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List of Acronyms

IDP	Integrated Development Plan
NCPGDS	Northern Cape Provincial Growth and Development Strategies
CRR	Capital Replacement Reserve
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognized Accounting Practice
DHLG	Department of Housing and Local Government
MFMA	Municipal Finance Management Act
SDBIP	Service Delivery and Budget Implementation Plan
CPIX	Consumer Price Index
GDP	Gross Domestic Product
MIG	Municipal Infrastructure Grant
SPM	Sol Plaatje Municipality
BEE	Black Economic Empowerment
SMME	Small Medium and Micro Enterprises
LED	Local Economic Development
NCEDA	Northern Cape Economic and Development Agency
DEAT	Department of Education and Training
NCTA	Northern Cape Tourism Authority
DPLG	Department of Provincial and Local Government
CBD	Central Business District
DORA	Division of Revenue Act
MTREF	Medium Term Revenue and Expenditure Framework
KPA	Key Performance Area
KPI	Key Performance Indicator
SFA	Strategic Focus Area
MSA	Municipal Systems Act
PMS	Performance Management System
NSDP	National Spatial Development Programme
PGDS	Provincial Growth and Development Strategies
MSP	Municipal Support Programme
PPP	Public Private Partnership
DBSA	Development Bank of South Africa
DM	District Municipality
SALGA	South African Local Government Agency
SETA	Sectoral Education and Training Authority
HDI	Historically Disadvantaged Individuals
CDW	Community Development Worker
EPWP	Extended Public Works Programme
BS	Balance Sheet
MM	Municipal Manager
CFO	Chief Financial Officer

**EXECUTIVE
MAYOR'S
BUDGET
SPEECH**

BUDGET SPEECH 2008/09 BY THE EXECUTIVE MAYOR

Madam Speaker
Members of the Mayoral Committee
Honourable Councillors
The Accounting Officer
Executive Directors and Officials
Members of the Press
Distinguished guests, Community leaders and the Business Fraternity
Ladies and Gentleman

As we enter our fourteenth year of liberty and democracy, we can indeed be justifiably proud of what we achieved during this period. Our people today are prime examples of our national motto of a better life for all.

Madam Speaker, Sol Plaatje will strive to deliver on its promises to indeed create an environment that is conducive to live and work in. All our efforts should be combined to make the municipality a model for all other institutions to look up to.

We will not waver from the path we are on but will endeavour with our limited resources to provide a quality and affordable service to the community at large. The Integrated Development Plan which is in essence a contract between the municipality and the community will continue to form the framework of the budget. **There cannot be budget without the IDP.** The Integrated Development Plan forms part the Macro Economic Plan of National Government and forms an integral part of all future developments in partnership with all the communities.

The IDP should be used as a tool to involve the entire municipality and its citizens in finding the best solutions to achieve good long term development. It takes into account the existing conditions and problems and resources available for development. It cannot be over emphasized that where municipalities lack clear development plans, government departments and potential investors are reluctant to invest.

We should endeavour to market our city more vigorously with all the tools at our disposal. The website is currently under utilized and should be used to its maximum effect to attract investors and by so doing create much needed job opportunities for our inhabitants. Too little is done to market the city as a prospective investment location. The KINA incentive policy is currently being reviewed and will be enhanced to make the city a major competitor in the investor market. Kimberley as the capital city of the Northern Cape should serve as a catalyst so that other towns in the area may reap the benefits of the city's economy.

The announcement by the National Minister that Kimberley is to become the hub for the diamond trade in South Africa where all diamond activities will be routed through the city is a welcome boost to the economy. A new factory worth more than R100m for the manufacturing of jewellery in the form of necklaces and chains was also announced by our Premier which will surely enhance the city's status as a potential investment centre.

Madam Speaker, we are facing huge challenges as an institution and we as a council need to unite to overcome these hurdles. Some of the issues are the following:

- The Bultfontein Road closure.
- The rising water and environmental impact of Kamfersdam.
- The deteriorating condition of our road network.
- The lack of infrastructure which is future hampering development.
- The huge water and electricity losses.
- The slow growth of the city's economy.
- Slow or no progress made in collecting outstanding monies due to Council.
- The ever increasing number joining the ranks of the unemployed thus placing more strain on our already diminishing revenue sources.

Despite these factors causing a damper on our progress, Madam Speaker, we should not deviate from our course in serving the community especially the poorest of the poor. With the limited resources at our disposal, the funds should be used expediently to reap the maximum benefit from it by reducing unnecessary expenditure.

Projects started last year and focusing on a humanitarian aspect should continue unabated. These are:

- **The annual Christmas treat for our disadvantaged children which provide much joy in the hearts of these children who under normal circumstances are deprived of life's little joys.**
- **Special rewards for the religious on Father's day.**
- **Mayor's cleaning projects will continue as usual as it brings welcome relief to the unemployed and destitute.**
- **The very popular Mayoral golf day.**
- **Any other charitable function hosted by the mayor.**

Madam Speaker, the annual budget for 2008/9 financial year amount to R857,535,000m comprising of R742,023,000m operational and R115,512,000.00m capital. The capital budget are in the main funded by either National or Provincial organs of state. In order to balance this budget, it necessitates a tariff average increase of 9.63% with regard to service charges. This is considerably higher than the previous year's average of 5.84%. This is attributable to the new valuations as well as the above normal increase of 12% on electricity tariffs. The ever increasing employee costs are also a major contributing factor impacting on our annual budget as it has become a meaningful percentage of the total operating budget.

Included under the capital budget is projects aimed at bringing a measure of relief to some of our infrastructural shortcomings like:

- Roads and storm water.
- Lighting in various areas of the city.
- Homevale waste water treatment plant.

- SMME villages in Galeshewe and Ritchie which sought to give more impetus to our informal traders.

DEBT MANAGEMENT AND SERVICE DELIVERY

Debt collection is a major cause of concern as no inroads are being made in collecting monies due to the municipality. A new debt collection policy was accepted by council and it is anticipated that this new approach will be reap benefits for the municipality. It is common knowledge that communities who benefit from affordable quality services rendered are more then willing to pay and as such areas where a good quality services are lacking should be identified and the necessary structures put in place to improve service delivery so as for council to reap the maximum benefit of it. Council has shown its commitment in improving service delivery by embarking on a loan to address infrastructure backlogs to improve our level of service to our communities. Although the loan of R35million will not entirely address all the infrastructural shortcomings, it will provide a measure of relief to those effected areas.

DIRECTORATE INFRASTRUCTURE AND SERVICES

Levels of Services

- ❖ Electricity level, 60 amps
- ❖ Water level, house connection
- ❖ Sanitation, Waterborne
- ❖ Roads, tarred and paved
- ❖ Storm water, open channel
- ❖ Refuse removal, kerbside collection
- ❖ RDP houses 40m2

Standard of Service

- ❖ Electricity - uninterrupted supply of electricity 99%
- ❖ Water - 99% supply and the longest interruption is 48 hours
- ❖ Sanitation - 100% in formal houses with some isolated incidents of buckets not removed on time
- ❖ 257km of gravel roads
- ❖ Refuse containers in informal settlements

IDP Priorities relating to the Directorate Infrastructure and Services

- ❖ To provide 1700 households with basic electricity by 2011
- ❖ To provide 1215 households in formal areas with metered water connection by 2010
- ❖ To provide 5645 households in formal settlement with sanitation by 2012
- ❖ To eradicate 682 bucket systems in all pre-1994 formal residential areas by December 2007

- ❖ To provide 2249 households with weekly refuse removal by 2010
- ❖ To tar 50km of roads by 2012
- ❖ To reduce the electricity losses to 10% by 2011
- ❖ To reduce the water losses by 15% by 2011
- ❖ To Put in place an infrastructure Maintenance plan by June 2008.

Performance Highlights for 2006/7

- ❖ New electricity 260
- ❖ New water connections 1640
- ❖ New sanitation provided 1340
- ❖ Kilometres of road tarred 10,4km

Mid year performance as at December 2007

- ❖ New electricity connections 94
- ❖ Water connections 1000
- ❖ Sanitation 661
- ❖ Buckets eradicated 728
- ❖ Kilometres of road tarred 6.7km
- ❖ Infrastructure maintenance plan progress 20%

Madam Speaker in conclusion I would to thank all those dedicated officials who put in long hours to make this budget a reality and sincerely hope that we will remain steadfast in our quest to make this city of ours a place to be proud of.

And taking a leaf out of the greatest statesman of all Nelson Madiba Mandela

I Thank you

T P Lenyibi
Executive Mayor: Sol Plaatje Municipality.

**BUDGET
RELATED
RESOLUTIONS**

AGENDA– SPECIAL COUNCIL MEETING – 28 MAY 2008

G. MATTERS NOT CONSIDERED BY
THE COMMITTEES OF COUNCIL

DIRECTORATE FINANCIAL SERVICES

1. TABLING OF THE ANNUAL BUDGET FOR 2008/2009 FINANCIAL YEAR

(Ald T P Lenyibi)

Purpose

Tabling of the Annual Budget of the Municipality for the financial year 2008/09 and indicative for the two projected outer years 2009/10 and 2010/11.

ANNEXURE
p. 1 - 12

Background information

In terms of the Section 24 (2) of Municipal Finance Management Act (MFMA) a Council of a Municipality must approve an annual budget before the start of the financial year. Section 24 (1) further requires that the Mayor must approve the annual budget at least 30 days before the start of the financial year. It is in compliance to Section 24 of MFMA that a annual budget for 2008/09 financial year is being tabled before this Council today.

The annexure in respect of the budget as per the Table of Contents in the budget documentation are hereby attached.

Legal authority

Legal authority emanates from the Municipal Finance Management Act (No. 56 of 2003) Chapter 4 and all relevant Circulars in respect of the tabling of the Budget.

The Budget was discussed with the office of the Executive Mayor and various Line Managers, Financial Managers, Directors, Municipal Manager. A public participation process was undertaken. National Treasury and the Provincial Treasury made submissions on the budget book.

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Inter-directorate consultation

The annual budget will be tabled by the Executive Mayor, Ald T P Lenyibi.

AGENDA – SPECIAL COUNCIL MEETING – 28 MAY 2008G. MATTERS NOT CONSIDERED BY
THE COMMITTEES OF COUNCILDIRECTORATE FINANCIAL SERVICESRECOMMENDATION:

1. That Council resolves that the annual budget of the municipality for the financial year 2008/09 and indicative for the two projected outer years 2009/10 and 2010/11 be approved as set out in the bound budget document, detail provided in the schedules, tables, charts and supporting documents as outlined per the budget table of contents:
 - 1.1 Operating revenue by source reflected in Section 5; page 1
 - 1.2 Operating expenditure by vote reflected in Section 5; page 2
 - 1.3 Capital expenditure by vote reflected in Section 5; page 3
 - 1.4 Capital expenditure by GFS classification reflected in Section 5; page 4.
 - 1.5 Capital funding by source reflected in Section 5; page 5.
2. That Council resolves that multi-year capital appropriations by vote and associated funding reflected in Section 5; page 3 -5 be approved.
3. That Council resolves that property rates and any other municipal taxes and tariffs reflected in Section 14 be imposed for the budget year 2008/09.
4. That Council resolves to adopt the revised Integrated Development Plan reflected in Section 9.
5. That Council resolves to approve annexure A
6. That Council resolves that adverts be published to invite bids to incur a long term loan (Municipal Systems Act Section 21(a) and MFMA Section 46(a) refers) to the amount of R42 million to fund the capital budget.
7. That Council resolves to authorise the Accounting Officer to adjust the scarce skills compensation in Council in particular, those in the Infrastructure and Services, Financial Services and other Directorates in accordance with competency levels, outputs and technical requirements and also to further authorise the Accounting Officer to adjust the compensation of Elementary workers in the A – band. All adjustments shall be implemented when budgeted for or savings identified.

AGENDA – SPECIAL COUNCIL MEETING – 28 MAY 2008G. MATTERS NOT CONSIDERED BY
THE COMMITTEES OF COUNCILDIRECTORATE FINANCIAL SERVICES

8. That Council resolves to adopt the policies as reflected in the Budget Book.
9. That Council resolves in terms of the Municipality's Property Rates Policy to implement rates rebates for pensioners qualifying in accordance with said policy. In addition the following criteria for qualifying for the aforesaid rebate will apply:
 - The household income must not exceed R 60 000 per annum.
 - The maximum rebate may not exceed 20 % of the annual property rates for the subject property.
 - Only owners of properties with a rating category "Residential" qualify.
 - Pensioners who own more than one property may not receive a rebate for additional properties

Properties with a rating category of "Residential Business" or any other than "Residential" do not qualify.

SUPPLEMENTARY ITEMS NOT INCLUDED IN THE BUDGET BOOK (FOR
EXAMPLE SECTIONS 5 TO 7)

1. That Council approves that the water increase be 18,96% with effect from 1 July 2008.
2. That Council resolves to authorise the Accounting Officer or designated official to acquire a loan of approximately R73 million in terms of Section 21 (a) of Municipal Systems Act and Section 46 (a) of Municipal Finance Management Act which will be financed by the additional revenue to be generated from the increase in 1 above to be utilised to;
 - Eliminate infrastructure backlog in water and sanitation services
 - Eliminate exorbitant water losses through pipelines replacement
 - Expand infrastructure for water and sewer reticulation to meet the prevailing service demand
 - Avoid the environmental hazard caused by the overflow of the purified effluent to the Flamingo breeding island and the rail road infrastructure

Financial implications and benefits to be derived from the increase are detailed in Annexure B.

F. MONTHLY ACCOUNT FOR HOUSEHOLD - Large Household ²²				2008/09 Budget Return		
	A BUDGET 2007/08 R	B EXPECTED 2007/08 R	C BUDGET 2008/09 R ²³	C/A INCREASE / (DECREASE) %	BUDGET 2009/10 R	BUDGET 2010/11 R
Rates and services charges:						
- Property rates	609.19	609.19	639.60	4.99%	671.58	705.16
- Electricity: Basic levy	0.00	0.00	0.00	0.00%	0.00	0.00
Consumption	526.63	526.63	589.83	12.00%	631.12	675.30
- Water: Basic levy	0.00	0.00	0.00	0.00%	0.00	0.00
Consumption	839.20	839.20	902.14	7.50%	1 003.32	1 053.48
Sanitation	64.70	64.70	69.60	7.57%	73.08	76.73
Refuse removal	47.20	47.20	51.70	9.53%	54.29	57.00
Other			0.00	0.00%	0.00	0.00
VAT on Services	206.88	206.88	225.86	9.17%	246.65	260.75
TOTAL	2 293.80	2 293.80	2 478.73	8.06%	2 680.04	2 828.42

G. MONTHLY ACCOUNT FOR HOUSEHOLD - Small Household ²⁴				2008/09 Budget Return		
	A BUDGET 2007/08 R	B EXPECTED 2007/08 R	C BUDGET 2008/09 R ²⁵	C/A INCREASE / (DECREASE) %	BUDGET 2009/10 R	BUDGET 2010/11 R
Rates and services charges						
- Property rates	146.51	145.51	153.83	5.00%	162.52	169.60
- Electricity: Basic levy	0.00	0.00	0.00	0.00%	0.00	0.00
Consumption	160.68	160.68	179.96	12.00%	192.56	206.04
- Water: Basic levy	0.00	0.00	0.00	0.00%	0.00	0.00
Consumption	116.20	116.20	124.92	7.50%	187.24	196.60
Sanitation	64.70	64.70	69.60	7.57%	73.08	76.73
Refuse removal	47.20	47.20	51.70	9.53%	54.29	57.00
Other	0.00	0.00	0.00	0.00%	0.00	0.00
VAT on Services	54.43	54.43	59.66	9.62%	71.00	75.09
TOTAL	589.72	588.72	639.67	8.47%	740.69	781.06

22 Use as basis 1 000m² erf, 150m² improvements, 1 000 units electricity and 30kl water.

23 Increases necessary later due to financing the budget expenditure must be included.

24 Use as basis 300m² erf, 48m² improvements, 498 units electricity and 25kl water.

25 Increases necessary later due to financing the budget expenditure must be included.

ANNEXURE B

A. REQUESTS FOR FUNDING	LOAN	AMOUNT	year 1	year 2	PERIOD	INTEREST RATE	ANNUAL REPAYMENTS	TO BE FUNDED	TO BE FUNDED	TO BE FUNDED
								All year 1	year 1 split	year 2 split
PREPAID ELECTRICITY VENDING AND RELATED INFRASTRUCTURE SYSTEMS	1	42 000 000	42 000 000		15	11,5%	5 900 000	5 900 000	5 900 000	
WATER PIPES REPLACEMENT TO CURBE WATER LOSSES	2	38 000 000	18 000 000	20 000 000	20	11,5%	4 900 000	4 900 000	2 321 053	2 578 947
WATER METER REPLACEMENT	3	5 000 000	5 000 000	5 000 000	15	11,5%	700 000	700 000	700 000	700 000
KAMFERSDAM EFFLUENT OVERFLOW - ENVIRONMENTAL HAZARL	4	30 000 000	10 000 000	20 000 000	20	11,5%	3 900 000	3 900 000	1 300 000	2 600 000
PERSONNEL WATER DEMAND MANAGEMENT							1 300 000	1 300 000	650 000	650 000
CONTRIBUTION CAPITAL REPLACEMENT RESERVE							4 000 000			
MASTER SYSTEMS PLAN BROADBAND FIBER CABLE ENHANCEMENT INFRASTRUCTURE							5 000 000			
TOTAL							25 700 000	16 700 000	10 871 053	6 528 947

B. SCENARIO IF WATER IS INCREASED NORMALLY TO ACCOMMODATE PROJECTS

	AMOUNT FUNDED	INCREASE	INCREASE	INCREASE
1. IF FUNDED IN ONE YEAR - TOTAL INCREASE	16 700 000	25.34%		
2. IF FUNDED OVER TWO YEARS - TOTAL INCREASE YEAR 1	10 871 053		18.96%	
3. IF FUNDED OVER TWO YEARS - ADDITIONAL INCREASE YEAR 2	6 528 947			5.50%

**THE BUDGET:
EXECUTIVE
SUMMARY**

SOL PLAATJE LOCAL MUNICIPALITY
EXECUTIVE SUMMARY ON THE MULTI YEAR BUDGET FOR THE 2008/2009 TO 2010/2011
FINANCIAL YEARS

1. INTRODUCTION

Administrative arrangements in respect of the budget process are set out in Sections 15 to 26 of the Local Government: Municipal Finance Management Act (MFMA), Act no 56 of 2003. Section 69 of the MFMA also requires the preparation, submission and approval of service delivery and budget implementation plans (SDBIP).

In addition, National Treasury has also issued circular numbers 13, 19, 28, 41 and 45 dealing with administrative guidelines in respect of the preparation of the annual budget.

Sol Plaatje has been classified as a high capacity Municipality and as such the compilation and approval of the annual budget for the 2008/2009 to 2010/2011 financial years should be in line with the above sections of the MFMA, as well as the Circulars from National Treasury, as far as possible.

In terms of Council's approved budget timetable an annual budget must be prepared for consideration by council after consultation with the community and other stakeholders as indicated in the timetable.

2. PURPOSE OF THE REPORT

The purpose of this report is to present the proposed Annual Budget for the 2008/2009 and the indicative for the two outer years 2009/10 and 2010/2011 to the Council of Sol Plaatje Municipality for approval.

3. DISCUSSION

The report is discussed under the following headings:

3.1 Current Financial Situation

3.2 Sources of funds and allocation of Income

3.3 Provision for Bad Debts

3.4 Capital Projects

3.5 Operational Plans

3.6 Budget Community Participation Programme

3.7 General Remarks

3.1 Current Financial Situation

Key financial indicators are set out below.

Financial Indicator	Proposed for 2009	Projected for 2008	Audited Actual for 2007
Provision for bad debts	66,000,000	56,000,000	40,000,000
Consumer debtors	146,000,000	146,867,147	148,899,767
External Loans	116,000,000	76,000,000	50,611,495
Investments	83,345,680	78,628,000	77,007,808

From a review of the indicators the following important deductions should be noted:

- Although outstanding debtors have increased, we have to validate our debtor's accounts and write-off all verified indigent outstanding balances. The total outstanding debtors accounts that relate to indigents is approximately R155,300,000. An amount of R39,8 million has been written off in the preceding financial period, and whereas an amount of R18 million has been written off to date through the indigent verification processes.
- We have engaged MA and R consulting to execute the verification process and about 3000 beneficiaries were verified. The process has since been extended and bids have been solicited to continue with the process
- It is quite clear that the collection rate must improve and all dead and irrecoverable accounts must be written off. We have consulted the office of the State Attorney to assist with the collection of rates collection. Letters of demand have been issued and positive responses are forthcoming.
- The importance of effective credit control can not be over-emphasized. In order to improve the Municipality's cash flow situation, all effort should be put in place to collect outstanding amounts. Another issue of concern, that goes hand-in-hand with the credit control, is the status of the consumers' data on the system. It stands to reason that proper credit control cannot be instituted effectively, if the data and connections of tariffs on the system are not reliable.
- An external service provider has been appointed to do data cleansing to assist with the credit control function
- With regards to the irrecoverable debt, we have drafted the Debt Write Off policy (included in this documentation for adoption)
- The provision for bad debt was significantly increased. The provision is considered to be in line with the prevailing payment levels.

In terms of National Treasury Circular no 45 it is important to note the Macro Economic Trends and Growth Rates and The guidelines set out below.

CIRCULAR 41 of MFMA	2008/9	2009/10	2010/11
Inflation Forecast (CPIX)	6.20%	4.80%	4.70%
GDP Growth	4.00%	4.20%	4.20%
Guideline growth limits	7.50%	5.20%	5.10%
NERSA: Electricity tariff growth limits	12%		

The average tariff increases in the budget for 2008/09 are as follows;

Service	Proposed 2008/9	Actual 2007/8
Sewerage	7.54%	6.00%
Cleansing	9.53%	6.00%
Electricity	12.00%	5.60%
Water	7.50%	6.00%
Rates and General	8.50%	6.00%
AVERAGE	9.63%	5.84%

- The current CPIX Index as published by the South African Reserve Bank is 8.8% in the January statistical reports and the CPI is 9.3%.
- Municipalities must aim to ensure that revenue projections are accurate, realistic and collectable.
- The guideline growth limits are only for self-generated revenue sources. It excludes the increased national allocations provided for the purpose of expanding infrastructure and providing basic services to more households.

- The average tariff increase excluding electricity is 8.12% taking into account the property rates and taxes. This average tariff increase is below the CPIX of 8.8%
- Municipalities are obliged to ensure that their budgets are balanced and all expenditure is fully funded.
- Municipalities must ensure that the IDP is revised and linked to resource allocations in the budget.
- To achieve national objectives, municipalities should also strive to alter the composition of their budgets by spending more on capital and basic services and less on personnel and administration and improve the quality of spending. Municipalities are expected to maintain a clear focus on expanding infrastructure investments to encourage economic growth potential, adding impetus to the national priorities for improved spending in this area.
- On the operating side, it is important to continue to strive to achieve efficiency and productivity gains whilst being mindful of the implication that rapid growth in salaries and allowances will mean for service delivery.
- When preparing the annual budget the Mayor of the Municipality must take into account the national budget, the relevant provincial budget, the national governments fiscal and macro economic policy, the annual Division of Revenue Act and any agreement reached in the Budget Forum. This is in addition to consultation with the community and other stakeholders, including district and all local municipalities within the district.

3.2 Sources of Fund and Allocation of Income

- ◇ An average of 8.12% increase in tariffs has currently been provided for, in rates, water, sewer and refuse removal.
- ◇ Increase in tariffs for electricity has been restricted to 12.00% as per guidelines received from the National Electricity Regulator.
- ◇ The proposed budget for the 2008/2009 financial year was determined from projected income and any possible additions. A table of revenue per source of income is illustrated in Section 6 of this Budget Book

Expenditure

- ◇ Projected expenditure and any possible additions based on operational plans and IDP priorities submitted have been used as basis for determination of the Budget. A table of expenditure by vote is illustrated in Section 6 of this Budget Book
- ◇ An allocation of R20m from the Equitable Share Grant shall be utilized for the provision of free basic services and direct subsidy of indigent households only. The allocation for free basic services comprises of 12kl water and 50 kWh of electricity per month for indigent households.
- ◇ Capital projects to be funded from the Municipal Infrastructure Grant (MIG) as per the Division of Revenue Act.

In reviewing departmental expenditure versus income generated, it should be noted that there are departments which are mainly of support nature and dealing with community services and as such do not generate income. In order to balance the expenditure for these departments distributions to these departments takes place from income sources such as rates and taxes, equitable share allocation and any surpluses on trading services such as electricity.

3.3 Provision for Bad Debts

- ◇ A significant attempt should be made to provide adequately for bad debt and working capital.
An extract from section 18 of the MFMA reads as follow:
“(1) An annual budget may only be funded from-
 - (a) realistically anticipated revenue to be collected;
 - (b) cash-backed accumulated fund form previous year’s surpluses not committed for other purposes; and
 - (c) borrowed funds, but only for the capital budget referred to in section 17 (2).
- (2) ***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.”***

It is therefore of utmost importance that credit control be enforced vigorously to avoid potential cash flow problems.

The current provision for bad debts has been made on the basis of the payment levels for the first six months of the current financial year and also considered efforts of credit to be enforced in the financial year.

3.4 Capital Projects

Only Capital Projects for which funding has been secured will be included in the Capital Budget. All municipalities that have been categorized as high and medium capacity (for the implementation of the MFMA) will receive their MIG grants directly, as long as they comply with section 14 of the Division of Revenue bill (on tabling of a three-year budget), and adherence to section 37(2) (submitting a detailed three-year capital plan for the 2008/09 and 2009/10 budget).

3.5 Operational Plans

The consolidated operational plans are being reviewed by the Heads of Departments. These operational plans reflect the priorities of Council to be addressed in the 2008/2009 financial year and the 2 subsequent years. The accounting officer shall in terms of section 69 (3) of the MFMA submit within 14 days after approval of the annual budget a draft service delivery and budget implementation plan for the budget year and the drafts of the performance agreements as required by section 57 (1) (b) of the MSA.

3.6 Budget Community Participation Programme

Legislation requires the municipality to draft a programme for community participation during the budget process. The consultative process continued until the approval of the final budget.

3.7 General Remarks

It is important to note that a number of the capital items as well as additional personnel included in the annual budget have been identified as critical by the various Heads of Departments.

Current payment levels are resulting in significant amount of income to be reserved for bad debt provision. This situation will have a definite effect on the amount to be made available for service delivery in the budget for the 2008/2009 to 2010/2011 financial years. It is therefore imperative that measures be put into place to increase current payment to between 80% and 90% as a short to medium term target.

