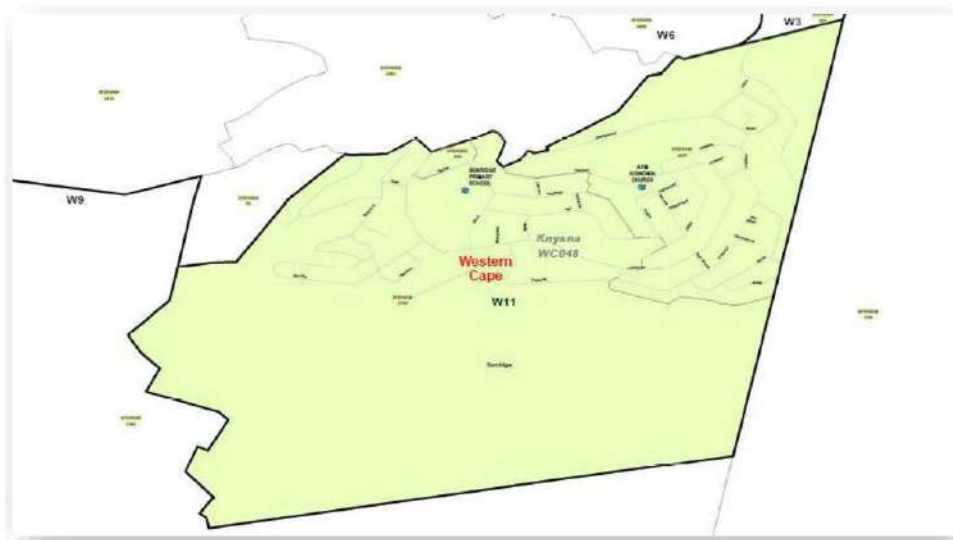


Image 11: Ward 11

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KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Ward 11: Top Five Priorities

- Provision of serviced sites for housing in Lower Pezula
- Establishment of CCTV camera network and basic law enforcement for the ward
- Establishment of a container village/entrepreneurial space
- Establishment of satellite police station, fire station and traffic station
- Youth Development and capacity building

Ward 11: Operating Projects

Row Labels	Exp Description	2023-24 Original Budget	2023-24 Revised Budget	2023-24 YTD Actual	2024-25 Draft Budget	2025-26 Draft Budget	2026-27 Draft Budget
Agency Payments	litter Picking and Street Cleaning	116,094	92,176	90,000	250,000	261,500	273,530
Community Based Initiatives	Social Relief	20,000	20,000	20,000	20,000	20,000	20,000
Grass Cutting Services	Clearing and Grass Cutting Services	436,159	150,000	75,000	300,000	313,800	328,235
Project	Housing Rectification 11	250,000	250,000	250,000	241,538	300,000	300,000
	Retaining walls and Wheelchair ramps 11	200,000	120,000	117,878	201,282	200,000	200,000
	Erf 3339 Fisherhaven Completion of Sewer and water connection ward 11	-	-	-	201,282	-	-
Reporting to Public	Hire Charges	9,000	9,000	6,392	6,000	6,000	6,000
Ward Committee/Council Support	Contractors/Catering Services	1,500	1,500	-	1,000	1,000	1,000
	Hire Charges	1,500	1,500	-	1,000	1,000	1,000
Grand Total		1,034,253	644,176	559,270	1,222,103	1,103,300	1,129,765

Table 53: Ward 11: Operating Projects

Ward 11: Capital Projects

Branch Description	Capital Project Item Description	2023-24 Original Budget	2023-24 Revised Budget	2023-24 YTD Actual	2024-25 Draft Budget	2025-26 Draft Budget	2026-27 Draft Budget	Project info
7.3 - Electricity Distribution	Electrification of informal areas - Hornlee (Ward 11)	-	112,830	-	-	150,000		
7.3 - Electricity Distribution	(INEP) Households Electrification - Bigai Heights	1,608,696	1,470,673	431,493	-	-		
7.3 - Electricity Distribution	(INEP) Households Electrification - Happy Valley Ward 11	804,348	735,337	361,180	-	-		
8.10 - Water Reticulation	Water services infrastructure Grant	2,966,522	9,913,072	2,930,879	8,695,652	30,434,783	39,330,435	
8.5 - Roads, Sewerage/Water Drainage: Streets	MIG: Rehabilitation of Streets	5,558,860	8,539,130	3,449,088	7,977,972	8,376,871	8,795,714	Funding to be split between wards 6 and 11
8.5 - Roads, Sewerage/Water Drainage: Streets	Upgrade Roads - Bigai Heights	300,000	319,173	-	-	-		
Total		11,228,426	21,090,215	7,172,641	16,673,624	38,961,654	47,926,149	

Table 54: Ward 11: Capital Projects

CHAPTER 4: STRATEGIC DIRECTION

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

4.1 Introduction

The development of IDPs does not happen in isolation. Municipalities, as part of the local government sphere, have to plan in a manner that takes into account the overarching planning frameworks and plans of other spheres of government within the cooperative governance frameworks. This is to ensure that municipalities' plans are aligned to the national objectives and planning and implementation machinery of the state as a whole.

In this regard, KM ensures that its IDP is aligned to global, national, provincial and local spheres of government. The municipality attempts to ensure vertical and horizontal alignments in planning.

4.2 Alignment with Global, National and Provincial Developmental Imperatives

MUNICIPAL STRATEGIC OBJECTIVE	NDP CHAPTER	INTEGRATED URBAN DEVELOPMENT FRAMEWORK CHAPTER	MEDIUM STRATEGY FRAMEWORK CHAPTER	BACK TO BASICS APPROACH CHAPTER	WESTERN CAPE PROVINCIAL STRATEGIC PLAN CHAPTER
To improve and maintain current basic service delivery through specific infrastructural development projects	Chapter 4 – Economic Infrastructure	Policy lever 1: Integrated Urban Planning and Management Policy lever 3: Integrated Sustainable Human settlements Policy lever 4: Integrated Urban Infrastructure	6.9 Responsive, accountable, effective and efficient local government 6.12 An efficient, effective and development-oriented public service	3.3.1 Basic Services: Creating conditions for decent living	Priority 4: Mobility and Spatial Transformation
To promote a safe and healthy environment through the protection of our natural resources	Chapter 6 – Environmental Sustainability	Policy lever 5: Efficient land governance and management	6.10 Protect and enhance our environmental assets and natural resources	3.3.1 Basic Services: Creating conditions for decent living	Priority 1: Safe and Cohesive communities
To create an enabling environment for social development and economic growth	Chapter 3 – Economy and Employment	Policy lever 6: Inclusive economic development	6.4 Decent employment through inclusive growth	3.3.1 Basic Services: Creating conditions for decent living	Priority 2: Growth and Jobs
To grow the revenue base of the municipality	Chapter 14 – Building a capable state	Policy lever 9: Sustainable finances	6.12 An efficient, effective and development-services	3.3.4 Sound financial Management	Priority 2: Growth and Jobs

Table 55: Knysna Alignment with Global, National and Provincial Developmental Imperatives

4.3 The Sustainable Development Goals (SDG)

In 2015 all member states of the United Nations adopted the 2030 Agenda for Sustainable Development. The 17 Sustainable Development Goals (SDGs) are a call for action by all countries developed and developing in a global partnership. The SDGs recognise that ending poverty and other deprivations must go hand in hand with strategies that improve health and education, reduce inequality, and spur economic growth including addressing the effects of climate change and working to preserve our natural assets. The figure that follows highlights the SDGs that must be used as a guideline for all planning directives in South Africa.

The SDGs consist of 17 goals and 169 targets that member states across the globe are mandated to implement in their development discourse. The associated goals and targets have to be achieved by 2030.

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN



Illustration 14: The Sustainable Development Goals

4.4 The New Urban Agenda

The New Urban Agenda (NUA) was officially adopted in Quito, Ecuador in November 2016 and is responsible for steering the sustainable urban development agenda globally. Based on a shared vision, which is 'creating cities for all', the NUA is a global commitment framework that advocates for sustainable urban development across all levels of governance. The 2030 agenda is built around a series of SDGs, with the most essential SDG in relation to the NUA being SDG 11 and human settlements inclusive, safe, resilient and sustainable". The NUA is critical towards addressing development issues such as increased levels of urbanization and more importantly, catalyzing change and growth of developing countries which inevitably addresses the high levels of inequality and related socio-economic issues faced by developing countries. All leaders and member states of the United Nations in the context of the NUA have agreed on specific commitments in order to achieve the intentions of the NUA.

Much of the New Urban Agenda focused on the application of new technologies and the harvesting of big data, particularly in established urban centers and cities.

4.5 The Paris Agreement on Climate Change

The Paris Agreement builds upon the Convention and brings all nations into a common cause to undertake efforts to combat climate change and adapt to its effects, with enhanced support to assist developing countries. As such, it charts a new course in the global climate effort. At COP 21 in Paris, all parties to the UNFCCC reached a landmark agreement towards combatting climate change, accelerating and intensifying actions and investments required towards building a sustainable low carbon future. The primary objective of the Paris Agreement is to strengthen the global response to the threats of climate change by sustaining a global temperature rise that is below 2 degrees in this century whilst simultaneously pursuing efforts to ensure that the temperature increase is limited to 1, 5 degrees.

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN



Illustration 15: Elements of the Paris Agreement

4.6 African Union 2063 Agenda: “Towards the Africa We Want”

The African Union, in its effort to transform Africa into a global powerhouse, has developed the Agenda 2063. The Agenda 2063 is a strategic framework for the continent to achieve inclusive and sustainable development and a Pan African drive for unity, self-determination, freedom, progress, and collective prosperity pursued under Pan-Africanism and the African Renaissance. The Agenda 2063 encompasses aspirations for the Africa we want, which are:

1. A prosperous Africa based on inclusive growth and sustainable development;
2. An integrated continent, politically united and based on the ideals of Pan-Africanism and the vision of Africa’s Renaissance;
3. An Africa of good governance, democracy, respect for human rights, justice, and the rule of law;
4. A peaceful and secure Africa; and
5. An Africa with a strong cultural identity, common heritage, shared values, and ethics.

An Africa whose development is people-driven, relying on the potential of African people, especially its women and youth and caring for children. Africa as a strong, united and influential global player and partner. The Agenda 2063 captures Africa’s aspirations for the future and identifies key flagship programmes which can boost Africa’s economic growth and lead to the rapid transformation of the continent. Agenda 2063 outlines key activities to be undertaken in its ten-year implementation plans which will ensure that Agenda 2063 delivers both quantitative and qualitative transformational outcomes for Africa’s people.

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN



Illustration 16: Agenda 2063

4.7. Addis Ababa Action Agenda

The Addis Ababa Action Agenda, provides a foundation for implementing the New Urban Agenda. It provides a new global framework for financing sustainable development by aligning all financing flows and policies with economic, social and environmental priorities. The agreement was reached by the 193 UN Member States attending the United Nations Third International Conference on Financing for Development. To achieve the SDG's and New Urban Agenda goals, countries agreed to new initiatives including:

- Technology
- Social protection
- Infrastructure
- Foreign aid
- Health
- Climate Change

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN



Illustration 17: The Addis Ababa Action Agenda Agreements

4.8 The Sendai Framework for Disaster Risk Reduction

The Sendai Framework is a 15-year, voluntary, non-binding agreement which recognizes that the State has the primary role to reduce disaster risk but that responsibility should be shared with other stakeholders including local government, the private sector and other stakeholders. It aims for the following outcomes:

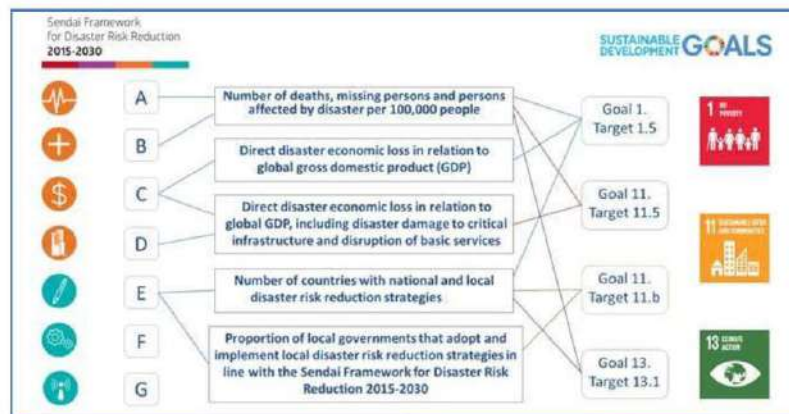


Illustration 18: The Sendai Framework for Disaster Risk Reduction

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

4.9 National Policy Context

4.9.1 The National Development Plan

The South African Government through the Presidency published the NDP 2030 in 2012. The plan aims to eliminate poverty and reduce inequality by 2030. The plan has the target of developing people's capabilities to improve their lives through education and skills development, healthcare, better access to public transport, jobs, social protection, rising income, housing and basic services, and safety. It proposes the following strategies to address the above goals:

1. Creating jobs and improving livelihoods;
2. Expanding infrastructure;
3. Transition to a low-carbon economy;
4. Transforming urban and rural spaces;
5. Improving education and training;
6. Providing quality healthcare;
7. Fighting corruption and enhancing accountability; and
8. Transforming society and uniting the nation.

At the core of the plan is to eliminate poverty and reduce inequality and the special focus on the promotion of gender equity and addressing the pressing needs of the youth. More importantly for efficiency in local government:

1. Stabilize the political-administrative interface;
2. Make public service and local government careers of choice;
3. Develop technical and specialist professional skills;
4. Strengthen delegation, accountability and oversight;
5. Improve interdepartmental co-ordination;
6. Assume a proactive approach in improving national, provincial and local government relations;
7. Strengthen local government; and
8. Clarify the governance of state-owned enterprises (SOEs).

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN



Illustration 19: The National Development Plan 2030

4.9.2 The Integrated Urban Development Framework

The Integrated Urban Development Framework (IUDF) responds to the post 2015 SDGs, in particular to Goal 11, Making cities and human settlements inclusive, safe, resilient and sustainable. It also builds on various chapters of the NDP 2030 and extends Chapter 8, Transforming human settlements and the national space economy and its vision for urban South Africa.

The vision, strategic goals and policy levers are listed in the figure that follows:

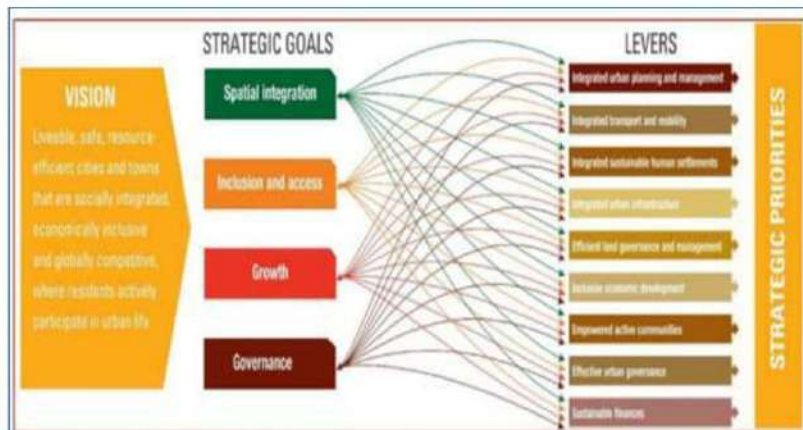


Illustration 20: The Integrated Urban Development Framework

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Three cross-cutting IUDF priorities are intended to be included in the conceptualisation and implementation of the IUDF policy levers.

- Rural–urban interdependency: This concept recognizes the need for a more comprehensive integrated approach to urban development that responds to both the urban and the rural environments.
- Urban resilience: This describes urban environmental sustainability as well as disaster risk reduction and mitigation interventions in the planning and management of urban areas.
- Urban safety: This refers to the importance of people's safety in public spaces, which is an essential ingredient for creating livable and prosperous cities.

4.9.3 Medium–Term Strategic Framework: 2019–2024

The Medium-Term Strategic Framework (MSTF 2019–2024) is the implementation plan for the NDP 2030, highlighting the national development priorities for the sixth administration. This is built on three fundamental pillars: a strong and inclusive economy, capable South Africans and a capable developmental state. The framework aims to address the triple challenges of poverty, inequality and unemployment through seven priorities highlighted as follows:

- Priority 1: Building a capable, ethical and developmental state
- Priority 2: Economic transformation and job creation
- Priority 3: Education, skills and health
- Priority 4: Consolidating the social wage through reliable and quality basic services
- Priority 5: Spatial integration, human settlements and local government
- Priority 6: Social cohesion and safe communities
- Priority 7: A better Africa and world

4.9.4 Spatial Planning and Land Use Management

Spatial Planning and Land Use Management in the context of South African planning and development is administered by the Spatial Planning and Land Use Management Act No. 16 of 2013 (SPLUMA). SPLUMA became effective as the national framework for spatial planning and land use management on the 1st July 2015 and essentially mandates all municipalities in the country to operate within the legislative requirements of the Act. SPLUMA is purpose driven to ensure that all spatial and development imbalances within the urban and rural context are addressed accordingly in order to bring forth inclusive spatial and socio–economic growth.

In conclusion SPLUMA requires national, provincial and municipal spheres of government to prepare Spatial Development Frameworks that establish a clear long–term vision, directs planning and development decisions across all sectors, provide clear and accessible information, address inclusion and integration of all areas into the social, economic and environmental objectives of the relevant sphere of government, identify risks of particular spatial patterns, indicate priority areas and provide direction for strategic development, infrastructure investment, undertake and consider substantial public engagement and ensure plans and programmes of all spheres of government are coordinated and aligned. In addition, Spatial Development Frameworks must outline specific arrangements for prioritizing, mobilizing, sequencing and implementing public and private infrastructural and land development investment in the priority spatial structuring areas identified in the spatial development frameworks.

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4.9.5 Strategic Integrated Projects (SIPS)

The SIPS provide an integrated framework for the delivery and implementation of social and economic infrastructure across the face of South Africa. Some of the SIPS include catalytic projects that can be used to fast-track growth, address unemployment and reduce poverty and inequality. Section 7 (1) of the Infrastructure Development Act, 2014 (Act 24 of 2014) provides that a project or group of projects qualifies as a strategic integrated project if:

- (a) it comprises of one or more installation, structure, facility, system, service or process relating to any matter specified in Schedule 1
- (b) it complies with any of the following criteria:
 - (i) it would be of significant economic or social importance to the Republic;
 - (ii) it would contribute substantially to any national strategy or policy relating to infrastructure development; or
 - (iii) it is above a certain monetary value determined by the Commission; and
- (c) the Commission has included the project in the national infrastructure plan and has, in terms of section 8, designated the project as a strategic integrated project.

4.9.6 Back to Basics (B2B)

The Back-to-Basics program is essentially a framework for government's collective action and the program is directed towards assisting municipalities to achieve their service delivery mandates and is built on five pillars including public participation, right quality and standards, institutional and admin capacity, good governance and financial viability. The objectives of the programme are to:

- Put people and their concerns first and ensure constant contact with communities through effective public participation platforms.
- Create conditions for decent living by consistently delivering municipal services to the right quality and standard.
- Be well governed and demonstrate good governance and administration - cut wastage, spend public funds prudently, hire competent staff, ensure transparency and accountability.
- Ensure sound financial management and accounting, and prudently manage resources so as to sustainably deliver services and bring development to communities.
- Build and maintain sound institutional and administrative capabilities administered and managed by dedicated and skilled personnel at all levels.

Priority 1	Priority 2	Priority 3	Priority 4
• Get all municipalities out of a dysfunctional state and at the very least, enable municipalities to perform the basic functions of local government.	• Support municipalities that are performing at a minimum level and assist them to progress to a higher path.	• Supporting and incentivize municipalities that are performing well to remain there.	• Targeted and vigorous response to corruption and fraud, and a zero tolerance approach to ensure that these practices are rooted out.

Illustration 21: Back to Basics

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4.9.7 Outcome 9

As part of government performance monitoring and evaluation system, the Medium-Term Strategic Framework and government Programme of Action and 12 National outcomes give effect to the policy direction adopted by cabinet. Each outcome has a limited number of measurable outputs with targets. The 12 outcomes have delivery agreement which in most cases involve all spheres of government and a range of partners outside government. Outcome 9 commits municipalities to deliver services in a responsive, accountable, effective and efficient manner to enhance the livelihoods of communities in a sustainable manner. It is against this background that Knysna Municipality has identified the roles it can play in ensuring the success of these strategic objectives:

1. Improved quality of basic education;
2. A long and healthy life for all South Africans;
3. All people in South Africa are and feel free;
4. Decent employment through inclusive economic growth;
5. A skilled and capable workforce to support an inclusive growth path;
6. An efficient, competitive and responsive economic infrastructure network;
7. Vibrant, equitable and sustainable rural communities with food security for all;
8. Sustainable human settlements and improved quality of household life;
9. A responsive, accountable, effective and efficient local government system
10. Protection and enhancement of environmental assets and natural resources;
11. A better South Africa, a better and safer Africa and world; and
12. A development-orientated public service.

4.9.8 National Treasury Circular 88 IDP Outcomes Indicators

The Circular 88 aims to support the alignment of planning and reporting instruments for a prescribed set of municipal performance indicators. The MSA (2000) (MSA (2000)) and the MFMA require alignment between planning and reporting instruments such as the Integrated Development Plan (IDP), the SDBIP (SDBIP) and the Annual Report. This Circular aims to clarify the alignment by prescribing municipal performance indicators for metropolitan municipalities. In providing guidance and conceptual clarity and alignment between the IDP, SDBIP and the performance part of the Annual Report, this MFMA Circular has conceptual benefit for all municipalities. The content of the circular has been informed by a performance reporting reform initiative undertaken by National Treasury, in collaboration with the Department of Cooperative Governance, the Department of Planning, Monitoring and Evaluation, Statistics South Africa and in consultation with the Auditor-General of South Africa.

4.9.9 State of the Nation Address 2024 Priorities

"Let us get to work. Let us rebuild our country. And let us leave no one behind."

On February 8, 2024, President Cyril Ramaphosa delivered his eighth State of the Nation Address (SoNA) to a joint sitting of Parliament.

Key Points from the SoNA 2024:

President Cyril Ramaphosa presented the State of the Nation Address (SONA) on 08 February 2024. The following are the SONA Priorities:

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1. Growing the economy and Jobs

- A national state of disaster is in effect to respond to the energy crisis
- The new Minister of Electricity in the Presidency, Dr Kgosientsho Ramokgopa, will work with the Eskom board and management towards ending load shedding
- Amendments to the Electricity Regulation Bill, allowing private developers to generate electricity, have been submitted to Parliament
- The Industrial Development Corporation will invest close to R9 billion in women-led businesses.
- Amendments to the Businesses Act will be finalised to drive regulatory reforms that enable growth in the small business and informal sector The Small Enterprise Finance Agency aims to provide R1.4 billion in financing to over 90 000 entrepreneurs
- A partnership with the SA SME Fund will establish a R10 billion fund to support the growth of small- to medium-sized businesses
- The fifth South Africa Investment Conference was held on 13 April 2023
- The completion of the spectrum auction has unlocked new investment and contributed R14 billion to the fiscus
- PRASA has now reopened 13 commuter rail lines
- Progress to increase worker ownership in the economy has resulted in over 400 000 workers holding shares in the firms they work for
- The National Skills Fund will provide R800 million for skills training in the digital and technology sector
- A new cohort of 150 000 school assistants started work at more than 22 000 schools since January
- Over 45 000 young people have been placed in the current phase of the National Youth Service

2. Building Better Lives

- National Treasury has allocated R36bn to fund the R350 social relief of distress (SRD) until 31 March 2024
- We are working to develop a longer-term alternative to replace the SRD Grant
- Efforts to develop South Africa's ability to manufacture vaccines are continuing
- We are working with other African countries and international partners to strengthen the continent's capacity to respond to pandemics
- Progress is being made in preparing for the introduction of the National Health Insurance
- 97% of higher learning education sites are zero-rated, enabling free electronic access to lectures and resources
- We have prioritised infrastructure projects to support better livelihoods, especially in roads and water management

3. Fighting Corruption

- Over 1,300 corruption convictions in four years, including 500 government officials.
- R14.18 billion assets frozen in corruption and state capture cases
- 34 cases enrolled involving over 200 accused persons, including former Ministers and some of the largest corporate companies in the country, such as, McKinsey and ABB
- The NPA has finalised a comprehensive settlement agreement with company ABB to pay over a further R2.5bn in 'punitive reparations to South Africa' for its part in State Capture
- This adds to the R6 billion ABB already paid to Eskom in 2020

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- NPA Amendment Bill (tabled in parliament in August 2023) to establish Investigating Directorate On Corruption as a permanent prosecution-led investigating unit to fight corruption, employing its own investigators with the legal powers to arrest, seize documents and provide evidence in court

4. Making Communities Safer

- National Treasury has allocated R14bn over the next 3 years to fight crime and corruption
- An additional 12 000 new police personnel have been recruited to ensure the SAPS has the capacity it needs, and a further 10 000 will be recruited and trained this year
- Specialised multi-disciplinary units have been established to address economic sabotage, extortion at construction sites and vandalism of infrastructure
- Multi-disciplinary economic infrastructure task teams are now operational in 20 identified hotspots
- Community policing forums will be re-established to improve relations and coordination between local police and residents
- The National Strategic Plan on Gender-Based Violence and Femicide is being implemented

5. Making Government work

- The Presidential SOE Council will establish a state-owned holding company as part of a centralised shareholder model
- We will finalise the SOE Shareholder Management Bill to ensure effective oversight of SOEs
- A framework for the professionalisation of the public service will soon be finalised, including measures for the recruitment of public servants and continuous professional development
- We will introduce integrity assessments and entry exams for recruitment to the public service
- The implementation of the District Development Model to coordinate the work of all spheres of government is continuing
- Lifestyle audits are being implemented across the public service

4.10 Provincial Imperatives and Policies

4.10.1 The Western Cape Government (WCG) Strategic Plan for 2019–2024

The 2019–2024 Provincial Strategic Plan (PSP) provides the strategic framework for the provincial medium-term budget policy priorities, which in turn are aligned to the NDP strategic outcomes. The Provincial Spatial Development Framework (PSDF) serves as the spatial policy framework and focuses on spatial transitions for growing the economy, building better environmental resilience, and pursuing greater inclusivity. Municipal Spatial Development Frameworks (SDFs) and Integrated Development Plans (IDPs) are in turn aligned to these frameworks.

