

# **SOL PLAATJE MUNICIPALITY**

## **ANNUAL BUDGET (MARCH)**

**2022/23 – 2024/25**



**intranet: <http://solplaatje>**

## List of acronyms

<b>ACIP</b>	Accelerated Community Infrastructure Programme
<b>BEE</b>	Black Economic Empowerment
<b>CAPEX</b>	Capital Expenditure
<b>CBD</b>	Central Business District
<b>CDW</b>	Community Development Worker
<b>COGHSTA</b>	Co-operative Governance Human Settlement and Traditional Affairs
<b>CPIX</b>	Consumer Price Index
<b>CRR</b>	Capital Replacement Reserve
<b>DBSA</b>	Development Bank of South Africa
<b>DEAT</b>	Department of Education and Training
<b>DoRA</b>	Division of Revenue Act
<b>DoRAA</b>	Division of Revenue Amendment Act
<b>DoRB</b>	Division of Revenue Bill
<b>DWA</b>	Department of Water Affairs
<b>EEDG</b>	Energy Efficiency Development Grant
<b>EEDSM</b>	Energy Efficient Demand Side Management Grant
<b>EMT</b>	Executive Management Team
<b>EPWP</b>	Extended Public Works Programme
<b>ES</b>	Equitable Share
<b>FBDM</b>	Frances Baard District Municipality
<b>FBS</b>	Free Basic Services
<b>FLISP</b>	Finance Linked Individual Subsidy Programme
<b>FMG</b>	Financial Management Grant
<b>GDP</b>	Gross Domestic Product
<b>GRAP</b>	Generally Recognized Accounting Practice
<b>GURP</b>	Galeshewe Urban Renewal Programme
<b>HDI</b>	Historically Disadvantaged Individuals
<b>IDP</b>	Integrated Development Plan
<b>INEP</b>	Integrated National Electrification Programme
<b>ISDG</b>	Infrastructure Skills Development Grant
<b>IUDG</b>	Infrastructure Urban Development Grant
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>LED</b>	Local Economic Development
<b>LGSETA</b>	Local Government Sector Education Training Authority
<b>LGTAS</b>	Local Government Turnaround Strategy
<b>MBRR</b>	Municipal Budget and Reporting Regulations
<b>MFMA</b>	Municipal Finance Management Act 56 of 2003
<b>MIG</b>	Municipal Infrastructure Grant

<b>MM</b>	Municipal Manager
<b>MSA</b>	Municipal Systems Act
<b>MSIG</b>	Municipal Systems Improvement Grant
<b>MSP</b>	Municipal Support Programme
<b>MTREF</b>	Medium Term Revenue and Expenditure Framework
<b>NCEDA</b>	Northern Cape Economic and Development Agency
<b>NCTA</b>	Northern Cape Tourism Authority
<b>NDP</b>	National Development Plan
<b>NDPG</b>	Neighbourhood Development Partnership Grant
<b>NERSA</b>	National Energy Regulator of South Africa
<b>NSDP</b>	National Spatial Development Programme
<b>NT</b>	National Treasury
<b>O&amp;M</b>	Operations and Maintenance
<b>PGDS</b>	Provincial Growth and Development Strategies
<b>PMS</b>	Performance Management System
<b>PPP</b>	Public Private Partnership
<b>R&amp;M</b>	Repairs and Maintenance
<b>RBIG</b>	Regional Bulk Infrastructure Grant
<b>SALGA</b>	South African Local Government Agency
<b>SALGBC</b>	South African Local Government Bargaining Council
<b>SARB</b>	South African Reserve Bank
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SETA</b>	Sectoral Education and Training Authority
<b>SFA</b>	Strategic Focus Area
<b>SLA</b>	Service Level Agreement
<b>SMME</b>	Small Medium and Micro Enterprises
<b>SPM</b>	Sol Plaatje Municipality
<b>StatsSA</b>	Statistics South Africa
<b>USDG</b>	Urban Settlement Development Grant
<b>WSIG</b>	Water Services Infrastructure Grant

## Table of Contents

1. Mayor's Speech .....	2
2. Council Resolution .....	8
3. Executive Summary .....	13
4. Annual budget tables .....	19
5. Operating Revenue Framework .....	19
6. Operating Expenditure Framework.....	38
7. Capital Expenditure Framework .....	48
8. Overview of IDP and Annual Budget Process .....	50
9. Overview of the alignment of the annual budget with IDP .....	54
10. Measurable Performance Objectives and Indicators .....	58
11. Overview of budget related policies.....	61
12. Overview of budget assumptions .....	63
13. Overview of budget funding .....	64
14. Expenditure on allocations and grant programmes .....	72
15. Allocations and grants made by the municipality .....	74
16. Councillor and Staff Benefits and Allowances .....	75
17. Monthly targets for revenue, expenditure and cash flow.....	79
18. Capital expenditure details .....	85
19. Contracts having future budgetary implications .....	87
20. Legislation and compliance status .....	88
21. Service Delivery Agreements .....	90
22. Municipal manager's quality certification .....	91



## 1. Mayor's Speech

**THE SPEECH OF THE EXECUTIVE MAYOR ON THE OCASSION OF THE  
TABLING OF THE BUDGET 2022/20223  
DATE : 31 MARCH 2022  
VENUE : KIMBERLEY**

Honourable Speaker

Members of the Mayoral Committee

Chairpersons of Section 79 Committees

Councillors

Acting Municipal Manager and the Management of the Municipality

Ladies and Gentlemen

It is an honour for me to table the first budget of this administration in this august occasion, a budget which in many ways will be the first indication of the direction we wish to take in the next five years. It is gratifying that we meet to table this important document at a point when we continue to engage with our communities to listen to their inputs on what they expect of us for the next five years.

We should not take this process for granted as it gives a reflection of the challenges faced by our communities on a daily basis, and thus serves as a window through which we should assess ourselves and the progress we have made over the years. Let the IDP process endear all of us to the commitment of service delivery and partnering with our people in our endeavour to create better communities with opportunities and hope.

Madam Speaker and Councillors, we have gathered here in the occasion of tabling the proposed Annual Budget, tariffs and budget policies of the municipality. A detailed presentation has been made already.

As we all understand, the approval of the budget will take place by no later than 31 May. There will be a date that will be set down for this council to debate the proposed budget and this session will be followed by public participation which will include

various stakeholders in the yet to established IDP Representative Forum. Accordingly, my budget maiden speech will be presented at the occasion of Approval. Mine for today will be an emphasis on key issues that had influenced the budget as follows:

### **The Economic Outlook**

Since the dawn of COVID 19, the global supply chains were disrupted due to lockdowns, travel restrictions, limited number of workforce and the curfews. Since start of relaxation of various restrictions, we saw improvements, the world economy is not optimal at this stage. We are now in another dilemma of Ukraine and Russia conflict, which is speculated to also affect the global supply chain, affecting various commodity prices.

These commodities are essential in other areas of our economy as well. We know that Ukraine has fertile soil and produces and exports food to feed 600 million people. Russia is one of the biggest players in the global market and is one of the biggest players in global energy, both oil and gas.

The most direct impact on South Africa will be an upward pressure on producer and consumer prices. On energy alone, from 1 March, energy increased by R1,46c/per litre more for petrol and a looming increase as announced by DMRE, and the increase in interest rates. As such, inflation will rise in the midst of all these circumstances. We are therefore not going to be isolated, we are part of the country as well as participants in the global market. Low income households are the most vulnerable to higher food prices.

The final GDP for 2021 show an uneven growth as only agriculture and finance sectors are shining, whilst the rest is in doom. At least we see with our eyes that economic activity is slowly getting to pre-pandemic levels.

In a nutshell, the south African economic outlook is weak as global growth slows down and load shedding increases, at least travel and tourism had to be thrown levers to hold on to preserve or improve the value chain.

## **Key budget issues**

Honourable councillors, unemployment keeps hiking, and youth unemployment has reached pandemic levels, and thinking about the fact that the median age in South Africa is 28, our youth feels unwanted and having no place or space in South Africa. The story and threat to the youth is that many may reach 55 without having been employed in their lifetime.

The province is growing indeed as well, but the growth and job opportunities are in other districts of our province, this means we must create opportunities to grow our own economy. The big industries and investments happening may in the medium to long term cause these smaller districts to surpass the Frances Baard economy and percentage contribution to provincial GDP.

To this end Councillors, the Economic Development and Tourism must spearhead the development of an incentive policy and consideration of possible special economic zones for submission of proposals to the DTI. The incentive policy must be tabled together with the final budget. Growing the city is not an option, it is a must. We may have to establish a Growth and Development Task Team which must also investigate existence of red tape and bottlenecks that inhibit development in our system to ensure we get things happening. These will also serve as stimulus packages to attract investment into the only city in the province, Sol Plaatje, our municipality.

As said on Tuesday, we must get fatter and not taller, as taller means tariff increase and fatter means expand the revenue base and maintain costs, so as to curb tariff increase.

There must be a clear strategy to reduce water and electricity losses, clear and measurable targets will be set in the SDBIP with an identifiable KPI owner and we will ensure that we have an effective performance management system.

Supply chain has been on revamp, transparent tender processes and value for money is what we need as an oversight body.

Assets management is as critical, as service delivery depends on availability, condition and an implementable asset replacement plan.

We have revised the Rates By-Laws and various other policies, the IDP, Budget and PMS Committee will be tasked with the responsibility of overseeing the processes towards approval of all revised Budget Policies and recommendations will be made by this Committee to Council, on the same occasion of approving the Budget.

### **The Budget**

The municipality depends on own revenues generated to fund its operations. For capital expansion, national fiscus in the form of conditional grants are allocated with a level of counter-funding. Grant dependency is something we must manage going into the future.

The Budget comprises is sectionalised into three, and I will deal with each section separately here:

### **The Operational Revenue Framework**

The operational budget is projected to generate R8 billion over the next 3 years, generated from service charges in the amount of R4.5 billion, rates, in the amount of R1. 974 billion, unconditional grants of R826 million and other own revenue sources of R669 million.

To reach these revenue levels, tariffs are proposed to increase councillors. In this case, I must state that National Treasury has given projections on inflation for the next three years being:

For 2022/23, an estimate of 4.5%

For 2023/24 an estimate of 4.8%

And for 2024/25, an estimate of 4.5%

Eskom has written to municipalities to give an indication the bulk electricity costs to increase by 6.82% which we must consider as well.

Having said this Honourable Councillors, the proposed tariffs for 2022/23 are as follows:

Revenue category	2022/23	2023/24	2024/25
	Tariffs increases		
Property Rates	4,00%	4,88%	4,63%
Electricity	6,82%	10,54%	9,04%
Water	5,68%	8,61%	5,08%
Waste water (Sanitation)	4,00%	5,51%	5,75%
Waste management (Refuse removal)	4,00%	8,04%	7,29%
<b>Average tariff increases/Municipal CPI</b>	<b>5,54%</b>	<b>8,24%</b>	<b>6,93%</b>

### **Operational Expenditure Framework**

The operational expenditure projects a R7.9 Billion for the next three years against an R8 billion leaving a surplus of R77 million over the three years. The operational expenditure is mainly due to

Inventory and bulk costs estimated at R3 billion, employee costs of R2.7 billion, R1.2 billion for depreciation and asset impairment, other expenditure of R792 million and minor expenditure of R129 million.

With a low collection rate and the current of state of finances of the municipality, there are risks in cash availability to cover this operational expenditure. We are currently on cost containment which includes soft-lock in filling of vacancies, that will mean, we must now up the game to control expenditure with an intention to reduce deficits and negative net cash from operations, and these controls will include

- Austerity measures
- Improved planning of budget implementation
- Grow revenue base

Operations and maintenance are critical together with working and healthy workforce. We must take care of our people for them to take care of the people of the city by carrying out their duties effectively and efficiently. Employee costs comprises 34% of

operational expenditure. In terms the audited financial statement, employee costs were 44% of total cash generated from operations.

In closing, in as far as employee costs, there is an agreement in place with effective date of 1 July 2021 to 30 June 2024 with clear annual increases outlined.

### **Capital Expenditure Framework**

The capital expenditure framework estimates R390 million from Capital Grants and R118 million from internally generated funds. The IDP Process will give more information on projects

## 2. Council Resolution

### **Tabling of the Annual Budget for 2022/23 MTREF**

Executive Mayor Cllr KJB Sonyoni

16 February 2022

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#### Purpose

Tabling of the Annual Budget of the Sol Plaatje Local Municipality for the financial year 2022/23 and indicative allocations for the two projected outer years 2023/24 and 2024/25, including policies and tariffs.

#### For noting / for decision by

The following options exist in terms of noting / for decision by:

- Council

The item/report has NOT been considered by a portfolio committee.

This item is for noting by the Executive Mayor.

#### Background

In terms of the Section 16 (1) of Municipal Finance Management Act (MFMA) a Council of a Municipality must approve an annual budget before the start of the financial year. Section 16 (2) further requires that the Mayor must table the annual budget at least 90 days before the start of the financial year. It is complying to Section 16 of MFMA that an annual budget is being tabled before this Council today.

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

It should be noted also, that an application for tariff increases for electricity will have to be submitted to NERSA.

#### Annexures

## Budget Part 1 and 2

### Budget Annexures

- Section 1: Budget Schedules and supporting tables
- Section 2: Tariffs
- Section 3: History of Tariffs
- Section 4: IDP Overview
- Section 5: Service Delivery and Budget Implementation Plan
- Section 6: Budget Policies
- Section 7: By-Laws
- Section 8: MFMA Circulars



### Motivation

None

### Personnel Implications

None

### Financial Implications

The Sol Plaatje Municipality shall not incur any further additional expenditure by adopting this budget other than as per the budget.

### Legal Authority and Implications

MFMA Section 16

Municipal Budget and Reporting Regulations

MFMA Circulars

The Annual Budget was discussed with the office of the Executive Mayor, Municipal Manager, Executive Directors, General Managers, various Managers, Line Managers and Financial Managers.

### Consultation

Executive Mayor – Cllr KJB Sonyoni

Acting Municipal Manager – Mrs N Kesiamang

Chief Financial Officer – Mrs ZL Mahloko

Budget Steering Committee

Executive Management Team

Mayoral Committee

### Contact Person

Mrs ZL Mahloko

Chief Financial Officer

Contact number: 053-830-6502

Mr. JJ Wagner (BTO) Tel 053-830-6504

Mrs. J Van Niekerk (IDP) Tel 053-830-6724

The Annual Budget will be tabled by the Executive Mayor Cllr KJB Sonyoni

## **RECOMMENDATION:**

That Council resolves as follows:

1. That in terms of section 16 of the Municipal Finance Management Act, 56 of 2003, the Annual Budget of the municipality for the financial year 2022/23; and indicative allocations for the two projected outer years 2023/24 and 2024/25, and the multi-year single year capital appropriations are noted as set out in the Annual Budget in the following tables:
  - 1.1 Budgeted Financial Performance (revenue and expenditure by Functional classification) Section 5/Annexure 1 – Table A2;
  - 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) Section 5/Annexure 1 - Table A3;
  - 1.3 Budgeted Financial Performance (Revenue by Source and Expenditure by type) Section 5/Annexure 1 – Table A4 and
  - 1.4 Multi-year and single year capital appropriations by municipal vote and Standard classification and associated funding by source. Section 5/ Annexure 1 - Table A5.
2. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are noted as set out in the following tables:
  - 2.1 Budgeted Financial Position: Section 5/Annexure 1 – Table A6;
  - 2.2 Budgeted Cash Flow: Section 5/Annexure 1 – Table A7;
  - 2.3 Cash backed reserves and accumulated surplus reconciliation: Section 5/Annexure 1 – Table A8;
  - 2.4 Asset Management: Section 5/Annexure 1 – Table A9; and
  - 2.5 Basic service delivery measurement: Section5/Annexure1–Table A10.
3. That in terms of sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste removal services, sanitation services, property rates and all other tariffs as set out in Annexure 2, are noted by Council.
4. That Council notes the draft reviewed Integrated Development Plan reflected in Annexure 4.
5. That Council notes the draft Service Delivery and Budget Implementation Plan for 2022/23 as per Annexure 5.
6. That Council take note that the public participation in respect of the annual budget, the draft IDP and the draft SDBIP will commence in April to gain inputs and comments from the community and other stakeholders and the timetable for these meetings will be deliberated upon by the IDP and Budget Office through directive from the office of the

Executive Mayor, Speaker and the Municipal Manager. The Mayor's office is responsible to arrange and co-ordinate the public participation meetings.

7. That due to mSCOA Reporting requirements, the schedules may change from what is presented here, with the totals remaining the same, that Council gives the Municipal Manager and the CFO permission to effect, all necessary corrections as a result of reporting requirements.
8. That Council resolves to authorise the Chief Financial Officer to make administrative and technical error corrections identified in the Annual Budget and such corrections be in the Final Adopted Annual Budget.

### 3. Executive Summary

#### **Introduction**

The municipality is starting the new term of office and the new generation of IDP that is set to begin on 1 July 2022 and culminates five years later, ending 30 June 2027 on a rather difficult footing, with severe financial liquidity and service delivery challenges. These conditions started to show signs towards the end of the calendar year 2018, and continued to exist. These conditions were exacerbated by the fall of COVID 19 and the declaration of State of Disaster and the country was placed on lock-down. Lockdown as it was introduced meant a total halt of economic activity across all sector except for those in essential services such as food and health.

The municipality has been experiencing difficulties in managing and controlling technical and non-technical losses of water and electricity, and again this is another hurdle that must be attended to as a matter of urgency.

The 2022 – 2027 Budget is premised on the following assumptions;

- That council will champion and support all strategies aimed at growing the revenue base in terms of numbers and valuation. For the first time, there will be specific targets on % growth in General Valuation Roll per category
- That council will support all efforts aimed at reducing water and electricity losses. A percentage increase in tariffs is no longer sustainable, the focus must be reduction of losses that will result in saving and release financial resources tied in the provision and actual costs of losses to fund any service delivery improvements and re-investment into the service to improve quality and affordability
- That Council will support strategies aimed at the reduction of electricity consumer price by considering options available on renewable energy and optimal energy mix for the people of Sol Plaatje Municipality
- That performance management and consequence management will be implemented blindly as it happens in courts of law when citizens seek justice, performance and consequence management must be blind for citizens to achieve more
- That council will support strategies aimed at project implementation by reviewing the existing model of Project Management and any other option and mechanisms available, emphasis is on conditional grant and borrowing funded projects
- Marketing and promotion of policies to lure citizens to pay for their municipal services

The above is referred to as the elephants in the room that must now be unleashed, spoken about and dealt with. The budget remains committed in protecting the poor by ensuring that those that are indigent are registered and receive the free basic services.

We remain committed in improving the living conditions of the people, special focus will be given to ensuring that there is capacity and skills in the civil engineering services with clear expectations. Planned maintenance will be institutionalised to enable adequate funding. Adhoc maintenance must be based on emergencies or unforeseen circumstances or acts of God which cannot be prevented.

Various cost containment measures have been implemented of which overtime was the biggest challenge over the last few years. Overtime, which forms part of Employees cost has been capped at thirty (30) hours across most units within the municipality, whilst the Overtime policy has also been approved. The soft lock on all vacancies has been in place for more than two (2) years. The filling of critical vacancies will be prioritised and for the interim to reduce the cost of acting and achieve better results.

We have accepted that we are operating an aged infrastructure, and with the current financial position, replacement is not in the cards. This means more funds will be required to pay for the required maintenance as well as increase in personnel capacity to attend to issues as they get reported by our people and ward councillors. We must be response and turnaround must be super-amazing.

Our collection rate is dwindling between 62% and 72%, and this is not assisting the municipality to step out of the liquidity woes. The municipality needs an average of 87% collection rate, but to improve the liquidity issues and dealing with accumulated creditors, a 110% collection is required. This basically means, not only should the rate payers pay their monthly bill, those in arrears must pay an amount between 10% and 15% per month on arrears. To achieve this, there are various strategies agreed upon with Council including holding back of a percentage as and when customers in arrears top up their energy units. A 30% will be held from all non-indigent households and 10% will be held from all indigent households. Further to this, inactive meters that have not bought electricity for the last 90 days at every 25 day of the month (a report will be run on this date), such meters will be blocked and clients will be expected to provide reasons why they were not buying and such a meter will be inspected for tempering or bypass.

The audit outcomes remain negative and one of the contributing factors is weaknesses in internal controls, especially in supply chain and skills and concentration in billing. Weak internal controls lead to various issues on credibility and quality of information used to prepare and complete the financial statements. We invested time in policy and procedures review as well as internal communication with staff to boost their knowledge and practical demonstration of consequences of certain decisions taken based on limited information or undue pressure. Various contracts remain active beyond the project duration or management intention and this leads to non-compliance.

After testing liquidity and going concern of the municipality, it was unavoidable to recommend to council to place itself on voluntary financial recovery plan as the distress situation is not going to reverse unless drastic and progressive recovery and turnaround strategies are put in place. The recovery and turnaround is aimed at focusing on three (3) areas as follows:

1. Reduction of water and electricity losses
2. Operational efficiencies in the engineering sector
3. Growth strategies and implementation
4. Productive and passionate employees
5. Quality and responsible leadership

According to the preliminary analysis done at executive management, there are no signs relating to governance that might have led to the situation. All strategies will be focusing on management and organisational performance, cutting costs and operation of plants and network.

In order for the municipality to thrive, overall performance must improve, the quality of services rendered must improve, accountability must be enforced, serious consideration should be given to the service delivery and financial implications of all decisions taken, ensure that acts, regulations and policies are adhered to, enhance revenue collection and ensure that operational and capital funds are spent effectively with good value for money.

Improve on preventative maintenance and spend funds cost-effectively and efficiently to address service delivery challenges and ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, in light of the cash constraints and wastage be curbed. Municipal officials should also take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure. Refrain from committing acts of financial misconduct and/or criminal offences as per Chapter 15 of the MFMA.

It is imperative that all municipal officials must have the inherent desire to do their job to the best of their ability, take pride and ownership in their work, take accountability for their job functions, doing the right thing consistently and work as a collective, cohesive team to achieve the municipality's long and short-term objectives. Foremost to all of these, have the community's best interest at heart.

As per MFMA Circular 112 and 115 as indicated below is a brief summary of the key focus areas for the 2022/23 municipal budget process. All recently issued circulars are included in the budget document for ease of reference.

### **Key focus areas for the 2022/23 budget process**

The local government conditional grants allocations Over the 2022 MTEF period

National Treasury is committing to growing direct transfers to municipalities with an above inflation rate, at an annual average rate of 7.9 per cent. Direct conditional grants grow at an annual average rate of 5.3 per cent

over the MTEF, while the Local Government Equitable Share (LGES) grows faster, at an annual average rate of 10.3 per cent over the same period. The higher than inflation growth of allocations to local government is due to additional allocations over the medium term as follows:

- National Treasury has updated the local government equitable share formula to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTEF period. A total of R28.9 billion is added to the LGES over the MTEF to increase coverage of the provision of free basic services;
- An amount of R1.7 billion over the MTEF is added to the Neighbourhood Development Partnership Grant to fund the continuation of the upscaling of city-led public employment programmes, as part of the Presidential Youth Employment Intervention; and
- an amount of R347 million over the first two years of the MTEF period is allocated to fund the introduction of the Municipal Disaster Recovery Grant.

The Division of Revenue Bill was published on 23 February 2022, following the tabling of the Budget in Parliament. The Bill specifies all local government transfers and municipalities must reconcile their budgets to the numbers published herein.

## **2021 Local Government Elections and the IDP budget process**

Though the municipality adopted an Budget and IDP Process Plan, the IDP process could not unfold as expected due to councillors expected to perform election work for their political parties. The Sol Plaatje Municipality council last set on 25 August of 2021, and it was difficult to convene any meeting thereafter, including public participation as the citizens were bogged down to election season. We have now resumed with the IDP Process and the ward priority process will take place in April of 2022.

It is anticipated that a final IDP Document will be adopted together with the Budget by no later than 31 May 2022, or at least 14 June together with the SDBIP. All the changes in timelines had been amended and council is set to adopt the amended Budget and IDP Process Plan as the budget gets tabled.

## **Municipal Standard Chart of Accounts (mSCOA)**

Improvements are ongoing on the mSCOA side. The mSCOA Steering Committee and Project Implementation Teams had been revived and we all started with the assessment of the system functionality testing to establish the completeness level in terms of the modules and business process coverage. In 2018, the municipality engaged Ernest and Young to conduct a system test as the municipality resolved to change from one system version to the other system version which was believed to be more enabled for mSCOA reporting. That same report was reviewed and status core of 38% compliance remain.

On advice of National Treasury to wait for the national systems audit commissioned, all the reports will be combined and a position will be presented to council.

National Treasury also issued a circular on web-based audit action plan, this has fully been adopted and the 2022 plan is now captured on the system and reviewed weekly to establish progress and areas of intervention.

### **Surplus or deficit journals**

The Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and MBRR require that municipalities perform their month-end reconciliations before they submit their financial performance information to National Treasury. Municipalities must also reconcile their creditors and debtors and all month-end processes before they submit their monthly data strings to ensure that the data submitted to the National Treasury Local Government Database is credible.

### **Rollovers and repayment of unspent grants**

Municipalities are required to use the correct posting levels and movement accounting when conditional grants are being receipted, recognised, rolled over, and unspent grants are repaid. The accounting for grants should be done in accordance with GRAP 23: Revenue from exchange transactions (Taxes and Transfers).”

### **The Budget Overview**

The coming new IDP and Budget Cycle takes place under difficult conditions than ever before. With COVID still prevalent and another wave expected, the economy is set to worsen even further, especially in cities supported by retail, commercial and small medium enterprises. As the economy worsens, demand for goods and services decrease due to disposal income being negatively affected, and municipal utility account becomes the first slain.

This report aims to table the Operational Revenue, Operational Expenditure and Capital Expenditure Framework for the 2022/23 MTREF covering a three-year period, with 2022/23 as the base year. The operational revenue framework details out revenue sources and projections per source for the next three years. Each projection is based on previous years audited actuals, year to date budget and actuals as well as growth prospects and general increases as informed by inflation and estimated cost of service delivery, management and administration.

The operational expenditure framework reflects all expenditure related to service delivery, management, administration and costs of running the municipality. Included in the operational expenditure is the portion of



revenue anticipated not to be collected, and as such gives rise to provision for bad debts and write offs to take place in the year. The provision for bad debts ensures that that the municipality's spending is aligned to the collection rather than billed, as this will result in an unfunded and unrealistic budget.

The capital expenditure framework details out infrastructure investment, either new, upgrades or refurbishment. Capital budget is presented per project and allocated funds. It is therefore expected that spending on projects will align to the allocations, and any changes are tantamount to an adjustment or else the expenditure above allocation as per approved budget will be unauthorised. Whilst on this point, the municipality has developed a procedure outlining the principle of variation orders, contingencies and approval thereof. Guidance has been sought from National Treasury of MFMA Circular 62 as this seem to having been intended to address MFMA Section 116 on scope or contract amendment.

**The table below presents the consolidated overview of 2022/23 MTREF.**

Consolidated Overview of the 2022/23 MTREF	Adjustment Budget 2021/22 R'000	2022/23 Medium Term Revenue & Expenditure Framework			
		Budget Year 2022/23 R'000	Budget Year +1 2023/24 R'000	Budget Year +2 2024/25 R'000	Total over the MTREF R'000
<b>Operational revenue and expenditure budget</b>					
Total Operating Revenue (excl Capital transfers)	2 372 218	2 487 209	2 673 277	2 847 055	8 007 540
Total Operating Expenditure	2 421 590	2 465 128	2 640 928	2 824 271	7 930 327
<b>Operating Surplus</b>	<b>(49 373)</b>	<b>22 081</b>	<b>32 348</b>	<b>22 784</b>	<b>77 213</b>
Capital transfers and contributions	141 666	134 338	120 786	134 973	390 097
Total Revenue (incl Capital transfers)	2 513 884	2 621 547	2 794 063	2 982 028	8 397 637
<b>Surplus (incl Capital transfers)</b>	<b>92 293</b>	<b>156 419</b>	<b>153 134</b>	<b>157 757</b>	<b>467 310</b>
<b>Capital expenditure budget</b>					
Capital transfers and contributions	141 666	134 338	120 786	134 973	390 097
Internally generated funds	25 000	55 705	33 382	29 096	118 183
<b>Total Capital expenditure</b>	<b>166 666</b>	<b>190 043</b>	<b>154 168</b>	<b>164 069</b>	<b>508 280</b>

The municipality continues to derive revenue from service charges from utility services and rates. There are minor revenue sources that are part of service delivery cost funding and our aim is to continue to grow these revenue sources. As can be seen from the table, we are departing from a premise as set in the adjustment budget *of a deficit budget*. For indulgence, a deficit budget is when a municipality (as is in our case), spends more than what it can generate, that is expenses exceed income. A deficit can either be funded from projected savings or defer expenditure that is included or through borrowing or public donations if the expenditure is necessary and critical. This is an undesired situation.

The next three years MTREF reflects surplus budgets of less than 1% of projected revenue. Surpluses from Operating Revenue are ought to be used to re-invest in service delivery related infrastructure, either fund growth or refurbishments of capital nature to ensure continuity of service and effectiveness of infrastructure. Over the three years, R77 million is project as total surpluses.

Budget Table A1 indicates the total budget of the municipality. The focus at this point shall be operating revenue and expenditure as follows.

Consolidated Overview of the 2021/22 MTREF Year on Year % increase and R-Value increase	2022/23 Medium Term Revenue & Expenditure Framework					
	Budget Year 2022/23		Budget Year +1 2023/24		Budget Year +2 2024/25	
	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
	2021/22 to 2022/23		2022/23 to 2023/24		2023/24 to 2024/25	
	%	R'000	%	R'000	%	R'000
<i>Base year Adjusted Budget 2021/22</i>						
Total Operating Revenue (excl Capital transfers)	4,8%	114 991	7,5%	186 068	6,5%	173 778
Total Operating Expenditure	1,8%	43 538	7,1%	175 801	6,9%	183 343
Operating Surplus	-144,7%	71 454	46,5%	10 267	-29,6%	(9 565)
Total Operating Revenue (incl Capital transfers)	4,3%	107 663	6,6%	172 516	6,7%	187 965
Surplus (incl Capital transfers)	69,5%	64 126	-2,1%	(3 285)	3,0%	4 622
Capital transfers and contributions	-5,2%	(7 328)	-10,1%	(13 552)	11,7%	14 187
Internally generated funds	122,8%	30 705	-40,1%	(22 323)	-12,8%	(4 286)
Total Capital expenditure	14,0%	23 377	-18,9%	(35 875)	6,4%	9 901

There is no significant increase in overall revenue as the totals are increasing from R2,372, 218,000 (Adjusted budget 2021/22) to R2,487, 209,000 (2022/23), constituting a 4.8% increase year on year when compared to Adjustment budget. The overall average increase over the MTREF is approximately 6.26%.

The operating expenditure is estimated at R2,465 billion in 2022/23. After having considered all the factors, the budget for 2022/23 MTREF shall generate operating surpluses, though very limited in amounts. However, the budget can remain funded for the duration of the MTREF by significantly improving the collection rate and cutting down on non-essential spending.

The total capital expenditure amounts to R141,666 million. Over the MTREF the municipality projects to spend R390 million in this regard. Capital grants and subsidies recognised are all conditional grants gazetted as per the Division of Revenue Bill 2022.

#### 4. Annual budget tables

The A-schedules are included as an annexure under Section 1: Budget Schedules and supporting tables. Various reference is made to the A-schedules through-out this Budget document.

#### 5. Operating Revenue Framework

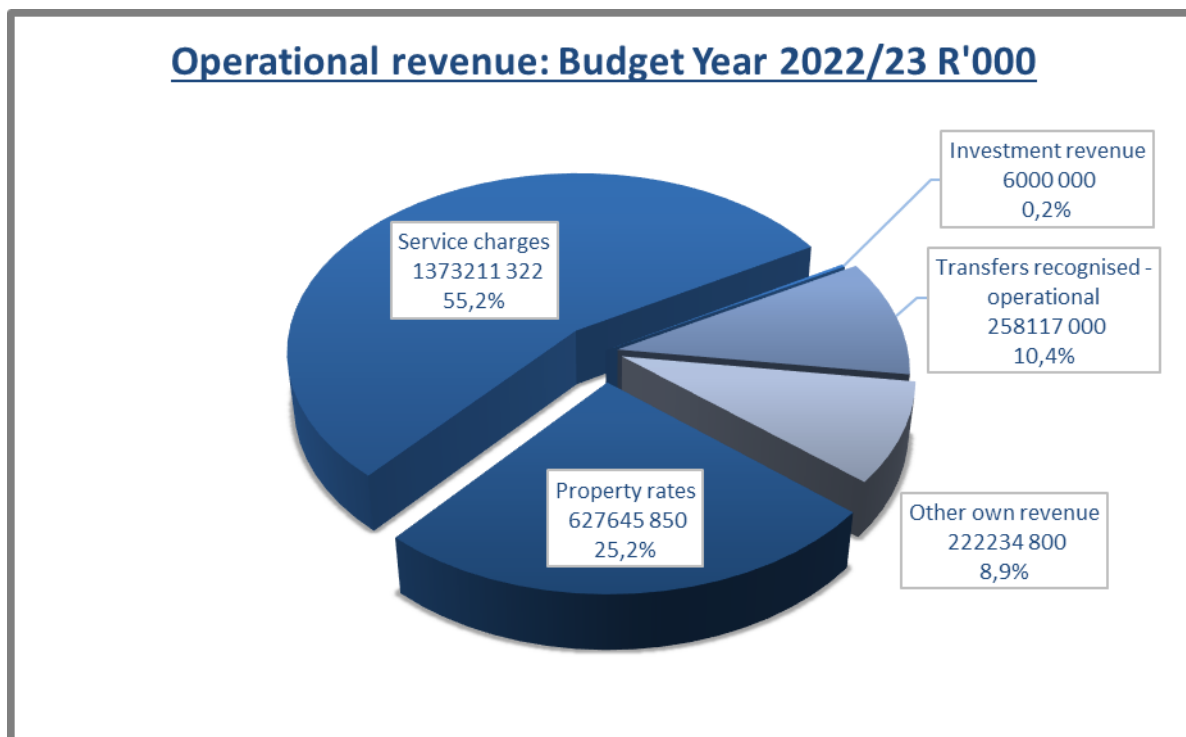
The municipality generates revenue from exchange and non-exchange transactions. Exchange transactions are instances where there is a transaction concluded at arms-length based on measured consumption as well as a result of existing service agreements. Revenue from non-exchange transactions is revenue derived from taxes as well as grants and subsidies received. Revenue from exchange and non-exchange transactions are an indicator of the source of that revenue.

Revenue generated from operations is utilised to effectively run the institution, cover the costs of compensation of employees, operation and maintenance of infrastructure, servicing of municipal debt acquired as long-term borrowings, the costs of bulk water and electricity and all other operational expenditure.

During this budget process, all tariffs had been revised to ensure that they are relevant and easy to implement. The municipality generates income from various sources such as exchange and non-exchange transactions. Revenue from exchange transactions is generated mainly from trading services. The municipality has adopted

a consolidated billing system for both exchange and non-exchange transactions for municipal services. Billing therefore is done systematically based on fixed monthly tariffs for services as well as consumption-based billing for metered services. And as far as possible, all other services like hiring of halls, building plans are rendered on a cash basis.

The pie-chart below represent the percentage weighting of each revenue source against the total revenue estimated for the financial year 2022/23.



It should be noted that the municipality has maintained a consistent contribution ratio for each source, thus a reflection of a very structured process of tariff determination and price increases.

### **Revenue by Source**

The municipality's revenue is determined by tariff packages which are not only considered affordable to the ratepayers and users, but are deemed to be fair, equitable and realistic, and this is assessed in the context of having acknowledged those who cannot afford or have means to pay, the indigent households.

The operating revenue framework is informed by the following:

- National Treasury guidelines on macro-economic policy
- Projected growth and growth in demand for services
- Realistic projections of revenue and collection thereof, as well as strategies for debtor's management
- Electricity tariff increases as informed by NERSA guidelines
- Determination of tariffs for trading services in a cost reflective and a cost recovery manner
- The municipality's property rates policy as approved by Council

The following table is a summary of 2022/23 MTREF classified by revenue source.

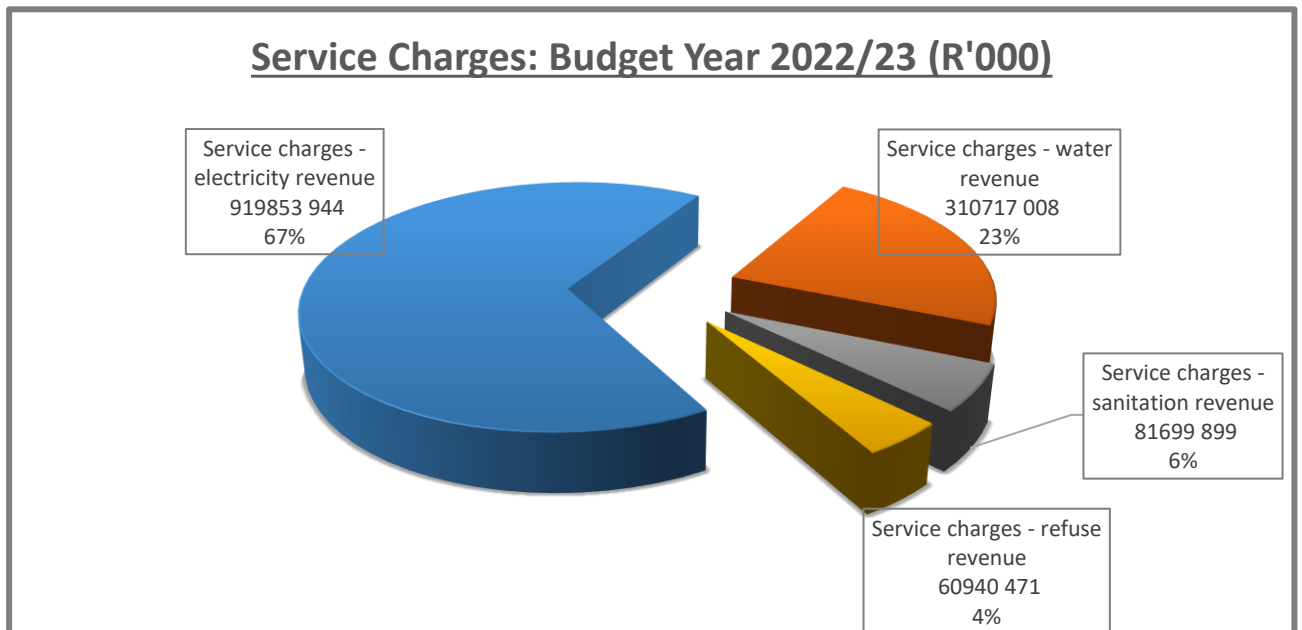
NC091 Sol Plaatje - Table A4 Budgeted Financial Performance (revenue and expenditure)							
Description	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue By Source</b>							
Property rates	603 707	603 707	603 707	440 579	627 646	658 284	688 753
Service charges - electricity revenue	861 157	861 157	861 157	497 294	919 854	1 016 768	1 108 634
Service charges - water revenue	294 012	294 012	294 012	199 738	310 717	337 475	354 626
Service charges - sanitation revenue	76 648	76 648	76 648	57 215	81 700	86 203	91 156
Service charges - refuse revenue	59 567	59 567	59 567	50 184	60 940	65 839	70 641
Rental of facilities and equipment	13 145	13 145	13 145	8 239	13 010	13 662	14 414
Interest earned - external investments	9 000	9 000	9 000	533	6 000	12 000	15 000
Interest earned - outstanding debtors	157 200	157 200	157 200	81 742	156 500	154 069	150 785
Dividends received	–	–	–	–	–	–	–
Fines, penalties and forfeits	34 725	34 725	34 725	3 609	27 730	29 117	30 718
Licences and permits	6 500	6 500	6 500	6 551	6 850	7 193	7 588
Agency services	–	–	–	–	–	–	–
Transfers and subsidies	230 640	236 873	236 873	162 317	258 117	273 556	294 591
Other revenue	19 411	19 685	19 685	11 772	18 145	19 111	20 148
Gains	–	–	–	1 267	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 365 711</b>	<b>2 372 218</b>	<b>2 372 218</b>	<b>1 521 041</b>	<b>2 487 209</b>	<b>2 673 277</b>	<b>2 847 055</b>

Table A4 of the Budget Schedules indicates the revenue by source. As can be seen in the table, electricity sales and property rates remain the major revenue source for the municipality. Revenue protection and enhancement remains at the core of our heart. Collection therefore remains critical within the context of the prevailing economic conditions of poverty, unemployment and job losses and the level of indigency in our localities.