BUDGET SCHEDULES

SOL PLAATJE MUNICIPALITY
Medium Term Revenue and Expenditure Framework

SCHEDULE 4 CAPITAL FUNDING BY SOURCE	Preceding Year 2006/07	Current Year 2007/08			Medium Term Revenue and Expenditure Framework		
	Unaudited Actual R'000 A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
					Budget R'000 E	Budget R'000 F	Budget R'000 G
National Government							
Amounts allocated / gazetted for that year	17 983	54 799	41 183	41 183	49 810	45 159	44 443
Amounts carried over from previous years							
Total Grants & Subsidies - National Government	17 983	54 799	41 183	41 183	49 810	45 159	44 443
Provincial Government							
Amounts allocated / gazetted for that year	13 536	35 775	36 097	36 097	12 852	8 031	8 633
Amounts carried over from previous years							
Total Grants & Subsidies - Provincial Government	13 536	35 775	36 097	36 097	12 852	8 031	8 633
District Municipality							
Amounts allocated for that year	4 113	4 225	4 225	4 225	1 195		
Amounts carried over from previous years							
Total Grants & Subsidies - District Municipalities	4 113	4 225	4 225	4 225	1 195	0	0
Total Government Grants & Subsidies	35 632	94 799	81 505	81 505	63 857	53 190	53 076
Public Contributions & Donations	876	11 040	2 918	2 918			
Accumulated Surplus (Own Funds)	7 015	15 000	42 471	42 471	9 000		
External Loans		35 000	26 360	26 360	52 850	27 000	
TOTAL FUNDING OF CAPITAL EXPENDITURE	43 523	155 839	153 254	153 254	125 707	80 190	53 076

SOL PLAAATJE MUNICIPALITY

TABLE 5 SUMMARY OF REV & EXP BY VOTE	2008/09							2009/10							2010/11						
	Appropriations			Funding			Surplus / (Deficit)	Appropriations			Funding			Surplus / (Deficit)	Appropriations			Funding			Surplus / (Deficit)
	Capital R'000	Operating R'000	Total R'000	Own Source R'000	External R'000	Total R'000		Capital R'000	Operating R'000	Total R'000	Own Source R'000	External R'000	Total R'000		Capital R'000	Operating R'000	Total R'000	Own Source R'000	External R'000	Total R'000	
Executive & Council	0	18 507	18 507	18 507	0	18 507		735	18 153	18 888	18 153	735	18 888		735	19 119	19 854	19 119	735	19 854	
Municipal & General	0	106 126	106 126	106 126	0	106 126		0	128 092	128 092	128 092	0	128 092		0	155 007	155 007	155 007	0	155 007	
Municipal Manager's Office	0	10 093	10 093	10 093	0	10 093		0	10 145	10 145	10 145	0	10 145		0	10 653	10 653	10 653	0	10 653	
Corporate Services	0	31 205	31 205	31 205	0	31 205		0	32 047	32 047	32 047	0	32 047		0	33 828	33 828	33 828	0	33 828	
Community Services	938	87 111	88 049	87 111	938	88 049		1 031	93 166	94 197	93 166	1 031	94 197		1 133	97 293	98 426	97 293	1 133	98 426	
Financial Services	5 435	47 588	53 023	47 588	5 435	53 023		0	50 012	50 012	50 012	0	50 012		0	51 929	51 929	51 929	0	51 929	
Strategy, Economic Development	28 514	23 905	52 419	23 905	28 514	52 419		23 336	25 015	48 351	25 015	23 336	48 351		28 273	26 166	54 439	26 166	28 273	54 439	
Infrastructure & Services	90 820	340 541	431 361	340 541	90 820	431 361		55 088	369 858	424 946	369 858	55 088	424 946		22 936	392 393	415 329	392 393	22 936	415 329	
TOTAL	125 707	665 076	790 783	665 076	125 707	790 783	0	80 190	726 488	806 678	726 488	80 190	806 678	0	53 077	786 388	839 465	786 388	53 077	839 465	0
Internal Charges and cross subsidization																					
Municipal & General	0	0	0	0	0	0		0	0	0	0	0	0		0	0	0	0	0	0	
Corporate Services	0	0	0	0	0	0		0	0	0	0	0	0		0	0	0	0	0	0	
Community Services	0	0	0	0	0	0		0	0	0	0	0	0		0	0	0	0	0	0	
Financial Services	0	0	0	0	0	0		0	0	0	0	0	0		0	0	0	0	0	0	
Strategy, Economic Development	0	0	0	0	0	0		0	0	0	0	0	0		0	0	0	0	0	0	
Infrastructure & Services	0	78 019	78 019	0	0	0		0	84 018	84 018	0	0	0		0	87 897	87 897	0	0	0	
TOTAL	125 707	743 095	868 802	665 076	125 707	790 783	0	80 190	810 506	890 696	726 488	80 190	806 678	0	53 077	874 285	927 362	786 388	53 077	839 465	0

**BUDGET,
TABLES
AND
RELATED
CHARTS**

SOL PLAATJE MUNICIPALITY TABLE 3 CAPITAL EXPENDITURE BY VOTE	Preceding Year 2006/7	Current Year 2007/8			Medium Term Revenue and Expenditure Framework		
					Budget Year 2008/9	Budget Year +1 2009/10	Budget Year +2 2010/11
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget R'000 E	Budget R'000 F	Budget R'000 G
Executive & Council	1 575	904	0	0	0	0	0
Finance & Admin	189	1 776	9 516	9 516	5 435	735	735
Strategy and Development	3 294	30 476	12 588	12 588	28 514	23 336	28 273
Housing	0	4 083	1 000	1 000	0	6 900	4 225
Community & Social Services	3 837	3 296	6 580	6 580	0	0	0
Corporate Services	0	0	0	0	0	0	0
Public Safety	0	0	0	0	0	0	0
Sport and Recreation	0	743	743	743	938	1 031	1 133
Fleet replacement	0	12 300	8 500	8 500	0	0	0
Waste Management	0	0	0	0	0	0	0
Waste Water Management	9 200	4 950	5 379	5 379	1 724	0	0
Road Transport	20 229	29 009	41 241	41 241	8 717	0	6 900
Water	0	37 262	31 017	31 017	14 929	20 287	10 222
Electricity	5 200	31 040	36 690	36 690	65 450	27 901	1 588
CAPITAL EXPENDITURE BY VOTE	43 524	155 839	153 254	153 254	125 707	80 190	53 076

SOL PLAATJE MUNICIPALITY TABLE 1 REVENUE BY SOURCE	Preceding Year 2006/07	Current Year 2007/08			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
					Budget R'000 E	Budget R'000 F	Budget R'000 G
Revenue by Source							
Property rates	99 894	105 572	120 000	120 000	129 051	132 639	140 628
Property rates - penalties imposed and collection charges	0	0	0	0	0	0	0
Service charges - electricity revenue from tariff billings	154 585	165 647	174 075	174 075	192 162	214 931	230 043
Service charges - water revenue from tariff billings	92 444	94 178	85 200	85 200	101 238	107 704	113 124
Service charges - sanitation revenue from tariff billings	32 603	34 524	35 923	35 923	37 241	39 680	41 641
Service charges - refuse removal from tariff billings	23 085	24 330	24 537	24 537	26 889	28 287	30 005
Service charges - other	11 253	13 035	9 787	9 787	12 479	13 157	13 836
Rental of facilities and equipment	10 263	11 705	10 962	10 962	11 103	11 932	12 500
Interest earned - external investments	8 062	6 000	8 500	8 500	8 000	8 400	8 820
Interest earned - outstanding debtors	39 352	35 800	46 425	46 425	42 800	44 315	45 831
Fines	3 750	7 032	3 940	3 940	5 233	5 547	5 861
Licenses and permits	3 494	6 200	3 453	3 453	4 360	4 914	5 360
Government grants & subsidies	95 696	63 251	63 251	63 251	77 656	97 387	121 259
Internal transfers	0	0	0	0	0	0	0
Other income	13 447	12 552	12 990	12 990	16 864	17 594	17 479
Total Revenue By Source	587 928	579 826	599 043	599 043	665 076	726 487	786 387
Internal recoveries	28 305	30 910	30 910	30 910	29 194	30 973	32 640
Cross Subsidization	37 107	44 549	44 549	44 549	48 825	53 045	55 258
Total	653 340	655 285	674 502	674 502	743 095	810 505	874 285

Note:

Internal recoveries and cross subsidization are included in the Budget but is not regarded as actual revenue and is countered by the same amount in the expenditure budget

**BUDGET
SUPPORTING
TABLES**

SOL PLAATJE MUNICIPALITY

SUPPORTING TABLE 1							
RECONCILIATION OF IDP AND FINAL BUDGET 2008/09 - 2010/11							
KPA AND STRATEGIC OBJECTIVES	MAIN ACTIVITIES	Capital Budget			Operating Budget Income		
		2008/09	2009/10	2010/11	2008/09	2009/10	2010/11
		R'000	R'000	R'000	R'000	R'000	R'000
1. Local Economic Development To provide a sound, affordable and predictable environment for business to control its risks and costs in order to expand existing economic activity and to attract new development for job creation	Preparation of strategic LED documents such as City Development Strategy and LED Strategy to ensure integrated assistance to all economic sectors, including infrastructure and institutional support to Informal Sector and SMME's in cooperation with other stakeholders	18 514	16 336	20 773	8 414	9 881	10 299
2. Sustainable Service Delivery To meet service needs (service backlogs and new services) in a sustainable manner by ensuring affordability for both consumers and the municipality through effective prioritisation	Meeting the service needs of communities and addressing backlogs in a sustainable manner	10 462	7 801	5 814	346 996	378 300	402 357
3. Infrastructure Development To ensure sustainable new infrastructure development and well maintained existing infrastructure to ensure a quality living environment and economic development	Preparation of Infrastructure Plans (including maintenance and operational plans) linked to the Spatial Development Framework with special reference to the Housing Plan.	35 008	20 287	17 121	Included in KPA 2 the above		
4. Financial Viability and Management To ensure the longterm financial viability of the Municipality to ensure its constitutional developmental role and service delivery obligation	Strategic and sustainable budgeting, revenue protection, debtor's control, grow and diversify revenue and value for money expenditure through an integrated financial plan.	46 000	27 000	0	137 294	140 272	147 889
5. Municipal Institutional Development and Transformation To create an efficient, effective and accountable institutional structure to ensure that it can deliver on its constitutional developmental role and service delivery obligation	Design and population of an organisational structure with skilled and competent staff for improved service delivery. Systems development, skills retention and training for productive working methods.	5 528	1 478	1 478	170 847	196 424	224 146
6. Good Governance and Public Participation To create productive and constructive interface between the administration and political structures and ensure performance and accountability in terms of the different roles and responsibilities between the administration and political structures beyond organisational performance.	Addressing Auditor General's queries as per Action Plan to ensure improvement in audit opinion. Firm up on Performance Management System. Managing the interface between the administrative and political structures.	0	0	0	1 525	1 611	1 697
Total Actual Expenditure Budget		115 512	72 902	45 186	665 076	726 488	786 388
Internal Charges					29 194	30 973	32 640
Cross subsidization					48 825	53 045	55 258
TOTAL		115 512	72 902	45 186	743 095	810 506	874 286

NOTE: The amounts included in KPA 1: Local Economic Development include funding from the Neighbourhood Partnership Development Grant. Once detail plans of projects to be funded from this grant has been finalised it can be reallocated accordingly. Some of these projects could include infrastructure projects for instance.

SOL PLAATJE MUNICIPALITY

SUPPORTING TABLE 2							
RECONCILIATION OF IDP AND FINAL BUDGET 2008/09 - 2010/11							
KPA AND STRATEGIC OBJECTIVES	MAIN ACTIVITIES	Capital Budget			Operating Budget Expenditure		
		2008/09	2009/10	2010/11	2008/09	2009/10	2010/11
		R'000	R'000	R'000	R'000	R'000	R'000
1. Local Economic Development To provide a sound, affordable and predictable environment for business to control its risks and costs in order to expand existing economic activity and to attract new development for job creation	Preparation of strategic LED documents such as City Development Strategy and LED Strategy to ensure integrated assistance to all economic sectors, including infrastructure and institutional support to Informal Sector and SMME's in cooperation with other stakeholders	18 514	16 336	20 773	23 905	25 015	26 166
2. Sustainable Service Delivery To meet service needs (service backlogs and new services) in a sustainable manner by ensuring affordability for both consumers and the municipality through effective prioritisation	Meeting the service needs of communities and addressing backlogs in a sustainable manner	10 462	7 801	5 814	427 652	463 024	489 686
3. Infrastructure Development To ensure sustainable new infrastructure development and well maintained existing infrastructure to ensure a quality living environment and economic development	Preparation of Infrastructure Plans (including maintenance and operational plans) linked to the Spatial Development Framework with special reference to the Housing Plan.	35 008	20 287	17 121	Included in KPA 2 the above		
4. Financial Viability and Management To ensure the longterm financial viability of the Municipality to ensure its constitutional developmental role and service delivery obligation	Strategic and sustainable budgeting, revenue protection, debtor's control, grow and diversify revenue and value for money expenditure through an integrated financial plan.	46 000	27 000	0	47 588	50 012	51 928
5. Municipal Institutional Development and Transformation To create an efficient, effective and accountable institutional structure to ensure that it can deliver on its constitutional developmental role and service delivery obligation	Design and population of an organisational structure with skilled and competent staff for improved service delivery. Systems development, skills retention and training for productive working methods.	5 528	1 478	1 478	137 331	160 139	188 835
6. Good Governance and Public Participation To create productive and constructive interface between the administration and political structures and ensure performance and accountability in terms of the different roles and responsibilities between the administration and political structures beyond organisational performance.	Addressing Auditor General's queries as per Action Plan to ensure improvement in audit opinion. Firm up on Performance Management System. Managing the interface between the administrative and political structures.	0	0	0	28 600	28 298	29 773
Total Actual Expenditure Budget		115 512	72 902	45 186	665 076	726 488	786 388
Internal Charges					29 194	30 973	32 640
Cross subsidization					48 825	53 045	55 258
TOTAL		115 512	72 902	45 186	743 095	810 506	874 286

NOTE: The amounts included in KPA 1: Local Economic Development include funding from the Neighbourhood Partnership Development Grant. Once detail plans of projects to be funded from this grant has been finalised it can be reallocated accordingly. Some of these projects could include infrastructure projects for instance.

SOL PLAATJE MUNICIPALITY
Medium Term Revenue and Expenditure Framework

SUPPORTING TABLE 3		2006/07	Current Year			Medium Term Revenue and Expenditure Framework		
			2007/08			Budget Year	Budget Year +1	Budget Year +2
RECONCILIATION OF IDP & BUDGET - CAPEX		Audited Actual	Approved Budget	Adjusted Budget	Full Year Forecast	Budget	Budget	Budget
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Strategic Objective	Action Plan	A	B	C	D	E	F	G
Development Programme (led)	Recreation	876	2 000	1 375	1 375			
Development Programme (led)	R C Elliot Heritage Icon	0	2 500					
Development Programme (led)	Business Centre Revival	0	3 355	3 404	3 404			
Development Programme (led)	Parks Maintenance	399	1 200	600	600			
Development Programme (led)	Upgrade De Beers Stadium			2 128	2 128			
Development Programme (led)	Street signage		500	500	500			
Development Programme (led)	Sports facilities							
Development Programme (led)	CBD Upgrade	0				400		
Development Programme (led)	Hulana Swimming Pool			500	500			
Development Programme (led)	SMME Village		4 264	4 200	4 200	6 114		
Development Programme (led)	Nodal supply, demand b/plans and Market	3 320	16 450	3 100	3 100	12 000	16 336	20 773
Municipal Institutional developm & transformation	Parks Development			600	600			
Municipal Institutional developm & transformation	Fleet Management		12 300	8 500	8 500	3800		
Municipal Institutional developm & transformation	Information Technology	0	1 776	8 440	8 440	4 700		
Municipal Institutional developm & transformation	Extension to test centre	0						
Municipal Institutional developm & transformation	Other land and buildings	1 172	1 141	1 800	1 800			
Municipal Institutional developm & transformation	Project Management Unit		904					
Municipal Institutional developm & transformation	Community Halls	874		103	103			
Municipal Institutional developm & transformation	Transport Infrastructure system	2 349	1 860					
Municipal Institutional developm & transformation	Implementation of SDF and Transformation		650					
Municipal Institutional developm & transformation	Compile long term O & M plan			450	450			
Municipal Institutional developm & transformation	Land Use Management							
Municipal Institutional developm & transformation	Parking							
Municipal Institutional developm & transformation	Rebuild Emergency Vehicle							
Municipal Institutional developm & transformation	Office Equipment	1 140	1 245	750	750			
Municipal Institutional developm & transformation	Furniture and fittings							
Basic & sustainable Service Delivery	Plan and Survey 655 erven R/P							
Basic & sustainable Service Delivery	Water	5 327	14 669	19 433	19 433			1 400
Basic & sustainable Service Delivery	Electricity	2 983	31 040	10 690	10 690	19 650	901	1 588
Basic & sustainable Service Delivery	Sanitation	6 625	8 517	11 584	11 584	15 179	20 287	8 821
Basic & sustainable Service Delivery	Storm water		4 950	5 379	5 379			
Basic & sustainable Service Delivery	Roads	17 331	29 009	41 241	41 241	9 946		6 900
Basic & sustainable Service Delivery	Housing		16 032	1 000	1 000		6 900	4 225
Basic & sustainable Service Delivery	Upgrade of Libraries	451	743	743	743	938	1 031	1 134
Basic & sustainable Service Delivery	Gurp Projects					10 000	7 000	7 500
Basic & sustainable Service Delivery	Electricity : Meter Replacement			26 000	26 000	42 000	27 000	
Basic & sustainable Service Delivery	Plan & Survey 101 erven Soul City							
Basic & sustainable Service Delivery	Promised Land - survey 700 erven							
Basic & sustainable Service Delivery	Other	676				245		
Basic & sustainable Service Delivery	Public Transport infrastructure & systems							
Good governance & public participation								
Municipal financial viability & management	Re engineering and Bus Processes		734	734	734	735	735	735
		43 523	155 839	153 254	153 254	125 707	80 190	53 076

SOL PLAATJE MUNICIPALITY SUPPORTING TABLE 4a INVESTMENT PARTICULARS BY MATURITY	PERIOD OF INVESTMENT	TYPE OF INVESTMENT	EXPIRY DATE OF INVESTMENT	MONETARY VALUE R'000	INTEREST TO BE REALISED R'000
Name of Institution / Investment ID					
STANDARD BANK OF SA (04 846 6271 - 001)		CALL	N/A	3 050	320
FIRST NATIONAL BANK (100457 - DC03E00015)		CALL	N/A	1 500	150
ABSA BANK (104393 - 0091)		CALL	N/A	310	40
NEDBANK CORPORATE SERVICES (9002324052 - BC590001)		CALL	N/A	450	60
STANDARD BANK OF SA (846 6271 -005;-006;-007;-009)	VARIOUS	FIXED TERM	VARIOUS	13 300	1 610
FIRST RAND BANK (85524;84674;83965;83963)	VARIOUS	FIXED TERM	VARIOUS	13 650	1 160
INVESTIC (1400-9372451; 817985; 816441; 815322)	VARIOUS	FIXED TERM	VARIOUS	15 000	1 540
NEDBANK (BF030855; BF030905; BF030923)	VARIOUS	FIXED TERM	VARIOUS	13 850	1 210
ABSA BANK (206101- 4523, -8901, -2760, -1363, 4443, 6662-8056)	VARIOUS	FIXED TERM	VARIOUS	17 518	1 910
Total				78 628	8 000

Balances Projected as at 30 June 2008

SOL PLAATJE MUNICIPALITY SUPPORTING TABLE 9 MONTHLY CASH FLOWS	Budget July 2008 R'000	Budget August 2008 R'000	Budget September 2008 R'000	Budget October 2008 R'000	Budget November 2008 R'000	Budget December 2008 R'000	Budget January 2009 R'000	Budget February 2009 R'000	Budget March 2009 R'000	Budget April 2009 R'000	Budget May 2009 R'000	Budget June 2009 R'000	Budget Full Year 2008/09 R'000	Budget Full Year 2009/10 R'000	Budget Full Year 2010/11 R'000	
Cash Operating Receipts by Source																
Property rates	6 018	10 513	7 990	35 917	7 862	7 790	8 350	8 340	8 330	8 530	9 560	9 850	129 050	132 639	140 628	
Service charges - electricity	20 013	19 013	15 010	15 075	14 500	15 010	13 014	12 010	11 013	18 014	19 476	20 014	192 162	214 931	230 043	
Service charges - water	5 002	5 320	6 430	6 900	9 436	11 430	12 890	10 560	9 970	9 580	7 400	6 320	101 238	107 704	113 124	
Service charges - sanitation	3 103	3 103	3 103	3 103	3 103	3 103	3 103	3 104	3 104	3 104	3 104	3 104	37 241	39 680	41 641	
Service charges - refuse	2 241	2 241	2 241	2 241	2 241	2 241	2 241	2 241	2 241	2 240	2 240	2 240	26 889	28 287	30 005	
Service charges - other	1 040	1 040	1 040	1 040	1 040	1 040	1 040	1 040	1 040	1 040	1 040	1 039	12 479	13 157	13 836	
Rental of facilities and equipment	925	925	925	925	925	925	925	925	925	926	926	926	11 103	11 932	12 500	
Interest earned - external investments	750	730	667	577	867	757	467	565	950	590	590	490	8 000	8 400	8 820	
Interest earned - outstanding debtors	3 567	3 567	3 567	3 567	3 567	3 567	3 567	3 566	3 566	3 566	3 566	3 567	42 800	44 315	45 831	
Fines	560	536	370	395	360	658	450	430	407	385	385	295	5 231	5 547	5 861	
Licenses and permits	363	363	363	363	363	363	364	364	364	364	363	363	4 360	4 914	5 360	
Grants - Operating (incl. grants from other municipalities)	225	25 210	225	225	18 963	225	225	31 458	225	225	225	225	77 656	97 387	121 259	
Grants - Capital (incl. grants from other municipalities)	5 000	2 000	5 500	1 800	6 800	8 900	4 700	7 500	15 100	1 000	2 200	3 357	63 857	53 190	53 076	
Other revenue	1 322	1 322	1 322	1 322	1 322	1 322	1 322	1 322	1 322	1 322	1 322	1 324	15 866	17 594	17 479	
Cash Operating Receipts by Source	50 129	75 883	48 753	73 450	71 349	57 331	52 658	83 425	58 557	50 886	52 397	53 114	727 932	779 677	839 463	
Other Cash Receipts by Source																
New Loans Raised	2 600	0	12 000	0	0	11 000	4 000	0	5 000	6 000	8 250	4 000	52 850	27 000	0	
Total Cash Receipts by Source	2 600	0	12 000	0	0	11 000	4 000	0	5 000	6 000	8 250	4 000	52 850	27 000	0	
Cash Operating Payments by Type																
Employee related costs	20 690	20 690	20 690	19 584	23 069	27 648	19 113	19 113	20 690	20 689	20 690	20 362	253 028	266 157	280 059	
Remuneration of Councillors	867	868	868	868	868	867	868	868	868	868	868	868	10 414	11 144	11 812	
Collection costs	66	66	66	66	66	66	66	66	66	66	65	65	790	841	887	
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Repairs and maintenance	2 439	2 439	2 439	2 439	2 441	2 439	2 439	2 439	2 439	2 441	2 439	2 439	29 272	33 722	34 955	
Interest paid	864	864	866	864	864	864	864	864	866	864	864	864	10 372	10 032	9 589	
Bulk purchases - Electricity	13 099	14 152	9 852	8 652	7 156	7 296	6 922	6 545	6 423	7 329	8 301	9 273	105 000	120 000	130 680	
Bulk purchases - Water	2 000	2 100	2 300	2 550	2 900	3 250	4 100	4 800	2 000				26 000	27 300	28 801	
Grants and subsidies paid	109	108	108	108	108	109	108	109	109	108	108	108	1 300	1 180	1 200	
Bank charges	76	76	76	76	76	76	76	77	76	78	76	76	915	966	1 019	
Legal fees	55	55	55	55	55	55	55	55	55	55	55	55	660	690	719	
Seminar/ Conferences	193	193	193	193	193	193	193	193	193	194	193	193	2 317	2 442	2 570	
Insurance	249	249	249	249	249	248	248	248	249	248	249	249	2 984	3 049	3 103	
General Expenditure	9 500	8 900	9 700	9 900	9 800	9 900	8 900	9 700	10 000	11 500	12 370	13 688	123 858	144 385	170 952	
Audit fees	0	0	450	600	600	450	0	0	0	0	0	0	2 100	2 205	2 315	
Cash Operating Payments by Type	50 207	50 760	47 912	46 204	48 445	53 461	43 952	45 077	44 034	44 440	46 278	48 240	569 010	624 113	678 661	
Other Cash Payments by Type																
Capital Expenditure	2 500	3 000	5 500	12 800	10 900	12 500	12 500	15 000	13 300	12 500	12 795	12 412	125 707	80 190	53 076	
Loans repaid	0	0	5 800	0	0	2 200	0	0	5 800	0	0	2 200	16 000	18 000	20 000	
Total Cash Payments by Type	2 500	3 000	11 300	12 800	10 900	14 700	12 500	15 000	19 100	12 500	12 795	14 612	141 707	98 190	73 076	
NET INCREASE / (DECREASE) IN CASH & INVESTMENTS	22	22 123	1 541	14 446	12 004	170	206	23 348	423	-54	1 574	-5 738	70 065	84 374	87 726	

BUDGET PROCESS OVERVIEW



VALUE STATEMENT

Sol Plaatje Municipality strives to be a dynamic municipality that provides a comprehensive range of affordable services to all its residents.

REPORT OF THE MUNICIPAL MANAGER

SOL PLAATJE MUNICIPALITY'S CORE FUNCTIONS

In terms of Section 152 of the Constitution of the Republic of South Africa, Act 108 of 1996, the objects of Local Government are as follows;

- a) To provide democratic and accountable government to local communities
- b) To ensure the provision of services to communities in a sustainable manner
- c) To promote social and economic development
- d) To promote a healthy and safe environment and
- e) To encourage the involvement of communities and community organizations in the matters of Local Government.

Therefore a municipality must;

- Structure and manage its administration and budgeting and the planning processes to give priority to basic needs of the community and to promote the social and economic development of the community and
- Participate in the national and provincial development programmes

In order to give effect to the above constitutional mandate, the Sol Plaatje Municipality's strategic objectives are summarized as follows;

STRATEGIC OBJECTIVES

Sol Plaatje Municipality's strategic objectives are:

- A better standard of living for all – which requires a growing economy depending on a municipal strategy driving urban efficiencies and
- A better quality of life for all – which requires a caring council concerned about providing universal access to basic municipal services at affordable levels while becoming a place where business would want to locate

A delivery strategy is linked to five key performance areas. These are;

1. Development Programme (Local Economic Development)
2. Basic and sustainable service delivery
3. Municipal Financial Viability and Management
4. Municipal Institutional Development and Transformation
5. Good Governance and Public Participation

The multi year budget as submitted is as a result of deliberations and discussion with the office of Executive Mayor, the Executive Management of Sol Plaatje Municipality and other managers following from the strategic workshop that was coordinated by the IDP Office.

From the strategic workshop it was clear that we need to revisit the strategic objectives of Sol Plaatje Municipality. To become a sustainable municipality, reprioritization of the key performance areas as described in the Municipal Performance Regulations for Municipal managers and Managers Directly Accountable to Municipal Managers 2006 and in our Integrated Development Plan. It became apparent that our effort should be directed to the Development Programme that will focus mainly on Local Economic Development Strategies.

We exist in a globally integrated world economy characterized by major changes and competition. The turnaround times have changed fundamentally. For any organization including public sector and local government to survive and stay competitive it has to be able to adapt to the phenomenon of change which at times threaten our service delivery. As we continue to provide basic services to communities we should endeavor to improve the conditions pertinent to doing business in our municipality. If the cost and speed of doing business in our municipality is hampered by our actions and inactions, then we will find it difficult to attract investment to our location.

Our city embraces developments that took place since the past two years and we continue seeing these developments. These developments characterize us as a major growth point in the Province of Northern Cape. We are busy with the investigation around the big hole issue as we all know that the street Bultfontein has since been closed due to the danger that road imposes and the possibility of the big hole collapsing. Alternative routes are being looked at as this road is a National N12 road to Cape Town used by heavy vehicles and traffic to Galeshewe. Following from this is the discontinuance of the Tram which is the world favorite and one of the major tourism attractions to the Diamond City.

ORGANISATIONAL TRANSFORMATION AND CAPACITY BUILDING

We have made some strides and successfully completed the organizational transformation. Since 1 January 2006, we had an Executive Management team that comprised of five directors including the Chief Financial Officer and later in that year, an Internal Audit Manager, IDP Manager and Project Management Unit Manager were appointed and report directly to the office of the Municipal Manager.

CAPITAL PROGRAMMES: PLANNING AND IMPLEMENTATION

The municipality is facing major challenges with regards to the capital programme. Our capital programme is currently financed through gazette grants from National and Provincial Departments and from Frances Baard District Municipality. We are currently only able to provide amount that is sufficient to cover the required counter funding on these projects as per the conditions of the grants. We are working hard to improve the situation and hence the Financial Services Directorate has embarked on extensive debt collection strategies to address the increasing debtors' book and having to make huge provisions at the end of the financial year.

We procured a R35 million loan to assist in addressing capital and maintenance backlogs from Development Bank of South Africa. In preparation for the 2010 world cup, though we are not hosting any games, the Department of Transport has gazette an amount of R11 million to address transport infrastructure in Sol Plaatje Municipality in the current financial year.

In his 2007 Medium Term Budget Policy Statement (MTBPS), the Minister of Finance tabled a forward looking budget framework that provides a perspective on how the government views the economic outlook going forward. However the government spending is reiterated as follows;

- Investing in human and physical capital to ensure long term growth
- Improving the quality of education, health and other social services and the targeted anti poverty programmes
- Extending the coverage of basic household services such as water, sanitation, and electricity and reducing the number of people living in informal settlements
- Improving the efficacy of the criminal justice sector
- Support initiatives aimed at strengthening the capacity of the State and
- Support targeted interventions in the economy that raise productivity and efficiency and fostering international partnerships for development

To deal with the capacity required, two qualified engineers were appointed that will be assisted by Assistant Engineers and Technicians to deal with the implementation of the roads and storm-water projects and the water and sanitation projects. This will contribute in ensuring that there is a rapid pace of projects implementation.

Project Implementation cycle remains a major challenge. We have established the Contracts and Tender Administration Unit to fast track the tender process. The projected lead time from date of advertising of a tender to the awarding of that tender is to be shortened drastically. Directors and Managers concerns around the matter is sought to be addressed by this process. Also in the new package of financial system, a module on supply chain is included to ensure that contracts are monitored and reviewed to ensure continuous supply of goods and services.

Our capital budget is split between the following services;

- Roads
- Storm- water
- Electricity including street-lighting
- Fleet Replacement
- Water and Sanitation including eradication of buckets
- Local Economic Development

**INTEGRATED
DEVELOPMENT
PLAN
OVERVIEW**

OVERVIEW: IDP REVIEW 2007/08

Sol Plaatje Municipality adopted its 5-year Integrated Development Plan – 2007/08 to 2011/12 on 31 May 2007. This rolling five-year Integrated Development Plan (IDP) contains key municipal plans and priorities for the current political term of office.

This IDP aims to:

- a) Establish a long –term vision encapsulating the priorities of the elected Council;
- b) Reflect community views and priorities;
- c) Articulate how Sol Plaatje Municipality aim to address and align with the National objectives of shared growth, reduction of poverty and social inclusion;
- d) Determine the strategic priorities guiding the actions of the Municipality for the next 5 years through linking and coordination between sectoral strategies;
- e) Aligning financial and human resources with implementation needs;
- f) Set out a strategically informed programme of action for the Medium-term Revenue and Expenditure Framework;
- g) Strengthening the focus on sustainable development;
- h) Provide the basis for annual and medium-term budgeting;
- i) Guide Council's development decision-making;
- j) Enable legislative compliance; and
- k) Provide a monitoring and evaluation framework of the IDP.

The 2007/08 Review will reflect on the performance of the Municipality during the first half of the 2007/08 financial year in terms of the implementation of this Plan – especially in achieving its strategic objectives as defined in the five Key Performance Areas (KPA's) as captured in its Institutional Scorecard. This strategic environmental scan will inform the review of the KPA's and associated strategic objectives and targets, linked to National and Provincial Growth and Development Strategies. This review is also informed by new information that became available since the adoption of the IDP in May 2007 as well as changes and influences both internal and external that impact on these strategic issues.

The review also contributes to the adjustment of the Municipality's Five-year Plan as well as informing the Budget and Annual Implementation Plan of the Municipality for 2008/2009. It is also imperative that this review should be read alongside the 5-Year IDP adopted in May 2007 as it does not constitute a new IDP.

Reviewing the Key Performance Areas (KPA's) and Strategic Objectives

In light of the strategic scan conducted in early March 2008 as well as in line with the Objects of Local Government as captured in the Constitution (s152), the Municipal Systems Act and the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers the Sol Plaatje Municipality confirmed that the set KPA's and Strategic Objectives are still relevant and appropriate. During the strategic scan it was however also confirmed that due to internal and external changes in the Municipality's working environment emphasis shifts within the Key Performance Areas are necessary which will also affect the Strategic Objectives within some of the KPA's. These emphasis shifts and the reasons for these shifts are discussed below.