The WCG commits to building a values-based competent state that enables opportunities and promotes responsibility in a safer Western Cape. This vision is expressed in the five strategic priorities identified for 2019–2024, the Vision-Inspired Priorities (VIP's) as illustrated below:

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Illustration 22: Western Cape Provincial Strategic Plan



As part of the implementation of the PSP 2019–2024, the delivery of each of the VIPs will be measured, evaluated, and reported to the public. A set of core outcome indicators has been identified for each VIP as a measure of the societal outcomes the WCG wishes to achieve.

These core outcome indicators will be used to track progress and assess whether the problem statement is being addressed and progress towards the desired impact is being made. In turn, service delivery across provincial departments contributing to these outcomes will be tracked by output indicators.

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Illustration 23: Western Cape Outcome Indicators

4.10.2 Western Cape Provincial Spatial Development Framework - March 2014

4.10.2.1 Guiding Principles

The 2014 PSDF applies the following spatial principles:

- Spatial justice
- Sustainability and resilience
- Spatial efficiency
- Accessibility
- Quality and liveability

4.10.2.2 Spatial Goals

To address the spatial challenges identified the PSDF takes the Western Cape on a path towards: more inclusivity, productivity, competitiveness and opportunities in urban and rural space-economies; better protection of spatial assets (e.g. cultural and scenic landscapes) and strengthened resilience of natural and built environments; and Improved effectiveness in the governance of urban and rural areas.

4.10.2.3 The Spatial Vision

The PSDF builds on One Cape 2040's vision of "a highly-skilled, innovation driven, resource efficient, connected, high opportunity, and collaborative society." For each of these societal attributes aspired to One Cape 2040 identifies thematic 'big step' changes that need to take place.

The PSDF envisages the spatial expression of these themes as follows:

Educating Cape: Everyone has access to a good education, and the cities, towns and rural villages are places of innovation and learning.

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Working Cape: There are livelihood prospects available to urban and rural residents, and opportunities for them to find employment and develop enterprises in these markets.

Green Cape: All households can access basic services that are delivered resource efficiently; residents use land and finite resources prudently, and safeguard their ecosystems.

Connecting Cape: Urban and rural communities are inclusive, integrated, connected, and collaborate.

Living Cape: Living and working environments are healthy, safe, enabling, and accessible, and all have access to the region's unique lifestyle offering.

Leading Cape: Urban and rural areas are effectively managed.

4.10.2.4 The Spatial Logic

The logic underpinning the PSDF's spatial strategy is to capitalise, build on the Western Cape comparative strengths (e.g., gateway status, knowledge economy, and lifestyle offering), and leverage the sustainable use of its unique spatial assets.

Consolidate existing and emerging regional economic nodes as they offer the best prospects to generate jobs and stimulate innovation.

Connect urban and rural markets and consumers, fragmented settlements and critical biodiversity areas (i.e. freight logistics, public transport, broadband, priority climate change ecological corridors, etc.

4.10.2.5 The Spatial Agenda

To deliver on the WCG's strategic objectives the PSDF focuses on growing the economy, building greater environmental resilience and much better inclusion. To these ends, the Provincial spatial agenda may be summarised as follows:

- Growing the Western Cape economy in partnership with the private sector, non-governmental and community-based organisations
- Using infrastructure investment as primary lever to bring about the required urban and rural spatial transitions
- Improving oversight of the sustainable use of the Western Cape's spatial assets

4.10.2.6 Interrelated Themes

The policy framework covers provincial spatial planning is three interrelated themes, namely:

- Sustainable use of the Western Cape's resources
- Biodiversity and ecosystem services
- Soils and mineral resources
- Resource consumption and disposal
- Landscape and scenic assets
- Water
- Opening-up opportunities in the Provincial space-economy

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- Regional economic infrastructure
- Rural space-economy
- Urban space-economy
- Developing integrated and sustainable settlements
- Sense of place and settlement patterns
- Accessibility
- Land use and density
- Facilities and social services
- Informality, housing delivery, inclusion, and urban land markets

4.11 State of the Province (SoPA) Priorities

Premier Alan Winde delivered his Annual State of the Province Address on 19 February 2024 at the Huguenot Community Hall in Paarl.

In his opening remarks the Premier noted that he will remain concerned about the growing global shift away from respect for the rule of law and liberal democracy towards authoritarianism, populism and nationalism. He continues by arguing that he will continue to stand for ensuring that as Premier the voices of all our residents are heard and respected, and their service delivery needs are met.

Premier Winde's speech focussed on:

Key to the Premier's 2024/2025 priorities was:

- The Power of Our People
- The Western Cape Government "FOR YOU"
- Looking after our most vulnerable citizens
- The devolution of critical services for you our residents
- Job creation
- Improve public safety
- Growing the economy
- Public Transport
- Fighting Corruption
- Food security
- Gender – based violence

4.12 The District Development Model (One Plan)

The DDM is a practical Intergovernmental Relations (IGR) mechanism for all three spheres of government to work jointly and to plan and act in unison. The model comprises a process by which joint and collaborative planning is undertaken at local, district and metropolitan spheres together by all three spheres of government resulting in a single strategically focussed Joined-Up plan (One Plan) for each of the 44 districts and 8 metropolitan geographic spaces in the country. The resultant One Plan for each space will be approved and adopted by all three spheres of government on the basis of consultative processes within government and with communities and stakeholders.

The Model is aimed at enhancing cooperative governance so that there is greater cohesion and positive development impact. The model introduces ways of planning locally while responding to key national, regional

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and global priorities. By binding all three spheres of government to commonly agreed set of objectives and deliverables in time and space (impact area), the Model therefore provides a solution to the alignment problem by going beyond the current approach which relies solely on the “discretionary” alignment of planning between and amongst the three spheres of government through joint planning, implementation as well as monitoring and evaluation.

The DDM also represents a fundamental shift from alignment to joint planning. That is, instead of different departments and spheres of government planning separately and always hope to ‘align’ plans of each other at some stage, the DDM forces all departments and spheres operating in particular the district and metropolitan spaces to come together and undertake joint planning to jointly and collaboratively respond to the development and service delivery challenges in those spaces. In addition, the Model is a bottom-up process geared to achieve outcomes based joint planning. This enables customised and localised solutions which are most appropriate and are differentiated to the circumstances of each district and metropolitan area. The model seeks to harmonise the various local, district and metro plans thus providing the potential of interlinked and mutually reinforcing corridors of economic and social development, so that South Africa may in the medium and short term operate from a single and spatially referenced long term plan, which will direct investments and export oriented economic development across sectors.

In the words of the President this would reverse the “pattern of operating in silos” which has so far led “to lack of coherence in planning and implementation and has made monitoring and oversight of government’s programme difficult”.

So, in essence the Model is geared to ensure:

- A common vision for development of the country which is collectively generated and broken down into and according to needs and opportunities of each district and metropolitan geographical area (IGR impact zones);
- The identification of commonly agreed spatial and development priorities within these impact areas;
- A vision and priorities which are supported by well researched, credible and technically sound long-term, implementation and operational plans, backed by appropriate capital investments, adequate project preparation, and impactful financing as well as implementation;
- Prioritized spatial and integrated development outcome logics which transcend narrow, sectoral and personal interests or biases;
- Multi-year long-term and predictable objectives, targets and resource commitments to agreed programmes and projects extending beyond electoral cycles; and
- A society wide accountability framework and responsibilities for tracking and reporting on implementation and actions within government and to stakeholders and the broader public.

The GRDMA highlights the following objectives of the District Development Model:

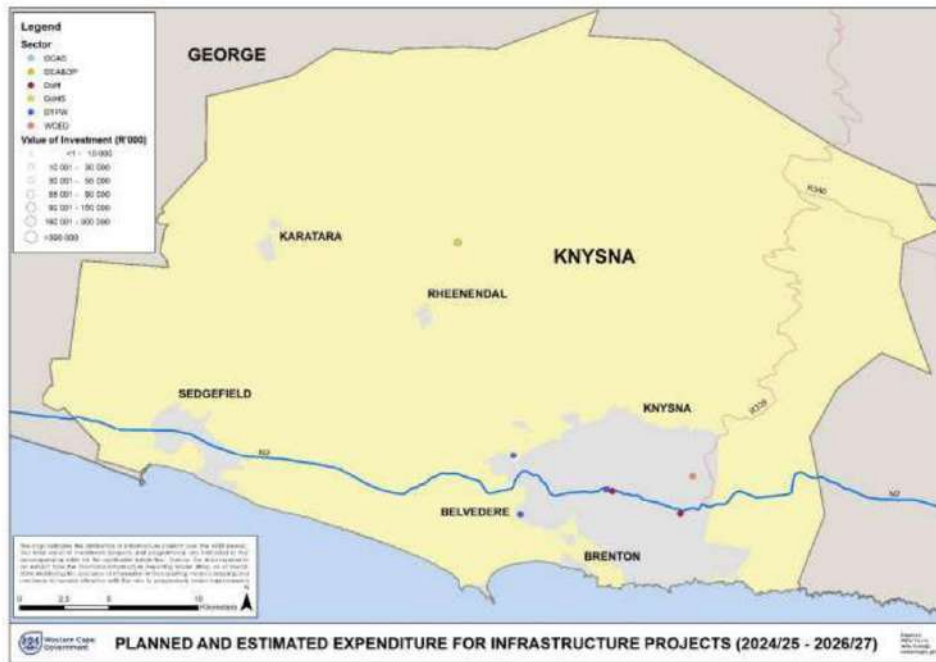
- To solve the silos at a horizontal and vertical level;
- To maximise impact and align plans and resources at our disposal through the development of “One District, One Plan and One Budget”;
- To narrow the distance between people and government by strengthening the coordination role and capacity at the district level;
- To build government capacity to support municipalities;
- To strengthen monitoring and evaluation at district and local levels;
- To implement a balanced approach towards development between urban and rural areas;
To ensure sustainable development whilst accelerating initiatives to promote poverty eradication, employment and equality; and

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To exercise oversight over budgets and projects in an accountable and transparent manner.

4.13 Sector Departmental Investment

The following table provides a summary of the planned and Funded Western Cape Provincial Infrastructure projects and programmes in the Municipality for the MTEF period 2024/25–2026/27:



Sector	No of Projects	Value of Infrastructure Projects & Programmes (R'000)*					Grand Total
		Infrastructure Transfers - Capital	New or Replaced Infrastructure	Non-Infrastructure	Rehabilitation, Renovations & Refurbishment	Upgrading and Additions	
Education	1	0	27000	0	0	0	27000
Health	3	0	27615	2125	0	0	29740
Human Settlements	5	98780	0	0	0	0	98780
Transport	7	0	0	0	49300	86500	135800
Grand Total	16	98780	54615	2125	49300	86500	291320

* Excludes Across District and unfunded Projects & Programmes. See the Excel database for more detail.

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Department	Sector	Project no.	Project / Programme Name	Source of Funding	Nature of Investment	Delivery mechanism	Total Project Cost	Total Expenditure to date from previous years	MTEF (24/25)	MTEF (25/26)	MTEF (26/27)	Total MTEF
Department of Infrastructure (DoI)	Transport	C1144 PRMG	C1144 PRMG Borington old Kynsa & Wilderness	Provincial Roads Maintenance Grant	Rehabilitation, Renovations & Refurbishment	Individual Project	181000000	15617000	19382750	2000000	0	21382750
Department of Infrastructure (DoI)	Transport	C1146 Resad	C1146 Borington old Kynsa & Wilderness	Equitable Share	Rehabilitation, Renovations & Refurbishment	Individual Project	64000000	0	25617250	0	0	25617250
Department of Infrastructure (DoI)	Transport	C1147 PRMG	C1147 Resad Standfontein/Suitville/Viedendal	Provincial Roads Maintenance Grant	Rehabilitation, Renovations & Refurbishment	Individual Project	80000000	0	23000000	0	0	23000000
Department of Infrastructure (DoI)	Transport	C1229	C1229 Dual MR201 Klouba Rd to MR191	Equitable Share	Upgrading and Additions	Individual Project	50000000	0	0	0	50000000	50000000
Department of Health & Wellness (DoH&W)	Health	C186007	Kynsa - Kynsa FPL - Replacement	Health Facility Revitalisation Grant	New or Replaced Infrastructure	Individual Project	34216000	33468957	665000	0	0	665000
Department of Infrastructure (DoI)	Transport	DR1337 DM	DR1337 Wansbak (McGregor)	Equitable Share	Upgrading and Additions	Individual Project	30000000	0	0	0	27000000	27000000
Department of Infrastructure (DoI)	Transport	DR1613 DM	DR1613 N42/8 Kynsa - Aardvark Prinsloo Pass	Equitable Share	Upgrading and Additions	Individual Project	60000000	0	0	0	55000000	55000000
Department of Infrastructure (DoI)	Transport	DR1631 DM	DR1631 Geelhoutboom DM	Equitable Share	Upgrading and Additions	Individual Project	60000000	33030000	0	23000000	26000000	49000000
Education (WCED)	Education	DTPW04/2012	Concordia P5	Equitable Share	New or Replaced Infrastructure	Individual Project	98358000	43215000	27000000	0	0	27000000
Department of Health & Wellness (DoH&W)	Health	HC1810004	Kynsa - Homies Clinic - RT - Replacement	Health Facility Revitalisation Grant	New or Replaced Infrastructure	Individual Project	2125000	0	0	1000000	1125000	2125000
Department of Health & Wellness (DoH&W)	Health	HC1810004	Kynsa - Homies Clinic - Replacement	Health Facility Revitalisation Grant	New or Replaced Infrastructure	Individual Project	35000000	1182665	9176000	16274000	1500000	26950000

Department	Sector	Project no.	Project / Programme Name	Source of Funding	Nature of Investment	Delivery mechanism	Total Project Cost	Total Expenditure to date from previous years	MTEF (24/25)	MTEF (25/26)	MTEF (26/27)	Total MTEF
Wellness (DoH&W)	Human Settlements	Hialoni 273/165/96	Hialoni 273/165/96	Human Settlements Development Grant	Infrastructure Transfers - Capital	Individual Project	3150000	0	3150000	0	0	3150000
Department of Infrastructure (DoI)	Human Settlements	Khayalethu Bunglows BHP	Khayalethu Bunglows BHP	Human Settlements Development Grant	Infrastructure Transfers - Capital	Individual Project	23000000	0	12100000	9500000	0	21600000
Department of Infrastructure (DoI)	Human Settlements	Sedgefield inf8 (207)(500)	Sedgefield inf8 (207)(500)	Human Settlements Development Grant	Infrastructure Transfers - Capital	Individual Project	52000000	0	8000000	21000000	21000000	50000000
Department of Infrastructure (DoI)	Human Settlements	Vision (1393)	Vision (1393)	Informal Settlements Upgrading Partnership Grant	Infrastructure Transfers - Capital	Individual Project	6000000	0	2400000	2400000	0	4800000
Department of Infrastructure (DoI)	Human Settlements	Vision (459)	Vision (459)	Human Settlements Development Grant	Infrastructure Transfers - Capital	Individual Project	20000000	0	6630000	6300000	6300000	19230000
GRAND TOTAL							699 849 000	114 845 642	116 421 000	81 474 000	93 425 000	291 320 000

Table 33: Western Cape Provincial Government Investment in Kynsa Municipality

CHAPTER 5: SPATIAL ANALYSIS OF GKMA

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5.1 Introduction

Globally, municipalities require good planning instruments to address the need for medium – to long – term planning. In South Africa, IDP and SDF could be regarded as the two leading instruments in the system of forward planning, as mandated by the national government. The IDP is the “integrated” and “strategic” plan prepared for the term of office of a newly elected council. In contrast, the SDF presents a long-term, sustainable framework for territorial and socio-economic development. Knysna Municipality is currently busy with the review of its 2020 MSDF.

The amendment of the MSDF will focus on the following:

- Updating the current status quo information where required
- Giving effect to the vision, goals, and objectives of the municipal Integrated Development Plan (IDP)
- Strengthening the current Capital Expenditure Framework and Implementation Plan
- Consideration of financial realities
- Alignment to the existing and new programmes (sector plans).

5.2 SDF Legal Framework

The legislative framework for the drafting and approval of a Spatial Development Framework (SDF) are determined/ informed by the following:

- The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996);
- The MSA (2000), 2000 (Act 32 of 2000)
- Spatial Planning and Land Use Management Act, Act 16 of 2013
- Western Cape Land Use Planning Act, 2014
- National Environmental Management Act (Act 107 of 1998)
- Environmental Conservation Act, 1989 (Act 73 of 1989);
- National Forests Act, 1998 (Act 84 of 1998);
- National Water Act, 1998 (Act 36 of 1998);
- Mountain Catchment Areas Act, 1970 (Act 63 of 1983);
- Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983);
- The subdivision of Agricultural Land Act (Act 70 of 1970);
- National Heritage Resources Act, Act 25 of 1999;
- Integrated Coastal Management Act, 2014

The following legislation is considered as the most applicable legislation the KM’s SDF process:

- MSA (2000);
- Spatial Planning and Land Use Management Act, Act 16 of 2013;
- Western Cape Land Use Planning Act, 2014; and the
- National Environmental Management Act (Act 107 of 1998).

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Sections 20 and 21 of the SPLUMA stipulate the requirements for a Municipal SDF, including the following:

- Give effect to the development principles, norms and standards specified in SPLUMA;
- Include a written and spatial representation of a five-year spatial development plan for the spatial form of the municipality;
- Identify current and future significant structuring and restructuring elements of the spatial form of the municipality, including development corridors, activity spines and economic nodes where public and private investment will be prioritised and facilitated;
- Include population growth estimates for the next five years;
- Include estimates of the demand for housing units across different socioeconomic categories and the planned location and density of future housing developments;
- Include estimates of economic activity and employment trends and locations; and
- Determine a capital expenditure framework for the municipality's development programmes, depicted spatially.

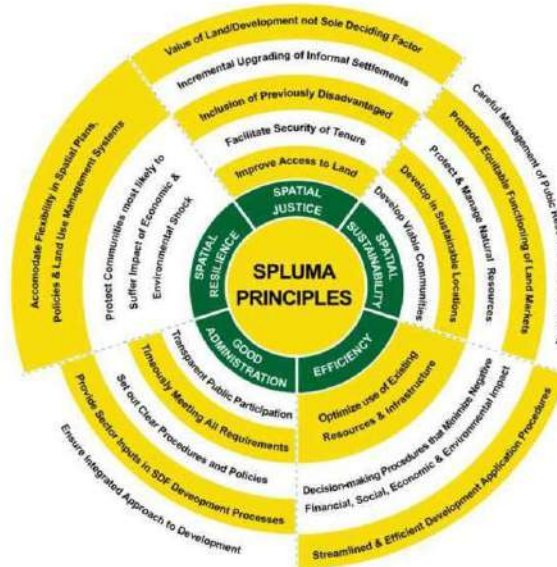


Illustration 24: SPLUMA Principles

The Land Use Planning Act (LUPA, 2014) specifies that a municipal SDF should provide a spatial vision for the municipality, assess the existing levels of development in the area, assess the challenges in land use planning, consider provincial priorities for the region and provide a summary of the process followed in drafting the municipal spatial development framework.

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Sections 10(2) and 10(3) of the LUPA (2014) further determines that the municipal SDF should be aligned with provincial strategies and consist of a report and maps covering the municipal area, reflecting municipal planning and at least the following structuring elements:

- the provincial road and traffic network;
- the provincial public transport network;
- existing and planned provincial health and education facilities;
- heritage, agricultural and tourism resources of provincial importance; and
- where relevant, areas of recognized provincial ecological value, including nature conservation areas, high biodiversity value areas, etc.



Illustration 25: SPLUMA Principles

5.3 The Relationship Between The MSDF and IDP

The MSDF is a high-level, core component of the IDP and contributes to the realization of the Vision, Goals and Objectives of the IDP by guiding the spatial distribution of current and future land uses within the municipal area. The MSDF must facilitate (provide space for) the implementation of the priorities identified in the five-year Integrated Development Plan (IDP) and must also guide the general land use configuration over a longer planning horizon (10 to 20 years), whilst guarding against land speculation.

The IDP drives budget prioritisation and allocation decisions in terms of a rolling five-year development plan, and the Capital Expenditure Framework (CEF). The MSDF is the spatial expression of the IDP and expressed community needs, while at the same time the MSDF couches the IDP within a long-term spatial vision for the municipal area that seeks to implement the spatial vision, principles and policy directives set out in national and provincial legislation, strategies, policies and plan.

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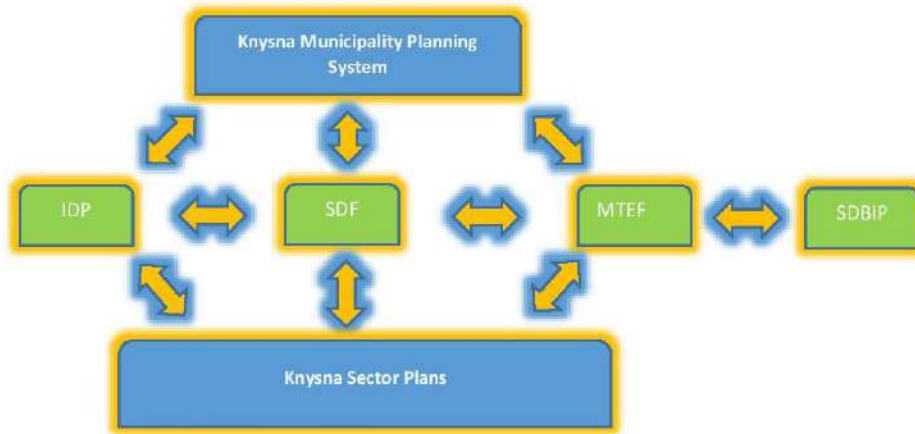


Illustration: 26: IDP alignment with SDF

5.4 Knysna SDF

SPLUMA provides the national legislative foundation for all spatial planning and land use management activities in South Africa, based on a series of policy objectives that aim to address historical spatial imbalances and promote sustainable spatial development. SPLUMA promotes spatial development frameworks (SDF's) as a strategic tool to promote and achieve sustainable development within municipalities.

The purpose of the Knysna Municipal Spatial Development Framework (MSDF) as set out in the Spatial Planning & Land Use Management Act (2013) (SPLUMA) is to:

- Interpret and represent the spatial development vision of the municipality – informed by a long-term spatial development vision statement and plan;
- Represent the integration and trade-off of all relevant sector policies and plans;
- Guide planning and development decisions across all sectors of government and specifically the municipality and provincial government in its spatial planning and land use management decisions;
- Contribute to a coherent, planned approach to spatial development across the spheres of government;
- Provide clear and accessible information to the public and private sector and provide direction for investment purposes;
- Include previously disadvantaged areas, rural areas, informal settlements, slums and landholdings of state-owned enterprises and government agencies and address their inclusion and integration into the spatial, economic, social and environmental objectives of the relevant sphere;
- Address historical spatial imbalances in development;
- Identify the long-term risks of particular spatial patterns of growth and development and the policies and strategies necessary to mitigate those risks;

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- i) Provide direction for strategic developments, infrastructure investment, promote efficient, sustainable and planned investments by all sectors and indicate priority areas for investment in land development;
- j) Promote a rational and predictable land development environment to create trust and stimulate investment;
- k) Take cognisance of any environmental management instrument adopted by the relevant environmental management authority;
- l) Give effect to national legislation and policies on mineral resources and sustainable utilisation and protection of agricultural resources;
- m) Assist in integrating, coordinating, aligning and expressing development policies and plans emanating from the various sectors of the spheres of government as they apply within the municipal area; and
- n) Outline specific arrangements for prioritising, mobilising, sequencing and implementing public and private infrastructural and land development investment in the priority spatial structuring areas identified.