The table below indicated the weighted average per revenue source. It is clear that sale of electricity is the major revenue source contributing just above 36% of total revenue. It is important to note that any non-collection or non-payment or non-billing for electricity has higher impact in as far as financial health of the municipality is concerned. It is for this reason that all revenue protection measures be put in place to protect this revenue source. We are continuing to follow through on Council Resolution of 2006 May, which resolved that electricity must be sold through prepaid metering system for residential customers. The project remains ongoing and a clear project plan will be put in place to replace any credit meters that are still remaining within the residential customer category.

NC091 Sol Plaatje - Table A4 Budgeted Financial Performance (revenue and expenditure)							
Description (R'000)	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework				
	Adjusted Budget	% Contribution	Budget Year 2022/23	% Contribution	Budget Year +1 2023/24	% Contribution	Budget Year +2 2024/25
<b>Financial Performance</b>							
Service charges - electricity revenue	861 157	67%	919 854	67%	1 016 768	68%	1 108 634
Service charges - water revenue	294 012	23%	310 717	23%	337 475	22%	354 626
Service charges - sanitation revenue	76 648	6%	81 700	6%	86 203	6%	91 156
Service charges - refuse revenue	59 567	5%	60 940	4%	65 839	4%	70 641
<b>Total</b>	<b>1 291 383</b>	<b>100%</b>	<b>1 373 211</b>	<b>100%</b>	<b>1 506 285</b>	<b>100%</b>	<b>1 625 057</b>

Rates is as significant as it contributed over 25% of total revenue. There are possible revenue leaks in the rates caused by uncoordinated processes between building inspectorate and valuations department. The situation is set to improve with the introduction of systems to drive building and rezoning proposals and issuing of certificate to occupy building as this will automatically give rise to a supplementary valuation of that property and levy rates applicable within reasonable time. Unconditional grants contribute 10% to OPREV.



The pie-chart above reflects the contribution of each utility service to the total service charges to be billed in 2022/23 financial year. As can be seen, electricity is by far the biggest item billed and it is 67% of all service charges combined, followed by water at 23%, sanitation at 6% and refuse removal at 4%. The contribution per service remain consistent over the MTREF.

There are improvements that must be done in billing for refuse collection. A single tariff currently prevails for all residential customers notwithstanding affordability, volume collected and travel distance to the landfill site. A research will be conducted in this regard, but a subsidised tariff for refuse collection for indigent and formalised areas is being thought of. Formalised areas are those that had been planned and surveyed and residents are placed on an erf with the intent to develop top-structures in future. In this case, a household may open a municipal account for electricity, water and refuse removal.

Refuse removal is quite critical as it affects the air quality, living conditions and safe environment. It is highly dependent on fleet to be performed, and currently, this is a major shortfall in the performance of this function. Tariffs needs to be reviewed to align with required investment in fleet. As the city grows, fleet must grow proportionately as well.

NC091 Sol Plaatje - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description (R thousand)	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework								
	Adjusted Budget	% Contribution	Budget Year 2022/23	% Contribution	% Growth 2021/22 to 2022/23	Budget Year +1 2023/24	% Contribution	% Growth 2022/23 to 2023/24	Budget Year +2 2024/25	% Contribution	% Growth 2023/24 to 2024/25
<b>Revenue By Source</b>											
Property rates	603 707	25,45%	627 646	25,23%	3,97%	658 284	24,62%	4,88%	688 753	24,19%	4,63%
Service charges - electricity revenue	861 157	36,30%	919 854	36,98%	6,82%	1 016 768	38,03%	10,54%	1 108 634	38,94%	9,04%
Service charges - water revenue	294 012	12,39%	310 717	12,49%	5,68%	337 475	12,62%	8,61%	354 626	12,46%	5,08%
Service charges - sanitation revenue	76 648	3,23%	81 700	3,28%	6,59%	86 203	3,22%	5,51%	91 156	3,20%	5,75%
Service charges - refuse revenue	59 567	2,51%	60 940	2,45%	2,31%	65 839	2,46%	8,04%	70 641	2,48%	7,29%
Rental of facilities and equipment	13 145	0,55%	13 010	0,52%	-1,03%	13 662	0,51%	5,01%	14 414	0,51%	5,50%
Interest earned - external investments	9 000	0,38%	6 000	0,24%	-33,33%	12 000	0,45%	100,00%	15 000	0,53%	25,00%
Interest earned - outstanding debtors	157 200	6,63%	156 500	6,29%	-0,45%	154 069	5,76%	-1,55%	150 785	5,30%	-2,13%
Fines	34 725	1,46%	27 730	1,11%	-20,14%	29 117	1,09%	5,00%	30 718	1,08%	5,50%
Licences and permits	6 500	0,27%	6 850	0,28%	5,38%	7 193	0,27%	5,00%	7 588	0,27%	5,50%
Transfers recognised - operational	236 873	9,99%	258 117	10,38%	8,97%	273 556	10,23%	5,98%	294 591	10,35%	7,69%
Other revenue	19 685	0,83%	18 145	0,73%	-7,82%	19 111	0,71%	5,32%	20 148	0,71%	5,43%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 372 218</b>	<b>100,00%</b>	<b>2 487 209</b>	<b>100,00%</b>	<b>4,85%</b>	<b>2 673 277</b>	<b>100,00%</b>	<b>7,48%</b>	<b>2 847 055</b>	<b>100,00%</b>	<b>6,50%</b>

## Proposed Tariff Increases

For the municipality to generate sufficient and required revenue to continue providing services to the people, and to cover the costs of providing such services, it became important to revise tariff charged for various services. The electricity tariff increases will be dealt with separately as a result of the Cost of Supply Study recently completed. In terms of NERSA guidelines, cost of supply study must be presented separately and adopted by Council and public participation must follow thereafter. The increase in tariff is based on the guidelines issued by NERSA and as notified by Eskom for bulk purchases with effect from 1 July 2022.

The proposed tariff increases in the table below are averages for services. The municipality attempted to reduce tariff increases as close to the projected CPI targets as can be seen that proposed tariffs increase are 0.8 percent below the forecast of 4.8%.

Revenue category	2021/22	2022/23	2023/24	2024/25
	Tariffs increases			
Property Rates	4,00%	4,00%	4,88%	4,63%
Electricity	14,59%	6,82%	10,54%	9,04%
Water	4,00%	5,68%	8,61%	5,08%
Waste water (Sanitation)	4,00%	4,00%	5,51%	5,75%
Waste management (Refuse removal)	4,00%	4,00%	8,04%	7,29%
<b>Average tariff increases/Municipal CPI</b>	<b>8,56%</b>	<b>5,54%</b>	<b>8,24%</b>	<b>6,93%</b>

As per MFMA Circular 115, NT advised on the following

That as municipalities face with difficult fiscal environment and that the weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.

Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment. Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and

- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

It should be noted that it is easier for consumers to pay for services if they are reliable and when the environment is well maintained.

The table below presents the proposed tariffs after applying the increases that will be charged or levied to all customers of the municipality.

NC091 Sol Plaatje - Supporting Table SA13a Service Tariffs by category									
Description	Ref	Provide description of tariff structure where appropriate				Current Year	Medium Term Revenue & Expenditure Framework		
							Budget Year	Budget Year +1	Budget Year +2
<b>Property rates (rate in the Rand)</b>	1								
Residential properties		Residential	0,0108	0,0098	0,0104	0,0112	0,0119	0,0125	0,0131
Farm properties - used		Agricultural farms	0,0027	0,0024	0,0026	0,0028	0,0030	0,0031	0,0033
Farm properties - not used		Agricultural business	0,0027	0,0024	0,0026	0,0028	0,0030	0,0031	0,0033
Industrial properties		Industrial	0,0347	0,0312	0,0332	0,0358	0,0382	0,0401	0,0420
Business and commercial properties		Business/Residential	0,0321	0,0293	0,0311	0,0335	0,0358	0,0376	0,0393
State-owned properties		State/Public schools	0,0758	0,0585					
<b>Exemptions, reductions and rebates (Rands)</b>									
<b>Residential properties</b>									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
<b>Water tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)									
Water usage - flat rate tariff (c/kl)									
Water usage - life line tariff		Residential (0-6kl)	5,94	6,30	6,65	6,91	7,30	7,93	8,34
Water usage - Block 1 (c/kl)		Residential (7-20kl)	25,25	26,77	28,24	29,37	31,04	33,71	35,43
Water usage - Block 2 (c/kl)		Residential (21-40kl)	28,43	30,13	31,79	33,06	34,94	37,94	39,87
Water usage - Block 3 (c/kl)		Residential (41-60kl)	30,06	31,87	33,62	34,97	36,95	40,14	42,17
Water usage - Block 4 (c/kl)		Residential (more than 60kl)	32,12	34,05	35,92	37,36	39,48	42,88	45,06
<b>Waste water tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)		Basic charge	145,17	155,15	174,33	181,30	188,55	198,94	210,38
<b>Electricity tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)							65,56	70,96	75,88
Domestic Capacity Charge (60 amps)							181,20	196,13	209,72
Meter - IBT Block 1 (c/kwh)		Block 1 (0-50Kwh) (Conventional & Prepaid; 2019/20, Summer: 0-350Kwh)	1,05	1,96	1,77	2,03	2,19	2,37	2,54
Meter - IBT Block 2 (c/kwh)		Block 2 (51-350Kwh) (Conventional & prepaid; 2019/20, Summer: > 350 Kwh)	1,35	2,43	2,47	2,83	2,77	3,00	3,21
<b>Domestic Tariff (Conventional and Prepaids) = 20 Amps</b>									
Block 1 (0 - 350 Kwh)							2,26	2,45	2,62
Block 2 ( > 350 Kwh)							3,01	3,25	3,48
<b>Indigents Tariff (Prepaids) 20 Amps</b>									
Block 1 (0 - 50 Kwh) ( subsidised)							2,19	2,37	2,54
Block 2 (51 - 350 Kwh)							2,19	2,37	2,54
Block 3 ( > 351 Kwh)							3,06	3,31	3,54
Other	2								
<b>Waste management tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee		Basic charge	110,76	117,96	124,45	129,43	134,60	145,42	156,03



The table below present the history of tariff increases in order to raise the required revenue as per the tables above:

<b>SOL PLAATJE MUNICIPALITY</b>					
<b><u>TARIFF HISTORY</u></b>					
	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>
<b>RATES</b>	6,00%	6,00%	5,50%	4,00%	4,00%
<b>SEWERAGE</b>	5,95%	6,50%	5,50%	4,00%	4,00%
<b>CLEANSING</b>	6,00%	7,50%	5,50%	4,00%	4,00%
<b>WATER</b>	5,90%	6,00%	5,50%	4,00%	5,68%
<b>ELECTRICITY</b>	5,95%	11,40%	6,22%	14,59%	6,82%
<b>AVERAGE</b>	5,96%	8,36%	5,82%	8,56%	5,54%

Indicated in the table below is the macro-economic forecasts as per MFMA Circular 115 issued by National Treasury.

Revenue category	2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
	Tariffs increases				Total Budgeted revenue (R'000)				% Increase in Revenue		
Property Rates	4,00%	4,00%	4,88%	4,63%	603 707	627 646	658 284	688 753	3,97%	4,88%	4,63%
Electricity	14,59%	6,82%	10,54%	9,04%	861 157	919 854	1 016 768	1 108 634	6,82%	10,54%	9,04%
Water	4,00%	5,68%	8,61%	5,08%	294 012	310 717	337 475	354 626	5,68%	8,61%	5,08%
Waste water (Sanitation)	4,00%	4,00%	5,51%	5,75%	76 648	81 700	86 203	91 156	6,59%	5,51%	5,75%
Waste management (Refuse removal)	4,00%	4,00%	8,04%	7,29%	59 567	60 940	65 839	70 641	2,31%	8,04%	7,29%
<b>Average tariff increases/Municipal CPI</b>	<b>8,56%</b>	<b>5,54%</b>	<b>8,24%</b>	<b>6,93%</b>	<b>1 895 090</b>	<b>2 000 857</b>	<b>2 164 569</b>	<b>2 313 810</b>	<b>5,58%</b>	<b>8,18%</b>	<b>6,89%</b>

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
Macro-economic performance and projections, 2020 - 2025	Actual	Estimate	Forecast		
CPI Inflation	2,9%	4,5%	4,8%	4,4%	4,5%

## Property Rates Revenue

The Municipal Property Rates Act 6 of 2004 as amended gives guidance on the categorisation of various properties. Residential properties serve as a baseline for the determination of tariff for other property categories. The approved GV 2019 is valid for a four-year period, and the next date of a new GV is 1 July 2023 which will be published in January 2023 for comments and objections.

The GV includes all property situated within the geographical boundaries of the municipality in terms of the Municipal Property Rates Act as amended. Accordingly, rates levied per individual property will depend on that property value compared with the valuation of all other rateable properties in the municipal area. Rebates and concessions are granted to certain categories of property usage and or property owner profile. The total estimated revenue from property rates is as per the table below:

Description	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousands	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Financial Performance</b>						
Property rates	603 707	603 707	603 707	627 646	658 284	688 753

Property rates amounts to R627, 646 million and is mainly influenced by the General Valuation (GV) 2019 outcome, as well as the supplementary valuation roll during the 2021/22 financial year. There are also tariff changes to the extent of rated ratios, however, the required revenue level must be achieved to ensure a funded budget.

The Rates growth parameter is attributed to a revenue growth of 3.4% for 2022/23. Indicated in the table below is the rates increases per category. The proposed average increase is 4%.

		PROPOSED	PROPOSED	PROPOSED
	PRESENT	TARIFFS	TARIFFS	TARIFFS
	<u>TARIFFS</u>	<u>2022/07/01</u>	<u>2023/07/01</u>	<u>2024/07/01</u>
	R	R	R	R
Residential Property	0,011179	0,011948	0,012531	0,013111
Vacant Residential Property	0,016768	0,017922	0,018796	0,019667
Industrial Property	0,035774	0,038234	0,040100	0,041956
Vacant Industrial	0,039126	0,041817	0,043858	0,045889
Business and Commercial Property	0,033537	0,035843	0,037592	0,039333
Vacant Business and Commercial Property	0,039126	0,041817	0,043858	0,045889
Agricultural Property	0,002795	0,002987	0,003133	0,003278
Mining Property	0,245938	0,131426	0,137839	0,144221
Public Service Property	0,050307	0,053766	0,056390	0,059001
Public Service Infrastructure	0,000000	0,000000	0,000000	0,000000
Public Benefit Activity Property	0,000000	0,000000	0,000000	0,000000
Place of Worship	0,000000	0,000000	0,000000	0,000000
Land Reform Beneficiary	0,000000	0,000000	0,000000	0,000000
Private Open Space	0,011179	0,011948	0,012531	0,013111
Municipal property used for Municipal Purposes	0,000000	0,000000	0,000000	0,000000
Independent Schools	0,005589	0,005974	0,006265	0,006556
Sports Grounds and facilities operated for gain	0,000000	0,000000	0,000000	0,000000
Average rates tariff	0,017359	0,018142	0,019028	0,019909
An allowance has been made for the inclusion of rebates for Pensioners, Disabled Persons, Bona Fide Agricultural Property, Rural Residential Properties, Rural Commercial, Rural Industrial, Creches and Guesthouse Properties meeting certain criteria. The proposed rebate for Pensioners and Disabled Persons is 60 % and the income threshold to qualify is R 140 000 in addition to criteria per the Policy. The proposed rebate for Rural Residential is 15%, bona fide Agricultural Property is 50 %, Rural Commercial and Industrial properties is 75% and Creches and Guesthouses is 30% subject to the requirements per the policy.				

## **Service Charges**

All other service charges increase is informed by the operational costs of providing the service and the projected demand for services.

Revenue from service charges includes revenue generated from sale of water and electricity as well as monthly charges for refuse removal and sanitation. Revenue from sale of electricity includes billed revenue and prepaid sales as well as sale of electricity in the form of subsidised FBE.

Indigent households receive the first 6kl of water for free, which is sold at a tariff applicable to the block for water sales of 1-6kl per month, whilst they also receive 50 units (kWh) of electricity per month. Service charges for refuse removal and sanitation are fully subsidised for all indigent households.

The municipality provides various services and at different levels mostly influenced by existing infrastructure and availability, customer affordability as well as if the service is provided as free, basic or as permanent level of service.

Whereas tariffs for trading services must be all inclusive of direct and indirect cost, and as such must be cost reflective, the municipality follows the guidelines for tariff increases as issued by the Energy Regulator. In as far as bulk water is concerned the municipality did not receive any formal communication from the Department of Water and Sanitation, an official increase within the inflation range is considered to make sure that the increase does not negatively impact on the affordability levels of the citizenry.

## **Sale of electricity**

The municipality received the draft guidelines from NERSA which informed the tariff increases for 2022/23. The municipality has noted the minimum percentage increase of 6.82% increase on average for local authorities. CPI for 2022/23 is projected at 4.82% as per MFMA Circular 115 issued by National Treasury.

The municipality has implemented Time of Use electricity tariff for large power users and has fully adopted the demand periods as determined by Eskom, whilst for residential customers, Inclined Block Tariff has been adopted. However, the municipality has completed the cost of supply study which proposes a detailed tariff breakdown, and this will form part of a separate item and report to Council.

TARIFF CODE	DESCRIPTION	Season	Period	TARIFFS 2019/20	TARIFFS 2020/21	TARIFFS 2021/22	TARIFFS 2022/2023 before increase	Structure change
				excl VAT	excl VAT	excl VAT	excl VAT	%
	<b>Time of Use Consumers: NPO, NGO, SCHOOLS: MV</b>							
EL1058, SERVICE CHARGE	Basic charge per month			3400,00	3611,48	4138,39	1 570,60	-62,05%
EL1058, PBA & SCHOOLS TOU >100	Network Demand Charge R/kVA			125,97	133,81	144,51	94,75	-34,43%
	Network Access Charge R/kVA			42,70	45,36	48,99	46,89	-4,29%
(EL1055) PBA & SCHOOLS PEAK >100	Energy Charges R/kWh	Low Demand: (\$	Peak	1,7151	1,8218	2,0876	4,7324	126,69%
(EL1056) PBA & SCHOOLS STD >100	Energy Charges R/kWh		Standard	1,2412	1,3184	1,5108	1,7997	19,13%
(EL1057) PBA & SCHOOLS OFF-PEAK	Energy Charges R/kWh		Off-peak	1,0100	1,0728	1,2293	1,2173	-0,97%
	Energy Charges R/kWh	High Demand: (\$	Peak	3,1479	3,3437	3,8316	1,8977	-50,47%
	Energy Charges R/kWh		Standard	1,4882	1,5807	1,8114	1,4698	-18,86%
	Energy Charges R/kWh		Off-peak	1,1109	1,1800	1,3521	1,1243	-16,84%
	<b>INDUSTRIAL AND BUSINESSES LV &lt;200 kVA</b>							
EL1253, SERVICE CHARGE	Basic charge per month			1 600,00	1 699,52	1 947,48	520,44	-73,28%
EL1253, INDUSTRIAL TOU <75	Network Demand Charge R/kVA			148,51	157,75	170,37	159,19	-6,56%
	Network Access Charge R/kVA			50,34	53,47	57,74	51,19	-11,35%
EL1250 EL STD <75	Energy Charges R/kWh	Low Demand: (\$	Peak	1,7546	1,8637	2,1357	4,9099	129,90%
EL1251 EL PEAK < 75	Energy Charges R/kWh		Standard	1,1863	1,2600	1,4439	1,9772	36,93%
EL1252 EL OFF PEAK < 75	Energy Charges R/kWh		Off-peak	1,1200	1,1897	1,3632	1,3948	2,32%
	Energy Charges R/kWh	High Demand: (\$	Peak	4,2281	4,4911	5,1463	2,0752	-59,68%
	Energy Charges R/kWh		Standard	1,4882	1,5807	1,8114	1,6473	-9,06%
	Energy Charges R/kWh		Off-peak	1,2320	1,3086	1,4996	1,3018	-13,19%
	Reactive Energy Charge R/kvarh	All	P&S				0,1951	New
	<b>INDUSTRIAL AND BUSINESSES: LV ≥ 200 &lt; 500 kVA (exception 800 kVA)</b>							
EL1153, SERVICE CHARGE	Basic charge per month			2 650,00	2 814,83	3 225,51	987,18	-69,39%
EL1153, INDUSTRIAL TOU 75-100	Network Demand Charge R/kVA			148,51	157,75	170,37	104,34	-38,76%
	Network Access Charge R/kVA			50,34	53,47	57,74	51,19	-11,35%
EL1150 EL STD 57-100	Energy Charges R/kWh	Low Demand: (\$	Peak	1,6999	1,8056	2,0691	4,8208	132,99%
EL1151 EL PEAK 57 - 100	Energy Charges R/kWh		Standard	1,1917	1,2659	1,5215	1,8881	24,09%
EL1152 EL OFF PEAK 75-100	Energy Charges R/kWh		Off-peak	1,2500	1,3278	1,4506	1,3057	-9,99%
	Energy Charges R/kWh	High Demand: (\$	Peak	4,2684	4,5339	5,1954	1,9861	-61,77%
	Energy Charges R/kWh		Standard	1,4965	1,5896	1,8215	1,5582	-14,46%
	Energy Charges R/kWh		Off-peak	1,4000	1,4871	1,7040	1,2127	-28,83%
	Reactive Energy Charge R/kvarh	All	P&S				0,1951	New
	<b>INDUSTRIAL AND BUSINESSES MV (Medium Voltage)</b>							0,00%
EL1053, SERVICE CHARGE	Basic charge per month			3 680,00	3 908,90	4 479,20	2 074,05	-53,70%
EL1053, INDUSTRIAL TOU > 100	Network Demand Charge R/kVA			148,51	157,75	170,37	94,75	-44,38%
	Network Access Charge R/kVA			50,34	53,47	57,74	46,89	-18,79%
(EL1051) INDUSTRIAL TOU PEAK > 100	Energy Charges R/kWh	Low Demand: (\$	Peak	1,7246	1,8319	2,0992	4,7324	125,44%
(EL1050) INDUSTRIAL TOU STD >100	Energy Charges R/kWh		Standard	1,2302	1,3067	1,6432	1,7997	9,53%
(EL1052) INDUSTRIAL TOU OFF PEAK	Energy Charges R/kWh		Off-peak	1,3500	1,4340	1,4973	1,2173	-18,70%
	Energy Charges R/kWh	High Demand: (\$	Peak	4,3892	4,6622	5,3424	1,8977	-64,48%
	Energy Charges R/kWh		Standard	1,5402	1,6360	1,8747	1,4698	-21,60%
	Energy Charges R/kWh		Off-peak	1,5120	1,6060	1,8404	1,1243	-38,91%
	Reactive Energy Charge R/kvarh	All	P&S				0,1951	New
	<b>Small Scale TOU tariff for SSEG customers.</b>							
	Basic charge per month - payable by the generator						166,97	New
	Capacity Charge R/Amp/phase						8,37	New
	Energy Charges R/kWh - payable to the generator	Low Demand: (\$	Peak				6,82	New
	Energy Charges R/kWh - payable to the generator		Standard				2,07	New
	Energy Charges R/kWh - payable to the generator		Off-peak				1,12	New
	Energy Charges R/kWh - payable to the generator	High Demand: (\$	Peak				2,22	New
	Energy Charges R/kWh - payable to the generator		Standard				1,53	New
	Energy Charges R/kWh - payable to the generator		Off-peak				0,97	New
	<b>Electricity Feedback Tariffs - Small Scale Embedded Generation (Photovoltaic Policy)</b>							
	Basic charge per month - payable by the generator			337,83	358,85	150,00	166,97	11,31%
	Capacity Charge R/kVA					100,00	0,00	0,00%
	Energy Charges R/kWh - payable to the generator	Low Demand: (\$	Peak	0,3395	0,3606	1,4612	3,7864	159,13%
	Energy Charges R/kWh - payable to the generator		Standard	0,2337	0,2482	0,9885	1,1470	16,03%
	Energy Charges R/kWh - payable to the generator		Off-peak	0,1482	0,1574	0,4514	0,6228	37,97%
	Energy Charges R/kWh - payable to the generator	High Demand: (\$	Peak	1,0403	1,1050	2,8999	1,2352	-57,41%
	Energy Charges R/kWh - payable to the generator		Standard	0,3151	0,3347	0,9999	0,8501	-14,99%
	Energy Charges R/kWh - payable to the generator		Off-peak	0,1711	0,1818	0,6012	0,5391	-10,33%
	<b>Streetlights</b>					1,8658		
	Basic charge light per month						120,5305	
	Energy Charges R/kWh						2,0321	
	<b>Availability</b>							
	Fixed R/month						240,3066	

During the previous years, including 2021/22, the municipality did not factor in a basic charge, as the community does not agree to it, especially after the protest action that transpired during the 2018/19 financial year with the introduction of the R260 basic charge inclusive of VAT, which is promulgated in the Electricity Pricing Policy Regulations of 2008. This compelled the municipality to undertake another cost of supply study with new tariff structures that will ensure 100% recovery of costs to provide electricity as a function and service delivery expectation by the public. The Cost of Supply is a prerequisite set by NERSA which the municipality must comply with for the consideration of annual tariff increase applications.

Indicated in the table below is the projected revenue and cost drivers for Electricity:

<b><u>ELECTRICITY SERVICE</u></b>	<b>Budget 2021/2022</b>	<b>Budget 2022/2023</b>	<b>Budget 2023/2024</b>	<b>Budget 2024/2025</b>
<b><u>INCOME</u></b>				
SERVICE CHARGES	- 861 156 564	- 521 383 000	- 560 486 125	- 602 521 984
INTEREST DIVIDENDS AND RENT ON LAND	- 16 000 000	- 16 880 000	- 17 808 400	- 18 787 862
<b>Total Income</b>	<b>- 877 156 564</b>	<b>- 538 263 000</b>	<b>- 578 294 525</b>	<b>- 621 309 846</b>
<b><u>EXPENDITURE</u></b>				
MS - SALARIES ALLOWANCES AND SERVICES BENEFITS	46 113 094	48 777 098	51 459 838	54 290 129
MS - SOCIAL CONTRIBUTIONS	9 824 501	10 394 011	10 965 682	11 568 794
CONTRACTED SERVICES	32 750 000	34 641 650	36 623 941	38 698 207
OPERATIONAL COST	2 726 859	2 888 456	3 056 260	3 240 919
INVENTORY	32 902 000	34 953 360	37 004 195	39 268 406
BULK PURCHASES	678 400 000	759 808 000	835 788 800	902 651 904
INTEREST DIVIDENDS AND RENT ON LAND	26 764 278	26 363 784	25 877 777	25 283 323
BAD DEBTS WRITTEN OFF	74 000 000	79 920 000	86 313 600	91 060 848
DEPRECIATION AND AMORTISATION	9 000 000	9 495 000	10 017 225	10 568 172
<b>Total Expenditure</b>	<b>912 480 733</b>	<b>1 007 241 359</b>	<b>1 097 107 317</b>	<b>1 176 630 703</b>

## Sale of water, sanitation and refuse removal

Water is metered and read monthly to determine the consumer bill. A stepped tariff has been in place and it encourages conservation of water. Water restrictions in times of droughts are approved and revised annually with the budget process. Indicated in the table below are the proposed residential Water tariffs.

<b>NC091 Sol Plaatje - Supporting Table SA13a Service Tariffs by category</b>									
Description	Ref	Provide description of tariff structure where appropriate	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
							Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b><u>Water tariffs</u></b>									
<b><u>Domestic</u></b>									
Basic charge/ fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/k)									
Water usage - life line tariff		Residential (0-6kl)	6	6	7	7	7	8	8
Water usage - Block 1 (c/kl)		Residential (7-20kl)	25	27	28	29	31	34	35
Water usage - Block 2 (c/kl)		Residential (21-40kl)	28	30	32	33	35	38	40
Water usage - Block 3 (c/kl)		Residential (41-60kl)	30	32	34	35	37	40	42
Water usage - Block 4 (c/kl)		Residential (more than 60kl)	32	34	36	37	39	43	45
<b><u>Other</u></b>	2								

Indicated in the table below is the projected revenue and cost drivers for Water:

<b>WATER</b>	<b>Budget 2021/2022</b>	<b>Budget 2022/2023</b>	<b>Budget 2023/2024</b>	<b>Budget 2024/2025</b>
<b>INCOME</b>				
SERVICE CHARGES	- 294 011 652	30 067 500	31 721 213	33 307 273
INTEREST DIVIDENDS AND RENT ON LAND	- 34 000 000	- 36 040 000	- 38 022 200	- 39 923 310
SALES OF GOODS AND RENDERING OF SERVICES	- 450 000	- 474 750	- 500 861	- 525 904
<b>Total Income</b>	<b>- 328 461 652</b>	<b>- 6 447 250</b>	<b>- 6 801 849</b>	<b>- 7 141 941</b>
<b>EXPENDITURE</b>				
MS - SALARIES ALLOWANCES AND SERVICES BENEFITS	44 211 928	46 754 067	49 442 653	51 914 785
MS - SOCIAL CONTRIBUTIONS	9 633 798	10 185 688	10 769 254	11 307 717
CONTRACTED SERVICES	20 000	21 100	22 261	23 374
OPERATIONAL COST	39 579 980	41 758 774	44 057 520	46 260 396
INVENTORY	37 589 000	39 801 045	42 143 522	44 257 067
BULK PURCHASES	120 000 000	126 600 000	133 563 000	140 241 150
INTEREST DIVIDENDS AND RENT ON LAND	9 834 068	9 883 061	9 921 171	9 907 723
BAD DEBTS WRITTEN OFF	53 000 000	56 000 000	59 000 000	61 000 000
DEPRECIATION AND AMORTISATION	8 600 000	9 073 000	9 572 015	10 050 616
<b>Total Expenditure</b>	<b>322 468 772</b>	<b>340 076 735</b>	<b>358 491 395</b>	<b>374 962 828</b>

Indicated in the table below are the proposed Sanitation and Refuse removal tariffs which are billed on a fixed rate.

<b>NC091 Sol Plaatje - Supporting Table SA13a Service Tariffs by category</b>									
Description	Ref	Provide description of tariff structure where appropriate	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
							Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Waste water tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)		Basic charge	155	165	174	181	189	199	210
<b>Waste management tariffs</b>									
<b>Domestic</b>									
Street cleaning charge									
Basic charge/ fixed fee		Basic charge	111	118	124	129	135	145	156
80l bin - once a week									
250l bin - once a week									

Indicated in the table below is the projected revenue and cost drivers for Sanitation:

<b>SEWERAGE</b>	<b>Budget 2021/2022</b>	<b>Budget 2022/2023</b>	<b>Budget 2023/2024</b>	<b>Budget 2024/2025</b>
<b>INCOME</b>				
SERVICE CHARGES	- 78 616 000	- 86 501 669	- 91 471 651	- 96 770 636
INTEREST DIVIDENDS AND RENT ON LAND	- 10 500 000	- 10 812 000	- 11 406 660	- 11 976 993
<b>Total Income</b>	<b>- 89 116 000</b>	<b>- 97 313 669</b>	<b>- 102 878 311</b>	<b>- 108 747 629</b>
<b>EXPENDITURE</b>				
MS - SALARIES ALLOWANCES AND SERVICES BENEFITS	37 236 283	39 289 537	41 450 462	43 724 357
MS - SOCIAL CONTRIBUTIONS	7 750 524	8 177 699	8 627 472	9 100 981
CONTRACTED SERVICES	40 000	42 200	44 521	46 970
OPERATIONAL COST	2 135 648	2 253 522	2 377 245	2 507 065
INVENTORY	17 377 000	18 332 945	19 341 257	20 404 791
INTEREST DIVIDENDS AND RENT ON LAND	2 125 455	1 973 905	1 808 902	1 624 865
BAD DEBTS WRITTEN OFF	9 500 000	10 000 000	11 000 000	12 000 000
DEPRECIATION AND AMORTISATION	14 800 000	15 614 000	16 472 770	17 378 772
<b>Total Expenditure</b>	<b>90 964 910</b>	<b>95 683 808</b>	<b>101 122 629</b>	<b>106 787 801</b>

Indicated in the table below is the projected revenue and cost drivers for Refuse removal:

<b>REFUSE</b>	<b>Budget 2021/2022</b>	<b>Budget 2022/2023</b>	<b>Budget 2023/2024</b>	<b>Budget 2024/2025</b>
<b>INCOME</b>				
SERVICE CHARGES	- 58 600 000	18 900 000	19 939 500	21 036 173
INTEREST DIVIDENDS AND RENT ON LAND	- 10 000 000	- 10 550 000	- 11 130 250	- 11 742 414
SALES OF GOODS AND RENDERING OF SERVICES	- 10 000	- 10 500	- 11 078	- 11 687
<b>Total Income</b>	<b>- 68 610 000</b>	<b>8 339 500</b>	<b>8 798 173</b>	<b>9 282 072</b>
<b>EXPENDITURE</b>				
MS - SALARIES ALLOWANCES AND SERVICES BENEFITS	34 984 946	36 734 193	38 754 574	40 886 076
MS - SOCIAL CONTRIBUTIONS	7 769 379	8 157 848	8 606 530	9 079 889
OPERATIONAL COST	1 794 912	1 894 678	2 004 196	2 108 797
INVENTORY	20 005 000	21 171 800	22 424 521	23 564 301
BAD DEBTS WRITTEN OFF	5 500 000	7 500 000	9 000 000	10 000 000
DEPRECIATION AND AMORTISATION	900 000	945 000	996 975	1 051 809
<b>Total Expenditure</b>	<b>70 954 238</b>	<b>76 403 520</b>	<b>81 786 795</b>	<b>86 690 872</b>

### **Income from rental of property**

The municipal rents properties such as municipal halls, sports grounds and resorts for various groups of people and for various purposes such as meetings, workshops, church services, funerals, sporting events, festivals and family gatherings. The charges as per the tariff book include costs of hiring, water and electricity usage, as well as the usage fee. As part of the agreement, a deposit fee is required and is only released after inspection once it has been determined that no breakages, damages or losses had been suffered by the municipality.

The Provincial Department of COGHSTA, as part of the Lerato Park Integrated Human Settlements Project has completed and donated the asset to the municipality since February 2020 and the final documents were handed over during September of 2021. The municipality has taken control over the property and has started with the process of leasing the flats to those who qualify on a temporary basis. A management company will be appointed to ensure economically efficient operation and management of the CRUs, process are set to unfold in this case.

The tariff book includes monthly rentals per flat for all municipal block of flats including the CRUs. It should be noted that collection rate at most of the flats is extremely low as a result of non-payment, some tenants being indigent and depending on state grants for survival.

### **Grants and Subsidies – Operational**

The municipality receives Equitable Share (EQS) from the National fiscus gazetted in the DoRA. The EQS is utilised to recover the cost of Free Basic Services (FBS) as well as provision of funding for roads upgrade in informal settlements. On an adhoc basis, EQS also funds the costs of clearing sites for low cost housing development projects as well as relocation costs of informal settlements to formalised areas. The municipality is also participating in skills development programmes of National Treasury in the Finance, Audit and Engineering fields. The Infrastructure Skills Development Grant is used for the stipend and associated training costs for interns in Town Planning and Engineering Services. The Finance Management Grant is utilised to fund the costs to company of all finance interns including costs of training and tools of trade.

The two programmes had been vital for the organisation as they created a pool of capable young professionals who had gained experience and knowledge of business and policies during their training. This reduces costs associated with employing a new person in some of these positions. The table below represents the unconditional grants gazetted to the municipality for the 2022/23 MTREF. Grants and subsidies made comprises of Equitable share in the amount of R239, 158 million for 2022/23, R258, 166 million for 2023/24 and R278, 751 million for 2024/25. Other minor grants and subsidies received are as per the table below:

<b>Operational and Capital Grants</b>	<b>Sum of Budget 2022/23</b>	<b>Sum of Budget 2023/24</b>	<b>Sum of Budget 2024/25</b>
<b>117 - OPERATIONAL : MONETARY</b>	<b>258 117</b>	<b>273 556</b>	<b>294 591</b>
NATIONAL REVENUE FUND: EQUITABLE SHARE	239 158	258 166	278 751
N-GOV: EXPANDED PUBLIC WORKS GRT SCH 5B	3 959	–	–
N-GOV: INFRASTR SKILLS DEVELOP GRT SCH5B	5 500	5 500	5 500
N-GOV: LOCAL GOV FIN MANAG GRT SCH 5B	1 700	1 700	1 700
NON-PROF: OTHER NON-PROFIT INSTITUTIONS\Libraries	7 800	8 190	8 640
<b>Grand Total</b>	<b>258 117</b>	<b>273 556</b>	<b>294 591</b>

### **Cost of Free Basic Services and the Social Package**

The principle of free basic service for indigent households has since been reviewed and now includes informal settlement areas where communal services are provided rather than standpipes for water as an example. The expansion of the principle has been necessitated by various circumstances including court judgements on invaded land parcels where such dwellers are allowed to occupy until land earmarked for housing development is made available. The situation was exacerbated by the Human Rights Commission which requires that people must be provided with water and sanitation notwithstanding the circumstances that led to the occupation of land.

Service provided in these areas are regarded as part of FBS and the cost of providing is included in the budget and is funded from equitable share. As per the Indigent Households Policy, the municipality provides free basic services (FBS) to the qualifying households. The cost of FBS is regarded as revenue forgone and is deducted from the income of the relevant service. Various grants and rebates are allocated to service customers based on their socio-economic circumstances and these are conditional. The funding is provided from the EQS allocation per annum. Further detail relating to FBS are contained in Table A10 of the Budget Statement.

The municipality has adopted an Indigent Household Policy and maintains a register as such. There is a fully-fledged section as per the staff establishment, whose core function is to approve indigent applications, maintain the indigent households register and monitors consumption as such, and request inspections where consumption is excessive. Indigent Households are on prepaid electricity metering once approved. Free basic services are issued per month to those who qualified by crediting their accounts with the recovered costs from equitable share grant.



For electricity, each beneficiary bears the responsibility to claim free basic electricity (FBE) at the nearest service point. FBE for each month are valid until the 15<sup>th</sup> of the next month and cannot be accumulated beyond this date.

The municipality is targeting 12 000 in 2022/23. This is based on the estimated number of applicants as a result of low-cost housing development as per the IDP. The indigent policy has been reviewed to increase the qualifying threshold from R3,750 to R4,500 subject to the approval of Council and consultation with National Treasury.

### **Overall impact of tariff increases on households**

The table below shows the overall expected impact of tariff increases on households with a ‘middle income range’, an ‘affordable range’ and an ‘indigent household receiving free basic services’.

The calculation of the household bill is based on the following average consumption:

- middle income range 1,000 kWh of electricity and 30 kl of water.
- affordable range 500 kWh of electricity and 25 kl of water,
- indigent household receiving free basic services 300 kWh of electricity and 20 kl of water.