KPA 1: Local Economic Development		
Original Objectives	Emphasis Shift	Additional Comment
<ul style="list-style-type: none"> o To ensure local economic growth of 4% by 2014 o To half the present rate of unemployment by 2014 o To half poverty by 2014 o To ensure that the Municipality spent 60% of its procurement budget to local BEE and SMME Enterprises annually 	<p>The original objectives set was found to be unrealistic in the local SPM context considering the state of predicted local economic development – both as concluded in the IDP 2007/08-2011/12 as well as the recently released Frances Baard Growth and Development Strategy.</p> <p>The municipality's approach to LED should change from low impact high resource initiatives to an approach based on leveraging LED off infrastructure investment. A "functional marriage" between LED and infrastructure development should be facilitated</p> <p>Urban Renewal and Neighborhood</p>	<p>The indicators originally developed for the objectives and targets in this KPA are mainly outcome indicators for which SPM has not yet developed the necessary measuring instruments. At present it is not possible to know whether any of the LED initiatives are making any in-roads in economic development and whether impact is made to create a better standard of living for all. An initiative is presently ongoing to develop an Econo-monitor to assist the Municipality in this regard. As part of this exercise the necessary indicators will be developed in order to measure the trends in the local economy to determine what interventions from all</p>

	<p>Development needs to be applied more creatively and more inclusively and not be undertaken in a manner that further distorts imbalances and inequity</p>	<p>stakeholders are needed. It is foreseen that the Econo-monitor be developed by the end of June 2008. It will only then be possible to develop realistic indicators and targets to monitor LED in Sol Plaatje.</p> <p>The National Framework for Local Economic Development (LED) in South Africa (released in August 2006) promotes a strategic approach to the development of local economies and a shift away from narrow municipal interests focussed only on government inputs into ad-hoc projects. The application of the National Spatial Development Perspective (NSDP), Industrial Policy, ASGI-SA and the Provincial Growth and Development Strategies (PGDSs) through joint action with municipalities institutionalised in IGR forums is the driving force for local and hence national economic growth and development. SPM cannot achieve effective LED unilaterally. In this regard the initiatives in</p>
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		the proposed CDS are of utmost importance
KPA 2: Basic and Sustainable Service Delivery		
Original Objectives	Emphasis Shift	Additional Comment
<ul style="list-style-type: none"> o To provide 1700 households with basic electricity by 2011. o To provide 1,215 households in formal areas with a metered water connection by 2009/10. o To provide 5,645 households in formal settlements with basic sanitation by 2011/12. o To eradicate the bucket system in all pre-1994 formal residential areas (682) by December 2007. o To provide 2,249 households with a weekly solid waste removal service by 2009/10. o To ensure that 50 km of additional roads are tarred by 2011/12 o To reduce electricity losses to 10% by 2010/11 o To reduce water losses to 15% by 2010/11 o To have a 5-year Integrated Infrastructure and Assets Maintenance, Operations and 	<p>Bulk infrastructure maintenance, upgrade, replacement and supply remain critical priorities if we are serious about the future of the municipality. Infrastructure provision and rehabilitation should perhaps be treated as a KPA separate to the "meeting" Basic Needs KPA.</p> <p>The infrastructure KPA should have a specific focus in the integration of sustainable energy strategies into the "main stream" of the municipality's planning, budgeting and service delivery processes.</p> <p>The emphasis shift should also be on sustainable service delivery rather than "basic" service delivery.</p> <p>The environment should feature stronger on the next three year agenda and we need to prioritize the completion of an Integrated Environmental Management Plan, as well as an Integrated Waste Management Plan.</p> <p>In order to meet</p>	<p>It has become clear from the strategic scan that without a focussed <i>Infrastructure Investment Plan</i> to address the development of new infrastructure in a balanced manner between productive new infrastructure for economic development and infrastructure for basic services to subsidised housing and eradication of backlogs and to ensure the recapitalization, refurbishment and upgrade of aging infrastructure, the Municipality will not be able to sustain continued development nor be financially sustainable. In this regard it is also crucial to complete and implement the Long Term Infrastructure Maintenance and Operational Plan, linked to a realistic Infrastructure Investment Plan as a high priority.</p> <p>A new strategic approach should also be taken in the</p>

<p>Recapitalisation Plan in place by June 2008 (18 months) – Sect 63 MFMA</p> <ul style="list-style-type: none"> o To effectively and efficiently manage, operate and maintain SPM's Infrastructure and Resources by 2010/11. o To ensure that all informal settlement areas are upgraded in accordance with the Human Settlement and Redevelopment Programme by 2011/10. o To provide shelter for all by 2014 based on current demographic projections. 	<p>increasing service delivery needs creative partnerships, with amongst others, the private sector should be explored</p> <p>New approaches to dealing with unrealistic wish lists generated by councilors and the public needs to be introduced. In this regard we need to develop a uniform understanding of each KPA and we need to start differentiating our service delivery agenda to be more focused on the varying needs in our municipality</p>	<p>provision of housing in line with the Human Settlement and Redevelopment Programme. It is urgently required that the Housing Chapter for the IDP be completed as a matter of urgency and should, apart from low cost housing, also include the following issues:</p> <ul style="list-style-type: none"> o All segments of the housing market should receive attention o Attention should be given to rental options as well as social housing in line with the Social Housing Policy for South Africa. In this regard close cooperation should exist between the Sol Plaatje Housing Company and the Municipality as well as the further development of the initiative and partnership between the Municipality, Provincial Government and Conkim (housing support from the Netherlands).
KPA 3: Municipal Financial Viability and Management		
Original Objectives	Emphasis Shift	Additional Comment
<ul style="list-style-type: none"> o To increase the payment level to 87% by 2010/11 	<p>The municipality's financial sustainability will remain a problem</p>	<p>A Financial Plan (as required by the MSA) must be prepared to</p>

<ul style="list-style-type: none"> o To spend at least 85% of the Capital Budget annually o To increase the municipal reserves by at least 1% per annum o To raise the Debt Coverage Ratio to 2:1 by 2010/11 o Outstanding Service Debtors to Revenue 2:68 by 2010/11 o Cost Coverage Ratio to 1:1 by 2010 o To ensure the effective management of the Budget by 2010 	<p>as long as the municipality is dependent on national and provincial government grants to meet the basic needs of its citizens.</p> <p>The culture of financial dependence has created a lack of willingness to accept responsibility for own finances as reflected in the slippage in debt collection levels, and the lack of commitment to cost savings and revenue enhancement strategies</p>	<p>define sound financial management and expenditure control as well as means of increasing revenues and external funding for the Municipality to achieve its development priorities and objectives. It should further address:</p> <ul style="list-style-type: none"> o Revenue raising strategies o Asset management strategies o Financial management strategies o Capital financing strategies o Strategies that will enhance cost-effectiveness o Operational financing strategies
KPA 4: Municipal Institutional Development and Transformation		
Original Objectives	Emphasis Shift	Additional Comment
<ul style="list-style-type: none"> o To ensure that Management at all levels is 100% representative and in line with the Employment Equity Plan by 2009 o To ensure that the Job Evaluation System is 100% implemented by 2008 o To ensure 100% implementation of the Skills Development Plan by 2007 o To ensure enhanced service 	<p>Institutional Development and Transformation should be prioritized as a KPA as basic issues such as leadership, good governance, sound human resource management, staff morale, and confusion in respect of strategic direction, organizational arrangements, team work and internal communications remain big issues in the municipality. Institutional development should</p>	<p>Objectives in this KPA aim at transforming the municipality for improved performance and service delivery and should deal with the following types of change management:</p> <ul style="list-style-type: none"> o Strategies for improving work methods; o Strategies addressing behaviour, attitudes and values of staff; o Management

<p>delivery with efficient institutional arrangements by June 2009.</p> <ul style="list-style-type: none"> o To ensure the development and implementation of an Integrated Information Management System by 2009. o To ensure that efficient business processes and management systems is 100% in place and functional by 2008. o To ensure that the micro organisational restructuring is 100% complete by June 2008. o To ensure the completion of a Human Resource Strategy by 2009 o To fully implement the Institutional Transformation process by 2010/11 	<p>enjoy much more attention and the attraction, retention and development of skilled people should be made a top priority</p> <p>The work environment requires urgent attention, with specific reference to staff training, proper induction, career path development, a curtailment of ongoing systems change when perfectly good systems are being replaced by less effective systems, and staff members need to be encouraged to build the Sol Plaatje Brand and show pride (Batho Pele principles) in their work</p>	<p>processes for increased accountability</p> <p>Developmental programmes cannot efficiently be implemented without having an appropriate organisational vehicle with which to do it. In order to achieve this the following interventions is urgently needed:</p> <ul style="list-style-type: none"> o Review core business o Strategies for changing structures and organisational design; o System and processes improvement (including implementation of the MIS Strategy); o Business process re-engineering; <p>The core business analysis has been done within the ASDF.</p>
KPA 5: Good Governance and Public Participation		
Original Objectives	Emphasis Shift	Additional Comment
<ul style="list-style-type: none"> o To ensure democratic and accountable governance by 2010/11 by ensuring an unqualified Audit Report o To establish structured public participation process for the 	<p>The good governance of the municipality still suffers as a result of an unproductive and unconstructive political / administration interface and will continue to do so, as long as the political leadership continues to intervene in the management arena.</p>	

<p>different levels of planning and development processes of the Municipality by 2008</p> <ul style="list-style-type: none"> o To ensure that all wards have formally elected and functional ward committees by July 2009 o To ensure that a comprehensive communication system is in place by July 2007 o To ensure 75% satisfaction of residents and Councillors with frontline, face-to-face, telephonic and over-the-counter service of the Municipality by 2010 	<p>Performance Management beyond the Institutional level and Section 57 Managers should be introduced to make employees at all levels accountable for performance.</p> <p>The Office of the MM should be responsible for seeing to the good governance of the municipality and if need be, bolstered to fulfill this role.</p>	
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Operationalising the Key Priority Issues

The strategic agenda outlined above needs to be operationalised within the Municipal organisation. These priorities need to inform the activities and resource allocation of the Municipality in a way that the strategic objectives and targets will be met. This is done through creating “SMART” objectives linked to Key Performance Indicators and annual targets within the Institutional Scorecard. The Institutional Scorecard is attached.

It was extremely difficult for this Budget to channel resources towards all the key strategic issues outlined above. The main reasons for this are the following:

- o SPM has very little own discretionary funding available to address these issues. The operational budget has very little manoeuvrable space available to address key issues such as increasing competency levels, recruit and maintain skilled and competent officials, create capacity in service delivery line functions and to ensure effective and efficient

management systems. Contributions for discretionary capital funding is also lacking to address issues such as the creation of productive new infrastructure for development and to replace and upgrade existing and ageing/failing infrastructure.

- o The fact that the Municipality has little capacity for own funding it is to a large extent dependent on conditional grant funding that mainly addresses backlogs in service delivery which do not contribute to economic development.

The Capital Programme specifically for the 2008/09 financial year, is therefore unable to substantially address the strategic agenda of the Municipality – especially also in providing an equitable share of development across all deprived areas within the Municipality.

It is therefore vitally important that urgent attention should be given to the following strategic issues, now, to be addressed in the rest of this IDP delivery cycle – taken into consideration the existing planned programme for the outer two years of the MTREF cycle (2009/10 and 2010/11):

- o Institutional Development and Transformation should be prioritized as a KPA as basic issues such as leadership, good governance, sound human resource management, staff morale, confusion in respect of strategic direction, organizational arrangements, team work and internal communications remain major issues in the effective functioning of the Municipality. Institutional Development should therefore enjoy much more attention and the attraction, retention and development of skilled people should be made a top priority. Performance Management beyond the Institutional level and Section 57 Managers should be introduced to make employees at all levels accountable for performance.
- o The Municipality's approach to LED should change from low impact high resource initiatives to an approach based on leveraging LED off infrastructure investment, and a "functional marriage " between LED and infrastructure development should be facilitated.
- o Urban Renewal and Neighborhood Development needs to be applied more creatively and more inclusively and not be undertaken in a manner that further distorts imbalances and inequity.
- o The municipality's financial sustainability will remain a problem as long as the municipality is dependent on national, and provincial government grants to meet the basic needs of its citizens. The culture of financial dependence has created a

lack of willingness to accept responsibility for own finances as reflected in the slippage in debt collection levels, and the lack of commitment to cost savings and revenue enhancement strategies.

- o Bulk infrastructure supply, maintenance, upgrade and replacement critical priorities to ensure sustainable development of the Municipality.
- o In order to meet increasing service delivery needs creative partnerships, with amongst others, the private sector should be explored. A new approach to dealing with unrealistic wish lists generated by councilors and the public needs to be introduced. In this regard a uniform understanding of each KPA needs to be developed and a process of a differentiated service delivery agenda should be initiated to be more focused on the varying needs of communities.
- o The environment should feature stronger in the next three year agenda and the completion of an Integrated Environmental Management Plan, as well as an Integrated Waste Management Plan should be prioritised.
- o The good governance of the municipality still suffers as a result of an unproductive and unconstructive political/administration interface.

**BUDGET
RELATED
POLICIES
OVERVIEW
AND
AMENDMENTS**

ANNEXURE A

BUDGET RELATED POLICIES OVERVIEW AND AMENDMENTS:

FINANCIAL MANAGEMENT POLICIES

ANNEXURE B

BUDGET RELATED POLICIES OVERVIEW AND AMENDMENTS:

M F M A CIRCULARS

BUDGET RELATED POLICIES OVER VIEW AND AMENDMENTS

1. Financial Management and other policies as Annexure A
2. The following MFMA circulars are as Annexure B:

MFMA Circular - no new circulars to report

SOL PLAATJE MUNICIPALITY

**CREDIT CONTROL AND
DEBT COLLECTION
POLICY**

**SOL PLAATJE MUNICIPALITY
CREDIT CONTROL AND DEBT COLLECTION POLICY**

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**SOL PLAATJE MUNICIPALITY
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SOL PLAATJE MUNICIPALITY

CREDIT CONTROL AND DEBT COLLECTION POLICY

1. OBJECTIVE: CONSTITUTIONAL OBLIGATIONS

The council of the municipality, in adopting this policy on credit control and debt collection, recognises its constitutional obligations to develop the local economy and to provide acceptable services to its residents. It simultaneously acknowledges that it cannot fulfill these constitutional obligations unless it exacts payment for the services which it provides and for the taxes which it legitimately levies – in full from those residents who can afford to pay, and in accordance with its indigency relief measures for those who have registered as indigents in terms of the council's approved indigency management policy.

2. EXPECTED FUTURE PAYMENT LEVELS

In terms of the budgets approved by the council, and in accordance with commonly accepted best practice, this municipality will have to strive to its utmost to ensure that payment levels for each financial year, in respect of all amounts legitimately owing to the municipality – that is, inclusive of the balance of the monthly accounts payable by registered indigents – are maintained at an annual average of at least 95%. This payment level to apply to all live or current accounts for both metered services (water and electricity) and unmetered services (rates, sewerage, refuse, housing rentals and miscellaneous).

It is generally accepted by this council that payment levels averaging below 95% per month are untenable, and are a certain forerunner of financial disaster for this municipality. Even with payment levels of 95% it means that the council will annually have to provide on its expenses budget a contribution to bad debts of 5% of the aggregate revenues legitimately owing to this municipality – a contribution that is made at the direct cost of improved service delivery and developmental projects.

The only solution to the ongoing problem of non-payment by residents who can afford their monthly commitments to the municipality is to introduce a twofold approach: to promulgate credit control and debt collection by-laws which deal stringently with defaulters, but at the same time – through the formal political structures of the municipality, and in the administration's general dealings with the public – to make the

SOL PLAATJE MUNICIPALITY CREDIT CONTROL AND DEBT COLLECTION POLICY

community aware of its legal obligations towards the municipality, and to emphasise the negative consequences for all if non-payment continues. The municipality's ward committees are particularly charged with this responsibility.

3. NOTICE OF DEFAULT AND INTENDED TERMINATION OR RESTRICTION OF SERVICES

When an accountholder does not pay his / her account, or make an acceptable arrangement with the municipal manager for late payment within 30 days of the due date, the municipal electricity supply to the property to which the account in arrears relates shall be terminated and or water supply restricted.

4. RECONNECTION OR REINSTATEMENT OF TERMINATED OR RESTRICTED SERVICES

Services to defaulting accountholders terminated or restricted in terms of Article 3 above shall be reconnected or reinstated by the municipal manager only when all the following conditions have been met:

- The arrear account which includes the interest raised on such accounts, have been paid in full, or an acceptable arrangement has been made with the municipal manager for the payment of the arrear account;
- a service contract has been entered into with the municipality, as contemplated in Article 10 below;
- a cash deposit has been lodged with the municipal manager in compliance with Article 11, such deposit to be newly determined on the basis of currently prevailing consumption and usage of services in respect of the property concerned or, if insufficient data is available in regard to such consumption, of the currently prevailing consumption and usage of services in respect of a comparable property;
- In the case of consumers using prepaid meters, but who have fallen into arrears with the remainder of their obligations to the municipality, no prepaid purchases shall be

SOL PLAATJE MUNICIPALITY

CREDIT CONTROL AND DEBT COLLECTION POLICY

accepted until the outstanding arrears have been settled or an acceptable arrangement made for the payment of the arrear account, as contemplated above: such arrangement may entail the limitation of the amount of prepaid services which may be purchased until the arrears or a stated percentage of the arrears has been settled.

5. PERIODS FOR RECONNECTIONS OR REINSTATEMENTS

The municipal manager shall reconnect or reinstate terminated or restricted services within 3 (three) working days after the date on which the conditions set out in Article 4 have been met, unless the municipal manager is unable to do so because of circumstances beyond the control of the municipality. In the latter event the municipal manager shall promptly inform the mayor of such circumstances and of any actions required to overcome the circumstances concerned.

6. ILLEGAL RECONNECTIONS

The municipal manager shall, as soon as it comes to the notice of the municipal manager that any terminated or restricted service has been irregularly reconnected or reinstated, report such action to the South African Police Service, disconnect or restrict such service(s), and not reconnect or reinstate such service(s) until the arrear account, including the interest raised on such account, the charges for the notice sent in terms of Article 3 and the charges for both the original and subsequent reconnection or reinstatement of the service(s) and the revised deposit have been paid in full, together with such penalty as may be determined by the council from time to time. In addition, all metered consumption since the date of the illegal reconnection, or the estimated consumption if a reliable meter reading is not possible, shall also be paid full before any reconnection or reinstatement is considered.

7. RESTRICTION OF SERVICES

If the municipal manager is of the opinion that the termination of services, may result in endangerment of the life of any person, whether resident in or outside the property

SOL PLAATJE MUNICIPALITY CREDIT CONTROL AND DEBT COLLECTION POLICY

concerned – the municipal manager may appropriately restrict rather than terminate the services in question.

8. SERVICES NOT RECONNECTED OR REINSTATED AFTER FOUR WEEKS

If services have been terminated or restricted in the case of a property in respect of which the account is in arrear, and the accountholder has not paid such arrears, including the interest raised on such account, or made an acceptable arrangement with the municipal manager for the payment of the arrear account, including the interest raised on such account, within a period of 28 (twenty eight) calendar days after the date of termination or restriction of the service(s) concerned, the municipal manager shall forthwith hand such account over for collection and such further action as is deemed necessary to Attorneys or any debt collecting agency appointed by the council. Such further action may include the sale in execution of such property to recover arrear property rates and service charges (if the accountholder is also the owner of the property). All legal expenses incurred by the municipality shall be for the account of the defaulting accountholder.

9. ARRANGEMENTS FOR PAYMENT OF ARREAR ACCOUNTS

Accountholders who are in arrears may make an acceptable arrangement for the payment of such accounts.

Each defaulting accountholder shall be allowed a maximum period as determined by Council from time to time within which to pay an arrear account, together with the interest raised on such account, and it shall be a condition for the conclusion of any arrangement that the accountholder is bound to pay every current municipal account in full and on time during the period over which such arrangement extends.

If an accountholder breaches any material term of an arrangement, the balance of the arrear account, together with the balance of interest raised on such account, shall immediately become due and payable to the municipality. If the accountholder defaults on such payment, the municipal manager shall terminate or restrict services to the

SOL PLAATJE MUNICIPALITY CREDIT CONTROL AND DEBT COLLECTION POLICY

property in question and may hand such account over for collection as envisaged in Article 8.

10. SERVICE CONTRACT

A service contract shall be entered into with the municipality for each property to which the municipality is expected to provide all or any of the following services:

- electricity
- water

Such contract shall set out the conditions on which services are provided and shall require the signatory to note the contents of the municipality's credit control and debt collection policy, a copy of which shall be provided to such signatory, as well as the provision of the Municipal Systems Act in regard to the municipality's right of access to property.

11. PAYMENTS OF DEPOSITS

Whenever a service contract is entered into in terms of Article 10, the signatory shall lodge a deposit or bank guarantee with the municipality, such deposit to be determined by Council during the budget process with the municipality.

12. QUERIES BY ACCOUNTHOLDERS

In the event of an accountholder querying any item or items on the monthly municipal account, the query must be cleared within three months as contemplated in Article 3 provided the accountholder has paid by due date an amount equal to the monthly average monetary value of the three most recent unqueried accounts in respect of the service under query, as well as all unqueried balances on such account, and provided further such query is made in writing by the accountholder or is recorded in writing by the municipal manager on behalf of the accountholder on or before the due date for the payment of the relevant account. Any query raised by an accountholder in the circumstances contemplated in Article 13 below shall not constitute a query for the purpose of the present paragraph.

SOL PLAATJE MUNICIPALITY CREDIT CONTROL AND DEBT COLLECTION POLICY

13. INABILITY TO READ METERS

If the municipality is unable to read any meter on any property because the meter has been rendered inaccessible through any act or omission of the accountholder or owner of the property concerned, the municipal manager shall estimate the consumption of the service concerned by determining the monthly average of the metered consumption recorded on the three most recent accounts in respect of which meter readings were obtained, and thereafter bill the accountholder for the monetary value of such estimated consumption plus a monthly fixed amount non access penalty which is determined by council from time to time. The accountholder shall be liable for the initial payment of such penalty as though the penalty were a part of the service charge concerned

14. DISHONOURED AND OTHER UNACCEPTABLE CHEQUES

If an accountholder tenders a cheque which is subsequently dishonoured by or is found to be unacceptable to the accountholder's bankers, the municipal manager shall – in addition to taking the steps contemplated in this policy against defaulting accountholders – charge such accountholder the penalty charge for unacceptable cheques, as determined by the council from time to time, and such charge shall rank equally with the costs and expenses incurred by the municipality for purposes of determining the sequence of allocations and appropriations.

15. INSOLVENT OR DECEASED ESTATES

The Municipality shall lodge claims where applicable, for the recovery of debt, against all insolvent estates in the process of liquidation or deceased estates under executorship and in the process of administration.

In order to be informed of these proceedings the Municipality must monitor applications for insolvency and deceased estates with the Master of the Court as well as the High Court.

15. DELEGATION OF RESPONSIBILITIES BY MUNICIPAL MANAGER

SOL PLAATJE MUNICIPALITY

CREDIT CONTROL AND DEBT COLLECTION POLICY

The municipal manager, including any person acting in such capacity, shall be responsible to the council for the implementation of this policy and its attendant by-laws but – without in so doing being divested of such responsibility – may delegate in writing all or any of the duties and responsibilities referred to in these by-laws to any other official or officials of the municipality, and may from time to time in writing amend or withdraw such delegation(s).

16. ROLE OF MUNICIPAL MANAGER

The legal responsibility for implementing the credit control and debt collection policies, procedures and by-laws are assigned to the Municipal Manager under Section 100 of the Municipal Systems Act (See Article 23 below).

17. ROLE OF COUNCILLORS

Section 99 of the Systems Act 2000 places the important legal responsibility on the executive mayor of monitoring and supervising the application of the present policy and procedures the attendant by-laws, and of reporting to the council on the extent and success of credit control and debt collection measures.

The policy further recommends that the municipality's Councillors be actively involved in promoting the credit control and debt collection programme, and should therefore receive monthly reports on the status of the municipal manager's credit control and debt collection measures.

In order to maintain the credibility of the municipality in the implementation of the present policy and the attendant by-laws, it is essential that councillors should lead by example.

18. INTEREST ON ARREARS

Interest shall be charged on all arrear accounts at the prevailing overdraft rate offered by the municipality's bankers plus a percentage point as determined by council from time to time.

SOL PLAATJE MUNICIPALITY CREDIT CONTROL AND DEBT COLLECTION POLICY

19. INDIGENCY MANAGEMENT

In regard to the payments expected from registered indigents, and the credit control and debt collection actions contemplated in respect of such residents, this policy must be read in conjunction with the municipality's approved policy on indigency management.

20. IRRECOVERABLE ARREARS

The effective implementation of the policy also implies a realistic review of the municipality's debtor's book at the conclusion of each financial year. **The municipal manager shall in terms of the Municipality's Debt Write-Off Policy cause the submission of irrecoverable debt to Council for consideration of writing off.**

21. ARREARS WHICH HAVE ARISEN PRIOR TO THE ADOPTION OF THE POLICY

The council shall separately consider arrears which arose prior to the adoption of this policy.

22. BY-LAWS TO BE ADOPTED

By-laws shall be adopted to give effect to the council's credit control and debt collection policy.

23. ANNEXURE: LEGAL REQUIREMENTS

It is essential for the protection of the municipality's interests that the provisions of particularly the Municipal Systems Act 2000 and the Property Rates Act 2004, in so far as they provide additional debt collection mechanisms for municipalities, be diligently enforced. At the same time, both the council and the administration must note the obligations, which the municipality has towards the community in respect of customer care and relations.

SOL PLAATJE MUNICIPALITY CREDIT CONTROL AND DEBT COLLECTION POLICY

For ease of reference relevant extracts from the Municipal Systems Act, specifically Sections 95 to 103 and Section 118, will form an annexure to this policy, as are Sections 28 and 29 of the Property Rates Act. The immediately relevant extracts from the Water Services Act 1997 and the Municipal Finance Management Act will also be included in the annexure.

SOL PLAATJE MUNICIPALITY

DEBT WRITE-OFF POLICY

Date of Adoption - Draft



Council resolves in terms of the Constitution, the MFMA and the MSA, to adopt the following proposal as the Debt Write-Off Policy of the **Sol Plaatje Municipality.**

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POLICY

CHAPTER I – Principles and Interpretation

1. Purpose

To provide for the write-off of irrecoverable debt and the furtherance of the Sol Plaatje Municipality's debt management strategy.

2. Founding Statement

Whereas Council acknowledges its Constitutional and legislative mandates and recognises its inalienable obligations to the community it serves; and

whereas Council must conduct itself in a transparent and accountable manner which must be furthered inter alia by providing accurate and true reflections of its financial position;

the Sol Plaatje Municipality having taken into consideration its duties and obligations in terms of the Constitution of the Republic of South Africa and other legislation governing it has decided to implement the following policy with regard to writing off debt which is irrecoverable.

3. Enabling Legislation

This policy is constructed with authority and in terms of the Constitution of the Republic of South Africa and the following legislation:

- 3.1 Local Government: Municipal Systems Act, 32 of 2000;
- 3.2 Local Government: Municipal Finance Management Act, 56 of 2003;
- 3.3 Local Government: Municipal Property Rates Act, 6 of 2004.

4. Definitions

In this Policy, unless the context otherwise indicates -

“Municipality” means the Sol Plaatje Municipality;

“debt” means an obligation of money and/or services owed and due to the Municipality;

“debtor” means a person, natural or juristic, who owes a payment or a debt to the Municipality and who may be compelled to pay in terms of a claim or demand by the Municipality;

“irrecoverable debt” means debt which in terms of this policy, specifically paragraph 6.2, meets the criteria for writing off and is uneconomical to collect or deemed uncollectable due to reasons stated in paragraphs 7 and 12.

“metered services” means the electricity and water services provided by the Municipality and are metered as a means to perform billing;

“occupier” in relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

“owner” means

- (a) in relation to a property, means a person in whose name ownership of the property is registered;
- (b) a trustee, in the case of a property in a trust;
- (c) an executor or administrator, in the case of a property in a deceased estate;
- (d) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
- (e) a judicial manager, in the case of a property in the estate of a person under judicial management;
- (f) a curator, in the case of a property in the estate of a person under judicial management;
- (g) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- (h) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

5. Transparency and Accountability

- 5.1 Any debt to be written off will be done in a transparent and accountable manner.
- 5.2 Each case will be considered on its merits by Council.

CHAPTER II - Procedures

6. General

Debt will only be written off under the following circumstances and the procedure set out herein has been adhered to:

- 6.1 After the Municipality's debt collection procedure and mechanisms has been concluded in respect of a particular collection and all steps have been taken and consideration has been had to further steps being taken as uneconomical; and
- 6.2 said debt is classified as irrecoverable in consequence of all steps to recover the debt having been unsuccessful or is deemed uneconomical to take further steps;
- 6.3 the results thereof have been accepted by Council; and
- 6.4 all the necessary information pertaining to the particular debt which had been placed before Council in respect of the resolution contemplated above shall be kept in the file of the respective debtor for a period not less than 5 years;
- 6.5 all information in respect of debt written off shall be available for inspection by the Internal Audit Section as well as any external auditors contracted by the Municipality as part of its annual audit.

7. Information

Without limiting the nature and extent of the information the following must be gathered and placed before Council:

- 7.1** particulars of the debt relating to:
 - 7.1.1 the amount of the debt stating separately the capital amount and interest accrued;
 - 7.1.2 the composition of the capital amount;
 - 7.1.3 whether the debt is secured by a mortgage bond or any other security.
- 7.2** the history of the debt which must include:

7.2.1 the debt collection procedures and mechanisms implemented by the collections department to recover the debt;

7.2.2 the results yielded by the said debt collection mechanisms

7.2.3 an age analysis of the particular debt.

7.3 particulars relating to the debtor which must include:

7.3.1 whether the debtor is a natural or juristic person;

7.3.2 where the debtor is a juristic person;

7.3.2.1 whether such juristic person has been liquidated;

7.3.2.2 if liquidated, whether a claim has been made against the estate;

7.3.2.3 if no claim has been made, the reasons therefore;

7.3.2.4 if a claim has been made, the amount and success thereof.

7.3.3 where the debtor is a natural person;

7.3.3.1 whether the person is indigent in terms of the Municipality's Indigent Policy;

7.3.3.2 whether the person is insolvent

7.3.3.3 if insolvent, whether a claim has been made against the estate;

7.3.3.4 if no claim has been made, the reasons therefore;

7.3.3.5 if a claim has been made, the amount and success thereof

7.3.4 whether the debtor can be traced;

7.3.5 the income and assets owned by such debtor.

7.4 particulars relating to the property to which the debt relates must include:

7.4.1 the zoning and use of the property;

7.4.2 whether the property is occupied;

7.4.3 whether the property is improved or is vacant;

- 7.4.4 whether there are any rights reserved in favour of the Municipality in respect of the property in terms of an existing agreement or title deed;
- 7.4.5 how many persons occupied the property during the period the debt accrued;
- 7.4.6 the registered owner of the property;
- 7.5** any other information relating to the debt that may be requested by Council;
- 7.6** the cost implication for the Municipality in its attempt to collect the debt and submission by the administration whether the continued attempt to collect this debt would exceed the amount of the debt;
- 7.7** resolutions in respect of debt whether to write-off or not or any other, shall be filed in the record of the particular debtor to which such debt relates.