The diagram below illustrates how the spatial strategies adopted in the Knysna SDF are underpinned by SPLUMA and PGDS principles. This is essential to, inter alia, coordinate actions and investments to ensure maximum positive impact from the investment of resources by different organs of the state. This will also serve to avoid duplication of efforts by different departments and spheres of government. Ultimately, the spatial strategies seek to ensure the effective utilization of resources, including land, water, energy, finance and natural resources.

5.5 Location

The KM is one of seven municipalities that form the Garden Route District of the Western Cape Province in South Africa. It is located approximately 500 km from Cape Town, on the Southern Cape coastline at the heart of the Garden Route, bounded by Bitou Municipality (Plettenberg Bay) to its east and George Municipality to its north and west. The town of Knysna is the primary regional service centre and a prominent national tourist destination. However, in the context of the Garden Route and sub-region, Mossel Bay and George are likely to remain the most important economic centres.

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Map 1: Knysna Local Municipality

5.6 Spatial Development Vision

KM's IDP vision leads to be Inclusive, Innovative and Inspired. The Municipality's vision for spatial development is as follows:

To: "Establish Knysna as an authentic place that works for all of its residents and continues to attract visitors. Build an equitable and inclusive society within a sustainable and resilient ecosystem."

Knysna faces very significant spatial and ecological limitations to spatial growth, which could become futile to its survival and prosperity. This MSDP needs to advocate smart growth, seeking synergy between its people, their needs and the environment. This is at the centre of its ability to support the many role players and stakeholders to achieve sustainability, resilience and realise sufficient opportunity and resources for all of Knysna's inhabitants.

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5.7 Natural Resource Base

The Municipal area is endowed with a spectacular natural setting. The Outeniqua mountains running parallel to the coastline form the backdrop to an undulating natural and cultivated forested landscape, drained by a number of rivers with large water bodies in the low-lying areas and sandy beaches sheltered by rocky headlands and coastal dunes along the Indian Ocean coastline. This verdant landscape of outstanding scenic beauty (WCG, 2013) is of national significance and international renown and can be considered as much a national economic asset, as it is the ecological basis for settlement in the region. View sheds are spectacular, giving name to the Garden Route. The area is host to endemic biodiversity and acts as a nursery for aquatic species that travel further afield.

5.8 Spatial Development Strategies

To implement the vision, there are two spatial strategies that frame the approach to the spatial planning, policies for development and land use management and proposals for investment which collectively make up the MSDF:

Manage risk, safeguard resilience: The integrity of Knysna's environmental and economic assets must be central to a secure future for all. The objective of this strategy is to ensure that land use and settlement growth is directed and managed to protect and rehabilitate the functionality of Knysna's environmental services and systems - natural assets. These support life and livelihoods, offer the potential for further prosperity, as well as buffer the impacts of climate change and extreme events to life and property. In other words, the intention is to secure a sustainable and resilient base for Knysna to function and prosper.

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Drive inclusivity for economic and social well-being: Access to opportunity for all. The three objectives of this strategy are to:

- to promote development that is inclusive, integrated and efficient, located in the right place and of a high urban design quality;
- to ensure that opportunities, services and amenities are accessible to all in an equitable manner; and
- to recognize limited resources must be shared in a strategic manner, where they are leveraged effectively for the benefit of as many people in need as possible, while basic needs are met.

5.8 Spatial Proposals

5.8.1 Catchment Area Rehabilitation

Prioritise the rehabilitation of the catchment areas of the following rivers:

- Knysna River (immediate priority) (supplies water to Knysna town)
- Gouna River (immediate priority) (supplies water to Knysna town)
- Salt, Bigai and Bongani Rivers (immediate priority)
- Hoogekraal
- Karatara (supplies water to Karatara and Sedgefield)
- Hontini / Goukamma

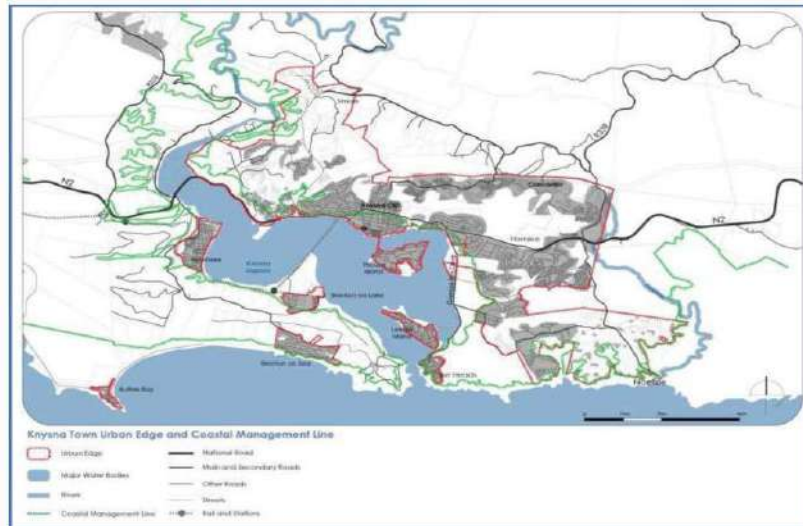
5.8.2 Conservation Estate Expansion

The objective of the GRNP expansion plan is to conserve the diverse terrestrial and aquatic ecosystems of the GRNP on a landscape scale through adaptive, collaborative and innovative management approaches. Specifically, the identified priority expansion areas are aimed at conserving the endemic, critically endangered and listed threatened Knysna Sand Fynbos and Garden Route Shale Fynbos ecosystems. These areas are identified from a biodiversity conservation, social, economic, tourism and/or a management perspective that would need to be managed as part of the National Park in order to ensure the long-term viability of the park. This zone aims to ensure the long-term persistence of biodiversity, within and around the park, on which the long-term survival of the park depends. This includes areas important to both biodiversity pattern (especially reasonably intact high priority natural habitats) and processes (ecological linkages, catchments, intact hydrological systems (surface and groundwater)).

5.8.3 Urban Edge and Coastal Management

Every effort has been made to align the urban edge with the CML along the coastline. However, there are instances where there are settled areas of an urban nature which are delineated by an urban edge and fall on the coastal side of the CML. In this case the CML denotes risk of coastal flooding. These areas' existing development rights are not compromised. The conversion of rights to more intense urban development uses and/ or infill development is supported within the areas prioritised for development in this MSDF). Detailed research and planning will need to consider appropriate building location and design to mitigate flooding risks on a case-by-case basis. This is a trade-off given the existing public and private investment in these areas and the economic and social opportunities they present for Knysna town. In other areas where this occurs, the conversion of rights to more intense urban development uses are not supported as this will exacerbate the risk faced by these settlements to the impacts of climate change.

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Map 3: Knysna: Urban Edge

5.8.4 Municipal Open Spaces

A municipal Open Space Network should be identified on the basis of a more detailed study that seeks to identify and protect a network of green open spaces that threads through the urban fabric of the Knysna municipal area.

This network should:

- integrate with a non-motorized transport network
- connecting communities
- connect ecosystems
- include active and passive recreational spaces
- connect conservation areas to allow for the movement of species

The proposed Central Park is at the heart of this system in the centre of town and presents a significant opportunity to use nature to pull communities together and enhance citizen's sense of inclusion and dignity. This space should be protected for as long as it takes to establish this park.

5.8.5 Spatial Policies

The Policies emanating from the guiding spatial strategies are indicative of "What" the MSDP wishes to achieve and include:

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- In coastal zones, river–wetland–estuary catchments, critical biodiversity areas and veld fire risk areas, land use must be effectively managed to secure environmental resources, systems and ecosystem services, mitigate the risk of natural disasters to life and property and improve climate resilience
- Manage the growth of urban settlement in Knysna to ensure the optimum and efficient use of existing infrastructure and resources and in turn, secure the Municipality’s fiscal sustainability and resilience, while preventing further loss of natural and agricultural assets and functional ecosystems services
- Manage the Municipal area in a manner that supports sustainable resource use
- Support investigation into long term planning options for the N2 bypass to secure an alternative entry and exit into Knysna town Area to improve its resilience in case of disaster. There is no present declared road reserve to the north of Knysna town

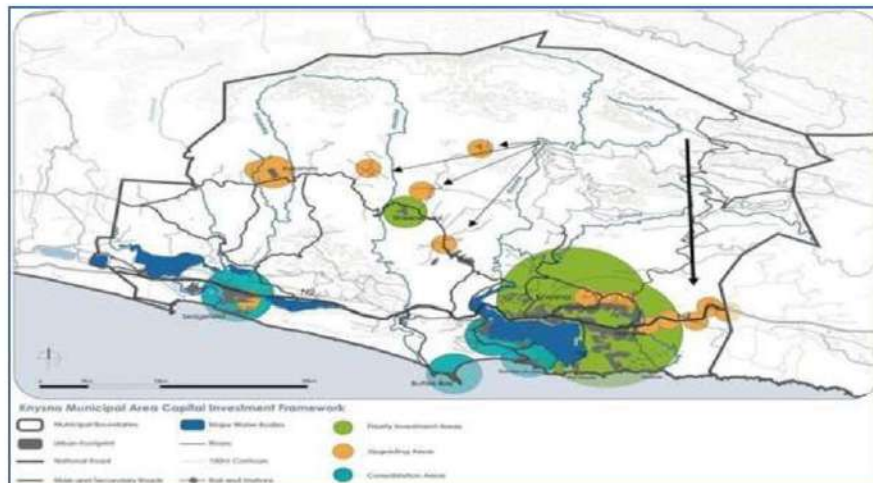
5.9 Alignment with Sector Plans

Sector Plan	Status	SDF Implications
Local Integrated Transport Plan for Knysna Municipality (LITP) (Eden District)	2016 Knysna to commission its own LITP	The LITP should be informed by the MSDF and facilitate the integration of transport planning with spatial planning and land use management. The LITP must reflect the MSDF and demonstrate how the transport planning will contribute to the desired spatial outcomes.
Human Settlements Plan	Draft	This plan needs to be finalised as an inter-governmental plan coordinating the KM, the Western Cape Department of Human Settlements and the Housing Development Agency. Verification of backlogs and confirmation of the pipeline is a key input into the review of the MSDF. Current programmes are supported by the MSDF; however, the MSDF makes strategic proposals that must be considered in the finalisation of the HSP.
Disaster Management Plan / Disaster Risk Assessment Update	2016	Informant to this MSDF. Requires update / review.
Climate Change Adaptation Plan (Eden District)	2014. To be reviewed.	This will be a key informant to the next iteration of the MSDF. An informant to the MSDF. The MSDF has sought to implement climate change adaptation measures in space in so far as this is appropriate to the purpose of the MSDF. An updated Climate Change Adaptation Plan for the KMA should be prepared. This should provide the baseline understanding of climate change impacts felt in the KMA and their implications, which should feed into all sector planning and the next iteration of the MSDF.
Infrastructure Master Plans:		
Electricity	Under review	MSDF can inform demand, location and prioritisation
Roads	Must be drafted as part of LITP	A review of this Master Plan within the LITP should be done to ensure its alignment with the needs and prioritisation identified in the MSDF
Pavement Management System	2017	MSDF can inform prioritisation of rehabilitation
Storm water Master Plan for Knysna CBD	2015	MSDF can inform prioritisation of rehabilitation
Water Services Development Plan	2013	Update to be informed by the MSDF and its Capital Expenditure Framework

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Integrated Waste Management Plan (Eden District)	2014	A review of this Master Plan will need to consider the growth projections provided in the MSDF, as well as the Human Settlement Plan's programmes particularly with regard to infill and densification. As well as needs determined in the Assessment of the Municipal Integrated Waste Management Infrastructure: Eden District Report
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Table 34: SDF Alignment with Sector Plans



Map 4: Knysna Municipality: Capital Investment Framework

5.10 Implementation Framework

KM will be commissioning its own updated Local Integrated Transport Plan (LITP) to support the spatial priorities adopted in this MSDF. The LITP must prioritise the infrastructure and operational requirements for public transport, non-motorised transport, freight and private cars, to achieve the objectives of the MSDF in the short, medium and long term. In addition to the minimum requirements for the preparation of a LITP, the LITP for Knysna should provide:

- A more detailed and viable non-motorized transport network plan and implementation plan, including an obligation and specifications for pavement creation and improvement by private landowners to a consistent standard and landscaping language.
- A high-level strategy for rural transport, based on the provisions, and experiences to date, of the rollout of the PPTIF and international innovations in rural public transport associated with on demand services and technology.
- A review of the road classification to promote land use integration and alignment with the policies and policy guidelines set out in this MSDF. Consideration of a one way, complimentary system between the N2 and Waterfront Drive in the Knysna CBD.
- A precinct level plan for the Knysna CBD, including a parking strategy. This plan should address the needs of commuters, business visitors and tourists, and deal specifically with peak holiday season demand.

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- Reviewed parking provisions and ratios for Restructuring Zone in terms of the Zoning Scheme By-Law. In doing so, provision should be made for parking to be provided collectively in a shared location as opposed to on a site-by-site basis
- The feasibility, enablement and regulation of technology-driven changes in the transport environment. These include on-demand services like Uber, electric vehicles, self-drive cars, etc.
- Establish the drivers of current travelling behaviour, and perceptions through a user travel survey, particularly in respect of seasonal visitors.
- Explore options for season public transport typologies to popular local destinations.
- Further resolution of the alignment of the N2 bypass. j Linkages to the N2 Bypass
- A prioritized, costed programme of public transport and NMT capital projects
- Resolution of the future plan for Welbedacht Lane

Delivery of public sector housing opportunities is the primary driver of new residential development taking in place in the KMA and the demand will be grow into the future, by a substantial margin. The pipeline of land identified to date through the WCDHS and KM's programmes and the Southern Cape Corridor Development initiative with the HDA is supported in the MSDF.

Specifically, the Human Settlements Plan for Knysna must:

- Verify housing demand and segment this into affordability bands so that appropriate strategies for housing supply across a spectrum of tenure options can be developed to respond to real need; including, for the GAP market and non-qualifiers. A rigorous verification of the waiting lists/ backlogs (both in terms of informal settlement, back yarding and overcrowding) and the profile of households on the waiting list matched with an appropriate product (i.e. accurately match demand and supply) is critical. It is unsustainable to drive an expansive one house, one plot housing programme on the basis of unverified numbers;
- Undertake a vacant and under-utilised land audit for the Knysna town area.
- Prioritise, package and release well located public land for development of mixed income and mixed-use land development;
- Review and plan for/ confirm the future approach to all of the identified the "bosdorpies" with particular reference to Middelerf, Springfield and Swaneberg;
- Assess projects for their long-term fiscal impact on households and the municipality;
- Confirm the availability of external and municipal funds required to service the housing units developed; and
- Identify and match human settlement needs of rural settlers with programmes and tools available from the government role players in the rural sector (i.e., Department of Agriculture Land Reform and Rural Development, National and Provincial Departments of Agriculture, Department of Energy).

Four areas are suggested as priorities for more detailed local planning in this MSDF:

- A growth management plan for Sedgefield. Such a plan should take stock of available, suitable developable land in Sedgefield and market demand to understand whether the supply of land is sufficient for the demand across different income groups and how this can be met while understanding the capacity of and ensuring the sustainability and affordability of the provision and maintenance of infrastructure systems and ecological infrastructure. This plan should also take stock of development proposals in and around Sedgefield and guide decision-making with respect to these.

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- An integrated spatial development framework/ transport and parking plan for the Knysna CBD which should address in detail the spatial challenges such as the location/structure of the taxi rank and holding facilities, the future development of the railway precinct linked to the railway concession, under-utilised, valuable land and location and urban design guidelines for densification in the CBD including streetscape improvements, etc. This should flesh out in more specificity what the Local Integrated Transport Plan cannot do for the Knysna CBD area.
- Local Densification Plans for priority neighbourhoods. In this regard the Welbedacht/ Eastford Downs area should be a priority for local area planning. Traffic and engineering studies on the future of Welbedacht Lane and its integration into the network to enable greater carrying capacity are a key requirement to inform this local planning. The location of these properties in close proximity to the river is also a concern that should be addressed in the planning to protect the river corridor from encroachment and pollution. This more detailed local planning exercise may also review the urban edge in this area for further consideration in an MSDP amendment. The land use implications of a possible intersection between the existing N2 and N2 bypass in this area in the future should also be considered in detail.
- A local sustainable development plan for the Western Heads area to support the realisation of sustainable development opportunities for landowners within a conservation vision that achieves the desired conservation outcomes required of this area which hosts significant critical biodiversity assets and is identified for conservation estate expansion. This plan should include consideration of incentives for the benefit of landowners that conserve the integrity of their landholdings as a functional part of the ecological system.
- A precinct plan for the development of the site and future neighbourhood centre at the Vigilance Drive/ George Rex intersection.

It should be noted that the Municipality's capacity (human and financial) is limited to undertake these local area planning exercises. Partnerships should be sought to undertake such exercises that removes any sole reliance on the Municipality to be the driver of the process.

CHAPTER 6: DISASTER MANAGEMENT



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6.1 Introduction

The recent disaster in the George Municipal area, again reminded municipalities of the importance of effective and pro – active disaster management. Disaster management is the element that is responsible for ensuring the protection and safety of countries, municipalities and their communities. Key to the role of disaster management is:

- To acquire the appropriate control mechanisms;
- To allocate the necessary resources; and
- To follow the rules of the law.

This is all done to prevent, prepare for, respond to as well as recover from a range of emergencies. Disaster management is utilised to respond to a range of disastrous events ranging from natural disasters, man-made disasters, biological disasters and technological disasters.

6.2 Overview

The Knysna Municipal Disaster Management Plan serves to confirm the organizational and institutional arrangements within the Greater Knysna to effectively prevent disasters from occurring and to lessen the impact of those hazards that cannot be avoided. The Disaster Management Act states that “Disaster Management is a continuous and integrated, multi-sectoral and multi-disciplinary process of planning and implementation of measures aimed at disaster prevention, mitigation, preparedness, response, recovery, and rehabilitation.”

The disaster management plan of the municipality is reviewed annually and:

- forms a core component of its Integrated Development Plan (IDP);
- anticipates the types of disasters that are likely to occur in the municipal area and their possible effect;
- places emphasis on measures that reduce the vulnerability of disaster-prone areas, communities and households;
- seeks to develop a system of incentives that will promote disaster management in the municipality;
- identifies the areas, communities or households at risk;
- takes into account indigenous knowledge relating to disaster management;
- promotes disaster management research;
- identifies and address weaknesses in capacity to deal with disasters;
- provides for appropriate prevention and mitigation strategies;
- facilitates maximum emergency preparedness; and
- contains contingency plans and emergency procedures in the event of a disaster.

6.3 Purpose

The National Disaster Management Centre (NDMC) provided a set of guidelines; developed in terms of section 19(a) of the Disaster Management Act (DMA) and section 3.6 of the National Disaster Management Framework, 2005 (NDMF) provides a uniform structure and checklist to organs of state to develop a Disaster Management Plan. This plan confirms the arrangements for managing disaster risks and for preparing for – and responding to disasters within the Greater KM (GKM) as required by the Disaster Management Act. The Disaster Management Act requires the Greater KM to take the following actions:

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- to prepare a Municipal Disaster Management Plan for its area according to the circumstances prevailing in the area and incorporating all external role-players;
- to co-ordinate and align the implementation of its Municipal Disaster Management Plan with those of other organs of state, institutional and any other relevant role-players; and
- to regularly review and update its Municipal Disaster Management Plan.

6.4 Knysna Disaster Management Objectives

The municipality's objectives for disaster management are as follows:

1. To promote a safe and healthy environment through the protection of our natural resources;
2. To structure and manage the municipal administration to ensure efficient service delivery;
3. To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication; and
4. To improve and maintain current basic service delivery through specific infrastructural development projects

6.5 Roles and Responsibilities

Responsible Person/ Division/Section	Duties and Responsibilities during disaster (Operational)
Director Financial services	The Financial Services must assign a person to do the necessary funding proposals for disasters
Director Corporate Services	Must assign a person to assist with minute taking and other administrative duties
Director Infrastructure Services	It is the primary task of this discipline to repair the sewer network and everything associated therewith as early as possible The primary task of this discipline is to provide alternative routes and to repair roads as early as possible. To secure bulk services or repair as quickly as possible. It is the primary task of this discipline to repair the sewer network and everything associated therewith as early as possible To plan timeously how the sewerage can be discharged/removed in the case of a break of pipelines. The primary task of these disciplines is to repair water supply networks as early as possible To determine and to record on charts the position of water pipes, storage dams and their capacities. The task of this department is to repair power disruptions as early as possible
Public Safety Services	The primary task of this discipline is to arrange traffic and to lead vehicles along alternative routes, as well as to limit collisions and traffic congestions to an absolute minimum The discipline must be prepared to handle any emergency or disaster situation which may occur in the area The Manager of the discipline must summon the available personnel to the disaster site when an emergency call is received
Fire Services	The primary task of this discipline is to extinguish fires as early and effectively as possible in order to save human and animal life and property The fire brigade is primarily responsible for firefighting, rescue and evacuation The fire brigade will be involved in all the risks as identified

Table 34: Disaster Roles and Responsibilities

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6.6 Climate Change and Climate Change Adaption

Climate change is a significant and lasting change in the statistical distribution of weather patterns over periods ranging from decades to millions of years. It may be a change in average weather conditions, or in the distribution of weather around the average conditions (i.e., more or fewer extreme weather events).

According to the Department of Environmental Affairs and Development Planning (DEA&DP) the key climate change considerations for the Western Cape relates specifically to the following trends:

- Warmer temperatures (max and min) everywhere, but more so in the interior;
- Drier conditions in the shoulder seasons, especially away from mountains, weaker cold fronts, longer fire season, decreased crop yield, reduced economic activity;
- Increased humidity and greater persistence of stronger southerly winds;
- Increased rainfall intensity and extreme events (flooding), which leads to increased soil erosion, coastal and riverine erosion as well as damage to infrastructure; and
- Rising sea levels that will lead to increased salt water intrusion into aquifers and wetlands as well as increased coastal flooding.

Due to its physical location, topography and the climatic conditions of the district the GKMA is particularly vulnerable to the impact of climate change. The implications for the GKMA are that, with the shift in seasonal periods, there will be more unseasonal floods. It will be extremely difficult to predict “flooding periods”. This phenomenon has already been experienced in the area where flooding occurred out of “rain season”. Climate Change requires a two-pronged approach, to:

1. reduce its cause by reducing greenhouse gas emissions from energy, transport etc.; and
2. to prepare for its impacts such as increased flooding, heat and drought (which are already underway).

These are referred to as Climate Change Mitigation and Climate Change Adaptation respectively. One of the key findings, the Disaster Risk Assessment. Climate change is increasingly elevated as a boiling point and big focus on the global agenda. The reason for this is that the world is very quickly experiencing the effect of this phenomenon on fundamental socio-economic indicators such as water, sanitation, food security, health, energy, industrial developments and human settlements. GKLM is no exception and it presents serious threats to the future of the town and its environs because of the sensitivity of the estuary to rising sea levels and the risk to development in low lying areas. Furthermore, changing rainfall patterns and extreme weather events have already had an impact on the town and environs in the past.

6.6.1 Climate Change Mitigation

Contribute to national and global efforts to significantly reduce the GHG (Greenhouse Gas) emissions and build a sustainable low carbon economy, which simultaneously addresses the need for economic growth, job creation and improving socio-economic conditions. This includes municipal responses such as reduction in need for transport fuels, compact settlement planning, reduction in energy use and switch to renewable energy.

6.6.2 Climate Change Adaptation

Reduce climate vulnerability and develop the adaptive capacity of the Western Cape’s economy, its people, its ecosystems and its critical infrastructure in a manner that simultaneously addresses the province’s socio-economic and environmental goals.

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This includes municipal responses such as planning to reduce flood risk to infrastructure, settlements and municipal services, drought planning, reduction of use of water, health emergency plans for heat, maintenance of ecosystem buffers and green space etc.

6.7 Climate Change (Specifically Sea Level Rise)

The CSIR produced a research report that summarises the state of the current knowledge and forms the basis of coastal hazard and vulnerability assessments of the South African coastal region. A coarse coastal flooding assessment (i.t.o. storm wave run up elevations) for the whole SA coastline was also undertaken. The main metocean drivers that pose abiotic hazards to infrastructure and developments in the SA coastal zone were found to be:

- waves;
- seawater levels;
- winds; and
- currents to some extent.