**NC091 Sol Plaatje - Supporting Table SA14 Household bills**

Description	Ref										
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	% incr.			
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates		556,60	501,01	533,07	574,32	574,32	574,32	6,9%	613,82	643,77	673,58
Electricity: Basic levy									57,01	63,06	68,78
Domestic Capacity Charge (60 amps)									181,20	200,43	218,62
Electricity: Consumption		1 591,45	2 094,95	1 934,95	2 217,25	2 217,25	2 217,25	0,7%	2 232,44	2 469,31	2 693,52
Water: Basic levy											
Water: Consumption		527,04	558,69	589,42	612,99	612,99	612,99	5,7%	647,81	703,59	739,33
Sanitation		121,42	129,32	136,43	141,89	141,89	141,89	4,0%	147,56	155,09	164,01
Refuse removal		86,68	92,32	97,39	101,29	101,29	101,29	4,0%	105,34	113,81	122,11
Other											
<b>sub-total</b>		<b>2 883,19</b>	<b>3 376,29</b>	<b>3 291,25</b>	<b>3 647,75</b>	<b>3 647,75</b>	<b>3 647,75</b>	<b>9,3%</b>	<b>3 985,19</b>	<b>4 349,05</b>	<b>4 679,95</b>
VAT on Services		382,90	428,52	413,78	461,01	461,01	461,01	9,7%	505,71	555,79	600,96
<b>Total large household bill:</b>		<b>3 266,09</b>	<b>3 804,81</b>	<b>3 705,04</b>	<b>4 108,76</b>	<b>4 108,76</b>	<b>4 108,76</b>	<b>9,3%</b>	<b>4 490,89</b>	<b>4 904,84</b>	<b>5 280,90</b>
<b>% increase/-decrease</b>		<b>(5,1%)</b>	<b>16,5%</b>	<b>(2,6%)</b>	<b>10,9%</b>	<b>10,9%</b>	<b>-</b>	<b>9,3%</b>	<b>9,2%</b>	<b>7,7%</b>	
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates		394,09	354,73	377,43	406,64	406,64	406,64	6,9%	434,60	455,81	476,91
Electricity: Basic levy			-						-	-	-
Domestic Capacity Charge (20 amps)									-	-	-
Electricity: Consumption		646,58	932,15	860,97	986,58	986,58	986,58	9,6%	1 081,10	1 195,80	1 304,38
Water: Basic levy											
Water: Consumption		415,79	440,79	465,03	483,63	483,63	483,63	5,7%	511,10	555,11	583,31
Sanitation		121,42	129,32	136,43	141,89	141,89	141,89	4,0%	147,56	155,09	164,01
Refuse removal		86,68	92,32	97,39	101,29	101,29	101,29	4,0%	105,34	113,81	122,11
Other											
<b>sub-total</b>		<b>1 664,56</b>	<b>1 949,31</b>	<b>1 937,25</b>	<b>2 120,03</b>	<b>2 120,03</b>	<b>2 120,03</b>	<b>7,5%</b>	<b>2 279,71</b>	<b>2 475,62</b>	<b>2 650,72</b>
VAT on Services		224,48	236,09	234,00	257,01	257,01	257,01	7,7%	276,77	302,97	326,07
<b>Total small household bill:</b>		<b>1 889,04</b>	<b>2 185,40</b>	<b>2 171,25</b>	<b>2 377,04</b>	<b>2 377,04</b>	<b>2 377,04</b>	<b>7,5%</b>	<b>2 556,48</b>	<b>2 778,60</b>	<b>2 976,79</b>
<b>% increase/-decrease</b>		<b>(7,6%)</b>	<b>15,7%</b>	<b>(0,6%)</b>	<b>9,5%</b>	<b>9,5%</b>	<b>-</b>	<b>7,5%</b>	<b>8,7%</b>	<b>7,1%</b>	
		(3,07)	(3,05)								
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3										
<b>Rates and services charges:</b>											
Property rates		231,58	208,45	221,79	238,95	238,95	238,95	6,9%	255,38	267,85	280,25
Electricity: Basic levy											
Electricity: Consumption		293,89	499,98	384,84	440,99	440,99	440,99	8,0%	476,28	526,82	574,65
Water: Basic levy											
Water: Consumption		276,65	293,31	309,44	321,82	321,82	321,82	5,7%	340,09	369,38	388,14
Sanitation											
Refuse removal											
Other											
<b>sub-total</b>		<b>802,12</b>	<b>1 001,74</b>	<b>916,06</b>	<b>1 001,75</b>	<b>1 001,75</b>	<b>1 001,75</b>	<b>7,0%</b>	<b>1 071,76</b>	<b>1 164,04</b>	<b>1 243,04</b>
VAT on Services		85,58	102,12	104,15	114,42	114,42	114,42	7,0%	122,46	134,43	144,42
<b>Total small household bill:</b>		<b>887,70</b>	<b>1 103,86</b>	<b>1 020,22</b>	<b>1 116,17</b>	<b>1 116,17</b>	<b>1 116,17</b>	<b>7,0%</b>	<b>1 194,22</b>	<b>1 298,47</b>	<b>1 387,46</b>
<b>% increase/-decrease</b>		<b>(12,9%)</b>	<b>24,4%</b>	<b>(7,6%)</b>	<b>9,4%</b>	<b>9,4%</b>	<b>-</b>	<b>7,0%</b>	<b>8,7%</b>	<b>6,9%</b>	

**Revenue by Functional classification and Municipal vote**

The municipality generates revenue from various sources managed within votes, as represented by directorates. Indicated in the table below is a presentation of revenue by functional classification.

NC091 Sol Plaatje - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>1 004 072</b>	<b>1 005 240</b>	<b>1 020 773</b>	<b>1 109 592</b>	<b>1 072 098</b>	<b>1 072 098</b>	<b>1 126 167</b>	<b>1 159 205</b>	<b>1 221 326</b>
Executive and council		463 786	431 480	419 084	478 759	440 992	440 992	470 256	471 620	502 076
Finance and administration		540 286	573 760	601 689	630 833	631 106	631 106	655 911	687 585	719 251
Internal audit		—	—	—	—	—	—	—	—	—
<i><b>Community and public safety</b></i>		<b>23 854</b>	<b>24 994</b>	<b>24 102</b>	<b>27 556</b>	<b>31 056</b>	<b>31 056</b>	<b>26 474</b>	<b>27 823</b>	<b>29 354</b>
Community and social services		9 816	10 359	10 785	10 980	11 480	11 480	11 348	11 934	12 591
Sport and recreation		2 987	2 624	1 131	3 315	3 315	3 315	1 905	2 007	2 117
Public safety		351	675	150	760	760	760	340	357	377
Housing		10 613	10 884	11 967	12 401	12 401	12 401	12 801	13 441	14 180
Health		87	453	69	100	3 100	3 100	80	84	89
<i><b>Economic and environmental services</b></i>		<b>22 638</b>	<b>22 283</b>	<b>17 700</b>	<b>23 286</b>	<b>37 686</b>	<b>37 686</b>	<b>16 015</b>	<b>16 825</b>	<b>17 752</b>
Planning and development		2 690	3 920	7 783	5 166	19 566	19 566	5 525	5 809	6 129
Road transport		19 948	18 363	9 917	18 120	18 120	18 120	10 490	11 016	11 623
Environmental protection		—	—	—	—	—	—	—	—	—
<i><b>Trading services</b></i>		<b>970 971</b>	<b>1 119 627</b>	<b>1 106 680</b>	<b>1 363 208</b>	<b>1 363 208</b>	<b>1 363 208</b>	<b>1 444 171</b>	<b>1 581 053</b>	<b>1 703 936</b>
Energy sources		566 794	680 359	671 706	877 157	877 157	877 157	935 854	1 033 648	1 126 442
Water management		270 001	294 031	286 254	328 612	328 612	328 612	345 167	373 990	393 149
Waste water management		77 321	84 025	86 142	86 848	86 848	86 848	92 200	97 015	102 563
Waste management		56 855	61 211	62 577	70 592	70 592	70 592	70 950	76 400	81 783
<i><b>Other</b></i>	<b>4</b>	<b>9 352</b>	<b>8 309</b>	<b>7 644</b>	<b>9 835</b>	<b>9 835</b>	<b>9 835</b>	<b>8 720</b>	<b>9 156</b>	<b>9 660</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>2 030 887</b>	<b>2 180 452</b>	<b>2 176 898</b>	<b>2 533 477</b>	<b>2 513 884</b>	<b>2 513 884</b>	<b>2 621 547</b>	<b>2 794 063</b>	<b>2 982 028</b>

In each vote, there are various cost centres or business units under the purview of a Manager responsible, such as Chief Town Planner, Revenue Management and Billing etc. a cost centre may be further broken down into sections, under the supervision of Sectional Head overseeing a specific function.

The table below represents revenue by municipal vote:

NC091 Sol Plaatje - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
01.1 - Councillor's Expenses		-	-	-	-	-	-	-	-	-
01.2 - Executive Mayor Admin		-	-	-	-	-	-	-	-	-
01.3 - Speakers Office Admin		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		463 786	431 480	419 084	478 759	440 992	440 992	470 256	471 620	502 076
02.1 - Municipal And General		463 652	431 480	417 436	478 459	440 692	440 692	469 456	470 740	501 143
02.2 - Mun : Insurance Fund - Short Term		134	-	1 648	300	300	300	800	880	933
02.3 - Mun : Workmen's Compensation Fund		-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
03.1 - Municipal Manager - Admin		-	-	-	-	-	-	-	-	-
03.2 - Internal Investigations		-	-	-	-	-	-	-	-	-
03.3 - Internal Audit		-	-	-	-	-	-	-	-	-
03.4 - Idp Unit		-	-	-	-	-	-	-	-	-
03.5 - Project Management Unit - Pmu		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6 007	1 415	6 247	6 804	7 078	7 078	6 873	6 942	7 019
04.1 - Corporate Services - Admin		-	-	-	-	-	-	-	-	-
04.2 - Office Services And Archives		106	104	69	84	84	84	73	77	79
04.3 - H R - Management		-	-	-	-	-	-	-	-	-
04.4 - H R - Recruitment And Benefits		-	-	-	-	-	-	-	-	-
04.5 - H R - Training And Development		852	1 311	1 517	1 220	1 494	1 494	1 300	1 365	1 440
04.6 - H R - Local Authority Training		5 049	-	4 661	5 500	5 500	5 500	5 500	5 500	5 500
04.7 - Publicity And Media Coordination		-	-	-	-	-	-	-	-	-
04.8 - Risk Management		-	-	-	-	-	-	-	-	-
04.9 - Security And Protection		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		96 992	99 474	90 521	110 627	114 127	114 127	101 913	108 936	116 109
05.1 - Community Services - Admin		-	-	-	-	-	-	-	-	-
05.2 - Emergency Services		297	635	138	700	700	700	300	315	332
05.3 - Biodiversity And Landscape		-	-	-	-	-	-	-	-	-
05.4 - Libraries		8 106	8 023	7 891	8 150	8 650	8 650	7 963	8 361	8 820
05.5 - Road Traffic Regulations		19 754	18 055	9 202	18 120	18 120	18 120	10 190	10 700	11 288
05.6 - Vehicle Licensing And Testing		7 142	6 097	6 606	6 760	6 760	6 760	7 100	7 455	7 865
05.7 - Vehicle Licensing And Testing		-	-	-	-	-	-	-	-	-
05.8 - Community Parks		-	-	-	-	-	-	-	-	-
05.9 - Sport Grounds And Stadiums		193	147	96	180	180	180	140	147	155
05.10 - Community Halls And Facilities		841	811	200	1 030	1 030	1 030	485	514	542
05.11 - Swimming Pools		298	326	212	365	365	365	350	369	390
05.12 - Cemeteries		869	1 524	2 693	1 800	1 800	1 800	2 900	3 060	3 228
05.13 - Resorts And Camping Sites Inside Spm		1 018	879	143	1 120	1 120	1 120	365	385	406
05.14 - Resorts And Camping Sites Outside Spm		690	596	450	850	850	850	550	580	612
05.15 - Resort Transka		789	676	230	800	800	800	500	525	554
05.16 - Health - Admin		-	-	-	-	-	-	-	-	-
05.17 - Health - Clinics		-	-	-	-	-	-	-	-	-
05.18 - Health - Inspections		87	453	69	100	3 100	3 100	80	84	89
05.19 - Health - Commonage And Pound		53	39	13	60	60	60	40	42	45
05.20 - Refuse - Pollution Control/Collection		56 855	61 211	62 577	70 592	70 592	70 592	70 950	76 400	81 783
05.21 - Refuse - Landfill Sites		-	-	-	-	-	-	-	-	-
05.22 - Refuse - Maintenance		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		533 870	571 568	594 906	623 229	623 229	623 229	648 238	679 804	711 345
06.1 - Financial Services Admin		-	-	-	-	-	-	-	-	-
06.2 - Financial Management Grant		-	-	1 700	1 650	1 650	1 650	1 700	1 700	1 700
06.3 - Asset And Risk		-	-	-	-	-	-	-	-	-
06.4 - Budget And Financial Reporting		1 026	-	-	-	-	-	-	-	-
06.5 - Budget And Financial Reporting		-	669	503	300	300	300	300	300	300
06.6 - Expenditure Creditors/Payroll		826	996	1 023	1 021	1 021	1 021	1 061	1 114	1 175
06.7 - Information Technology		-	-	-	-	-	-	-	-	-
06.8 - Billing Finance		514 108	555 550	571 099	603 757	603 757	603 757	627 676	658 314	688 783
06.9 - Property Rates And Valuations		-	-	-	-	-	-	-	-	-
06.10 - Real Estate & Property Management		-	-	-	-	-	-	-	-	-
06.11 - Debt Collection		17 909	14 352	20 581	16 501	16 501	16 501	17 501	18 376	19 387
06.12 - Supply Chain Management		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		5 309	6 910	9 357	9 041	23 441	23 441	7 945	8 350	8 810
07.1 - Sedp Admin		-	-	-	-	-	-	-	-	-
07.2 - Tourism		147	121	82	135	135	135	120	126	133
07.3 - Properties Services		410	778	536	800	800	800	800	840	886
07.4 - Economic Development And Planning		854	1 032	3 587	1 145	15 545	15 545	810	859	906
07.5 - Town Planning		902	1 258	1 080	1 501	1 501	1 501	1 500	1 575	1 662
07.6 - Building Inspectorate		934	1 630	3 116	2 520	2 520	2 520	3 215	3 376	3 561
07.7 - Properties Maintenance		-	-	-	-	-	-	-	-	-
07.8 - Markets And Street Trading		2 063	2 091	956	2 940	2 940	2 940	1 500	1 575	1 662
07.9 - Urban Renewal Program		-	-	-	-	-	-	-	-	-
Vote 08 - Infrastructure And Services		924 923	1 069 606	1 056 784	1 305 018	1 305 018	1 305 018	1 386 322	1 518 411	1 636 669
08.1 - Infrastructure Admin		-	-	-	-	-	-	-	-	-
08.2 - Ce - Water And Sanitation		-	-	-	-	-	-	-	-	-
08.3 - Public Toilets		-	-	-	-	-	-	-	-	-
08.4 - Mechanical Workshops		-	-	-	-	-	-	-	-	-
08.5 - Fleet		-	-	-	-	-	-	-	-	-
08.6 - Roads Planning And Design		-	-	-	-	-	-	-	-	-
08.7 - Road Construction And Maintenance		194	307	715	-	-	-	300	317	335
08.8 - Housing - Admin		10 613	10 884	11 967	12 401	12 401	12 401	12 801	13 441	14 180
08.9 - Housing - Maintenance		-	-	-	-	-	-	-	-	-
08.10 - Sewerage - Reticulation		77 321	84 025	86 142	86 848	86 848	86 848	92 200	97 015	102 563
08.11 - Sewerage - Treatment		-	-	-	-	-	-	-	-	-
08.12 - Sewerage - Maintenance		-	-	-	-	-	-	-	-	-
08.13 - Water - Treatment		-	-	-	-	-	-	-	-	-
08.14 - Water - Distribution		270 001	294 031	286 254	328 612	328 612	328 612	345 167	373 990	393 149
08.15 - Water - Maintenance		-	-	-	-	-	-	-	-	-
08.16 - Electricity - Admin		566 794	680 359	671 706	877 157	877 157	877 157	935 854	1 033 648	1 126 442
08.17 - Electricity - Maintenance		-	-	-	-	-	-	-	-	-
08.18 - Electricity - Streetlights Maintenance		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2 030 887	2 180 452	2 176 898	2 533 477	2 513 884	2 513 884	2 621 547	2 794 063	2 982 028

## 6. Operating Expenditure Framework

The municipality's expenditure for the 2022/23 budget and MTREF is informed by the following:

- The municipality's current financial position
- Modelling of feasible and sustainable budgets over the medium term,
- Cognisance of international, national and local economic- and fiscal conditions,
- Expenditure limits set by realistic and realisable revenue levels
- The municipality's asset renewal strategy and its medium to long term asset repairs and maintenance goals,
- Relevant (budget and other) legislative imperatives,
- and operational gains and efficiencies directed to fund areas of strategic priority and known commitments.
- GRAP standard iGRAP 1 relating to internal consumption and discount on early payment.
- The principles of cost containment and elimination of wasteful expenditure, reprioritisation of spending and attainment of savings.

The following table presents the operational expenditure by type for 2022/23 MTREF.

NC091 Sol Plaatje - Table A4 Budgeted Financial Performance (revenue and expenditure)							
Description	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Expenditure By Type</b>							
Employee related costs	836 388	841 588	841 588	508 829	849 403	897 908	947 480
Remuneration of councillors	34 547	34 547	34 547	19 646	34 547	36 275	38 270
Debt impairment	275 000	275 000	275 000	137 504	297 000	316 170	337 015
Depreciation & asset impairment	79 150	79 150	79 150	–	81 050	85 265	89 954
Finance charges	22 261	63 461	63 461	13 974	38 960	38 488	37 910
Bulk purchases - electricity	647 000	647 000	647 000	460 887	682 000	763 840	840 224
Inventory consumed	279 331	231 530	231 530	37 644	236 627	244 648	261 393
Contracted services	46 687	41 222	41 222	19 373	46 437	48 812	51 352
Transfers and subsidies	4 850	4 850	4 850	1 996	4 460	4 568	4 677
Other expenditure	119 770	132 482	132 482	106 809	134 643	141 656	149 233
Losses	–	70 760	70 760	–	60 000	63 300	66 763
<b>Total Expenditure</b>	<b>2 344 984</b>	<b>2 421 590</b>	<b>2 421 590</b>	<b>1 306 662</b>	<b>2 465 128</b>	<b>2 640 928</b>	<b>2 824 271</b>

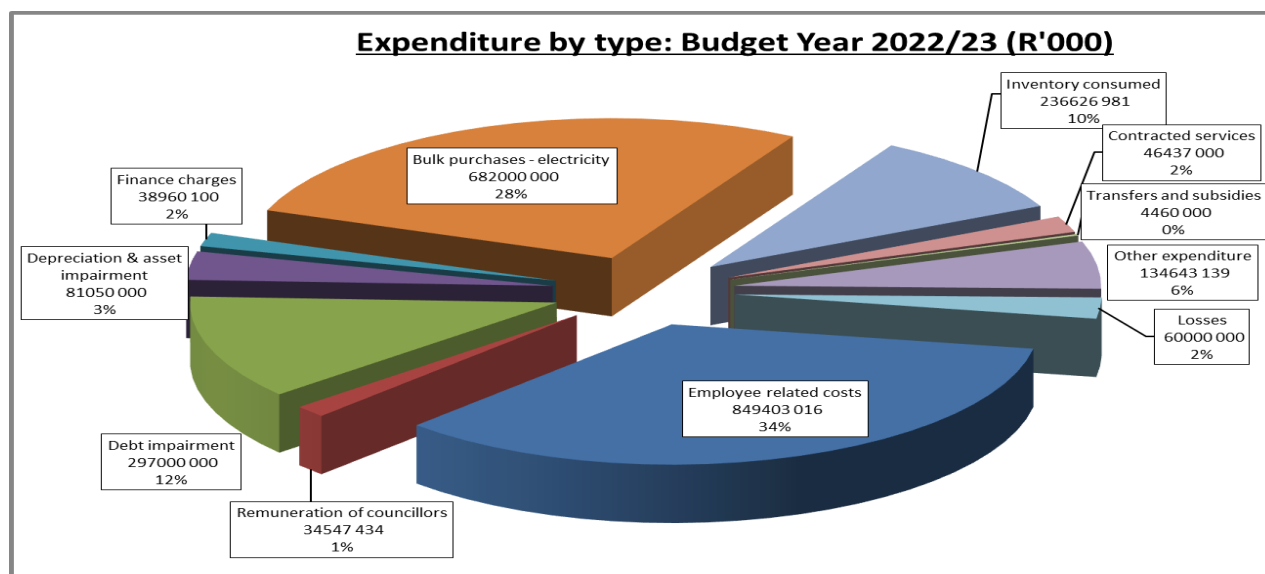
Indicated in the table below is the % contribution and growth year on year for each expenditure by type.

NC091 Sol Plaatje - Table A4 Budgeted Financial Performance (revenue and expenditure)														
Description	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework									
R thousand	Original Budget	% Contribution	Adjusted Budget	% Contribution	Budget Year 2022/23	% Contribution	% Growth 2021/22 to 2022/23	% Growth 2021/22 to 2022/23	Budget Year +1 2023/24	% Contribution	% Growth 2022/23 to 2023/24	Budget Year +2 2024/25	% Contribution	% Growth 2023/24 to 2024/25
Expenditure By Type							Original Budget	Adjusted Budget						
Employee related costs	836 388	35,7%	841 588	34,8%	849 403	34,5%	1,6%	0,9%	897 908	34,0%	5,7%	947 480	33,5%	5,5%
Remuneration of councillors	34 547	1,5%	34 547	1,4%	34 547	1,4%	0,0%	0,0%	36 275	1,4%	5,0%	38 270	1,4%	5,5%
Debt impairment	275 000	11,7%	275 000	11,4%	297 000	12,0%	8,0%	8,0%	316 170	12,0%	6,5%	337 015	11,9%	6,6%
Depreciation & asset impairment	79 150	3,4%	79 150	3,3%	81 050	3,3%	2,4%	2,4%	85 265	3,2%	5,2%	89 954	3,2%	5,5%
Finance charges	22 261	0,9%	63 461	2,6%	38 960	1,6%	75,0%	-38,6%	38 488	1,5%	-1,2%	37 910	1,3%	-1,5%
Bulk purchases	647 000	27,6%	647 000	26,7%	682 000	27,7%	5,4%	5,4%	763 840	28,9%	12,0%	840 224	29,8%	10,0%
Inventory consumed	279 331	11,9%	231 530	9,6%	236 627	9,6%	-15,3%	2,2%	244 648	9,3%	3,4%	261 393	9,3%	6,8%
Contracted services	46 687	2,0%	41 222	1,7%	46 437	1,9%	-0,5%	12,7%	48 812	1,8%	5,1%	51 352	1,8%	5,2%
Transfers and grants	4 850	0,2%	4 850	0,2%	4 460	0,2%	-8,0%	-8,0%	4 568	0,2%	2,4%	4 677	0,2%	2,4%
Other expenditure	119 770	5,1%	132 482	5,5%	134 643	5,5%	12,4%	1,6%	141 656	5,4%	5,2%	149 233	5,3%	5,3%
Loss on disposal of PPE	-	0,0%	70 760	2,9%	60 000	2,4%		-15,2%	63 300	2,4%	5,5%	66 763	2,4%	5,5%
<b>Total Expenditure</b>	<b>2 344 984</b>	<b>100,0%</b>	<b>2 421 590</b>	<b>100,0%</b>	<b>2 465 128</b>	<b>100,0%</b>	<b>5,1%</b>	<b>1,8%</b>	<b>2 640 928</b>	<b>100,0%</b>	<b>7,1%</b>	<b>2 824 271</b>	<b>100,0%</b>	<b>6,9%</b>

The total operating expenditure budget amounts to R2,344,984 billion for 2021/22 financial year. The budget increases by 15% when compared to 2020/21 Adjustment budget. It should be noted that the treatment of Inventory consumed which previously resorted under Other materials changed. Hence not all Inventory consumed populates correctly, this matter was briefly discussed with National Treasury on how to handle the change in the A-schedules but will be formally discussed with National Treasury.

The operating expenditure budget is presented by type, by vote and by functional classification as per Schedule A, attached as an annexure to this report, See Table A1, A2, A3 and A4. These are some of major cost drivers than informs the expenditure framework for 2022/23 MTREF.

The above table further indicates the ratio of each expenditure by type against overall expenditure budget. The Employee costs is 34% of the total operational budget, whilst Inventory consumed and Contracted services amounts to 10% and 2% respectively, and Bulk purchases with a weighting of 28% and Debt impairment with a weighting of 12%. Operational costs resorting under Other expenditure comprises 6% the budget.



Indicated in the pie chart above is the weighting per expenditure type for 2022/23 financial year:

The major operational expenditure budget allocations include:

### **Employee related costs**

Employee related costs amounting to R849,403 million equates to 34% of the total operating budget. The 2022/23 cost of living increase was budgeted at 4.1%. Negotiations for Salary and Wage Collective Agreement for the period 01 July 2022 to 30 June 2023 is still under way. For the draft budget no provision has been made for any danger allowance, due to affordability. Preliminary cost implication is estimated at R8 to 9 million per annum. These include the salary packages for the municipal manager and managers reporting directly to the Municipal Manager. It should be noted that the upper limits gazette for the annual salary increases of Senior Managers and Councillors were last released in 2018/19 and as such, there is a liability by council of annual salary adjustments for 2019/20, 2020/21 and the current year 2021/22.

As 31 July 2021, the municipality had the following in place in respect of staff establishment:

- Staff complement per the approved organogram: 2701
- Permanent Staff: 1 907 and Contract Staff: 199
- Vacancies: 794
- Vacancy rate: (29%)
- Vacant and Funded Positions: 203
- Vacant Critical Positions: 5(Municipal Manager, Petitions Officer, IDP Manager; Snr Manager Housing; City Engineer: Water and Sanitation). The Revenue and Expenditure Manager's posts within Finance are also vacant.

There are 65 councillors, which includes 33 ward councillors as per the latest demarcations for 2021 Local Government Elections.

### **Councillor's remuneration**

The municipality has an Executive Mayor with a Mayoral Committee System. Members of the Mayoral Committee are also Chairperson of Municipal Systems Act Section 80, as well as Chairperson of Committees established in terms of Section 79 of the same act. The Executive Mayor, Speaker and Members of Mayoral Committee are full-time and are fully provided with tools of trade and fully furnished offices. All other Councillors are part time. Indicated below is the budgeted packages for councillors:

**NC091 Sol Plaatje - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		–	–	991 012			991 012
Chief Whip			–	–	–			–
Executive Mayor			–	–	1 226 294			1 226 294
Deputy Executive Mayor			–	–	–			–
Executive Committee			–	–	9 321 913			9 321 913
Total for all other councillors			–	–	23 008 215			23 008 215
<b>Total Councillors</b>	8	–	–	–	34 547 434			34 547 434
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1 886 117	1 785	191 100			2 079 002
Chief Finance Officer			1 477 939	270 196	464 800			2 212 935
SM D01			1 427 134	268 523	459 356			2 155 013
SM D02			1 363 401	247 950	424 293			2 035 644
SM D03			1 449 569	249 716	381 194			2 080 479
SM D04			1 248 575	423 671	404 374			2 076 620

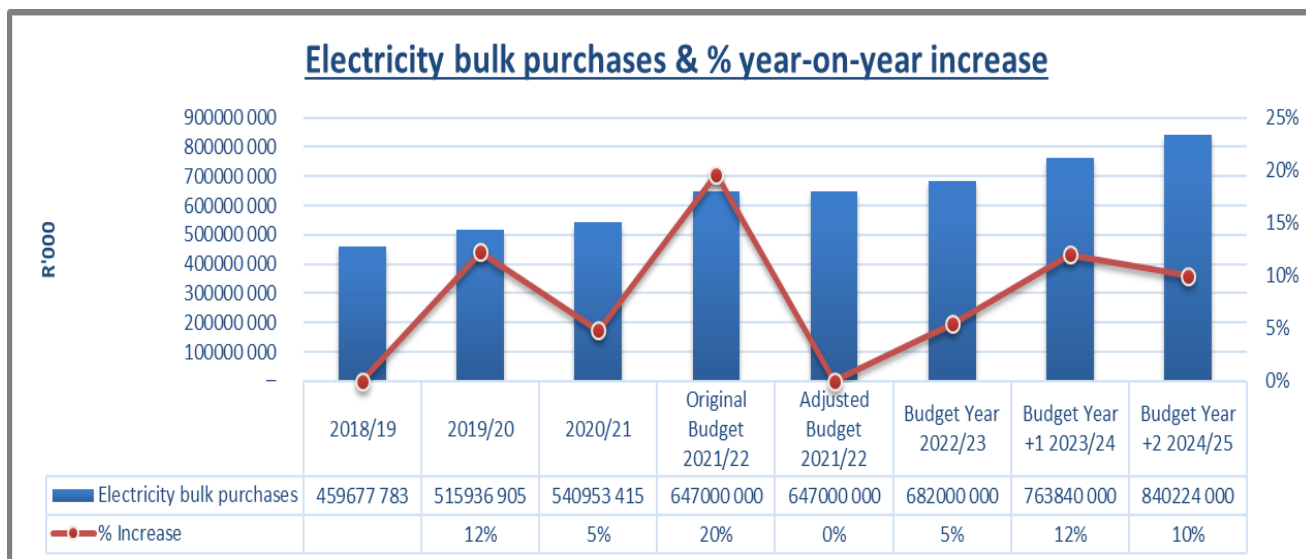
## Bulk purchases

Bulk purchases for this MTREF on refers to electricity with the total budget of R647,000 million. Bulk purchases water has been transferred to Inventory consumed as per directive from National Treasury and GRAP 12. The estimates were based on the current demand and the projected growth in demand, and have considered the guidelines for price increases as informed by NERSA of 6.82% for bulk purchases, whilst the minimum allowed percentage increase on municipal tariffs is 6.82%. Costs of bulk constitutes 27.6% of operating expenditure budget.

The total budget for bulk electricity is indicated in the table below

NC091 Sol Plaatje - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'								
Description	Audited Outcome	Audited Outcome	Audited Outcome	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	2018/19	2019/20	2020/21	Original Budget 2021/22	Adjusted Budget 2021/22	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Electricity bulk purchases	459 678	515 937	540 953	647 000	647 000	682 000	763 840	840 224
% Increase		12%	5%	20%	0%	5%	12%	10%





## Finance charges

Finance charges consist of repayment of interest on long term borrowing. The amount budgeted for 2021/22 is R38,960 million, equivalent to 0.9% of the total operating expenditure budget. It should be noted that due to the defaulting of the ESKOM bulk account during 2021/22 Adjusted budget the municipality was obligated to make provision of R18,000 million for Interest incurred on overdue accounts. For the 2022/23 MTREF no provision was made for this as the municipality must take all reasonable steps to prevent Fruitless and wasteful expenditure.

Description	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Finance charges	22 261	63 461	63 461	38 960	38 488	37 910

## Contracted services

Contracted services allocation is R46,687 million. Approximately half of the budget is for budgeted commission on prepaid vending under Outsourced services.

NC091 Sol Plaatje - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
<b>Contracted services</b>											
Outsourced Services		33,443	26,657	23,385	29,195	33,695	33,695	14,359	30,755	32,553	34,438
Consultants and Professional Services		11,133	3,281	5,076	5,788	5,888	5,888	1,599	5,612	5,698	5,792
Contractors		8,778	12,403	9,886	9,965	9,965	9,965	3,755	10,320	10,922	11,541
<b>Total contracted services</b>		<b>53,354</b>	<b>42,342</b>	<b>38,346</b>	<b>44,948</b>	<b>49,548</b>	<b>49,548</b>	<b>19,713</b>	<b>46,687</b>	<b>49,173</b>	<b>51,770</b>

Indicated in the table below is detailed budget per mSCOA line item

NC091 Sol Plaatje - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Contracted services											
Outsourced Services		3 281	5 076	4 023	5 612	6 112	6 112	1 196	5 617	5 699	5 792
Consultants and Professional Services		12 403	9 886	5 358	10 320	9 295	9 295	2 280	9 085	9 542	10 064
Contractors		26 657	23 385	31 270	30 755	25 815	25 815	15 898	31 735	33 571	35 496
Total contracted services		42 342	38 346	40 651	46 687	41 222	41 222	19 373	46 437	48 812	51 352

## Inventory consumed

Indicated in the table below is the breakdown on Inventory consumer as per supporting table SA1.

NC091 Sol Plaatje - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Inventory Consumed											
Inventory Consumed - Water		-	-	-	114 000	45 240	45 240	-	60 000	63 300	66 800
Inventory Consumed - Other		45 612	48 468	53 848	165 331	186 290	186 290	37 875	176 627	181 348	194 593
Total Inventory Consumed & Other Material		45 612	48 468	53 848	279 331	231 530	231 530	37 875	236 627	244 648	261 393

Inventory consumed - Water, previously bulk purchases water is budgeted at R114,000 million for the 2021/22 financial year. Inventory consumed – Other is budgeted at R165,331 million for 2021/22.

## Repairs and maintenance by Asset class

The municipality manages more than 580km of tarred and paved roads and about 250km of dirt roads. The management of roads includes storm water drainage system, kerbings, pavements and sub-ways. There is no rail network under the management of the municipality. However, there is an agreement in place for the maintenance of railway lines where the municipality has servitudes.

The municipality has an exclusive license for the distribution of electricity, as such it manages bulk electricity infrastructure and network reticulation. The municipality also implements integrated electrification projects within its jurisdiction.

The municipality has a major Sewerage Treatment Plant and other small sewerage treatment plants across the city including Ritchie. As such boiler making, fitters and turners as well as mechanic workshops are part of resources of the municipality. The municipality extracts water from Riverton, South of the City, located at about 35km. There is a purification plant as well as pump station in Riverton. The bulk water distribution line stretches over 45 km from Riverton to Kimberley Water Works where major reservoirs are located. This forms part of critical infrastructure of the municipality.

The municipality provides refuse collection function and owns a fleet of refuse compactors in this regard. The mechanical workshop also maintains municipal fleet. Only in specific circumstances that the manufacturer or dealer maintains fleet.

Though the mSCOA has dealt away with the classification of expenditure as maintenance. In as far as management reporting is concerned, the municipality has created reporting mechanisms to ensure that adequate budgeting is allocated for the maintenance of infrastructure. Service delivery and revenue generation are dependent on how well and efficient the infrastructure is operated and maintained.

The table below indicates appropriation of budget for repairs and maintenance by asset class.

NC091 Sol Plaatje - Table A9 Asset Management										
Description	Ref	2018/19	2019/20	2020/21	CURRENT YEAR 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>EXPENDITURE OTHER ITEMS</b>		<b>294 143</b>	<b>287 242</b>	<b>306 905</b>	<b>347 876</b>	<b>358 248</b>	<b>358 248</b>	<b>362 107</b>	<b>382 257</b>	<b>406 013</b>
<b>Depreciation</b>	7	61 697	69 409	63 881	79 150	79 150	79 150	81 050	85 265	89 954
<b>Repairs and Maintenance by Asset Class</b>	3	<b>232 446</b>	<b>217 834</b>	<b>243 024</b>	<b>268 726</b>	<b>279 098</b>	<b>279 098</b>	<b>281 057</b>	<b>296 992</b>	<b>316 059</b>
Roads Infrastructure		42 323	46 057	47 389	45 195	45 400	45 400	51 355	53 642	58 258
Storm water Infrastructure		598	—	542	600	1 245	1 245	570	601	637
Electrical Infrastructure		56 875	52 173	57 938	64 176	63 416	63 416	67 247	71 430	75 568
Water Supply Infrastructure		36 640	37 718	44 102	45 998	56 168	56 168	49 386	52 349	55 490
Sanitation Infrastructure		28 872	20 370	24 371	30 903	32 587	32 587	31 725	33 473	35 316
Solid Waste Infrastructure		18 778	13 991	14 983	22 978	22 748	22 748	21 968	23 243	24 615
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		1 329	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
<b>Infrastructure</b>		<b>185 414</b>	<b>170 309</b>	<b>189 325</b>	<b>209 850</b>	<b>221 564</b>	<b>221 564</b>	<b>222 251</b>	<b>234 738</b>	<b>249 884</b>
Community Facilities		2 916	1 785	2 746	3 420	3 606	3 606	3 175	3 642	3 843
Sport and Recreation Facilities		401	533	443	790	700	700	710	455	480
<b>Community Assets</b>		<b>3 318</b>	<b>2 318</b>	<b>3 188</b>	<b>4 210</b>	<b>4 306</b>	<b>4 306</b>	<b>3 885</b>	<b>4 097</b>	<b>4 324</b>
<b>Heritage Assets</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Revenue Generating		6 653	6 357	6 991	7 509	7 269	7 269	7 899	8 373	8 869
Non-revenue Generating		—	—	—	—	—	—	—	—	—
<b>Investment properties</b>		<b>6 653</b>	<b>6 357</b>	<b>6 991</b>	<b>7 509</b>	<b>7 269</b>	<b>7 269</b>	<b>7 899</b>	<b>8 373</b>	<b>8 869</b>
Operational Buildings		13 924	12 760	13 215	14 890	14 790	14 790	15 281	16 198	17 182
Housing		—	—	—	—	—	—	—	—	—
<b>Other Assets</b>		<b>13 924</b>	<b>12 760</b>	<b>13 215</b>	<b>14 890</b>	<b>14 790</b>	<b>14 790</b>	<b>15 281</b>	<b>16 198</b>	<b>17 182</b>
<b>Biological or Cultivated Assets</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
<b>Intangible Assets</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Computer Equipment		—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		1 261	1 051	1 183	1 684	1 642	1 642	1 723	1 810	1 910
Machinery and Equipment		17 095	21 657	24 900	24 179	23 556	23 556	24 597	26 061	27 850
Transport Assets		4 782	3 383	4 221	6 404	5 970	5 970	5 422	5 716	6 040
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>294 143</b>	<b>287 242</b>	<b>306 905</b>	<b>347 876</b>	<b>358 248</b>	<b>358 248</b>	<b>362 107</b>	<b>382 257</b>	<b>406 013</b>

## Cost containment strategies

The municipality has taken note of cost containment regulations as well as MFMA Circular 82, on cost containment. The cost containment policy has been approved by Council. The following are incorporated in the budget assumptions:

The municipality have clamped down on procurement deviations which to a large degree should also address irregular expenditure, where deviations are in non-compliance with SCM Regulation 36.

## Sourcing of quotations has been centralised to SCM.

Travel and accommodation: that travelling must be absolutely necessary. Attendance of conferences and seminars that are paid for will be approved by the relevant Executive Director or Municipal Manager, and this

must be linked to skills development and capacitation of the individual. The Covid-19 regulations also assisted in this regard, in that the majority of meetings or seminars are done virtually.

The procurement of newspapers has been limited to the following sections: mayor and speaker's office, MM and Communication's office and Libraries.

The procurement of bottled water, beverages and refreshments have also been stopped and limited to the mayor and speaker's office within reasonable limits. The procurement of diaries was stopped.

The majority of all users have a limit on outgoing calls of fifty rand and each section carries that cost including the rental cost per extension allocated. The municipality has installed vehicle tracking devices to monitor use and abuse of municipal vehicle.

Purchase of furniture and the replacement of tools of trade such as computers, printers and switching between laptops and desktops are now under scrutiny. The asset condition must be analysed first, and efforts must be made to identify another user within the organisation prior to replacing and disposing of the asset.

## Covid-19 expenditure

Provision has been made through the existing budgets of individual sections, for Covid-19 PPE consumables like masks, sanitisers. Indicated in the table below is a breakdown of the Covid-19 adjustment for 2020/21 amounting to R29,570 million. It is anticipated that the additional allocation will not be fully spent at year-end. The hire of water tankers for water distribution to communities is a concern as the Department of Water and Sanitation withdrew due to limited funds, so now it is the sole responsibility of the municipality to provide water to communities. Total budgeted cost is R4.5m. The municipality used to hire 4 water tankers per month but this had to be increased to 7 water tankers. As indicated below, the request for a rollover will go a long way in continuation of this service. The rental of chemical toilets amounting to R3m will also form part of the rollover request. However, provision has been made under Operational Cost: Indigent Relief.