8. Debt associated with property ownership

Debt accrued through the ownership of property (e.g. property rates, refuse, sanitation) will not be written off except:-

- 8.1** when the owner's estate is disposed of as part of the owner's liquidation, and the proceeds in the realisation of such liquidation are not sufficient to satisfy the outstanding debt; and
- 8.2** there exists no other reasonably foreseeable way to collect the outstanding amount.

9. Debt associated with metered services

Debt, or a part thereof, in respect of metered services is deemed irrecoverable, and therefore to be written off, where:-

- 9.1** all attempts to trace the consumer has been unsuccessful;
- 9.2** the debt has prescribed in terms of the Prescription Act, 68 of 1969; and

- 9.3** the consumer has been declared insolvent and the Municipality after lodging a claim against said estate has not received payment, or sufficient payment to satisfy the outstanding debt.

10. Miscellaneous debt

Debt owed to the Municipality arising from miscellaneous billing as a result of auxiliary services rendered is deemed irrecoverable, and therefore to be written off, where:-

- 10.1** all attempts to trace the consumer has been unsuccessful;
- 10.2** the debt has prescribed in terms of the Prescription Act, 68 of 1969;

11. Debt associated with housing

Where debt has accumulated by the unauthorised occupier of a dwelling in the name of a person allocated a dwelling, and for some reason the dwelling was not occupied by said person, the debt should be written off upon the vacating of said dwelling and the legitimate occupation by a person allocated the dwelling.

12. Irrecoverable Debt

Notwithstanding the provisions in this chapter, debt is classified as irrecoverable if:

- 12.1 all attempts to trace the consumer has been unsuccessful;
- 12.2 where the owner's estate is disposed of as part of the owner's liquidation, and the proceeds in the realisation of such liquidation are not sufficient to satisfy the claim lodged against the estate by the Municipality, the existent residual debt;
- 12.3 the debt has prescribed in terms of the Prescription Act, 68 of 1969;
- 12.4 the consumer has been declared insolvent and the Municipality after lodging a claim against said estate has not received payment, or sufficient payment to satisfy the outstanding debt, such residual debt;

13. Writing off of debt

- 13.1** Debt shall be written off regularly but at least once every three months.
- 13.2** Debt shall be regarded as written off only upon approval by Council and such approval has been recorded in the prescribed way.
- 13.3** Any debt which is written off must be made in accordance with the general recognised accounting practices.
- 13.4** Debt which is irrecoverable must be identified and each specific debt must be considered on its merits after having taken into account the results yielded by debt collection mechanisms.
- 13.5** Furthermore, the Municipality must take into consideration the cost implication of attempting to collect debt which is irrecoverable.
- 13.6** Prior to the writing off of any debt, the Municipality must:
 - 13.6.1 have exhausted all measures as provided for in its Credit Control and Debt Collection Policy;
 - 13.6.2 certify that the debt which is proposed to be written off has been pursued diligently and completely; and
 - 13.6.3 certify that no other foreseeable possibility exists in the recovery of such debt.

14. Factors to be taken into account

When considering any particular debt for the purpose of writing the same off, Council must take cognisance of the following:

- 14.1 The prescriptions of the Local Government: Municipal Systems Act and in particular the following sections:
 - 14.1.1 Section 96 which prescribes as follows:

“A municipality must – collect all money that is due to it subject to this Act and any other applicable legislation”,
 - 14.1.2 Section 97(1) which provides that:

“A credit control and debt collection policy may differentiate between the different categories of rate payers, users of services, debtors, taxes, services, service standards and other matters”.

14.1.3 The Local Government: Municipal Property Rates Act, 6 of 2004.

14.1.4 Section 4(1) of the Water Services Act 108 of 1997, which imposes restrictions on the collection of service charges on water.

14.1.5 The relevant sections of the Prescriptions Act.

14.1.6 The regulations and guidelines made under Sections 167 of the Municipal Finance Management Act and Section 104 of the Municipal Systems Act.

CHAPTER III – General

15. Indigent households

This policy in no way supersedes nor amends the writing off of debt in respect of indigent households as contemplated in the Indigents Policy of the Municipality.

16. Subsequent recovery of bad debt

16.1 The writing off of debt does in no way proscribe the Municipality's right to pursue such debt.

16.2 The writing off of debt does in no way terminate the Municipality's actions in the recovery thereof.

16.3 All amounts recovered in respect of debt already written off will be recorded in the Municipality's financial statements.

17. Provision for bad debt

Provision for bad debt or irrecoverable debt must be made in terms of generally recognised accounting practice.

18. Transitional arrangements

Due to the sporadic and irregular writing off of debt in the past in the absence of a debt write-off policy, the accumulation of substantial irrecoverable debt, and the introduction of a financial system to replace the current system, the following transitional arrangements apply:

18.1 Council may on the recommendation by the Accounting Officer consider the ratification of any non-compliance with this policy;

18.2 these transitional arrangements terminate from the 1st of July 2009.

18.3 the provision "Transitional arrangements" shall be deleted from this policy during the policy review for the budget year 2010/2011.



SOL PLAATJE MUNICIPALITY

FINANCIAL MANAGEMENT POLICY

FINANCIAL POLICIES

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1. Financial Management Policy

This policy will guide us into the future as the Municipality continues to face more complex financial environment and economic development. **Subsequent modifications to this policy will be adopted as deemed necessary for compliance with Municipal Finance Management Act and GAMAP.**

That the following Financial Management Policies be and are hereby adopted to guide certain aspects of the financial management of Sol Plaatje Municipality:

1. The operating budget shall be developed with a sharp focus on long-term solvency. Long-term financial commitments to continuing outlays shall be avoided unless sustained revenue growth is assured (or) official actions taken to increase existing revenue or authorize new ones sufficient to maintain the commitment.
2. All Fund Reserves shall be cash backed, and must be retained in a risk free investment until redeemed for the purpose intended.
3. Restricted/Statutory Reserves must only be utilized for the purposed promulgated by Law.
4. Sufficient levels of funds/cash reserves shall be maintained to absorb unpredictable revenue shortfalls, plus to sustain at least one month's operating expenses when ever necessary.
5. Anticipation of current revenue for budget preparation must not exceed prior year's actual collections of recurring revenue/income only; plus allowance for authorized Rates, Taxes, Restricted Grants and Equitable Share increases. Non-recurring Revenue/Income should be excluded from this percentage, and used to finance non-recurring expenses.
6. Annual beginning uncommitted cash plus anticipated current revenue including allowances for increases as stated in subsection 3 above may be utilized as funds available for the current operating budget.
7. Non-recurring revenue and resources shall not be used to finance recurring expenses.
8. In all cases, current revenues shall support current expenses; and debt shall not be used for current expenses.

9. Financial Systems shall be secured and maintained to monitor expenditure/revenue, performance of all municipal programs on an ongoing basis and safeguard assets.
10. The Municipal shall procure and maintain a high level accounting practice. Accounting systems and standards shall conform to GAMAP, Municipal Finance Reform Act, and other currently required accounting/professional standards promulgated for Local Municipalities.
11. Transparency and full disclosure practices will be instituted in the compilation/publication of the Annual Budget, Financial Reports, Performance Management Reports and Tender awards.
12. Sol Plaatje's Management will adhere strictly to approved Municipal Tender policy that complies with promulgated BEE, local economic development and capacity building initiatives.
13. Capital Expenditure commitments shall be made with the full knowledge of current and future operating requirements necessary to accompany the capital expenditure. Official commitment of funds necessary for future operational/maintenance expenditures of capital outlay must be appropriated after the acquisition of said Capital/Assets.
14. Revenues and expenditures shall be projected, monitored and officially reported to the Governing Authorities at least monthly; except during austerity periods when they shall be reported as often as deemed necessary by the Accounting Officer until financial conditions return to normal. Projections shall also be conducted and reported as required by the National Treasury.
15. The Accounting Officer is required to submit a consolidated report from the departmental Directors to the Governing Authority on their departments' performance measures and its relationship to the Municipal's Performance Measurement; an official report shall also be submitted to the National Treasury as required.
16. All retirement funds will be managed and monitored to mitigate accumulation of Unfunded Pension liabilities and safeguard beneficiaries' assets. The Accounting Officer and his designee shall comply with all National Laws and practises.
17. The Accounting Officer or designee will evaluate the Ageing Accounts Receivable Annually to determine an allowance for Bad Debt.

18. The Accounting Officer or designee will recommend to the Governing Authority, the amount of Bad Debts to be written off annually.
19. The Governing Authority shall annually approve the write-off of Bad Debt.

2. Debt Management

1. All capital projects financed through the issuance of bonds shall be financed for a period not to exceed the useful life of the project.
2. Competitive sales shall be used to market debt whenever feasible to ensure underwriting costs are minimized to protect public funds and interest.
3. Allowance for depreciation shall be used to provide for the replacement of aging equipment and facilities in accordance to GAMAP.
4. The Accounting Officer and Designee will comply with all local and National Government promulgated borrowing policies and laws.
5. Borrowed funds shall not be used for annual operations except in accordance to National Statutes and approved Laws regulating such a use.
6. All funds not immediately required for expenditure shall be invested by the Accounting Officer or designee; in accordance to Regulatory Authorities' National/Local Government Laws. The security of public deposits and investments shall be assumed through evaluation of measures such as proper collateralization, credit ratings/analysis, and professional evaluation of risk return relationship.

3. BUDGET MATTERS

3.1 GENERAL BUDGETING PRINCIPLES

- The Budget and Budget Preparation process shall comply with the requirements of the Municipal Finance Management Act of 2003 and nothing contained in this policy shall contradict the said legislation.

- Council shall not budget for a deficit.
- Expenses may only be incurred in terms of the approved annual budget or adjustments budget and within the limits of the amounts appropriated for each budget vote.
- When preparing its budget, Council must ensure that the budget is linked to Integrated Development Plan (IDP) priorities.

3.2 BUDGET PROCESS

The Chief Financial Officer shall prepare a draft budget timetable for the ensuing financial year which shall be tabled by the Executive Mayor to Council for approval at least 10 months before the start of the next budget year. The budget timetable shall contain key deadlines for:

- a) The annual review of the IDP
- b) The strategic planning sessions for the budget and IDP priorities linkages
- c) The review of budget related policies
- d) The preparation, tabling and approval of the annual budget
- e) The consultative processes forming part of the budget process.

Directors shall ensure that they meet the deadlines as set out in the budget timetable.

The Chief Financial Officer shall prepare a Budget Strategy for approval by Council, which shall contain the principles, objectives and strategies that will apply during the forthcoming budget preparation process. Such Budget Strategy shall take cognisance of the directives, guidelines and economic factors prevailing at the time or circulated by National and Provincial Government. The Budget Strategy shall give general direction to the budget process and also indicate affordable budget growth and envisaged tariff increases as the base line of the budget process.

The Executive Mayor shall table the draft annual budget to Council at least ninety days before the start of the new financial year.

Immediately after the annual budget has been tabled, the Municipal Manager must make this budget and other budget-related documentation public, and invite the local community to submit representations in regard to such budget. The public participation process must be a formal process and must ensure adequate consultation as contemplated in the MFMA.

Council shall consider approval of the annual budget at least 30 days before the start of the financial year to which it relates. The resolutions and performance objectives referred to in Section 17 of the MFMA must simultaneously be adopted.

The annual budget must be approved before the start of the budget year to which it relates.

The budget tabled to Council for approval shall include the following supporting documents;

- 1) The budget must be in the format prescribed by National Treasury and must be divided into a capital and an operating budget.
- 2) The budget must be balanced and reflect the realistically anticipated revenues by major revenue source for the budget year concerned.
- 3) The expenses reflected in the budget must be divided into different categories for operating budget and different capital projects or services for capital budget
- 4) The budget must also contain the foregoing information for the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the year before the current year, and the estimated revenues and expenses for the current year.

The budget must be accompanied by all the following documents:

- a) draft resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned; draft resolutions (where applicable) amending the IDP and the budget- related policies; measurable performance objectives for each budget vote, taking into account the municipality's IDP, the projected cash flows for the financial year by revenue sources and expenditure votes broken down per month and any proposed amendments to the IDP;
- b) the cost to the municipality for the budget year of the salaries, allowances and other benefits of its political office bearers and other councilors, the municipal manager, the chief financial officer, and other senior managers employed in terms of Section 57 of the Municipal Systems Act;
- c) particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting the municipality in service delivery, other organs of state, and organizations such as NGOs, welfare institutions and so on
- d) particulars of the municipality's investments; and
- e) various information in regard to municipal entities under the shared or sole control of the municipality

The Chief Financial Officer must within 14 days after approval of the budget submit the approved budget in both printed and electronic formats to the National Treasury, the Provincial Treasury, and in either format to prescribed national and provincial organs of state and other municipalities affected by the budget and insert it onto Council's website.

The Executive Mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council. The SDBIP should include the following five components:

- a) Monthly projections of revenue to be collected for each source
- b) Monthly projections of expenditure (operating and capital) versus actual expenditure for each vote, quarterly projections of service delivery targets and performance indicators for each vote
- c) Ward information for expenditure and service delivery
- d) Detailed capital works plan broken down by ward over three years

3.3 OPERATING BUDGET PREPARATION

The Chief Financial Officer, jointly with Directors, under the oversight of the Municipal Manager, shall develop a balanced operating budget before it is submitted to Council in March every year, according to the approved Budget Timetable and based on the IDP, legislative requirements, Budget Strategy and assumptions approved by Council.

The Chief Financial Officer or designee shall submit to the various directorates a 3 year budget forecast in respect of Human Resources costs in order for directorates to finalize their respective Human Resources Budgets. Directors shall not reallocate Human Resources Budgets to any other expenditure category budgets.

The principle of zero-based budgeting shall be applied in the preparation of the operating budget. Directors shall establish budget requirements in respect of Maintenance of Assets, taking cognisance of backlogs and shall, in consultation with the Chief Financial Officer prepare a strategy to address such maintenance needs and backlogs. Revenue projections shall be done by the respective Directors in consultation with the Chief Financial Officer or designee, taking cognisance of actual performance, economic growth opportunities as well as affordable and acceptable tariff increases.

3.4 CAPITAL BUDGET AND CAPITAL PROGRAMME PREPARATION

Every Director shall, in respect of the activities of the directorate, in consultation with the Chief Financial Officer, prepare: -

- a) when requested by the Municipal Manager, and/or the Mayoral Committee, a revised Capital Budget reflecting revised estimates and actual expenditure for the current financial year modified in accordance to the revised/approve IDP priorities;

- b) a draft Capital Budget in respect of the ensuing financial year and a draft Capital Programme for the following two financial years, based on the following principles: -
- Year Two of the current Capital Budget shall become Year 1 of the next year's budget and year three of the current Capital Programme shall become year two,
 - New projects shall enter the Capital Budget and Programme in Year 3.
 - Special circumstances as recommended by the Executive Mayor and approved by council must exist for a project to enter the Capital Budget in any other way.

No capital project will be accepted for inclusion into the draft budget unless it is accompanied by the projected cost covering all financial years until the project is operational, future operational costs and revenue and a cash flow for the project. The project funding source must be identified and realistic.

Carry-over of capital projects from the previous year will be considered for inclusion if they fall within the existing levels of the Capital Budget. Directors must identify carry – over budget requests during the quarterly review processes.

The draft Capital Budget and Capital Programme shall indicate: -

- a) Separately, projects which are committed projects related to maintaining existing services/ infrastructure financed by grants and subsidies; and other projects.
- b) Include the following in connection with new projects: -
 - Full motivations, including details of their impact on the Operating Budget. These projects must be accompanied by a completed project appraisal form and will be subject to priority rating.
 - No project shall be considered for inclusion in the Capital Budget/ Programme unless the project has approved funding source by DORA and or Council.
 - A monthly cash flow projection for the first full financial year of a project. The cash flow must differentiate between external payments and internal work performed.
 - Classification in terms of the Integrated Development Plan and motivation as to how the Integrated Development Plan will be supported.
- (c) Indicate projects that have been deleted from the previous programme and reasons for such deletion;

3.5 BUDGET IMPLEMENTATION

- a) The Municipal Manager is responsible for the implementation of the budget, and must take reasonable steps to ensure that:
- Funds are spent in accordance with the budget;
 - Expenses are reduced if expected revenues are less than projected; and
 - Revenues and expenses are properly monitored.

Directors are responsible for the management and control of the Budgets of their directorates in conjunction with the Chief Financial Officer and shall present reports to the Municipal Manager in this regard whenever requested to do so.

- a) The Municipal Manager must prepare an adjustments budget when such budget is necessary and submit it to the Executive Mayor for consideration and tabling in Council.
- b) The Municipal Manager must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

3.6 VIREMENTING OF FUNDS AND ADJUSTMENT BUDGETS

Budgets are approved reflecting different Votes. In terms of the definitions of the Municipal Finance Management Act, a Vote means:

(a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different directorates or functional areas of the municipality, and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

Budget amendments and virementing between Operating Budgets and Capital Budgets are not permissible, except in the case of Grant Funding.

3.6.1 Virements

Changing circumstances and priorities may give rise to a need to shift (virement) funds within an approved Vote (as defined in the MFMA).

A request for virementing of funds on shall be made by the affected Director on the appropriate form, for recording by Budget & Treasury. Approval of virements in respect of Operating Budget and Capital Budget:

- Up to R250 000: Recommended by the affected directorate for approval by the Budget and Treasury Manager **(Chief Financial Officer)**;

- Above R250 000: Recommended by the affected Director, endorsed by the Budget and Treasury Manager and final approval by the Chief Financial Officer or by the Municipal Manager.

Expenditure may only be incurred after approval as set out above.

3.6.2 Budget Amendments

A Budget amendment means the shifting of funds between Votes as defined in the MFMA. Only Council may approve Budget amendments after having considered a recommendation from the Executive Mayor.

The Executive Mayor may table an adjustment budget before Council as and when Necessary, upon having considered a motivation from an affected directorate recommended by the Budget and Treasury Committee upon a change in needs or priorities, but must table an adjustment budget when it becomes necessary in the following instances (MFMA Chapter 4 (28)):

- Material under-collection of revenue;
- To appropriate additional reserves that have become available but only to revise or accelerate spending programmes already budgeted for.
- Unforeseen and unavoidable expenditure recommended by the Executive Mayor within a prescribed framework.

All recommendations for budget amendments must contain the financial comment from the Chief Financial Officer prior to consideration and approval thereof. Expenditure may only be incurred on amended budgets after approval by Council of such Budget amendment, except in case of emergency or other exceptional circumstances as defined in Section 29 of the MFMA.

3.7 MONITORING AND REPORTING

A monthly report to Finance Committee (Budget and Treasury Committee) prepared by the Chief Financial Officer shall serve to monitor the actual expenditure against the Budget and cash flow forecasts reflected in the SDBIP for the period. Director shall provide comment to the Chief Financial Officer for inclusion in the report or at meetings of the Committee.

Monthly budget statements:

- a) The Municipal Manager must, not later than ten working days after the end of each calendar month, submit to the Executive Mayor and Provincial and National Treasuries a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the

budget cumulatively for the financial year to date. This report must reflect the following:

- i) actual revenues per source, compared with budgeted revenues;
 - ii) actual expenses per vote, compared with budgeted expenses;
 - iii) actual capital expenditure per vote, compared with budgeted expenses;
 - iv) actual borrowings, compared with the borrowings envisaged to fund the capital budget;
 - v) the amount of allocations received, compared with the budgeted amount;
 - vi) actual expenses against allocations, but excluding expenses in respect of the equitable share;
 - vii) explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
 - viii) the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
 - ix) projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.
- b) The report to the National and Provincial Treasuries must be both in electronic format and in a signed written document.

3.7.1 WEBSITE REPORTING:

The Municipal Manager must place on the municipality's official website the following:

- a) The annual and adjustments budgets and all budget-related documents;
- b) All budget-related policies;
- c) The annual report;
- d) All performance agreements;
- e) All service delivery agreements;
- f) All long-term borrowing contracts;
- g) All quarterly reports submitted to the Council on the implementation of the budget and the financial state of affairs of the municipality.

3.8 QUARTERLY REPORTS

The Municipal Manager must submit to the Council within thirty days after the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality.

3.9 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

- a) The Municipal Manager must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery

performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.

- b) The Municipal Manager must then submit a report on such assessment to the Executive Mayor by 25 January each year and to Provincial Treasury and National Treasury.
- c) The Municipal Manager may in such report make recommendations for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.
- d) In terms of Section 54(1) (f) of the MFMA the Executive Mayor must promptly submit this assessment report to Council by 31 January of each year.

3.10 OTHER LEGISLATIVE REPORTS

The Chief Financial Officer must ensure that the financial information which is required for the following annual, six-monthly, quarterly and monthly reports is provided within the required deadlines:

a. Annual Reports

- Asset Management
- Budget Evaluation Checklist
- Financial Position
- Financial Position Audited
- Capital Acquisition
- Capital Acquisition Audited
- Cash Flow Budget
- Grants and Subsidies Given
- Grants and Subsidies Received
- Financial Performance Audited
- Financial Performance Budget
- IDP to Budget
- Mid-year budget and performance assessment
- Annual Budget

b. Six-Monthly Reports

- Mid-year Budget and Performance Assessment (Section 72 MFMA)

c. Quarterly Reports

- Borrow Monitoring
- Corporate Entity
- Long Term Contracts
- MFMA 12 Urgent Priorities
- Public-Private Partnerships

- Equitable Share
- Withdrawals from Municipal Bank Accounts
- Environment and Health – Allocations and Expenditure
- Budget Review (Section 52 MFMA)

d. Monthly Reports

- Aged Creditors
- Aged Debtors
- Capital Acquisitions Actual
- Cash Flow Actual
- Finance Management Grant
- Financial Performance Actual
- Restructuring Grant
- Municipal Infrastructure Grant
- MSIG – Project Consolidate
- Budget Statement (Section 71 MFMA)
- Supply Chain Management Awards

4. MEDIUM TERM INCOME AND EXPENDITURE FRAMEWORK (MTIEF)

The Chief Financial Officer shall prepare a MTIEF model covering a five year timeframe. This shall enable the Council to assess the level of resources that are likely to be available, the service and corporate demands on those resources and the strategies available to manage the financial scenario facing the Council.

5. INCOME

5.1 LEVYING OF TARIFFS, FEES AND CHARGES

Divisional Heads in consultation with the Chief Financial Officer or designee are responsible for the development of a Tariff Policy in respect of the relevant municipal services for which they are responsible.

Tariffs, Fees and Charges for all municipal services shall be determined in accordance with the approved Tariff Policy for the relevant service. These fees and charges shall be reviewed annually by the respective Divisional Managers during the budget process, in consultation with the Chief Financial Officer. All fees and charges for the ensuing financial year shall be finalized and submitted to their respective Standing Committees by the end of January and Tariffs by the end of March, of each year and be approved by Council together with the Budget by 31 May of each year. Upon approval of the Budget, all approved Tariffs, Fees and Charges shall be recorded in Council's Tariff Book.

The result of this revision of Tariffs, Fees and Charges shall be reported to the Finance Committee (**Budget and Treasury Committee**); even if no changes are proposed, after consideration by the relevant Standing Committee. Tariffs shall be

cost reflective and any deviation from this principle shall be motivated by the relevant division to the relevant Standing Committee and the Finance Committee (Budget and Treasury Committee).

The Finance Committee (Budget and Treasury Committee) shall only consider a report on Tariffs, Fees and Charges from the relevant Divisional Head if such report includes the comments of the Chief Financial Officer.

5.2 COLLECTION AND CONTROL OF INCOME

The Chief Financial Officer is responsible for the management and control of all income received and due to Council. For this purpose, the Chief Financial Officer shall ensure the implementation of an effective revenue collection system in terms of the Revenue Management and Customer Care By-Law and associated Policies.

The Chief Financial Officer is responsible for the collection of all monies due to Council. Business Units authorised by the Chief Financial Officer, may collect money for a specific purpose in accordance with the processes and procedures determined by the Chief Financial Officer.

Any monies collected by any division of the Municipality in terms of an arrangement with the Chief Financial Officer shall be paid into the Council's primary bank account or at the Cashiers of the Budget and Treasury Division in conformity with the requirements of the applicable legislation. No monies shall be accepted unless an official receipt can be issued immediately. No municipal official may accept any money for any purpose unless authorised by the Chief Financial Officer.

Receipts issued for all monies collected by division for the credit of the Municipality's account shall be in a form approved by the Chief Financial Officer and in conformity with the requirements of the Audit Regulations.

All monies due to the Municipality must be deposited into Council's primary bank account opened in accordance with the requirements of the MFMA.

All amounts raised for municipal services and legally owed to the Municipality shall be recorded in the Council's debtors system as implemented by the Chief Financial Officer.

Debt write-offs shall adhere to council's Debt write-off policy.

6. SUPPLY CHAIN MANAGEMENT (SCM)

All Procurement of goods and services for Council business shall be in accordance with the Supply Chain Management Policy of Council, adopted in terms of the Municipal Finance Management Act.

The Supply Chain Management Policy shall be reviewed and amended as required and legislated annually.

The relevant Divisional Head shall certify that goods delivered or services rendered are in accordance with the expected quality, quantity or agreed performance. Variations shall be reported and, where necessary, the required authority for such variation shall be obtained by the Divisional Head. Under no circumstances shall goods or services be certified for payment if they have not been received or rendered.

7. GOODS AND MATERIALS

A stores record reflecting full particulars of purchases and issues of goods and materials and the balances of stock on hand in the Purchasing and Supplies Division shall be maintained by the Chief Financial Officer or designee. Similar stores records shall be maintained by Divisional Head in respect of sub-stores under their control.

An annual stock-take must be undertaken at 30 June each year and regular stock-takes shall be conducted on all stores and sub-stores (a minimum of one per financial year) and the results forwarded to the Chief Financial Officer or designee.

Stocks shall not, except where the Chief Financial Officer or designee is satisfied that special circumstances exist, be carried by or for any division in excess of normal requirements. Whenever it appears to the Chief Financial Officer or designee that a proposed purchase would result in infringement of this clause, the Divisional Head shall be advised accordingly and the Chief Financial Officer, if it is considered necessary, shall report the matter to the Municipal Manager for appropriate action.

No surplus goods and materials, no matter what the value, may be taken by or sold to any person (including employees and Councilors) other than in accordance with the Supply Chain Management Policy.

8. OPERATING EXPENDITURE

No expenditure shall be incurred unless provision therefore has been made in the Operating Budget and any expenditure incurred shall be in accordance with the stipulations of the Supply Chain Management Policy and relevant legislation.

No person shall commit the Municipality to any authorized expenditure or contract.

Should person become aware of or be advised of any unforeseen increase in the price or fees for any service or supply rendered or to be rendered to the

Municipality, such person shall report the anticipated increase in accordance to Supply Chain Management Policy and the MFMA.

9. CAPITAL EXPENDITURE

No capital expenditure shall be incurred or committed to any project unless: -

- Provision therefore has been made in the approved Capital Budget;
- Any necessary legislative requirements have been met or provincial or State approvals to incur the expenditure or raise external loans or internal advances have been obtained.
- Clearance has been obtained from the Chief Financial Officer for accounting purposes prior to incurring any expenditure.
- The relevant project has been approved by Council for the commencement of incurring expenditure.

When funds for a capital programme are appropriated for more than one financial year, expenditure for that programme during a financial year may exceed the amount of that year's appropriation for that programme provided that –

- the increase does not exceed 20% of that year's appropriation for that programme;
- the increase is funded within the following year's appropriation for that programme;
- the municipal manager certifies that actual revenue for the financial year is expected to exceed budgeted revenue and that sufficient funds are available for the increase without incurring further borrowing;
- prior written approval from the Executive Mayor is obtained for the increase, and
- The documents referred to in paragraphs (c) and (d) are submitted to Provincial Treasury and the Auditor General.

10. CREDITORS AND PAYMENTS

The Chief Financial Officer or designee shall be responsible for the payment of all duly certified accounts due by the Council within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of suppliers. Maximisation of settlement discounts shall guide the actual date of payment.

The Chief Financial Officer is responsible for ensuring that there is an overall effective creditor payment system in operation and Divisional Head are responsible for making sure that such an effective system operates within their respective business units.

Prior to a payment request for goods or services being issued, appropriate checks must be made by the relevant division's official, to ensure that:

The supplier is registered on the creditor's database;

- The work, goods or services have been received, carried out and checked according to the original order and to the required quantity and quality;
- The prices, calculations, discounts, other allowances, credits and VAT are correct;
- Where necessary the goods or services have been recorded in inventories, Stores records or stock books;
- The invoice has not already been paid, and it is the Council's responsibility to pay it;
- Sufficient budgetary provision exists in the affected Business Unit's Budget;
- Correct authority for payment exist and is indicated on the voucher;
- In the case of an SMME or BEE business, there is an indication to that effect on the voucher;
- The supplier number and vote number are clearly indicated.
- Municipal VAT details appear on supplier invoices.

Invoices should be original documents that comply with VAT regulations. Invoices that are photocopied shall not be accepted. Where a copy of an invoice is accepted, such invoice must be certified as not having been previously paid.

In the event of an original invoices and payment voucher being lost, a duplicate may be submitted for payment. Such duplicate invoice must be clearly marked 'duplicate', clearly endorsed by the supplier and attached to a voucher indicating the reasons for submitting the duplicate.

Sundry Payment Vouchers submitted for processing a payment shall contain the following:

- Properly completed details, and
- A Tax Invoice or Invoice which is attached to the sundry payment voucher
- Copy of relevant approval, i.e. Council, Mayor, Municipal Manager, etc.

Trade Creditors Payment Vouchers submitted for processing a payment shall contain the following:

- Properly completed details
- Goods Received Advice (Delivery note)
- Tax invoice / Invoice

Sundry Payment vouchers must be authorised for payment by completion of the appropriate sections and certified by a Delegated Official on the Authorised Signatory List. Authorisation of a payment voucher for payment(including an order) shall mean that the delegated official is satisfied that the conditions set out in this policy have been met, that the expenditure is legal and within the budget and that all relevant Policies, Financial Regulations, etc have been complied with. The officials approving the vouchers for payments (including orders) will be accountable in terms of the MFMA for the payments made by the Chief Financial Officer.

An Official who has been responsible for creating a contractual commitment (i.e. placing an order) shall not also authorise the payment voucher for that same commitment. Wherever possible, the functions of receiving and checking of goods/services should be separated from the task of checking and authorisation of payment vouchers. The appropriate signatures and names must be entered on the requisition/payment voucher.