In quantifying the hazards and/or to assess the vulnerability of coastal features to coastal flooding/inundation from the sea, direct wave impacts, extreme water levels and wave run-up, it was critical to determine the maximum point that storm waves can reach (wave run up). In other words, the height to which a wave would run up the beach slope. Primary components to define this point include determining the extreme offshore wave climate (present and future) and deriving resultant inshore wave conditions. Of course, the wave run-up component of the hazard only comes into play along those parts of the coastline that are completely or partially exposed to waves that originate from the open ocean. In coastal embayment's (such as the Knysna Lagoon), in estuaries (such as the Swartvlei Estuary) and also at ports the direct onslaught of the wave energy is damped and the run-up component can become significantly less.

6.8 Disaster Risk Management Process

The following diagram illustrate the process followed by the municipality to manage municipal risks:

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Illustration 26: Risk Management Model

The mitigation phase focuses on the actions that allow municipalities to decrease the number of lives lost and physical assets, namely buildings and resources, that are expected to decline due to the overall effect of the disaster on nations and their communities.

The prevention step focuses on developing of disaster management plans, training, and exercises well before a disaster occurs. This include the regulatory and physical processes that are utilised to ensure that emergencies are prevented. The implementation of preventative measures creates safer and resilient communities.

Disaster preparedness encompasses a set of actions that are implemented by municipalities and their stakeholders to aid in improving responsive strategies and coping mechanisms within the immediate aftermath of a disaster, whether man-made or natural hazards.

The final step in the Disaster Management process refers to the critical business operations to stabilise the municipality's day-to-day processes and build up the capacity to continue to perform within their community in the aftermath of a disaster.

6.9 Risk Assessment

The following register which speaks to the top highest risks and the development of contingency plans by the primary responsible department.

The Top 10 Municipal Risks Identified:

- Drought
- Fire (wildfires)
- Floods

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- Alien Invasive species
- Water supply disruption
- Estuary pollution
- Sewerage disruption
- Hazardous material (Hazmat) Road Accident Risk
- Road Accidents (General)
- Severe Weather (Gale Force Winds and Thunderstorms included)

The following hazards were assessed:

1. Climate change (as a meta-disaster)
2. Fires (both wildfires and urban fires);
3. Animal diseases;
4. Human diseases;
5. Alien invasive species;
6. Drought (hydrological, agricultural, etc.);
7. Floods;
8. Regional sea-level rise;
9. Strong winds;
10. Thunderstorms and lightning;
11. Seismic activity;
12. Oil spill at sea;
13. Air pollution;
14. Water supply disruptions;
15. Sewage and waste removal disruption;
16. Electrical supply disruption;
17. Dam failure;
18. Road/Rail Incidents;
19. Hazmat (road/rail);
20. Civil unrest;
21. Loss of biodiversity;
22. Coastal erosion; and
23. Landslides (Rock falls, debris flows, etc)

6.10 Disaster Recovery Strategies

Disaster recovery (including rehabilitation and reconstruction) focuses on the decisions and actions in the aftermath of a disaster to restore lives and livelihoods, services, infrastructure and the natural environment to the pre-disaster living conditions of the stricken community. In addition, by developing and applying risk reduction measures at the same time, the likelihood of a repeated disaster event should be reduced or mitigated.

Disaster recovery includes:

1. Rehabilitation of the affected areas, communities and households;
2. Reconstruction of damaged and destroyed infrastructure; and

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3. Recovery of losses sustained (including humanitarian support) during:
- the disaster event, combined with the development of increased;
 - resistance and resilience to similar occurrences in the future; and
 - recovery plans must include risk reduction initiatives which if required must be included in the IDP linked with a budget.

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CHAPTER 7: LOCAL ECONOMIC DEVELOPMENT

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7.1 Introduction

Local Economic Development (LED) is the constitutional mandate which local government has a responsibility to promote, develop and grow local economy for the benefit of its residents. LED is therefore, a funded mandate of local government. The LED function is also regarded as the shared responsibility amongst the different spheres of government. The roles of other department are defined by the Constitution and also by various pieces of legislation that enable the national departments and provinces to carry out their constitutional competences in various economic sectors that are found within the Knysna area of jurisdiction.

The purpose of the EDS is to interrogate available economic information in an integrated and coordinated manner so as to identify opportunities that can broaden the economic base of the greater GKMA. These opportunities are then packaged into an implementation framework which sets out guidelines as to how existing economic potential can be utilised to generate positive spin-offs for the local economy. Furthermore, the EDS is also aimed at ensuring that the Knysna Local Municipality can efficiently and effectively facilitate the creation of an appropriate enabling environment, conducive to economic development and investment.

7.2 Municipality's Vision for LED

To ensure suitable strategic alignment, the EDS has adopted the Knysna Local Municipality's vision (Inclusive, Innovative, Inspired) as well as the municipality's mission. Accordingly, the municipality's vision and mission form the basis and focus for all the identified interventions and projects outlined in the EDS.

7.3 Objectives of Local Economic Development

Specific objectives of the EDS are as follows:

- Revise and update the current 2016 draft Knysna EDS, ensuring that it is a credible strategy;
- Align the 2016 draft Knysna EDS with the Knysna Local Municipality's Economic Development Department's annual work plans and strategic focus areas;
- Update the socio-economic profile with the latest statistics and new ward delineation;
- Develop an infrastructure investment pipeline linked to the capital expenditure/investment framework proposed in the SDF;
- Provide a linkage with the new SDF to identify the growth nodes;
- Update the sector potential section in the 2016 draft Knysna EDS with new trends and projects;
- Determine the critical factors needed for project implementation;
- Update and refine the implementation action plans in terms of EDS interventions that can be executed by public and private sector role players;
- Develop the findings and identified interventions into a strategic document that can be adopted by the council;
- Develop a prioritization model for the outcomes of the sector potential analysis; and
- Link the EDS action plan to the institutional arrangement of the Economic Development Department to ensure execution and appropriate roles and responsibilities.

7.4 Knysna Economic Development Framework

The Economic Planning Framework contains the response to the existing economic situation as presented in the previous sections of the EDS. As such, it serves as a means of unlocking the identified opportunities within the greater GKMA as well as mitigating the various challenges facing the area. As part of this process various

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Local Economic Development (LED) projects were identified for implementation in the greater GKMA over the short- to long-term. These projects seek to:

- Build on the region's strengths
- Address the locations' current weaknesses
- Take advantage of opportunities for development that exist currently or in the foreseeable future
- Mitigate the impact of possible threats to the achievement of the Knysna Local Municipality's economic development vision
- Provide a guide for the selection of projects over short-, medium- and long-term for implementation by the public sector, the private sector and other stakeholders

7.5 Economic Activity Development Per Settlement

Appropriate economic development for each of the aforementioned settlements is outlined in Table 20. This was based on the outcomes of the Knysna Local Municipality's 2020 Spatial Development Framework.

Settlement	Economic Activity
Knysna	Low density development and/or "eco-estates" are not ideal. Developable land is scarce and must be optimally utilised to meet the demand for housing (across all income groups) and economic development.
Sedgefield; Buffalo Bay; Brenton on Sea	Within the urban edge, focus on activities that support the local tourism and surrounding rural economy.
Rheenendal; Karatara	Attracting economic investment that creates job opportunities for existing residents should be the focus of public sector attention in these villages. Potential for tourism attractions linked to agricultural activity and surrounding natural landscape should be explored. Agro-processing and cottage industries should be supported. Suitable remaining land within the urban edge should be prioritised for these uses.
Bergvallei; Bibby's Hoek; Kraaibosch; Noetzie; Springfield; Middelerf; Brackenhill; Farleigh; Goudveld; Windheuwels; Vrystaat; Swaneberg	If it supports/diversifies agriculture, supports tourism or broadens the value chain.

Table 35: Economic Activity per Settlement

7.6 Developmental Opportunities and Constraints

Anticipated economic opportunities and constraints in the Greater GKMA were identified including:

- The agriculture and manufacturing sectors as well as the tourism industry within the greater GKMA have all been shown to have a comparative advantage, with the tourism industry demonstrating a latent potential comparative advantage.
- Within the agricultural sector, the main constraints to development are availability of suitable land, water scarcity, high input costs (particularly land), low productivity and lack of access to financial support.

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- Opportunities identified within the agricultural sector include the use of digital agricultural; organic horticulture products including those that cater for vegans and vegetarians; hydroponics, aquaponics, permaculture as well as a focus on niche high-value agricultural products (e.g., honey bush, berries, mushrooms, herbs, nuts, ornamental plants).
- Development opportunities within the manufacturing sector include: waste recycling; timber related products (furniture, prefabricated homes, coffins, school desks, etc.); food processing (e.g. juice concentrates, ice cream); natural products (e.g. bio-degradable materials; natural supplements including sweeteners, and herbal remedies; and cosmetics); environmental and energy technologies (including biomass), additive manufacturing; ICT (e.g. information analytics, cybersecurity); drones ; transport equipment (e.g. vintage cars, yachts, canoes, boats and refurbishment, restoration and maintenance of these); and construction materials (e.g. luxury vinyl tiles). The demand for energy efficient products and other “green products” is a particularly important growth area.

The performance of many of the other sectors, such as finance and business services, is essentially a derived demand. These sectors will benefit from the development of the previous economic sectors as well as the general strengthening of economic linkages within the greater GKMA. The transport and communication sector has a particularly important role to play in terms of creating an enabling environment for economic development. The improvement and expansion of transport linkages and communication technology will improve the accessibility of the municipality. A transportation framework plan should be developed to guide the establishment of future mobility infrastructure. This should be aligned to the Knysna Local Municipality's Spatial Development Framework and capital investment framework.

The successful roll out of fibre networks in the greater GKMA will significantly improve ICT infrastructure in the area. Furthermore, it will position the greater Knysna municipal to take advantage of the rapid increase in the use of digital technologies in a range of economic sectors pertinent to the area. The introduction of a high-speed fibre network will also create opportunities in new areas such as:

- Film industry development
- Business Processes Outsourcing
- Secure data storage
- E-sports and game design
- Edu-tech
- E-government and data driven policy
- Digital health services

7.7 Implementation Structure

In terms of the operationalising of the Knysna EDS, it is important to have an understanding of the role that each of the various stakeholders will have in the implementation process. In terms of the implementation of the Knysna EDS, the main stakeholders are the municipal councillors, municipal offices and the private sector.

7.7.1 Municipal Council and Administration

This relationship forms the core of the Economic Development Strategy. In this relationship each stakeholder has their role to play in order to ensure the effective implementation of the Economic Development Strategy. Under the proposed relationship, the Knysna Municipal Council are the decision makers and the Administration is responsible for implementing the decisions made by Council.

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7.7.2 Administration, Business Chamber and Other Stakeholders

This relationship is seen as a direct relationship.

- **Administration and Business Chamber:** The Economic Development Department (which forms part of the Planning and Economic Development Directorate) is the primary link between the Administration and the Business Chamber. The Economic Development Department needs to ensure that decisions made by either the Administration or the Business Chamber are communicated to one another.
- **Business Chamber and Other Stakeholders:** The proposed Business Chamber is envisioned as the primary link between the Administration and other stakeholders. It is important that the Business Chamber communicates decisions made by themselves to the Administration (e.g. Economic Development Department) and vice versa.

In terms of the implementation of the Knysna EDS, it is important to recognise that it is an ongoing process which involves a number of diverse stakeholders and initiatives that need to be integrated in a dynamic manner. In terms of the South African Constitution, local government is given the objective of promoting social and economic development. Local government's developmental mandate therefore encourages the KM to seek methods of addressing poverty, joblessness and redeployment in their local areas.

7.8 Monitoring and Evaluation

Monitoring and evaluation is essential to the management of all LED projects undertaken or initiatives by the Knysna Local Municipality. If LED projects are to be effectively and efficiently managed in a dynamic manner that permits adapting procedures to unanticipated changes, feedback is required. In the greater GKMA this is true for project participants, and staff of research institutes and development organisations, both state and non-state. In relation to the Knysna EDS, monitoring and evaluation permits the process to be documented and the success of the interventions tracked.

CHAPTER 8: AUDITOR-GENERAL REPORT

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

8.1 Overview

The Municipality received qualified opinion for 2022/2023. The AG has raised certain issues that must be addressed by the Municipality. This chapter outlines the comments from Auditor – General and the actions to be taken by the Municipality.

8.2 Recommendations and Responses

The Office of the Auditor-General of South Africa have made a number of recommendations to improve financial management processes to the KM. The Auditor-General report for the 2022/2023 municipal financial year concludes by arguing that:

- The municipality has experienced over the past few years a period of instability, a continuously decreasing economic environment, high staff turnover and vacancies in key positions with an ever-increasing cost to maintain aging infrastructure and meets its mandate through spending on matters that serve the needs of its residents. This has resulted in a regression in the internal control system, which is reflected in the regression in the audit outcome.
- It is up to leadership and management to set the tone at the top and lead through example to ensure that the municipality overall demonstrates a culture of high performance, accountability, transparency and integrity.
- The municipality is encouraged to grab this opportunity to build a better, safer and financially healthier KM for all of its residents, and visitors.

The following table provides a summary of the key recommendations and the Municipality's responses to each of the recommendations:

Recommendation	KM Responses
The accounting officer should implement internal controls, including the monitoring thereof, that will ensure that all customers are billed for all instances of refuse removal, as provided for in the relevant legislation, the municipality's policies, and the approved tariffs of the municipality.	A comprehensive document flow system between the two departments will be developed and implemented. A checklist and register will be developed and implemented to ensure proper management and control of documents, which will serve as the source documents for the processing of the billing.
The accounting officer should implement internal controls, including the monitoring thereof, that will ensure that all fines are recorded as soon as possible after the offence occurred, that fines are printed immediately thereafter and that they are issued to the offender within the 30-day timeline set in legislation.	Management will ensure that the service provider delivers services in accordance with the terms and conditions of the contract/SLA.
Management should implement processes to ensure that invoices are tracked from the moment of receipt, via receipt registers, to the instance of payment, though the documenting on the invoice of the word "received" and the date of the day on which it is received. The register can also be used to track the movement of the invoice between the receiving official/department to the creditors department for payment.	Creditors Section will not to accept any invoices should the original date stamp not appear on the invoice. Develop an Invoice Register for ALL departments. Creditors Section NOT to accept invoices if the register is incomplete. Creditors to sign the register upon receipt of each invoice.

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Recommendation	KM Responses
Management and leadership should ensure that all appointments of senior managers comply with the legislation, by thoroughly investigating the competencies of each applicant and verifying same prior to their appointment.	Management will develop and implement a compliance checklist in accordance with the regulations on the appointment of Municipal Managers and Senior Managers reporting directly to the Municipal Manager. This will also apply to Acting Municipal Managers and Acting Senior Managers reporting directly to the Municipal Manager.
Management should establish and communicate policies and procedures to enable and support council's understanding and execution of internal control objectives, processes and responsibilities to enable council to take decisions that are compliant to laws and regulations.	Management does and will continue to refer and provide Council with relevant applicable policies (Performance Management Policy), the MFMA (2003) and Regulations, to enable Council to make an informed decision.
Management must ensure that recommendations made by the disciplinary board are acted on to address the non-compliance with the applicable laws and regulations.	Management partially agrees with the recommendations. The implicated Director's contract terminated on 30 September 2023, and therefore, the quarterly reporting as per the Disciplinary Regulations for Senior Managers, is no longer applicable.
Management needs to ensure that the municipal policies and the applicable legislations relating to allowances are adhered to.	Municipal Manager agrees with the recommendations.
The accounting officer should implement internal controls, including the monitoring thereof, that will ensure that all customers are billed for all instances of refuse removal, as provided for in the relevant legislation, the municipality's policies, and the approved tariffs of the municipality.	A comprehensive document flow system between the two departments will be developed and implemented. A checklist and register will be developed and implemented to ensure proper management and control of documents, which will serve as the source documents for the processing of the billing.
The accounting officer should implement internal controls, including the monitoring thereof, that will ensure that all fines are recorded as soon as possible after the offence occurred, that fines are printed immediately thereafter and that they are issued to the offender within the 30-day timeline set in legislation.	Management will ensure that the service provider delivers services in accordance with the terms and conditions of the contract / SLA.
Consequence Management.	Knysna Municipality will continue to promote culture of ethical, transparent, effective and efficient public administration that conforms to Constitutional accountability principles.

Table 36: Auditor General Responses

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**CHAPTER 9:
KNYSNA MUNICIPALITY: FINANCIAL PLAN**

KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

9.1 Introduction

Without financial resources municipalities cannot implement their IDPs nor deliver services to local communities. There is thus a need to exploit adequate revenue through the raising of taxes, levies, rates and service charges from communities. The procedure is to put a budget or a financial plan in place and package the requirements according to financial management norms and standards. The compilation of the budget or municipal financial plan necessitates resilient adoptions.

Effective financial administration is a vital constituent of any public institution and more specifically municipal governance. It empowers municipalities to streamline, activate, and use resources in a proficient manner. It is based on four pillars namely budgeting or financial planning, accounting, reporting and financial auditing.

The purpose of this chapter is to outline a comprehensive financial plan that will ensure long-term financial sustainability for KM. The financial plan is essential to ensure that the municipality continues to implement its mandate effectively without impairing its capital base and to move towards self-sufficiency in meeting the growing demands of service delivery.

This chapter furthermore intends to give effect to section 26 paragraph (h) of the MSA (2000) which provides that: "an integrated development plan must reflect a financial plan, which must include a budget projection for at least the next three years". The chapter therefore outlines the municipality's financial plan for the next three financial years compiled in line with the MFMA.

9.2 Legislative Overview

Chapter 4 of the MFMA deals with the drafting and adopting of municipal budgets by municipalities. The MFMA directs that an annual financial plan must largely be allocated into a capital and operating budget.

Section 18(1) of the MFMA states that an "annual budget may only be funded from:

- a) realistically anticipated revenues to be collected;
- b) cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
- c) borrowed funds, but only for the capital budget referred to in section 17(2)."

Section 18(2) adds that "revenue projections in the budget must be realistic, taking into account:

- a) projected revenue for the current year based on collection levels to date; and
- b) actual revenue collected in previous financial years."

The Municipal Budget and Reporting Regulations ("MBRR") sets out standards for sound and sustainable management of the budgeting and reporting practices in municipalities. It states in paragraph 10(1) that "the funding of an annual budget must be consistent with the trends, current and past, of actual funding collected or received." It further states in paragraph 10(4) that "the cash flow budget required in terms of Schedule A must reflect all funds realistically forecast to be collected, including arrears."

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9.3 Relationship Between the IDP and Budget

While budgets tend to focus on the short-term perspective (the next financial year, and the MTREF), Integrated development Planning generally takes a longer view (five years). Municipal System Act directs that IDP, as a strategic, long-term plan needs to inform the allocation of resources so that historical inequities can be progressively addressed. However, operational plans have to be developed within the context of limited resources, informed by longer term plans and priorities.

The municipality's budget serves as the key link between the municipality's objectives and the implementation plan (SDBIP). To provide this link the budget should reflect the main areas of responsibility or service delivery within the municipality's mandate. The municipality's budget should provide a stable framework linking successive plans and strategic priorities to budget allocations and performance indicators that track delivery over the medium to long term.

When budget programme is determined, it should be noted that much of what the municipality do (its mandate), does not change from one year to the next or even from one five-year planning cycle to the next. So, while some activities of a particular project need to be funded may not be high on the municipality's strategic priority list in a particular planning cycle, they are still necessary.

9.4 Effective and Efficient use of the Budget

In an environment of limited resources, it is essential that the municipality make maximum use of the resources at its disposal by using them in an effective and efficient manner. Efficiency in operations and investment facilitates poor people's access to basic services as more services can be rendered with the scarce resources. Only absolutely necessary allocations are given consideration in the budget.

9.5 Good Financial Governance and Financial Accountability

The municipality is accountable to the people for what they do with these resources. The budgeting process and other financial decisions are thus open to public scrutiny and participation. In addition, the accounting and financial reporting procedures are designed to minimise opportunities for corruption. Accurate financial information is produced within acceptable timeframes.

9.6 Financial Equality

It is the objective of KM to treat people fairly and justly when it comes to the provision of services. In the same way the municipality should be treated equitably by national and provincial government when it comes to inter- governmental transfers. The 'equitable share' from the national government will be used primarily for targeted subsidies to indigent households. In addition, the municipality will continue to cross-subsidise between high income and low-income consumers within a specific service or between services.

9.7 Financial Management Strategies

The purpose of the financial policies is to provide a sound environment to manage the financial affairs of the Municipality. The following policies were reviewed in March 2024:

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- Accounting Policy
- Asset Management Policy
- Borrowing Policy
- Cash Management Banking and Investment Policy
- Cost Containment Policy
- Customer Care, Credit Control, Debt Collection, Indigent and Tampering Policy
- Disposal of Unserviceable Obsolete or Redundant Assets Policy
- Funding and Reserves Policy
- Insurance Management Policy
- Petty Cash Policy
- Property Rates Policy
- Rates Policy
- Special Rating Area Policy
- Tariff Policy
- Unauthorized, Irregular, Fruitless and Wasteful Expenditure Policy
- Virement Policy
- Writing – Off of Irrecoverable Debt Policy

9.8 Revenue raising strategies

The following are some of the more significant programmes that have been identified:

- The annual review and implementation of budget policies.
- The annual review of the tariff policy. This policy will ensure that fair tariffs are charged in a uniform manner throughout the municipal area.
- The annual review of the municipal indigent policy. This policy defines the qualification criteria for an indigent household and the level of free basic services enjoyed by indigent households.
- The annual review and maintenance of a property rates policy. This will ensure that a fair rates policy and an updated valuation roll are applied to the entire municipal area and will aim to ensure that all properties are included in the municipality's records.
- Prescribed debt will be considered for write-off on an annual basis.

9.9 Municipal Standard Chart of Accounts (mSCOA) Reform Programme

Since the introduction of MFMA (2003), which serves as the fundamental arsenal for local government financial management reform in local government space, a number of achievements have been made to this effect, some of which include the following:

- Development of budgeting system for local government including the promulgation of the Municipal Budget and Reporting Regulations, supported by standardized formats for the compilation of municipal budgets;
- Development of reporting system for local government, which sought to institutionalized a culture of monthly budget reporting in terms of section 71 and 88 of MFMA;
- Development of a grant monitoring system to ensure compliance to Annual Division of Revenue Act (DoRA), by tracking of grant performance, providing certainty to municipalities as it relates to grant receipt, and publishing quarterly grant performance; and

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- Development and regular issuing of guideline in a form of circulars in terms of Section 168 of MFMA as a guide to implement various reforms requirements.

However, despite all these and other achievements, the National Treasury continuously indicated that challenges still exist in the municipal accountability cycle, in particular in so far as it relates to reliability, credibility and relevance of financial data that gets reported.

9.9.1 mSCOA Legislative Mandate

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), substituted by section 1(1) of Act 5 of 2005, of which section 216 deals with treasury control and determines that national legislation must establish a national treasury and prescribe measures to ensure both transparency and expenditure control in each sphere of government, by introducing generally recognised accounting practices, uniform expenditure classifications and uniform treasury norms and standards.

Section 168(1) of the MFMA 2003 on the other hand determines that the Minister of Finance, acting with the concurrence of the Cabinet member responsible for local government, may make regulations or guidelines applicable to municipalities and municipal entities, regarding any matter that may be prescribed in terms of the MFMA. To this effect, the Minister of Finance finally published the final MFMA (2003) and Municipal Regulations on municipal Standard Chart of Accounts in terms of Government Gazette No. 37577 of 22 April 2014. These Regulations also proposes the specification of minimum business process requirements for municipalities and municipal entities as well as the implementation of processes within an integrated transaction processing environment and took effect from 1 July 2017.

9.9.2 Primary Objectives of mSCOA

The primary objective of mSCOA is to achieve an acceptable level of uniformity and quality from the collection of Local Government data. This will require a classification framework specific to Local Government. In order to achieve this main objective, the municipality is required to adopt and align to the classification framework specific to Local Government as required by the regulations, incorporating all transaction types, appropriation of funds, spending on service delivery, capital and operating spending, policy outcomes and legislative reporting requirements to the maximum extent possible.

9.9.3 KM mSCOA Progress to Date

As per MFMA Budget Circular 123, Version 6.8 of the mSCOA chart was uploaded onto the financial system and the 2024/2025 budget will be transacted on this new version released. Despite the significant changes by NT from version 6.6.1 to 6.7 Knysna Municipality is ready to continue to run the budget directly from the system with no manual intervention on running of data strings to the NT portal.

9.10 Knysna Municipality Operating Budget

The Municipality's operating budget, lists the planned operating expenditure and income, for the delivery of all core services to its community.