Description (R'000)	Original Budget 2021	Covid-19 Amendment 2021	Budget virements	Total Budget 2021	Budget 2122	Adjustment Budget 2122	Budget 2223	Budget 2324	Purpose
CONTR: SEWERAGE SERVICES	-	3,000,000	-	3,000,000	-	-	-	-	Rental of Chemical Toilets
OC: ADV/PUB/MARK - MUNICIPAL NEWSLETTERS	570,000	70,000	-	640,000	450,000	420,000	450,000	472,500	Community and awareness campaigns
OC: HIRE CHARGES	-	3,000,000	-	3,000,000	-	-	-	-	Hire of water tankers for water distribution to communities
OC: UNIFORM & PROTECTIVE CLOTHING	5,193,000	10,500,000	68,000	15,761,000	5,037,600	5,844,600	5,569,000	5,884,000	Procurement of Sterile Gloves, Goggles/ Face-shield/Viser, Surgical mask 3 PLY & KN95, Apron, Gown, Heavy duty gloves, Boot covers, Disposal coverall suits
OC: INDIGENT RELIEF	4,180,000	-	-	4,180,000	4,180,000	7,180,000	9,600,000	10,340,000	Rental of Chemical Toilets & Indigent subsidy
INV-CONSUMABLE-SR/CLEAN MATERIALS	2,107,000	8,000,000	89,000	10,196,000	2,164,000	2,250,000	2,189,000	2,305,880	Procurement of Sanitizer, Disinfectants, Sanitising and decontamination chemicals, Handwash, Spray bottles, Ante-bacterial soap, Jik / Bleach
INVENTORY - MATERIALS & SUPPLIES	300,000	3,500,000	40,000	3,760,000	350,000	450,000	374,000	400,000	Procurement of Perspex Screens, Infrared thermometers, non - contact thermometers
<b>Total</b>	<b>12,350,000</b>	<b>28,070,000</b>	<b>117,000</b>	<b>40,537,000</b>	<b>12,181,600</b>	<b>16,144,600</b>	<b>18,182,000</b>	<b>19,402,380</b>	

Procurement of Covid-19 PPE is handled by Logistic - Stores section within SCM and all procurement and issuing is done through Stores.

These are the protocols currently in place:

### **Issuing of PPE:**

Sections need to complete a requisition with their quantities / needs authorised (by Supervisor).

Completed Requisitions still need to be submitted to Health and safety officer for approval and verification of Risk Assessment / Needs before submitting to Stores.

Supervisors or appointed Team Leaders to collect stock and sign for it after approval.

Supervisors or appointed Team Leaders will be responsible to keep registers of issuing stock to employees working during this time.

As per the MFMA Circular 108 the following prerequisites are applicable for Rollover request against the Covid-19 allocated through the Equitable Share:

“Municipalities are therefore required to provide the following information to National Treasury in order to prove that the unspent funds are committed and also provide approval to allow the unspent funds to be spent in the 2022/23 financial year.

1. Provide the contracts that are linked to the response of the Covid-19 pandemic in line with the provisions made in the 2022 DoRA;
2. Reasons why the funds were not fully spent during the year of original allocation per the DoRA;
3. Accurate disclosure of Covid-19 allocation expenditure in the 2021/22 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS); and
4. Any expenditure incurred against the unspent Covid-19 funds that was not approved for the rollover will be regarded as unauthorized expenditure.”

### **Expenditure per function classification and municipal vote**

NC091 Sol Plaatje - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)										
Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Expenditure - Functional										
Governance and administration		549 422	545 801	640 979	683 100	686 574	686 574	712 851	743 381	786 852
Executive and council		334 155	318 151	400 365	405 549	408 749	408 749	428 654	444 784	471 830
Finance and administration		209 917	221 765	234 323	270 570	270 844	270 844	277 659	291 732	307 779
Internal audit		5 350	5 886	6 291	6 982	6 982	6 982	6 538	6 865	7 243
Community and public safety		154 197	163 275	166 029	183 469	186 969	186 969	181 961	195 476	205 815
Community and social services		36 073	38 327	40 133	42 230	42 820	42 820	43 119	49 741	52 021
Sport and recreation		47 061	48 493	47 702	55 822	55 732	55 732	53 283	55 744	58 810
Public safety		35 366	39 304	38 887	43 502	43 502	43 502	43 948	46 233	48 784
Housing		19 964	20 479	21 940	23 480	23 480	23 480	22 768	23 974	25 328
Health		15 732	16 672	17 367	18 435	21 435	21 435	18 842	19 784	20 872
Economic and environmental services		113 485	118 038	123 036	139 819	141 012	141 012	141 936	149 308	157 723
Planning and development		40 914	40 068	39 994	48 172	48 390	48 390	47 872	50 348	53 116
Road transport		71 954	77 332	82 378	90 936	91 911	91 911	93 326	98 186	103 790
Environmental protection		618	637	665	711	711	711	737	774	817
Trading services		1 023 507	1 088 683	1 214 239	1 313 216	1 381 656	1 381 656	1 402 477	1 525 542	1 645 164
Energy sources		644 809	698 314	749 833	857 928	889 928	889 928	915 683	1 010 851	1 101 097
Water management		240 218	265 093	314 140	296 663	326 563	326 563	322 469	340 077	358 491
Waste water management		79 071	69 878	91 753	88 033	94 573	94 573	93 375	98 215	103 793
Waste management		59 408	55 398	58 513	70 592	70 592	70 592	70 950	76 400	81 783
Other	4	20 374	21 041	22 076	25 380	25 380	25 380	25 903	27 221	28 718
Total Expenditure - Functional	3	1 860 985	1 936 838	2 166 359	2 344 984	2 421 590	2 421 590	2 465 128	2 640 928	2 824 271
Surplus/(Deficit) for the year		169 902	243 615	10 539	188 493	92 293	92 293	156 419	153 134	157 757

NC091 Sol Plaatje - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2018/19	2019/20	2020/21	Current year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Expenditure by Vote to be appropriated	1									
Vote 01 - Executive & Council		46 045	52 931	53 090	57 883	57 883	57 883	58 915	61 861	65 263
Vote 02 - Municipal And General		277 590	253 782	335 678	335 456	338 656	338 656	357 885	370 477	393 436
Vote 03 - Municipal Manager		16 144	21 336	22 272	25 025	25 025	25 025	23 528	24 705	26 064
Vote 04 - Corporate Services		62 302	64 204	63 012	73 211	73 485	73 485	74 419	77 848	81 773
Vote 05 - Community Services		244 132	250 522	259 526	297 403	300 903	300 903	297 675	318 812	337 080
Vote 06 - Financial Services		115 007	117 561	126 380	152 611	152 611	152 611	157 404	165 377	174 379
Vote 07 - Strategy Econ Development And Planning		54 587	52 401	53 419	59 374	59 592	59 592	61 468	64 785	68 422
Vote 08 - Infrastructure And Services		1 045 177	1 124 100	1 252 983	1 344 020	1 413 435	1 413 435	1 433 833	1 557 063	1 677 855
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 860 985	1 936 838	2 166 359	2 344 984	2 421 590	2 421 590	2 465 128	2 640 928	2 824 271
Surplus/(Deficit) for the year	2	169 902	243 615	10 539	188 493	92 293	92 293	156 419	153 134	157 757

## 7. Capital Expenditure Framework

The capital budget for 2022/23 is R190.043 million funded as per the table below. Capital grants and donations make up 71% of the total funding sources, and internally generated funds contribute 29% to the total capital funding mix. The total projected grant receipts for the 2022/23 MTREF amount to R390,097 million whilst internally generated funds amount to R55, 705 million.

Funding sources of capex	2022/23 Medium Term Revenue & Expenditure Framework				
Funding sources of capex	Current Year 2021/22	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Total Capex over MTREF
	R'000	R'000	R'000	R'000	R'000
Capital transfers	141 666	134 338	120 786	134 973	390 097
Borrowing		–	–	–	–
Internally generated funds	25 000	55 705	33 382	29 096	118 183
<b>Total Capex</b>	<b>166 666</b>	<b>190 043</b>	<b>154 168</b>	<b>164 069</b>	<b>508 280</b>
Year-on-year R-Value (Increase / Decrease) in Capital transfers	–	(7 328)	(13 552)	14 187	–
Year-on-year R-Value (Increase / Decrease) in Internally generated funds	–	30 705	(22 323)	(4 286)	–
Year-on-year R-Value (Increase / Decrease) in Capex	–	23 377	(35 875)	9 901	–
Year-on-year % (Increase / Decrease) in Capital transfers	–	-5%	-10%	12%	–
Year-on-year % (Increase / Decrease) in Internally generated funds	–	123%	-40%	-13%	–
Year-on-year % (Increase / Decrease) in Capex	–	14%	-19%	6%	–
Weighting Capital transfers	85%	71%	78%	82%	77%
Weighting Borrowing	0%	0%	0%	0%	0%
Weighting Internally Generated Funds	15%	29%	22%	18%	23%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### Long-term borrowing

The municipality has not taken any new long-term borrowings in the current financial year to fund the capital budget as per S18 of the MFMA. Due to the current financial crisis, no new long-term loans can be entered into for the foreseeable future. The municipality has always been very conservative when taking up new loans, and always gave due consideration to the impact it will have on tariffs increases and the affordability of tariffs which can negatively impact the municipality's ability to service new loans taken up. The Current and Debt (Total Borrowings) / Revenue ratios has always been above the norm, however from a liquidity perspective the municipality will not be able to meet any additional long-term commitments.



## PART 2: SUPPORTING DOCUMENTATION

### 8. Overview of IDP and Annual Budget Process

The 2017 to 2022 IDP cycle marks its end on 30 June 2022, and the Fifth IDP Cycle is set to begin on 1 July 2022 ending 30 June 2027. To effect this, the municipality therefore adopted an IDP and Budget Process aimed at developing a new IDP. Due to late elections which took place in November, and the speculations that elections could take place in February of 2022, the uncertainty led to a “wait and see” situation to a point that, to date, only research has been concluded and the new councillors are yet to determine their priorities for 2022 to 2027 IDP Cycle.

The IDP process is guided by various legislation, policies and guidelines which require careful consideration when the document is compiled. These include amongst others the following:

- SA Constitution, Act 108 of 1996 White paper on Local Government
- Municipal Structures Act, 117 of 1998, Municipal Systems Act, 32 of 2000
- Municipal Planning & PMS Regulations (2001) Municipal Finance Management Act, Act 56 of 2003
- Intergovernmental Relations Framework Act, Act 13 of 2006

According to Section 28(1) of the Municipal System Act, 32 of 2000 and Section 21(1)(b), a municipal council must adopt a process set out in writing to guide the planning, drafting and review of its IDP. Council adopted the Process Plan at a meeting held on 26 August 2021 and is attached as **Annexure 1 in the IDP** document under Section 5 of the Budget document. The process plan enhances integration and alignment between the IDP and the Budget, thereby ensuring the development of an IDP-based budget.

#### The Overview of the process and project prioritisation principle

The 2021/22 financial year is the fifth year of the IDP Cycle 2017 to 2022. As such, the IDP Review Process focused mainly on mid-term performance of the IDP targets set for 2020/21, and the key priorities as set out for 2021/22 and ensure that there is consensus in this regard and that the plan is funded accordingly.

The IDP and Budget Process is quite critical for transparency, inclusivity and participation of both internal and external stakeholders. The process outlines the current and future direction of the municipality and how this will be achieved in order to meet the constitutional obligations. IDP and Budgeting is about the choices that must be made between competing priorities under the prevailing fiscal realities.

Section 21 of the MFMA requires that a time schedule setting out the process to draft the IDP and prepare the budget be tabled ten months before the start of the next financial year. The main aim of the timetable is to ensure integration between the Integrated Development Plan, the budget and allied process towards tabling a balanced and funded budget.

The purpose of the 2022/23 Medium Term Budget is to comply with the Municipal Finance Management Act (No. 56 of 2003) and is a financial plan to enable the municipality to achieve its vision and mission through

the IDP which is informed by the five-year programme and community/stakeholder inputs. The tabled budget is the start of a journey towards the final budget for approval. It will include many processes both politically and administratively, amongst others, consultations with communities in the municipal area.

The IDP's strategic focus areas informed the development of the budget, in addition to assessing the relative capacity to implement the budget, taking affordability considerations into account. Further deliberations were held on the budget with a view to assessing the budget and reducing the deficit in order to ensure that the increases in rates and tariffs to balance the budget were restricted to an acceptable level. In order to address the concept of a credible and funded budget, an inflation related increase in service charges was agreed upon, as these will ensure reasonable levels of tariffs and also to conform to National Treasury cost containment guidelines.

The only mechanism through which the needs of the municipality are identified and priorities set, is the Integrated Development Plan (IDP). The capital budget is then accordingly allocated to cover the higher priority projects in the IDP, considering funding availability and in cases where projects are grant funded, the conditions of the grant must be noted as per the applicable Division of Revenue Act. A series of meetings were held to ensure that the budget is prioritized, balanced and aligned to Councils IDP. A review of the capital borrowings and capital spending took place; however, no decision has been made as yet on projects to be funded through approved long-term borrowing, due to financial constraints in terms of affordability.

Capital budget allocations are often made at a project level through a prioritization process. In dealing with capital finance allocations, the municipality aimed to maintain a strategic balance between

- the social objective of eradicating service backlogs and providing infrastructure to the poor,
- the economic growth objective of providing infrastructure to support economic growth and increased municipal revenue, and
- the objective of providing for rehabilitation and/or replacement of existing assets that had reached the end of their useful lives.

Capital budgets as approved per the 2022/23 MTREF was used as a base for prioritization. Projects with contractual commitments were given priority with funding being allocated to committed projects in the first instance. The impacts of projects expected to be rolled over from the 2021/22 year was also considered. The line departments had to specify how the capital projects in their individual budgets were split among the five key focus areas i.e. social, economic, rehabilitation, environmental and administration. While the overall capital required was significantly more than the capital funding available, it was useful to analyse the difference in allocation between these categories.

During the prioritization process of the capital budget, the impact of capital projects on future operating budgets was assessed and considered prior to these projects being approved. Both the operating and capital budgets have been evaluated through a prioritisation mechanism that ensures alignment to the development strategy of the municipality.

## **The Political oversight**

Section 53(1) (a) of the MFMA, states that, the Mayor of a municipality must provide political guidance over the budget process and the priorities that must guide the preparation of the budget. The Executive Management Team and the Budget steering and Mayoral Committee advise Council accordingly. Political oversight of the budget process allows Government, and in particular, the municipality to manage the tension between competing policy priorities and fiscal realities. The key to strengthening the link between priorities and spending plans lies in enhancing political oversight of the budget process. Strengthening the link between Government's priorities and spending plans is not an end in itself, but the goal should be enhanced service delivery aimed at improving the quality of life for all people within the municipality. The Executive Management Team has a significant role to play in the financial planning process.

## **Public participation and consultations with stakeholders**

Local government policy and legislation put great emphasis on municipalities developing a culture of community participation and the creation of appropriate and relevant community participation mechanisms, processes and procedures. The municipality strives to actively engage as many of its citizens as possible in its planning, budgeting, implementation and monitoring processes.

In order to strengthen public participation, the municipality must improve in its outreach programme to all wards led by the office of the Executive Mayor. Accordingly, the draft budget will be tabled via a council meeting scheduled on 31 March 2022. This will be followed by extensive publication of the budget documentation on the municipal website, in local newspapers, local and community radio stations and ward-based participation process. The consultative process will be conducted during April 2021. The tabled budget in electronic formats will be submitted to National Treasury and the Northern Cape Provincial Treasury. Hard copies will be placed at all the libraries and the municipal offices, to provide access to the budget to the community who do not have access to the internet.

The tabled budget will also be published on the municipality's website. In terms of the Municipal Systems Act and in conjunction with the Municipal Finance Management Act, hearings on the budgets are to be held during April 2022 and with the IDP Representative Forum as established.

Draft advert for public participation is indicated below:

## **SOL PLAATJE MUNICIPALITY**

### **Better Quality of Life for All**

### **A Better Standard of Living for All**

In accordance with the Municipal Systems Act (Chapter 5) and Municipal Finance Management Act (Chapter 4), notice is hereby given that the Draft Integrated Development Plan (IDP) and Budget for 22/2023–2024/2025 for the Sol Plaatje Municipality was tabled to Council on 31 March 2022. Copies of these documents will be available at all municipal libraries as well as the Council Civic Centre (Information Counter and Budget Office) for public inspection. The information will also be published on the Municipality's website – [www.solplaatje.org.za](http://www.solplaatje.org.za)

Radio talk shows to continue as implemented during 2022/2023 as a result of the COVID 19 pandemic. The Dates and times are still undetermined as the slots for these shows will depend on availability of the parties involved and talk show hosts.

Interested parties, local community and stakeholders are invited and urged to submit representations, comments and inputs regarding the draft IDP and Draft budget 2022/2023 – 2024/2025 on or before 30 April 2022. Written submissions must be handed in at the Civic Centre (Budget Office), faxed to 053 8331005 / 053 8314658 or e-mailed to [dseeco@solplaatje.org.za](mailto:dseeco@solplaatje.org.za); [ccrouch@solplaatje.org.za](mailto:ccrouch@solplaatje.org.za), [kdeklerk@solplaatje.org.za](mailto:kdeklerk@solplaatje.org.za); [cjenneke@solplaatje.org.za](mailto:cjenneke@solplaatje.org.za), and [jwagner@solplaatje.org.za](mailto:jwagner@solplaatje.org.za).

**Any queries with regard to above should be directed to Ms. ZL Mahloko e-mail [zmahloko@solplaatje.org.za](mailto:zmahloko@solplaatje.org.za); or telephonically on 053 8306500.**

#### **Schedule of key deadlines**

The IDP Review and the Budget time schedule for the compilation of the 2022/23 budget cycle was approved on 26 August 2021, in compliance with the MFMA. The table below provides an extract of the key deadlines relating to the budget process.

<b>Activity</b>	<b>Actual Date</b>	<b>Responsible person</b>
Approval of IDP Review and Budget for 2021/22 MTREF	26 August 2021	Executive Mayor
In-year reporting	Within 10 working days after the end of the month	Chief Financial Officer
Submission of Annual Financial Statements 2019/2020	31 October 2021	Municipal Manager/Chief Financial Officer
Quarterly Reports (MFMA Section 52 (d))	30 days after the end each quarter	Executive Mayor/ Chief Financial Officer

Quarterly Performance Reports	30 days after the end each quarter	IDP Manager/ Chief Financial Officer/ Executive Mayor
MFMA Sec 72	4 February 2022 Mid Term Report	Municipal Manager
MFMA Section 121	March 2022 Annual Report	Executive Mayor/CFO
Approval of the adjustment budget	25 February 2022	Executive Mayor/CFO
Tabling of the IDP Review, the Annual Budget, Budget related policies and proposed tariff increases	Proposed adoption 30 March 2022	Executive Mayor/MM/ CFO
Approval of Annual Report 2019/2020, and the MPAC Oversight Report	May 2022	Chairperson MPAC/ CFO
Public participation	April 2022	Executive Mayor/ MM/ CFO
Budget Benchmark Exercise	Proposed date 23 May 2022	MM/CFO and other Senior Managers
Approval of IDP Review, Annual Budget, Policies and Tariffs	Proposed 26 - 31 May 2022	Executive Mayor, MM and CFO

## 9. Overview of the alignment of the annual budget with IDP

The municipality's Integrated Development Plan (IDP) is its principal strategic planning instrument, which guides and informs its on-going planning, management and development actions. The IDP represents the city administration's commitment to exercise its executive authority (except in cases where it is in conflict with national or provincial legislation, in which case such legislation prevails), and is effectively the local government's blueprint by which it strives to realise its vision for Sol Plaatje Municipality over the short, medium and long term.

However, while the IDP represents the strategic intent of the municipality, it is also compiled with the understanding that a number of challenges will need to be overcome in order to achieve the strategic objectives it sets out. Some of these challenges are known, while others are as yet unknown and may arise at any time due to any number of national and international economic, political or social events.

### Development challenges

The municipality is making significant strides in addressing the key development challenges. While significant progress has been made in all areas, there is still some distance to go towards addressing the following challenges:

- High and unsustainable water and electricity losses
- High rates of unemployment and low economic growth;

- High levels of poverty;
- Low levels of skills development and literacy;
- Limited access to basic household and community services for informal (unplanned and illegal) settlements;
- Increased incidents of HIV/AIDS and communicable diseases;
- Unsustainable developmental practices;
- High levels of crime and risk;
- Ensuring adequate clean and safe water and energy supply;
- Infrastructure degradation especially water distribution pipeline, sewer collector network and backlog on roads;
- Climate change;
- Ensuring financial sustainability under the prevailing economic conditions;
- Ineffectiveness and inefficiency of inward-looking local government still prevalent in the municipality, and silo- approach in development and service delivery space

The essence of our IDP is to achieve a balance between meeting basic needs, strengthening the economy and developing people skills and a technology base for the future. In an effort to achieve the NDP 2030 vision, the municipality has identified four priority areas of intervention for the next five years which need to be balanced and integrated, and these are:

- Inclusive growth
- Spatial transformation
- Governance
- Service provision

Given the strategic framework that has been outlined it is clear that the municipal budget must be a pro-growth budget that meets basic needs and builds on existing skills and technology, as we strive to lead and become modern.

#### IDP Key Objectives for the next 5 years

The Municipal Systems Act requires that each municipality prepare an Integrated Development Plan to serve as a tool for transforming local governments towards facilitation and management of development within their areas of jurisdiction. The IDP is a five year plan whose principal purpose is to ensure the development of the local community in an integrated manner which involves all directorates of the municipality, relevant strategic stakeholders and the community. In the five-year review, the key strategic objectives will continue to guide the municipality, but has once again been refined and refocused to our strategic programmes, so as to respond more effectively to the key challenges.

## IDP Review process and stakeholder participation

The IDP is reviewed annually to inculcate a democratic approach to local governance by ensuring all stakeholders get an opportunity to voice their opinions in influencing the shape, form, direction and pace of development in their localities. The municipality is committed to addressing the needs of the people and values the inputs from communities and stakeholders. The process plan specified timeframes, actions and procedures and appropriate mechanisms for public participation and alignment. This fifth generation of Sol Plaatje's Integrated Development Plan (IDP) focuses on translating our Municipal Vision into action. As set out in the Municipal Systems Act (2000), in the review of the five-year IDP, a stakeholder consultation process is necessary. Of critical importance is for the municipality to ensure that there is thorough consultation with the community and strategic stakeholders.

## Link between IDP and Budget

In compliance with the Municipal Structures Act (1998) and Municipal Financial Management Act (2003), our municipal budget is informed and aligned to the IDP objectives. The IDP determines and prioritises the needs of the community. The budgetary allocations for both the capital and operating expenditure are undertaken in a manner that will not only ensure that our IDP outcomes are achieved but also to ensure that our municipality's vision is realised. The 2022/23 MTREF has therefore, been directly informed by the IDP revision process and Table SA4, SA5 and SA6 provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

In as far as the operating budget is concerned, the municipality has made excellent progress but are now more committed than ever to ensure that critical operating budget resources are prioritised in terms of stated IDP outcomes. More importantly, the Performance Management System (PMS) allows the municipality an opportunity to monitor and evaluate individual and organisational performance in meeting our IDP outcomes and vision. As with previous year's, our IDP remains the strategic driver of both our budget and performance management system.

Strategic Objective	Revenue			Expenditure			Capital Expenditure		
	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand									
KPA 1: LOCAL ECONOMIC DEVELOPMENT	9,041	9,535	10,059	59,374	62,692	66,125	8,000	–	–
KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	1,415,645	1,543,041	1,665,261	1,641,423	1,782,358	1,917,981	115,766	65,948	60,768
KPA 3: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	623,229	667,662	723,570	152,611	160,409	169,137	–	–	–
KPA 4: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	6,804	6,881	7,455	98,236	103,167	108,928	–	–	–
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	310,993	318,223	314,808	393,339	415,637	437,637	55,500	47,177	55,018
<b>Total</b>	<b>2,365,711</b>	<b>2,545,342</b>	<b>2,721,154</b>	<b>2,344,984</b>	<b>2,524,262</b>	<b>2,699,808</b>	<b>179,266</b>	<b>113,125</b>	<b>115,786</b>



## 10. Measurable Performance Objectives and Indicators

Table SA7 provides for the main measurable performance objectives the municipality plans to carry out and achieve in the 2021/22 financial year.

NC091 Sol Plaatje - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
05 - Community Services										
Public Safety										
Licensing And Control Of Animals										
Electricity (Kwh Per Household Per Month)	Kwh Per Household Per	50	50	50	50	50	50	50	50	50
Property Rates (R000 Value Threshold)	Rand Value Threshold	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Adjustment)(Impermissible Values Per	Rand Value	—	—	—	—	—	—	—	—	—
Refuse (Average Litres Per Week)	Average Litres Per Week	21	21	21	21	21	21	21	21	21
Sanitation (Rand Per Household Per Month)	Rand Per Household Per	155	165	174	181	181	181	189	199	210
Water (Kilolitres Per Household Per Month)	Kilolitres Per Household Per	6	6	6	6	6	6	6	6	6
Waste Management										
Solid Waste Disposal (Landfill Sites)										
Removal	Households	14 647	11 509	11 980	12 000	12 000	12 000	12 000	13 000	15 000
Removal	Households	—	—	—	—	—	—	—	—	—
Informal Settlements (R000)	Rand Value	—	—	—	—	—	—	—	—	—
No Rubbish Disposal	Households	4 526	4 526	4 526	4 526	4 526	4 526	4 526	4 526	4 526
Other (R000)	Rand Value	—	—	—	—	—	—	—	—	—
Other Rubbish Disposal	Households	1 371	1 371	1 371	1 371	1 371	1 371	1 371	1 371	1 371
Removed At Least Once A Week	Households	59 526	59 526	59 526	59 526	59 526	59 526	59 526	59 526	59 526
Week	Households	1 538	1 538	1 538	1 538	1 538	1 538	1 538	1 538	1 538
Using Communal Refuse Dump	Households	1 605	1 605	1 605	1 605	1 605	1 605	1 605	1 605	1 605
Using Own Refuse Dump	Households	3 373	3 373	3 373	3 373	3 373	3 373	3 373	3 373	3 373
08 - Infrastructure And Services										
Energy Sources										
Electricity										
Electricity - Prepaid (Min.Service Level)	Households	57 145	57 145	57 145	57 145	57 145	57 145	57 145	57 145	57 145
Electricity (< Min.Service Level)	Households	4 320	4 320	4 320	4 320	4 320	4 320	4 320	4 320	4 320
Electricity (At Least Min.Service Level)	Households	9 116	9 116	9 116	9 116	9 116	9 116	9 116	9 116	9 116
Electricity	Households	14 647	11 509	11 980	12 000	12 000	12 000	12 000	13 000	15 000
Electricity	Households	—	—	—	—	—	—	—	—	—
Informal Settlements (R000)	Rand Value	—	—	—	—	—	—	—	—	—
Other (R000)	Rand Value	—	—	—	—	—	—	—	—	—
Other Energy Sources	Households	1 357	1 357	1 357	1 357	1 357	1 357	1 357	1 357	1 357
Other Households Receiving Electricity	Households	—	—	—	—	—	—	—	—	—
Waste Water Management										
Sewerage										
Bucket Toilet	Households	4 352	4 352	4 352	4 352	4 352	4 352	4 352	4 352	4 352
Chemical Toilet	Households	22	22	22	22	22	22	22	22	22
Flush Toilet (Connected To Sewerage)	Households	63 359	63 359	63 359	63 359	63 359	63 359	63 359	63 359	63 359
Flush Toilet (With Septic Tank)	Households	1 816	1 816	1 816	1 816	1 816	1 816	1 816	1 816	1 816
Sanitation	Households	14 647	11 509	11 980	12 000	12 000	12 000	12 000	13 000	15 000
Sanitation	Households	—	—	—	—	—	—	—	—	—
Informal Settlements (R000)	Rand Value	—	—	—	—	—	—	—	—	—
No Toilet Provisions	Households	812	812	812	812	812	812	812	812	812
Other Toilet Provisions (> Min.Service Level)	Households	342	342	342	342	342	342	342	342	342
Pit Toilet (Ventilated)	Households	1 235	1 235	1 235	1 235	1 235	1 235	1 235	1 235	1 235
Water Management										
Water Distribution										
Water	Households	14 647	11 509	11 980	12 000	12 000	12 000	12 000	13 000	15 000
Water	Households	—	—	—	—	—	—	—	—	—
Informal Settlements (R000)	Rand Value	—	—	—	—	—	—	—	—	—
No Water Supply	Households	349	349	349	349	349	349	349	349	349
Other Water Supply (< Min.Service Level)	Households	160	160	160	160	160	160	160	160	160
Level)	Households	—	—	—	—	—	—	—	—	—
Piped Water Inside Dwelling	Households	43 577	43 577	43 577	43 577	43 577	43 577	43 577	43 577	43 577
Dwelling)	Households	22 582	22 582	22 582	22 582	22 582	22 582	22 582	22 582	22 582
Using Public Tap (< Min.Service Level)	Households	5 272	5 272	5 272	5 272	5 272	5 272	5 272	5 272	5 272
Level)	Households	—	—	—	—	—	—	—	—	—

## **Performance Management**

The municipality has adopted a performance management system (PMS). The PMS requires that the Municipal Manager and all Senior Managers accountable to the Municipal Manager sign performance agreements annually in line with the IDP Review, the Budget and the SDBIP.

It is further expected that Senior Managers enter into performance contracts with the Divisional Managers (Managers reporting to Senior managers). The performance system was cascaded down to the entry level in the organisation and are expected to perform according their current job descriptions. The submission of annual performance agreements needs to be instilled and improved and access to computers for lower staff is restricted but will have to be facilitated by relevant supervisors.

The Municipal Manager, Senior Manager's and divisional heads are evaluated against the Key Performance Indicators and the job description for each incumbent. Though the performance contracts of MM and Senior Managers include performance bonus, this is not budgeted for and has never been paid before.

## **Key financial ratios**

Uniform standards and ratios as per MFMA Circular No 71 based on 2022/23 MTREF budget forecast is attached an annexure to this budget document

## **Free and subsidised basic services**

One of the objectives of a local authority is to ensure the provision of services to communities in a sustainable manner. The constitution stipulates that a municipality must structure and manage its administration, budgeting and planning to give priority to the basic needs of the community and to promote their social and economic development. To cater for the indigent, the municipality as part of its welfare package provides a basket of free basic services in accordance with a defined level of service.

The basic social package is an affirmation of the municipality's commitment to push back the frontiers of poverty by providing a social welfare to those residents who cannot afford to pay, because of adverse social and economic realities. Details relating to free basic services are contained in Table A10. However, it should be noted there are some classification errors in terms of indigent households. In reviewing the levels of free basic services for the 2022/23 year, the following factors were taken into consideration: -

- Sustainability - Impact of new housing –
- Impact on non-indigent ratepayers/consumers

The estimated cost of the social package (i.e. income foregone) amounts to approximately R 55 million for the 2022/23 budget year. Details of the initiatives proposed to be carried out by the council in this regard are detailed below. The assistance to the qualifying households is regulated by council's budget related policies which are reviewed annually based on modelling the impacts of the tariffs on all residential properties. The cost of this social package is funded from the equitable share of R212 million provided by National Government.

NC091 Sol Plaatje - Table A10 Basic service delivery measurement				
Description	2022/23 Medium Term Revenue & Expenditure Framework			
	Level of Service	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Budgeted No of Indigents		12 000	13 000	15 000
		R'000	R'000	R'000
<b>Cost of Free Basic Services provided (R'000)</b>				
Water (6 kilolitres per household per month)	The first 6kl of water is free to all registered and approved indigent household	8 000	8 440	8 904
Sanitation (free sanitation service) (Fixed Rate)	The service is fully subsidised	21 000	22 260	23 484
Electricity/other energy (50kwh per household per month)	50 units of electricity is free to all registered and approved indigent household	12 000	12 900	13 868
Refuse (removed once a week) (Fixed Rate)	The service is fully subsidised	13 500	14 175	14 955
<b>Total cost of FBS provided (minimum social package)</b>		<b>54 500</b>	<b>57 775</b>	<b>61 211</b>

## 11. Overview of budget related policies

The MFMA and the Municipal Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, to be updated on an annual basis. The main purpose of budget related policies is to govern and guide the budget process and inform the projections of the medium term. The following are budget related policies which have been approved by Council, or have been reviewed /amended and / or are currently being reviewed amended in line with National Guidelines and other legislation.

<b>List of Budget related policies</b>	<b>Explanation numbers</b>	<b>Approved</b>	<b>Resolution Number</b>	<b>Reviewed</b>
Policy Asset Management	1	28-May-14	C125/05/14	March 2021
Policy Cash Management & Investment	1	07-Apr-05	CR22	March 2021
Policy Customer Services Credit Control Debt Collection	1 & 2	31-May-18	C38/05/18	March 2021
Policy Indigent	1 & 2	28-May-14	C121/05/14	March 2021
Policy Internal Audit	1	17-Nov-05	CR500	March 2021
Policy Property Rates	1 & 2	27-May-15	C100/05/15	March 2021
Policy Risk Management	1	17-Nov-05	CR500	March 2021
Policy Supply Chain Management	1 & 2	04-Nov-14	C265/11/14	March 2021
Tariff Policy on Property Rates	1	31-May-18	C38/05/18	March 2021
Tariff Policy on Electricity	1	31-May-18	C38/05/18	March 2021
Tariff Policy on Water	1	31-May-18	C38/05/18	March 2021
Tariff Policy on Sanitation	1	31-May-18	C38/05/18	March 2021
Tariff Policy on Refuse Removal/Solid Waste	1	31-May-18	C38/05/18	March 2021
Policy Debt Write-off	1	28-May-14	C125/05/14	March 2021
Policy Regarding Audit Committees	1	17-Nov-05	CR500	March 2021
Disposal of Moveable Assets Policy	1	27-May-15	C100/05/15	March 2021
Policy Borrowing	1	28-May-14	C125/05/14	March 2021
Policy Irregular, fruitless and wasteful expenditure	1	28-May-14	C125/05/14	March 2021
Budget Implementation and Management Policy (Budget policy)	1	27-May-15	C100/05/15	March 2021
Funding and Reserves policy	1	25-May-16	C148/05/16	March 2021
Policy Short and Long term borrowing	1	19-Apr-11	C150/11	March 2021
Financial Management and Revenue Enhancement Strategy policy	1	27-May-15	C100/05/15	March 2021
Policy related to long-term financial planning	1	27-May-15	C100/05/15	March 2021
Consumer Deposit Policy	1	31-May-17	C60/05/17	March 2021
Free Basic Services Policy	1	31-May-17	C60/05/17	March 2021
Sol Plaatje Materiality and Significance Framework	1	31-May-18	C38/05/18	March 2021
Contracts Policy	1	31-May-17	C60/05/17	March 2021
SSEG PV Policy	1	31-May-17	C60/05/17	March 2021
Bulk Infrastructure Contribution Policy	1	31-May-17	C60/05/17	March 2021
Water Restrictions Policy	1	31-May-17	C60/05/17	March 2021
Infrastructure investment and capital projects policy (included in Budget policy)	1	28-May-14	C125/05/14	March 2021
<b>Explanation numbers</b>				
1. These policies are accessible on the Sol Plaatje website: <a href="http://www.solplaatje.org.za">www.solplaatje.org.za</a> .				
2. Policy to be approved with budget process 2021/22.				

## Municipal property rates policy

The Property Rates Policy was reviewed due to certain changes in the Municipal Property Rates Act: Act 6 of 2004. In preparation to comply fully with the provisions of section 8 of the Act, the municipality was advised

to align its property categories to those that must be determined in terms of section 8 and amend its rates policy accordingly. The municipality must also ensure that the municipal valuer categorises properties in line with the provisions of section 8 when the valuation roll is prepared so that the municipality is not found to be non-compliant with section 8 of the Act.

In terms of section 8 the municipality must determine only the list of rateable property categories that are listed in section 8(2) if they indeed exist within the municipal jurisdiction. All municipalities must be compliant with section 8 of the Act by not later than 1 July 2022.

**Indicated below is the main reason for reviewing the policy:**

Subject to section 19, a municipality may, in terms of the criteria set out in its rates policy, levy different rates

for different categories of rateable property, determined in subsection (2) and (3), which must be determined according to the:

- use of the property;
- permitted use of the property; or
- a combination of (a) and (b).

The following categories was based on ownership and will be removed as from 1 July 2021 and incorporated into other categories according to use:

- Property Used by Organ of State
- Solar Farms
- University

**Supply chain management policy**

The policy reflects and represents the context of a specific government policy that finds expressions within the provisions of the Municipal Finance Management Act 56 of 2003. The principal objectives of the policy are to provide, promote, and implement theoretical guidelines, governing processes and procedures within the supply chain management. The policy was reviewed to improve the alignment with the SCM Regulations as per the audit comes and any circulars or practice notes issued.

**Indigent and Credit control and debt collection policy**

The Indigent policy was reviewed to amend the threshold to qualify for indigency from R3,750 to R4,500 to attract and assist more households, especially to respond to the economic and financial impact on household income due to the Covid-19 pandemic. This is subject to the approval of Council and consultation with National Treasury. The Customer services credit control debt collection policy was reviewed to allow the Revenue Customer Care Call centre personnel to conclude arrangements with non-paying residents.

## 12. Overview of budget assumptions

The budget assumptions are made taking into account the historical trends, current economic indicators, the political directions, developmental and service delivery needs of the municipality, including those of the community.

Budget assumptions and parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievement of the longer-term financial and strategic targets. The assumptions and principles applied in the development of this budget are mainly based upon guidelines from National Treasury (CPI inflation) and other external bodies such as the National Electricity Regulator of South Africa (NERSA), Department of Water and Sanitation and other major service providers. It is also informed by interest rates, grants gazetted and the collection rate.

The municipal fiscal environment is influenced by a variety of macroeconomic control measures. National Treasury determines the ceiling of year-on-year increases in the total operating budget, whilst NERSA regulates electricity tariff increases. Various government departments also affect municipal service delivery through the level of grants and subsidies.

The following key assumptions underpinned the preparation of the medium-term budget:

### **Macro-economic performance and projections 2019 to 2023:**

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
Macro-economic performance and projections, 2020 - 2025	Actual	Estimate	Forecast		
CPI Inflation	2,9%	4,5%	4,8%	4,4%	4,5%

### **Borrowing and investment of funds borrowings**

The Municipal Finance Management Act No. 56 of 2003 permits long term borrowing by municipalities only to finance capital expenditure, property, plant and equipment. The objective for borrowing remains

- Maximise internally generated funds and national transfers from other spheres of government.
- Minimize borrowings.
- Pursue alternate funding sources e.g. bulk infrastructure contributions policy, development charges, and public private partnerships.

### **Capital expenditure**

The capital expenditure of the municipality has been funded from a mix of government transfers and internally generated funds only. The 2021/22 Capital Budget of R179,266 million is being financed by R167,766 million from government grants and R11,500 million from internally generated funds.

## **Investments**

Investments made with the various financial institutions are strictly in compliance with Municipal Finance Management Act and the Municipal Investment Regulations. The investment returns achieved and projections are as follows: that for 2021/22 financial year, the average interest rate for all investments are projected interest rate of between 3.5% to 5% based inflation and growth rate of economy of South Africa.

Investments are made from cash which is surplus to immediate requirements and is invested in short term money market instruments in terms of a stringent investment policy. Cash and investments are expected to be around R173 million at the end of the current financial year.

## **Timing of revenue collection**

Consumers are billed monthly in respect of services in the form of a consolidated bill. All annual residential and commercial ratepayers have been converted to monthly ratepayers. However, government departments and companies with multiple accounts are allowed to pay annually in September of each year. The municipality's current collection rate is not at desired level; however, the projected collection rate is estimated at 85%, which is slightly above the recommendation from National Treasury of 82% during the Adjustment budget for 2019/20. The municipality is cognisant of the fact to increase reserves and investments a higher collection rate of at least 89 to 90% is required because at this stage monthly revenue collections are not sufficient to cover committed monthly operational expenditure like salaries, ESKOM and Water boards including the payment arrangement of both institutions and SCM orders for operational purposes.

## **Average salary increases**

The budgeted salary increase is 4.1% for the fiscal year. The municipality is awaiting the outcome of the Salary and Wage collective agreement negotiations. Provision has been made for filled positions and vacancies together with annual notch increases.

## **13. Overview of budget funding**

The Municipality is experiencing a severe financial crisis and in order to remain funded, operational expenditure needs to be prioritised and reduced as far as possible, whilst this must be supported by an improvement in the collection rate:

- Credible and funded budgets funded from current financial year's revenue. Prior year's surpluses have not been used to support the operating budget.
- The municipality operates within its annual budget, as approved by council.
- The municipality maintains a positive cash and investments position.

In compliance with relevant statutory requirements, the Financial Plan (Medium Term Revenue and Expenditure Framework-MTREF) is reviewed and updated annually.