These officials will be accountable in terms of the MFMA for all payments made by the Chief Financial Officer.

The Requisition / Payment will require details of the cost centre to which the expenditure is to be charged. The official certifying a payment request voucher for payment must ensure that the voucher has the correct vote number and that the expenditure is being charged to a budget under his/her control.

All Divisional Heads must make suitable arrangements within their Business Units for the authorisation of payment request vouchers when they are absent for whatever reason. The Chief Financial Officer list must be notified of such arrangements in order to record such arrangements on the Authorised Signatory List.

The Chief Financial Officer is responsible for authorizing designated cheque signatories within the Budget & Treasury Unit, which shall be communicated to the bankers of the Municipality.

11. PETTY CASH PURCHASES

Purchases by petty cash may only be done in accordance with the prescriptions of the Petty Cash Policy as determined by the Chief Financial Officer.

Petty Cash Purchases shall be subject to a transaction limit as determined by the Chief Financial Officer from time to time.

12. ASSET MANAGEMENT

Each Divisional Head shall be responsible for the management, maintenance, security and control of all assets, either fixed or movable, allocated to, or obtained for the execution of their functions.

In consultation with the Asset Manager and the Chief Financial Office, every Divisional Head shall maintain an adequate asset management system to account for all assets under the control of the division and shall undertake regular asset verification exercises to ensure the existence and condition of such assets.

Overall accounting control of all assets shall be exercised by the Chief Financial Officer who will determine the appropriate records, charges for the use of such assets and other incidental matters in consultation with the Divisional Head concerned.

Each Divisional Head shall be responsible for all inventories of furniture, equipment and other movable property with a life expectancy of more than one year under the Business Unit's control showing quantities and values.

Each Divisional Head shall inform the Chief Financial Officer of all new assets procured and annually, upon request from the Chief Financial Officer, update such records with relevant values for insurance purposes

13. DISPOSAL OF ASSETS

The disposal or letting of assets, including unserviceable, redundant or obsolete assets shall be dealt with in terms of the conditions of the Supply Chain Management Policy and Asset Disposal Policy.

14. CREDIT RATING

All Divisional Head shall at all times apply sound administration within their Business Units and observe budget parameters and target levels to ensure that the credit rating status of the Council is not adversely affected.

The Chief Financial Officer shall be responsible to engage a reputable credit rating agency to perform a credit rating on an annual basis

15. INVESTMENTS

All funds of Council shall be dealt with in accordance with Council's Cash Management and Investment Policy.

The Chief Financial Officer shall determine the cash flow requirements of the Municipality on a regular basis. Divisional Head shall supply such information with regard to capital expenditure as may be required by the Chief Financial Officer in order to determine the cash flow needs.

The Chief Financial Officer shall be responsible for the investment of Council's funds in accordance with the conditions of the Cash Management and Investment Policy

16. INSURANCE

16.1 INSURANCE

The Chief Financial Officer or designee shall be responsible for the management of the Council's insurance fund, covering such risks as the Council may from time to time determine and shall ensure that suitable and adequate contributions or premiums are made to the fund annually.

The Chief Financial Officer shall report to the Executive Mayor annually, or when deemed necessary from time to time, regarding the adequacy or otherwise of the insurance fund.

The insurance fund shall be protected against excessive losses arising from heavy or numerous claims by suitable reinsurance cover. The Chief Financial Officer shall be responsible for reviewing and renegotiating cover through the insurance brokers appointed by the Council as agents for that purpose.

The Council's insurance brokers shall be procured by public tender in terms of the Supply Chain Management Policy for a determined period and shall be responsible for negotiating all Council's external short-term insurances.

The Chief Financial Officer shall also be responsible for the placing of insurances other than with the insurance fund, as approved by the Council from time to time.

Annually before 1 July, the Chief Financial Officer shall provide Divisional Heads schedules of all insured items stating their insured value and the premium for the following year.

Divisional Head shall be responsible for ensuring that the insurance cover in respect of those assets under their control is sufficient, having regard to the current value and replacement costs of those assets, and shall notify the Chief Financial Officer without delay of any new insurable risk or any alteration in an existing insurable risk which has arisen in connection with the department.

On the occurrence of any event giving rise or likely to give rise to a claim by or against the Council or against its insurers, the Divisional Head concerned shall notify the Municipal Manager (with a copy to the Chief Financial Officer) of that event, and the Chief Financial Officer shall as soon as possible notify the Council's insurer thereof if the risk is insured externally or is of such a magnitude as to involve the reinsurance company.

Divisional Head shall within 30 days of the claim arising, notify the Chief Financial Officer of any potential third-party claim, or of fire damage to or loss of the Council's property or of any injury to employees of the Council where such matter is or even might be covered by insurance. In the case of third-party claims this is of utmost importance as any delay or failure to report an occurrence can prejudice the

Council's rights. Any claims not reported within 90 days of the occurrence will be rejected by the Chief Financial Officer.

Insurance claims shall only be processed by the Chief Financial Officer where confirmation of the insured damage and a request for reimbursement or reinstatement have been authorised by the affected division and received by the Chief Financial Officer.

The Chief Financial Officer, with the support of the Council's legal division shall be responsible for the negotiation of claims and the collection of all moneys payable to the Council under or in pursuance of any policy of insurance.

Reports and claims externally and internally shall be investigated if the Chief Financial Officer considers such action desirable, and settlement shall be effected by the Chief Financial Officer when the Chief Financial Officer is satisfied that the Council is liable to pay the claim.

The Chief Financial Officer shall maintain a register in which particulars of all insurance policies held by the Council shall be entered.

The Chief Financial Officer shall be responsible for the payment of all insurance premiums.

17. LOANS

The Chief Financial Officer or designee shall be responsible for the raising of loans as may be required from time to time, on such terms and conditions as may be approved by Council and in terms of the stipulations as determined by Section 46 of the MFMA.

18. ACCOUNTING

The Chief Financial Officer or designee shall determine the format, standards and systems applicable to the financial accounting procedures, and shall in doing so take cognisance of Generally Accepted Municipal Accounting Practices (GAMAP and GRAP), guidelines issued by National Treasury and any requirements of the Auditor General.

The Chief Financial Officer shall ensure that proper accounting records and registers are opened and maintained. The Chief Financial Officer shall prescribe the requirements for access to electronic accounting systems and shall maintain the necessary security and password systems for this purpose.

The Chief Financial Officer shall prepare the financial statements in the format determined in Clause 17(1), and any supporting detail as required. Such Financial Statements shall be prepared and submitted to the Auditor-General within two months after the end of the applicable financial year to which the statements relate.

Consolidated Financial Statements which includes all Municipal Entities, shall be completed within three months after the applicable financial year end.

The annual financial statements shall be submitted through the Finance Committee and Executive Mayor to Council by the Chief Financial Officer. The Auditor General's reports on the Financial Statements and Performance Auditing shall be submitted to the Council as prescribed by legislation.

No revenue collection, accounting, costing or other financial systems shall be introduced in any division and no alteration shall be made to any existing system without the prior approval of the Chief Financial Officer.

The Chief Financial Officer shall determine the most appropriate computer software system that will best provide for the financial systems of the municipality and shall do so in consultation with the ICT Manager to ensure compatibility with hard ware systems.

The Chief Financial Officer shall determine the basis for calculation of internal charge-outs between Business Units and shall continuously review such charge-outs in consultation with Divisional Head.

No statement, provision or obligation contained in any of these clauses shall in any way detract from the responsibility of each Divisional Head to maintain any costing and accounting system controlled by a Divisional Head in such a manner that at all times the accounting records and registers reflect the complete financial position of the function concerned as accurately as possible.

19. INFORMATION SYSTEMS

The centralized corporate information systems allocated to the ICT Manager in Financial Services Directorate shall be maintained in such a way as to ensure the integrity and security of the systems and data.

ICT Manager shall take all reasonable measures to ensure adequate backup of programmes and data for recovery purposes of the financial.

All program changes shall be recorded for audit purposes and be authorised by the ICT Manager or his delegated representatives.

A suitable disaster recovery plan shall be prepared and maintained by the ICT Manager in consultation with the Chief Financial Officer and other relevant Divisional Manager to cover all relevant aspects to maintain business continuity in the event of a disaster. The plan shall be approved by Council and be subject to a triennial review as part of the overall corporate plan.

Divisional Heads shall ensure that all reasonable steps are taken to prevent hardware and software from being infected by viruses. All work stations shall be

supplied with the recommended software to assist in providing the necessary protection. This software must be active when the hardware is in operation.

Information systems of any nature which generate financial results used to cost or estimate expenditure for recovery from third parties or which quantify levies, tariffs and other fees and charges must be certified by Internal Audit. Internal Audit must ensure that random certification is undertaken on amendments to the systems.

20. REPORTS REFLECTING FINANCIAL IMPLICATIONS

No standing committee, task team or subcommittee established by Council shall consider any report with financial implications until the Divisional Head or Director concerned has afforded the Chief Financial Officer a reasonable opportunity, which shall not be less than three working days before the closing date of the relevant agenda, of submitting financial comments on the matter.

The Director for Corporate Services shall ensure that all reports contain the comments of the Chief Financial Officer as required in Clause 20(1) and if;

- Such comments were not obtained from the Chief Financial Officer by the Divisional Head or Director concerned; the report shall not be included in the relevant Committee agenda.

Projects likely to have a substantial financial impact on the Budget (capital or operating, income or expenditure) must reflect alternative courses of action, the most beneficial alternative, the financial impacts and operating budget consequences, before a project is approved by Council for inclusion in any budget.

Any proposed amendment of any by-law with financial implications shall be referred by the Divisional Head concerned to the Chief Financial Officer for comment before consideration by any standing committee.

FINANCIAL INDICATORS

**SOL PLAATJE MUNICIPALITY
FINANCIAL INDICATORS**

Financial indicator	Basis of Calculation	Audited Actual 2006/2007	Current year Approved budget 2007/2008	Current year adjustment budget 2007/2008	Current year full year forecast 2007/08	Proposed budget 2008/2009	Budget year +1 2009/10	Budget year +2 2010/11
Borrowing management								
Borrowing to asset ratio	Total long term borrowing / Total assets	8.30	10.47	10.47	10.47	13.14	14.82	14.04
Capital charges to operating expenditure	Interest and capital repayments paid / operating expenditure	1.90	1.78	1.78	1.78	2.54	3.50	3.43
Safety of capital								
Debt to equity ratio	Loans, Accounts payable, overdraft and tax provisions / Funds and reserves	0.30	0.32	0.32	0.32	0.32	0.35	0.34
Gearing	Funds and reserves/long term borrowing	9.06	7.12	7.12	7.12	5.68	4.93	5.21
Liquidity								
Current ratio	Current assets less consumer debtors outstanding greater than one yr / Current liabilities	2.21	2.08	2.08	2.08	2.05	1.94	1.85
Liquid ratio	Monetary assets / Current liabilities	1.02	0.98	0.98	0.98	1.01	1.02	1.05
Revenue management								
Outstanding debtors to revenue	net outstanding debtors / annual revenue	25.33%	21.70%	21.70%	21.70%	21.99%	19.00%	16.53%
Creditors management								
Creditors system efficiency	% of creditors paid within terms (within 30days as per MFMA s 65(e))	100%	100%	100%	100%	100%	100%	100%
Funding of provisions								
Percentage of provisions not funded	Unfunded provisions / Total provisions as a percentage	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other indicators								
Electricity distribution losses percentage value	Total units purchased less total units sold / Total units purchased	18.00%	18.00%	15.00%	15.00%	15.00%	6.00%	6.00%
Water distribution losses percentage value	Total units purchased less total units sold / Total units purchased	35.00%	35.00%	35.00%	35.00%	25.00%	22.00%	18.00%

BRIEF DESCRIPTION AND INTERPRETATION OF THE RATIOS

BORROWING MANAGEMENT

Borrowing to asset ratio: This ratio indicates the number of times debt is covered by assets. It is important to both the Council and Community and to the creditors. The creditors can determine how secure their capital is by knowing how many times assets cover debt whilst they can determine their safety margin.

Capital charges to operating expenditure: This ratio indicates the portion of capital charges in the total operating expenditure budget. Capital charges includes short term portion of long term borrowings and interest paid on external borrowings.

SAFETY OF CAPITAL

Debt to equity ratio: This ratio indicates the relationship between outside financing and own financing. Only long term financing is included in debt while equity is net assets in the statement of financial position as this shows the community wealth at the end of the financial period. A ratio of 0.34:1 indicates that the community has invested R1 for ever R0.34c that creditors have invested in the organization. Creditors include long term loans, bank overdraft and creditors or trade payables.

Gearing: This ratio indicates the percentage of won funds at balance sheet date against the outstanding long term or the number of times reserves and funds cover the long term debt. This information is vital to the financiers of the organization for the safety of their investments.

LIQUIDITY

Current ratio: This ratio indicates the ability of the organization to pay its current liabilities out of current assets and is only focusing on short term creditors including bank overdraft. The standard for this ratio in commercial businesses is 2:1 meaning that there is R2 worth of current assets for each R1 of current liabilities.

Liquid ratio: This ratio indicates the ability of the enterprise to pay all its current liabilities out of quick assets, that is, assets which are either cash or quickly convertible to cash. In our case inventory, VAT and consumer debtors have been excluded. The usual norm for commercial businesses is 1:1 meaning that each R1 of current liabilities is covered by R1 of quick assets.

REVENUE MANAGEMENT

Annual debtors collection rate (payment level %): The basis of calculating the collection rate is derived from annual billed income less growth in debtors added together with bad debts written off divided by total billed income (Billed income – (growth in debtors + bad debts written off) / billed income). The percentage that is not collected must be provided for as provision for bad debts in the statement of financial position. The debts collection rate for the outer years is only a target and is not based on the elements or basis of calculating of the ratio in terms of financial accounting practices.

Outstanding debtors to revenue: This ratio indicates the percentage of nett outstanding debtors at balance sheet date against the total revenue collected in the same period.

Longstanding debtor's reduction due to recovery: It is currently impossible for the Financial Services to calculate the longstanding debtors' recovery rate due to problems with the system configuration specifically for this purpose. Although mention should be made that the outstanding debt is on a constant rise month to month and a marginal reduction in outstanding debt between 30-90 days and a significant percentage increase on that older than 90 days. Efforts were put in place to recover debt outstanding.

CREDITORS MANAGEMENT

Creditors' system efficiency: The creditors are paid within 30 days on receipt of invoice, or as required by creditors and to date no deviation has been reported or queries received from our creditors on non-payment of invoices submitted that duly complies with the legislative requirements including the VAT Act.

FUNDING OF PROVISIONS

Percentage of provisions not funded: This ratio indicates the percentage of and surplus that are not funded. It should be noted that all statutory reserves that needs to be cash backed in terms of GAMAP/GRAP (Accounting Standards) are duly covered.

OTHER INDICATORS

Electricity distribution losses percentage value: This ratio is for information purposes. It informs the Council how much revenue is being lost through losses. The outer year's percentage shows only a targeted percentage.

Water distribution percentage value: This ration is for information purposes. It informs the Council how much revenue is being lost through losses. The outer year's percentage shows only a targeted percentage.

SOL PLAATJE MUNICIPALITY

<u>INCOME BUDGETED</u>	2007/2008	2008/2009
RATES	-105 571 769	-129 050 669
SEWERAGE	-32 472 999	-34 950 000
CLEANSING	-24 274 673	-26 833 750
WATER	-94 176 910	-101 237 234
ELECTRICITY	-165 638 956	-192 154 463
INTEREST ON INVESTMENTS	-6 000 000	-8 000 000
INTEREST ON DEBTORS	-35 800 000	-42 800 000
GRANTS	-63 251 000	-77 656 000
EQUITABLE SHARE	-60 738 000	-74 953 000
OTHER GRANTS HEALTH	-2 068 000	-2 187 000
OTHER GRANTS RESORTS	-445 000	-516 000
OTHER	-52 639 549	-52 394 356
<u>MUNICIPAL GENERAL</u>		
MUNICIPAL GENERAL	-15 900	-15 900
INSURANCE	-3 102 000	-2 760 000
<u>MUNICIPAL MANAGER</u>		
AUDIT	0	-400 873
PMU	-1 090 209	-1 124 108
<u>CORPORATE SERVICES</u>		
BUILDINGS	-30 600	-26 400
REPROGRAFIC	-379 721	-390 480
HR TRAINING	-950 000	-1 950 000
RITCHIE ADMIN	0	-3 600
LA TRAINING	-579 620	-608 601
<u>COMMUNITY SERVICES</u>		
HALLS	-254 250	-237 400
LIBRARIES	-282 200	-290 200
TRAFFIC	-9 808 700	-7 328 000
MOTOR REGISTRATION	-3 130 800	-2 307 600
TEST STATION	-558 912	-164 600
FIRE BRIGADE	-787 690	-919 079
SPORT STADIUMS	-77 000	-77 000
WEST END CLUB	-312 820	-230 000
SWIMMING BATHS	-110 000	-110 000
CEMETRIES	-1 330 000	-1 450 000
RESORTS	-3 192 382	-2 291 700
CARAVAN PARK	-350 000	-300 000
HEALTH	-39 320	-1 200
<u>FINANCIAL SERVICES</u>		
ACCOUNTING	-3 000	-3 000
REVENUE	-170 000	-130 000
COLLECTIONS	-5 790 000	-4 730 000
SUPPLY CHAIN	-1 140 000	-1 388 948
PAYROLL	-191 000	-241 000
FMG	-500 000	-750 000
<u>STRATEGIC ECONOMIC DEV</u>		
TRAM	-180 000	-60 000
TOURISM SENTRUM	-166 940	-25 380
PROPERTIES	-2 836 796	-3 842 945
ADMIN	-90 000	-55 000
TOWN PLANNING	-810 811	-1 051 000
FACTORY BUILDINGS	-60 980	-60 980
MARKET	-3 336 980	-3 319 009
<u>INFRASTRUCTURE</u>		
SEWERAGE SUNDRY	-2 063 000	-2 292 000
CLEANSING SUNDRY	-1 855 000	-2 055 000
HOUSING INCOME	-6 634 190	-8 656 275
PLAN & CONSTRUCTION	-301 000	-315 000
STREETS	0	-250 000
WORKSHOP	-8 000	-6 000
LABORATORY	-100 000	-155 630
ELECTRICITY SUNDRY	-8 000	-8 000
WATER SUNDRY	-11 728	-12 448
TOTAL ACTUAL INCOME	-579 825 856	-665 076 472
CROSS SUBSIDISATION	0	0
CROSS SUBSIDISATION TO RATES	-36 909 249	-40 339 249
CROSS SUBSIDISATION FROM SERVICES	36 909 249	40 339 249
STREETLIGHTING	-7 640 000	-8 486 180
CROSS SUBSIDISATION FROM ESI	7 640 000	8 486 180
INTERNAL RECOVERIES	0	0
INTERNAL RECOVERIES	-30 909 751	-29 193 670
INTERNAL RECOVERIES	30 909 751	29 193 670
TOTAL ACTUAL INCOME	-579 825 856	-665 076 472

SOL PLAATJE MUNICIPALITY

BEGROTING VIR DIE JAAR 2008/2009 / ESTIMATE FOR THE YEAR 200

EIENDOMSBELASTING / ASSESMENT RATES

ALGEMENE BELASTING GENERAL RATES	TARIEF TARIFF	WAARDASIE VALUATION	TOTAAL TOTAL
Agricultural Residential	0.000972	37 755 300	36 684
Agricultural Business	0.001295	6 785 000	8 790
Agricultural Farms	0.000648	219 566 050	142 223
Business/Res Bus	0.019432	1 640 405 750	31 876 939
State/Public Schools	0.044047	629 595 600	27 731 583
Industrial	0.029149	124 406 000	3 626 251
Mining	0.104287	25 660 355	2 676 040
Residential	0.006477	8 038 590 600	52 069 569
Residential Bus Registered	0.011659	260 415 300	3 036 289
Budgeted income		10 983 179 955	121 204 367
Pensioners discount Residential			-3 422 580
Airport	0.019432	2 824 000	54 877
Public Service Infrastructure	0.044047	254 595 705	11 214 090
Total Rates		11 240 599 660	129 050 755
Income foregone			
Non ratable (average tariff)	0.010505	304 977 050	3 203 934
Agricultural Residential	0.000972	1 724 000	1 675
Business/Res Bus	0.019432	8 118 500	157 762
Residential Discount	0.006477	569 015 180	3 685 767
Residential Bus Registered	0.011659	12 658 000	147 585
Public service infrastructure Phased in discount	0.044047	254 595 705	11 214 090
Exemptions Public service infrastructure	0.044047	218 224 890	9 612 078
Total Exempt		1 369 313 325	28 022 891
Total Valuation Roll		12 609 912 985	157 073 646

FUNDING THE BUDGET

SOL PLAATJE MUNICIPALITY

<u>INCOME BUDGETED</u>	2007/2008	2008/2009
RATES	-105 571 769	-129 050 669
SEWERAGE	-32 472 999	-34 950 000
CLEANSING	-24 274 673	-26 833 750
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SOL PLAATJE MUNICIPALITY

BEGROTING VIR DIE JAAR 2008/2009 / ESTIMATE FOR THE YEAR 200

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Total Exempt		1 369 313 325	28 022 891
Total Valuation Roll		12 609 912 985	157 073 646

**EXPENDITURE
PER VOTE PER
CATEGORY**

SOL PLAATJE MUNICIPALITY

EXECUTIVE AND COUNCIL	ACTUAL `2006/2007	CURRENT BUDGET `2007/2008	PROJECTION `2007/2008	PROPOSED BUDGET `2008/2009	PROPOSED BUDGET `2009/2010	PROPOSED BUDGET `2010/2011
Employee Related Costs	2 247 756	2 778 767	3 344 685	4 671 593	4 888 887	5 100 026
Remuneration of Councillors	9 656 230	9 678 655	9 678 655	10 414 817	11 143 855	11 812 485
Depreciation	50 781	120 000	50 781	52 000	52 000	52 000
Repairs and maintenance	0	2 000	2 000	2 000	2 120	2 237
General Expenses - Other	1 032 005	1 195 050	1 360 379	3 367 163	2 065 792	2 152 765
Contributions from OPS to CAPS outlays	0	0	0	0	0	0
TOTAL ACTUAL EXPENDITURE BUDGET	12 986 772	13 774 472	14 436 500	18 507 573	18 152 654	19 119 513

SOL PLAATJE MUNICIPALITY

MUNICIPAL AND GENERAL	ACTUAL `2006/2007	CURRENT BUDGET `2007/2008	PROJECTION `2007/2008	PROPOSED BUDGET `2008/2009	PROPOSED BUDGET `2009/2010	PROPOSED BUDGET `2010/2011
Employee Related Costs	4 129 554	5 851 800	5 851 800	7 001 800	6 511 800	6 837 300
Depreciation	1 785	0	1 785	1 800	1 890	1 985
Repairs and maintenance	4 949 870	3 070 000	4 570 000	8 070 000	10 573 500	11 077 175
Interest on external borrowings	0	0	0	2 400 000	2 100 000	2 000 000
General Expenses - Grants and Subsidies	272 374	1 000 000	800 000	1 000 000	1 000 000	1 000 000
General Expenses - Other	40 217 791	41 551 446	43 150 363	42 652 246	58 905 146	83 090 577
Disposal of prop, plant and equipment	64 096	0	0	0	0	0
Contributions from OPS to CAPS outlays	0	7 000 000	7 000 000	5 000 000	7 000 000	7 000 000
Other adjustments and transfers	0	0	0	0	0	0
Contributions to provisions and reserves	22 000 000	33 000 000	33 000 000	40 000 000	42 000 000	44 000 000
TOTAL ACTUAL EXPENDITURE BUDGET	71 635 470	91 473 246	94 373 948	106 125 846	128 092 336	155 007 037
Cross subsidization	0	0	0	0	0	0
TOTAL	71 635 470	91 473 246	94 373 948	106 125 846	128 092 336	155 007 037

SOL PLAATJE MUNICIPALITY

MUNICIPAL MANAGER	ACTUAL `2006/2007	CURRENT BUDGET `2007/2008	PROJECTION `2007/2008	PROPOSED BUDGET `2008/2009	PROPOSED BUDGET `2009/2010	PROPOSED BUDGET `2010/2011
Employee Related Costs	4 600 512	5 597 076	5 290 570	8 147 707	8 613 733	9 038 180
Depreciation	1 011	84	1 011	1 011	1 011	1 011
Repairs and maintenance	1 396	10 207	10 207	10 538	11 170	11 784
General Expenses - Other	1 097 582	1 213 179	1 300 478	1 933 410	1 519 208	1 602 324
Contributions from OPS to CAPS outlays	0	0	0	0	0	0
TOTAL ACTUAL EXPENDITURE BUDGET	5 700 501	6 820 546	6 602 266	10 092 666	10 145 122	10 653 299

SOL PLAATJE MUNICIPALITY

CORPORATE SERVICES	ACTUAL `2006/2007	CURRENT BUDGET `2007/2008	PROJECTION `2007/2008	PROPOSED BUDGET `2008/2009	PROPOSED BUDGET `2009/2010	PROPOSED BUDGET `2010/2011
Employee Related Costs	16 957 573	19 662 744	21 725 646	22 877 672	24 253 788	25 603 937
Depreciation	1 530 280	1 271 177	1 530 280	1 530 277	1 621 677	1 711 055
Repairs and maintenance	524 810	445 828	445 828	515 170	545 193	574 712
General Expenses - Other	7 898 390	5 405 409	6 722 942	6 282 290	5 625 990	5 938 602
Contributions from OPS to CAPS outlays	0	0	0	0	0	0
TOTAL ACTUAL EXPENDITURE BUDGET	26 911 053	26 785 158	30 424 696	31 205 409	32 046 648	33 828 306
Internal Charges	39 483	45 224	45 224	0	0	0
TOTAL	26 950 536	26 830 382	30 469 920	31 205 409	32 046 648	33 828 306

SOL PLAATJE MUNICIPALITY

COMMUNITY SERVICES	ACTUAL `2006/2007	CURRENT BUDGET `2007/2008	PROJECTION `2007/2008	PROPOSED BUDGET `2008/2009	PROPOSED BUDGET `2009/2010	PROPOSED BUDGET `2010/2011
Employee Related Costs	55 469 328	63 464 652	59 171 570	68 639 069	72 750 829	76 749 060
Depreciation	2 247 361	2 179 884	2 247 362	2 259 921	2 321 639	2 393 849
Repairs and maintenance	2 113 658	2 403 219	2 403 219	3 065 923	3 250 398	3 429 679
General Expenses - Other	12 512 814	12 342 053	13 482 776	13 145 995	14 842 927	14 720 143
Contributions from OPS to CAPS outlays	0	0	0	0	0	0
TOTAL ACTUAL EXPENDITURE BUDGET	72 343 161	80 389 808	77 304 927	87 110 908	93 165 793	97 292 731
Internal Charges	208 809	237 426	237 426	0	0	0
TOTAL	72 551 970	80 627 234	77 542 353	87 110 908	93 165 793	97 292 731

SOL PLAATJE MUNICIPALITY

FINANCIAL SERVICES	ACTUAL `2006/2007	CURRENT BUDGET `2007/2008	PROJECTION `2007/2008	PROPOSED BUDGET `2008/2009	PROPOSED BUDGET `2009/2010	PROPOSED BUDGET `2010/2011
Employee Related Costs	29 097 425	33 303 333	32 388 346	39 334 597	41 474 215	43 706 733
Collection costs	37 721	30 000	30 000	40 000	42 400	44 732
Depreciation	245 217	220 551	245 218	241 619	236 765	247 402
Repairs and maintenance	109 504	246 815	246 815	182 190	191 322	200 194
General Expenses - Grants and Subsidies	117 993	160 000	160 000	300 000	180 000	200 000
General Expenses - Other	7 769 364	7 070 624	7 351 403	7 489 335	7 886 898	7 529 351
Contributions from OPS to CAPS outlays	0	0	0	0	0	0
TOTAL ACTUAL EXPENDITURE BUDGET	37 377 224	41 031 323	40 421 782	47 587 741	50 011 600	51 928 412
Internal Charges	41 836	0	0	0	0	0
TOTAL	37 419 060	41 031 323	40 421 782	47 587 741	50 011 600	51 928 412

SOL PLAATJE MUNICIPALITY

STRATEGY,ECONOMIC DEVELOP	ACTUAL `2006/2007	CURRENT BUDGET `2007/2008	PROJECTION `2007/2008	PROPOSED BUDGET `2008/2009	PROPOSED BUDGET `2009/2010	PROPOSED BUDGET `2010/2011
Employee Related Costs	9 757 315	11 702 802	11 749 141	14 319 858	15 059 059	15 818 161
Depreciation	743 918	701 386	743 916	744 485	745 805	747 088
Repairs and maintenance	373 210	570 672	570 672	575 974	606 789	637 177
General Expenses - Other	6 664 678	6 867 549	7 018 888	8 264 537	8 603 488	8 963 881
Contributions from OPS to CAPS outlays	0	0	0	0	0	0
TOTAL ACTUAL EXPENDITURE BUDGET	17 539 121	19 842 409	20 082 617	23 904 854	25 015 141	26 166 307
Internal Charges	105 259	116 776	116 776	0	0	0
TOTAL	17 644 380	19 959 185	20 199 393	23 904 854	25 015 141	26 166 307

SOL PLAATJE MUNICIPALITY

INFRASTRUCTURE	ACTUAL `2006/2007	CURRENT BUDGET `2007/2008	PROJECTION `2007/2008	PROPOSED BUDGET `2008/2009	PROPOSED BUDGET `2009/2010	PROPOSED BUDGET `2010/2011
Employee Related Costs	77 103 325	80 367 053	80 472 225	88 035 473	92 604 729	97 205 305
Collection costs	739 376	660 000	710 000	750 000	798 750	842 681
Depreciation	24 992 609	24 506 223	24 992 607	25 235 362	25 394 658	25 572 515
Repairs and maintenance	15 130 104	16 354 302	16 354 302	16 849 743	18 541 207	19 021 789
General expenses - bulk purchases	104 461 060	112 000 000	125 972 009	131 000 000	147 300 000	159 481 500
General Expenses - Other	38 308 683	36 658 706	37 732 627	44 698 504	47 287 106	49 679 750
Contributions from OPS to CAPS outlays	0	0	0	0	0	0
Interest on external borrowings	5 960 617	6 162 610	6 162 610	7 972 393	7 931 984	7 589 297
Other adjustments and transfers	0	0	0	0	0	0
Contributions to provisions and reserves	18 000 000	23 000 000	23 000 000	26 000 000	30 000 000	33 000 000
TOTAL ACTUAL EXPENDITURE BUDGET	284 695 774	299 708 894	315 396 380	340 541 475	369 858 434	392 392 837
Cross subsidization	37 106 649	44 549 249	44 549 249	48 825 429	53 044 859	55 257 864
Internal Charges	27 909 833	30 510 325	30 510 325	29 193 670	30 972 755	32 639 803
TOTAL	349 712 256	374 768 468	390 455 954	418 560 574	453 876 048	480 290 504

SOL PLAATJE MUNICIPALITY

SUMMARY	ACTUAL	CURRENT	PROJECTION	PROPOSED	PROPOSED	PROPOSED
	`2006/2007	`2007/2008	`2007/2008	`2008/2009	`2009/2010	`2010/2011
LINE ITEM SUMMARY						
EXPENDITURE						
PERSONNEL EXPENDITURE	199 362 788	222 728 227	219 993 983	253 027 769	266 157 040	280 058 702
REMUNERATION OF COUNCILLORS	9 656 230	9 678 655	9 678 655	10 414 817	11 143 855	11 812 485
COLLECTION COSTS	777 097	690 000	740 000	790 000	841 150	887 413
DEPRECIATION	29 812 962	28 999 305	29 812 960	30 066 475	30 375 445	30 726 905
REPAIRS AND MAINTENANCE	23 202 552	23 103 043	24 603 043	29 271 538	33 721 699	34 954 747
BULK PURCHASES	104 461 060	112 000 000	125 972 009	131 000 000	147 300 000	159 481 500
GENERAL EXPENSES: GRANTS AND SUBS	390 367	1 160 000	960 000	1 300 000	1 180 000	1 200 000
GENERAL EXPENSES: OTHER	115 501 307	112 304 016	118 119 856	127 833 480	146 736 555	173 677 393
DISPOSAL OF PROP, PLANT EQPM	64 096	0	0	0	0	0
CONTRIBUTIONS FROM OPS TO CAPS	0	7 000 000	7 000 000	5 000 000	7 000 000	7 000 000
INTEREST ON EXTERNAL BORROWING	5 960 617	6 162 610	6 162 610	10 372 393	10 031 984	9 589 297
OTHER ADJUSTMENTS AND TRANSFERS	0	0	0	0	0	0
CONTRIBUTIONS TO PROVISIONS AND RESERVES	40 000 000	56 000 000	56 000 000	66 000 000	72 000 000	77 000 000
TOTAL ACTUAL EXPENDITURE BUDGET	529 189 076	579 825 856	599 043 116	665 076 472	726 487 728	786 388 442
INTERNAL CHARGES	28 305 220	30 909 751	30 909 751	29 193 670	30 972 755	32 639 803
CROSS SUBSIDIZATION	37 106 649	44 549 249	44 549 249	48 825 429	53 044 859	55 257 864
TOTAL	594 600 945	655 284 856	674 502 116	743 095 571	810 505 342	874 286 109

TARIFFS

1 APPROVAL OF VARIOUS TARIFFS : 1 JULY 2008 - 30 JUNE 2009

That, in terms of Section 24(2) of the Local Government : Municipal Finance Management Act, 2003 (Act No. 56), the following levies, fees and tariffs for Sol Plaatje Municipality be levied, and a General Rate be recovered on the values appearing in the 2007 General Valuation Roll

**TARIFFS SUBJECT TO VALUE ADDED TAX INCLUDES 14% VAT
ANY FUTURE CHANGES IN VAT WILL BE IMPLEMENTED ACCORDINGLY.**

1.1 LEVY OF RATES (FINANCE/VALUATIONS)

	PRESENT <u>TARIFFS</u> R	PROPOSED TARIFFS <u>2008/07/01</u> R
Agricultural Residential	0.000479	0.000972
Agricultural Business	0.000479	0.001295
Agricultural Farms	0.000479	0.000648
Airport	0.018095	0.019432
Business / Residential Business not registered	0.018095	0.019432
State / Public schools	0.041510	0.044047
Industrial	0.027399	0.029149
Residential / Municipal Residential	0.006169	0.006477
Residential Business registered	0.010982	0.011659
Public Services Infrastructure	0.041510	0.044047
Mining	0.099437	0.104287
Average rates tariff	0.009273	0.010505

(a) That the general rates become due and payable on 1 July 2008.