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The high level operating revenue budget per category for the 2024/2025 MTREF is presented in Table 22 below:

Row Number	Description	2022-23 Audited Outcome	2023-24 Original Budget	2023-24 Revised Budget	MOVEMENTS	2024-25 Draft Budget	2025-26 Draft Budget	2026-27 Draft Budget
Column Reference	A	B	C	D	E	F	G	H
1	Exchange Revenue / Service charges - Electricity	293,127,018	384,778,101	358,549,554	53,782,433	412,331,987	431,299,259	451,139,025
2	Exchange Revenue / Service charges - Water	74,100,663	94,388,754	89,582,630	4,389,551	93,572,181	98,294,902	102,816,468
3	Exchange Revenue / Service charges - Waste Water Management	28,066,963	30,864,387	32,370,798	1,586,168	33,956,966	35,518,987	37,152,860
4	Exchange Revenue / Service charges - Waste Management	27,323,821	30,029,458	31,413,434	3,276,421	34,689,855	36,285,589	37,954,725
5	Exchange Revenue / Sale of Goods and Rendering of Services	31,368,728	39,398,519	38,601,582	10,310,702	28,290,880	43,505,781	34,314,248
6	Exchange Revenue / Agency services	4,086,719	4,032,719	4,032,719	354,641	4,387,360	4,589,179	4,880,281
7	Exchange Revenue / Interest earned from Receivables	22,435,713	14,781,081	21,043,958	-	21,543,958	22,011,981	23,024,531
8	Exchange Revenue / Interest earned from Current and Non Current Assets	2,014,369	1,826,291	1,826,291	89,488	1,915,779	2,003,905	2,096,085
9	Exchange Revenue / Rental from Fixed Assets	6,395,970	6,938,143	7,413,022	332,900	7,745,922	8,102,234	8,474,938
10	Exchange Revenue / Licence and permits	70,929	45,480	96,349	3,945	100,295	104,909	109,735
11	Exchange Revenue / Operational Revenue	7,911,867	6,022,886	6,598,156	5,506,053	1,092,103	1,142,339	1,194,866
12	Non-Exchange Revenue / Property rates	260,888,545	304,293,695	313,942,584	15,383,186	329,325,780	344,474,787	360,320,606
13	Non-Exchange Revenue / Fines, penalties and forfeits	87,568,489	99,090,919	99,090,919	445,625	98,644,390	103,182,032	107,928,405
14	Non-Exchange Revenue / Licences or permits	1,377,333	1,742,814	1,742,814	217,108	1,826,706	1,585,889	1,686,300
15	Non-Exchange Revenue / Transfer and subsidies - Operational	133,959,649	150,236,391	151,300,558	13,044,290	164,366,348	166,171,368	172,060,435
16	Non-Exchange Revenue / Interest	7,796,167	5,732,582	10,604,918	217,841	10,822,859	11,320,711	11,841,464
17	Non-Exchange Revenue / Gains on disposal of Assets	2,814,933	500,000	500,000	500,000	1,000,000	1,000,000	1,000,000
18	Non-Exchange Revenue / Other Gains	3,919,863	-	-	-	-	-	-
19	Total Revenue (Capital Grants Excluded)	995,229,759	1,164,594,322	1,188,729,396	76,481,973	1,245,211,369	1,318,603,724	1,357,887,892
20	Capital Grants	58,900,782	78,183,659	84,014,681	18,493,029	65,521,652	79,116,740	74,352,565
21	Total Revenue (Capital Grants Included)	1,034,130,542	1,242,777,981	1,252,744,077	97,988,944	1,310,733,021	1,398,720,464	1,432,240,557

Table 37: High Level Operating Revenue

The Municipality's operating revenue budget equates to R 1,245 billion for the 2024/2025. An overall increase of R57 million when compared to 2024 February adjusted budget mainly as a result of the below items:

- The anticipated revenue on electricity that is in line with the Revenue Requirement tool rolled by NERSA, which is a new method for tariff increases under electricity;
- Workshops and approval process is still going to be done by NERSA during public participation process.
- With regards to the Electricity Service Charges Council has embarked on a rapidly growing project of electrifying informal areas of which this revenue is not included in this budget.
- All other service charges increases are in line with the 4.9% CPI growth except for the planning and cemetery fees that will be extensively workshoped during public participation.
- There are rebates that has been immaterially adjusted such as camping site fees, burial site costs as well as indigent social rebate to be limited to total Household income of two social grant.
- There is overall annual decline in grants receipts from our stakeholders, this needs to be investigated and worked to rather increase grant receipts than losing money.
- Year-on no budget provision is made on the Augmentation Fees and Insurance claims.
- These items are rather kept at Zero based budgeting and adjusted upward with the adjustments budget. The reasons for this these funds are earmarked at being ring-fenced in order to fund towards capital projects within main services.

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9.11 Knysna Municipality Operating Expenditure

The high-level operating expenditure budget per category for the 2023/2024 MTREF is presented in Table 23 below:

Row Number	Description	2022-23 Audited Outcome	2023-24 Original Budget	2023-24 Revised Budget	MOVEMENTS	2024-25 Draft Budget	2025-26 Draft Budget	2026-27 Draft Budget
Column Reference	A	B	C	D	E	F	G	H
1	Expenditure / Employee related costs	286,586,853	305,558,192	313,339,507	11,802,228	326,141,735	334,010,267	349,392,108
2	Expenditure / Remuneration of councillors	9,787,116	10,081,756	10,454,233	549,181	11,093,414	11,509,570	12,039,011
3	Expenditure / Bulk purchases - electricity	238,307,168	293,304,290	282,612,104	35,948,260	318,560,364	333,214,141	348,541,591
4	Expenditure / Inventory consumed	58,457,471	54,053,315	56,812,376	3,171,090	58,983,486	61,187,655	63,806,345
5	Expenditure / Debt impairment	133,173,385	149,725,891	159,976,360	4,390,140	164,366,500	171,927,355	179,836,017
6	Expenditure / Depreciation and amortisation	54,841,230	49,118,855	67,770,103	9,386,956	58,383,147	60,196,627	62,077,175
7	Expenditure / Interest	35,275,558	31,848,485	37,564,791	2,834,158	34,930,633	30,099,468	24,930,787
8	Expenditure / Contracted services	187,170,968	185,406,105	161,164,619	8,773,014	170,937,633	174,332,757	166,973,243
9	Expenditure / Transfers and subsidies	1,933,564	1,457,448	2,146,588	1,123,718	1,022,870	884,410	896,481
10	Expenditure / Irrecoverable debts written off	-	1,783,929	1,783,929	-	1,717,628	1,796,637	1,879,282
11	Expenditure / Operational costs	62,516,462	73,456,092	73,779,637	8,048,119	81,827,756	83,596,217	86,916,662
12	Expenditure / Other Losses	1,221,132	-	-	-	-	-	-
13	Total Operating Expenditure	1,069,270,707	1,155,798,358	1,167,404,247	60,470,897	1,227,875,144	1,262,755,104	1,297,289,123

Table 38: High Level Operating Expenditure

The operating expenditure budget equates to R 1,228 billion for the 2024/2025 financial year in comparison with the adjusted budget of R 1,167 million for the 2023/2024 adjusted budget.

An overall increase of R60 million when compared to 2024 February adjusted budget as a result of the below items:

- Overall R11.8 million increase in Employee Costs due to increase in staff compliment as well as 4.9 per cent increase implemented;
- Bulk purchases increase of R35 million as guided by the NERSA circular that Municipalities to increase Eskom charges in line with the guidelines; and
- Contracted services and operational cost went up by overall R9 million and R8 million respectively to cover request mainly in the Service Delivery departments.

An overall increase of 5.2 per cent on operating expenditure budget for the 2024/2025 financial year compared to the 2023/2024 adjusted budget.

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CHAPTER 10: PERFORMANCE MANAGEMENT

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10.1 Introduction

Effective performance management is fundamental to the delivery of excellent local services. Local government has achieved improvements in recent years; however, councils are recognising that they need to continue to develop and embed their approaches if they are to achieve further improvements.

IDP and performance management were introduced to realise the developmental role of local government. While the IDP provides a framework for strategic decision-making, performance management must ensure that the desired results are achieved during implementation to ensure the correctness of the strategic direction of the objectives, strategies and projects put forward by the IDP.

Once the municipality starts to implement its IDP, it is important to monitor that:

- the delivery is happening as planned in the SDBIP;
- the municipality is using its resources most efficiently; and
- it is producing the quality of delivery envisaged.

The PMS Framework is geared towards ensure that the following areas are addressed through monitoring:

- Early warning reports are produced;
- Quarterly analysis reports are produced;
- Municipal Evaluations plan is developed;
- Evaluations are conducted; and
- Projects verification is conducted.

A performance management system (PMS), thus, entails a framework that describes and represents how the municipality's process of performance planning, monitoring, measurement review, reporting and improvement will be conducted, organised and managed, including determining the different role-players. This policy document guides the development of a PMS for the KM. It also forms the basis of aligning the IDP with the operational SDBIPs, performance areas and performance indicators of the various departments of the KM.

10.2 Legislative Requirements

Legislative enactments which govern performance management in municipalities are found in various documents. As outlined in Section 40 of the MSA (2000), KM must establish mechanisms to monitor and review its PMS so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels.

Section 34 of the MSA (2000) furthermore point out that the IDP has to be reviewed on an annual basis, and that during the IDP review process the KRAs, KPIs and performance targets are reviewed. This review will form the basis for the review of the municipal PMS and performance agreements with senior managers.

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The PMS is informed by the following legislation and policies:

- The Constitution of the Republic of South Africa Act, 1996 (Act 108 of 1996);
- Local Government: MSA, 2000 (Act 32 of 2000) as amended;
- Local Government: Municipal Structures Act, 1998 (Act, 117 of 1998);
- Local Government: MFMA, 2003 (Act 56 of 2003);
- Local Government: Municipal Planning and Performance Management Regulations, 2001;
- Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006;
- National Treasury: Framework for Managing Programme Performance Information, 2007;
- National Treasury: MFMA Circular 63 (Annual Report: Guidelines – update);
- National Treasury: MFMA Circular 13 (Services Delivery and Budget Implementation Plan);
- National Treasury: MFMA Circular 32 (The Oversight Report); and
- Batho Pele White Paper.

Other legislation that impacts on and relates to performance management includes:

- Labour Relations Act (No. 66 of 1995): Code of Good Practice;
- Basic Conditions of Employment Act (No. 75 of 1997);
- Employment Equity Act (No. 55 of 1998);
- The Skills Development Amendment Act (No. 31 of 2003; and
- Promotion of Access to Information Act (No. 2 of 2000).

10.3 Objectives of PMS

A municipality's PMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives as set out in the IDP.

The PMS process plan includes the following objectives that the system should additionally fulfil:

- Facilitate increased accountability
- Facilitate learning and improvement
- Provide early warning
- Signals facilitate decision-making

10.4 Annual Performance Reporting and Review

On an annual basis, a comprehensive report on the performance of the MLM also needs to be compiled. The requirements for the compilation, consideration, and review of such an annual report are set out in chapter 12 of the MFMA.

In summary, it requires the following:

- All municipalities for each financial year must compile an annual report.
- The annual report must be tabled within seven months after the end of the financial year. (However, in terms of a National Treasury directive, municipalities are required to approve the first draft of an annual report during August).

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- Immediately after it has been tabled, the annual report must be made public, and the local community must be invited to submit representations on the document.
- The Council must consider the annual report within nine months after the end of the financial year and adopt an oversight report containing the Council's comments on the annual report.
- The oversight report as adopted must be made public.

- The annual report as tabled and the Council's oversight report must be forwarded to the Auditor-General, the provincial treasury and the department responsible for local government in the province.
- The annual report as tabled and the Council's oversight report are submitted to the provincial legislature.
- The oversight report to be adopted provides the opportunity for full Council to review the performance of the KM. The requirement that the annual report once tabled, and the oversight report be made public, similarly provides the mechanism for the general public to review the performance of the Municipality.

10.5 Knysna Municipality Implementation Strategies

Annexure C provides an outline of the Municipality's implementation strategies and aligns the National KPA with the Municipality's Strategic Objective.

KM further acknowledges the findings and recommendations (see Chapter 8) of the Auditor-General that were made in respect of the 2022/2023 Financial Year. The comments were indeed vital and helped to enrich the process towards the drafting and content of this IDP.

10.6 Implementation and Reporting on the Organizational Performance Management System

The PMS is a tool that reflects the level of the implementation of IDP and the role played by individual staff members in the process. It involves the translation of the IDP and sector plans, into the SDBIP. The SDBIP further translate the IDP into the municipal or corporate score cards with quarterly targets. The Municipal Manager is the custodian of the SDBIP Score Cards and agrees with the Executive Mayor, as representative of the employer, on the delivery aspects of the scorecard.

10.7 National Evaluation Policy Framework: November 2011

The Policy Framework seeks to:

- Foreground the importance of Evaluation;
- Provide for an institutionalized system across government linking to planning and budget;
- Provide common language and conceptual base for evaluation in government;
- Indicate clear roles and responsibilities related to evaluations;
- Improve the quality of evaluations; and
- Ensure the utilization of evaluation findings to improve performance.

The underlying purpose is:

1. Improving policy programme performance, providing feedback to managers;
2. Improving accountability for where public spending is going and the difference it is making;

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3. Improving decision-making, e.g., on what is working or not working; and
4. Increasing knowledge about what works and what does not with regards to a public policy, plan, programme or project.

10.8 Role Players in the Management of PMS

The roles players that manage the performance management system of the municipality include the following:

10.8.1 Internal Audit

The Internal Audit Unit plays an internal performance auditing role, which includes monitoring the functioning of the PMS and compliance to legislative requirements. Its role is also to assist the municipality in validating the evidence provided by the Directors.

10.8.2 Performance Audit Committee

The committee monitors the quality and integrity of the Performance Management System, to ensure equity and consistency in the application of evaluation norms and standards. The committee further provides impartial recommendations on performance ratings to the Mayco, following the completion of objective appraisals.

10.8.3 Evaluation Panel

The Evaluation Panel evaluates the performance of Section 57 employees, including the Municipal Manager's performance, through approval of their final performance ratings.

10.8.4 Executive Mayor and Members of the Mayco

The Executive Mayor and the Members of the Mayco manage the development of the municipal PMS and oversee the performance of the Municipal Manager and the Directors.

10.8.5 Communities

The community plays a role in the PMS through the annual IDP consultation processes, which are managed by Public Participation Unit located the Office of the Speaker, working in close collaboration with the IDP Unit.

10.8.6 Performance Reports

The following table outlines the municipal PMS report the need to be completed as part of Municipal PMS compliance:

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Report	Description
Monthly reports	Section 71 of the MFMA requires that reports be prepared. A financial report is prepared based on municipal programmes and/or projects.
Quarterly IDP and SDBIP reporting	The SDBIP is a key management, implementation and monitoring tool, which provides operational content to the end-of-year service delivery targets, set in the budget and IDP. It determines the performance agreements for the Municipal Manager, Directors and other levels of staff, whose performance can then be monitored through Section 71 monthly reports, and evaluated through the annual report process. The SDBIP information on revenue will be monitored and reported monthly by the Municipal Manager in terms of Section 71(1) (a) and (e). For example, if there is lower than anticipated revenue and an overall cash shortage in a particular month the municipality may have to revise its spending downwards to ensure that it does not borrow more than anticipated. More importantly, such information requires the municipality to take urgent remedial steps to ensure it improves on its revenue collection capacity if the municipality wants to maintain its levels of service delivery and expenditure. Section 1 of the MFMA states that the SDBIPs as a detailed plan approved by the Mayor of a municipality in terms of service delivery should make projections for each month of the revenue to be collected, by source, as well as the operational and capital expenditure, by vote. The service delivery targets and performance indicators need to be reported on quarterly.
Mid – year budget report	Section 72 of the MFMA requires the Accounting Officer to prepare and submit a report on the performance of the municipality during the first half of the financial year. The report must be submitted to the Mayor, National Treasury as well as the relevant Provincial Treasury and COGTA. As with all other reports this is a crucial report for the Council to consider mid-year performance and what adjustments should be made, if necessary.
Annual Performance report (Section 46)	Section 46 of the MSA (2000) states that a municipality must prepare for each financial year, a performance report that reflects the following: • The performance of the municipality and of each external service provided during that financial year; • A comparison of the performances referred to in the above paragraph with targets set for and performances in the previous financial year; and • Measures to be taken to improve on the performance. The performance report must be submitted at the end of the financial year and will be made public as part of the annual report in terms of Chapter 12 of the MFMA. The publication thereof will also afford the public the opportunity to judge the performance of the municipality against the targets set in the various planning instruments.

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Report	Description
Annual Report	Every municipality and every municipal entity under the municipality's control is required by Section 121 to prepare an annual report for each financial year, which must include: - the annual financial statements of the municipality or municipal entity as submitted to the Auditor-General for audit (and, if applicable, consolidated annual financial statements); - the Auditor-General's audit report on the financial statements; - an assessment by the Accounting Officer of any arrears on municipal taxes and service charges; - particulars of any corrective action taken or to be taken in response to issues raised in the audit reports; - any explanations that may be necessary to clarify financial year issues in connection with the financial statements; - any information as determined by the municipality, or, in the case of a municipal entity, the entity or its parent municipality; - any recommendations of the municipality's audit committee, or, in the case of a municipal entity, the audit committee of the entity or of its parent municipality; - an assessment by the Accounting Officer of the municipality's performance against the measurable performance objectives for revenue collection and for each vote in the municipality's approved budget for the relevant financial year; - the annual performance report prepared by a municipality; and - any other information as may be prescribed.
Oversight report	The Council of a municipality must consider the municipality's annual report (and that of any municipal entity under the municipality's control), and in terms of Section 129, within two months from the date of tabling of the annual report, must adopt an oversight report containing the Council's comments, which must include a statement whether the Council: - has approved the annual report with or without reservations; - has rejected the annual report; or - has referred the annual report back for revision of those components that can be revised. In terms of Section 132, the following documents must be submitted by the Accounting Officer to the provincial legislature within seven days after the municipal council has adopted the relevant oversight report: - the annual report (or any components thereof) of each municipality and each municipal entity in the province; and - all oversight reports adopted on those annual reports. It is important to note that the Oversight Committee working with these reports should be chaired by the opposition party.

Table 39: Municipal Performance Reporting

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10.9 Performance Auditing

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No councillor may be a member of an audit committee. Council must also appoint a chairperson who is not an employee. The regulations give municipalities the option to establish a separate performance audit committee whereas the MFMA provides for a single audit committee.

The operation of this audit committee when dealing with performance management is governed by Section 14 (2 - 4) of the regulations which require that the audit committee do the following:

1. Review the quarterly reports submitted to it by the internal audit unit.
2. Review the municipality's PMS and make recommendations in this regard to the council.
3. At least twice during a financial year submit an audit report to the municipal council

In order to fulfil their function, a performance audit committee may, according to the MFMA and the Regulations, act as follows:

1. Communicate directly with the council, municipal manager or the internal and external auditors of the municipality concerned.
2. Access any municipal records containing information that is needed to perform its duties or exercise its powers.
3. Request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee.
4. Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

10.10 General Performance Management Matters

Should an employee not achieve the PDOs, indicators and targets in their performance agreement, the manager and the employee should agree on corrective measures. (It is inappropriate that an employee is informed of their non-performance at the formal performance review). Employees must be given feedback throughout the year.

10.11 Early Warning Mechanisms

The municipality's 1st quarter performance report should be used as an early warning mechanism to determine whether the annual developed objectives, KPIs and targets will be achieved. The departments should review mechanisms to improve its performance and indicate to the Internal Audit and Performance and Audit Committee how they intend to improve performance.

10.12 Addressing Poor Performance

The management of poor performance should be seen as a corrective process, focusing on addressing issues that lead to performance-related problems. It is also important that the municipality promote a high level of compliance with legislation on consequence management.

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Counselling is seen as the first corrective process, which should include the following:

1. Identify and agree on the problem;
2. Describe the impact of the poor performance;
3. Establish reasons for poor performance;
4. Decide and agree on what actions are required and set the necessary timeframes; and
5. Record the agreed actions.

**ANNEXURE A – COMMUNITY COMMENTS ON DRAFT
AMENDED 2024/2025 IDP**

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Ward/Area/ Representative Grouping	Comment
Ward 1 Smutsville	Why can't we take the Housing function back to Housing and where is the R21 Million gazetted for Housing for this area
Ward 1 Smutsville	Visible Law Enforcement patrolling in the area
Ward 1 Smutsville	Cemetery needs urgent attention. Currently no space family members are buried in Karatara which is an issue for Karatara as well
Ward 1 Smutsville	Introduce learnership programs for the youth
Ward 1 Smutsville	Urgent need of Electrification for the informal area in Slangepark
Ward 1 Smutsville	Foreigners' shops selling electricity with higher tariff than what is charged by the Municipality illegal charge billed from every customer based on number of units purchased. For every R10 purchase additional R1 charged
Ward 2 (Sedgefield Community Hall)	Visible Law Enforcement officers in Sedgefield Recycling Swap Shop – Containers Extension of the Sedgefield Cemetery Maintenance of Cemeteries Permanent LE officers based in Sedgefield for Ward 1 and 2 Universal access ramps for wheelchairs, walkers and crutches all over ward 2, including the Library, Taxi rank, ablution facility and beaches Filling of vacancies for Licence and Traffic Department for Sedgefield Skips for the refuse collection in the rural areas in Elandskraal, Barrington, Hoogekraal etc Resurfacing of Swallow Drive, Uil Street, Main Service Road by Spar and Wagtail, Begonia Street, Storm Water Drainage in Swallow drive, Main Service Road by Greefs / Shell Filling of Vacancy for Sedgefield Reception Admin
Ward 2 (Karatara Community Hall)	Fencing and extension of Cemeteries and upgrading of Play Parks in Karatara Permanent LE officials Swap Shops Soccer field seating, fencing and parking bays Play parks in Bergvallei, Bosdorp Holding area for the small-scale farmers and animals Lighting for the Sports field for Netball and Soccer Bus Shelters for the N2 Karatara off ramp, Bus shelters going up to Karatara and going to Knysna or Town from Karatara Bulk services for housing in Karatara Storm water drainage by the clinic and Library Electrification of Bosdorp and Solar panels for Bergvallei Shelter for waiting area for people at the clinic Additional Chemical toilets

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Ward/Area/ Representative Grouping	Comment
Ward 2 (Karatara Community Hall)	Provision of outdoor Gym facility in the area as Lourie Park area
Ward 2 Karatara Community Hall	Drains blockage needs attention as roads are full of water when raining as a result of blocked
Ward 2 Karatara Community Hall	Housing plots issued to date no services allocated and no houses built
Ward 3	<u>Blade Square</u> - High Mask Light - Access Road for Emergency Vehicles - RDP Houses - Cutting of Trees - Infrastructure <u>Love Corner</u> - Access Road for Emergency Vehicles - RDP Houses - Proper Sanitation - Infrastructure <u>Dam Se Bos South (Church Christ Area)</u> - RDP Houses - Proper Sanitation <u>7de Laan Informal Area</u> - Access Road for Emergency Vehicles - Infrastructure - Sanitation and Water <u>Bulk Sewer Services</u> - Dam Se Bos South Next to Uniondale Road <u>Ward 3</u> - Electrification of All Informal Areas - Primary School - Paving of All Roads - Retaining Blocks and Rectification
Ward 4 Safe Hub	- Grant- In – Aid moneys are given to well established businesses - KM to advise the non-established NPO's on requirements so that they can as well benefit

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Ward/Area/ Representative Grouping	Comment
Ward 4 Safe Hub	- No housing program for the Nkandla and Robololo
Ward 4 Safe Hub	- Most houses are under power line but no land. Take people of dangerous area of Phelandaba to Soutana
Ward 5 (Buffalo Bay) – BIV	- Erf 200 and 201 – Stairways - Possible public/private partnership management of slipway offered by BIV - Management of, and upgrading of, the boat launch "slipway" area (Transversal issue with Tourism and Sport and Recreation) - Upgrading of Goukamma river barrage, in collaboration with Dept. Water Affairs - Upgrading of Ablution Facilities - Increase the capacity of main beach ablution facility sewer system - Parking bay at entrance of beach - CCTV and visible Law enforcement at beach front - Erf 215 incorporation with SANP - Better business trading/peddling facilities – Law enforcement and policing - Upgrade or replace security guard shelter - Regulate access and security facility by train bridge section - Upgrading of parking attendees' shelter
Ward 6	- No progress of implementation on all IDP ward projects identified as priority - Urgent street lights and roads on area developed in Fountain Valley and Agter die Kop - Continuation of the electrification of informal areas - MIG 5% be allocated for the upgrading of Hornlee sports field - Need toilets on the field - Fraaisig Heights known as Own Haven ownership be given to the people of Hornlee KM to make follow up on the matter - Give wheelie bins to the people - Provision of water tanks to every house hold - Restoration of the Tjoe Tjoe train for job creation - Installation of CCTV cameras in hotspot areas in Hornlee
Ward 7 Khayaletu Community Hall	- Need electrification continuation program for the informal areas
Ward 7 Khayaletu Community Hall	- No refuse collections on the area
Ward 7 Khayaletu Community Hall	- Sewer in Dinangwe Area is not attended to for the past three months now it flows into houses

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Ward/Area/ Representative Grouping	Comment
Ward 7 Khayaletu Community Hall	- When it rains water flowing from the school is channelled incorrectly to the houses. School pipes needs to be corrected
Ward 7 Khayaletu Community Hall	- Adding car rare circle mirrors for hot spot areas
Ward 7 Khayaletu Community Hall	- No space for live stork farming area where they can be kept
Ward 7 Khayaletu Community Hall	- Need Home Affairs and SASSA and SARS in Knysna. Currently people have to pay transport cost to travel to Plett and George for the Government services
Ward 7 Khayaletu Community Hall	- Need street lights in hot Sport areas Cllr is aware of areas where street lights should be installed
Ward 7 Khayaletu Community Hall	- Fast tracking source of funding for the Housing rectification program
Ward 7 Khayaletu Community Hall	- No proper work is conducted with regards to cutting of trees monitoring to be performed
Ward 8 Concordia High Hall	- Installation of CCTV in high sport areas
Ward 8 Concordia High Hall	- Foreigners' shops selling electricity with higher tariff than what is charged by the Municipality illegal charge billed from every customer based on number of units purchased. For every R10 purchase additional R1 charged
Ward 8 Concordia High Hall	- Council to needs to look at their job opportunity age criteria of people older where must they work - Qualification criteria as well to be reduced from Diploma/Degrees but consider short courses as well as higher certificate - Municipal officials illegally selling EPWP jobs to the public
Ward 8 Concordia High Hall	- Need Bungalows at Riverside
Ward 8 Concordia High Hall	- Provincial Cleanick need to open the waiting area for the people to wait inside as current waiting in bad weather for all people old and disabled and really sick people
Ward 8 Concordia High Hall	- Resealing at Pop shop road
Ward 8 Concordia High Hall	- No refuse bags provision and no collection of waste
Ward 10 Council Chamber	- R350,000 provision annually for animal welfare. Municipality to set the contract in place
Keith Killops	The Municipality's 2024-25 Draft Budget MTREF continues to stoke a major inflationary trend on the Greater Knysna region and, because of this, the effect on the local economy is a severe inhibitor to achieving the desperately needed sustainable economic growth. And without positive local economic growth, the potential for critical job creation simply evaporates.