On the other hand, the Capital budget is funded by the allocations made to the municipality by National and Provincial Government in the form of grants and internally generated funds, and public contributions and donations, where applicable. Frances Baard District Municipality normally provides additional funds for roads and sewer maintenance which is factored into the Adjustment budget annually.

The municipality raises revenue from a basket of differential tariff increases determined in the most acceptable and equitable funding regime taking into consideration the actual cost of delivering services, budget priorities and national legislation, regulations and policy guidelines. The municipal revenue comprises of operating revenue which includes property taxes, services charges and operating grants- and capital revenue which consists of capital grants, borrowings, cash reserves and operating surplus.

This high level of independent and relative stable income sources of revenue is one of the key factors that support the sound financial position of the municipality. In addition to the obvious need to grow the city's revenue by increasing its tax base, other means for securing funding for council projects must be explored in a variety of ways. The municipality faces unpleasant choices in attempting to finance the projected levels of investment in infrastructure. Sources of capital finance are already stretched with limited scope for further borrowing, consumer pressure to restrict tariff and tax increases, and little likelihood of a structural upward adjustment in grant allocations. Further, efficiencies in the borrowing programme will continue to be sought to lock in lower cost and longer-term borrowing, plus the introduction of new revenue sources such as infrastructure contribution and charges.

## Revenue and financing activities

Summary of Revenues and Financing Activities	Current Year 2020/21		Budget Year 2021/22		Budget Year +1 2022/23		Budget Year +2 2023/24	
	R'000	% Weighting	R'000	% Weighting	R'000	% Weighting	R'000	% Weighting
Own Generated Funds	1,994,019	82.75%	2,135,071	83.89%	2,303,798	86.66%	2,477,721	87.34%
Transfer recognised - Operational	260,137	10.80%	230,640	9.06%	241,544	9.09%	243,434	8.58%
<b>Total Operational Revenue</b>	<b>2,254,156</b>	<b>93.55%</b>	<b>2,365,711</b>	<b>92.96%</b>	<b>2,545,342</b>	<b>95.74%</b>	<b>2,721,154</b>	<b>95.92%</b>
Transfer recognised - Capital	123,446	5.12%	167,766	6.59%	98,625	3.71%	96,786	3.41%
Borrowing	—	0.00%	—	0.00%	—	0.00%	—	0.00%
Internally generated funds	32,000	1.33%	11,500	0.45%	14,500	0.55%	19,000	0.67%
<b>Total Capital Budget</b>	<b>155,446</b>	<b>6.45%</b>	<b>179,266</b>	<b>7.04%</b>	<b>113,125</b>	<b>4.26%</b>	<b>115,786</b>	<b>4.08%</b>
<b>Total Revenue and Financing</b>	<b>2,409,602</b>	<b>100.00%</b>	<b>2,544,977</b>	<b>100.00%</b>	<b>2,658,467</b>	<b>100.00%</b>	<b>2,836,940</b>	<b>100.00%</b>
<b>Total Grants &amp; Subsidies</b>	<b>383,583</b>	<b>15.92%</b>	<b>398,406</b>	<b>15.65%</b>	<b>340,169</b>	<b>12.80%</b>	<b>340,220</b>	<b>11.99%</b>

Indicated in the table above is a summary of the revenue and financing activities. For 2021/22 financial year Own generated funds constitutes 83.89% of the total funding requirement. Transfer recognised – Operational and Transfer recognised – capital contributes 9.06% and 6.59% to the total funding mix, respectively. Internally generated funds only contributes 0.45%, to the total financing activities. Totals grants and subsidies amounts to R398,406 million for the 2021/22 financial year which combines relates to 15.65% contribution to the funding mix of the municipality.

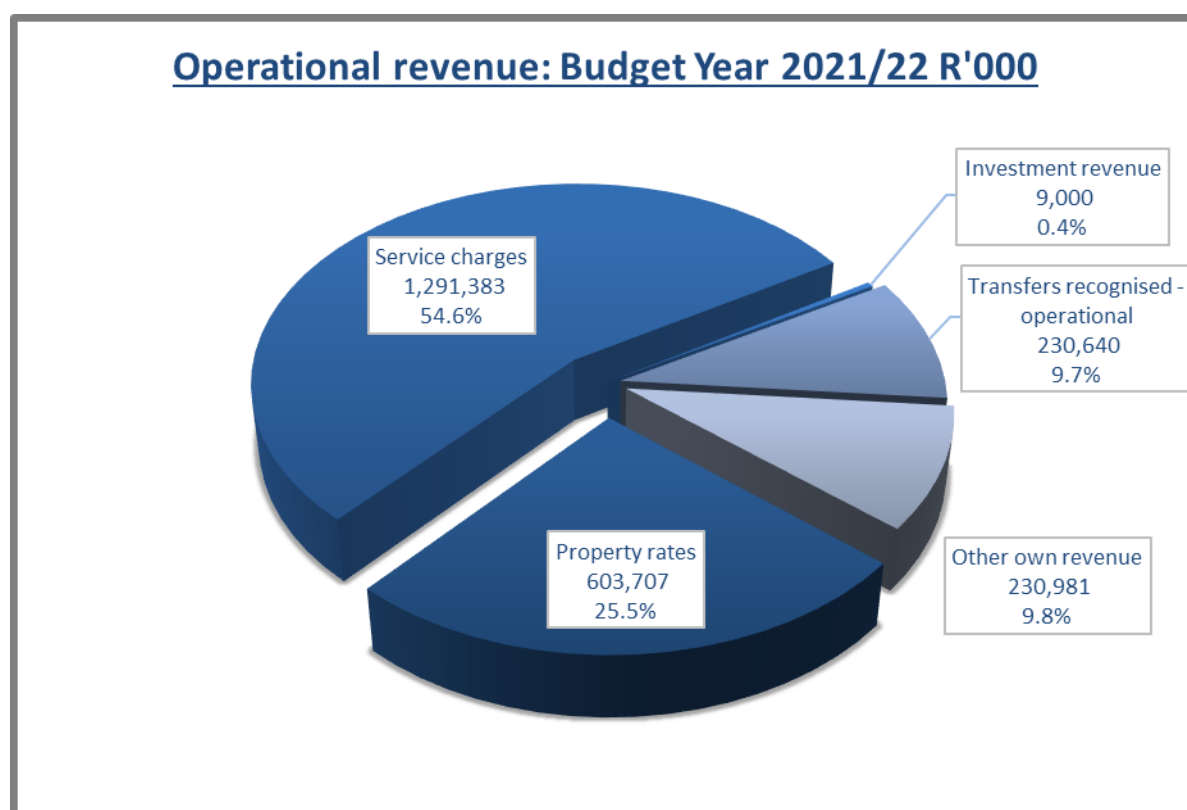


## Medium-term outlook: operating revenue

NC091 Sol Plaatje - Table A1 Budget Summary								
Description (R'000)	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	% Contribution	Budget Year 2021/22	% Contribution	Budget Year +1 2022/23	% Contribution	Budget Year +2 2023/24	% Contribution
<b>Financial Performance</b>								
Property rates	584,108	25.9%	603,707	25.5%	647,214	25.4%	702,111	25.8%
Service charges	1,170,018	51.9%	1,291,383	54.6%	1,411,707	55.5%	1,526,702	56.1%
Investment revenue	4,000	0.2%	9,000	0.4%	12,000	0.5%	15,000	0.6%
Transfers recognised - operational	260,137	11.5%	230,640	9.7%	241,544	9.5%	243,434	8.9%
Other own revenue	235,893	10.5%	230,981	9.8%	232,877	9.1%	233,908	8.6%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,254,156</b>	<b>100%</b>	<b>2,365,711</b>	<b>100%</b>	<b>2,545,342</b>	<b>100%</b>	<b>2,721,154</b>	<b>100%</b>

Indicated in the table above is a breakdown of the operating revenue over the medium-term

The following graph is a breakdown of the operational revenue per main category for the 2021/22 financial year.



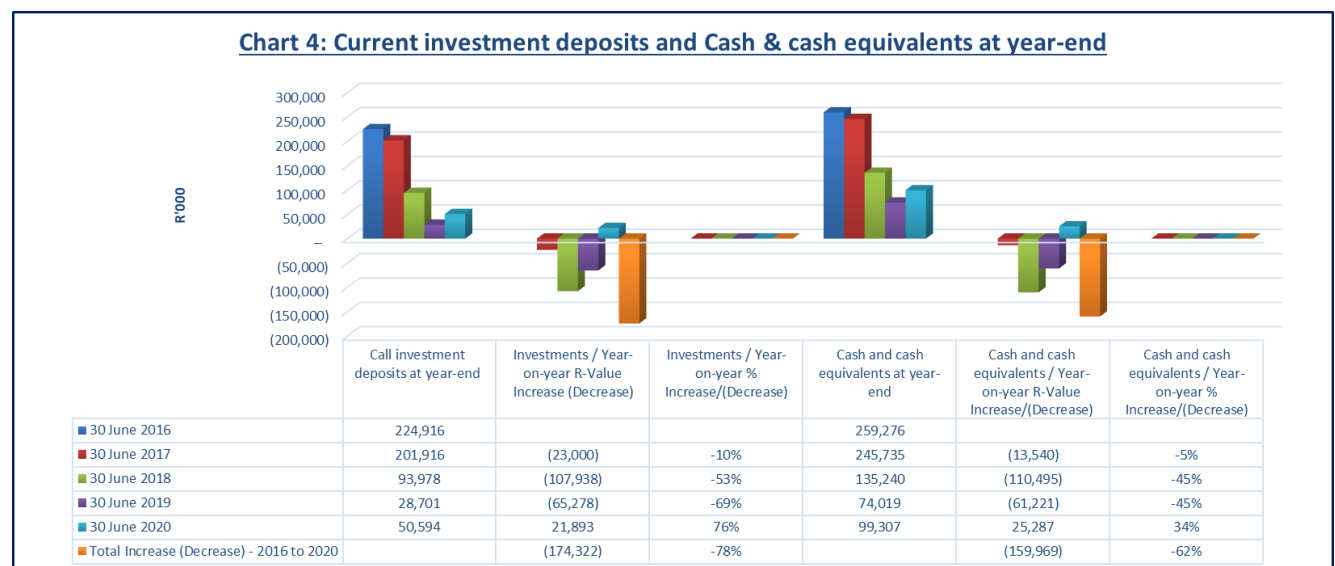
Revenue to be generated from property rates is R603,707 million in the 2021/22 financial year and increases to R702,711 million by 2023/24 which represents 26% of the operating revenue base of the municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed. The major concern however is the phasing out of the category 'Property used by Organ of State' is not stipulated in the Act.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R1,291,383 billion for the 2021/22 financial year and increasing to R1,526,702 billion by 2023/24. Services charges remains relatively constant at 55% of the total revenue base.

Operational grants and subsidies amount to R230,640 million (2021/22), R241,544 million (2022/23) and R243,434 (2023/24) million for the MTREF, or on average 10% of operating revenue. It can be seen from an operational perspective the municipality is less grant dependent when compared to capital grant dependency.

Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of R9,000 million, R12,000 million and R15,000 million for the respective three financial years of the 2021/22 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. Over the last few financial years the municipality's cash reserves were reducing and the municipality is working on restoring a healthy cost coverage ratio of 3 months.

Indicated in the chart below is a summary of the year-on-year reduction in Investments and Cash and cash equivalents. For the year ended 30 June 2020, there was a slight improvement compared to the previous financial year. It should be noted as the investment are for less than 12 months it forms part of Cash and cash equivalents as cash held by the municipality.



Tariff setting plays a major role in ensuring desired levels of revenue and affordability of consumers. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of basic services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the city and economic development;
- Affordability by the municipality's consumers
- Revenue management and enhancement;
- Achievement of an ideal 95 per cent annual collection rate for consumer revenue;
- National Treasury budget circulars;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers which is closely aligned to the economic forecasts. The average tariff increases are 0.1% above the guideline of 3.9%, however the municipality could lower tariffs any further which is based on the principle that tariffs must be cost reflective and sustainable.

The proposed tariff increases for the 2022/23 MTREF on the main revenue categories are:

Revenue category	2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
	Tariffs increases				Total Budgeted revenue (R'000)				% Increase in Revenue		
Property Rates	4,00%	4,00%	4,88%	4,63%	603 707	627 646	658 284	688 753	3,97%	4,88%	4,63%
Electricity	14,59%	6,82%	10,54%	9,04%	861 157	919 854	1 016 768	1 108 634	6,82%	10,54%	9,04%
Water	4,00%	5,68%	8,61%	5,08%	294 012	310 717	337 475	354 626	5,68%	8,61%	5,08%
Waste water (Sanitation)	4,00%	4,00%	5,51%	5,75%	76 648	81 700	86 203	91 156	6,59%	5,51%	5,75%
Waste management (Refuse removal)	4,00%	4,00%	8,04%	7,29%	59 567	60 940	65 839	70 641	2,31%	8,04%	7,29%
<b>Average tariff increases/Municipal CPI</b>	<b>8,56%</b>	<b>5,54%</b>	<b>8,24%</b>	<b>6,93%</b>	<b>1 895 090</b>	<b>2 000 857</b>	<b>2 164 569</b>	<b>2 313 810</b>	<b>5,58%</b>	<b>8,18%</b>	<b>6,89%</b>
<b>Fiscal year</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>						
<b>Macro-economic performance and projections, 2020 - 2025</b>	<b>Actual</b>	<b>Estimate</b>	<b>Forecast</b>								
CPI Inflation	2,9%	4,5%	4,8%	4,4%	4,5%						

## Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2022/23 medium-term capital programme and year-on-year increase or decrease in grant funding.

## Sources of capital revenue over the MTREF

Funding sources of capex	2022/23 Medium Term Revenue & Expenditure Framework				
Funding sources of capex	Current Year 2021/22	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Total Capex over MTREF
	R'000	R'000	R'000	R'000	R'000
Capital transfers	141 666	134 338	120 786	134 973	390 097
Borrowing		–	–	–	–
Internally generated funds	25 000	55 705	33 382	29 096	118 183
<b>Total Capex</b>	<b>166 666</b>	<b>190 043</b>	<b>154 168</b>	<b>164 069</b>	<b>508 280</b>
Year-on-year R-Value (Increase / Decrease) in Capital transfers	–	(7 328)	(13 552)	14 187	–
Year-on-year R-Value (Increase / Decrease) in Internally generated funds	–	30 705	(22 323)	(4 286)	–
Year-on-year R-Value (Increase / Decrease) in Capex	–	23 377	(35 875)	9 901	–
Year-on-year % (Increase / Decrease) in Capital transfers	–	-5%	-10%	12%	–
Year-on-year % (Increase / Decrease) in Internally generated funds	–	123%	-40%	-13%	–
Year-on-year % (Increase / Decrease) in Capex	–	14%	-19%	6%	–
Weighting Capital transfers	85%	71%	78%	82%	77%
Weighting Borrowing	0%	0%	0%	0%	0%
Weighting Internally Generated Funds	15%	29%	22%	18%	23%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Sources of capital revenue for the 2022/23 financial year

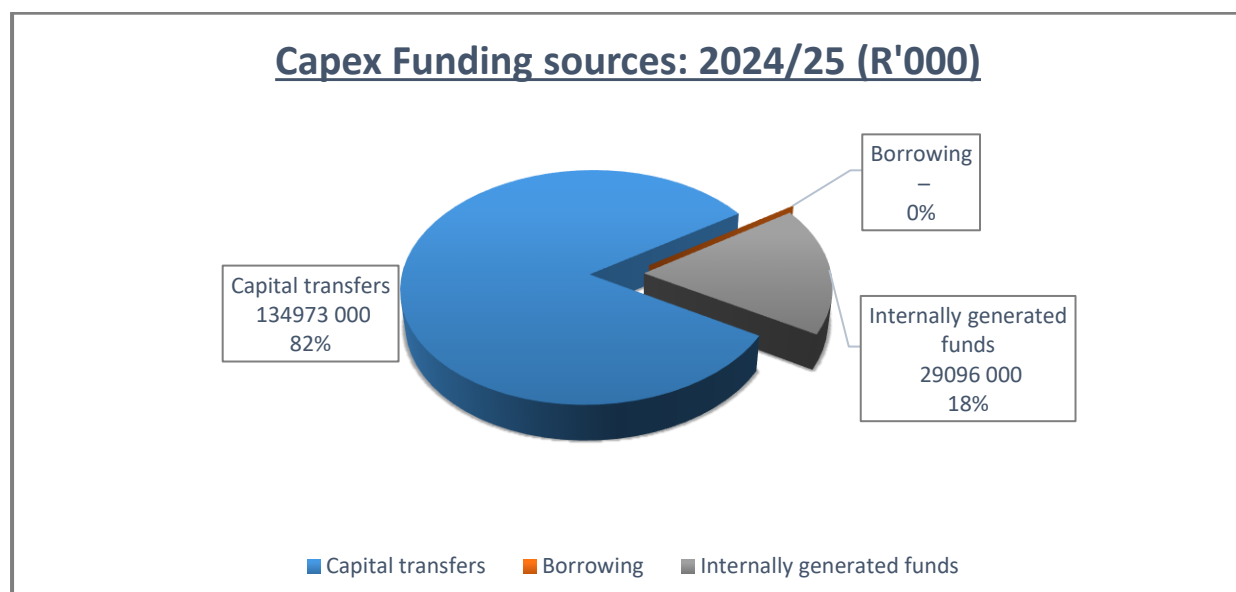
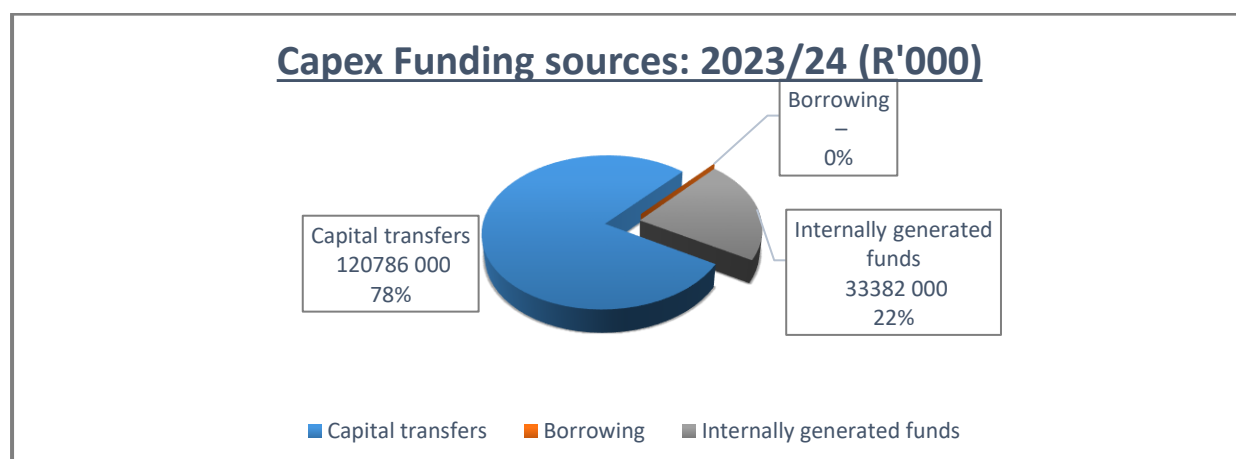
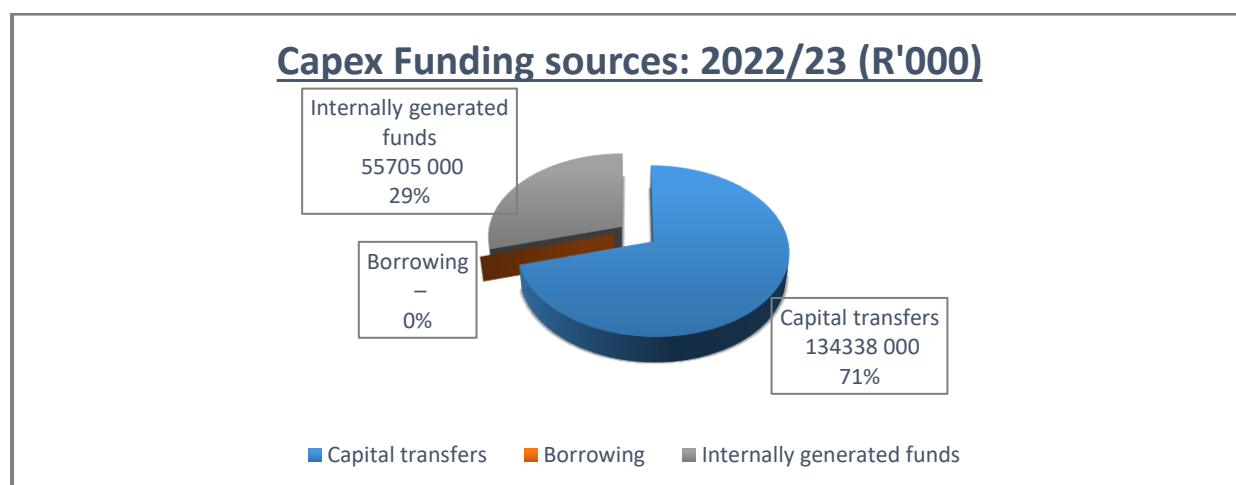
Capital grants and receipts equates to 71% of the total funding source which represents R134,388 million for the 2022/23 financial year and decreases to R120,786 million for 2023/24.

It should be noted that the disapproval of rollover funds and withholding of funds due to non-performance places pressure on internally generated funds. There are also critical projects that must be funded, where no grants can be sourced. The municipality remains cognisant of the fact that projects cannot be funded from internally generated funds that is not realistically anticipated and cash backed. This is the main reasons why own funding remains low due to the prudent approach applied in this regard to ensure that the capital budget remains funded. The principle is still relevant, the municipality cannot spend funds, that it does not have, this is a recipe for disaster and have serious negative implications in respect of service delivery and financial viability.

The municipality has not taken any new long-term borrowings in the current financial year. Due to the current financial crisis, no new long-term loans can be entered into for the foreseeable future. The municipality has always been very conservative when taking up new loans, and always gave due consideration to the impact it will have on tariffs increases and the affordability of tariffs which can negatively impact the municipality's ability to collect revenue and service the loan. The Current and Debt (Total Borrowings) / Revenue ratios has

always been above the norm, however from a liquidity perspective the municipality will not be able to meet any additional long-term commitments.

The pie chart below graphically represents the capital funding mix for the 2022/23 financial year.



## MBRR Table A7 - Budget cash flow statement

NC091 Sol Plaatje - Table A7 Budgeted Cash Flows

Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			–	–	561 377	537 299	537 299	537 299	286 796	533 499	559 541	585 440
Service charges			–	–	1 857 261	901 622	901 622	901 622	800 271	1 093 079	1 199 066	1 294 618
Other revenue			–	–	(872 756)	339 839	339 839	339 839	179 090	403 395	237 927	241 361
Transfers and Subsidies - Operational		1	–	–	23 639	230 640	230 640	230 640	28 096	18 959	15 390	15 840
Transfers and Subsidies - Capital		1	–	–	33 560	149 809	149 809	149 809	40 633	134 338	120 786	134 973
Interest			–	–	3 829	9 000	9 000	9 000	–	6 000	12 000	15 000
Dividends			–	–	–	–	–	–	–	–	–	–
Payments												
Suppliers and employees			–	–	(1 559 634)	(1 880 833)	(1 880 833)	(1 880 833)	(1 718 685)	(2 040 585)	(2 193 417)	(2 351 539)
Finance charges			–	–	–	(22 261)	(22 261)	(22 261)	–	(38 960)	(38 488)	(37 910)
Transfers and Grants		1	–	–	–	(4 850)	(4 850)	(4 850)	–	(4 460)	(4 568)	(4 677)
NET CASH FROM/(USED) OPERATING ACTIVITIES			–	–	47 277	260 265	260 265	260 265	(383 799)	105 265	(91 762)	(106 893)
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables			–	–	–	36 867	–	–	–	1 151	(2 143)	(1 893)
Decrease (increase) in non-current investments			–	–	–	–	–	–	–	–	–	–
Payments												
Capital assets			–	–	(116 394)	(179 266)	(179 266)	(179 266)	(39 479)	(190 043)	(154 168)	(164 069)
NET CASH FROM/(USED) INVESTING ACTIVITIES			–	–	(116 394)	(142 399)	(179 266)	(179 266)	(39 479)	(188 892)	(156 311)	(165 962)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing			–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits			(35 012)	(1 782)	(2 980)	(5 849)	–	–	(2 254)	3 601	2 928	2 608
Payments												
Repayment of borrowing			–	–	–	(10 734)	(10 734)	(10 734)	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES			(35 012)	(1 782)	(2 980)	(16 583)	(10 734)	(10 734)	(2 254)	3 601	2 928	2 608
NET INCREASE/ (DECREASE) IN CASH HELD			(35 012)	(1 782)	(72 098)	101 283	70 265	70 265	(425 532)	(80 026)	(245 145)	(270 248)
Cash/cash equivalents at the year begin:		2	81 460	73 916	96 534	93 891	93 891	93 891	–	172 922	92 896	(152 249)
Cash/cash equivalents at the year end:		2	46 449	72 134	24 436	195 174	164 156	164 156	(425 532)	92 896	(152 249)	(422 496)

Currently the mapping of cash flow is not resolved and must be corrected as a matter of urgency.

The budgeted cash/cash equivalents are positive and increasing over the MTREF. The Cost coverage ratio is low for 2022/23 but increasing gradually year-on-year. At this stage for the municipality to obtain a healthy cost coverage of 3 months, cash and cash equivalents should be between R450 and R500 million. This can be improved significantly if the budgeted collection can is higher than anticipated.

Cash flow assumptions are based on the following, achieving a 89% average collection rate on Property rates and service charges, grants receipts, Other revenue and Interest revenue at 100%. Operational expenditure is factored in at 93% for Employee costs, Inventory consumed, Contracted services and Other expenditure. Bulk purchases, Councillor's remuneration, Finance charges and Grants paid at 100%. Capital expenditure and repayment of borrowing at 100%.

## 14. Expenditure on allocations and grant programmes

Indicated in the table above is the total operational grants for the 2022/23 MTREF. From 2021/22 to 2022/23, operational grants decrease by 11.3%. This is mainly attributable to the decrease on Equitable share, where additional funds of R29,570 million was allocated to the municipality during 2021/22. The increase from 2021/22 to 2022/23 is 4.7%, 0.8% from 2022/23 to 2023/24. The total operational grants over the MTREF amounts to R715,618 million.

	Adjusted Budget 2020/21	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Year-on- Year Increase (Decrease) from 2020/21 to 2021/22	Year-on- Year Increase (Decrease) from 2021/22 to 2022/23	Year-on- Year Increase (Decrease) from 2022/23 to 2023/24	Total operational grants over the MTREF
<b>Operational Grants (R thousand)</b>								
Local Government Equitable Share	234,642	212,328	226,115	227,052	-9.5%	6.5%	0.4%	665,495
Expanded Public Works Programme	4,170	3,362	–	–	-19.4%	-100.0%		3,362
Local Government Financial Management Grant	1,700	1,650	1,700	1,700	-2.9%	3.0%	0.0%	5,050
Infrastructure Skills Development	5,000	5,500	5,500	6,000	10.0%	0.0%	9.1%	17,000
Library Grant	7,800	7,800	8,229	8,682	0.0%	5.5%	5.5%	24,711
Department of Tourism	625	–	–		-100.0%			–
Frances Baard District Municipality	6,200	–			-100.0%			–
<b>Total operational grants</b>	<b>260,137</b>	<b>230,640</b>	<b>241,544</b>	<b>243,434</b>	<b>-11.3%</b>	<b>4.7%</b>	<b>0.8%</b>	<b>715,618</b>

The municipality receives Equitable Share (EQS) from the National fiscus gazetted in the DoRA. The EQS is utilised to recover the cost of Free Basic Services (FBS) as well as provision of funding for roads upgrade in informal settlements. On an adhoc basis, EQS also funds the costs of clearing sites for low cost housing development projects as well as relocation costs of informal settlements to formalised areas.

The municipality is also participating in skills development programmes of National Treasury in the Finance, Audit and Engineering fields. The purpose of the Infrastructure Skills Development Grant (ISDG) Programme is to professionalise interns in areas where there is a lack of manpower and professionalised skills to assist the municipality to improve on service delivery. The Finance Management Grant is utilised to fund the costs to company of all finance interns including costs of training and tools of trade.

The Library grant is received from the Department of Sports and Culture for the operations of libraries within the Sol Plaatje jurisdiction. The Expanded Public Works Programme (EPWP) is a government strategy to reduce poverty and unemployment in society. EPWP involves creating work opportunities for the unemployed through maximising job opportunities within projects. In support to this SPLM has adopted the strategy and implementing it through its maintenance and capital programmes. This includes work done in-house and work contracted out to service providers. The municipality has so far been steadfast in the implementation of EPWP however the main challenge thus far is the declining incentive grant over the years and ensuring the sustainability of jobs created through the programme

Capital Grants (R thousand)	Adjusted Budget 2020/21	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Year-on-Year Increase (Decrease) from 2020/21 to 2021/22	Year-on-Year Increase (Decrease) from 2021/22 to 2022/23	Year-on-Year Increase (Decrease) from 2022/23 to 2023/24	Total capital grants over the MTREF
Integrated National Electrification Programme (INEP)	17,206	66,500	22,000	20,000	286.5%	-66.9%	-9.1%	108,500
Integrated Urban Development Grant (IUDG)	50,955	66,266	56,677	59,018	30.0%	-14.5%	4.1%	181,961
Neighbourhood Development Partnership Grant (NDPG)	27,912	10,000	–	–	-64.2%	-100.0%	0.0%	10,000
Water Services Infrastructure Grant (WSIG)	12,972	25,000	19,948	17,768	92.7%	-20.2%	-10.9%	62,716
European Union	14,400	–	–	–	-100.0%	0.0%	0.0%	–
<b>Total capital grants</b>	<b>123,446</b>	<b>167,766</b>	<b>98,625</b>	<b>96,786</b>	<b>35.9%</b>	<b>-41.2%</b>	<b>-1.9%</b>	<b>363,177</b>

Indicated in the table above is the total capital grants for the 2021/22 MTREF. From 2020/21 to 2021/22, capital grants increase by 35.9%, whilst the decrease from 2021/22 to 2022/23 is 41.2% and 1.9% from 2022/23 to 2023/24. The total capital grants over the MTREF amounts to R363,177 million. The municipality is facing severe risks in capital grant funds being withheld and rollovers disapproved as a result of poor performance and non-spending. This poses a huge risk to service delivery which is exacerbated by the municipality's current cash flow position due to limitation placed on funding capital projects from internally generated funds.

Indicated below is the capital projects linked to each grant for the 2021/22 MTREF.

Capital project per funding source (R'000)	2021/22	2022/23	2023/24	Grand Total
<b>F_C_T&amp;S_MA_NG_INEP GRANT</b>	<b>66,500</b>	<b>22,000</b>	<b>20,000</b>	<b>108,500</b>
ELECTRIFIC LERATO PARK LINK SERV NETWORK	12,000			12,000
ELECTRIFICATION LETABO PARK	20,000			20,000
LV NETWORKS ACQ-ELECTRIFICAT OF HOUSES		22,000	20,000	42,000
UPGRADE HADISON PARK 66/11 KV SUBSTATION	1,500			1,500
NETWORKS ACQ - ELECTR LERATO PARK	33,000			33,000
<b>F_C_T&amp;S_MA_NG_INTEGRATED URBAN DEVELOPMENT GRANT</b>	<b>66,266</b>	<b>56,677</b>	<b>59,018</b>	<b>181,961</b>
CRAVEN STREET TRADE CENTRE	8,000			8,000
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	22,266			22,266
P-CNIN IN PR R-G IMP PRP	3,000	3,000	3,000	9,000
RESEALING OF ROADS VARIOUS WARDS	13,000	14,000	16,000	43,000
SEWER PIPES REFURB PROG VARIOUS WARDS		12,000	11,500	23,500
STORMWAT PROJ-SW CHANNEL GALASH IUDG	10,000			10,000
UPGRADE GRAVEL ROADS WARDS VARIOUS	10,000	15,677	17,018	42,695
WATER PIPES REFURB PROG VARIOUS WARDS		12,000	11,500	23,500
<b>F_C_T&amp;S_MA_NG_N/HOOD DEV PARTNERSHIP GRANT</b>	<b>10,000</b>			<b>10,000</b>
ACQ STORMWAT PROJ-STORWAT CHANNEL GALASH	10,000			10,000
<b>F_C_T&amp;S_MA_NG_WATER SERV INFRA GRANT</b>	<b>25,000</b>	<b>19,948</b>	<b>17,768</b>	<b>62,716</b>
ACQ - CARTERS GLEN SEWER PUMP STATION	25,000	14,948	5,000	44,948
RECONSTRUCTR OF SINK TOILETS WARD17		5,000	12,768	17,768
<b>Grand Total</b>	<b>167,766</b>	<b>98,625</b>	<b>96,786</b>	<b>363,177</b>



## 15. Allocations and grants made by the municipality

NC091 Sol Plaatje - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1										
<b>Total Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b>											
	2										
<b>Total Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to other Organs of State</b>											
	3										
<b>Total Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>											
<i>Non-Prof.Oth Inst/Grants&amp;Don Diam &amp; Dor</i>		-	-	-	-	-	-	-	-	-	-
<i>Non-Prof.Oth Inst/Grants&amp;Don Oth Pub Gra</i>		1 498	374	270	2 500	2 500	2 500	200	2 000	2 000	2 000
<i>Non-Prof.Oth Institut/Gariep</i>		-	-	-	-	-	-	-	-	-	-
<i>Non-Prof.Oth Institut/Sport Council</i>		-	-	-	-	-	-	-	-	-	-
<i>Non-Prof.Oth Institutions/Spca</i>		1 700	2 000	2 100	2 200	2 200	2 200	1 650	2 300	2 400	2 500
<b>Total Cash Transfers To Organisations</b>		3 198	2 374	2 370	4 700	4 700	4 700	1 850	4 300	4 400	4 500
<b>Cash Transfers to Groups of Individuals</b>											
<i>Hh Oth Trans: Housing - Individual Supp</i>		604	237	1	-	-	-	-	-	-	-
<i>Hh Ssp Soc Ass: Grant In Aid</i>		138	122	158	150	150	150	146	160	168	177
<b>Total Cash Transfers To Groups Of Individuals:</b>		743	359	159	150	150	150	146	160	168	177
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	6	3 940	2 733	2 528	4 850	4 850	4 850	1 996	4 460	4 568	4 677
<b>Non-Cash Transfers to other municipalities</b>											
	1										
<b>Total Non-Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to Entities/Other External Mechanisms</b>											
	2										
<b>Total Non-Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other Organs of State</b>											
	3										
<b>Total Non-Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Grants to Organisations</b>											
	4										
<b>Total Non-Cash Grants To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Groups of Individuals</b>											
	5										
<b>Total Non-Cash Grants To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS</b>	6	3 940	2 733	2 528	4 850	4 850	4 850	1 996	4 460	4 568	4 677

The municipality has an agreement in place with the Society for the Prevention of Cruelty to Animals with regards to pouncing of stray domestic animals.

Applications for grant funding takes place annually with the submission of proposal to LED and ED SEDP, who will then assess the concept and prepare a memorandum for the Municipal Manager and submit and item about the concept to the LED Committee which will then concur with the recommendation made in as far as the financial support or even the reasons for the decline or rejection of the application. However, due to cash constraints the municipality has to curb the payout of adhoc grants. Under Emergency Services (Fire Department), a minor provision of R150 thousand is made for disaster management in aid to support poor households during shack fire,floods etc.

## 16. Councillor and Staff Benefits and Allowances

The general staff is remunerated in terms of the Tuned Assessment of Skills and Knowledge (TASK) with entry level being T3 and the highest level being T17, being middle management of the organisation.

The Executive Directors and the Municipal Manager, being the Senior Management of the organisation, are remunerated in terms of the Upper Limits Gazette as adopted by Council with the concurrence of the MEC of COGHSTA in the province. The Senior Management structure aligns very well with Section 4 of the Gazette which makes reference to the following directorates or departments:

- Corporate Services Directorate with core functions being Human Resources Management, Training and Development, Labour Relations, Security and Communications
- Strategy, Economic Development and Planning with core functions being Town Planning, Building Control, LED and Tourism, Urban Renewal and Market Management
- Financial Services with core functions such as Budget and treasury, Supply chain management, Expenditure management, Assets management and Revenue management.
- Community Services and Social Development which includes Traffic Law enforcement, Emergency services, Municipal health services, Parks and recreation and Facilities management
- Infrastructure and Services which includes Roads and storm water, Water and sanitation, Electricity, Mechanical engineering, Fleet management and Housing development.

On the other hand, councillors are remunerated based on the upper limits gazette for the remuneration of public office bearers. The municipality operates with an Executive Mayor system, with Mayoral Committee advising the Executive Mayor on specific issues as per the terms of references of committees established for this purpose. There are section 79 committees which report directly to council such as Ward Participatory Committee, the SPELUM Committee, Councillor Disciplinary Committee and Municipal Public Accounts Committees. The chairpersons of these committee do not serve in any other committee for independence purposes. All these chairpersons are part time, other than the Speaker who is full time.

The table below gives an account of employee costs for Senior managers and municipal staff for the MTREF including councillor remuneration.

NC091 Sol Plaatje - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		–	–	–	–	–	–	–	–	–
Pension and UIF Contributions		927	844	827	–	–	–	–	–	–
Medical Aid Contributions		306	320	339	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Cellphone Allowance		2 766	2 874	2 862	3 243	3 243	3 243	3 243	3 405	3 592
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		24 389	26 329	26 231	31 305	31 305	31 305	31 305	32 870	34 678
<b>Sub Total - Councillors</b>		<b>28 388</b>	<b>30 367</b>	<b>30 260</b>	<b>34 547</b>	<b>34 547</b>	<b>34 547</b>	<b>34 547</b>	<b>36 275</b>	<b>38 270</b>
<b>% increase</b>	4		7,0%	(0,4%)	14,2%	–	–	–	5,0%	5,5%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		8 440	8 465	9 434	8 600	8 600	8 600	8 853	9 295	9 799
Pension and UIF Contributions		843	981	984	1 108	1 108	1 108	1 209	1 269	1 338
Medical Aid Contributions		193	206	215	252	252	252	253	266	280
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	1 913	2 244	2 042	1 961	1 961	1 961	1 939	2 036	2 146
Cellphone Allowance	3	168	168	168	202	202	202	202	212	223
Housing Allowances	3	36	36	36	39	39	39	42	45	47
Other benefits and allowances	3	15	15	15	105	105	105	77	81	85
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		48	45	56	62	62	62	65	68	72
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>		<b>11 655</b>	<b>12 160</b>	<b>12 951</b>	<b>12 329</b>	<b>12 329</b>	<b>12 329</b>	<b>12 640</b>	<b>13 272</b>	<b>13 990</b>
<b>% increase</b>	4		4,3%	6,5%	(4,8%)	–	–	2,5%	5,0%	5,4%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		357 185	376 393	395 579	450 593	452 304	452 304	464 246	492 661	519 689
Pension and UIF Contributions		58 704	61 779	63 864	76 857	76 857	76 857	77 509	81 590	86 146
Medical Aid Contributions		44 990	48 569	48 766	58 592	58 592	58 592	58 279	61 333	64 758
Overtime		9 594	7 286	5 493	4 146	4 146	4 146	3 973	4 185	4 418
Performance Bonus		26 336	27 067	28 489	35 421	35 421	35 421	36 221	38 125	40 252
Motor Vehicle Allowance	3	38 361	38 599	38 306	51 621	51 621	51 621	51 296	53 955	56 938
Cellphone Allowance	3	1 333	1 335	1 296	1 499	1 499	1 499	1 415	1 489	1 571
Housing Allowances	3	2 638	2 769	2 696	3 158	3 158	3 158	2 895	3 046	3 215
Other benefits and allowances	3	71 731	65 850	63 958	63 880	67 368	67 368	63 840	67 243	71 017
Payments in lieu of leave		13 784	909	29 135	14 000	14 000	14 000	15 000	15 750	16 616
Long service awards		16 725	19 526	23 136	22 791	22 791	22 791	23 189	24 415	25 778
Post-retirement benefit obligations	6	35 530	(9 322)	12 550	41 500	41 500	41 500	38 900	40 845	43 091
<b>Sub Total - Other Municipal Staff</b>		<b>676 910</b>	<b>640 762</b>	<b>713 268</b>	<b>824 059</b>	<b>829 259</b>	<b>829 259</b>	<b>836 763</b>	<b>884 636</b>	<b>933 490</b>
<b>% increase</b>	4		(5,3%)	11,3%	15,5%	0,6%	–	0,9%	5,7%	5,5%
<b>Total Parent Municipality</b>		<b>716 953</b>	<b>683 289</b>	<b>756 479</b>	<b>870 935</b>	<b>876 135</b>	<b>876 135</b>	<b>883 950</b>	<b>934 183</b>	<b>985 750</b>
			(4,7%)	10,7%	15,1%	0,6%	–	0,9%	5,7%	5,5%
<b>Board Members of Entities</b>										
Basic Salaries and Wages		–	–	–	–	–	–	–	–	–
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Board Fees		–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
<b>Sub Total - Board Members of Entities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>% increase</b>	4		–	–	–	–	–	–	–	–
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages		–	–	–	–	–	–	–	–	–
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Entities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>% increase</b>	4		–	–	–	–	–	–	–	–
<b>Other Staff of Entities</b>										
Basic Salaries and Wages		–	–	–	–	–	–	–	–	–
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
<b>Sub Total - Other Staff of Entities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>% increase</b>	4		–	–	–	–	–	–	–	–

Indicated in the table below is a summary of the councillor's and senior manager's packages. Please note that the summary of employee benefits for other municipal staff is depicted in the table above. Under municipal staff, annual bonuses (13<sup>th</sup> cheques) is mapped to performance bonus which is incorrect. The schedules nor the mSCOA chart makes provision for annual bonuses.