- Government Notices 1171 and 1172 contain draft regulations which propose to prescribe the rating ratios of categories of properties and owners and setting the upper limits with which rates may increase. If these draft regulations are adopted it will have a substantial impact on the rates tariffs to the extent that the tariffs will have to be amended to comply.
- An allowance has been made for the inclusion of discounts for Pensioners meeting certain criteria. The discount is proposed at 20 %
- The phasing in discount on public service infrastructure decreases from 75 % to 50 % in terms of the Municipal Property Rates Act resulting in increased revenue from this category beyond the annual increase in the tariff.
- Differentiation in the tariffs for the categories "Agricultural Properties" have been included to introduce greater parity within this sector whereby recognition of agriculture, business and residential activities have been made in relation to each other.

	PRESENT TARIFFS R	PROPOSED TARIFFS 2008/07/01 R	
1.2	<u>MUNICIPAL SWIMMING BATHS & SPORTS FIELDS (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)</u>		
1.2.1	<u>Karen Muir Swimming Pool</u>		
	Admission fees - Children	4.50	5.00
	Admission fees - Adults	5.50	6.00
	Hire of bath	550.00	600.00
	Hire of bath for functions	650.00	700.00
	Season tickets - Children	50.00	55.00
	Season tickets - Adults	95.00	100.00
	Loss deposit	450.00	450.00
1.2.2	<u>Florianville Swimming Pool</u>		
	Admission fees - Children	3.50	4.00
	Admission fees - Adults	4.50	5.00
	Hire of bath	500.00	550.00
	Season tickets - Children	45.00	50.00
	Season tickets - Adults	55.00	60.00
	Loss deposit	300.00	350.00
1.2.3	<u>Roodepan Swimming Pool</u>		
	Admission fees - Children	3.50	4.00
	Admission fees - Adults	4.50	5.00
	Hire of bath	500.00	550.00
	Season tickets - Children	45.00	50.00
	Season tickets - Adults	55.00	60.00
	Loss deposit	300.00	350.00
1.2.4	<u>Galeshewe Swimming Pool</u>		
	Admission fees - Children	2.50	3.00
	Admission fees - Adults	3.50	4.00
	Hire of bath	600.00	650.00
	Hire of bath with lights	650.00	700.00
	Season tickets - Children	45.00	50.00
	Season tickets - Adults	50.00	55.00
	Loss deposit	400.00	450.00
1.2.5	<u>De Beers Stadium</u>		
	HIRE OF ATHLETICS TRACK	650.00	700.00
	Loss deposit	550.00	550.00
	Apparatus per day	350.00	380.00
	Loss deposit	500.00	550.00
	Lights	Per metered use	Per metered use
	Training sessions (Schools/Clubs) per season	85.00	90.00
	HIRE OF SPORTS FIELD/PREPARATION FEE	350.00	380.00
	Loss deposit	500.00	550.00
	Lights	Per metered use	Per metered use
	HIRE OF STADIUM		
	Other than sport	1 000.00	1 050.00
	Loss Deposit	530.00	550.00
	Music festivals/commercial use	7 500.00	8 000.00
	Loss deposit	16 000.00	17 000.00
	HIRE OF HALL NO. 4		
	Indoor sport	70.00	75.00
	HIRE OF CAFETERIA / BAR	150.00	160.00
	Loss deposit	530.00	550.00

	<u>PRESENT TARIFFS</u> R	<u>PROPOSED TARIFFS</u> <u>2008/07/01</u> R
PRACTICE SESSIONS FOR ATHLETICS		
Season ticket for individuals	85.00	90.00
Individual per session	15.00	18.00
GROUPS:		
1 - 10 per session	30.00	35.00
11 - 20 per session	45.00	50.00
21 - 30 per session	60.00	65.00
31 - 40 per session	80.00	85.00
41 - 60 per session	100.00	105.00
61 and more per session	130.00	140.00
1.2.6 <u>Eddie Williams Oval</u>		
Sports field per day	300.00	300.00
Loss deposit	500.00	500.00
Training sessions (Schools/Clubs) per season	95.00	95.00
Other than sport	2 000.00	2 000.00
Loss deposit	500.00	500.00
Music festivals/commercial use	8 500.00	8 500.00
Loss deposit	15 000.00	15 000.00
1.2.7 <u>Galeshewe Stadium</u>		
Sport per day	400.00	450.00
Loss deposit	450.00	500.00
Other than sport	2 000.00	2 100.00
Loss deposit	400.00	450.00
Lights	Per metered use	
Music festivals/commercial use	7 000.00	7 500.00
Loss deposit	16 000.00	17 000.00
<p>It is proposed that if a request is received from a Welfare Organization to use the above facilities at a reduced tariff, authority be granted to lease the facilities at 50% of the normal tariff plus a relevant deposit which is refundable. It is further proposed that if a request is received from a School to use the above facilities at a reduced tariff, authority be granted to allow a discount of 25% on the normal tariff plus the relevant deposit which is refundable.</p> <p>Furthermore, if a contract is drawn up with a specific Provincial or National body for the hire of any of the above-mentioned facilities for sport (seasonal), a fee of R5500.00 be charged for the season.</p>		
<p>Deposit for reservation = 25% of total reservation fee to be paid within 7 days of booking. Cancellation fee = 25% of total reservation fee.</p>		
1.2.8 <u>West-End Indoor Facility</u>		
<u>Competitive sport -</u>		
Prior occupation per day	350.00	370.00
Main Hall (per day)	800.00	850.00
Key deposit	800.00	850.00
Small Hall (per day)	450.00	480.00
Key Deposit	400.00	450.00
<u>Training sessions -</u>		
Main Hall (per hour)	80.00	85.00
Key deposit	100.00	110.00
Small Hall (per hour)	50.00	55.00
Key deposit	100.00	110.00
<u>Other than sport -</u>		
Prior occupation per day	350.00	380.00
Main Hall	800.00	850.00
Deposit	800.00	850.00
Small Hall	500.00	530.00
Deposit	500.00	530.00

	<u>PRESENT TARIFFS</u> R	<u>PROPOSED TARIFFS</u> <u>2008/07/01</u> R
<u>Commercial use -</u>		
Prior occupation per day	350.00	380.00
Main Hall (per day)	2 000.00	2 100.00
Key deposit	7 000.00	7 400.00
Small Hall (per day)	800.00	840.00
Key deposit	800.00	840.00
Kitchen (per day)	250.00	270.00
Key deposit	300.00	320.00
Braai (per day)	250.00	270.00
Key deposit	300.00	320.00
Conference room	150.00	160.00
Key deposit	150.00	160.00
1.2.9 <u>West-End Club</u>		
<u>Commercial use -</u>		
Prior occupation per day	350.00	370.00
Main Hall (per day)	1 800.00	2 000.00
Key deposit	5 500.00	5 800.00
<u>Competitive sport -</u>		
Prior occupation per day	350.00	370.00
Main Hall (per day)	500.00	530.00
Key deposit	500.00	530.00
<u>Training sessions -</u>		
Main Hall (per hour)	80.00	85.00
Key deposit	100.00	105.00
Main Hall (other than specified)	900.00	950.00
Key deposit	900.00	950.00
Kitchen	250.00	270.00
Key deposit	300.00	320.00
Braai area	250.00	270.00
Key deposit	200.00	210.00
Trog Bar	350.00	370.00
Key deposit	200.00	210.00
Soccer Field	250.00	270.00
Key deposit	300.00	320.00
Cricket field	250.00	270.00
Key deposit	300.00	320.00
Air Conditioner	200.00	210.00
<u>MEMBERSHIP FEES (Per annum)</u>		
All membership fees is payable before or on 31st July of each year.		
Sol Plaatje Municipality package for employees	120.00	130.00
Outside family package	240.00	250.00
Members of a Sport Section:		
(40 and more members)	220.00	230.00
(30-39 members)	250.00	270.00
(20-29 members)	275.00	290.00
(1-29 members)	300.00	320.00
Students	150.00	160.00
Pensioners	150.00	160.00
Scholars	120.00	130.00
Discount for Club Members	20.00%	20.00%
(Hiring of Main Hall and Braai Area)		
Deposit on hiring of facilities (Within 7 days of the request for the reservation)	50% of total amount	50% of total amount
<u>Cancellation</u>		
If a reservation is cancelled within 30 days of occupation the re the refund to the client will be 50% of the deposit amount paid.		
If a reservation is cancelled within 10 days of occupation the cl the client will forfeit the total deposit amount paid.		

Conditions

1. Right of admission reserved.
2. Facility used at own risk.
3. Total reservation fee to be paid within 10 (ten) days of booking.
4. Payment to be made in relation to booking.
5. Facility may not be used unless payment is received in advance.
6. Use of the facility will not be allowed unless a contract has been completed and signed by the Lessee.
7. No equipment may be removed from the facility.
8. Facility to be left in same condition as it was found on occupation.
9. Lessee will be held responsible for any littering, damages or loss of any equipment of the property and strict action will be taken against such lessee.
10. Losses and breakages of any items brought onto the premises by the lessee will not be compensated by the lessor of this facility.
11. A fee of R270.00 will be paid if the lessee needs to decorate the hall one day or more before the function.
12. Canceling of bookings - see cancellations.
13. No private liquor allowed on premises. No private bar allowed on premises. Strict adherence to the aforementioned can lead to arrest, prohibition from the facility and forfeiture of total deposit.
14. A corkage fee of R7.00 must be paid for wine and champagne.
15. The playing of musical instruments, live musical performances and any other form of amplified music is prohibited outdoors. The playing of music will be allowed indoor only until 24:00.
16. Ignorance of any of the above can lead to: Arrest, prohibition from the facility and forfeiture of total deposit.
17. All reservations will be accommodated on the basis of first come first served.

	PRESENT <u>TARIFFS</u> R	PROPOSED TARIFFS <u>2008/07/01</u> R
.2.10	<u>Open Mine Caravan Park</u>	
	Caravans - (per Caravan)	55.00
	- (per person)	25.00
	Caravan Club	
	Minimum of 20 Caravans - (per Caravan)	40.00
	- (per person)	25.00
	Pensioners - (per Caravan)	40.00
	- (per person)	20.00
	Tent (per site)	40.00
	(per person)	25.00
	Day Visitors:	
	Car (per car)	30.00
	(per person)	25.00
	Bus (per bus)	135.00
	(per person)	25.00
1.3	<u>BURIAL PLOT FEES (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)</u>	
1.3.1	<u>West-End and Kenilworth Cemeteries</u>	
	Re-opening (casket)	395.00
	Re-opening (adults)	315.00
	Re-opening (babies)	240.00
	Burial of ashes	75.00
	Grave fees (adult)	555.00
	Grave fees (children under 7)	440.00
	Special graves (casket)	760.00
	Wall of Remembrance (per niche)	395.00
	Two burials per grave	860.00
	Reserved graves	1 055.00
	Monument erection fee - single graves	140.00
	Monument erection fee - double graves	275.00
	Sundry payment - Saturday funerals	380.00
		415.00
		330.00
		250.00
		80.00
		590.00
		460.00
		800.00
		420.00
		900.00
		1 200.00
		150.00
		290.00
		400.00

	PRESENT <u>TARIFFS</u> R	PROPOSED TARIFFS <u>2008/07/01</u> R	
1.3.2	<u>Roodepan and Ritchie Cemeteries</u>		
	Re-opening (casket)	320.00	340.00
	Re-opening (adults)	240.00	250.00
	Re-opening (babies)	190.00	200.00
	Burial of ashes	75.00	80.00
	Grave fees (adult)	450.00	480.00
	Grave fees (children under 7)	275.00	290.00
	Special graves (casket)	590.00	620.00
	Pauper graves	105.00	110.00
	Two burials per grave	795.00	840.00
	Reserved graves	725.00	760.00
	Monument erection fee - single graves	140.00	150.00
	Monument erection fee - double graves	275.00	290.00
	Sundry payment - Saturday funerals	380.00	400.00

When labour is not available (during stay-a-ways) for funerals the Undertakers be given R75.00 for re-opening and R60.00 for the closure of graves.

	PRESENT <u>TARIFFS</u> R	PROPOSED TARIFFS <u>2008/07/01</u> R	
1.3.3	<u>Galeshewe, Greenpoint, Motswedimosa and Rietvale Cemeteries</u>		
	Re-opening (casket)	270.00	290.00
	Re-opening (adults)	250.00	270.00
	Re-opening (babies)	180.00	190.00
	Burial of ashes	750.00	780.00
	Grave fees (adult)	345.00	360.00
	Grave fees (children under 7)	250.00	260.00
	Special graves (casket)	390.00	410.00
	Pauper graves	100.00	105.00
	Two burials per grave	330.00	350.00
	Reserved graves	400.00	420.00
	Monument erection fee - single graves	140.00	150.00
	Monument erection fee - double graves	275.00	290.00

When labour is not available (during stay-a-ways) for funerals the Undertakers be given R75.00 for re-opening and R60.00 for the closure of graves.

1.4 **PLEASURE RESORTS AND CARAVAN PARKS (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)**

50% Discount on school groups with a minimum of 30 day visitors (Riverton).

That a 10% commission be paid to Travel Institutions that make bookings at the Pleasure Resorts (accommodation only).

That a 10% commission be paid to Consultants who make bookings at the Pleasure Resorts (accommodation only).

That a 10% levy be charged on the normal tariff on all one-day reservations during weekends and long weekends.

Accommodation cancellation

If a reservation is cancelled within 20 days of occupation the refund to the client will be 85% of the total amount paid.

If a reservation is cancelled within 10 days of occupation the client will forfeit the total deposit amount paid.

No refund will be made to a client who does not arrive or who departs prior to the departure date.

Accommodation deposit

A deposit must be paid within 72 hours of the date of the request for a reservation. Deposit amount is 50% of total amount.

	<u>PRESENT</u> <u>TARIFFS</u> R	<u>PROPOSED</u> <u>TARIFFS</u> <u>2008/07/01</u> R
1.4.1 <u>Riverton Pleasure Resort</u>		
<u>Chalets/Villas</u>		
To be hired at a basic tariff of R100.00 per unit and a rate of R65.00 per bed available in the unit, with the proviso that if a five-bed unit is available and only a four-bed unit is required, the tariff for a four-bed unit is applicable (converted to the nearest multiple of 5).		
<u>Rondavels</u>		
To be hired at a basic tariff of R60.00 per unit and a rate of R60.00 per bed available in the unit. If group bookings are made where more than 50 beds are required, a 15% discount becomes applicable.		
<u>Caravan Park</u>		
Caravan (per day)	50.00	55.00
Per person (per day)	15.00	15.00
Caravan Clubs (minimum of 15 caravans) (excluding December holidays)	30% discount	30% discount
Pensioners (excluding December holidays)	50% discount	50% discount
Super Tube per 5 rides	5.00	5.00
Day visitors	15.00	15.00
Day visitors (1 May - 31 August)	9.00	9.00
Cars	5.00	5.00
Season ticket (minimum 100 tickets)	50% discount	50% discount
Boats	20.00	20.00
Wood (per bundle)	6.00	N \ A
Ice (per pack)	6.00	N \ A
Hall (for period of 24 hours)	300.00	300.00
Sale of grass per m2 (only Garden Dealers)	8.00	N \ A
Sale of Souvenirs	25% mark up	N \ A
<u>Key deposits</u>		
Chalets and Villas	120.00	150.00
Rondavels	100.00	150.00
Hall	200.00	200.00
Group reservations	5 000.00	5 000.00
For calculation of tariffs, a day will be calculated from 15:00 - 11:00 the following day or part thereof. In the event of these times being exceeded a pro-rata hourly rate of 10% of the tariff will be recovered from the deposit. If the occupier should choose to occupy the living unit before the stipulated time the abovementioned payment of 10% will be payable, subject to availability.		
1.4.2 <u>Langleg Pleasure Resort</u>		
<u>Chalets</u>		
To be hired at a basic tariff of R100.00 per unit and a rate of R45.00 per bed available.		
<u>Rondavels</u>		
To be hired at a basic tariff of R100.00 per unit and a rate of R35.00 per bed available in unit.		
<u>Key deposits</u>		
Resort	10 000.00	10 000.00
Chalets	100.00	150.00
Rondavels	100.00	150.00
<u>Music Festivals/Rallies:</u> R10-00 per person entering the facility plus accommodation costs. (Key deposit of R10000-00 as well as payment for 10 (ten) security guards from a recognized security company on the day of the festival is compulsory)		
<u>Camping sites</u>		
Tent (per day)	45.00	45.00
Per person (per day)	12.00	12.00

	<u>PRESENT TARIFFS</u> R	<u>PROPOSED TARIFFS</u> <u>2008/07/01</u> R
<u>Caravans</u>		
Per caravan (per day)	45.00	45.00
Per person (per day)	12.00	12.00
<u>Hall</u>		
24-hour period	300.00	330.00
Per person	10.00	10.00
Key deposit	300.00	300.00
<u>Day visitors</u>		
Per person	10.00	10.00
Cars	5.00	5.00
<u>Group accommodation</u>		
Key deposit per unit	500.00	500.00
Per person per night (without bedding)	45.00	45.00
Per person per night (with bedding)	60.00	60.00

For calculation of tariffs, a day will be calculated from 15:00 - 11:00 the following day or a part thereof. In the event of these times being exceeded a pro-rata hourly rate of 10% of the tariff will be recovered from the deposit. If the occupier should choose to occupy the living unit before the stipulated time the abovementioned payment of 10% will be payable, subject to availability.

1.4.3

Rekaofela and Transka Pleasure Resorts**Chalets : Rekaofela**

To be hired at a basic tariff of R100.00 per unit and a rate of R90.00 per bed available. (Amount converted to the nearest multiple of 5). A minimum of two beds per unit only applicable on 3-bed Chalets.

Key deposit	100.00	150.00
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Chalets : Transka

To be hired at a basic tariff of R100.00 per unit and a rate of R40.00 per bed available in the unit.

Key deposit	100.00	150.00
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Group accommodation

Transka - per person per night (with bedding)	60.00	60.00
Transka - per person per night (without bedding)	45.00	40.00
Rekaofela - per person per night	60.00	60.00
Key deposit (per sleeping unit)	500.00	500.00
Hall - (24-hour period) Kopano	300.00	300.00
- (48-hour period)	320.00	320.00
- (72-hour period)	360.00	360.00
- (96-hour period)	420.00	420.00
(More than 96 hours)	480.00	480.00
Key deposit	300.00	300.00

Training Centre - Mongano Hall

Per person per night	60.00	60.00
Key deposit (per unit)	500.00	500.00
Hall - (24-hour period)	480.00	480.00
- (48-hour period)	520.00	520.00
- (72-hour period)	580.00	580.00
- (96-hour period)	660.00	660.00
(More than 96 hours)	700.00	700.00
Key deposit	500.00	500.00
Prior occupation	100.00	100.00

	PRESENT <u>TARIFFS</u> R	PROPOSED TARIFFS <u>2008/07/01</u> R
<u>Recreation Hall - Riverside Hall</u>		
Hall - (24-hour period)	800.00	800.00
- (48-hour period)	850.00	850.00
- (72-hour period)	900.00	900.00
- (96-hour period)	950.00	950.00
(More than 96 hours)	1 000.00	1 000.00
Prior occupation (per day)	150.00	150.00
Key deposit	500.00	500.00
<u>Conference Hall</u>		
Hall, tables and chairs - (10 persons per 24-hour period)	100.00	100.00
Hall, tables and chairs - (25 persons per 24-hour period)	150.00	150.00
<u>Meals and refreshments</u>		
That a 10% levy be charged on all catering costs over weekends, long weekends and public holidays.		
<u>Catering at Rekaofela Resort is compulsory</u>		
<u>No outside Caterers are allowed to do catering at this facility</u>		
Daily conference tariff: R260,00 per person per day for a minimum of 20 delegates		
Breakfast	20.00	20.00
	25.00	25.00
	28.00	28.00
	30.00	30.00
	35.00	35.00
	41.00	41.00
Lunch	15.00	15.00
	18.00	18.00
	22.00	22.00
	25.00	25.00
	27.00	27.00
	30.00	30.00
	32.00	32.00
	35.00	35.00
	38.00	38.00
	40.00	40.00
	42.00	42.00
	45.00	45.00
	50.00	50.00
Dinner	20.00	20.00
	22.00	22.00
	25.00	25.00
	27.00	27.00
	28.00	28.00
	30.00	30.00
	32.00	32.00
	35.00	35.00
	38.00	38.00
	42.00	42.00
	50.00	50.00
	60.00	60.00
<u>Additional meals</u>		
Finger lunch per person	18.00	18.00
	25.00	25.00
	35.00	35.00
	45.00	45.00
	52.00	52.00
	65.00	65.00

	<u>PRESENT TARIFFS</u> R	<u>PROPOSED TARIFFS</u> <u>2008/07/01</u> R
Spitbraai per person	85.00	85.00
Weddings per person	40.00 45.00 50.00 65.00 70.00 75.00 80.00 90.00 120.00 145.00	40.00 45.00 50.00 65.00 70.00 75.00 80.00 90.00 120.00 145.00
<u>Coffee/Tea & Refreshments</u>		
Coffee/Tea (per person)	6.00	6.00
Coffee/Tea & refreshments (per person)	10.00	10.00
Tablecloths (weddings) each	8.00	8.00
Crockery and cutlery (per day)	120.00	120.00
Overhead projector (per day)	25.00	25.00
Video machine (per day)	15.00	15.00
Television (per day)	15.00	15.00
Flip chart	15.00	15.00
Flip chart paper (per batch)	35.00	35.00
Cool room (24-hours)	25.00	25.00
Kopano Hall - Audio visual equipment	80.00	80.00
Tables and chairs	100.00	100.00
<u>Printing charges and phone calls</u>		
Paper prints - A4	0.65	0.65
Paper prints - A3	1.50	1.50
Fax - A4	5.00	5.00
Phone calls (normal charge) plus	25.00%	25.00%
<u>Day Visitor Tariff</u>		
Per person (Transka)	10.00	10.00
School children out of season (Transka)	5.00	5.00
Per person (Rekaofela - organized groups of 50+)	20.00	20.00
Buses (15 Seater and more) / Cars	15.00	15.00
Putt-Putt	7.00	7.00
Wood (per bundle)	9.00	9.00
Wood (per bag)	20.00	20.00
Ice (per pack)	5.00	5.00
Sale of grass per m2 (only Garden Dealers)	8.00	8.00
Sale of Souvenirs	25% mark up	25% mark up
<p>For calculation of tariffs, a day will be calculated from 15:00 - 11:00 the following day or part thereof. In the event of these times being exceeded a pro-rata hourly rate of 10% of the tariff will be recovered from the deposit. If the occupier should choose to occupy the living unit before the stipulated time the abovementioned payment of 10% will be payable, subject to availability.</p>		
<u>Hire of Lapas</u>		
Lapa A	200.00	200.00
Lapa B	200.00	200.00
Lapa C	150.00	150.00
Key deposits on A, B and C	50.00	50.00

Cancellation fee on Conferences, Seminars and Training sessions is 25% of the total reservation fee.

	<u>PRESENT TARIFFS</u> R	<u>PROPOSED TARIFFS</u> <u>2008/07/01</u> R
Hire of swimming pools for special occasions (i.e. Gala's)	200.00	200.00
Practice sessions for gala's (only organised groups) (Per person and between 11:00-15:00 from Monday - Friday)	5.00	5.00
1.4.4 <u>Adventure Centre</u>		
<u>Course fees</u>		
Instruction (per activity, per person)	150.00	150.00
1-Activity introduction (per person) - instruction, refreshments, equipment	170.00	170.00
<u>Sales</u>		
Sale of Souvenirs	35% mark up	35% mark up
Sale of Tuck	25% mark up	25% mark up
<u>Instructor's fees</u>		
Instructor's fees per day (with OAA Level 2 training)	200.00	200.00
Instructor's fees per day (with OAA Level 3 training)	250.00	250.00
Instructor's transport costs (per Km)	1.20	1.20

Cancellation fee is 25% of the total reservation fee.

CONDITIONS:

1. Right of admission reserved.
2. Entry at own risk.
3. Private parties are not allowed in any accommodation.
4. Noise or disturbing music is not allowed.
5. The refund of key deposits between 07:00 - 11:30, after the chalet has been checked by a member of the Resort Staff.
6. No refunds during weekends.
7. No parking on grass or paving areas.
8. No bedding and equipment may be removed from the chalets or may be used outside the chalet.
9. A day is calculated from 15:00 - 11:00 the next day.
10. No day visitors are allowed at the chalets without the knowledge of the Manager.
11. Day visitors must leave the premises at 18:00.
12. The amount of people will be determined by the amount of beds in the chalets.
13. No animals are allowed in the Resort.
14. Payment to be made in relation to the booking made.
15. If the chalets are evacuated later than 11:00, an additional tariff will be charged.
16. The chalets must be left in the same condition as it was found on occupation.
17. The visitors will be responsible for any damages or loss of any equipment in the chalets.
18. Strict action will be taken against any person who damages or removes any equipment or belongings of the Sol Plaatje Pleasure Resorts.
19. No visitor has the authority to choose his chalet or stand to be occupied.
20. Hotplates may only be used to cook on and not as heaters.
21. No tents may be erected next to accommodation units.
22. Ignorance or any of the above can lead to (*without refunding of any payment made in advance*) arrests, prohibitions from the Resort and no refunds on key deposits.
23. The management has the authority to determine whether any occupier's behaviour is acceptable to the Resort Manager.
24. Normal meal hours will be: 08:00 - 09:00; 13:00 - 14:00; 18:00 - 19:00. A levy of 10% will be charged on all meals taken outside the normal meal hours.
25. There will be no refund of the payment should the occupier cancel any time during their visit or should the person be prohibited from the resort.
26. All meals at weddings will be served not later than 20H00 and the kitchen will be closed at 22h30. A levy equal to the key deposit on the hall will be charged in the care of exceeding the prescribed hours.
27. The serving of meals in all cases will not exceed the 2.5 hour prescribed time frame.