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Ward/Area/ Representative Grouping	Comment
Keith Killops	Some additional hard questions should also be tabled for which non-politicised honest answers are required. For example: Did the Municipality's directorates complete the all applications for all available Grant Funding timeously? Has Greater Knysna achieved and been allocated all the Grant Funding which it truly deserves, or, because of inadequate or lax completion of the necessary bureaucracy, have the opportunities for some of this major funding been lost or forfeited for the municipal fiscal year 2024-25? Once again, many of us who represent the communities and serve on various recognised committees, would like to work in true transparent partnership with the senior Municipal officials in exploring all reasonable opportunities for funding the annual municipal budget to ensure key services delivery can be sustained, but not at the cost of imposing obvious damaging inflationary increases on the very communities which we all are mutually attempting to assist. And if there is indeed the true will to discuss these very real issues with the purpose of achieving a mutually understood compromise, then it suggested that there definitely merit in meeting with the CFO and the Budget Steering Committee, prior to the 2024-25 Municipal Budget MTREF being formally ratified. Please kindly advise accordingly. Once again, thank you for your understanding and assistance
Keith Killops	In Annexure 'D' Operating Expenditure for Community Services, vote 6, there is no amount budgeted for the removal of illegal informal structures and shacks. Because there are illegal structures in Wards 1 and 2 that should be removed, a budget for this work should be allocated. Other Greater Knysna wards may have similar requirements for which budget provision is also required.
Paul Burchell	We herewith attach a costing estimate for maintenance to the Causeway Bridge in Long Street, which is part of KM infrastructure and to our knowledge has never been maintained. This is the only access to Thesen Islands Residential estate and Harbour town, a business hub and a busy tourist destination. We employed the services of professional engineer to inspect the structure and outline the repairs required.

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Ward/Area/ Representative Grouping	Comment
Paul Burchell	Kindly add this to the IDP for Ward 9 as an item to be included in the above budget. The main sewer line running along Waterfront Drive needs major repairs due to ongoing sewage spills which are now a regular occurrence. This may not be in Ward 9 but needs to be placed on the relevant Ward's IDP budget as well. Causeway: Maintenance cost estimates. Date: 16/05/2024 <u>Causeway:</u> Road embankment rip rap repair R250 000.00 Road walkway kerb repair R 25 000.00 Road asphalt repairs /rejuvenation R 350 000.00 Road marking painting maintenance R 15 000.00 Causeway Bridge: Road /bridge asphalt junction repair R 20 000.00 Bridge area erosion survey R 25 000.00 Basic bridge maintenance: paint and electrical R 20 000.00 <u>Total estimate</u> <u>R 705 000.00</u>
Ian Stewart	While it is pathetic that ward 10 only managed to dish up 6 people plus councillor Peter, that was a blessing in disguise for outspoken people like me! Had we had 50 residents there, we would really have had little opportunity to jump around to discuss the issues at hand! Just so you know where I come from - I retired from my accounting practise in 2019, so have a financial background. As mentioned to you, having not been versed in the way your budgets are structured, I personally find them rather long and unwieldy to understand. A short chat with you has explained a bit of the confusion.

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Ward/Area/ Representative Grouping	Comment
Ian Stewart	I doubt whether there are more than a handful of residents who have the faintest idea how to read the budget. So I am not surprised at the poor turnout. Item 1 below for your attention: the Mall - I would appreciate some feedback on the questions below. Item 2. The non-payment of the Animal Welfare Grant for past 4 years. The sign of a sick and non-caring town is the way they neglect the care of their animals. Your muni colleagues have failed to pay this grant, and in fact raided the funds and stole them for the "bugs" investigation (that was nothing more than an excuse to enrich an EFF buddie who "arranged" the "search for bugs"). At a cost of R170,000 if I recall. Loliwe will remember this matter clearly as he spearheaded it. I call on you and other decent human beings to give priority to paying the unpaid ANIMAL WELFARE GRANTS that were budgeted for, and are critically necessary for the continued work undertaken by this organisation. There is plenty of money available - muni people are grossly overpaid so take some of their unwarranted bonuses! Surely.... in the interest of transparency, regarding the Mall and other Lurie entities, the claimed settlement reached on the matter of arrear rates and services should be made public. We would all like to know the following - for each entity involved in the arrear rates and services issue: 1. What was the monthly bill for rates and services for each entity? 2. What was claimed to be wrong with these bills? 3. How much of each monthly bill was in fact paid to municipality? Or were entire bills not paid due to claimed inaccuracies? 4. of the total amount owing at the end of June 2023, for each entity, how many years of arrears did these amounts represent? I seem to recall that many millions were in arrear representing many years of billing. 5. if the amounts in dispute were found by National Treasury to be incorrect, and should not have been billed, how much of each annual bill for each entity did such incorrect billing amount to?

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Ward/Area/ Representative Grouping	Comment
Ian Stewart	6. have all bills been paid to date in full, for each entity, barring those amounts deemed by National Treasury to be wrong? 7. if National Treasury had to intervene in a billing matter, why did Knysna Municipality bill those amounts if they were clearly wrong? 8. have the wrongly billed amounts, as found by National Treasury, been credited, and if not, why not? 9. Is municipality fighting the case with National Treasury? 10. is it so that at least 3 of the Lurie entities were / are in dispute, and in arrears with municipality, and if so, why? Are the Luries being victimised? 11. is it true that ALL councillors unanimously accepted the settlement proposal in July 2023? Were all councillors present? Or just a few? 12. can the ratepayers of Knysna please be shown the full details of this July 2023 settlement? With amounts written off, and full reasons why? As stated, for purposes of transparency, a lot of relevant information is lacking
Ian Stewart	I hereby wish to formally object to the 2024/2025 Draft Budget and Draft Amended 2024/2025 Integrated Development Plan (IDP). The proposed increases in Municipal Tariffs and Rates as reflected in the proposed 2024/25 Draft Budget are not aligned with the current poor quality of service delivery by the Knysna Municipality. Furthermore, the Knysna Municipality has not instituted sound fiscal practices during its current and preceding financial year. Amongst numerous acts of grossly poor governance, the Knysna Municipality has i) increased the number of Municipal support staff for senior political office bearers beyond the initially approved budget allocation; ii) increased casual labour (and related transport expenses) for non-core/priority functions; iii) entered into a lease agreement with a private office space supplier despite the Municipality owning office space that constitutes a gross act of fruitless and wasteful expenditure; and iv) is contemplating writing off a vast sum of bad debt from commercial (business) property owners for overdue rates and taxes in direct conflict with its Writing-Off of Irrecoverable Debt Policy and the best interests of the effective functioning of the

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Ward/Area/ Representative Grouping	Comment
Warrick Stewart	Municipality. Each of these actions are/were are not needed in terms of effective and fiscally prudent service delivery. This has all been done whilst knowingly stopping the filling of critical vacant positions that are crucial to municipal service delivery, such as plumbers and other potable water and wastewater technicians. The Municipality is legally mandated and obliged to deliver basic services to all, support economic development, and thereby improve the lives of its residents. However, the Municipal Council has chosen to prioritise self-serving initiatives and expenditure in contempt of its Constitutional obligations and the priorities identified in its approved 2022/23 and 2023/24 IDPs. Specific Budget allocations and basic service delivery - Provision needs to be made for major upgrades of bulk potable and wastewater infrastructure (particularly pipelines), much of which is beyond its engineering design lifespan, leading to weekly and at times daily major leaks that are not cost effective to continue repairing – replacement is the most cost-effective long-term solution. The council is strongly encouraged to apply for a Municipal Infrastructure Grant (MiG) to finance such replacement/upgrades. - Significant additional financial provision needs to be made for 2024/25 to upgrade (not repair) George Rex Drive that is a key road supporting tourism, which is a major economic driver of Knysna. This then needs to be prioritised for implementation. - Furthermore, the budget allocations for specific Wards are generally insufficient to address basic service needs of the different suburbs. Great fiscal discipline and prudent expenditure by the Council, linked to true service delivery priorities, would free up additional financial resources to address these service delivery needs. However, such good governance is grossly lacking and unnecessary budget re-allocations by Council are leading to fruitless and wasteful expenditure. - The proposed increases in Municipal Tariffs and Rates are disproportionate to the budget needed to

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Warrick Stewart	implement current and planned levels of service delivery if good governance and sound financial management are implemented, and fruitless and wasteful expenditure is eliminated. Whilst I would support inflation-based increases in Municipal rates and tariffs should service delivery be good, the current approved budget, proposed 2024/25 IDP and budget, and poor levels of service delivery planned by the current senior leadership do not warrant such increases and such proposed increases are rejected with the contempt they deserve. - In conclusion, in my opinion the citizenry of Knysna has largely lost faith in the Knysna Municipal Council's ability to effectively oversee the implementation of the IDP and ensure expenditure is incurred in line with the IDP priorities. Meaningful and urgent efforts by Council are required to course-correct the current gross negligence of good governance, and return to a service delivery and citizen-focussed approach by the Municipality, as required by the Constitution of South Africa.
Lester Day	Introduction The Knysna community continues to be battered by regular and significant non delivery of services Sadly, the report on the budget by the executive mayor fails to flag any of these burning issues and indicates focus on areas that will not drive an improvement in the service delivery to the community The Annual Report on the 2022/23 year is brutally honest and flags the many issues facing our community. The Auditor General has issued a Qualified Opinion and goes on to say "Management has to strengthen monitoring, controls and oversight" "Strict. Consequence Management has to be implemented." The report goes on to list many issues such as "material losses". Few, if any of these issues are mentioned in the budget, to give us any assurance that they are being addressed. In addition, Province has issued a thorough and compelling Diagnostic Assessment Report that has been "noted" by council. There is little evidence of the key issues raised being flagged for attention in the draft Budget. This follows the earlier 2018 Diagnostic Plan that was equally ignored.

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Lester Day	It appears that council ignores or pays lip service to independent advice and is determined to continue down a path that will lead to the downfall of our municipality. IDP The internally generated IDP, the bridge between the community and the council, gets little, if any, recognition in the draft budget. There are also anomalies between priorities as identified by the ward communities and those raised by the IDP team. It is all but impossible to read how these priorities carry forward, if at all, to the budget ACTION For the top 5 ward priorities show how these are recognized in the budget MASTER PLAN The IDP on page 68 indicates the infrastructure Master plans: <table border="0"> <tr> <td>Electricity.</td> <td>Under review</td> </tr> <tr> <td>Roads.</td> <td>Must be drafted</td> </tr> <tr> <td>Storm water</td> <td>2015</td> </tr> <tr> <td>Water</td> <td>2013</td> </tr> </table> The Annual Report on page 65 states relating to Storm Water "In 2015 a plan was commenced and approximately 30% of the northern catchment area has been complete the absence of such a plan has made it impossible to make meaningful improvements to the system and instead the department has had to make small adjustments as the needs comes about." Clearly these plans, that should drive action, are either out of date, or don't exist. The officials are to be complimented on their honesty, but without robust plans, Knysna Municipality will continue to limp from crisis to an even bigger crisis. ACTION THE MASTER PLANS NEED TO BE PREPARED/UPDATED AS A MATTER OF URGENCY TO PROVIDE INSIGHTS TO THE NEXT IDP & BUDGET	Electricity.	Under review	Roads.	Must be drafted	Storm water	2015	Water	2013
Electricity.	Under review								
Roads.	Must be drafted								
Storm water	2015								
Water	2013								

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Ward/Area/ Representative Grouping	Comment												
Lester Day	Further comments on the detailed budgets follow, starting with the costs, where certain areas are totally out of line												
	Senior Management Salaries												
	Table 5.5.2 lists these costs at R9 041 077 driven up by <u>36,2%</u> as a result of plans to change from grade 3 to grade 4. The performance of these individuals makes this proposal laughable.												
	ACTION REMOVE THESE UNWARRANTED COSTS FROM THE BUDGET												
	The disclosure on remuneration of councillors is worth noting.												
	<table><tr><td>2022/3.</td><td>2023/4.</td><td>2024/5</td></tr><tr><td>Actual.</td><td>Revised B.</td><td>Budget</td></tr><tr><td>R9 787 116.</td><td>R10 454 233.</td><td>R11 003 414</td></tr><tr><td>Increase.</td><td>6,81%.</td><td>5,25%</td></tr></table>	2022/3.	2023/4.	2024/5	Actual.	Revised B.	Budget	R9 787 116.	R10 454 233.	R11 003 414	Increase.	6,81%.	5,25%
	2022/3.	2023/4.	2024/5										
	Actual.	Revised B.	Budget										
	R9 787 116.	R10 454 233.	R11 003 414										
	Increase.	6,81%.	5,25%										
Reasonable, considering the CPI rates, provided the councillors are doing the job!													
Alarming though is the charge for Debt Impairment													
<table><tr><td>2022/3.</td><td>2023/4.</td><td>2024/5</td></tr><tr><td>Actual.</td><td>Revised B.</td><td>Budget</td></tr><tr><td>R9 731 010.</td><td>R43 951 963.</td><td>R 39 105 609</td></tr></table>	2022/3.	2023/4.	2024/5	Actual.	Revised B.	Budget	R9 731 010.	R43 951 963.	R 39 105 609				
2022/3.	2023/4.	2024/5											
Actual.	Revised B.	Budget											
R9 731 010.	R43 951 963.	R 39 105 609											
There is comment on the expense reduction in 2024/5 but no explanation of the unacceptable increase in 2023/4. What is being hidden from the community? The dispute with Grey Elephant has been very much in the news but no Budget comments. ACTION PROVIDE INSIGHT INTO THE HIGH COSTS OVER 2 FINANCIAL YEARS, AS ANY PLAN TO REDUCE IS CLEARLY NOT EFFECTIVE. PROVIDE DETAILED INFORMATION IN TO HOW THE GREY ELEPHANT ISSUES HAVE IMPACTED THE BUDGET. REFUSE This area of consistent non-performance receives insufficient attention in the budget. It is difficult to pick up													

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Ward/Area/ Representative Grouping	Comment
Lester Day	the direct numbers from the Community Services table (5.4.5). The increase in budget revenue is in the order of 10% but is this adequate to fund the necessary investment to provide the resources to carry out the work. We are all aware of the costs of the under- construction waste facility at Mossel Bay, but are the loan & interest costs of this adequately allowed for? It has become clear over the last 6 months that the processes at the waste transfer station are ineffective and that there is not enough operational equipment to load and transfer the refuse. Please confirm that adequate costs to both acquire and maintain equipment to perform the operations to required standards are included in the budget. The waste transfer station is an embarrassment (and is a rented facility) and we would expect to see budget funded plans to relocate to a more appropriate site. WATER AND WASTE WATER MANAGEMENT The services provided to the community are very far off expectations. The facts are that there are frequent and excessive water leaks. The illegal and regular waste discharges confirm that the operation is ineffective. The budget output reflects a loss for these services of R2 570 000. It is reported earlier that there are no or incomplete plans – so must we conclude that the budget will be further poor performance in the budget year. Knysna Municipality has enforced water restrictions and this has had the effect of limiting revenues. There are a number of ways to increase water availability. Reduce ongoing and excessive water leaks.

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Lester Day	Repair the pumping etc structures from the Glebe dam to provide more consistent water flows to the system. Hire generators short-term to pump more water from the Knysna river during load shedding. These and other initiatives should be implemented as marginal costing will reveal the net benefit from additional revenues. The desalination plant is a white elephant. What can be done to create some salvage value and put the land to better use. Waste water management has proved to be a disaster of ever-increasing proportions. It will not be long before Government raises criminal charges. It is surprising that SANPARKS have not been more visible in holding Knysna Municipality to account. Monthly reports from Knysna Municipality regularly indicate high levels of contamination in the lagoon. Why is this not policed? The table (5.4.7) for technical services provides little insight in to enhancements (if any) to be implemented that will reduce the spillages etc. The level of expenditure suggests little change from the current year – yet the facilities are older and probably more likely to break down. I have firsthand experience on Thesen Islands of back up pumps being removed and not returned for extended periods, if at all. This lack of maintenance of pump stations throughout the town is a prime cause of many of the problems ACTION, PLEASE PROVIDE DETAIL OF THE UPGRADES THAT WILL BE MADE TO THE WASTE WATER SYSTEMS AND INCLUDED IN THE BUDGET Financing There is concern at inadequate municipal funding. The data in the tables does not make the year-on-year net funding position clear. As a proxy, I have taken numbers from table A7 Cash Flows. The last line shows cash equivalents at year

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Lester Day	end 2024 adjusted budget as R183 784 and the same position in the budget year 2024/5 as R62 891. This rather looks like a deterioration in affairs. Please comment
Glen Polley <glen_polley@hotmail.com>	It would be appreciated if the increases can be kept to inflation levels or below, especially on electricity and refuse. With the growing population in Knysna, increased tax revenue can be collected if you extend your tax base to a broader tax base, rather than taxing few people, with higher taxes - it is really becoming un-affordable. In addition: if Knysna wishes to remain a premium holiday destination vs. other parts of South Africa, you need to ensure the infrastructure is adequate and that Knysna is safe - go and look at Franshoek etc. i.e. ensure developers are putting in adequate infrastructure for example at Lake Brenton we have been waiting 10 years to have the sewerage connected to Belvedere - this cannot carry on like this ... if the Municipality is not taking care of people who can pay taxes - we will leave Knysna and move somewhere else - then Knysna will end up in a downward spiral.
RAM Roofing <info@ramroofing.co.za>	As residents, rates and taxes payers of Knysna, we would like to have input in the budgetary decisions. Regarding the Sewerage Connection from The Woods and Ridgewood, Lake Brenton, to Belvedere. One of the conditions for approval of the development approved on 4 November 2005 under your ref E. HILL KNY216/96, was that the sewerage connection be carried-out by KM. A) It is now more than 18 years since this approval was granted by KM, and the connection still has not been carried-out. Therefore, Knysna Municipality is in breach of the approval for this development that was granted in 2005. B) For 18 years now the property rates and taxes have included a charge for sewerage and sanitation. Such services are not in place. Knysna Municipality is responsible for the payment of the interim arrangement, which is the honey sucker. This is also in breach of the approval that was granted in 2005. The honey sucker currently being used (when it actually does come) is often bellowing out smoke – air pollution, and is extremely noisy – noise pollution and not nearly sufficient enough tank space for the amount of effluent in the tank.

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RAM Roofing <info@ramroofing.co.za>	C) No maintenance has been carried-out on the tanks for 18 years. The tank is now filled with sediment, effluent and ground water. D) As the tank was a temporary measure and was only for a few properties, the infrastructure that is in place CANNOT COPE WITH THE SEWERAGE OF 65 HOUSES. E) The sewerage often overflows, mainly during December and Easter as obviously the properties are then at full to capacity. This seems to be happening more and more, obviously because there isn't enough capacity in the tank. F) The smell to the residents, of most especially erven 698, 697 and 699 has become unbearable and is absolutely putrid. G) Toilets inside homes are often overflowing into the houses and gardens. H) All of this is environmentally illegal and unacceptable. Our rates and taxes are supposed to be paying for services – this is barely being provided. If you plan on increasing sewerage, rates and taxes, you need to actually provide the full service being paid for. If KM obtained the services of a private contractor who could flush the tank and carry-out the necessary maintenance, then perhaps the tank would be workable for the next few years, whilst you get your act together to carry-out the necessary project of coupling the area up to the Belvedere sewerage plant. If the honey sucker was in correct working order, and if the honey sucker actually had a set schedule, e.g., twice a week at an acceptable time of day, then it may not overflow and run into the road, which runs into the Lagoon. All these suggestions would at least give the residents, who are paying for services, some relief and hope!!! If KM is incapable of doing such things as mentioned above, then perhaps the residents stop paying the sewerage/sanitation fee and utilise the money to obtain the services of a private contractor themselves.

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RAM Roofing <info@ramroofing.co.za>	As a property owner and rates and taxes payer, we request this project to be completed asap and as part of your maintenance of infrastructure budget for 2024/2025, and request Knysna Municipality to allocate the connection against Repairs and Maintenance of Municipal Infrastructure Assets and Waste Management operational costs and complete the task as a matter of urgency - as we are paying for this and have been for more than 10 years. We await your confirmation on the completion of the development connecting to the sewer reticulation system in Belvidere by adding it on the budget for 2024/2025. Please provide a reference number for this submission
Bruce McDonald	IDP count: PR09 Rural development 0 PR10 Youth development 0 PR11 Care for the elderly 0 PR12 Opportunities for women and people living with disability 0 PR13 HIV/Aids awareness 0 Does this municipality now admit, in the imposing of surcharges on fees, that it is taking advantage of, abusing, exploiting, taking liberties with, misusing and ill-treating rate payers? Please can the qualifications of the respective municipal directors be shown, E.g., BA (LLB)- CA SA., etc. On page 13 - The current organisation structure caters for 1117 staff comparing to 649 full-time employed individuals. Is it correct to say that KM can or should be employing 1117 staff but only, currently employs 649 staff? If this is the case and KM were to immediately employ a further 468 people, full-time, to fill the vacancies, would KM have sufficient funding to pay the extra annual salaries, with associated benefits and bonuses? If as stated – “is of extreme importance for optimal functioning of the organisation”, in relation to the vacancies, does this imply that KM acknowledges that it does not currently function at an optimal level? I would hazard to say Yes, it does not. How can KM possibly function at an optimal level with so few staff to do the required work? On page 14 –

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Bruce McDonald	Please advise who are the community beneficiaries as per – It should be noted that the WSP is formulated and adopted on an annual basis and must be submitted to the LGSETA by 30 April in order to comply with prescripts of the Skills Development Act and secure LGSETA funding to mainly finance training and development opportunities for both municipal and community beneficiaries identified in Plan. Will training and opportunities be provided as per the programmes identified in the table, to all unemployed people of GKMA? 1.6.4 KM's Diagnostic Assessment – in the statement - This phase was followed by the identification of immediate to long-term sustainable path-breaking commitments by all relevant stakeholders to support the Municipality's objective to recuperate from the current financial management challenges that continues to have a negative effect on the municipality's capacity to fulfil its Constitutional mandate – please advise who or what are all relevant stakeholders? I consider myself as a relevant stakeholder as a ratepayer and resident of Sedgfield, in the GKMA. I was not approached as a relevant stakeholder to identify immediate to long-term sustainable path-breaking commitments. Please advise why there is no risk item concerning Disaster Recovery / Business Continuity in the event of a disaster to KM. In 2017, a massive fire could have wiped out the whole of Knysna, which could have included the municipal offices. If that had happened, how would it be "business as usual" without a suitable Disaster Recovery / Business Continuity plan? Please advise why there is no risk item concerning Disaster Recovery / Business Continuity in the event of a disaster to KM. In 2017, a massive fire could have wiped out the whole of Knysna, which could have included the municipal offices. If that had happened, how would it be "business as usual" without a suitable Disaster Recovery / Business Continuity plan? Can KM explain why there were no comments included in especially the matter of PSHDA of Knysna? Did KM make any representation to the minister of human settlements, water, and sanitation regarding the omission of wards 1 and 2 of KM., in Gazette (No. 43316) of 15 May 2020?