**NC091 Sol Plaatje - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		–	–	991 012			991 012
Chief Whip			–	–	–			–
Executive Mayor			–	–	1 226 294			1 226 294
Deputy Executive Mayor			–	–	–			–
Executive Committee			–	–	9 321 913			9 321 913
Total for all other councillors			–	–	23 008 215			23 008 215
<b>Total Councillors</b>	8	–	–	–	34 547 434			34 547 434
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1 886 117	1 785	191 100			2 079 002
Chief Finance Officer			1 477 939	270 196	464 800			2 212 935
SM D01			1 427 134	268 523	459 356			2 155 013
SM D02			1 363 401	247 950	424 293			2 035 644
SM D03			1 449 569	249 716	381 194			2 080 479
SM D04			1 248 575	423 671	404 374			2 076 620
								–

mSCOA Description	Detail description of Senior manager's position
SM D01	Executive director: Corporate services
SM D02	Executive director: Community services
SM D03	Executive director: Strategy, economic development and planning
SM D04	Executive director: Infrastructure services

Indicated in the table below is the personnel numbers as per supporting table SA24

NC091 Sol Plaatje - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2020/21			Current Year 2021/22			Budget Year 2022/23		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Number</b>	<b>1,2</b>									
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)	4	65	65	–	65	65	–	65	65	–
Board Members of municipal entities	5									
<b>Municipal employees</b>										
Municipal Manager and Senior Managers	3	6	6	–	6	6	–	6	6	–
Other Managers	7	3	2	–	3	2	–	3	3	–
Professionals		201	80	1	198	79	1	198	155	19
Finance		17	17	–	13	13	1	13	10	3
Spatial/town planning		19	6	–	19	6	–	19	11	4
Information Technology		4	4	–	4	4	–	4	4	–
Roads		2	2	–	2	2	–	2	2	–
Electricity		13	7	–	13	7	–	13	5	3
Water		2	2	–	2	2	–	2	2	1
Sanitation		3	2	1	3	3	–	3	2	1
Refuse		–	–	–	–	–	–	–	–	–
Other		141	40	–	142	42	–	142	119	7
Technicians		274	177	11	275	185	10	275	226	22
Finance		10	10	–	10	10	–	10	6	3
Spatial/town planning		29	15	–	29	15	–	29	11	7
Information Technology		8	4	1	8	4	–	8	5	1
Roads		6	4	1	6	6	–	6	5	2
Electricity		150	98	3	150	98	2	150	137	–
Water		10	3	–	10	3	4	10	9	–
Sanitation		25	20	–	25	20	1	25	19	6
Refuse		1	–	–	1	–	–	1	1	–
Other		35	23	6	36	29	3	36	33	3
Clerks (Clerical and administrative)		472	359	110	429	345	57	429	402	34
Service and sales workers		220	133	–	348	206	–	348	229	4
Skilled agricultural and fishery workers		150	89	–	145	78	–	145	42	–
Craft and related trades										
Plant and Machine Operators		215	96	1	215	100	2	215	98	–
Elementary Occupations		1 016	577	162	1 017	618	141	1 017	681	120
<b>TOTAL PERSONNEL NUMBERS</b>	<b>9</b>	<b>2 622</b>	<b>1 584</b>	<b>285</b>	<b>2 701</b>	<b>1 684</b>	<b>211</b>	<b>2 701</b>	<b>1 907</b>	<b>199</b>
<b>% increase</b>					3,0%	6,3%	(26,0%)	–	13,2%	(5,7%)
<b>Total municipal employees headcount</b>	<b>6, 10</b>	<b>2 942</b>	<b>1 877</b>	<b>317</b>	<b>3 021</b>	<b>1 922</b>	<b>247</b>	<b>3 021</b>	<b>2 153</b>	<b>227</b>
Finance personnel headcount	8, 10	306	281	32	306	225	34	306	232	28
Human Resources personnel headcount	8, 10	14	12	–	14	13	2	14	14	–

## 17. Monthly targets for revenue, expenditure and cash flow

NC091 Sol Plaatje - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand																
<b>Revenue By Source</b>																
Property rates		52 304	52 304	52 304	52 304	52 304	52 304	52 304	52 304	52 304	52 304	52 304	52 304	627 646	658 284	688 753
Service charges - electricity revenue		76 654	76 654	76 654	76 654	76 654	76 654	76 654	76 654	76 654	76 654	76 654	76 655	919 854	1 016 768	1 108 634
Service charges - water revenue		25 893	25 893	25 893	25 893	25 893	25 893	25 893	25 893	25 893	25 893	25 893	25 893	310 717	337 475	354 626
Service charges - sanitation revenue		6 808	6 808	6 808	6 808	6 808	6 808	6 808	6 808	6 808	6 808	6 808	6 808	81 700	86 203	91 156
Service charges - refuse revenue		5 078	5 078	5 078	5 078	5 078	5 078	5 078	5 078	5 078	5 078	5 078	5 078	60 940	65 839	70 641
Rental of facilities and equipment		1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	13 010	13 662	14 414
Interest earned - external investments		500	500	500	500	500	500	500	500	500	500	500	500	6 000	12 000	15 000
Interest earned - outstanding debtors		13 042	13 042	13 042	13 042	13 042	13 042	13 042	13 042	13 042	13 042	13 042	13 042	156 500	154 069	150 785
Dividends received		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	27 730	29 117	30 718
Licences and permits		571	571	571	571	571	571	571	571	571	571	571	571	6 850	7 193	7 588
Agency services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies		21 510	21 510	21 510	21 510	21 510	21 510	21 510	21 510	21 510	21 510	21 510	21 510	258 117	273 556	294 591
Other revenue		1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	18 145	19 111	20 148
Gains		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		207 267	207 267	207 267	207 267	207 267	207 267	207 267	207 267	207 267	207 267	207 267	207 268	2 487 209	2 673 277	2 847 055
<b>Expenditure By Type</b>																
Employee related costs		70 784	70 784	70 784	70 784	70 784	70 784	70 784	70 784	70 784	70 784	70 784	70 780	849 403	897 908	947 480
Remuneration of councillors		2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	34 547	36 275	38 270
Debt impairment		24 750	24 750	24 750	24 750	24 750	24 750	24 750	24 750	24 750	24 750	24 750	24 750	297 000	316 170	337 015
Depreciation & asset impairment		6 754	6 754	6 754	6 754	6 754	6 754	6 754	6 754	6 754	6 754	6 754	6 754	81 050	85 265	89 954
Finance charges		3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	38 960	38 488	37 910
Bulk purchases - electricity		56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	682 000	763 840	840 224
Inventory consumed		19 719	19 719	19 719	19 719	19 719	19 719	19 719	19 719	19 719	19 719	19 719	19 717	236 627	244 648	261 393
Contracted services		3 870	3 870	3 870	3 870	3 870	3 870	3 870	3 870	3 870	3 870	3 870	3 870	46 437	48 812	51 352
Transfers and subsidies		372	372	372	372	372	372	372	372	372	372	372	372	4 460	4 568	4 677
Other expenditure		11 221	11 221	11 221	11 221	11 221	11 221	11 221	11 221	11 221	11 221	11 221	11 217	134 643	141 656	149 233
Losses		5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	60 000	63 300	66 763
Total Expenditure		205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 418	2 465 128	2 640 928	2 824 271
<b>Surplus/(Deficit)</b>																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	134 338	120 786	134 973
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)														—	—	—
Transfers and subsidies - capital (in-kind - all)														—	—	—
Surplus/(Deficit) after capital transfers & contributions		13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 044	156 419	153 134	157 757
Taxation														—	—	—
Attributable to minorities														—	—	—
Share of surplus/ (deficit) of associate														—	—	—
Surplus/(Deficit)	1	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 044	156 419	153 134	157 757

**NC091 Sol Plaatje - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)**

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand																
Revenue by Vote																
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	470 256	471 620	502 076
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		573	573	573	573	573	573	573	573	573	573	573	573	6 873	6 942	7 019
Vote 05 - Community Services		8 493	8 493	8 493	8 493	8 493	8 493	8 493	8 493	8 493	8 493	8 493	8 493	101 913	108 936	116 109
Vote 06 - Financial Services		54 020	54 020	54 020	54 020	54 020	54 020	54 020	54 020	54 020	54 020	54 020	54 020	648 238	679 804	711 345
Vote 07 - Strategy Econ Development And Planning		662	662	662	662	662	662	662	662	662	662	662	662	7 945	8 350	8 810
Vote 08 - Infrastructure And Services		115 527	115 527	115 527	115 527	115 527	115 527	115 527	115 527	115 527	115 527	115 527	115 527	1 386 322	1 518 411	1 636 669
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		218 462	218 462	218 462	218 462	218 462	218 462	218 462	218 462	218 462	218 462	218 462	218 463	2 621 547	2 794 063	2 982 028
Expenditure by Vote to be appropriated																
Vote 01 - Executive & Council		4 910	4 910	4 910	4 910	4 910	4 910	4 910	4 910	4 910	4 910	4 910	4 909	58 915	61 861	65 263
Vote 02 - Municipal And General		29 824	29 824	29 824	29 824	29 824	29 824	29 824	29 824	29 824	29 824	29 824	29 824	357 885	370 477	393 436
Vote 03 - Municipal Manager		1 961	1 961	1 961	1 961	1 961	1 961	1 961	1 961	1 961	1 961	1 961	1 960	23 528	24 705	26 064
Vote 04 - Corporate Services		6 202	6 202	6 202	6 202	6 202	6 202	6 202	6 202	6 202	6 202	6 202	6 200	74 419	77 848	81 773
Vote 05 - Community Services		24 806	24 806	24 806	24 806	24 806	24 806	24 806	24 806	24 806	24 806	24 806	24 804	297 675	318 812	337 080
Vote 06 - Financial Services		13 117	13 117	13 117	13 117	13 117	13 117	13 117	13 117	13 117	13 117	13 117	13 116	157 404	165 377	174 379
Vote 07 - Strategy Econ Development And Planning		5 122	5 122	5 122	5 122	5 122	5 122	5 122	5 122	5 122	5 122	5 122	5 121	61 468	64 785	68 422
Vote 08 - Infrastructure And Services		119 486	119 486	119 486	119 486	119 486	119 486	119 486	119 486	119 486	119 486	119 486	119 484	1 433 833	1 557 063	1 677 855
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 418	2 465 128	2 640 928	2 824 271
Surplus/(Deficit) before assoc.		13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 044	156 419	153 134	157 757
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 044	156 419	153 134	157 757

NC091 Sol Plaatje - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand																
Revenue - Functional																
Governance and administration		93 847	93 847	93 847	93 847	93 847	93 847	93 847	93 847	93 847	93 847	93 847	93 847	1 126 167	1 159 205	1 221 326
Executive and council		39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	470 256	471 620	502 076
Finance and administration		54 659	54 659	54 659	54 659	54 659	54 659	54 659	54 659	54 659	54 659	54 659	54 659	655 911	687 585	719 251
Internal audit													-	-	-	-
Community and public safety		2 206	2 206	2 206	2 206	2 206	2 206	2 206	2 206	2 206	2 206	2 206	2 206	26 474	27 823	29 354
Community and social services		946	946	946	946	946	946	946	946	946	946	946	946	11 348	11 934	12 591
Sport and recreation		159	159	159	159	159	159	159	159	159	159	159	159	1 905	2 007	2 117
Public safety		28	28	28	28	28	28	28	28	28	28	28	28	340	357	377
Housing		1 067	1 067	1 067	1 067	1 067	1 067	1 067	1 067	1 067	1 067	1 067	1 067	12 801	13 441	14 180
Health		7	7	7	7	7	7	7	7	7	7	7	7	80	84	89
Economic and environmental services		1 335	1 335	1 335	1 335	1 335	1 335	1 335	1 335	1 335	1 335	1 335	1 335	16 015	16 825	17 752
Planning and development		460	460	460	460	460	460	460	460	460	460	460	460	5 525	5 809	6 129
Road transport		874	874	874	874	874	874	874	874	874	874	874	874	10 490	11 016	11 623
Environmental protection													-	-	-	-
Trading services		120 348	120 348	120 348	120 348	120 348	120 348	120 348	120 348	120 348	120 348	120 348	120 348	1 444 171	1 581 053	1 703 936
Energy sources		77 988	77 988	77 988	77 988	77 988	77 988	77 988	77 988	77 988	77 988	77 988	77 988	935 854	1 033 648	1 126 442
Water management		28 764	28 764	28 764	28 764	28 764	28 764	28 764	28 764	28 764	28 764	28 764	28 764	345 167	373 990	393 149
Waste water management		7 683	7 683	7 683	7 683	7 683	7 683	7 683	7 683	7 683	7 683	7 683	7 683	92 200	97 015	102 563
Waste management		5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	70 950	76 400	81 783
Other		727	727	727	727	727	727	727	727	727	727	727	727	8 720	9 156	9 660
Total Revenue - Functional		218 462	218 462	218 462	218 462	218 462	218 462	218 462	218 462	218 462	218 462	218 462	218 463	2 621 547	2 794 063	2 982 028
Expenditure - Functional																
Governance and administration		59 405	59 405	59 405	59 405	59 405	59 405	59 405	59 405	59 405	59 405	59 405	59 401	712 851	743 381	786 852
Executive and council		35 721	35 721	35 721	35 721	35 721	35 721	35 721	35 721	35 721	35 721	35 721	35 721	428 654	444 784	471 830
Finance and administration		23 139	23 139	23 139	23 139	23 139	23 139	23 139	23 139	23 139	23 139	23 139	23 135	277 659	291 732	307 779
Internal audit		545	545	545	545	545	545	545	545	545	545	545	545	6 538	6 865	7 243
Community and public safety		15 164	15 164	15 164	15 164	15 164	15 164	15 164	15 164	15 164	15 164	15 164	15 162	181 961	195 476	205 815
Community and social services		3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	43 119	49 741	52 021
Sport and recreation		4 440	4 440	4 440	4 440	4 440	4 440	4 440	4 440	4 440	4 440	4 440	4 440	53 283	55 744	58 810
Public safety		3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	43 948	46 233	48 784
Housing		1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	22 768	23 974	25 328
Health		1 570	1 570	1 570	1 570	1 570	1 570	1 570	1 570	1 570	1 570	1 570	1 570	18 842	19 784	20 872
Economic and environmental services		11 828	11 828	11 828	11 828	11 828	11 828	11 828	11 828	11 828	11 828	11 828	11 826	141 936	149 308	157 723
Planning and development		3 989	3 989	3 989	3 989	3 989	3 989	3 989	3 989	3 989	3 989	3 989	3 988	47 872	50 348	53 116
Road transport		7 777	7 777	7 777	7 777	7 777	7 777	7 777	7 777	7 777	7 777	7 777	7 777	93 326	98 186	103 790
Environmental protection		61	61	61	61	61	61	61	61	61	61	61	61	737	774	817
Trading services		116 873	116 873	116 873	116 873	116 873	116 873	116 873	116 873	116 873	116 873	116 873	116 872	1 402 477	1 525 542	1 645 164
Energy sources		76 307	76 307	76 307	76 307	76 307	76 307	76 307	76 307	76 307	76 307	76 307	76 306	915 683	1 010 851	1 101 097
Water management		26 872	26 872	26 872	26 872	26 872	26 872	26 872	26 872	26 872	26 872	26 872	26 872	322 469	340 077	358 491
Waste water management		7 781	7 781	7 781	7 781	7 781	7 781	7 781	7 781	7 781	7 781	7 781	7 781	93 375	98 215	103 793
Waste management		5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 912	5 912	70 950	76 400	81 783
Other		2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 158	25 903	27 221	28 718
Total Expenditure - Functional		205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 418	2 465 128	2 640 928	2 824 271
Surplus/(Deficit) before assoc.		13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 044	156 419	153 134	157 757
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 044	156 419	153 134	157 757



NC091 Sol Plaatje - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		692	692	692	692	692	692	692	692	692	692	692	692	8 300	-	-
Vote 08 - Infrastructure And Services		4 670	4 670	4 670	4 670	4 670	4 670	4 670	4 670	4 670	4 670	4 670	4 670	56 038	71 786	75 973
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	5 362	5 362	5 362	5 362	5 362	5 362	5 362	5 362	5 362	5 362	5 362	5 361	64 338	71 786	75 973
<b>Single-year expenditure to be appropriated</b>																
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	53 705	52 382	58 096
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Infrastructure And Services		6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	72 000	30 000	30 000
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	10 475	10 475	10 475	10 475	10 475	10 475	10 475	10 475	10 475	10 475	10 475	10 475	125 705	82 382	88 096
<b>Total Capital Expenditure</b>	2	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	190 043	154 168	164 069

NC091 Sol Plaatje - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>																
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	53 705	52 382	58 096
Executive and council		4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	53 705	52 382	58 096
Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		2 942	2 942	2 942	2 942	2 942	2 942	2 942	2 942	2 942	2 942	2 942	2 942	35 300	30 000	30 000
Planning and development		692	692	692	692	692	692	692	692	692	692	692	692	8 300	-	-
Road transport		2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	27 000	30 000	30 000
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	101 038	71 786	75 973
Energy sources		3 833	3 833	3 833	3 833	3 833	3 833	3 833	3 833	3 833	3 833	3 833	3 833	46 000	26 000	26 898
Water management		1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	13 000	28 018	30 508
Waste water management		3 503	3 503	3 503	3 503	3 503	3 503	3 503	3 503	3 503	3 503	3 503	3 503	42 038	17 768	18 567
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	190 043	154 168	164 069
<b>Funded by:</b>																
National Government		11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	134 338	120 786	134 973
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	134 338	120 786	134 973
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		4 642	4 642	4 642	4 642	4 642	4 642	4 642	4 642	4 642	4 642	4 642	4 642	55 705	33 382	29 096
<b>Total Capital Funding</b>		15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	190 043	154 168	164 069

NC091 Sol Plaatje - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>													1		
<b>Cash Receipts By Source</b>															
Property rates	44 458	44 458	44 458	44 458	44 458	44 458	44 458	44 458	44 458	44 458	44 458	44 458	533 499	559 541	585 440
Service charges - electricity revenue	65 156	65 156	65 156	65 156	65 156	65 156	65 156	65 156	65 156	65 156	65 156	65 156	781 875	864 253	942 338
Service charges - water revenue	16 831	16 831	16 831	16 831	16 831	16 831	16 831	16 831	16 831	16 831	16 831	16 831	201 966	219 359	230 507
Service charges - sanitation revenue	5 787	5 787	5 787	5 787	5 787	5 787	5 787	5 787	5 787	5 787	5 787	5 787	69 444	73 272	77 482
Service charges - refuse revenue	3 316	3 316	3 316	3 316	3 316	3 316	3 316	3 316	3 316	3 316	3 316	3 316	39 795	42 182	44 291
Rental of facilities and equipment	2	2	2	2	2	2	2	2	2	2	2	2	20	21	22
Interest earned - external investments	500	500	500	500	500	500	500	500	500	500	500	500	6 000	12 000	15 000
Interest earned - outstanding debtors													-		
Dividends received													-		
Fines, penalties and forfeits	2 423	2 423	2 423	2 423	2 423	2 423	2 423	2 423	2 423	2 423	2 423	2 423	29 080	30 445	32 180
Licences and permits	571	571	571	571	571	571	571	571	571	571	571	571	6 850	7 193	7 588
Agency services													-		
Transfers and Subsidies - Operational	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	18 959	15 390	15 840
Other revenue	30 620	30 620	30 620	30 620	30 620	30 620	30 620	30 620	30 620	30 620	30 620	30 621	367 445	200 269	201 571
<b>Cash Receipts by Source</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 245</b>	<b>2 054 932</b>	<b>2 023 924</b>	<b>2 152 259</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	134 338	120 786	134 973
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)													-		
Proceeds on Disposal of Fixed and Intangible Assets													-		
Short term loans													-		
Borrowing long term/refinancing													-		
Increase (decrease) in consumer deposits	300	300	300	300	300	300	300	300	300	300	300	300	3 601	2 928	2 608
Decrease (increase) in non-current receivables	96	96	96	96	96	96	96	96	96	96	96	96	1 151	(2 143)	(1 893)
Decrease (increase) in non-current investments													-		
<b>Total Cash Receipts by Source</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>2 194 022</b>	<b>2 145 496</b>	<b>2 287 947</b>
<b>Cash Payments by Type</b>															
Employee related costs	68 248	68 248	68 248	68 248	68 248	68 248	68 248	68 248	68 248	68 248	68 248	68 248	818 971	865 954	913 822
Remuneration of councillors													-		
Finance charges	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	38 960	38 488	37 910
Bulk purchases - electricity	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	682 000	763 840	840 224
Acquisitions - water & other inventory	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	120 000	126 600	133 563
Contracted services													-		
Transfers and grants - other municipalities													-		
Transfers and grants - other	372	372	372	372	372	372	372	372	372	372	372	372	4 460	4 568	4 677
Other expenditure	34 604	34 604	34 604	34 604	34 604	34 604	34 604	34 604	34 604	34 604	34 604	34 600	415 242	432 432	459 063
<b>Cash Payments by Type</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 294</b>	<b>2 079 633</b>	<b>2 231 881</b>	<b>2 389 259</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	190 043	154 168	164 069
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	364	364	364	364	364	364	364	364	364	364	364	364	4 373	4 591	4 867
<b>Total Cash Payments by Type</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 495</b>	<b>2 274 048</b>	<b>2 390 641</b>	<b>2 558 195</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 660)</b>	<b>(80 026)</b>	<b>(245 145)</b>	<b>(270 248)</b>
Cash/cash equivalents at the month/year begin:	172 922	166 253	159 583	152 913	146 244	139 574	132 904	126 235	119 565	112 895	106 226	99 556	172 922	92 896	(152 249)
Cash/cash equivalents at the month/year end:	166 253	159 583	152 913	146 244	139 574	132 904	126 235	119 565	112 895	106 226	99 556	92 896	92 896	(152 249)	(422 496)

There is a system error with the population of the Cash flow which the service provider is busy working on.

## 18. Capital expenditure details

Indicated in the chart below is the funding sources and capital expenditure for the 2022/23 MTREF. The total capital plan for the MTREF is R408,177 million.

Funding sources of capex	2022/23 Medium Term Revenue & Expenditure Framework				
Funding sources of capex	Current Year 2021/22	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Total Capex over MTREF
	R'000	R'000	R'000	R'000	R'000
Capital transfers	141 666	134 338	120 786	134 973	390 097
Borrowing		–	–	–	–
Internally generated funds	25 000	55 705	33 382	29 096	118 183
<b>Total Capex</b>	<b>166 666</b>	<b>190 043</b>	<b>154 168</b>	<b>164 069</b>	<b>508 280</b>
Year-on-year R-Value (Increase / Decrease) in Capital transfers	–	(7 328)	(13 552)	14 187	–
Year-on-year R-Value (Increase / Decrease) in Internally generated funds	–	30 705	(22 323)	(4 286)	–
Year-on-year R-Value (Increase / Decrease) in Capex	–	23 377	(35 875)	9 901	–
Year-on-year % (Increase / Decrease) in Capital transfers	–	-5%	-10%	12%	–
Year-on-year % (Increase / Decrease) in Internally generated funds	–	123%	-40%	-13%	–
Year-on-year % (Increase / Decrease) in Capex	–	14%	-19%	6%	–
Weighting Capital transfers	85%	71%	78%	82%	77%
Weighting Borrowing	0%	0%	0%	0%	0%
Weighting Internally Generated Funds	15%	29%	22%	18%	23%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

National Treasury recommended that the municipality must improve the capital funding mix, however due to financial constraints the municipality could not significantly increase its contribution from own funding. The municipality has been extremely capital grant dependent over the last few years. The approach was conservative, in order to improve on cash reserves and also as per S18 of the MFMA the internally generated funds must be cash-backed. It will be very irresponsible of the municipality to include projects which does not have secure funding, also bearing in mind that the budget must be funded. Below is a list of capital expenditure by project for 2022/23 to 2024/25

NC091 Sol Plaatje - Supporting Table SA36 Detailed capital budget									
R thousand							2022/23 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome	Audited Outcome 2020/21	Current Year 2021/22 Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality:									
List all capital projects grouped by Function									
Corporate Wide Strategic Planning (ldps,	Craven Street Trade Centre	2002002002001018_0	UPGRADING	ent; effective and development-oriented public	643	8 000	8 300	-	-
Corporate Wide Strategic Planning (ldps,	European Union Bear Project	002003007002006_00	NEW	ent; effective and development-oriented public	2 483	14 400	-	-	-
Electricity	El lu C - Hv Subs:Acq/Carter Gl Sbt	001001002001002_00	UPGRADING	competitive and responsive economic infrastruc	-	-	7 000	-	-
Electricity	Upgrade Hadison Park 66/11 Kv Substation	001001002001002_00	UPGRADING	competitive and responsive economic infrastruc	-	1 500	-	-	-
Electricity	El lu C - Lv Netw:Acq/Elec Houses	001002001008_0000	NEW	competitive and responsive economic infrastruc	-	-	-	20 000	20 898
Electricity	Electric Lerato Park Link Serv Network	001002001008_0000	NEW	competitive and responsive economic infrastruc	-	5 000	-	-	-
Electricity	Electrification Golf Course	001002001008_0000	NEW	competitive and responsive economic infrastruc	-	5 400	-	-	-
Electricity	Electrification Lerato Park	001002001008_0000	NEW	competitive and responsive economic infrastruc	16 469	3 000	-	-	-
Electricity	Electrification Letabo Park	001002001008_0000	NEW	competitive and responsive economic infrastruc	-	23 320	-	-	-
Electricity	Networks Acq - Electr Mathibe	001002001008_0000	NEW	competitive and responsive economic infrastruc	-	-	33 000	-	-
Electricity	Networks Acq - Electr Soul City	001002001008_0000	NEW	competitive and responsive economic infrastruc	-	1 280	-	-	-
Electricity	Install Vsd's At Newton Reservoir	001001001001008_00	RENEWAL	competitive and responsive economic infrastruc	-	-	1 000	-	-
Electricity	Street Lights Replace 125w Mv With 36w L	001001001001008_00	RENEWAL	competitive and responsive economic infrastruc	-	-	3 000	-	-
Electricity	Capital Spares-Acq-Prepaid Meters	001001001001009_00	RENEWAL	competitive and responsive economic infrastruc	-	1 000	2 000	2 000	2 000
Electricity	Eedsm Projects	001001001001009_00	RENEWAL	competitive and responsive economic infrastruc	-	-	-	4 000	4 000
Finance	P-Cierr-Rd/Pav/Brd/Sw-ReSealing	001001001006001_00	RENEWAL	competitive and responsive economic infrastruc	1 188	-	-	-	-
Finance	ReSealing Of Roads Various Wards	001001001006001_00	RENEWAL	competitive and responsive economic infrastruc	4 974	-	-	-	-
Finance	Roads & Stormwater Upgrade Wards	001001001007002_00	RENEWAL	competitive and responsive economic infrastruc	1 963	-	-	-	-
Finance	Roads Infra - lu C: Stormw Gsw	001001002006001_00	UPGRADING	competitive and responsive economic infrastruc	19 896	-	-	20 000	30 000
Finance	Stormwat Proj-Sw Channel Galash Ludg	001001002006001_00	UPGRADING	competitive and responsive economic infrastruc	-	-	-	-	-
Finance	Upgrade Gravel Roads Wards Various	001001002006001_00	UPGRADING	competitive and responsive economic infrastruc	12 075	-	-	-	-
Finance	Acq-Computer Equipment Replacement	PC002003004_000001	NEW	ent; effective and development-oriented public	1 687	3 500	11 300	3 500	3 500
Finance	Acq-Furniture And Office Equip Replacem	PC002003005_000001	NEW	ent; effective and development-oriented public	76	2 000	2 000	2 000	2 000
Finance	Additions-Planning And Surveying	002003008001001_00	NEW		640	-	-	-	-
Finance	P-Cnin In Pr R-G Imp Prp	002003008001001_00	NEW		-	3 000	5 000	5 000	5 000
Finance	Township Establishment Various Wards	002003008001001_00	NEW		797	-	-	-	-
Finance	Acq-Fleet Replacement	PC002003010_000001	NEW		1 825	9 500	35 405	21 882	17 596
Finance	P-Cnin Com F Fire/Ambul	002003002001005_00	NEW	insive; responsive and sustainable social protect	5 055	3 000	-	-	-
Sewerage	Acq - Carters Glen Sewer Pump Station	001001001005001_00	RENEWAL	competitive and responsive economic infrastruc	19 291	21 000	19 948	17 768	-
Sewerage	Reconstruction Old Sink Toilets Phase 1	001001001005005_00	RENEWAL	competitive and responsive economic infrastruc	7 807	5 000	1 000	-	-
Sewerage	Reconstructr Of Sink Toilets Ward17	001001001005005_00	RENEWAL	competitive and responsive economic infrastruc	-	-	-	-	18 567
Sewerage	Leratopark Sewer Upgrad Downstream Infra	001002005002_0000	NEW	competitive and responsive economic infrastruc	21 320	22 266	21 090	-	-
Town Planning, Building Regulations And	P-Cier Rds Roads	001001001006001_00	RENEWAL	competitive and responsive economic infrastruc	-	11 700	15 000	20 000	20 000
Town Planning, Building Regulations And	ReSealing Of Roads Fb Wm	001001001006001_00	RENEWAL	competitive and responsive economic infrastruc	-	3 500	-	-	-
Town Planning, Building Regulations And	Stormwat Proj-Sw Channel Galash Ludg	001001002006001_00	UPGRADING	competitive and responsive economic infrastruc	-	7 300	-	-	-
Town Planning, Building Regulations And	Upgrade Gravel Roads Wards Various	001001002006001_00	UPGRADING	competitive and responsive economic infrastruc	-	10 000	12 000	10 000	10 000
Water Distribution	Water Pipes Refurb Prog Various Wards	001001001004007_00	RENEWAL	competitive and responsive economic infrastruc	-	-	10 000	26 018	28 508
Water Distribution	Distribution-Acq-Wat Meter Replaceme	001001002004007_00	UPGRADING	competitive and responsive economic infrastruc	-	1 000	2 000	2 000	2 000
Water Distribution	Elevated Water Tanks Distribution	001002004007_0000	NEW	competitive and responsive economic infrastruc	1 312	1 000	1 000	-	-
Parent Capital expenditure					119 502	166 666	190 043	154 168	164 069

The project description on SA36 is aligned to the mSCOA description. Indicated above is a more specific breakdown of the capital projects per funding source. The makeup of the capital program for 2022/23 is rightfully dominated by infrastructure projects consisting of roads, storm water, water, sanitation and electricity projects.

The flagship projects are dominated by infrastructure projects, inter alia.

- Electrification of 1,500 households in Lerato Park with a budget of R33 million
- Carters Ridge Pump station Upgrade with a budget of R25 million
- Lerato Park Sewer Services with a budget of R22.2 million
- Electrification of 1,100 households Lethabo Park with a budget of R20 million
- Galeshewe Stormwater and Attenuation Pond R20 million

Provision is also made for Roads projects which have a combined budget of R23 million. Resealing of roads are provided with a budget of R13 million and the upgrade of gravel roads are allocated R10 million. An amount of R8 million is also set aside for the Upgrade of the Craven Street Taxi rank. Lerato Park Link services receives funding to the tune of R12 million. Provision is also made in the budget of R4 million for the Fleet Replacement Program.

## Capital plan by Municipal Functional Classification and Municipal vote

Capital Expenditure per Functional classification						
Capital Expenditure - Function	2022/23 Medium Term Revenue & Expenditure Framework					
	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Weighting 2022/23	Weighting 2023/24	Weighting 2024/25
R Rhousand						
Executive and council	53 705	52 382	58 096	28%	34%	35%
Planning and development	8 300	–	–	4%	0%	0%
Road transport	27 000	30 000	30 000	14%	19%	18%
Energy sources	46 000	26 000	26 898	24%	17%	16%
Water management	13 000	28 018	30 508	7%	18%	19%
Waste water management	42 038	17 768	18 567	22%	12%	11%
<b>Total</b>	<b>190 043</b>	<b>154 168</b>	<b>164 069</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### 19. Contracts having future budgetary implications

The municipality has no contracts that extend beyond the MTREF at any given point in time except for long term borrowings which are reported separately. The table SA33 below indicates contracts with future budgetary implications. However, this a population error on the running of the schedules and has to be resolved with the service provider. This has been brought under their attention.

Capital Expenditure per Municipal Vote						
Vote Description	2022/23 Medium Term Revenue & Expenditure Framework					
	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Weighting 2022/23	Weighting 2023/24	Weighting 2024/25
Vote 01 - Executive & Council	–	–	–	0%	0%	0%
Vote 02 - Municipal And General	53 705	52 382	58 096	28%	34%	35%
Vote 03 - Municipal Manager	–	–	–	0%	0%	0%
Vote 04 - Corporate Services	–	–	–	0%	0%	0%
Vote 05 - Community Services	–	–	–	0%	0%	0%
Vote 06 - Financial Services	–	–	–	0%	0%	0%
Vote 07 - Strategy Econ Development And Planning	8 300	–	–	4%	0%	0%
Vote 08 - Infrastructure And Services	128 038	101 786	105 973	67%	66%	65%
<b>Total</b>	<b>190 043</b>	<b>154 168</b>	<b>164 069</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

NC091 Sol Plaatje - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Total Contract Value
		Total	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>R thousand</b>	1,3													
<b>Parent Municipality:</b>														
<b>Revenue Obligation By Contract</b>	2													
No Future Contracts Greater Than 5m		–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Operating Revenue Implication</b>		–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Expenditure Obligation By Contract</b>	2													
No Future Contracts Greater Than 5m		–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Operating Expenditure Implication</b>		–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Capital Expenditure Obligation By Contract</b>	2													
Upgrade Stormwater Galeshewe		–	40 000	–	–	–	–	–	–	–	–	–	–	40 000
Lerato Park Link Water And Sewer		–	–	–	–	–	–	–	–	–	–	–	–	–
Homevale Fire Station		–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure Implication</b>		–	40 000	–	–	–	–	–	–	–	–	–	–	40 000
<b>Total Parent Expenditure Implication</b>		–	40 000	–	–	–	–	–	–	–	–	–	–	40 000
<b>Entities:</b>														
<b>Revenue Obligation By Contract</b>	2													
<b>Total Operating Revenue Implication</b>		–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Expenditure Obligation By Contract</b>	2													
<b>Total Operating Expenditure Implication</b>		–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Capital Expenditure Obligation By Contract</b>	2													
<b>Total Capital Expenditure Implication</b>		–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Entity Expenditure Implication</b>		–	–	–	–	–	–	–	–	–	–	–	–	–

## 20. Legislation and compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

### 1. In year reporting and mSCOA compliance

Reporting to National Treasury in respect of the submission of data strings was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes the publication of the monthly budget statement on the municipality's website. The conversion to version 6.6 for 2022/23 on the financial system is in progress and the use of A-schedules aligned to version 6.6 has been successfully concluded.

2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and employs five interns undergoing training in various divisions of the Financial Services and Internal audit. Five additional interns have been appointed during January 2020, however one intern resigned within a week, due to permanent employment elsewhere.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The draft SDBIP document will be tabled with the budget for the 2021/22 MTREF on 30 March 2021.

6. Annual Report

Annual report not compiled with in terms of the MFMA requirements.

7. Annual Financial Statement

Annual Financial Statements for the year ended 30 June 2021 was submitted on 31 August 2021, as per the extended due date.

8. Auditor-General Opinion 2020/2021

<b>Audit report status (2020/21)</b>	Qualified Audit Opinion
<b>Audit Findings</b>	<b>118</b>
<b>Basis for qualified opinion</b>	
Property, Plant and Equipment	
Trade Receivables from exchange transactions	
Trade Receivables from non-exchange transactions	
Employee Benefits Liabilities	
Non-Current Provisions	
Irregular Expenditure	
Service charges	
<b>Emphasis of matter paragraphs</b>	
Restatement of corresponding figures	
Material impairments – trade receivables	
Material losses – Electricity and Water	
Underspending of the budget	



## 21. Service Delivery Agreements

The Municipal Structures Act, Section 78 allows for two mechanisms for service delivery purposes, the internal mechanisms and the external mechanisms. Where an external mechanism has been chosen for a specific function or responsibility, a section 80 service delivery agreement must be entered into. At this stage no, new Service delivery agreements are envisaged to be entered into.