1.5	<u>HOUSING (SERVICES & INFRASTRUCTURE)</u>	<u>PRESENT</u> R	<u>PROPOSED</u> <u>TARIFFS</u> 2008/07/01 R
That the rental on all Municipal Renting Schemes be increased as per National Housing Guidelines as per the following based on market related rentals:			
<u>Impala Court</u>			
	1 Bedroom	618.00	670.00
	2 Bedroom	775.00	840.00
<u>Hercules Court</u>			
	1 Bedroom	685.00	743.00
	2 Bedroom	847.00	919.00
<u>Holland Court</u>			
	1 Bedroom	918.00	996.00
	2 Bedroom	1 121.00	1 216.00
	3 Bedroom	1 180.00	1 280.00
	Bachelor	793.00	860.00
<u>Newton Court</u>			
	1 Bedroom	1 008.00	1 093.00
	2 Bedroom	1 243.00	1 348.00
	3 Bedroom	1 417.00	1 537.00
<u>Tiffany Court</u>			
	2 Bedroom	1 244.00	1 349.00
<u>Eugenie Court</u>			
	1 Bedroom	999.00	1 083.00
	2 Bedroom	1 185.00	1 285.00
<u>Jonker Court</u>			
	1 Bedroom	824.00	894.00
	2 Bedroom	996.00	1 080.00
<u>Eureka Court</u>			
	1 Bedroom	824.00	894.00
	2 Bedroom	996.00	1 080.00
<u>Krisant Court</u>			
	1 Bedroom	790.00	857.00
	2 Bedroom	1 007.00	1 092.00
<u>Roodepan Flats</u>			
	1 Bedroom	300.00	325.00
	2 Bedroom	500.00	542.00
	3 Bedroom	674.00	731.00
<u>Flamingo Court</u>			
	1 Bedroom	516.00	560.00
	2 Bedroom	647.00	702.00
	Bachelor	471.00	511.00
<u>Carports</u>			
	Carport with locking facility (per month)	40.00	45.00
	Carport without locking facility (per month)	20.00	21.00
	Key deposit	50.00	50.00
<u>Selling Schemes</u>			
	Administration charges	35.00	40.00
	Insurance	15.00	20.00

	PRESENT TARIFFS R	PROPOSED TARIFFS 2008/07/01 R
1.6	<u>MARK (STRATEGY, ECONOMIC DEVELOPMENT & PLANNING SERVICES)</u>	
	<u>Huur</u>	
	Kantoor (per m2) per maand	11.22 12.20
	<u>Koelkamers per maand</u>	
	Buite	1 087.13 1 180.00
	Binne	2 178.00 2 364.00
	<u>Buite geboue</u> (per m2) per maand	
	Parkering per maand	13.64 14.80
	Transaksiefooi per transaksie	25.00 27.20
	Rypmaakkoste per houer	0.19 0.20
	<u>Trollies per dag</u>	
	Trekwaentjies	1.43 1.55
	Pomptrollies	2.00 2.20
	Stoorruimte (per m2) per maand	10.00 11.00
		3.96 4.30
1.7	<u>SIDEWALK AND ROAD TARIFFS (SERVICES & INFRASTRUCTURE)</u>	
	Lowered curbing per meter	220.00 240.00
	Per safety pole on sidewalk	220.00 240.00
	Tar patching work per m2 - area ÷ 30mm thickness installed	
		600.00 650.00
	<u>Red soil and Gravel:</u>	
	Sale of red soil and gravel to institutes, e.g. Schools, Churches, District Council etc.	
	- Collected at stockpile per 5 m3 (Truck)	65.00 70.00
	- Delivery in Kimberley per 5 m3	130.00 145.00
	Lowered kerbs inspections	105.00 115.00
	Erf peg inspections (per inspection)	37.00 40.00
	<u>Advertising</u>	
	Guest House board - single sided	270.00 295.00
	Guest House board - double sided	380.00 415.00
	Directional signage per board as per Manufacturer, plus:	
	* on existing posts	48.00 52.00
	* planting of new posts	580.00 630.00
	Application to display - Advert Signs	150.00 163.00
	Advertising signs displayed on municipal property	75.00 81.00
1.8	<u>URBAN PLANNING (STRATEGY, ECONOMIC DEVELOPMENT & PLANNING SERVICES)</u>	
1.8.1	<u>Building Control Section</u>	
	<u>Building Plan Inspection Fees</u>	
	The fees for the approval of building plans of all buildings (including covered stoep, veranda's, carports and outbuildings) calculated along the external walls on each floor and excluding the areas of external staircases, chimney breasts, architectural features and eaves, are as follows:	
	The minimum charge for any approval	180.00 200.00
	Minor building work as defined in the definitions of the NBR	180.00 200.00
	Swimming Pool	180.00 200.00

	<u>PRESENT TARIFFS</u> R	<u>PROPOSED TARIFFS</u> <u>2008/07/01</u> R
Re-inspection of defective work (every inspection more than two)	180.00	200.00
Re-submission of lapsed plans	150.00	500.00
Alterations to drainage systems	150.00	200.00
For all new buildings per m2	5.00	6.00
For new buildings over 500m2 (per m2)	5.00	6.00
Per Government subsidized house	40.00	100.00
For additions to any existing building per m2	5.00	6.00
For additions over 500m2 (per m2)	4.00	6.00
For internal alterations to existing buildings,		
Between 0 & 250m2 any existing building per m2	New	500.00
Between 250 & 500m2 any existing building per m2	New	650.00
Between 500 & 750m2 any existing building per m2	New	1 000.00
Between 750 & 1000m2 any existing building per m2	New	2 000.00
Between 1000 & 5000m2 any existing building per m2	New	4 000.00
Between 5000 & 10000m2 any existing building per m2	New	7 000.00
Private Contractors - Council supervision per m2 per house type (over and above inspection fees)	4.50	10.00
Postage of Plans	50.00	100.00
1.8.2 <u>Application fees</u>		
Services rendered:		
Application in terms of the Northern Cape Planning and Development Act, 1998 (Act 7 of 1998) : Basic fee plus	750.00	850.00
Rezoning	350.00	400.00
Consent use / Conditional uses	350.00	400.00
All Departures to be approved by Council (except delegated departures)	350.00	400.00
Subdivision:		
Basic subdivision fee	350.00	380.00
Thereafter:		
3-10 erven an additional R100-00 (per erf)	100.00	110.00
11-50 erven an additional R50-00 (per erf)	50.00	55.00
51 and above erven an additional R10-00 (per erf)	10.00	11.00
Advertising deposit per application (Local Newspaper)	900.00	1 000.00
Removal, Suspension or Amendment of Title Deed	350.00	400.00
Advertising: Government Gazette	2 600.00	2 800.00
Advertising: Local Newspaper (two placements)	1 800.00	2 000.00
Amendment of condition of approval/layout plan of previous Council decision without the basic fee	350.00 (no basic fee)	450.00
Extension of Council approval without basic fee	185.00 (no basic fee)	200.00
Delegated Departures as per Zoning Scheme:		
Delegated departures (coverage: Erven less than 500m ² not exceeding 60%)	185.00	300.00
Delegated departures (second dwelling: max 75m ²) (excluding electrical contribution fees)	185.00	300.00

	PRESENT <u>TARIFFS</u> R	PROPOSED TARIFFS <u>2008/07/01</u> R
Delegated departures (garages/carports: not exceeding 6m on Street Building Lines except title conditions for garages)	185.00	300.00
All departures excluding the above for Council approval	700.00	800.00
Home Businesses: Per application only (No basic fee)		
Home business registration	150.00	200.00
Home business registration (Galeshewe)	75.00	200.00
Other:		
Information (without copy costs)	15.00	15.00
Zoning Certificate	45.00	50.00
CUP Reports/SDF/LUMS/IDP/GURP	400.00	450.00
Building Plan research (without copy costs)	15.00	15.00
Building statistics - Monthly	50.00	60.00
- Annually	525.00	650.00
1.8.3 <u>Advertising</u>		
Application to display - Advertising signs	125.00	500.00
Advertising signs displayed on municipal property - per sign/per annum at businesses	60.00	100.00
1.8.4 <u>Plan Printing Charges</u>		
<u>Paper prints:</u>		
Size A4	0.50	1.00
Size A3	0.60	1.00
Size A2	5.00	6.00
Size A1	20.00	25.00
Size A0	30.00	35.00
<u>Opaque Film Prints & Transparent Prints</u>		
Size A4	10.00	10.00
Size A3	15.00	15.00
Size A2	30.00	50.00
Size A1	60.00	70.00
Size A0	100.00	110.00
<u>Plans plotted by REGIS System</u>		
Size A4	20.00	20.00
Size A3	30.00	30.00
Size A2	60.00	70.00
Size A1	70.00	100.00
Size A0	100.00	120.00
<u>Other</u>		
Information (without copy cart)	10.00	10.00
Zoning Certificate		
CUP Reports/SDF/LUMS/IDP/GURP	370.00	400.00
Building Plan search fee (without copy cart)	10.00	10.00
Building Statistics - Monthly	50.00	50.00
- Annually	525.00	550.00

	<u>PRESENT TARIFFS</u>	<u>PROPOSED TARIFFS 2008/07/01</u>
	R	R
Building Occupancy Certificate	New	20.00
Compulsory (removal executed by Municipal) of Building rubble per m3 load	New	100.00
Penalty on illegal building structure/s, per day and to be attached to account	New	100.00
Penalty on illegal encroaching to adjacent erf/erven, per day and to be attached to account	New	100.00
Penalty on Illegal usage of property other than as zoned, per day and to be attached to account	New	100.00
Penalty on Illegal closing of adjacent neighbour access, per day and to be attached to account	New	100.00
Penalty on Illegal closing for storm water flow allowance, per day and to be attached to account	New	100.00
Penalty on deviation from approved building plan/s, per day and to be attached to account	New	100.00
Penalty on illegal encroaching to municipality land or property, per day and to be attached to account	New	100.00
1.9 <u>ADMINISTRATION (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)</u>		
1.9.1 <u>TARIFFS FOR RECREATION HALL</u>		
<u>Development Sport</u>		
Training sessions (Monday - Thursday)		
07:45 - 16:30 (per hour)	10.00	15.00
Deposit	30.00	40.00
<u>Monday - Friday</u>		
07:00 - 12:00 (per session)	110.00	120.00
12:00 - 17:00 (per session)	110.00	120.00
17:00 - 07:00 (per hour)	140.00	150.00
Deposit	500.00	500.00
<u>Saturdays</u>		
A basic fee is charged for 4 hours or part thereof	250.00	250.00
For every additional hour which the facility is used an additional tariff is payable	100.00	110.00
<u>Sundays & Public Holidays</u>		
A basic fee is charged for 4 hours or part thereof	275.00	300.00
For every additional hour which the facility is used an additional tariff is payable	120.00	130.00
<u>All Dances</u>		
A basic fee is charged for 4 hours or part thereof	500.00	700.00
For every additional hour which the facility is used an additional tariff is payable	150.00	200.00
Funerals - for 4 hours	250.00	250.00
For every additional hour	100.00	110.00
Preparation fee (per hour)	New	150.00
1.9.2 <u>TARIFFS FOR SOCIAL CENTRE, R C ELLIOTT HALL AND RITCHIE</u>		
<u>Development Sport</u>		
Training sessions (Monday - Thursday)		
07:45 - 16:30 (per hour)	10.00	15.00
Deposit	30.00	40.00
<u>Monday - Friday</u>		
07:00 - 12:00 (per session)	90.00	120.00
12:00 - 17:00 (per session)	90.00	120.00
17:00 - 07:00 (per hour)	120.00	150.00
Deposit	500.00	500.00
<u>Saturdays</u>		
A basic fee charged for 4 hours or part thereof	250.00	250.00
For every additional hour which the facility is used an additional tariff is payable	80.00	110.00

	<u>PRESENT TARIFFS</u> R	<u>PROPOSED TARIFFS 2008/01/07</u> R
<u>Sundays & Public Holidays</u>		
A basic fee is charged for 4 hours or part thereof	250.00	300.00
For every additional hour which the facility is used an additional tariff is payable	100.00	130.00
<u>All Dances</u>		
A basic fee is charged for 4 hours or part thereof	450.00	700.00
For every additional hour which the facility is used an additional tariff is payable	150.00	200.00
Funerals - for 4 hours	250.00	250.00
For every additional hour	85.00	110.00
Preparation fee (per hour)	New	150.00
1.9.3	<u>TARIFFS FOR FLORIANVILLE HALL</u>	
<u>Development Sport</u>		
Training sessions (Monday - Thursday) 07:45 - 16:30 (per hour)	10.00	15.00
Deposit	30.00	40.00
<u>Monday - Friday</u>		
07:00 - 12:00 (per session)	100.00	120.00
12:00 - 17:00 (per session)	100.00	120.00
17:00 - 07:00 (per hour)	120.00	150.00
Deposit	500.00	500.00
<u>Saturdays</u>		
A basic fee charged for 4 hours or part thereof	250.00	250.00
For every additional hour which the facility is used an additional tariff is payable	100.00	110.00
<u>Sundays & Public Holidays</u>		
A basic fee is charged for 4 hours or part thereof	275.00	300.00
For every additional hour which the facility is used an additional tariff is payable	120.00	130.00
<u>All Dances</u>		
A basic fee is charged for 4 hours or part thereof	500.00	700.00
For every additional hour which the facility is used an additional tariff is payable	150.00	200.00
Funerals - for 4 hours	250.00	250.00
For every additional hour	100.00	110.00
Preparation fee (per hour)	New	150.00
1.9.4	<u>GARDNER WILLIAMS HALL, GREENPOINT HALL AND GALESHEWE CENTRE (ABATHO BANTU HALL)</u>	
<u>Development Sport</u>		
Training sessions (Monday - Thursday) 07:45 - 16:30 (per hour)	10.00	15.00
Deposit	30.00	40.00
<u>Monday - Friday</u>		
07:00 - 12:00 (per session)	65.00	85.00
12:00 - 17:00 (per session)	65.00	85.00
17:00 - 07:00 (per hour)	75.00	90.00
Deposit	450.00	500.00

	<u>PRESENT TARIFFS</u> R	<u>PROPOSED TARIFFS 2008/07/01</u> R
<u>Saturdays</u>		
A basic fee charged for 4 hours or part thereof	200.00	250.00
For every additional hour which the facility is used an additional tariff is payable	60.00	110.00
<u>Sundays & Public Holidays</u>		
A basic fee is charged for 4 hours or part thereof	220.00	300.00
For every additional hour which the facility is used an additional tariff is payable	75.00	130.00
<u>All Dances</u>		
A basic fee is charged for 4 hours or part thereof	500.00	700.00
For every additional hour which the facility is used an additional tariff is payable	150.00	200.00
Funerals - for 4 hours	250.00	250.00
For every additional hour	85.00	110.00
Preparation fee (per hour)	New	150.00
1.9.5 <u>CITY HALL</u>		
<u>Monday - Friday</u>		
07:00 - 12:00 (per session)	420.00	440.00
12:00 - 17:00 (per session)	420.00	440.00
17:00 - 07:00 (per hour)	230.00	240.00
Deposit	650.00	700.00
<u>Saturdays</u>		
A basic fee charged for 4 hours or part thereof	600.00	630.00
For every additional hour which the facility is used an additional tariff is payable	150.00	160.00
<u>Sundays & Public Holidays</u>		
A basic fee is charged for 4 hours or part thereof	650.00	680.00
For every additional hour which the facility is used an additional tariff is payable	200.00	210.00
<u>All Dances</u>		
A basic fee is charged for 4 hours or part thereof	750.00	800.00
For every additional hour which the facility is used an additional tariff is payable	200.00	250.00
<u>Supper Room</u>		
07:00 - 12:00 (per session)	340.00	360.00
12:00 - 17:00 (per session)	340.00	360.00
17:00 - 07:00 (per hour)	470.00	480.00
Funerals - for 4 hours	600.00	630.00
For every additional hour	150.00	160.00
Aircon \ 8 hour session	300.00	400.00
Preparation fee (per hour)	New	150.00

It is proposed that if a request is received from the following organisations/institutions, that a 50% discount be granted:

- * Registered Welfare Organisations
- * Registered Non-profitable Organisations
- * Schools
- * Churches

NB. Government Departments to pay full tariff.

	PRESENT <u>TARIFFS</u> R	PROPOSED TARIFFS <u>2008/07/01</u> R
1.9.6	<u>TARIFFS FOR LEASE OF FURNITURE AND EQUIPMENT</u>	
	Chairs (per chair)	2.70 3.00
	Tables (per table)	13.30 15.00
	Conference tables (per table)	11.00 15.00
	Deposit payable	300.00 350.00
	Urn	50.00 55.00
	Flip Chart	50.00 55.00
	Red Carpet	150.00 220.00
	Cathedra	50.00 60.00
1.9.7	<u>REGS- EN EIENDOMSDIENSTE</u>	
	Administrasiekoste per transaksie gehef - 15% op die koop/huurprys:	
	* Minimum	265.00 290.00
	* Maksimum	1 600.00 1 750.00
1.9.8	<u>TRAFFIC</u>	
	<u>FUNCTIONS, MARCHES & SPORT</u>	
	<u>Monday to Saturday</u>	
	One or two Officers per event	650.00 700.00
	Three or four Officers per event	1 200.00 1 400.00
	More than four Officers per event	1 500.00 1 750.00
	<u>Sunday and Public Holidays</u>	
	Per Officer per hour or part thereof	500.00 500.00
	<u>ESCORT OF ABNORMAL LOADS</u>	
	<u>Monday to Saturday</u>	
	Per Officer per hour or part thereof	350.00 350.00
	<u>Sunday and Public Holidays</u>	
	Per Officer per hour or part thereof	500.00 500.00
	<u>RENTAL OF ROAD SIGNS</u>	
	Renting of temporary Road Signs -	100.00 100.00
	<u>SEARCH FEES</u>	
	Service of Summonses for other Local Authorities (per Summons executed)	
		50.00 50.00
1.9.9	<u>LIBRARY</u>	
	Videos, Fiksie en Nie-fiksie / DVD	5.00 5.00
	Damaged barcode	1.00 1.00
	Postal tariffs : reminders	5.00 6.00
	Fines : per week	0.80 0.90
	: per month	3.20 3.60
	Maximum fine per item	15.00 16.00
	Reservation fee	3.50 4.00
	Admin fee : Phone calls	7.00 8.00
	Admin fee : Cell phone calls	12.00 13.00
	Book record covers	2.50 2.50
	Duplicate computer membership card	15.00 18.00
	Photocopy charges - A4	0.50 0.50
	- A3	0.70 0.90
	Country members (per annum)	50.00 70.00
	Visitors - deposit	25.00 50.00
	- fee	50.00 80.00

	<u>PRESENT</u> <u>TARIFFS</u> R	<u>PROPOSED</u> <u>TARIFFS</u> <u>2008/07/01</u> R
<u>Laminates:</u>		
A4	6.50	7.00
A3	8.50	9.00
85mm x 60	2.00	2.50
Inter library loans	45.00	50.00
Books rebinding	12.00	40.00
Toilet tariff	0.30	0.50
CD container / DVD	4.00	4.00
Research fee (inter library loans)	5.00	5.00
<u>Fax facility:</u>		
Local per page	4.00	4.00
National per page	7.00	7.00
International per page	25.00	30.00
Faxes received per page	2.00	2.50
<u>MAIN- AND GALESHEWE LIBRARIES</u>		
<u>Non-profitable Organisations and Cultural Activities</u>		
Per session	60.00	80.00
Kitchen facilities	30.00	40.00
Deposit	100.00	100.00
<u>Commercial Institutions and Political Parties</u>		
Per session	150.00	175.00
Kitchen facilities	30.00	40.00
Deposit	100.00	100.00
Audio visual material (per item)	25.00	50.00
Data Projector (Main Library only) per session	200.00	200.00
<u>HALL RENTALS</u>		
<u>SONNY LEON LIBRARY</u>		
<u>Non-profitable organisations and Cultural Activities</u>		
Per session	50.00	60.00
Kitchen facilities	30.00	40.00
Deposit	100.00	100.00
<u>Commercial Institutions and Political Parties</u>		
Per session	80.00	90.00
Kitchen facilities	30.00	40.00
Deposit	100.00	100.00
Audio visual material (per item)	25.00	50.00
<u>HALL RENTALS</u>		
<u>BEACONSFIELD AND JUDY SCOTT LIBRARIES</u>		
<u>Non-profitable organizations and Cultural Activities</u>		
Per session	50.00	60.00
Kitchen	20.00	40.00
Deposit	100.00	100.00
<u>Commercial Institutions and Political Parties</u>		
Per session	80.00	100.00
Kitchen facilities	20.00	40.00
Deposit	100.00	100.00
Audio visual material (per item)	25.00	50.00
<u>AFRICANA LIBRARY</u>		
<u>Research fees</u>		
National	500.00	600.00
International	600.00	750.00

	PRESENT <u>TARIFFS</u>	PROPOSED TARIFFS <u>2008/07/01</u>
	R	R
.9.10 <u>EMERGENCY SERVICES</u>		
<u>Km Turnout fees</u>		
(Calculated per vehicle per Km traveled from turnout to the incident to return to the Fire Station)		
* Fire fighting vehicle	9.60	9.60
* Assistance vehicle	3.20	3.20
<u>Turnout fees for the fire fighting vehicles, portable pumps and assistance vehicles</u>		
(Calculated per fire fighting vehicle, portable pump or assistance vehicle for the first two (2) hours from turnout to the incident to the time the vehicle return to the Fire Station)		
Fire fighting vehicles / Rescue pumper	642.00	710.00
Portable pump	322.00	355.00
Assistance vehicle	322.00	355.00
<u>Turnout fees for the fire fighting vehicles, portable pumps and assistance vehicles</u>		
(Calculated per fire fighting vehicle, portable pump or assistance vehicle for every hour or part thereof after the first two (2) hours from the first minute from the first two (2) hours to the time the vehicle return to the Fire Station)		
Fire fighting vehicles / Rescue pumper	322.00	355.00
Portable pump	225.00	245.00
Assistance vehicle	225.00	245.00
<u>Personnel tariffs</u>		
(Calculated per personnel member on duty at the incident for every hour or part thereof from the turnout to the incident to the time the vehicle return to the Fire Station)		
Chief Emergency service or any member	186.00	200.00
<u>Specialized equipment</u>		
(Calculated per unit used)		
Chemical extinguisher	141.00	155.00
CO ² extinguisher	141.00	155.00
Breathing apparatus	78.00	85.00
Refill of SCBA/SCUBA cylinder	6.40	7.00
	Per wet liter	Per wet liter
	capacity of cylinder	capacity of cylinder
Specialized equipment	315.00	350.00
<u>Fire extinguishing material</u>		
(Calculated per unit state or part thereof)		
Water - municipal tariff per Kl	Council tariff	
CO ² - purchase tariff per Kg	Tariff + 20%	Tariff + 20%
Dry chemical powder - purchase tariff per Kg	Tariff + 20%	Tariff + 20%
Foam - purchase tariff per liter	Tariff + 20%	Tariff + 20%
<u>Inspection fees</u>		
(Calculated per inspection or plan approved)		
Fire prevention inspection, building plans and sites per project	173.00	190.00

	<u>PRESENT TARIFFS</u> R	<u>PROPOSED TARIFFS</u> <u>2008/07/01</u> R
Inspection of flammable liquids, solids and gasses installations:		
* 1 liter - 2000 liter	206.00	230.00
* 2001 liter - 5000 liter	250.00	275.00
* 5001 liter - 50000 liter	302.00	335.00
* 50001 lire and more	385.00	425.00
Inspection and service of fire extinguishers for Municipal Sections - per extinguisher serviced	65.00	72.00
Monitoring of fire alarms (per month per alarm)	90.00	99.00
<u>Refill of Swimming Pools</u>		
Hiring of equipment	436.00	480.00
Water - municipal tariff per Kl	Council tariff	Council tariff
<u>Training</u>		
As per Prospectus - calculated in terms of time and material used		
.9.11 <u>DEVELOPMENT SERVICES</u>		
<u>Tram</u>		
Single trip (Adults)	10.60	12.00
Single trip (Children - Primary School)	7.50	8.00
<u>Regional Tourism Centre</u>		
Kiosk:		
Minimum tender price/month - 12 month period	575.00	625.00
Cubicles:		
Minimum tender price/month - 12 month period	385.00	420.00
Exhibition space per m ² per day	6.40	7.00
Hawkers shelter per day	13.80	15.00
<u>Informal Trade facilities</u>		
Stalls with storage facilities	131.00	145.00
Stalls without storage facilities	65.00	70.00
1.10 <u>LABORATORY TARIFFS (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)</u>		
<u>Chemical Analysis</u>		
Digester samples	265.00	288.00
Waste activated sludge	72.00	78.00
Sludge volume index	37.00	40.00
Nitrates	59.00	64.00
Potassium	71.00	77.00
Sulfates	75.00	81.00
Phosphate	77.00	83.00
Fluoride	72.00	78.00
Total solids	72.00	78.00
Free Residual Chlorine	37.00	40.00
Magnesium	80.00	86.00
COD	66.00	72.00
TKN = Total Kjeldahl Nitrogen	80.00	87.00
NH-3/Ammonia	80.00	87.00
Zinc	80.00	87.00
Iron	80.00	87.00
Manganese	80.00	87.00

	PRESENT <u>TARIFFS</u> R	PROPOSED TARIFFS <u>2008/07/01</u> R
<u>Packets</u>		
Water Chemical	182.00	197.00
Water Bacteriological	152.00	165.00
Milk Bacteriological	250.00	271.00
Sewage Chemical	302.10	328.00
Agar preparation per batch	63.00	68.00
1.11	<u>MISCELLANEOUS (FINANCIAL SERVICES)</u>	
.11.1	<u>Furnishing of information</u>	
	(a) Search of any account	25.50 27.70
	(b) For the inspection of any Deed document or diagram or any details relating thereto	25.50 27.70
	(c) For the supply of any Certificate of Valuation or of the outstanding charges against property (excluding requests by the court for estate purposes or by attorneys)	25.50 27.70
	(d) In respect of any search of information where a fee for such search has not been prescribed by (a), (b) or (c)	75.00 82.00
	NB. ABOVE - In respect of (a)(b) and (d) for every hour or portion thereof	
.11.2	Water - Reconnection fees	300.00 325.00
	Water - Disconnection fees	300.00 325.00
	Water - Temporary consumption (Funerals, etc.)	75.00 82.00
.11.3	Special meter reading	75.00 82.00
.11.4	Meter test - Electricity	255.00 277.00
	Electricity - Temporary consumption (Funerals, etc.)	117.00 127.00
.11.5	Electricity - Non-payment penalty:	
	* For Conventional meters	510.00 554.00
	* For Prepaid meters	255.00 277.00
.11.6	Electricity - Reconnection fees (Controller Wire)	510.00 554.00
	Tampering administration fee	1 000.00 1 085.00
	Tamper disconnection fee	1 000.00 1 085.00
	Tamper reconnection fee	1 000.00 1 085.00
.11.7	<u>Informal Housing - Erven with pails</u>	
	Bulk refuse	14.00 15.00
	Pails	See sanitation See sanitation
	High Mast	12.00 13.00
	Gravel road	11.00 12.00
	Stand pipe	14.00 15.00
.11.8	<u>Informal Housing - Sewered Erven</u>	
	Bulk refuse	14.00 15.00
	Sewerage	See sanitation See sanitation
	High Mast	12.00 13.00
	Gravel road	12.00 13.00
	Stand pipe	14.00 15.00

	PRESENT <u>TARIFFS</u> R	PROPOSED TARIFFS <u>2008/07/01</u> R
.11.9	<u>Dog license fees (per year)</u>	
	Dogs (male) and sterilized bitches (per dog to a maximum of two dogs)	
	43.00	47.00
	Bitches (per bitch to a maximum of two dogs)	
	95.00	103.00
	Three dogs and more with written permission from Council	
	160.00	174.00
	Pensioners (maximum 1 dog)	
	11.00	12.00
11.10	80.00	87.00
11.11	80.00	87.00
11.12	80.00	87.00
11.13	<u>Deposits - Electricity and Water Supply</u>	
	<u>Flats:</u>	
	1-Bedroom	
	430.00	470.00
	2-Bedroom	
	510.00	560.00
	3-Bedroom	
	510.00	560.00
	<u>Townhouses:</u>	
	2-Bedroom	
	510.00	560.00
	3-Bedroom	
	620.00	680.00
	<u>Domestic Houses:</u>	
	2-Bedroom	
	510.00	560.00
	3-Bedroom	
	620.00	680.00
	More than 3-bedrooms	
	1 020.00	1 110.00
	Builders water deposit	
	970.00	1 060.00
	<u>Business/Industries:</u>	
	Small power users (to be determined)	
	1 020.00	1 110.00
	Large power users (to be determined)	
	2 340.00	2 540.00
	KVA users (individually determined)	
	1 020.00	1 110.00
	<u>Rural consumers</u>	
	Informal housing	
	32.00	35.00
	<u>Businesses/Industries:</u>	
	Bulk water supply	
	2 340.00	2 540.00
	Indigents - Water deposit	
	30.00	32.00
11.14	1 740.00	1 950.00
11.15	1 740.00	1 950.00
1.11.16	<u>Penalty for an unmetered (official)</u>	
	Water connection	
	5 000.00	5 375.00
	Thereafter a daily penalty until meter is installed (per day)	
	500.00	537.00
	Consumption per house	
	2 500.00	2 688.00
1.11.17	Electricity and water availability for Business/Industries/ State to be determined. Increase to be in line with average tariff increase	

		PRESENT <u>TARIFFS</u> R	PROPOSED TARIFFS <u>2008/07/01</u> R
1.12	<u>WATER TARIFFS (SERVICES & INFRASTRUCTURE)</u>		
.12.1	<u>Water Connections</u>		
	Size of Connection (mm)	Size of Meter (mm)	
	20	15	
	25	20	
	40	32	
	50	40	
	80	50	
		10 350.00	11 130.00
	100	Additional costs 11 930.00	Additional costs 12 830.00
		Additional costs	Additional costs
	150	14 310.00	15 390.00
		Additional costs	Additional costs
	250	14 310.00	15 390.00
		Additional costs	Additional costs
	300	14 310.00	15 390.00
		Additional costs	Additional costs
	<u>Builders Water</u>		
	These connections are temporary connections supplied for the purpose of providing construction water during the period when building activities are taking place. The cost of this connection will be 50% of the initial cost of a similar size connection for general use but in the case of larger meters, any additional cost required to install the meter will be payable in full. A deposit of R1060 (refundable on closure of account) is payable.		
.12.2	<u>Testing of Water Meters</u>		
	Tariff per meter tested	400.00	430.00
.12.3	<u>Exposure of Services (new)</u>		
	Tariff per service exposure	185.00	200.00
.12.4	<u>Water (Normal tariff structure)</u>		
	Schools, Sports fields and Parks	5.95	6.40
	Charities/Churches	5.70	6.15
	Business - Commercial	9.90	10.65
	Business - Industrial	8.10	8.70
	Residential (0 - 6 Kl)	0.00	0.00
	Residential (7 - 20 Kl)	8.30	8.90
	Residential (21 - 40 Kl)	8.55	9.20
	Residential (41 - 60 Kl)	8.80	9.50
	Residential (more than 60 Kl)	9.40	10.10
	Flats (0 - 6 Kl)	0.00	0.00
	Flats (7 - 20 Kl)	8.30	8.90
	Flats (21 - 40 Kl)	8.55	9.20
	Flats (more than 40 Kl)	9.40	10.10
	Builders Water	11.30	12.15
	Rural consumers: as above plus	4.00%	4.00%
	<u>Purified effluent tariffs</u>		
	For sale to De Beers:		
	From 1 July - 30 June per month	20 080.00	21 586.00
	Plus per Kl	0.55	0.59
	For sale to Municipality:		
	Approved Institutional Consumers / per Kl	0.65	0.70

PRESENT <u>TARIFFS</u> R	PROPOSED TARIFFS <u>2008/07/01</u> R
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.12.5 **DEFINITIONS FOR THE PURPOSE OF WATER CONSUMPTION CATEGORIZATION**

Residential

Any consumer located in a stand-alone house with associated ground surrounding the house.