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Bruce McDonald	Water security - Upgrade of Water Supply Schemes at a cost of R630M to support new housing and enterprise development · Construction of a New Wastewater Treatment Plant to support new housing development and enterprise development at a cost of R140M. Please advise where these proposed new developments are to be established? Are they only in Knysna Town or will they be in other areas of the GKMA? In - Electrical Infrastructure development and upgrade to support electrification of residential, industrial and other spaces - Waste to Energy Plant at Knysna Wastewater Treatment Plant to produce 10MW of electricity, reduce the carbon footprint and be fully online in three years. This should be in the section - Alternative energy sources. What is the cost of this project? Where will it be established? When will the required Environmental Impact Assessment be completed and issued for public scrutiny and comment? Urban Edge and Coastal Management and going onto page 77 – why is only Knysna town affected? What about the settlements of Buffalo Bay and Sedgefield? Municipal Open Spaces – why is - A municipal Open Space Network, only applicable to Knysna Town? What about other settlements in GKMA? The municipality is accountable to the people for what they do with these resources. The budgeting process and other financial decisions are thus open to public scrutiny and participation. How does this tie in with “Only absolutely necessary allocations are given consideration in the budget”? Does the KM listen to what a group of ratepayers want from their municipality? Further - In addition, the accounting and financial reporting procedures are designed to minimise opportunities for corruption. Accurate financial information is produced within acceptable timeframes, this flies in the face of the findings of the AGSA., where “Management has to strengthen monitoring, controls and oversight, in an attempt to avert another qualified audit opinion.” In - 9.5 Financial Equality - In the same way the municipality should be treated equitably by national and provincial government when it comes to inter- governmental transfers. The ‘equitable share’ from the national government. Does

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Bruce McDonald	this statement imply that KM is not being treated fairly by national or provincial government? By stating - The 'equitable share' laso imply this? If so, why not just say it so all residents and ratepayers are more aware of challenges that KM have to contend with? If in – "The 'equitable share' from the national government will be used primarily for targeted subsidies to indigent households", why then is "In addition, the municipality will continue to cross-subsidise between high income and low-income consumers within a specific service or between services" fair, just and applicable as per, "It is the objective of KM to treat people fairly and justly when it comes to the provision of services"? There is no mention of the implementation of strict consequence management as instructed by the AGSA. Will this be added to the overall performance management for KM? Once again there is no mention of the implementation of strict consequence management as mandated by the AGSA?

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**ANNEXURE B –
KNYSNA MUNICIPALITY: CAPITAL BUDGET
2024/2025**

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Description	2023-24 Revised Budget	Proposed Draft Budget 2024/25	2024/2025 Final Budget	2025/2026 Projection	2026/2027 Projection
Office Furniture	-	10 000	10 000	-	-
Program Tools And Equipment	-	15 000	15 000	-	-
Podcast Studio Kit	-	15 000	15 000	-	-
Program Office Furniture	-	-	-	5 000	-
Program Tools Equipment	165 364	300 000	300 000	150 000	150 000
Program Office Furniture	-	-	-	50 000	-
Program Tools Equipment	103 292	215 000	215 000	-	-
Program Office Equipment	61 130	211 130	211 130	-	-
New Airconditioners	-	-	-	100 000	-
New Fencing 14 Church Street, 42 Old Toll Road, Milkwood Flats, Protea Flats, West View Court, 3 Clyde Street	-	-	-	800 000	-
Replace Abestos Roofs - Municipal Offices - Clyde Street, Sedgfield, Khayaletu	-	-	-	500 000	-
Office Furniture	-	500 000	500 000	500 000	-
Program Office Furniture	25 990	-	-	-	-
Upgr Brenton Hall - Underpinning	-	-	-	500 000	-
Upgr Brenton Hall - Underpinning	-	2 000 000	2 000 000	-	-
Furniture Equipment	-	300 000	300 000	140 000	-
Relay Replacement To Reduce Overloading	501 904	1 000 000	1 000 000	-	2 500 000
Replacement Of 2 RMU's Eastford And White Location	-	1 000 000	1 000 000	-	-
Elec Nothern Areas (INEP)	-	-	-	8 608 696	7 826 087

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Description	2023-24 Revised Budget	Proposed Draft Budget 2024/25	2024/2025 Final Budget	2025/2026 Projection	2026/2027 Projection
3 X Bakkie 1 Ton: New Electricians	-	-	-	400 000	-
Eastford SS - New Transformer (10 MVA - 66/11kv)	400 000	-	-	-	-
Extension Of Salt River Line To Charlesford Raw Water Pumpstation	-	-	-	-	-
Electrification Of Informal Areas	500 000	-	-	150 000	-
Electrification Of Informal Areas	500 000	-	-	150 000	-
Electrification Of Informal Areas	-	-	-	150 000	-
Electrification Of Informal Areas	-	-	-	150 000	-
Electrification Of Informal Areas - Ward 4	200 787	-	-	150 000	-
Electrification Of Informal Areas - Hornlee (Ward 11)	112 830	-	-	150 000	-
Electrification Of Formal Housing	500 000	-	-	-	-
Eastford 11KV Line To Concordia	-	-	-	400 000	-
Electrification Of Informal Areas	62 619	-	-	-	-
8 Ton Crane Truck 20 M-T (Sedg): Vehicle Replacement	-	-	-	2 700 000	-
Salt River Control Plant Upgrade	-	-	-	200 000	-
Electrification Of Informal Areas - Ward 6	227 688	-	-	150 000	-
Western Feeder 11kv Line Refurbishments	400 000	-	-	700 000	-
Groenvlei 11kv Line Replacement	400 000	-	-	900 000	-
EMI -Smart Metering Project	-	-	-	500 000	-
Knysna Vision(1393) - Informal Settlements Upgrading Partnership Grant	1 200 000	2 400 000	2 400 000	2 400 000	-

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Description	2023-24 Revised Budget	Proposed Draft Budget 2024/25	2024/2025 Final Budget	2025/2026 Projection	2026/2027 Projection
Qolweni - Informal Settlements Upgrading Partnership Grant	240 000	-	-	-	-
Sedgefield Infill - Informal Settlements Upgrading Partnership Grant	1 500 000	8 000 000	8 000 000	2 100 000	2 100 000
Program Computer Equipment	-	100 000	100 000	160 000	-
Program Computer Equipment	100 000	50 000	50 000	65 000	-
Ups System	100 000	350 000	350 000	-	-
New Server	249 739	1 300 000	1 300 000	100 000	-
Install Turn Style System At Taxi Rank	-	-	-	350 000	-
Upgrade Gravel Roads Ward 3	200 238	-	-	1 500 000	-
Upgrade Gravel Roads Ward 4	234 548	-	-	1 500 000	-
Upgrade Gravel Roads Ward 7	420 536	-	-	1 500 000	-
Upgrade Gravel Roads Ward 8	285 026	-	-	-	-
Resealing Of Streets	2 500 000	-	-	-	-
Resealing Of Streets	-	3 000 000	3 000 000	3 000 000	3 000 000
George Rex Drive	-	-	-	10 000 000	10 000 000
Public Transport Facilities - Rehabilitation Of Roads	13 043 478	9 110 435	9 110 435	13 043 478	869 565
Road Safety Improvements	34 581	-	-	250 000	250 000
Veh Repl - Cx1741 (Digger Loader)	-	-	-	1 250 000	1 250 000
MIG : Upgrade Of Gravel Roads - Ph2 (Northern Areas)	3 759 628	2 828 936	2 828 936	2 970 382	3 118 902
MIG: Rehabilitation Of Streets	8 539 130	7 977 972	7 977 972	8 376 871	8 795 714

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KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Description	2023-24 Revised Budget	Proposed Draft Budget 2024/25	2024/2025 Final Budget	2025/2026 Projection	2026/2027 Projection
Refurbishment Of Biodisk in Karatara	-	400 000	400 000	-	-
Refurbishment Of Biodisk in Belvedere	-	790 800	790 800	-	-
Replace And Refurbish Dry Bed Filter Media All WWTW	-	-	-	2 000 000	-
Rehabilitation Of the Khayaletu Sewer Project	-	2 500 000	2 500 000	-	-
Upgrade Main Sewer Pump Station and Sewers In The CBD	794 391	-	-	-	-
MIG 295640 Upgrading of Bulk Sewer Infrastructure Ph2A Sedgfield	3 617 764	-	-	-	-
Mcc Replacement	750 000	-	-	-	-
Replacement Of Pump, Valves and Rails	750 000	-	-	1 000 000	-
Brenton On Lake To Belvedere Sewer Link	250 000	-	-	-	-
Knysna Windheuwel Wwtw	250 000	-	-	-	-
Roos Bolton - Sewer Line	-	-	-	1 300 000	-
Jett Machine	-	-	-	500 000	-
New Front-End Loader - Waste Facilities	1 400 000	-	-	-	-
Replacing Bin Lifting Equipment	-	-	-	150 000	-
Acquisition Of Trailer	-	-	-	600 000	-
Small Plant Equipment	160 055	180 000	180 000	240 000	-
Mig: 196403 - New Lower River Dam	-	6 227 875	6 227 875	6 377 274	7 361 343
Mig: 285770 Upgrade Sportsfield Ph2 (Bongani)	6 520 957	6 576 435	6 576 435	6 905 257	7 250 519
Upgrade Stormwater Infrastructure	500 000	1 000 000	1 000 000	1 000 000	-

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Description	2023-24 Revised Budget	Proposed Draft Budget 2024/25	2024/2025 Final Budget	2025/2026 Projection	2026/2027 Projection
Upgrade Stormwater Infrastructure	-	-	-	250 000	-
Brenton Stormwater Project	270 127	-	-	1 500 000	1 500 000
Retaining Wall Knysna Heights - Stormwater	-	-	-	1 000 000	1 000 000
Knysna Dam Phasing	500 000	-	-	-	-
Retaining Wall Knysna Heights	250 000	-	-	-	-
Knysna WTW - Refurbishment Of Building	150 000	-	-	-	-
Buffalo Bay Upgrade Wtw	250 000	-	-	1 000 000	-
Upgrade Of Pipeline from Khayaletu Pumpstation (Tyi-Tyi Street) To Dam-Se Bos Water Reservoir	450 000	-	-	-	-
Water Demand Management Devices	1 500 000	-	-	-	-
Refurbish Fire Damaged Infrastructure	300 000	-	-	-	-
Water Services Infrastructure Grant	9 913 072	8 695 652	8 695 652	30 434 783	39 130 435
Re-Align Karawater Pipeline	800 000	-	-	-	-
Pipeline from PG Bison to Akkerkloof 600m. 150 Mm Pipeline to Tsitsitsi Street. Class 12	300 000	-	-	-	-
Old Place Pipe Replacement - Melkhoud, Old Toll Road, Camdeboo, Sand Piper	750 000	-	-	-	-
Buffalo Bay Replacement of Pipeline(S)	750 000	-	-	750 000	-
New Reservoir @ Noetzie	-	-	-	2 000 000	2 000 000
Establishment Of Fire Stations - Rheenendal	1 000 000	-	-	1 000 000	-
Establishment Of Fire Stations - Khayaletu	2 280 000	-	-	-	-
Replacement Of Fire Engine CX 10515 CX 43651	-	-	-	1 200 000	-

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Description	2023-24 Revised Budget	Proposed Draft Budget 2024/25	2024/2025 Final Budget	2025/2026 Projection	2026/2027 Projection
Fire Hoses and Nozzles	-	250 000	250 000	200 000	-
Construction Phase - Khayaletu Sfs	-	2 000 000	2 000 000	-	-
Construction Phase - Rheenendal Sfs	-	1 500 000	1 500 000	-	-
Construction Of Parking Bay	-	1 500 000	1 500 000	-	-
Risk Assessment	-	300 000	300 000	-	-
Procurement Of Portable Handheld Radio's	-	-	-	70 000	-
Breatherlizer Sets	-	-	-	50 000	-
Motor Cycle Testing Equipment	-	-	-	150 000	-
Furniture And Equipment	40 000	-	-	-	-
CCTV Camera Project	-	-	-	400 000	-
Baboon Deterrent Equipment	311 000	-	-	-	-
Rehabilitation Of the Bongani River Phase 1 Of Implementation	-	-	-	-	-
Refurbishment Of Infrastructure Services Office Facilities	-	-	-	800 000	-
Phatom Pass 11kv Line Upgrade	1 500 000	-	-	-	-
Drone	500 000	-	-	-	-
Salt River Switch Gear Plant Upgrade	2 500 000	-	-	-	-
Bulk Water Supply - Karatara	200 000	-	-	1 500 000	1 500 000
New Rugby and Soccer Goal Posts	-	200 000	200 000	-	-
New Wall of Remembrance	-	300 000	300 000	-	-
New Ldv Sports Facilities	-	460 000	460 000	-	-
New Tipper Truck	-	600 000	600 000	-	-

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Description	2023-24 Revised Budget	Proposed Draft Budget 2024/25	2024/2025 Final Budget	2025/2026 Projection	2026/2027 Projection
Upgrading Of Play Ground Equipment	-	450 000	450 000	-	-
Cemetery Fencing (Hunters Home & Karatara)	800 000	-	-	-	-
Electrification Of Informal Houses (INEP) - Ward 4	2 721 143	-	-	-	-
Electrification Of Informal Houses (INEP) - Ward 4	2 647 211	-	-	-	-
Electrification Of Informal Houses (INEP) - Ward 4	2 206 009	-	-	-	-
Electrification Of Informal Houses (INEP) - Ward 4	2 574 075	-	-	-	-
Electrification Of Informal Houses (INEP) - Ward 4	588 269	-	-	-	-
Electrification Of Informal Houses (INEP) - Ward 6	2 427 009	-	-	-	-
Electrification Of Informal Houses (INEP)	1 470 673	-	-	-	-
Electrification Of Informal Houses (INEP) - Ward 7	1 911 916	-	-	-	-
Electrification Of Informal Houses (INEP) - Ward 7	2 647 211	-	-	-	-
Electrification Of Informal Houses (INEP) - Ward 7	2 794 279	-	-	-	-
Electrification Of Informal Houses (INEP) - Ward 7	2 500 145	-	-	-	-
Electrification Of Informal Houses (INEP) - Ward 8	2 206 009	-	-	-	-

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Description	2023-24 Revised Budget	Proposed Draft Budget 2024/25	2024/2025 Final Budget	2025/2026 Projection	2026/2027 Projection
Electrification Of Informal Houses (INEP) - Ward 8	2 206 009	-	-	-	-
Electrification Of Informal Houses (INEP) - Ward 8	2 206 009	-	-	-	-
Electrification Of Informal Houses (INEP) - Ward 8	735 337	-	-	-	-
Electrification Of Informal Houses (INEP) - Ward 8	2 206 009	-	-	-	-
Electrification Of Formal Houses (INEP) - Hlalani & Damsebos	-	1 356 522	1 356 522	-	-
Electrification Of Formal Houses (INEP) - Damsebos	-	-	-	-	-
Bulk Upgrade Main Intake Substation	-	12 347 826	12 347 826	-	-
Electrification Of Informal Houses (INEP) - Ward 11	735 337	-	-	-	-
Rmu Transformer	1 000 000	-	-	-	-
Upgrade Roads - Bigai Heights	319 173	-	-	-	-
Standpipes	419 050	-	-	-	-
Bulk Water Supply - Rheenendal	262 609	-	-	-	-
Happy Valley - Informal Settlements Upgrading Partnership Grant	858 000	-	-	-	-
Solar/UPS/Street and Traffic Light	500 000	-	-	-	-
Solar Power Plant Installation	500 000	-	-	-	-
Street Lights	500 000	-	-	-	-
Cola Beach	300 000	-	-	-	-

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KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

Description	2023-24 Revised Budget	Proposed Draft Budget 2024/25	2024/2025 Final Budget	2025/2026 Projection	2026/2027 Projection
Upgrade Howard Street Ward 9	1 069 565	-	-	-	-
Fencing At Water & Waste Water Infrastructure Facilities	-	500 000	500 000	-	-
Old Place Pipe Replacement - Melkhoud, Old Toll Road, Camdeboo, Sand Piper	1 500 000	-	-	-	-

ANNEXURE C
KNYSNA MUNICIPALITY: IMPLEMENTATION PLAN

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KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

KNYSNA MUNICIPALITY: IMPLEMENTATION PLAN					
STRATEGIC OBJECTIVE					
To improve and maintain current basic service delivery through specific infrastructural development projects	To promote a safe and healthy environment through the protection of our natural resources	To create an enabling environment for social development and economic growth	To grow the Revenue Base of the Municipality	To structure and manage the municipal administration to ensure efficient service delivery	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication
Section 154: Identify most critical skills/posts required to ensure day-to-day operation of infrastructure and prioritize their appointment as a short-term response Filling of vacancies of Director: Infrastructure and Integrated Human Settlements (Acting Director Technical appointed on 1 April 2024) Increase supervision and enhance efficiency by updating SOPs and fill critical posts	Section 154: Finalise strategy in respect of municipal waste management Environmental Conservation: Commission research on alternative energy sources to reduce the impact on the environment Develop a comprehensive Climate Change Adaptation Strategy Pro-active strategy to mitigate the risk of potential	Section 154: Funding to implement identified projects upon finalization of the strategy Review of the Tourism Destination Marketing Plan strategy Develop a concept for the Transport Hub Development Plan for informal trading in line with the council approved 2023 Investment Plan Decent employment opportunities and job creation:	Development of a long-term financial strategy for Knysna Municipality Developing a Capital Investment Framework to align capital investment and budgeting processes across all spheres of government (as required by the Spatial Planning and Land Use Management Act) Implementing a Revenue Enhancement Strategy to identify additional sources of revenue for financing	Continuously improve the capacity of municipal staff and councillors to achieve the strategic objectives of Council Review Organisational Structure of the municipality To identify areas for training and development to enhance service delivery Implement an effective staff succession and retention policy Conduct an organisation-wide functionality and productivity audit Institute an	Section 154: Develop stakeholder database for the municipality Public Participation To enhance the effectiveness of ward committees by providing them with the required resources to function optimally Capacity building & training of ward committees in municipal systems, IDP, Community Based Planning (CBP) and performance

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KNYSNA MUNICIPALITY: IMPLEMENTATION PLAN					
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Update master plans for all infrastructure services and prioritise projects accordingly to determine streams of project funding Commission additional storage capacity in areas of most need, improve design, monitor water supply system and ensure timely response to pipe bursts, leakages or other supply interruptions Update maintenance plan for efficient cleaning the of reservoirs connected in series Identify and rank all sources of pollution (Manholes, Sewage Pump-stations, Waste	environmental disasters Effective implementation of an alien vegetation eradication programme on state and privately owned land Implementation of the proposed Mission: Zero Waste initiative Short-term rehabilitation (e.g. clearing of alien vegetation, stabilisation of slopes) to be prioritised based on factors that affect slope erosion and longterm conservation priorities	Review land-use management practices and collaboration amongst key stakeholders to align development plans Assess all Council property holdings for investment and/or development purposes Reduce poverty and unemployment through optimal implementation of EPWP and CWP job creation initiatives	major capital projects and maintenance of assets Reviewing and effectively implementing the debt collection policy Conversion to pre-paid systems for all municipal services Sweating of municipal assets to optimise its economic potential To improve financial efficiencies by introducing and monitoring cost saving measures Effective Implementation of municipal-wide risk management strategies	enterprise-wide performance management system Implement an integrated workflow tool to improve joint planning between municipal departments Appoint a service provider to make a recommendation regarding the office layout and space required to operate efficiently as a municipality	management processes Include vulnerable groups (women and youth) in stakeholder forums and ward committees Hosting of regular ward scheduled summits in partnership with relevant government sector departments To improve municipal communication internally and externally Drafting and implementation of a comprehensive Communication

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Water Treatment Works, Conservancy or Septic tanks, etc.) in terms of criticality (probability of spillage and severity of impact) and provide costed action plan to prevent sewage spillages at these points Identify in order of priority most critical plant, equipment and spare parts required to ensure day-to-day operation of water infrastructure Clean and organise the store Prepare inventory as well as SOP for recoding of incoming and outgoing	Drafting of an Urban design framework for upgrading of Green Hotel at Leisure Isle Disaster Management: To enhance effective disaster management and fire services Annual review and effective implementation of the Disaster Management Plan To facilitate community safety initiatives and awareness programmes	Municipality Incubator Programme Increase employment opportunities for women, youth and people with disability annually by 10% To empower local emerging contractors through catalytic infrastructure projects in all spheres of government Youth development:	Put systems and procedures in place to regain the Clean Audit of the municipality through OPCAR Offset reduced government revenue by increased flows of external assistance (e.g. disaster funding, donations) Explore the feasibility of Special Rates Areas (SRA's)	Conduct a change capacity assessment to identify the challenges the municipality will face when they adapt to data governance programme and organisational change	Strategy which identify multiple tailor-made communication solutions for different stakeholders (horses-for causes) Establish sector forum engagements to facilitate meaningful participation Livestreaming of major municipal activities and events

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Facilitate the establishment of the Water and Sanitation Forum which will assist community / public participation and combating vandalism Unblock the sewer line and manholes on section between the Hunters Home and Hornlee Residential area into the Bigai River, in order to ensure that there are no sewage spillages Develop standard operating procedure (SOP) to improve response time to blockages and spillages Submit weekly a report on all reported	Establishment of adequately resourced satellite fire stations in remote areas Fire breaks, slope stabilisation, alien vegetation clearing Development of a business model and SOP to share resources between neighbouring municipalities and provincial government in the case of a disaster	Youth development programmes championed by the Knysna Municipality Youth Council Collaboration with sector departments, NGO's and the private sector to enhance the impact of youth development programmes Facilitate skills development and economic opportunities for youth entrepreneurs			

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incidences of sewage spillages/pollution and the response time to resolve each of the reported occurrences Revise Terms of Reference of Contract with current honeysucker and high jet cleaning service provider and commence procurement of new service provider Improve law-enforcement and security measures through increased patrols by law enforcement officials in areas prone to vandalism Ensure inclusion of the safeguarding of the manholes and specialised electronic lockable lids on		Care for the Elderly: Knysna Municipality and Department of Social Development (DSD) to draft a MOU to determine their individual roles and responsibilities that will enable them to assist with the identification and implementation of social programmes that will improve the livelihoods of communities			

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the Bigai River sewer line as part of the KM's security contract Immediately improve plant efficiency by providing technical support & personnel to carry out emergency maintenance on the electrical, chemical & mechanical aspects of the WWTW (E.g. SCADA system, polymer mixer & RakeMax screens) Submit costed interim/emergency plan		Opportunities for women and people living with disability – Conduct an audit of public facilities that are not disabled friendly To improve access to public amenities – for people living with disabilities (e.g.: Municipal building) To promote employment equity by focusing on disabled in the employment equity plan and recruitment processes			

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to respond to all current challenges at the Knysna Wastewater Treatment Plant Prepare Terms of Reference for appointment of consultant for refurbishment of the Knysna Wastewater Treatment Plant Update and implement the Maintenance Management Plan for the entire Wastewater System Identify most critical points of stormwater ingress into the sewer system and provide		HIV/AIDS: To facilitate the implementation of an effective HIV/Aids awareness campaign in partnership with the relevant sector departments To establish partnerships to improve social conditions of communities by means of MOU's with relevant sector departments Preventative programmes			

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costed action plan to rectify Review and adopt new by-law to prevent stormwater, surface water and/or swimming pool drainage into sewer network Engage the Department of Human Settlement/Infrastructure to advise and effect the relocation of informal structures to a formalised housing development site		for TB, HIV/AIDS and other prevalent diseases Rural Development: Implementation of development programmes through the Comprehensive Rural Development Programme (CRDP) in rural nodes of Rheenendal, Karatara and surrounding farming areas Secure significant socioeconomic and infrastructure investment through the CRDP initiative			

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Conduct survey on all Knysna CBD properties to confirm current land use and availability of fat traps and enforce current by-law where not in place Review and adopt new Fat Trap by-law if required Resuscitate the Estuary Pollution Committee and ensure active participation of the municipal officials and ensure actioning of all decisions taken by this committee		Strong rural development focus in Knysna SDF review process Promote inclusive living spaces and “complete villages” where possible by directing investment that complements existing demographics and consolidates existing economies			

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Submit MIG application for new Hook lift truck and Front- end - loader Generator Projects on MIG for the 2024/25 financial year Submit RBIG application for new Waste Water Treatment Plant at Windheuwel Establishment of new waste transfer station – MIG registration Preparation of all necessary authorisations (Waste licence, Environmental Authorisation etc) for the Waste transfer station in preparation for Waste to Energy RFP					