## **2.13 Municipal manager's quality certification**

### **Quality Certificate**

I, N Kesiamang, Acting Municipal Manager of Sol Plaatje Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Annual Budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

**Print Name: N Kesiamang**

**Acting Municipal Manager of Sol Plaatje Local Municipality (NC091)**

**Signature:** .....

**Date: 29/03/2021**

# **CIRCULAR 42**

## **Funding of Budget**

**SOL PLAATJE MUNICIPALITY (NC091)**

Part 1 - Budgeting for Financial Performance				
Description	Ref	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
		R'000	R'000	R'000
<b><u>Revenue by Source (Table 1)</u></b>				
Property rates	A	627,646	658,284	688,753
Service charges	A	1,373,211	1,506,285	1,625,057
Operational Revenue		0	0	0
Rental of facilities and equipment	B	13,010	13,662	14,414
Interest earned - external investments	D	6,000	12,000	15,000
Interest earned - outstanding debtors	D	156,500	154,069	150,785
Fines	B	27,730	29,117	30,718
Licenses and permits	B	6,850	7,193	7,588
Government grants & subsidies - ops		258,117	273,556	294,591
Government grants & subsidies - capital	E	134,338	120,786	134,973
Other income	B	18,145	19,111	20,148
<b>Total Revenue By Source</b>		<b>2,621,547</b>	<b>2,794,063</b>	<b>2,982,028</b>
Internal recoveries		32,254	43,454	44,954
Cross Subsidization		0	1,500	2,000
<b>Total</b>		<b>2,653,801</b>	<b>2,839,017</b>	<b>3,028,982</b>
<b><u>Operating Expenditure by Type (Table 6)</u></b>				
Employee related costs	C	849,403	897,908	947,480
Remuneration of Councilors		34,547	36,275	38,270
Contracted Services		46,437	48,812	51,352
Operational Cost		0	0	0
Other material and consumables		134,643	141,656	149,233
Bulk purchases - Electricity		682,000	763,840	840,224
Bulk purchases - Water		236,627	244,648	261,393
Losses		60,000	63,300	66,763
Interest external		38,960	38,488	37,910
Operating leases		0	0	0
Bad debts	F	297,000	316,170	337,015
Grants and subsidies paid		4,460	4,568	4,677
Depreciation		81,050	85,265	89,954
<b>Total Operating Expenditure By Type</b>		<b>2,465,128</b>	<b>2,640,928</b>	<b>2,824,271</b>
Internal Transfer		32,254	43,454	44,954
Cross Subsidization		0	1,500	2,000
<b>Total</b>		<b>2,497,382</b>	<b>2,685,882</b>	<b>2,871,225</b>
<b>Operating Surplus/(Deficit)</b>		<b>156,419</b>	<b>153,134</b>	<b>157,757</b>

**SOL PLAATJE MUNICIPALITY (NC091)**

Part 2 - Budgeting for Cash Flow				
Description	Ref	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
		R'000	R'000	R'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b><u>Receipts</u></b>				
Cash receipts from ratepayers, government and other	A,B	1,886,515	2,060,486	2,247,849
Cash receipts from government - operating		258,117	273,556	294,591
Cash receipts from government and other - capital		134,338	120,786	134,973
Interest received	D	45,125	50,517	52,696
<b><u>Payments</u></b>				
Cash paid to suppliers and employees	I	(2,045,577)	(2,163,569)	(2,340,200)
Finance charges		(38,960)	(38,488)	(37,910)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>239,558</b>	<b>303,288</b>	<b>352,001</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b><u>Receipts</u></b>				
Proceeds on disposal of property, plant and equipment		0	0	0
Increase in investment properties		0	0	0
(Increase)/decrease in non-current receivables		0	0	0
<b><u>Payments</u></b>				
Purchase of property, plant and equipment	G	(190,043)	(154,168)	(164,069)
(Increase)/decrease in current assets		0	0	0
Increase in non-current investments		0	0	0
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(190,043)</b>	<b>(154,168)</b>	<b>(164,069)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b><u>Receipts</u></b>				
New loans raised	G	0	0	0
Increase in consumer deposits		3,925	4,279	4,145
<b><u>Payments</u></b>				
Repayment of borrowing	G	(9,402)	(9,534)	(10,734)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>(5,477)</b>	<b>(5,255)</b>	<b>(6,588)</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>44,039</b>	<b>143,865</b>	<b>181,343</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>34,701</b>	<b>78,740</b>	<b>222,605</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>78,740</b>	<b>222,605</b>	<b>403,949</b>

## SOL PLAATJE MUNICIPALITY (NC091)

Part 3 - Reconciliation of reserves and commitments backed by cash/investments				
Description	Ref	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
		R'000	R'000	R'000
Reserves to be backed by cash	H	131,644	61,923	66,069
Creditors unpaid at year end		558,396	591,899	627,413
<b>Total commitments</b>		<b>690,040</b>	<b>653,822</b>	<b>693,482</b>
Cash and cash equivalents at the end of the year		78,740	222,605	403,949
Long term investments		0	0	0
<b>Cash and investments available</b>		<b>78,740</b>	<b>222,605</b>	<b>403,949</b>
<b>Explanation notes/references</b>				
A It is the billed/accrued amount and it is assumed that 90% will be collected (average at 85% including interest on debtors and billed)				
B It is assumed that a 100% is received/collected				
C Included is a provision for an average increase of 4.5%				
D Interest received in the cash flow comprises of 25% of interest on debtors and 100% of investment interest				
E All grants will be received and spent except for roll over capital projects				
F Bad/Doubtful debts have been provided at 15% of billable revenue				
G Capital budgeted expenditure of R190,043m is funded by R134,338m grants, R0m donation, R0m from a loan and R55.7m from operating (counter funding/CRR)				
H The municipality has these projected reserves in the budgeted financial position that need to be backed by cash				
I Counter funding included in capital projects deducted from operating expenditure				
<b>Is the municipality's budget appropriately funded - Yes</b>				
-cash receipts projections are realistic as the cash flow were reduced in line with expected levels of collection				
- bad debts have been provided at approximately 15% of billed revenue				

# **CIRCULAR 71**

## **Financial Ratios and Norms**



The green colour indicates that the result is within the comparison acceptable
Red colour indicates that the result is not acceptable and corrective action steps should be put in place to improve the result
Blue colour indicates that the result is not acceptable and corrective action steps should be put in place to improve the result
Yellow colour indicates that the result is not acceptable and corrective action steps should be put in place to improve the result
Grey colour indicates that the result is not acceptable and corrective action steps should be put in place to improve the result

## Template for Calculation of Uniform Financial Ratios and Norms

NO	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS R'000 2022/23	DATA INPUTS AND RESULTS R'000 2023/24	DATA INPUTS AND RESULTS R'000 2024/25	INTERPRETATION	MUNICIPAL COMMENTS (#)
<b>1. FINANCIAL POSITION</b>										
<b>A. Asset Management/Utilisation</b>										
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%	Total Operating Expenditure Taxation Expense Total Capital Expenditure	7% 2,465,128 190,043	6% 2,640,928 154,168	5% 2,824,271 164,069	Please refer to page 2 of MFMA Circular No. 71	
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR	0%	PPE, Investment Property and Intangible Impairment PPE at carrying value Investment at carrying value Intangible Assets at carrying value	0% 2,005,425 204,897 10,965	0% 2,052,745 202,848 11,075	0% 2,103,890 200,819 11,185	Please refer to page 3 of MFMA Circular No. 71	
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%	Total Repairs and Maintenance Expenditure PPE at carrying value Investment Property at Carrying value	7% 165,331 2,005,425 204,897	8% 173,488 2,052,745 202,848	8% 185,658 2,103,890 200,819	Please refer to page 4 of MFMA Circular No. 71	The total amount used in this calculation is not including labour costs.
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%	Total Repairs and Maintenance Expenditure including Labour Costs PPE at carrying value Investment Property at Carrying value	15% 334,709 2,005,425 204,897	20% 353,016 1,535,620 202,754	21% 375,914 1,577,221 204,782	Please refer to page 4 of MFMA Circular No. 71	The total amount used in this calculation is not including labour costs.
<b>B. Debtors Management</b>										
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year Reports, IDP and AR	95%	Gross Debtors closing balance Gross Debtors opening balance Bad debts written Off Billed Revenue	84% 1,883,414 1,562,712 2,000,857	85% 2,205,089 1,883,414 2,164,569	86% 2,536,544 2,205,089 2,313,810	Please refer to page 5 of MFMA Circular No. 71	The provision for doubtful debt amounts to around 15% annually. This is an increase from previous estimates. The municipality is implementing a debtor recovery project to improve the collection rate.
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%	Consumer Debtors Bad debts written off Consumer Debtors Current bad debt Provision	0% 1,332,986	0% 1,649,156	0% 1,986,171	Please refer to page 5 of MFMA Circular No. 71	
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue) x 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days	Gross debtors Bad debts Provision Billed Revenue	100 days 1,883,414 1,332,986 2,000,857	94 days 2,205,089 1,649,156 2,164,569	87 days 2,536,544 1,986,171 2,313,810	Please refer to page 6 of MFMA Circular No. 71	The gross debtors balance includes unpaid grants as well as non-billed revenue. A portion of gross debtors also relates to property rates which is recoverable when selling the asset and government debt, which is not impaired. The mentioned factors distorts the net debtor days to an extent.
<b>C. Liquidity Management</b>										
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months	Cash and cash equivalents Unspent Conditional Grants Overdraft Short Term Investments Total Annual Operational Expenditure	0 Month - - 78,740 2,084,537	1 Month - - 222,606 2,202,057	2 Month - - 403,949 2,378,109	Please refer to page 7 of MFMA Circular No. 71	
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1	Current Assets Current Liabilities	2.59 2,198,501 845,724	2.63 2,356,818 896,662	2.68 2,517,158 938,431	Please refer to page 7 of MFMA Circular No. 71	



D. Liability Management									
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 00	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%	Interest Paid Redemption Total Operating Expenditure Taxation Expense	2% 38,960 12,078 2,465,128	2% 38,488 13,345 2,640,928	2% 37,910 14,780 2,824,271	Please refer to page 8 of MFMA Circular No. 71
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%	Total Debt Total Operating Revenue Operational Conditional Grants	8% 182,363 2,621,547 258,117	6% 163,295 2,794,063 273,556	5% 141,827 2,982,028 294,591	Please refer to page 9 of MFMA Circular No. 71
E. Sustainability									
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%	Cash and cash Equivalents Bank Overdraft Short Term Investment Long Term Investment Unspent Grants Net Assets Accumulated Surplus	46% - 78,740 - - 3,130,647 2,959,608	108% - 222,606 - - 3,283,782 3,077,992	168% - 403,949 - - 3,441,538 3,201,111	Please refer to page 9 of MFMA Circular No. 71
2. FINANCIAL PERFORMANCE									
A. Efficiency									
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%	Total Operating Revenue Depreciation - Revalued Portion (Only populate if depreciation line item in the Statement of Financial Total Operating Expenditure Taxation Expense	9% 2,621,547 81,050 2,465,128	9% 2,794,063 85,265 2,640,928	8% 2,982,028 89,954 2,824,271	Please refer to page 10 of MFMA Circular No. 71
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%	Total Electricity Revenue Total Electricity Expenditure	10% 952,852 857,928	2% 969,471 947,601	2% 1,056,859 1,032,564	Please refer to page 10 of MFMA Circular No. 71
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	Total Water Revenue Total Water Expenditure	10% 328,612 296,663	10% 350,814 317,116	9% 372,196 337,784	Please refer to page 11 of MFMA Circular No. 71
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	Total Refuse Revenue Total Refuse Expenditure	0% 70,592 70,592	0% 75,064 75,064	0% 80,070 80,070	Please refer to page 12 of MFMA Circular No. 71
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%	Total Sanitation and Water Waste Revenue Total Sanitation and Water Waste Expenditure	1% 86,848 85,754	1% 92,438 91,208	1% 97,841 96,516	Please refer to page 12 of MFMA Circular No. 71
B. Distribution Losses									
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	Number of units purchased and/or generated ('000) Number of units sold ('000)	18% 608,115 498,654	15% 625,425 531,612	12% 631,743 555,934	Please refer to page 13 of MFMA Circular No. 71
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%	Number of kilolitres purchased and/or purified ('000) Number of kilolitres sold ('000)	50% 60,260 30,130	40% 58,077 34,846	30% 57,553 40,287	Please refer to page 13 of MFMA Circular No. 71

Total Electricity Losses includes technical losses. According to NERSA's Municipal Tariff Benchmark for 2014/15, the tolerable range is 5% - 12%

The Municipality is busy with projects to adress the water losses. These include metering the bulk use of stand pipes in areas, the installation of bulk meters per area, smart metering of Municipal own use and savings options at Riverton plant.

C. Revenue Management										
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active	Debtors System	None	Number of Active Debtors Accounts (Previous)	0%	1%	1%	Please refer to page 14 of MFMA Circular No. 71	
					66	66	66	67		
					Number of Active Debtors Accounts (Current)	66	67	67		
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue ) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI	CPI	4%	7%	7%	Please refer to page 15 of MFMA Circular No. 71	
					Total Revenue (Previous)	2,513,883	2,621,547	2,794,063		
					Total Revenue (Current)	2,621,547	2,794,063	2,982,028		
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants ) x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= CPI	CPI	5%	7%	7%	Please refer to page 15 of MFMA Circular No. 71	The revenue figure requires the exclusion of capital grants but still includes operational grants, which is not a true reflection of growth in tariffs and city
					Total Revenue Excl.Capital (Previous)	2,371,959	2,487,209	2,673,277		
					Total Revenue Excl.Capital (Current)	2,487,209	2,673,277	2,847,055		
D. Expenditure Management										
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days	Trade Creditors	170 days	172 days	168 days	Please refer to page 16 of MFMA Circular No.71	This ratio is calculated as at a specific point in time, which results in a distorted representation of the actual payment days. Especially at year-end, the outstanding creditors will be high.
					Contracted Services	558,396	591,899	627,413		
					Repairs and Maintenance	46,437	48,812	51,352		
					General expenses	-	-	-		
					Bulk Purchases	43,420	43,056	42,587		
					Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)	918,627	1,008,488	1,101,617		
						190,043	154,168	164,069		
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure	0%	0%	0%	Please refer to page 16 of MFMA Circular No. 71	
					Total Operating Expenditure	2,465,128	2,640,928	2,824,271		
					Taxation Expense					
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%	Employee/personnel related cost	36%	35%	35%	Please refer to page 17 of MFMA Circular No. 71	
					Councillors Remuneration	849,403	897,908	947,480		
					Total Operating Expenditure	34,547	36,275	38,270		
					Taxation Expense	2,465,128	2,640,928	2,824,271		
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%	Contracted Services	2%	2%	2%	Please refer to page 17 of MFMA Circular No. 71	
					Total Operating Expenditure	46,437	48,812	51,352		
					Taxation Expense	2,465,128	2,640,928	2,824,271		
E. Grant Dependency										
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and	None	Internally generated funds	29%	22%	18%	Please refer to page 18 of MFMA Circular No. 71	
					Borrowings	55,705	33,382	29,096		
					Total Capital Expenditure	-	-	-		
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements	None	Internally generated funds	6%	13%	16%	Please refer to page 18 of MFMA Circular No. 71	
					Total Capital Expenditure	11,500	14,500	19,000		
						179,266	113,125	115,786		
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None	Total Revenue	95%	94%	94%	Please refer to page 18 of MFMA Circular No. 71	
					Government grant and subsidies	2,621,547	2,794,063	2,982,028		
					Public contributions and Donations	258,117	273,556	294,591		
					Capital Grants	134,338	120,786	134,973		
3. BUDGET IMPLEMENTATION										
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%	Actual Capital Expenditure	100%	100%	100%	Please refer to page 19 of MFMA Circular No. 71	
					Budget Capital Expenditure	179,266	113,125	115,786		
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Expenditure	100%	100%	100%	Please refer to page 20 of MFMA Circular No. 71	
					Budget Operating Expenditure	2,465,128	2,640,928	2,824,271		
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Revenue	100%	100%	100%	Please refer to page 20 of MFMA Circular No. 71	
					Budget Operating Revenue	2,621,547	2,794,063	2,982,028		
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Service Charges and Property Rates Revenue	100%	100%	100%	Please refer to page 21 of MFMA Circular No. 71	
					Budget Service Charges and Property Rates Revenue	2,000,857	2,164,569	2,313,810		

**MARCH 2022/23**  
**BUDGET**  
**ANNEXURES**

**1.Schedules**

**2.Tariffs**

**3.History of Tariffs**

**4.IDP Overview**

**5.SDBIP**

**6.Policies**

**7.By-laws**

**8.MFMA-Circulars**

**SECTION 1:**

**BUDGET  
SCHEDULES  
AND  
SUPPORTING  
TABLES**



# **Municipal annual budgets and MTREF & supporting tables**

mSCOA Version 6.6

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**Accountability**

**Transparency**

**Information &  
service delivery**



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## **Contact details:**

Kgomotso Baloyi  
National Treasury  
Tel: (012) 315-5866  
Electronic submissions:  
LG Upload Portal

### Preparation Instructions

Municipality Name:

CFO Name:

Tel:

Fax:

E-Mail:

Budget for MTREF starting:

Budget Year: 2022/23

Does this municipality have Entities?

If YES: Identify type of report:

LGDB Export

Name Votes & Sub-Votes

#### Printing Instructions

##### Showing / Hiding Columns

##### Showing / Clearing Highlights

#### Important documents which provide essential assistance

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[Dummy Budget Guide](#)

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[Funding Compliance Guide](#)

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Organisational Structure Votes		Complete Votes & Sub-Votes	Select Org. Structure
Vote 01 - Executive & Council	Vote 01	<b>Executive &amp; Council</b>	
Vote 02 - Municipal And General	01.1	Councillor's Expenses	01.1 - Councillor's Expenses
Vote 03 - Municipal Manager	01.2	Executive Mayor Admin	01.2 - Executive Mayor Admin
Vote 04 - Corporate Services	01.3	Speakers Office Admin	01.3 - Speakers Office Admin
Vote 05 - Community Services	Vote 02	<b>Municipal And General</b>	
Vote 06 - Financial Services	02.1	Municipal And General	02.1 - Municipal And General
Vote 07 - Strategy Econ Development And Planning	02.2	Mun : Insurance Fund - Short Term	02.2 - Mun : Insurance Fund - Short Term
Vote 08 - Infrastructure And Services	02.3	Mun : Workmen's Compensation Fund	02.3 - Mun : Workmen's Compensation Fund
Vote 09 -	Vote 03	<b>Municipal Manager</b>	
Vote 10 -	03.1	Municipal Manager - Admin	03.1 - Municipal Manager - Admin
Vote 11 -	03.2	Internal Investigations	03.2 - Internal Investigations
Vote 12 -	03.3	Internal Audit	03.3 - Internal Audit
Vote 13 -	03.4	Idp Unit	03.4 - Idp Unit
Vote 14 -	03.5	Project Management Unit - Pmu	03.5 - Project Management Unit - Pmu
Vote 15 - Other	Vote 04	<b>Corporate Services</b>	
	04.1	Corporate Services - Admin	04.1 - Corporate Services - Admin
	04.2	Office Services And Archives	04.2 - Office Services And Archives
	04.3	H R - Management	04.3 - H R - Management
	04.4	H R - Recruitment And Benefits	04.4 - H R - Recruitment And Benefits
	04.5	H R - Training And Development	04.5 - H R - Training And Development
	04.6	H R - Local Authority Training	04.6 - H R - Local Authority Training
	04.7	Publicity And Media Coordination	04.7 - Publicity And Media Coordination
	04.8	Risk Management	04.8 - Risk Management
	04.9	Security And Protection	04.9 - Security And Protection
	Vote 05	<b>Community Services</b>	
	05.1	Community Services - Admin	05.1 - Community Services - Admin
	05.2	Emergency Services	05.2 - Emergency Services
	05.3	Biodiversity And Landscape	05.3 - Biodiversity And Landscape
	05.4	Libraries	05.4 - Libraries
	05.5	Road Traffic Regulations	05.5 - Road Traffic Regulations
	05.6	Vehicle Licensing And Testing	05.6 - Vehicle Licensing And Testing
	05.7	Vehicle Licensing And Testing	05.7 - Vehicle Licensing And Testing
	05.8	Community Parks	05.8 - Community Parks
	05.9	Sport Grounds And Stadiums	05.9 - Sport Grounds And Stadiums
	05.10	Community Halls And Facilities	05.10 - Community Halls And Facilities
	05.11	Swimming Pools	05.11 - Swimming Pools
	05.12	Cemetries	05.12 - Cemetries
	05.13	Resorts And Camping Sites Inside Spm	05.13 - Resorts And Camping Sites Inside Spm
	05.14	Resorts And Camping Sites Outside Spm	05.14 - Resorts And Camping Sites Outside Spm
	05.15	Resort Transka	05.15 - Resort Transka
	05.16	Health - Admin	05.16 - Health - Admin
	05.17	Health - Clinics	05.17 - Health - Clinics
	05.18	Health - Inspections	05.18 - Health - Inspections
	05.19	Health - Commonage And Pound	05.19 - Health - Commonage And Pound
	05.20	Refuse - Polution Control/Collection	05.20 - Refuse - Polution Control/Collection
	05.21	Refuse - Landfill Sites	05.21 - Refuse - Landfill Sites
	05.22	Refuse - Maintenance	05.22 - Refuse - Maintenance
	Vote 06	<b>Financial Services</b>	
	06.1	Financial Services Admin	06.1 - Financial Services Admin
	06.2	Financial Management Grant	06.2 - Financial Management Grant
	06.3	Asset And Risk	06.3 - Asset And Risk
	06.4	Budget And Financial Reporting	06.4 - Budget And Financial Reporting
	06.5	Budget And Financial Reporting	06.5 - Budget And Financial Reporting
	06.6	Expenditure Creditors/Payroll	06.6 - Expenditure Creditors/Payroll
	06.7	Information Technology	06.7 - Information Technology
	06.8	Billing Finance	06.8 - Billing Finance
	06.9	Property Rates And Valuations	06.9 - Property Rates And Valuations
	06.10	Real Estate & Property Management	06.10 - Real Estate & Property Management
	06.11	Debt Collection	06.11 - Debt Collection
	06.12	Supply Chain Management	06.12 - Supply Chain Management
	Vote 07	<b>Strategy Econ Development And Planning</b>	
	07.1	Sedp Admin	07.1 - Sedp Admin
	07.2	Tourism	07.2 - Tourism
	07.3	Properties Services	07.3 - Properties Services
	07.4	Economic Development And Planning	07.4 - Economic Development And Planning
	07.5	Town Planning	07.5 - Town Planning
	07.6	Building Inspectorate	07.6 - Building Inspectorate
	07.7	Properties Maintenance	07.7 - Properties Maintenance
	07.8	Markets And Street Trading	07.8 - Markets And Street Trading
	07.9	Urban Renewal Program	07.9 - Urban Renewal Program
	Vote 08	<b>Infrastructure And Services</b>	
	08.1	Infrastructure Admin	08.1 - Infrastructure Admin
	08.2	Ce - Water And Sanitation	08.2 - Ce - Water And Sanitation
	08.3	Public Toilets	08.3 - Public Toilets
	08.4	Mechanical Workshops	08.4 - Mechanical Workshops
	08.5	Fleet	08.5 - Fleet
	08.6	Roads Planning And Design	08.6 - Roads Planning And Design
	08.7	Road Construction And Maintenance	08.7 - Road Construction And Maintenance
	08.8	Housing - Admin	08.8 - Housing - Admin
	08.9	Housing - Maintenance	08.9 - Housing - Maintenance
	08.10	Sewerage - Reticulation	08.10 - Sewerage - Reticulation
	08.11	Sewerage - Treatment	08.11 - Sewerage - Treatment
	08.12	Sewerage - Maintenance	08.12 - Sewerage - Maintenance
	08.13	Water - Treatment	08.13 - Water - Treatment
	08.14	Water - Distribution	08.14 - Water - Distribution
	08.15	Water - Maintenance	08.15 - Water - Maintenance
	08.16	Electricity - Admin	08.16 - Electricity - Admin
	08.17	Electricity - Maintenance	08.17 - Electricity - Maintenance
	08.18	Electricity - Streetlights Maintenance	08.18 - Electricity - Streetlights Maintenance
	Vote 09		
	Vote 10		
	Vote 11		
	Vote 12		



Vote 13

Vote 14

Vote 15

<i>Other</i>

**NC091 Sol Plaatje - Contact Information**
**A. GENERAL INFORMATION**

Municipality	NC091 Sol Plaatje
Grade	5
Province	NC NORTHERN CAPE
Web Address	www.solplaatje.org.za
e-mail Address	info@solplaatje.org.za

*1 Grade in terms of the Remuneration of Public Office Bearers Act.*

**B. CONTACT INFORMATION**

<b>Postal address:</b>	
P.O. Box	x5030
City / Town	Kimberley
Postal Code	8300
<b>Street address</b>	
Building	Civic Centre
Street No. & Name	Sol Plaatje Drive
City / Town	Kimberley
Postal Code	8301
<b>General Contacts</b>	
Telephone number	0538306911
Fax number	0538331005

**C. POLITICAL LEADERSHIP**

<b>Speaker:</b>		<b>Secretary/PA to the Speaker:</b>	
ID Number		ID Number	
Title	Ms	Title	Ms
Name	Nomazizi Maphutla	Name	E Mdali
Telephone number	0538306489	Telephone number	0538306489
Cell number	0798932583	Cell number	0781906174
Fax number		Fax number	0538391431
E-mail address	Nmaphutla@solplaatje.org.za	E-mail address	emdali@solplaatje.org.za

<b>Mayor/Executive Mayor:</b>		<b>Secretary/PA to the Mayor/Executive Mayor:</b>	
ID Number		ID Number	
Title	Mr	Title	Ms
Name	Kagisho John Brendon Sonyoni	Name	T Kgantsi
Telephone number	0538306213	Telephone number	0538306269
Cell number	0788875102	Cell number	0762213498
Fax number		Fax number	
E-mail address	Ksonyoni@solplaatje.org.za	E-mail address	tkgantsi@solplaatje.org.za

<b>Deputy Mayor/Executive Mayor:</b>		<b>Secretary/PA to the Deputy Mayor/Executive Mayor:</b>	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	

**D. MANAGEMENT LEADERSHIP**

<b>Municipal Manager:</b>		<b>Secretary/PA to the Municipal Manager:</b>	
ID Number		ID Number	
Title	Ms	Title	Ms
Name	N Kesiamang (Acting)	Name	J Bonokwane
Telephone number	0538306100	Telephone number	0538306471
Cell number	0825505660	Cell number	0727213953
Fax number	0538331005	Fax number	0538331005
E-mail address	0825505660	E-mail address	jbonokwane@solplaatje.org.za

<b>Chief Financial Officer</b>		<b>Secretary/PA to the Chief Financial Officer</b>	
ID Number		ID Number	
Title	Mrs	Title	Ms
Name	ZL Mahloko	Name	Mapule Mogakwe
Telephone number	0538306500	Telephone number	0538306502
Cell number	0827565659	Cell number	0717200682
Fax number	0538326571	Fax number	0538314658
E-mail address	zmahloko@solplaatje.org.za	E-mail address	mmogakwe@solplaatje.org.za

<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title	Ms	Title	Ms
Name	CELESTE CROUCH	Name	CANDY JENNEKE
Telephone number	0538306533	Telephone number	0538306564
Cell number	0813066399	Cell number	0658624272
Fax number	0866812135	Fax number	0538314658
E-mail address	ccrouch@solplaatje.org.za	E-mail address	cjenneke@solplaatje.org.za

<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title	Ms	Title	Mr
Name	KARIN DE KLERK	Name	JJ WAGNER
Telephone number	0538306578	Telephone number	0538306504
Cell number	0726005904	Cell number	0828346330
Fax number		Fax number	
E-mail address	kdclerk@solplaatje.org.za	E-mail address	jwagner@solplaatje.org.za
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title	Mrs	Title	
Name	BIANCA ERASMUS	Name	
Telephone number	0538306523	Telephone number	
Cell number	0825507414	Cell number	
Fax number		Fax number	
E-mail address	berasmus@solplaatje.org.za	E-mail address	
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
<b>Official responsible for submitting financial information</b>			
ID Number			
Title			
Name			
Telephone number			
Cell number			
Fax number			
E-mail address			

## NC091 Sol Plaatje - Table A1 Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands										
Financial Performance										
Property rates	512 886	555 073	571 075	603 707	603 707	603 707	440 579	627 646	658 284	688 753
Service charges	905 350	1 049 129	1 053 050	1 291 383	1 291 383	1 291 383	804 430	1 373 211	1 506 285	1 625 057
Investment revenue	10 002	5 503	2 835	9 000	9 000	9 000	533	6 000	12 000	15 000
Transfers recognised - operational	192 110	214 815	260 426	230 640	236 873	236 873	215 399	258 117	273 556	294 591
Other own revenue	213 286	212 921	176 950	230 981	231 255	231 255	113 208	222 235	223 151	223 654
Total Revenue (excluding capital transfers and contributions)	1 833 634	2 037 442	2 064 336	2 365 711	2 372 218	2 372 218	1 574 148	2 487 209	2 673 277	2 847 055
Employee costs	688 565	652 922	726 219	836 388	841 588	841 588	508 829	849 403	897 908	947 480
Remuneration of councillors	28 388	30 367	30 260	34 547	34 547	34 547	19 646	34 547	36 275	38 270
Depreciation & asset impairment	61 697	69 409	63 881	79 150	79 150	79 150	–	81 050	85 265	89 954
Finance charges	25 790	30 582	36 467	22 261	63 461	63 461	13 974	38 960	38 488	37 910
Inventory consumed and bulk purchases	505 290	564 405	594 801	926 331	878 530	878 530	498 762	918 627	1 008 488	1 101 617
Transfers and grants	3 940	2 733	2 528	4 850	4 850	4 850	1 996	4 460	4 568	4 677
Other expenditure	339 938	372 893	487 650	441 457	519 464	519 464	263 719	538 080	569 937	604 363
Total Expenditure	1 652 708	1 723 311	1 941 807	2 344 984	2 421 590	2 421 590	1 306 925	2 465 128	2 640 928	2 824 271
Surplus/(Deficit)	180 926	314 131	122 529	20 727	(49 373)	(49 373)	267 222	22 081	32 348	22 784
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	197 254	143 011	109 706	167 766	127 266	127 266	31 480	134 338	120 786	134 973
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	2 856	–	14 400	14 400	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	378 179	457 141		188 493	92 293	92 293	298 702	156 419	153 134	157 757
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	378 179	457 141	–	188 493	92 293	92 293	298 702	156 419	153 134	157 757
Capital expenditure & funds sources										
Capital expenditure	200 685	137 018	119 502	179 266	166 666	166 666	43 968	190 043	154 168	164 069
Transfers recognised - capital	177 023	126 994	104 315	167 766	141 666	141 666	39 655	134 338	120 786	134 973
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	23 662	10 023	15 186	11 500	25 000	25 000	4 313	55 705	33 382	29 096
Total sources of capital funds	200 685	137 018	119 502	179 266	166 666	166 666	43 968	190 043	154 168	164 069
Financial position										
Total current assets	1 592 548	1 859 150	1 893 024	2 235 127	2 133 730	2 133 730	2 341 067	2 701 047	2 800 625	2 842 459
Total non current assets	1 967 676	2 032 530	2 097 228	2 225 894	2 213 294	2 213 294	2 141 195	2 052 265	2 063 652	2 111 765
Total current liabilities	420 723	550 472	671 382	725 335	725 335	725 335	981 907	1 050 980	1 166 949	1 254 907
Total non current liabilities	460 441	432 945	436 934	417 829	405 829	405 829	422 006	408 150	402 595	396 560
Community wealth/Equity	2 861 533	3 121 789	3 106 488	3 325 560	3 215 860	3 215 860	3 180 090	3 294 182	3 294 734	3 302 757
Cash flows										
Net cash from (used) operating	–	–	47 277	260 265	260 265	260 265	(383 799)	105 265	(91 762)	(106 893)
Net cash from (used) investing	–	–	(116 394)	(142 399)	(179 266)	(179 266)	(39 479)	(188 892)	(156 311)	(165 962)
Net cash from (used) financing	(35 012)	(1 782)	(2 980)	(16 583)	(10 734)	(10 734)	(2 254)	3 601	2 928	2 608
Cash/cash equivalents at the year end	46 449	72 134	24 436	195 174	164 156	164 156	(425 532)	92 896	(152 249)	(422 496)
Cash backing/surplus reconciliation										
Cash and investments available	73 916	96 534	43 008	172 968	180 670	180 670	113 170	(1 939)	(270 419)	(620 844)
Application of cash and investments	392 338	505 896	(963 726)	(962 713)	(884 725)	(884 725)	(1 116 116)	(1 381 278)	(1 357 706)	(1 595 695)
Balance - surplus (shortfall)	(318 422)	(409 362)	1 006 734	1 135 681	1 065 396	1 065 396	1 229 286	1 379 340	1 087 286	974 851
Asset management										
Asset register summary (WDV)	1 967 676	2 032 530	2 097 228	2 189 027	2 176 427	2 176 427	2 176 427	1 826 505	1 863 325	1 899 644
Depreciation	61 697	69 409	63 881	79 150	79 150	79 150	79 150	81 050	85 265	89 954
Renewal and Upgrading of Existing Assets	137 169	86 471	67 836	79 500	70 000	70 000	70 000	81 248	101 786	115 075
Repairs and Maintenance	232 446	217 834	243 024	268 726	279 098	279 098	279 098	281 057	296 992	316 059
Free services										
Cost of Free Basic Services provided	25 278	18 398	27 049	33 700	54 300	54 300	54 500	54 500	57 775	61 211
Revenue cost of free services provided	109 345	101 509	105 967	119 750	99 150	99 150	103 870	103 870	110 225	117 169
Households below minimum service level										
Water:	6	6	6	6	6	6	6	6	6	6
Sanitation/sewerage:	5	5	5	5	5	5	5	5	5	5
Energy:	6	6	6	6	6	6	6	6	6	6
Refuse:	12	12	12	12	12	12	12	12	12	12

NC091 Sol Plaatje - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Revenue - Functional										
Governance and administration		1 004 072	1 005 240	1 020 773	1 109 592	1 072 098	1 072 098	1 126 167	1 159 205	1 221 326
Executive and council		463 786	431 480	419 084	478 759	440 992	440 992	470 256	471 620	502 076
Finance and administration		540 286	573 760	601 689	630 833	631 106	631 106	655 911	687 585	719 251
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		23 854	24 994	24 102	27 556	31 056	31 056	26 474	27 823	29 354
Community and social services		9 816	10 359	10 785	10 980	11 480	11 480	11 348	11 934	12 591
Sport and recreation		2 987	2 624	1 131	3 315	3 315	3 315	1 905	2 007	2 117
Public safety		351	675	150	760	760	760	340	357	377
Housing		10 613	10 884	11 967	12 401	12 401	12 401	12 801	13 441	14 180
Health		87	453	69	100	3 100	3 100	80	84	89
Economic and environmental services		22 638	22 283	17 700	23 286	37 686	37 686	16 015	16 825	17 752
Planning and development		2 690	3 920	7 783	5 166	19 566	19 566	5 525	5 809	6 129
Road transport		19 948	18 363	9 917	18 120	18 120	18 120	10 490	11 016	11 623
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		970 971	1 119 627	1 106 680	1 363 208	1 363 208	1 363 208	1 444 171	1 581 053	1 703 936
Energy sources		566 794	680 359	671 706	877 157	877 157	877 157	935 854	1 033 648	1 126 442
Water management		270 001	294 031	286 254	328 612	328 612	328 612	345 167	373 990	393 149
Waste water management		77 321	84 025	86 142	86 848	86 848	86 848	92 200	97 015	102 563
Waste management		56 855	61 211	62 577	70 592	70 592	70 592	70 950	76 400	81 783
Other	4	9 352	8 309	7 644	9 835	9 835	9 835	8 720	9 156	9 660
Total Revenue - Functional	2	2 030 887	2 180 452	2 176 898	2 533 477	2 513 884	2 513 884	2 621 547	2 794 063	2 982 028
Expenditure - Functional										
Governance and administration		549 422	545 801	640 979	683 100	686 574	686 574	712 851	743 381	786 852
Executive and council		334 155	318 151	400 365	405 549	408 749	408 749	428 654	444 784	471 830
Finance and administration		209 917	221 765	234 323	270 570	270 844	270 844	277 659	291 732	307 779
Internal audit		5 350	5 886	6 291	6 982	6 982	6 982	6 538	6 865	7 243
Community and public safety		154 197	163 275	166 029	183 469	186 969	186 969	181 961	195 476	205 815
Community and social services		36 073	38 327	40 133	42 230	42 820	42 820	43 119	49 741	52 021
Sport and recreation		47 061	48 493	47 702	55 822	55 732	55 732	53 283	55 744	58 810
Public safety		35 366	39 304	38 887	43 502	43 502	43 502	43 948	46 233	48 784
Housing		19 964	20 479	21 940	23 480	23 480	23 480	22 768	23 974	25 328
Health		15 732	16 672	17 367	18 435	21 435	21 435	18 842	19 784	20 872
Economic and environmental services		113 485	118 038	123 036	139 819	141 012	141 012	141 936	149 308	157 723
Planning and development		40 914	40 068	39 994	48 172	48 390	48 390	47 872	50 348	53 116
Road transport		71 954	77 332	82 378	90 936	91 911	91 911	93 326	98 186	103 790
Environmental protection		618	637	665	711	711	711	737	774	817
Trading services		1 023 507	1 088 683	1 214 239	1 313 216	1 381 656	1 381 656	1 402 477	1 525 542	1 645 164
Energy sources		644 809	698 314	749 833	857 928	889 928	889 928	915 683	1 010 851	1 101 097
Water management		240 218	265 093	314 140	296 663	326 563	326 563	322 469	340 077	358 491
Waste water management		79 071	69 878	91 753	88 033	94 573	94 573	93 375	98 215	103 793
Waste management		59 408	55 398	58 513	70 592	70 592	70 592	70 950	76 400	81 783
Other	4	20 374	21 041	22 076	25 380	25 380	25 380	25 903	27 221	28 718
Total Expenditure - Functional	3	1 860 985	1 936 838	2 166 359	2 344 984	2 421 590	2 421 590	2 465 128	2 640 928	2 824 271
Surplus/(Deficit) for the year		169 902	243 615	10 539	188 493	92 293	92 293	156 419	153 134	157 757

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by functional classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Functional Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a functional classification . The GFS function 'Other' is only for Abbatoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification.