Flat

Any consumer located in a dwelling grouped with other dwellings and not having grounds associated with that specific dwelling even when there is ground associated with the dwelling complex.

Charity/Church

Any consumer which carries out **bona fide** charity work and which is registered as a charitable non-profit organization will be classified as charity.

Any consumer where the property is used for the primary purpose of religious gatherings and where the property is situated on an Erf zoned as "Church".

Parks, Schools and Sports Fields

A Park is defined as a municipal park where vegetation is grown for the purpose of beautifying the City.

A School is a property where the primary activity is educational.

Sports fields are organizations where the primary activity is the playing of sports requiring grassed surfaces and where the area of grassed surface exceeds 1000m².

Business : Industrial

Any consumer where the primary activity is manufacturing or processing and where water is either a component of the manufactured product or is used in the process for cleaning, cooling or similar purposes.

Business : Commercial

Any consumer where the primary activity is commercial or retail and the primary activity is not water-based cleaning.

Rural Consumers

Any consumer located outside the municipal boundaries.

Builders Water

Any water supplied through a builders connection.

1.13 **CLEANSING SERVICES (SERVICES & INFRASTRUCTURE)**

For the removal of refuse the tariff of charges shall be at the following rates:

.13.1 All premises other than private dwelling houses:

(a) Payable by the owner - One regular removal of refuse not exceeding 0,8m ³ per week per month	275.00	302.00
(b) Payable by the owner or occupier at the discretion of the Council for each additional removal of 0,8m ³ of refuse per week per month	275.00	302.00
c) where the owner or occupier provides containers for the removal of refuse by bulk which can be mechanically emptied in the Council's vehicle and of which the volume does not exceed 1,6m ³ per one removal per week per month	275.00	302.00

Where more than one removal is necessary payment must be made monthly in advance.

	<u>PRESENT TARIFFS</u> R	<u>PROPOSED TARIFFS 2008/07/01</u> R
(d) Where the owner or occupier provides containers for the removal of refuse in bulk which can be loaded by the Council's mechanical handling vehicles and of which the volume does not exceed 6m ³ per one removal per week the tariff for each removal shall be	1 140.00	1 250.00
Where more than one removal is necessary payment must be made monthly in advance.		
(e) Where the owner or occupier hires a 1,54m ³ bulk container from the City Council - that hire shall be 6,0m ³ container hire	165.00 240.00	181.00 263.00
(f) Where special garden refuse is removed the tariff per m ² applicable shall be	27.00	30.00
(g) All premises pay the tariff of one regular refuse removal per week where the actual removal is undertaken by the business itself. The tariff shall be	275.00	302.00
(h) Payable by the owner of a small business that generates one container or bag of refuse per week and that such concession only be implemented on receipt of a written application from such business	140.00	153.50
.13.2 <u>Private dwellings</u> Payable by the owner for one regular removal of refuse per week - the tariff shall be	47.20	51.70
.13.3 <u>Flats</u>	23.60	26.00
.13.4 A basic monthly charge - Residential (availability charge) - Business	23.90 138.00	26.00 152.00
1.14 <u>SANITATION TARIFFS (SERVICES & INFRASTRUCTURE)</u>		
.14.1 <u>Sewerage</u> Private dwelling houses and premises (excluding flats, semi-detached dwellings, hotels, boarding and lodging houses and hostels):		
Basic monthly charge (two sanitary convenience)	64.70	69.60
Additional monthly charge (each additional connection, excluding private dwellings)	38.20	41.10
<u>Flats and semi-detached dwellings:</u>		
Basic monthly charge (first living unit)	64.70	69.60
Additional monthly charge (each additional unit)	38.20	41.10
<u>Hotel, Boarding Houses, Lodging Houses and Hostels</u>		
Basic monthly charge (two sanitary conveniences)	64.70	69.60
Additional monthly charge (each additional connection)	38.20	41.10
A basic monthly charge (availability charge) in terms of Section 5 of the By-law to Sewerage and Sanitary charges (PN 140 dated 01/02/1974) as amended	56.20	60.50

	<u>PRESENT</u> <u>TARIFFS</u> R	<u>PROPOSED</u> <u>TARIFFS</u> <u>2008/07/01</u> R
.14.2	<u>Conservancy Tank and Night-soil Removals</u>	
	<u>Removal of slops from conservancy tanks by vacuum tanker:</u>	
A.	Within 10km of CBD (Monday - Friday between 08:00 and 16:00)	
	Basic charge (first 5Kl)	101.30 109.00
	Additional charge (per 1Kl or part thereof)	15.90 17.10
	Vacuum tanker transport charge (per call)	73.20 79.00
B.	Within 10km of CBD (After hours, Monday - Friday & Saturdays)	
	Basic charge (first 5Kl)	160.60 172.80
	Additional charge (per 1Kl or part thereof)	26.50 28.50
	Vacuum tanker transport charge (per call)	112.40 121.00
C.	Within 10km of CBD (Sundays and Public Holidays)	
	Basic charge (first 5Kl)	212.00 230.00
	Additional charge (per 1Kl or part thereof)	31.30 34.00
	Vacuum tanker transport charge (per call)	162.20 180.00
D.	Further than 10km from CBD (Per km further)	
	As above (A to C) plus km charge	
	Any tanker/km	15.40 17.00
	The number of calls made by the vacuum tanker each month will be governed by the capacity of the owner's conservancy tank.	
	A surcharge of 50% will be levied on the tariffs in the case of premises which can be connected to the sewerage system after the period allowed in terms of the connection notice has expired.	
	<u>Removal of night-soil:</u>	
	Basic monthly charge (two night-soil pails, five times per fortnight)	49.60 53.40
	Additional monthly charge (each additional pail removal, five times per fortnight)	26.50 28.50
	Occasional hire of bucket (per day per bucket)	10.60 11.40
	Removal of night-soil from building premises and contractor's sites (surcharge not applicable)	
	Basic monthly charge (one pail, three times a week)	337.60 363.10
	Basic monthly charge (one pail, six times a week)	508.80 547.20
.14.3	<u>Blockages and Portable Toilets</u>	
	<u>Internal sewer blockages:</u>	
	Basic charge (Monday - Friday between 08:00 - 16:00)	196.00 211.00
	Basic charge after hours (Monday - Saturdays)	241.00 260.00
	Basic charge (Sundays and Public holidays)	375.00 404.00
	Service will only be provided to clients presenting a valid municipal account. Category B clients will be entitled to the percentage discounts to which they are entitled.	

	<u>PRESENT TARIFFS</u> R	<u>PROPOSED TARIFFS 2008/07/01</u> R
<u>Portable Toilets:</u>		
Hire rate per day on site	90.00	96.80
Transport charge (per vehicle)	163.00	180.00
<u>Sewer Connections:</u>		
Sewer connection (100mm)	1 176.00	1 300.00
Sewer connection (150mm)	1 400.00	1 510.00
Public convenience (Craven Street) Shower plus usage of towel (per person)	4.80	5.00
1.15	<u>ELECTRICITY (SERVICES & INFRASTRUCTURE)</u>	
.15.1	<u>TARIFFS FOR SERVICE CONNECTIONS</u>	
	<u>SCALE 4 - STREET LIGHTS</u>	
Cost of an additional street light	As per quote	
Cost to move a street light	1 700.00	1 904.00
Replacement of a damaged street light pole:		
* 6m single cantilever	4 970.00	5 567.00
* 9m single cantilever	7 900.00	8 848.00
* 9m double cantilever	8 000.00	8 960.00
* 12m single cantilever	8 480.00	9 498.00
<u>SINGLE PHASE DIS- & RECONNECTION FEE WHEREBY AN ELECTRICIAN IS INVOLVED</u>		
Disconnection fee for an O/H supply system	544.00	610.00
Disconnection fee for an U/G supply system	1 310.00	1 467.00
Reconnection fee for an P/H supply system	552.00	619.00
Reconnection fee for an U/G supply system	72.00	81.00
<u>3-PHASE DIS- & RECONNECTION FEE WHEREBY AN ELECTRICIAN IS INVOLVED</u>		
Disconnection fee for an O/H supply system	775.00	868.00
Disconnection fee for an U/G supply system	1 350.00	1 512.00
Reconnection fee for an O/H supply system	1 070.00	1 199.00
Reconnection fee for an U/G supply system	1 350.00	1 512.00
<u>CALL OUT TO CONSUMER</u>		
Call out to a fault on consumer's installation	103.00	115.00
.15.2	<u>COSTS OF NEW SERVICE CONNECTIONS</u>	
<u>60-AMP STANDARD SINGLE PHASE</u>		
Airdac connection from O/H supply system with prepayment meter & ready board	3 930.00	4 402.00
Airdac connection from O/H supply system with prepayment meter only	3 450.00	3 864.00
Cable connection from U/G supply system with prepayment meter	5 480.00	6 138.00
Cable connection from U/G supply system with conventional meter	4 860.00	5 444.00
<u>60AMP STANDARD 3-PHASE</u>		
Airdac connection from O/H supply system with prepayment meter & ready board	4 780.00	5 353.00
Airdac connection from P/H supply system with prepayment meter only	4 300.00	4 816.00
Cable connection from U/G supply system with prepayment meter	5 950.00	6 664.00

	<u>PRESENT TARIFFS</u> R	<u>PROPOSED TARIFFS 2008/07/01</u> R
Cable connection from U/G supply system with conventional meter	7 120.00	7 974.00
<u>ALTERATIONS TO SERVICE CONNECTIONS</u>		
Alterations on existing single phase connection	As per quote	As per quote
Alterations on existing 3-phase connection	As per quote	As per quote
<u>UPGRADING OF SERVICES</u>		
<u>UPGRADING OF AN EXISTING SINGLE PHASE SERVICE CONNECTION ON CONDITION OF</u>		
A service connection with a 10 x 2mm square service cable upgraded to max. 80-amp with curve 1MCB at consumer mains and curve 2MCB at supply authority mains	As per quote and stipulated conditions	As per quote and stipulated conditions
A service connection with a 16 x 2mm square service cable upgraded to max. 100-amp with curve 1MCB at consumer mains and curve 2MCB at supply authority mains	As per quote and stipulated conditions	As per quote and stipulated conditions
<u>UPGRADING OF AN EXISTING 3-PHASE SERVICE CONNECTION ON CONDITION OF</u>		
A service connection with a 10 x 4mm square service cable upgraded to max. 80-amp with curve 1MCB at consumer mains and curve 2MCB at supply authority mains	As per quote and stipulated conditions	As per quote and stipulated conditions
A service connection with a 16 x 4mm square service cable upgraded to max. 100-amp with curve 1MCB at consumer mains and curve 2MCB at supply authority mains	As per quote and stipulated conditions	As per quote and stipulated conditions
Supply above 100A (single & 3-phase)	As per quote	As per quote
Replacement of conventional meter with prepayment meter (Meter only)	Bin price + VAT	Bin price + VAT
Replacement of conventional meter with prepayment meter (Meter and labour)	1 910.00	2 139.00
NB. MAXIMUM OF TWO PREPAYMENT METERS DOMESTIC ERF, EXCEPT WHEN 3-PHASE		
<u>CABLES AND VARIOUS</u>		
Installation of public address system	1 035.00	1 160.00
Meter test	208.00	233.00
Special meter reading	67.50	75.00

.15.4 **ELECTRICITY TARIFFS (POWER USERS)**
(Subject to the approval of the NER)

The electricity tariffs had to be redesigned in accordance with the Interim National Distribution Tariff System as set out by the National Electricity Regulator.

The main differences are:

A. The customer groupings

Domestic: Defined as houses, churches, schools and halls.

Small Power Users: Defined as all other consumers with a maximum demand less than 100kVA.

Large Power Users: defined as all consumers with a maximum demand greater than 100kVA.

- B. Consumers must be able to exercise a choice in the various customer groupings.
 C. The tariffs must be cost reflective.
 D. The tariffs must be limited to 5 standard tariffs.

These elements have to a large extent been accommodated in the present tariffs.

	PRESENT <u>TARIFFS</u> R	PROPOSED TARIFFS <u>2008/07/01</u> R
1.15.4.1 <u>Scale 1</u>		
<u>Domestic tariff (Conventional meters)</u>		
Kimlite 1 - Energy charge per Kwhr	0.5356	0.5999
Kimpower: Basic charge	66.55	74.53
Energy charge per Kwhr	0.3834	0.4294
Break even point is average monthly consumption of 600 units between Kimlite 1 and Kimpower		
1.15.4.2 <u>Scale 2</u>		
<u>Small Power Users (Conventional meters)</u>		
Basic charge	109.14	122.23
Energy charge per Kwhr	0.4615	0.5169
1.15.4.3 <u>Large Power Users</u>		
Basic charge	238.71	267.35
Demand charge per kVA -		
Measured between 08:00 and 18:00	71.40	79.97
Measured between 18:00 and 08:00	16.91	18.94
Energy charge per Kwhr	0.2449	0.2743
Break even point is average monthly consumption of 100KVA between small power users and large power usage.		
1.15.4.4 <u>Scale 3</u>		
<u>Sub-Economic Domestic Supply</u>		
Restricted to a 1,5 amps	24.63	27.58
1.15.4.5 <u>Scale 4</u>		
<u>Street Lights</u>		
Energy charge per Kwhr	0.4210	0.4716
<u>Prepayment Supplies</u>		
Kimlite 1		
Basic charge	0.00	0.00
Energy charge per Kwhr	0.5356	0.5999
Kimlite 2		
Basic charge	0.00	0.00
Energy charge per Kwhr	0.5356	0.5544
Small power		
Basic charge	0.00	0.00
Energy charge per Kwhr	0.5700	0.6384

Note 1:

The monthly basic charge for small power pre-paid users cannot be levied monthly with our current financial system, therefore the basic charge will be included in the energy charge based in one thousand (1000) units.

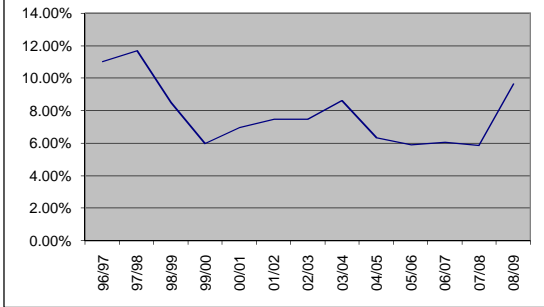
Note 2:

Kimlite 1 - Where total capital is recovered through the tariff.

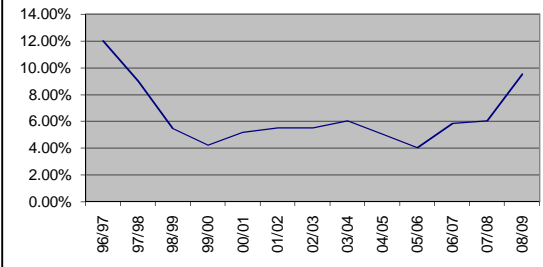
Kimlite 2 - Where part of capital is recovered through tariff and service connection and pre-pay metering is paid in full

SOL PLAATJE MUNICIPALITY

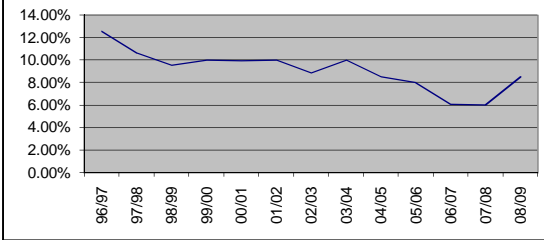
AVERAGE



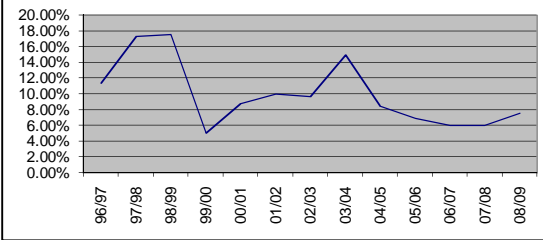
CLEANSING



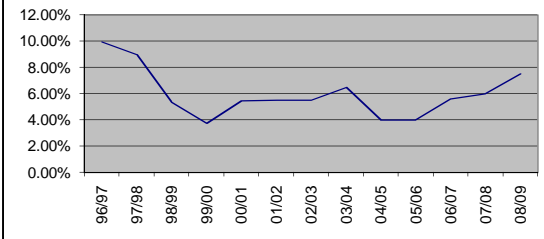
RATES



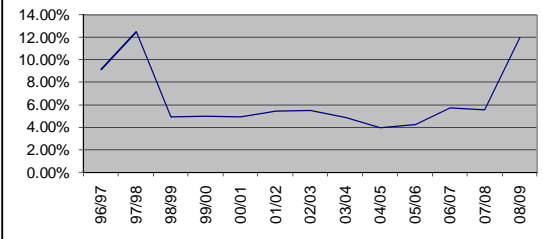
WATER



SEWERAGE

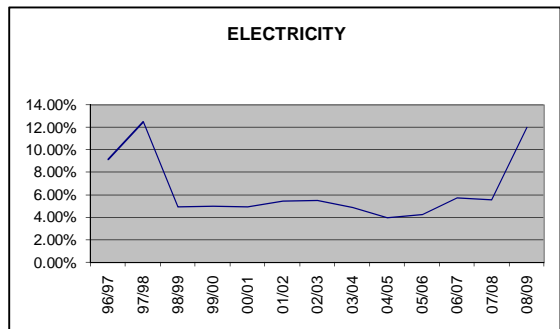
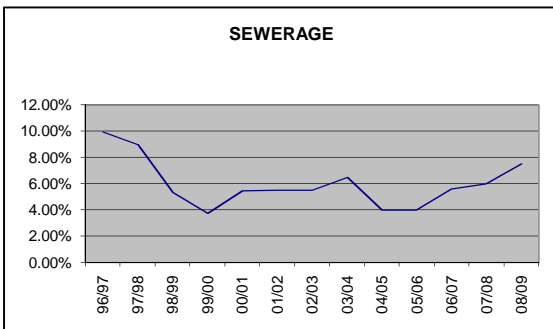
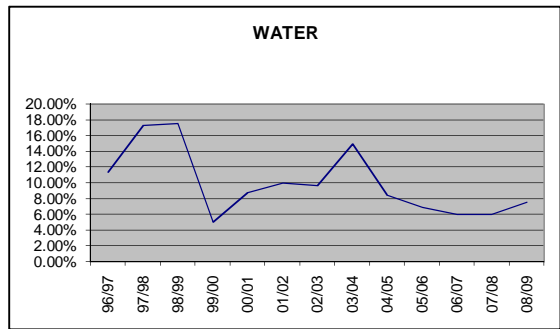
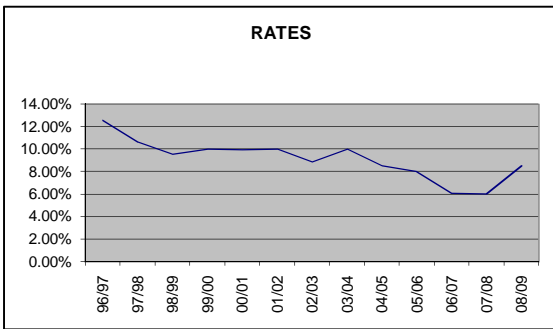
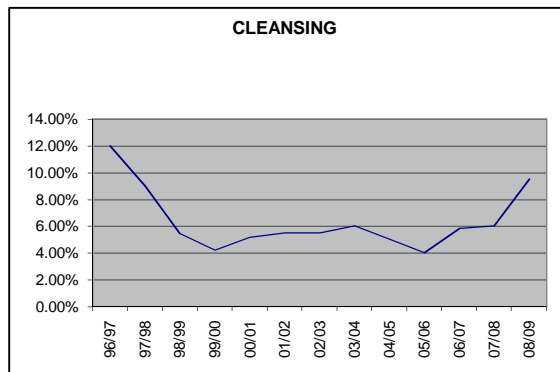
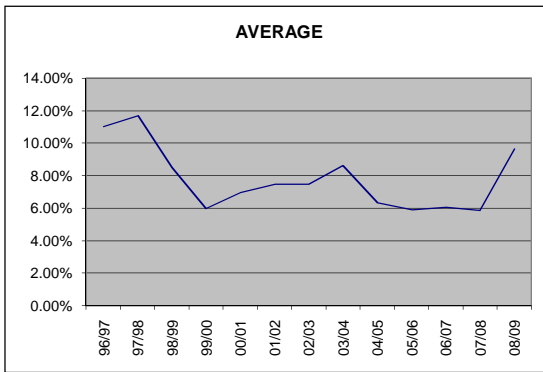


ELECTRICITY



HISTORY OF TARIFFS

SOL PLAATJE MUNICIPALITY



**SUMMARY OF
CAPITAL PLAN**

Sol Plaatje Municipality

Capital Budget: Draft Schedule of Capital Projects Proposed for 2008/09 and indicative years 2009/10 2010/11

Org Resp	Projects	Funded	KPA	Type	MATRIX				2008/09		2009/10		2010/11	
					Vertical	Horiz	Ward	Capital	Funding	Internal	Grant funding	Internal	Grant funding	Internal
MIG														
Water and Sani	Lindane/Promise Land (1000 erven): Sanitation		SER	New	CN	BN		Capital	MIG	515 790				
Roads & Storm	Paving of Streets and Stormwater (Proj 105)	Y	SER	New	CN	BN	0	Capital	MIG	0	8 145 993	0	0	0
Electricity	Kimberley: Streetlights (Proj 72)	Y	SER	New	CN	BN	0	Capital	MIG	0	1 000 000	0	901 153	0
Housing	Lerato Park Phase 1 (2000)		SER	New	CN	BN		Capital	DHLG (Subsidies)		0		6 900 000	4 225 073
Water and Sani	Riverton: Rehabilitate Reticulation Dam	Y	SER	RU	Ops	RRR		Capital	DSM (Eskom)					1 399 692
Roads & Storm	Galeshewe Streets and Taxi Routes (Proj 107)		SER	New	CN	BN		Capital	MIG					6 900 000
Water and Sani	Ritche: Waste Water Treatment Works (proj 244)		SER	RU	Ops	RRR	26/26	Capital	MIG					8 821 685
Roads & Storm	Galeshewe Stormwater (Proj 76)	Y	SER	New	CN	BN	0	Capital	MIG	800 000		0	0	0
Water and Sani	Homevale Waste Water treatment Works extensions	Y	SER	RU	SS	RRR	0	Capital	MIG	784 210	13 628 683	0	20 287 260	0
Roads & Storm	Donkerhoek: Bus and Taxi Routes (Proj 73)	Y	SER	New	CN	BN	0	Capital	MIG	200 000	799 824	0	0	0
TOTAL										2 300 000	23 574 500	0	28 088 413	0
Dept Sport, Arts and Culture														
Library	Library Development Programme	Y	SER	RU	Ops	BN	All	Capital	DSA&C	0	938000	0	1031000	0
TOTAL										0	938 000	0	1 031 000	0
DEPARTMENT OF HEALTH														
Electricity	Electricity Supply new Hospital	Yes	SER	New	SS	NPI		Capital	DH	0	13 500 000	0	0	0
TOTAL										0	13 500 000	0	0	0
DEPARTMENT OF HOUSING AND LOCAL GOV														
LED	SMME Village (Galeshewe)	Y	LED	New	CN	NPI		Capital	DHLG	2 700 000	1 914 380			
GURP	GURP Projects	Y	GURP	New	CN	NPI		Capital	DHLG		10 000 000		7 000 000	7 500 000
TOTAL										2 700 000	11 914 380	0	7 000 000	7 500 000
CAPITAL REPLACEMENT RESERVE														
Information Man	New Financial System (E-Venus)	Y						Capital	CRR	4 000 000				
TOTAL										4 000 000	0	0	0	0
Municipal Systems Improvement Grant (MSIG)														

										2008/09		2009/10		2010/11	
Org Resp	Projects	Funded	KPA	Type	Vertical	Horiz	Ward	Capital	Funding	Internal	Grant funding	Internal	Grant funding	Internal	Grant funding
Finance	Re-engineering and Business Processes	Yes	INS	New	SS	NPI	0	Capital	MSIG		735 000		735 000		735 000
TOTAL										0	735 000	0	735 000		735 000
LOAN ROLL OVER															
LED	Ritchie - SMME Incubator	Y								LOAN			1 500 000		
LED	CBD Upgrade: CBD Gateways	Y	LED	RU	SS	NPI	20	Capital		LOAN			400 000		
Electricity	Introduce a five year fleet replacement program	Y	INS	RU	Ops	RRR	All	Capital		LOAN			3 800 000		
Electricity	Upgrade Southridge transformers (2) - New development in	X	LED	RU	Ops	RRR		Capital		loan			5 150 000		
TOTAL										0	10 850 000	0	0	0	0
INFRASTRUCTURE AND METER REPLACEMENT															
Electricity	Replace conventional meters with prepaid meters	X	Ser	RU	Ops	RRR		Capital		LOAN			42 000 000		27 000 000
TOTAL										0	42 000 000	0	27 000 000	0	0
FRANCES BAARD DISTRICT MUNICIPALITY															
Cleansing	Integrated Waste Management Plan									FBDM			250 000		
Cleansing	Landfill equipment Shed									FBDM			245 000		
Information Man	Upgrade/replace Wide Area Network infrastructure	Y	Ops	Man	Ops	RRR	All	Capital		FBDM			700 000		
TOTAL										0	1 195 000	0	0	0	0
Neighbourhood Development Partnership Grant															
GURP	Nodal Business Plans (Detailed Designs)	0	LED	New	SS	NPI	0	Ops		NDPG	0		2 000 000	0	2 352 000
GURP	Implementation (4 Nodal Business Plans)	0	LED	New	SS	NPI	0	Capital		NDPG	0		10 000 000	0	13 984 000
TOTAL										0	12 000 000	0	16 336 000	0	20 773 000
Grand Total										9 000 000	116 706 880	0	80 190 413	0	53 076 100

125 706 880

Sol Plaatje Municipality
FUNDING SOURCES FOR 2007/08 - 2009/1

SOURCE	2008/09	2009/10	2009/11	COMMENTS
Municipal Infrastructure Grant (MIG)	23 574 500	28 088 413	22 935 100	Gazetted minus PMU Ops Contribution
Municipal Systems Improvement Programme Grant (MSIPG)	735 000	735 000	735 000	Gazetted
Neighbourhood Development Partnership Grant (NT)	10 000 000	13 984 000	20 095 000	Gazetted
Neighbourhood Development Partnership Grant (Technical Grant)	2 000 000	2 352 000	678 000	Gazetted
Integrated National Electrification Programme (Eskom) Grant				Not part of Municipal Budget
DHLG	11 914 380	7 000 000	7 500 000	
Provincial Infrastructure Grant (GURP)				Provincial Gazetting previous year
Department of Sports, Arts and Culture	938 000	1 031 000	1 133 000	Gazetted
Department of Health	13 500 000			Confirmed
Department of Transport (DoT)				Gazetted (roll-over)
Proposed Long Term Debt	52 850 000	27 000 000		
FBDM	1 195 000			Need to submit projects
Demand Side Management (Eskom)				Confirm Riverton Pumping Project
De Beers				Social and Labour Plan submitted - await DME approval
Internal Capital Replacement Reserve Fund	4 000 000			
SPM Counterfunding	5 000 000			
TOTAL	125 706 880	80 190 413	53 076 100	
CRR fund	4 000 000	0	0	
Counter Funding	5 000 000	0	0	
Proposed Long Term Debt	52 850 000	27 000 000	0	
Total Grants	63 856 880	53 190 413	53 076 100	

BUDGETED FINANCIAL STATEMENTS

SOL PLAATJE MUNICIPALITY (NC091)

Part 1 - Budgeting for Financial Performance				
Description	Ref	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 20010/11
		R'000	R'000	R'000
Revenue by Source (Table 1)				
Property rates	A	129 051	132 640	140 628
Service charges	A	370 009	403 759	428 650
Rental of facilities and equipment	B	11 103	11 932	12 500
Interest earned - external investments	D	8 000	8 400	8 820
Interest earned - outstanding debtors	D	42 800	44 315	45 830
Fines	B	5 233	5 547	5 861
Licenses and permits	B	4 360	4 914	5 361
Government grants & subsidies	E	77 656	97 387	121 260
Other income	B	16 864	17 594	17 479
Total Revenue By Source		665 076	726 488	786 389
Internal recoveries		29 193	30 972	32 639
Cross Subsidization		48 826	53 045	55 257
Total		743 095	810 505	874 285
Operating Expenditure by Type (Table 6)				
Employee related costs	C	253 028	266 157	280 058
Remuneration of Councilors		10 415	11 144	11 812
Bad debts	F	66 000	72 000	77 000
Collection costs		790	841	887
Depreciation		30 066	30 375	30 727
Repairs and maintenance		29 271	33 722	34 956
Interest external		10 372	10 031	9 589
Bulk purchases - Electricity		105 000	120 000	130 680
Bulk purchases - Water		26 000	27 300	28 802
Grants and subsidies paid		1 300	1 180	1 200
General Expenditure		132 834	153 738	180 678
Total Operating Expenditure By Type		665 076	726 488	786 389
Internal Transfer		29 193	30 972	32 639
Cross Subsidization		48 826	53 045	55 257
Total		743 095	810 505	874 285
Operating Surplus/(Deficit)		0	0	0