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Sanitation: Explore the alternative household sanitation systems To conduct a comprehensive survey sanitation backlogs informal settlements Implement programme to provide adequate basic sanitation to all households Implement an effective maintenance plan					

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Effective implementation of the Access to Basic Services (ABS) programme with the assistance of Department of Human Settlements Incremental and systematic raising of standards of service provision (E.g.; Sanitation facilities in forestry villages) Feasibility Study Water Supply: Providing of quality drinking water to all formal households Providing of basic level of water to all informal households – within 200m Improve water					

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management capacity to ensure sustainable water provision during dry summer season Implementation of water management devices at indigent households Upgrading of the Charlesford pump storage scheme Electricity: To ensure access to electricity to most households in formalised areas To consider alternative energy supply opportunities Annually review the infrastructure maintenance plan and					

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maintain assets within available budget Accelerated programme for the electrification of informal settlements with INEP funding from the Department of Energy Electrification must be incorporated in the establishment of new residential developments Integrated Human Settlements: To provide housing opportunities and secure land tenure Compile a GAP Housing Strategy that is in line with a long term Human Settlement Plan to meet the growing					

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demand for social housing opportunities Human Settlement Plan to be reviewed and updated as part of the MSDP review process To decrease the housing backlog and reduce the housing waiting list per ward. Pro-actively re-align the planning processes for housing development with national and provincial funding cycles Provide opportunities for rental stock Provide opportunities for integrated housing projects at Heidevallei					

ANNEXURE D
KNYSNA MUNICIPALITY: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

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KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

REFERENCE NUMBER	DEPARTMENT	STRATEGIC OBJECTIVE	MUNICIPAL PLANNED DELIVERY		WARD	TYPE	NATIONAL IFA	BASELINE	PLANNED TARGETS FOR 2023/2024 SDBIP PER QUARTER				ANNUAL TARGET
			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL1	Municipal Manager	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Submit to the Executive Mayor the draft 2024/2025 SDBIP for consideration by no later than 14 days after the approval of the annual budget in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003	One Draft Service Delivery and Budget Implementation Plan (SDBIP) submitted to the Executive Mayor	ALL	Number	Good Governance and Public Participation	1	-	-	-	1	1
TL2	Municipal Manager	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Conclude signed performance agreements in terms of Section 57 of the Local Government: Municipal Systems Act, No. 32 of 2000 for the Municipal Manager and Managers directly accountable to the Municipal Manager	One-hundred percent of signed performance agreements concluded within the legislative deadline	ALL	Number	Good Governance and Public Participation	7	100%	-	-	-	100%

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REFERENCE NUMBER	DEPARTMENT	STRATEGIC OBJECTIVE	MUNICIPAL PLANNED DELIVERY		WARD	TYPE	NATIONAL IPA	BASELINE	PLANNED TARGETS FOR 2023/2024 SDBIP PER QUARTER				ANNUAL TARGET
			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL3	Municipal Manager	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Conduct formal performance evaluations of the Municipal Manager and Managers directly accountable to the Municipal Manager in line with the signed performance agreements	One-hundred percent of performance evaluations concluded for the financial year	ALL	Number	Good Governance and Public Participation	12	100%	-	100%	-	100%
TL4	Municipal Manager	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Risk-Based Audit Plan submitted to the Audit Committee for approval by end-June of the financial year	One Risk-Based Audit Plan submitted to the Audit Committee by end-June	ALL	Number	Good Governance and Public Participation	1	-	-	-	1	1

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL5	Municipal Manager	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Bi-annually submit performance management-related reports to the Audit Committee	Two performance management-related reports submitted to the Audit Committee	ALL	Number	Good Governance and Public Participation	2	1	-	1	-	2
TL6	Municipal Manager	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Submit the Integrated Development Plan and Budget Time Schedule to Council for consideration by end-August	One Integrated Development Plan and Budget Time Schedule submitted to Council	ALL	Number	Good Governance and Public Participation	1	1	-	-	-	1
TL7	Municipal Manager	To grow the revenue base of the municipality	Capital conditional grant spending measured by the percentage (%) spent	95% of the capital conditional grant spent by end-June	ALL	Percentage	Municipal Financial Viability and Management	100%	20%	40%	70%	95%	95%

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL8	Municipal Manager	To grow the revenue base of the municipality	Operational conditional grant spending measured by the percentage (%) spent	95% of the operational conditional grant spent by end-June	ALL	Percentage	Municipal Financial Viability and Management	100%	15%	30%	60%	95%	95%
TL9	Municipal Manager	To grow the revenue base of the municipality	Percentage (%) implementation of Capital project capital projects.	New KPI	ALL	Percentage	Municipal Financial Viability and Management	100%	25%	27%	25%	23%	100%
TL10	Municipal Manager	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Review and submit the Risk Register to the Risk Management Committee by February of the financial year	One Reviewed Risk Registers submitted to the Risk Management Committee	ALL	Number	Good Governance and Public Participation	1	-	-	1	-	1

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL11	Municipal Manager	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Submission of Quarterly Audit Committee Reports to Council	Four Audit Committee Reports submitted to Council for the financial year	ALL	Number	Good Governance and Public Participation	New Key Performance Indicator	1	1	1	1	4
TL12	Municipal Manager	To grow the revenue base of the municipality	% Capital expenditure of budget spent in line with budget and time	95% of the municipal capital budget spent by end-June	ALL	Percentage	Municipal Financial Viability and Management	95%	-	-	25%	70%	95%
TL13	Municipal Manager	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Submit the Reviewed Integrated Development Plan (IDP) to Council for consideration by end-May	One Reviewed Integrated Development Plan submitted to Council by end-May	ALL	Number	Good Governance and Public Participation	1	-	-	-	1	1

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL14	Municipal Manager	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Develop and submit the 2023/2024 Annual Performance Report (APR) to the Auditor-General of South Africa (AGSA) by end-August	One Annual Performance Report submitted to the Auditor-General by end-August	ALL	Number	Good Governance and Public Participation	1	1	-	-	-	1
TL15	Municipal Manager	To grow the revenue base of the municipality	% of operating budget expenditure in line with budget and time frames	% of operating budget spent	ALL	Percentage	Municipal Financial Viability and Management	95%			25%	70%	95%
TL16	Municipal Manager	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Implementation of Council decisions taken	% of Council decisions implemented	ALL	Percentage	Good Governance and Public Participation	New KPI			100%	100%	100%

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL18	Corporate Services	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Submit a report to Council on the availability of land and services for commercial and industrial premises by end-June	One report submitted to Council by end-June	ALL	Number	Good Governance and Public Participation	New Key Performance Indicator	-	-	-	1	1
TL19	Corporate Services	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Number of Ordinary Council Meetings scheduled	Four Ordinary Council meetings scheduled for the financial year	ALL	Number	Good Governance and Public Participation	12	1	1	1	1	4
TL20	Corporate Services	To structure and manage the municipal administration to ensure efficient service delivery	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan as at end-June	Number of persons appointed as per the EE Plan by end-June	ALL	Number	Municipal Transformation and Organisational Development	1	-	-	-	1	1

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL21	Corporate Services	To grow the revenue base of the municipality	The percentage of a municipality's operating budget actually spent on implementing its workplace skills plan by 30 June 2024 (Actual total training expenditure divided by total training (budget) x100)	90% of the municipal operating budget spent by end-June	ALL	Percentage	Municipal Financial Viability and Management	90%	20%	40%	60%	90%	90%
TL22	Corporate Services	To structure and manage the municipal administration to ensure efficient service delivery	Submit the Workplace Skills Plan to the Local Government Sector Education and Training Authority (LGSETA) by end-April	One Workplace Skills Plan submitted to the Local Government Sector Education and Training Authority (LGSETA) by end-April	ALL	Number	Municipal Transformation and Organisational Development	1	-	-	-	1	1
TL23	Corporate Services	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Finalisation of the Municipal Organogram (funded positions) by end-September	One finalised municipal organogram submitted to Council by end-May	ALL	Number	Good Governance and Public Participation New Key Performance Indicator		1	-	-	-	1

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL36	ALL DEPARTMENTS	To structure and manage the municipal administration to ensure efficient service delivery	Develop and submit Departmental Plan for the Financial Year	# Of Departmental Plans developed by end of Quarter 1	ALL	Number	Municipal Transformation and Organisational Development		1	-	-	-	1
TL37	Financial Services	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Submit the Section 52(d) Report to Council following the end of each quarter as prescribed in the Local Government: Municipal Finance Management Act, No. 56 of 2003	Four Section 52(d) Reports submitted to Council by end-June	ALL	Number	Good Governance and Public Participation	4	1	1	1	1	4
TL38	Financial Services	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Submit the Annual Budget to Council for consideration by end-May as prescribed in the Local Government: Municipal Finance Management Act, No. 56 of 2003	One Annual Budget submitted to Council within the legislative deadline	ALL	Number	Good Governance and Public Participation	1	-	-	-	1	1

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL39	Financial Services	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Submit the Adjustment Budget to Council for consideration by end-February as prescribed in the Local Government: Municipal Finance Management Act, No. 56 of 2003	One Adjustment Budgets submitted to Council within the legislative deadline	ALL	Number	Good Governance and Public Participation	1	-	-	1	-	1
TL40	Financial Services	To improve and maintain current basic service delivery through specific infrastructural development projects	Number of residential properties with access to Water services and are on the financial system as at end June	Number of residential properties with access to Water services as registered on the financial system as at end June	ALL	Number	Basic Service Delivery	15,801	15,081	15,801	15,801	15,801	15,801
TL41	Financial Services	To improve and maintain current basic service delivery through specific infrastructural development projects	Number of residential properties with access to electricity and are on the financial system (Promun and Ontec) as at end June of the financial year	Number of residential properties with access to electricity services registered on the financial system (Promun and Ontec) as at end June of the financial year	ALL	Number	Basic Service Delivery	21,348	21,348	21,348	21,348	21,348	21,348

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL42	Financial Services	To improve and maintain current basic service delivery through specific infrastructural development projects	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at end-June of the financial year	Number of residential properties which are billed for sewerage as at end-June of the financial year	ALL	Number	Basic Service Delivery	13,172	13,172	13,172	13,172	13,172	13,172
TL43	Financial Services	To improve and maintain current basic service delivery through specific infrastructural development projects	Number of formal residential properties for which refuse is removed once per week and billed for the service as at end-June of the financial year	Number of residential properties which are billed for refuse removal as at end-June of the financial year	ALL	Number	Basic Service Delivery	16,227	16,227	16,227	16,227	16,227	16,227

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL44	Financial Services	To grow the revenue base of the municipality	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. 510(g)(ii))	Service debtors to revenue ratio – (Total outstanding service debtors / revenue received for services) measured by end-June of the financial year	ALL	Percentage	Municipal Financial Viability and Transformation	55.6	+	+	+	50%	50%

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL45	Financial Services	To grow the revenue base of the municipality	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S1D(g)(iii))	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment] / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for bad debts, Impairment and Loss on disposal of assets)	ALL	Number	Financial Viability and Management	1.1 month	-	-	-	1.3 month	1.3 month
TL46	Financial Services	To improve and maintain current basic service delivery through specific infrastructural development projects	Provide free basic water to indigent households	Number of indigent households receiving free basic water as at end-June of the financial year	ALL	Number	Basic Service Delivery	1,690	1,690	1,690	1,690	1,690	1,690

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL47	Financial Services	To improve and maintain current basic service delivery through specific infrastructural development projects	Provide free basic electricity to indigent account holders connected to the municipal electrical infrastructure network	Number of indigent households receiving free basic electricity as at end-June of the financial year	ALL	Number	Basic Service Delivery	1,425	1,425	1,425	1,425	1,425	1,425
TL48	Financial Services	To improve and maintain current basic service delivery through specific infrastructural development projects	Provide free basic sanitation to indigent account holders connected to the municipal sanitation infrastructure network	Number of indigent households receiving free basic sanitation as at end-June of the financial year	ALL	Number	Basic Service Delivery	1,690	1,690	1,690	1,690	1,690	1,690
TL49	Financial Services	To improve and maintain current basic service delivery through specific infrastructural development projects	Provide free basic refuse removal to indigent households	Number of indigent households receiving free basic refuse removal as at end-June of the financial year	ALL	Number	Financial Viability and Management	1,690	1,690	1,690	1,690	1,690	1,690

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL50	Financial Services	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Submission of Fixed Asset Register (FAR) in compliance with applicable Generally Recognised Accounting Practice (GRAP) Standards to the Auditor-General by end-August	One Fixed Asset Register submitted to the Auditor-General by end-August	ALL	Number	Good Governance and Public Participation	1	1	-	-	-	1
TL51	Financial Services	To grow the revenue base of the municipality	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue – conditional operating grants received) / (Debt service payments due within the year)) measured by end-June of the financial year	ALL	Number	Financial Viability and Management	15.7	-	-	-	15	15

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TLS2	Financial Services	To grow the revenue base of the municipality	Sound financial management by maintaining an acceptable Liquidity Ratio	Liquidity: Current Ratio, Calculated as (Current Assets / Current Liabilities)	ALL	Number	Financial Viability and Management	1.19	-	-	-	1.2	1.2
TLS3	Financial Services	To grow the revenue base of the municipality	Financial viability measured in terms of the collection period (average number of days) as at 30 June ((Gross Debtors - Bad Debt Provision) / Billed Revenue) x 365	Debtors' ratio in number of days	ALL	Number	Financial Viability and Management	84 Days	-	-	-	80	80
TLS4	Financial Services	To grow the revenue base of the municipality	Achieve an average payment percentage of 91% by 30 June [Gross Debtors (Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100]	Gross Debtors (Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	ALL	Percentage	Financial Viability and Management	92%	-	-	-	91%	91%

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL55	Financial Services	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Submission of the Annual Financial Statements to the Auditor-General by end-August	One Annual Financial Statements submitted to the Auditor-General by end-August	ALL	Number	Good Governance and Public Participation	1	1	-	-	-	1
TL56	Financial Services	To grow the revenue base of the municipality	Financial viability measured in terms of number of days taken for creditors to be paid (Trade creditors outstanding/creditors purchases (operating and capital) x 365)	Number of days to pay creditors	ALL	Number	Financial Viability and Management	53 days	-	-	-	30 days	30 days
TL57	Financial Services	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Submission of the Reviewed Long-Term Financial Plan to Council by end-March	One Reviewed Long-Term Financial Plan submitted to Council by end-March	ALL	Number	Good Governance and Public Participation	1	-	-	1	-	1

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL58	Financial Services	To grow the revenue base of the municipality	Raise / collect Operating Budget Revenue as per approved budget by end-June	95% of Total Annual Operating Budget Revenue raised / collected by end-June	ALL	Number	Financial Viability and Management	New Key Performance Indicator	-	-	-	95%	95%
TL59	Planning and Economic Development	To create an enabling environment for social development and economic growth	Number of employment opportunities created through the Municipality's local economic development initiatives including capital projects for the financial year including capital projects for the financial year	Four hundred and forty-three Expanded Public Works Programme employment opportunities created by the organisation by the end June	ALL	Number	Local Economic Development	New Key Performance Indicator	-	-	-	443	443

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL60	Planning and Economic Development	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Submit the Reviewed Municipal Spatial Development Framework (SDF) to Council by end-May	One Reviewed Municipal Spatial Development Framework submitted to Council by end-May	ALL	Number	Good Governance and Public Participation	1	-	-	-	1	1
TL 61	Planning and Economic Development	To create an enabling environment for social development and economic growth	Percentage Rand Value implementation of SMME incubator programme	100% of budget spent by June	ALL	Percentage	Local Economic Development	New Key Performance Indicator	-	-	-	1	1

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL62	Planning and Economic Development	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Compile a heritage inventory Report for Knysna Municipality by end-June	One inventory report to be tabled for Council by end June	ALL	Number	Good Governance and Public Participation	New Key Performance Indicator	-	-	-	1	1
TL63	Planning and Economic Development	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Develop a one Climate change adaptation plan for Knysna Municipality by end-June	One plan to be tabled for Council by end June	ALL	Number	Good Governance and Public Participation	New Key Performance Indicator	-	-	-	1	1

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL64	Planning and Economic	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Develop a one Coastal Management By-law for Knysna Municipality by end June	One bylaw to be tabled for Council by end June 2023	ALL	Number	Good Governance and Public Participation	New Key Performance Indicator	-	-	-	1	1
TL66	Community Services	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Submit the Report on the Rehabilitation of Landfill Sites to Financial Services for inclusion in the Annual Financial Statements by end-June	One Report on the Rehabilitation of Landfill Sites submitted to Financial Services by end-June	ALL	Number	Good Governance and Public Participation	1	-	-	-	1	1

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL67	Community Services	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Submit the Reviewed Disaster Management Plan to Council for consideration by end-May	One Reviewed Disaster Management Plan submitted to Council by end-May	ALL	Number	Good Governance and Public Participation	1	-	-	-	1	1
TL68	Infrastructure Services	To improve and maintain current basic service delivery through specific infrastructural development projects	Limit unaccounted water losses to less than 35%	Less than 35% water losses recorded by end-June	ALL	Percentage	Basic Service Delivery	44.5%	-	-	-	<35%	<35%
TL69	Infrastructure Services	To improve and maintain current basic service delivery through specific infrastructural development projects	Municipal Streets and Storm water capital spending measured by the percentage (%) of budget spent	Ninety-Five percent 95% of the Streets and Storm water capital budget spent by end-June	ALL	Percentage	Basic Service Delivery	95%	-	-	-	95%	95%

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REFERENCE NUMBER	DEPARTMENT	STRATEGIC OBJECTIVE	MUNICIPAL PLANNED DELIVERY		WARD	TYPE	NATIONAL IPA	BASELINE	PLANNED TARGETS FOR 2023/2024 SDBIP PER QUARTER				ANNUAL TARGET
			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL70	Infrastructure Services	To improve and maintain current basic service delivery through specific infrastructural development projects	90% compliance to general standards with regard to waste water outflow by 30 June of the financial year	Ninety percent 90% compliance to the general standards for waste water outflow by end-June	ALL	Percentage	Basic Service Delivery	90%	-	-	-	90%	90%
TL71	Infrastructure Services	To improve and maintain current basic service delivery through specific infrastructural development projects	95% water quality level obtained as per SANS 241 physical and micro parameters by 30 June of the financial year	95% compliance to the SANS 241 in regards to the water quality level by end-June	ALL	Percentage	Basic Service Delivery	95%	-	-	-	95%	95%
TL72	Infrastructure Services	To improve and maintain current basic service delivery through specific infrastructural development projects	Limit electricity losses to less than 11.5% by 30 June of the financial year (Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated)x 100	Less than 11.5% electricity losses by end-June	ALL	Percentage	Basic Service Delivery New Key Performance Indicator		-	-	-	<11.5%	<11.5%

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL73	Infrastructure Services	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Maintain and review Electricity Master Plan and facilitate for budget approval by end-June	One Electricity Master Plan reviewed and maintained by end-June	ALL	Number	Good Governance and Public Participation	New Key Performance Indicator	-	-	-	1	1
TL74	Integrated Human Settlements	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Facilitate Quarterly Community Housing Meetings in support of the Human Settlements Plan by end-June	1(ONE) Community Housing meetings per quarter	ALL	Number	Good Governance and Public Participation	New Key Performance Indicator	1	1	1	1	4

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			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL75	Integrated Human Settlements	To improve and maintain current basic service delivery through specific infrastructural development projects	Service Sites for future housing development through the programme on the Upgrading of Informal Settlements Plan (UISP) and Enhanced People's Housing Process (EPHP)	Number of sites serviced through the Human Settlements Development Grant (HSDG) programmes	ALL	Number	Basic Service Delivery	New Key Performance Indicator	-	-	30	73	103
TL76	Integrated Human Settlements	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Review Human Settlements Master Plan and submit to the Portfolio Committee by end June of the financial year	One Reviewed Human Settlements Master Plan submitted to the Portfolio Committee by end-June	ALL	Number	Good Governance and Public Participation	1	-	-	-	1	1

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REFERENCE NUMBER	DEPARTMENT	STRATEGIC OBJECTIVE	MUNICIPAL PLANNED DELIVERY		WARD	TYPE	NATIONAL IPA	BASELINE	PLANNED TARGETS FOR 2023/2024 SDBIP PER QUARTER				ANNUAL TARGET
			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL77	Integrated Human Settlements	To improve and maintain current basic service delivery through specific infrastructural development projects	Provision of Housing opportunities in accordance with the Provincial Business Plan and budget allocation	One hundred and sixty-eight housing opportunities provided for the financial year	ALL	Number	Basic Service Delivery	560	-	-	-	168	168
TL78	Integrated Human Settlements	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Submit to the MAYCO Emergency Housing Policy by end-March	One Emergency Housing Policy submitted to the MAYCO by end-March	ALL	Number	Good Governance and Public Participation	New Key Performance Indicator	-	-	1	-	1

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REFERENCE NUMBER	DEPARTMENT	STRATEGIC OBJECTIVE	MUNICIPAL PLANNED DELIVERY		WARD	TYPE	NATIONAL IPA	BASELINE	PLANNED TARGETS FOR 2023/2024 SDBIP PER QUARTER				ANNUAL TARGET
			KPI	UNIT OF MEASUREMENT					QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
TL79	Integrated Human Settlements	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Submit a funding application to the Department: Human Settlement (DHS) by end-March 2024	One funding application submitted to the Department: Human Settlements	ALL	Number	Good Governance and Public Participation	New Key Performance Indicator	-	-	1	-	1

ANNEXURE F
KNYSNA MUNICIPALITY: PRIORITY MATRIX

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KNYSNA MUNICIPALITY: AMENDED 2024/2025 INTEGRATED DEVELOPMENT PLAN

No	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Ward 10	Ward 11
1	Low-cost housing development	Accelerated the implementation of low-cost housing projects and development and allocation of vacant land parcels for families on the updated Housing Waiting List	Construction of a primary school	Electrification of informal areas	Accelerated implementation of UISP and low-cost housing projects and lobbying funding for bulk services infrastructure	Land and housing	Additional sanitation facilities	Installation of CCTV cameras	Fixing of street lights (stolen cables)	Land for Housing Development	Provision of serviced sites for housing in Lower Pezula
2	Electrification of informal areas	Procurement of land parcels for FUSP and GAP housing and related services planning	Public Library	Accelerated implementation of low-cost housing projects	Transformation of the tourism industry to create job opportunities to stabilize economic growth	Electricity, sewerage and water provision for informal settlements and new developments (Erf 4712 & 3339)	Low-cost housing development	Establishment of a sports field	Upgrading of the sewerage system in Forestry Villages	Upgrading of streets	Establishment of CCTV camera network and basic law enforcement for the ward
3	Erosion repair and maintenance	Identify and examine feasibility of agricultural projects, related skills training and job opportunities	Engage the property owners of Krustfontein and Middelert to buy the land for housing development	Construction of roads	Establishment of an effective and affordable public transport system on major routes	Building safer communities	Electrification of informal settlements	Electrification of informal settlements	Water quality for Forestry Villages	Construction of a Primary School	Establishment of a container village/ entrepreneurial space
4	Repair, Reseal and Upgrading of Roads	Development of a Youth Centre and sports facility	Create and implement job creation initiatives for unemployed residents and utilization of local skilled labour in municipal projects	Rectification of houses	Alien Species Clearing Control Programme	Youth development and elderly care	Upgrading of gravel roads	Upgrading/ paving of roads	EPWP to include the residents from all Forestry Villages	Sport and recreation facilities	Establishment of satellite police station, fire station and traffic station

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No	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Ward 10	Ward 11
5	Provision of secure Water and Sanitation Supply for Sedgefield	Planning and implementation of renewable energy projects by 2028: Photo-Voltaic and Waste to Energy	Establishment of an adequately resourced Youth Advisory Centre in order to facilitate youth development programmes effectively	Land Allocation	Transformation of the tourism industry to create job opportunities to stabilize economic growth	Upgrading of sport and recreational facilities	Satellite Fire station	Rectification of old RDP houses	Upgrading of the access road to Middelerf	Shopping Centre	Youth Development and capacity building
6									Request for a library	Clinic (Health care facilities)	
7									Housing Development		
8									Sport and recreational facilities		
9									Community Safety		
10									Resurfacing of George Rex Drive from Vigilance to East Head		
11									Management and repair of Leisure Isle seawall and eroding dunes at Bollard beach		
12									Enhancement of safety and security inclusive of enforcement of all laws and by-laws through additional CCTV		

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No	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Ward 10	Ward 11
									cameras and visible policing		
13									Effective management plan to prevent degradation of the estuary		
14									Portable water, storm water and sewer management (replacement of pipes) and repair throughout Ward 9		

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6.7

C07/05/24	ANNUAL BUDGET 2024/2025
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To be circulated under separate cover.

7. **CONSIDERATION OF MOTIONS**

None

8. **CONSIDERATION OF QUESTIONS**

None

9. **CONSIDERATION OF MOTIONS OF EXIGENCY**

None

10. **IN COMMITTEE ITEMS**

None

11. **ADJOURNMENT**

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