**NC091 Sol Plaatje - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional											
Municipal governance and administration											
Executive and council											
Mayor and Council											
Municipal Manager, Town Secretary and Chief Executive											
Finance and administration											
Administrative and Corporate Support											
Asset Management											
Finance											
Fleet Management											
Human Resources											
Information Technology											
Legal Services											
Marketing, Customer Relations, Publicity and Media Co-ordination											
Property Services											
Risk Management											
Security Services											
Supply Chain Management											
Valuation Service											
Internal audit											
Governance Function											
Community and public safety											
Community and social services											
Aged Care											
Agricultural											
Animal Care and Diseases											
Cemeteries, Funeral Parlours and Crematoriums											
Child Care Facilities											
Community Halls and Facilities											
Consumer Protection											
Cultural Matters											
Disaster Management											
Education											
Indigenous and Customary Law											
Industrial Promotion											
Language Policy											
Libraries and Archives											
Literacy Programmes											
Media Services											
Museums and Art Galleries											
Population Development											
Provincial Cultural Matters											
Theatres											
Zoo's											
Sport and recreation											
Beaches and Jetties											
Casinos, Racing, Gambling, Wagering											
Community Parks (including Nurseries)											
Recreational Facilities											
Sports Grounds and Stadiums											
Public safety											
Civil Defence											
Cleansing											
Control of Public Nuisances											
Fencing and Fences											
Fire Fighting and Protection											
Licensing and Control of Animals											
Police Forces, Traffic and Street Parking Control											
Pounds											
Housing											
Housing											
Informal Settlements											
Health											
Ambulance											
Health Services											
Laboratory Services											
Food Control											
Health Surveillance and Prevention of Communicable Diseases											
Vector Control											
Chemical Safety											

<b>Economic and environmental services</b>	<b>22 638</b>	<b>22 283</b>	<b>17 700</b>	<b>23 286</b>	<b>37 686</b>	<b>37 686</b>	<b>16 015</b>	<b>16 825</b>	<b>17 752</b>
Planning and development	<b>2 690</b>	<b>3 920</b>	<b>7 783</b>	<b>5 166</b>	<b>19 566</b>	<b>19 566</b>	<b>5 525</b>	<b>5 809</b>	<b>6 129</b>
Billboards									
Corporate Wide Strategic Planning (IDPs, LEDs)	854	1 032	3 587	1 145	15 545	15 545	810	859	906
Central City Improvement District									
Development Facilitation									
Economic Development/Planning									
Regional Planning and Development									
Town Planning, Building Regulations and Enforcement, and City	1 836	2 888	4 196	4 021	4 021	4 021	4 715	4 951	5 223
Project Management Unit	-	-	-	-	-	-	-	-	-
Provincial Planning									
Support to Local Municipalities									
Road transport	<b>19 948</b>	<b>18 363</b>	<b>9 917</b>	<b>18 120</b>	<b>18 120</b>	<b>18 120</b>	<b>10 490</b>	<b>11 016</b>	<b>11 623</b>
Public Transport									
Road and Traffic Regulation	19 754	18 055	9 202	18 120	18 120	18 120	10 190	10 700	11 288
Roads	194	307	715	-	-	-	300	317	335
Taxi Ranks									
Environmental protection	-	-	-	-	-	-	-	-	-
Biodiversity and Landscape									
Coastal Protection									
Indigenous Forests									
Nature Conservation									
Pollution Control									
Soil Conservation									
<b>Trading services</b>	<b>970 971</b>	<b>1 119 627</b>	<b>1 106 680</b>	<b>1 363 208</b>	<b>1 363 208</b>	<b>1 363 208</b>	<b>1 444 171</b>	<b>1 581 053</b>	<b>1 703 936</b>
Energy sources	<b>566 794</b>	<b>680 359</b>	<b>671 706</b>	<b>877 157</b>	<b>877 157</b>	<b>877 157</b>	<b>935 854</b>	<b>1 033 648</b>	<b>1 126 442</b>
Electricity	566 794	680 359	671 706	877 157	877 157	877 157	935 854	1 033 648	1 126 442
Street Lighting and Signal Systems									
Nonelectric Energy									
Water management	<b>270 001</b>	<b>294 031</b>	<b>286 254</b>	<b>328 612</b>	<b>328 612</b>	<b>328 612</b>	<b>345 167</b>	<b>373 990</b>	<b>393 149</b>
Water Treatment									
Water Distribution	270 001	294 031	286 254	328 612	328 612	328 612	345 167	373 990	393 149
Water Storage									
Waste water management	<b>77 321</b>	<b>84 025</b>	<b>86 142</b>	<b>86 848</b>	<b>86 848</b>	<b>86 848</b>	<b>92 200</b>	<b>97 015</b>	<b>102 563</b>
Public Toilets									
Sewerage	77 321	84 025	86 142	86 848	86 848	86 848	92 200	97 015	102 563
Storm Water Management									
Waste Water Treatment									
Waste management	<b>56 855</b>	<b>61 211</b>	<b>62 577</b>	<b>70 592</b>	<b>70 592</b>	<b>70 592</b>	<b>70 950</b>	<b>76 400</b>	<b>81 783</b>
Recycling									
Solid Waste Disposal (Landfill Sites)									
Solid Waste Removal	56 855	61 211	62 577	70 592	70 592	70 592	70 950	76 400	81 783
Street Cleaning									
<b>Other</b>	<b>9 352</b>	<b>8 309</b>	<b>7 644</b>	<b>9 835</b>	<b>9 835</b>	<b>9 835</b>	<b>8 720</b>	<b>9 156</b>	<b>9 660</b>
Abattoirs									
Air Transport									
Forestry									
Licensing and Regulation	7 142	6 097	6 606	6 760	6 760	6 760	7 100	7 455	7 865
Markets	2 063	2 091	956	2 940	2 940	2 940	1 500	1 575	1 662
Tourism	147	121	82	135	135	135	120	126	133
<b>Total Revenue - Functional</b>	<b>2 030 887</b>	<b>2 180 452</b>	<b>2 176 898</b>	<b>2 533 477</b>	<b>2 513 884</b>	<b>2 513 884</b>	<b>2 621 547</b>	<b>2 794 063</b>	<b>2 982 028</b>

Expenditure - Functional									
<b>Municipal governance and administration</b>									
Executive and council	549 422	545 801	640 979	683 100	686 574	686 574	712 851	743 381	786 852
Mayor and Council	334 155	318 151	400 365	405 549	408 749	408 749	428 654	444 784	471 830
Municipal Manager, Town Secretary and Chief Executive	46 045	52 931	53 090	57 883	57 883	57 883	58 915	61 861	65 263
Finance and administration	288 109	265 219	347 276	347 666	350 866	350 866	369 739	382 923	406 567
Administrative and Corporate Support	209 917	221 765	234 323	270 570	270 844	270 844	277 659	291 732	307 779
Asset Management	24 558	26 672	27 717	27 101	27 101	27 101	27 534	28 826	30 263
Finance	5 578	5 960	6 386	8 179	8 179	8 179	8 403	8 823	9 308
Fleet Management	69 677	72 864	74 667	95 921	95 921	95 921	98 794	103 836	109 547
Human Resources	16 331	20 488	24 770	23 083	23 083	23 083	23 780	25 206	26 971
Information Technology	21 487	19 219	18 644	25 129	25 403	25 403	25 230	26 201	27 339
Legal Services	10 544	11 478	17 017	14 974	14 974	14 974	16 587	17 417	18 375
Marketing, Customer Relations, Publicity and Media Co-ordination	3 306	3 524	3 462	4 247	4 247	4 247	4 330	4 546	4 795
Property Services	15 098	14 355	14 900	16 639	16 639	16 639	17 038	18 031	19 097
Risk Management	2 100	2 235	2 323	2 593	2 593	2 593	2 609	2 739	2 890
Security Services	17 901	23 391	22 288	24 548	24 548	24 548	25 135	26 391	27 843
Supply Chain Management	14 176	12 973	13 274	17 071	17 071	17 071	16 977	17 911	18 896
Valuation Service	9 163	8 606	8 875	11 085	11 085	11 085	11 243	11 806	12 455
Internal audit	5 350	5 886	6 291	6 982	6 982	6 982	6 538	6 865	7 243
Governance Function	5 350	5 886	6 291	6 982	6 982	6 982	6 538	6 865	7 243
<b>Community and public safety</b>									
Community and social services	154 197	163 275	166 029	183 469	186 969	186 969	181 961	195 476	205 815
Aged Care	36 073	38 327	40 133	42 230	42 820	42 820	43 119	49 741	52 021
Agricultural									
Animal Care and Diseases									
Cemeteries, Funeral Parlours and Crematoriums	17 826	19 254	20 331	20 802	20 892	20 892	21 971	23 485	24 776
Child Care Facilities									
Community Halls and Facilities	3 522	4 908	5 129	4 473	4 473	4 473	4 037	4 279	4 514
Consumer Protection									
Cultural Matters									
Disaster Management									
Education									
Indigenous and Customary Law									
Industrial Promotion									
Language Policy									
Libraries and Archives	14 726	14 164	14 673	16 955	17 455	17 455	17 111	21 977	22 730
Literacy Programmes									
Media Services									
Museums and Art Galleries									
Population Development									
Provincial Cultural Matters									
Theatres									
Zoo's									
Sport and recreation	47 061	48 493	47 702	55 822	55 732	55 732	53 283	55 744	58 810
Beaches and Jetties									
Casinos, Racing, Gambling, Wagering									
Community Parks (including Nurseries)	23 586	22 867	22 531	27 189	27 189	27 189	25 538	26 815	28 290
Recreational Facilities	17 563	20 671	19 998	21 377	21 287	21 287	20 455	21 275	22 445
Sports Grounds and Stadiums	5 912	4 955	5 173	7 256	7 256	7 256	7 290	7 654	8 075



<b>Economic and environmental services</b>		113 485	118 038	123 036	139 819	141 012	141 012	141 936	149 308	157 723
Planning and development		40 914	40 068	39 994	48 172	48 390	48 390	47 872	50 348	53 116
Billboards										
Corporate Wide Strategic Planning (IDPs, LEDS)	9 331	8 526	9 608	10 677	10 895	10 895	10 111	10 699	11 287	
Central City Improvement District										
Development Facilitation										
Economic Development/Planning	5 611	5 726	5 614	6 848	6 848	6 848	6 599	6 929	7 310	
Regional Planning and Development										
Town Planning, Building Regulations and Enforcement, and City	23 885	23 634	22 485	28 129	28 129	28 129	29 313	30 779	32 471	
Project Management Unit	2 087	2 182	2 287	2 518	2 518	2 518	1 849	1 942	2 048	
Provincial Planning										
Support to Local Municipalities										
Road transport	71 954	77 332	82 378	90 936	91 911	91 911	93 326	98 186	103 790	
Public Transport										
Road and Traffic Regulation	35 175	36 069	39 833	47 304	47 304	47 304	47 720	50 106	52 861	
Roads	36 779	41 263	42 545	43 632	44 607	44 607	45 606	48 080	50 928	
Taxi Ranks										
Environmental protection	618	637	665	711	711	711	737	774	817	
Biodiversity and Landscape	618	637	665	711	711	711	737	774	817	
Coastal Protection										
Indigenous Forests										
Nature Conservation										
Pollution Control										
Soil Conservation										
<b>Trading services</b>	1 023 507	1 088 683	1 214 239	1 313 216	1 381 656	1 381 656	1 402 477	1 525 542	1 645 164	
Energy sources	644 809	698 314	749 833	857 928	889 928	889 928	915 683	1 010 851	1 101 097	
Electricity	638 151	690 355	742 342	849 098	881 098	881 098	907 073	1 001 639	1 091 240	
Street Lighting and Signal Systems	6 658	7 959	7 490	8 830	8 830	8 830	8 610	9 213	9 858	
Nonelectric Energy										
Water management	240 218	265 093	314 140	296 663	326 563	326 563	322 469	340 077	358 491	
Water Treatment	45 458	51 961	61 956	59 515	71 115	71 115	67 836	71 079	74 488	
Water Distribution	194 760	213 132	252 185	237 148	255 448	255 448	254 633	268 998	284 004	
Water Storage										
Waste water management	79 071	69 878	91 753	88 033	94 573	94 573	93 375	98 215	103 793	
Public Toilets	1 545	1 889	4 888	2 279	2 279	2 279	2 405	2 525	2 664	
Sewerage	37 264	28 496	48 597	45 654	51 474	51 474	49 448	51 884	54 914	
Storm Water Management										
Waste Water Treatment	40 263	39 493	38 268	40 100	40 820	40 820	41 522	43 806	46 215	
Waste management	59 408	55 398	58 513	70 592	70 592	70 592	70 950	76 400	81 783	
Recycling										
Solid Waste Disposal (Landfill Sites)	3 588	3 353	1 815	5 081	5 081	5 081	4 931	5 177	5 462	
Solid Waste Removal	55 820	52 046	56 699	65 511	65 511	65 511	66 020	71 222	76 321	
Street Cleaning										
<b>Other</b>	20 374	21 041	22 076	25 380	25 380	25 380	25 903	27 221	28 718	
Abattoirs										
Air Transport										
Forestry										
Licensing and Regulation	10 936	11 722	12 413	15 097	15 097	15 097	15 412	16 184	17 074	
Markets	5 737	5 868	6 194	6 242	6 242	6 242	6 185	6 495	6 852	
Tourism	3 701	3 451	3 470	4 041	4 041	4 041	4 306	4 542	4 792	
<b>Total Expenditure - Functional</b>	3	1 860 985	1 936 838	2 166 359	2 344 984	2 421 590	2 421 590	2 465 128	2 640 928	2 824 271
<b>Surplus/(Deficit) for the year</b>		169 902	243 615	10 539	188 493	92 293	92 293	156 419	153 134	157 757

#### References

- Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison
- Total Revenue by Functional Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)
- Total Expenditure by Functional Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)
- All amounts must be classified under a Functional classification. The GFS function 'Other' is only for Abattoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

check oprev balance	-	-	-	-	-	-	-	-	-	-
check opexp balance	208 277 518	213 526 364	224 552 303	-	-	-	-2	-	-	1

**NC091 Sol Plaatje - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>										
<b>Revenue by Vote</b>	<b>1</b>									
Vote 01 - Executive & Council		–	–	–	–	–	–	–	–	–
Vote 02 - Municipal And General		463 786	431 480	419 084	478 759	440 992	440 992	470 256	471 620	502 076
Vote 03 - Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 04 - Corporate Services		6 007	1 415	6 247	6 804	7 078	7 078	6 873	6 942	7 019
Vote 05 - Community Services		96 992	99 474	90 521	110 627	114 127	114 127	101 913	108 936	116 109
Vote 06 - Financial Services		533 870	571 568	594 906	623 229	623 229	623 229	648 238	679 804	711 345
Vote 07 - Strategy Econ Development And Planning		5 309	6 910	9 357	9 041	23 441	23 441	7 945	8 350	8 810
Vote 08 - Infrastructure And Services		924 923	1 069 606	1 056 784	1 305 018	1 305 018	1 305 018	1 386 322	1 518 411	1 636 669
Vote 09 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>	<b>2</b>	<b>2 030 887</b>	<b>2 180 452</b>	<b>2 176 898</b>	<b>2 533 477</b>	<b>2 513 884</b>	<b>2 513 884</b>	<b>2 621 547</b>	<b>2 794 063</b>	<b>2 982 028</b>
<b>Expenditure by Vote to be appropriated</b>	<b>1</b>									
Vote 01 - Executive & Council		46 045	52 931	53 090	57 883	57 883	57 883	58 915	61 861	65 263
Vote 02 - Municipal And General		277 590	253 782	335 678	335 456	338 656	338 656	357 885	370 477	393 436
Vote 03 - Municipal Manager		16 144	21 336	22 272	25 025	25 025	25 025	23 528	24 705	26 064
Vote 04 - Corporate Services		62 302	64 204	63 012	73 211	73 485	73 485	74 419	77 848	81 773
Vote 05 - Community Services		244 132	250 522	259 526	297 403	300 903	300 903	297 675	318 812	337 080
Vote 06 - Financial Services		115 007	117 561	126 380	152 611	152 611	152 611	157 404	165 377	174 379
Vote 07 - Strategy Econ Development And Planning		54 587	52 401	53 419	59 374	59 592	59 592	61 468	64 785	68 422
Vote 08 - Infrastructure And Services		1 045 177	1 124 100	1 252 983	1 344 020	1 413 435	1 413 435	1 433 833	1 557 063	1 677 855
Vote 09 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>1 860 985</b>	<b>1 936 838</b>	<b>2 166 359</b>	<b>2 344 984</b>	<b>2 421 590</b>	<b>2 421 590</b>	<b>2 465 128</b>	<b>2 640 928</b>	<b>2 824 271</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>169 902</b>	<b>243 615</b>	<b>10 539</b>	<b>188 493</b>	<b>92 293</b>	<b>92 293</b>	<b>156 419</b>	<b>153 134</b>	<b>157 757</b>

References

1. Insert 'Vote'; e.g. department, if different to functional classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

NC091 Sol Plaatje - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

NC091 301 Package - Table A5 Budgeted Financial Performance (Revenue and expenditure by municipal vote)A										
Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
01.1 - Councillor's Expenses		-	-	-	-	-	-	-	-	-
01.2 - Executive Mayor Admin		-	-	-	-	-	-	-	-	-
01.3 - Speakers Office Admin		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		463 786	431 480	419 084	478 759	440 992	440 992	470 256	471 620	502 076
02.1 - Municipal And General		463 652	431 480	417 436	478 459	440 692	440 692	469 456	470 740	501 143
02.2 - Mun : Insurance Fund - Short Term		134	-	1 648	300	300	300	800	880	933
02.3 - Mun : Workmen's Compensation Fund		-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
03.1 - Municipal Manager - Admin		-	-	-	-	-	-	-	-	-
03.2 - Internal Investigations		-	-	-	-	-	-	-	-	-
03.3 - Internal Audit		-	-	-	-	-	-	-	-	-
03.4 - Idp Unit		-	-	-	-	-	-	-	-	-
03.5 - Project Management Unit - Pmu		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6 007	1 415	6 247	6 804	7 078	7 078	6 873	6 942	7 019
04.1 - Corporate Services - Admin		-	-	-	-	-	-	-	-	-
04.2 - Office Services And Archives		106	104	69	84	84	84	73	77	79
04.3 - H R - Management		-	-	-	-	-	-	-	-	-
04.4 - H R - Recruitment And Benefits		-	-	-	-	-	-	-	-	-
04.5 - H R - Training And Development		852	1 311	1 517	1 220	1 494	1 494	1 300	1 365	1 440
04.6 - H R - Local Authority Training		5 049	-	4 661	5 500	5 500	5 500	5 500	5 500	5 500
04.7 - Publicity And Media Coordination		-	-	-	-	-	-	-	-	-
04.8 - Risk Management		-	-	-	-	-	-	-	-	-
04.9 - Security And Protection		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		96 992	99 474	90 521	110 627	114 127	114 127	101 913	108 936	116 109
05.1 - Community Services - Admin		-	-	-	-	-	-	-	-	-
05.2 - Emergency Services		297	635	138	700	700	700	300	315	332
05.3 - Biodiversity And Landscape		-	-	-	-	-	-	-	-	-
05.4 - Libraries		8 106	8 023	7 891	8 150	8 650	8 650	7 963	8 361	8 820
05.5 - Road Traffic Regulations		19 754	18 055	9 202	18 120	18 120	18 120	10 190	10 700	11 288
05.6 - Vehicle Licensing And Testing		7 142	6 097	6 606	6 760	6 760	6 760	7 100	7 455	7 865
05.7 - Vehicle Licensing And Testing		-	-	-	-	-	-	-	-	-
05.8 - Community Parks		-	-	-	-	-	-	-	-	-
05.9 - Sport Grounds And Stadiums		193	147	96	180	180	180	140	147	155
05.10 - Community Halls And Facilities		841	811	200	1 030	1 030	1 030	485	514	542
05.11 - Swimming Pools		298	326	212	365	365	365	350	369	390
05.12 - Cemeteries		869	1 524	2 693	1 800	1 800	1 800	2 900	3 060	3 228
05.13 - Resorts And Camping Sites Inside Spm		1 018	879	143	1 120	1 120	1 120	365	385	406
05.14 - Resorts And Camping Sites Outside Spm		690	596	450	850	850	850	550	580	612
05.15 - Resort Transka		789	676	230	800	800	800	500	525	554
05.16 - Health - Admin		-	-	-	-	-	-	-	-	-
05.17 - Health - Clinics		-	-	-	-	-	-	-	-	-
05.18 - Health - Inspections		87	453	69	100	3 100	3 100	80	84	89
05.19 - Health - Commonage And Pound		53	39	13	60	60	60	40	42	45
05.20 - Refuse - Pollution Control/Collection		56 855	61 211	62 577	70 592	70 592	70 592	70 950	76 400	81 783
05.21 - Refuse - Landfill Sites		-	-	-	-	-	-	-	-	-
05.22 - Refuse - Maintenance		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		533 870	571 568	594 906	623 229	623 229	623 229	648 238	679 804	711 345
06.1 - Financial Services Admin		-	-	-	-	-	-	-	-	-
06.2 - Financial Management Grant		-	-	1 700	1 650	1 650	1 650	1 700	1 700	1 700
06.3 - Asset And Risk		-	-	-	-	-	-	-	-	-
06.4 - Budget And Financial Reporting		1 026	-	-	-	-	-	-	-	-
06.5 - Budget And Financial Reporting		-	669	503	300	300	300	300	300	300
06.6 - Expenditure Creditors/Payroll		826	996	1 023	1 021	1 021	1 021	1 061	1 114	1 175
06.7 - Information Technology		-	-	-	-	-	-	-	-	-
06.8 - Billing Finance		514 108	555 550	571 099	603 757	603 757	603 757	627 676	658 314	688 783
06.9 - Property Rates And Valuations		-	-	-	-	-	-	-	-	-
06.10 - Real Estate & Property Management		-	-	-	-	-	-	-	-	-
06.11 - Debt Collection		17 909	14 352	20 581	16 501	16 501	16 501	17 501	18 376	19 387
06.12 - Supply Chain Management		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		5 309	6 910	9 357	9 041	23 441	23 441	7 945	8 350	8 810
07.1 - Sedp Admin		-	-	-	-	-	-	-	-	-
07.2 - Tourism		147	121	82	135	135	135	120	126	133
07.3 - Properties Services		410	778	536	800	800	800	800	840	886
07.4 - Economic Development And Planning		854	1 032	3 587	1 145	15 545	15 545	810	859	906
07.5 - Town Planning		902	1 258	1 080	1 501	1 501	1 501	1 500	1 575	1 662
07.6 - Building Inspectorate		934	1 630	3 116	2 520	2 520	2 520	3 215	3 376	3 561
07.7 - Properties Maintenance		-	-	-	-	-	-	-	-	-
07.8 - Markets And Street Trading		2 063	2 091	956	2 940	2 940	2 940	1 500	1 575	1 662
07.9 - Urban Renewal Program		-	-	-	-	-	-	-	-	-
Vote 08 - Infrastructure And Services		924 923	1 069 606	1 056 784	1 305 018	1 305 018	1 305 018	1 386 322	1 518 411	1 636 669
08.1 - Infrastructure Admin		-	-	-	-	-	-	-	-	-
08.2 - Ce - Water And Sanitation		-	-	-	-	-	-	-	-	-
08.3 - Public Toilets		-	-	-	-	-	-	-	-	-
08.4 - Mechanical Workshops		-	-	-	-	-	-	-	-	-
08.5 - Fleet		-	-	-	-	-	-	-	-	-
08.6 - Roads Planning And Design		-	-	-	-	-	-	-	-	-
08.7 - Road Construction And Maintenance		194	307	715	-	-	-	300	317	335
08.8 - Housing - Admin		10 613	10 884	11 967	12 401	12 401	12 401	12 801	13 441	14 180
08.9 - Housing - Maintenance		-	-	-	-	-	-	-	-	-
08.10 - Sewerage - Reticulation		77 321	84 025	86 142	86 848	86 848	86 848	92 200	97 015	102 563
08.11 - Sewerage - Treatment		-	-	-	-	-	-	-	-	-
08.12 - Sewerage - Maintenance		-	-	-	-	-	-	-	-	-
08.13 - Water - Treatment		-	-	-	-	-	-	-	-	-
08.14 - Water - Distribution		270 001	294 031	286 254	328 612	328 612	328 612	345 167	373 990	393 149
08.15 - Water - Maintenance		-	-	-	-	-	-	-	-	-
08.16 - Electricity - Admin		566 794	680 359	671 706	877 157	877 157	877 157	935 854	1 033 648	1 126 444

NC091 Sol Plaatje - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
08.17 - Electricity - Maintenance		-	-	-	-	-	-	-	-	-
08.18 - Electricity - Streetlights Maintenance		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2 030 887	2 180 452	2 176 898	2 533 477	2 513 884	2 513 884	2 621 547	2 794 063	2 982 028

NC091 Sol Plaatje - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Expenditure by Vote		1									
Vote 01 - Executive & Council			46 045	52 931	53 090	57 883	57 883	57 883	58 915	61 861	65 263
01.1 - Councillor's Expenses			28 388	30 367	30 260	34 547	34 547	34 547	34 547	36 275	38 270
01.2 - Executive Mayor Admin			9 150	11 228	11 250	11 424	11 424	11 424	12 125	12 732	13 432
01.3 - Speakers Office Admin			8 507	11 336	11 580	11 912	11 912	11 912	12 242	12 855	13 562
Vote 02 - Municipal And General			277 590	253 782	335 678	335 456	338 656	338 656	357 885	370 477	393 436
02.1 - Municipal And General			275 667	246 401	340 045	335 156	338 356	338 356	357 085	369 597	392 503
02.2 - Mun : Insurance Fund - Short Term			1 796	7 727	(3 056)	300	300	300	800	880	933
02.3 - Mun : Workmen's Compensation Fund			127	(346)	(1 311)	-	-	-	-	-	-
Vote 03 - Municipal Manager			16 144	21 336	22 272	25 025	25 025	25 025	23 528	24 705	26 064
03.1 - Municipal Manager - Admin			10 519	11 437	11 597	12 209	12 209	12 209	11 854	12 446	13 131
03.2 - Internal Investigations			(2 583)	1 256	1 248	1 316	1 316	1 316	1 355	1 423	1 501
03.3 - Internal Audit			5 350	5 886	6 291	6 982	6 982	6 982	6 538	6 865	7 243
03.4 - Idp Unit			771	575	848	1 999	1 999	1 999	1 932	2 029	2 140
03.5 - Project Management Unit - Pmu			2 087	2 182	2 287	2 518	2 518	2 518	1 849	1 942	2 048
Vote 04 - Corporate Services			62 302	64 204	63 012	73 211	73 485	73 485	74 419	77 848	81 773
04.1 - Corporate Services - Admin			8 574	9 173	10 195	10 154	10 154	10 154	10 321	10 837	11 379
04.2 - Office Services And Archives			6 351	7 919	7 347	7 857	7 857	7 857	8 150	8 557	9 028
04.3 - H R - Management			12 003	10 248	10 360	13 678	13 678	13 678	13 670	14 338	15 127
04.4 - H R - Recruitment And Benefits			1 759	1 828	1 878	2 327	2 327	2 327	2 375	2 494	2 631
04.5 - H R - Training And Development			2 676	2 449	1 734	3 624	3 898	3 898	3 685	3 869	4 082
04.6 - H R - Local Authority Training			5 049	4 694	4 672	5 500	5 500	5 500	5 500	5 500	5 500
04.7 - Publicity And Media Coordination			3 306	3 524	3 462	4 247	4 247	4 247	4 330	4 546	4 795
04.8 - Risk Management			2 100	2 235	2 323	2 593	2 593	2 593	2 609	2 739	2 890
04.9 - Security And Protection			20 484	22 135	21 040	23 232	23 232	23 232	23 779	24 968	26 342
Vote 05 - Community Services			244 132	250 522	259 526	297 403	300 903	300 903	297 675	318 812	337 080
05.1 - Community Services - Admin			3 762	3 900	4 013	3 709	3 709	3 709	3 664	3 847	4 059
05.2 - Emergency Services			34 072	37 958	37 451	41 953	41 953	41 953	42 361	44 566	47 017
05.3 - Biodiversity And Landscape			618	637	665	711	711	711	737	774	817
05.4 - Libraries			14 726	14 164	14 673	16 955	17 455	17 455	17 111	21 977	22 730
05.5 - Road Traffic Regulations			35 175	36 069	39 833	47 304	47 304	47 304	47 720	50 106	52 861
05.6 - Vehicle Licensing And Testing			10 936	11 722	12 413	15 097	15 097	15 097	15 412	16 184	17 074
05.7 - Vehicle Licensing And Testing			-	-	-	-	-	-	-	-	-
05.8 - Community Parks			23 586	22 867	22 531	27 189	27 189	27 189	25 538	26 815	28 290
05.9 - Sport Grounds And Stadiums			5 912	4 955	5 173	7 256	7 256	7 256	7 290	7 654	8 075
05.10 - Community Halls And Facilities			3 522	4 908	5 129	4 473	4 473	4 473	4 037	4 279	4 514
05.11 - Swimming Pools			4 290	4 771	4 599	5 448	5 448	5 448	5 634	5 944	6 270
05.12 - Cemeteries			17 826	19 254	20 331	20 802	20 892	20 892	21 971	23 485	24 776
05.13 - Resorts And Camping Sites Inside Spm			6 676	8 469	7 797	7 625	7 535	7 535	7 128	7 228	7 625
05.14 - Resorts And Camping Sites Outside Spm			4 266	4 911	5 130	5 493	5 493	5 493	5 012	5 288	5 579
05.15 - Resort Transka			2 330	2 521	2 472	2 811	2 811	2 811	2 681	2 815	2 970
05.16 - Health - Admin			2 953	2 989	3 245	3 479	3 479	3 479	3 517	3 693	3 896
05.17 - Health - Clinics			5 786	5 453	4 980	5 258	5 258	5 258	5 310	5 576	5 883
05.18 - Health - Inspections			6 994	8 230	9 142	9 698	12 698	12 698	10 015	10 515	11 094
05.19 - Health - Commonage And Pound			1 294	1 346	1 436	1 549	1 549	1 549	1 588	1 667	1 767
05.20 - Refuse - Pollution Control/Collection			40 078	40 826	42 986	46 994	47 194	47 194	48 363	52 506	56 481
05.21 - Refuse - Landfill Sites			3 588	3 353	1 815	5 081	5 081	5 081	4 931	5 177	5 462
05.22 - Refuse - Maintenance			15 743	11 220	13 713	18 517	18 317	18 317	17 657	18 716	19 839
Vote 06 - Financial Services			115 007	117 561	126 380	152 611	152 611	152 611	157 404	165 377	174 379
06.1 - Financial Services Admin			3 811	4 061	4 495	3 732	3 732	3 732	3 699	3 884	4 098
06.2 - Financial Management Grant			2 058	1 620	1 666	1 650	1 650	1 650	1 700	1 700	1 700
06.3 - Asset And Risk			5 578	5 960	6 386	8 179	8 179	8 179	8 403	8 823	9 308
06.4 - Budget And Financial Reporting			-	-	-	-	-	-	-	-	-
06.5 - Budget And Financial Reporting			10 779	10 388	10 530	19 916	19 916	19 916	20 540	21 670	22 862
06.6 - Expenditure Creditors/Payroll			7 782	8 024	8 251	11 379	11 379	11 379	11 751	12 339	13 018
06.7 - Information Technology			10 544	11 478	17 017	14 974	14 974	14 974	16 587	17 417	18 375
06.8 - Billing Finance			37 008	38 252	39 622	43 375	43 375	43 375	44 840	47 082	49 672
06.9 - Property Rates And Valuations			9 163	8 606	8 875	11 085	11 085	11 085	11 243	11 806	12 455
06.10 - Real Estate & Property Management			-	-	-	-	-	-	-	-	-
06.11 - Debt Collection			14 109	16 200	16 264	21 251	21 251	21 251	21 661	22 744	23 995
06.12 - Supply Chain Management			14 176	12 973	13 274	17 071	17 071	17 071	16 977	17 911	18 896
Vote 07 - Strategy Econ Development And Planning			54 587	52 401	53 419	59 374	59 592	59 592	61 468	64 785	68 422
07.1 - Sedp Admin			2 672	2 740	2 682	2 986	2 986	2 986	3 145	3 302	3 483
07.2 - Tourism			3 701	3 451	3 470	4 041	4 041	4 041	4 306	4 542	4 792
07.3 - Properties Services			2 398	2 476	2 668	2 855	2 855	2 855	2 964	3 112	3 284
07.4 - Economic Development And Planning			8 560	7 951	8 759	8 678	8 895	8 895	8 179	8 670	9 147
07.5 - Town Planning			12 261	12 625	12 487	12 578	12 578	12 578	14 604	15 334	16 177
07.6 - Building Inspectorate			3 619	2 424	1 996	4 349	4 349	4 349	4 557	4 785	5 048
07.7 - Properties Maintenance			12 700	11 879	12 232	13 783	13 783	13 783	14 074	14 918	15 813
07.8 - Markets And Street Trading			5 737	5 868	6 194	6 242	6 242	6 242	6 185	6 495	6 852
07.9 - Urban Renewal Program			2 939	2 986	2 932	3 862	3 862	3 862	3 454	3 627	3 826
Vote 08 - Infrastructure And Services			1 045 177	1 124 100	1 252 983	1 344 020	1 413 435	1 413 435	1 433 833	1 557 063	1 677 855
08.1 - Infrastructure Admin			2 732	2 712	3 109	4 219	4 219	4 219	3 297	3 462	3 652
08.2 - Ce - Water And Sanitation			5 272	5 873	4 893	6 983	6 983	6 983	6 856	7 198	7 594
08.3 - Public Toilets			1 545	1 889	4 888	2 279	2 279	2 279	2 405	2 525	2 664
08.4 - Mechanical Workshops			20 135	19 620	20 634	23 083	23 083	23 083	23 780	25 206	26 971
08.5 - Fleet			(3 804)	868	4 136	-	-	-	-	-	0
08.6 - Roads Planning And Design			4 174	3 268	3 370	6 701	6 701	6 701	6 931	7 278	7 678
08.7 - Road Construction And Maintenance			32 604	37 995	39 175	36 930	37 905	37 905	38 675	40 802	43 250
08.8 - Housing - Admin			14 252	14 941	15 983	17 019	17 019	17 019	16 012	16 813	17 737
08.9 - Housing - Maintenance			5 712	5 538	5 957	6 461	6 461	6 461	6 756	7 161	7 591
08.10 - Sewerage - Reticulation			3 801	4 744	17 749	10 601	10 527	10 527	13 023	13 455	14 372
08.11 - Sewerage - Treatment			40 263	39 493	38 268	40 100	40 820	40 820	41 522	43 806	46 215
08.12 - Sewerage - Maintenance			33 463	23 753	30 848	35 053	40 947	40 947	36 425	38 429	40 542
08.13 - Water - Treatment			45 458	51 961	61 956	59 515	71 115	71 115	67 836	71 079	74 488
08.14 - Water - Distribution			153 351	171 135	203 828	184 650	193 650	193 650	199 647	210 712	222 222
08.15 - Water - Maintenance			41 409	41 997	48 356	52 498	61 798	61 798	54 986	58 285	61 782

NC091 Sol Plaatje - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
08.16 - Electricity - Admin		589 575	646 785	691 063	794 062	828 162	828 162	848 995	939 997	1 026 131
08.17 - Electricity - Maintenance		48 576	43 570	51 280	55 036	52 936	52 936	58 077	61 642	65 109
08.18 - Electricity - Streetlights Maintenance		6 658	7 959	7 490	8 830	8 830	8 830	8 610	9 213	9 858
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 860 985	1 936 838	2 166 359	2 344 984	2 421 590	2 421 590	2 465 128	2 640 928	2 824 271
Surplus/(Deficit) for the year	2	169 902	243 615	10 539	188 493	92 293	92 293	156 419	153 134	157 757

References

1. Insert 'Vote'; e.g. Department, if different to Functional structure
2. Must reconcile to Financial Performance ('Revenue and Expenditure by Functional Classification' and 'Revenue and Expenditure')
3. Assign share in 'associate' to relevant Vote

NC091 Sol Plaatje - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>	1										
<b>Revenue By Source</b>											
Property rates	2	512 886	555 073	571 075	603 707	603 707	603 707	440 579	627 646	658 284	688 753
Service charges - electricity revenue	2	552 454	664 828	659 307	861 157	861 157	861 157	497 292	919 854	1 016 768	1 108 634
Service charges - water revenue	2	236 691	258 618	259 156	294 012	294 012	294 012	199 738	310 717	337 475	354 626
Service charges - sanitation revenue	2	67 424	73 119	78 186	76 648	76 648	76 648	57 215	81 700	86 203	91 156
Service charges - refuse revenue	2	48 780	52 564	56 401	59 567	59 567	59 567	50 184	60 940	65 839	70 641
Rental of facilities and equipment		11 092	11 427	12 018	13 145	13 145	13 145	8 239	13 010	13 662	14 414
Interest earned - external investments		10 002	5 503	2 835	9 000	9 000	9 000	533	6 000	12 000	15 000
Interest earned - outstanding debtors		141 429	145 492	105 983	157 200	157 200	157 200	81 742	156 500	154 069	150 785
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		36 982	31 614	29 477	34 725	34 725	34 725	3 613	27 730	29 117	30 718
Licences and permits		6 319	5 863	6 383	6 500	6 500	6 500	6 551	6 850	7 193	7 588
Agency services		576	–	–	–	–	–	–	–	–	–
Transfers and subsidies		192 110	214 815	260 426	230 640	236 873	236 873	215 399	258 117	273 556	294 591
Other revenue	2	16 309	18 108	17 354	19 411	19 685	19 685	11 794	18 145	19 111	20 148
Gains		577	417	5 736	–	–	–	1 267	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 833 634</b>	<b>2 037 442</b>	<b>2 064 336</b>	<b>2 365 711</b>	<b>2 372 218</b>	<b>2 372 218</b>	<b>1 574 148</b>	<b>2 487 209</b>	<b>2 673 277</b>	<b>2 847 055</b>
<b>Expenditure By Type</b>											
Employee related costs	2	688 565	652 922	726 219	836 388	841 588	841 588	508 829	849 403	897 908	947 480
Remuneration of councillors		28 388	30 367	30 260	34 547	34 547	34 547	19 646	34 547	36 275	38 270
Debt impairment	3	205 848	232 991	344 346	275 000	275 000	275 000	137 504	297 000	316 170	337 015
Depreciation & asset impairment	2	61 697	69 409	63 881	79 150	79 150	79 150	–	81 050	85 265	89 954
Finance charges		25 790	30 582	36 467	22 261	63 461	63 461	13 974	38 960	38 488	37 910
Bulk purchases - electricity	2	459 678	515 937	540 953	647 000	647 000	647 000	460 887	682 000	763 840	840 224
Inventory consumed	8	45 612	48 468	53 848	279 331	231 530	231 530	37 875	236 627	244 648	261 393
Contracted services		42 342	38 346	40 651	46 687	41 222	41 222	19 373	46 437	48 812	51 352
Transfers and subsidies		3 940	2 733	2 528	4 850	4 850	4 850	1 996	4 460	4 568	4 677
Other expenditure	4, 5	90 334	100 987	102 187	119 770	132 482	132 482	106 841	134 643	141 656	149 233
Losses		514	569	467	–	70 760	70 760	–	60 000	63 300	66 763
<b>Total Expenditure</b>		<b>1 652 708</b>	<b>1 723 311</b>	<b>1 941 807</b>	<b>2 344 984</b>	<b>2 421 590</b>	<b>2 421 590</b>	<b>1 306 925</b>	<b>2 465 128</b>	<b>2 640 928</b>	<b>2 824 271</b>
<b>Surplus/(Deficit)</b>		<b>180 926</b>	<b>314 131</b>	<b>122 529</b>	<b>20 727</b>	<b>(49 373)</b>	<b>(49 373)</b>	<b>267 222</b>	<b>22 081</b>	<b>32 348</b>	<b>22 784</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		197 254	143 011	109 706	167 766	127 266	127 266	31 480	134 338	120 786	134 973
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	2 856	–	14 400	14 400	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>378 179</b>	<b>457 141</b>	<b>235 091</b>	<b>188 493</b>	<b>92 293</b>	<b>92 293</b>	<b>298 702</b>	<b>156 419</b>	<b>153 134</b>	<b>157 757</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>378 179</b>	<b>457 141</b>	<b>235 091</b>	<b>188 493</b>	<b>92 293</b>	<b>92 293</b>	<b>298 702</b>	<b>156 419</b>	<b>153 134</b>	<b>157 757</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>378 179</b>	<b>457 141</b>	<b>235 091</b>	<b>188 493</b>	<b>92 293</b>	<b>92 293</b>	<b>298 702</b>	<b>156 419</b>	<b>153 134</b>	<b>157 757</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>378 179</b>	<b>457 141</b>	<b>235 091</b>	<b>188 493</b>	<b>92 293</b>	<b>92 293</b>	<b>298 702</b>	<b>156 419</b>	<b>153 134</b>	<b>157 757</b>

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method ( Includes Joint Ventures)

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 01 - Executive & Council		–	–	–	–	–	–	–	–	–	–
Vote 02 - Municipal And General		60 305	23 879	26 692	33 000	3 000	3 000	1 897	–	–	–
Vote 03 - Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 04 - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 05 - Community Services		–	–	–	–	–	–	–	–	–	–
Vote 06 - Financial Services		–	–	–	–	–	–	–	–	–	–
Vote 07 - Strategy Econ Development And Planning		–	–	3 126	8 000	22 400	22 400	5 947	8 300	–	–
Vote 08 - Infrastructure And Services		84 549	24 693	64 887	81 266	94 286	94 286	19 004	56 038	71 786	75 973
Vote 09 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>144 854</b>	<b>48 572</b>	<b>94 705</b>	<b>122 266</b>	<b>119 686</b>	<b>119 686</b>	<b>26 848</b>	<b>64 338</b>	<b>71 786</b>	<b>75 973</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 01 - Executive & Council		–	–	–	–	–	–	–	–	–	–
Vote 02 - Municipal And General		23 125	70 416	23 485	22 500	18 000	18 000	1 513	53 705	52 382	58 096
Vote 03 - Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 04 - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 05 - Community Services		–	–	–	–	–	–	–	–	–	–
Vote 06 - Financial Services		–	–	–	–	–	–	–	–	–	–
Vote 07 - Strategy Econ Development And Planning		–	–	–	–	–	–	–	–	–	–
Vote 08 - Infrastructure And Services		32 707	18 030	1 312	34 500	28 980	28 980	15 606	72 000	30 000	30 000
Vote 09 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
<b>Capital single-year expenditure sub-total</b>		<b>55 831</b>	<b>88 446</b>	<b>24 797</b>	<b>57 000</b>	<b>46 980</b>	<b>46 980</b>	<b>17 120</b>	<b>125 705</b>	<b>82 382</b>	<b>88 096</b>
<b>Total Capital Expenditure - Vote</b>		<b>200 685</b>	<b>137 018</b>	<b>119 502</b>	<b>179 266</b>	<b>166 666</b>	<b>166 666</b>	<b>43 968</b>	<b>190 043</b>	<b>154 168</b>	<b>164 069</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>83 430</b>	<b>94 295</b>	<b>50 177</b>	<b>55 500</b>	<b>21 000</b>	<b>21 000</b>	<b>3 410</b>	<b>53 705</b>	<b>52 382</b>	<b>58 096</b>
Executive and council		83 430	94 295	50 177	55 500	21 000	21 000	3 410	53 705	52 382	58 096
Finance and administration		–	–	–	–	–	–	–	–	–	–
Internal audit		–	–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Community and social services		–	–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		<b>–</b>	<b>–</b>	<b>3 126</b>	<b>8 000</b>	<b>54 900</b>	<b>54 900</b>	<b>24 007</b>	<b>35 300</b>	<b>30 000</b>	<b>30 000</b>
Planning and development		–	–	3 126	8 000	22 400	22 400	5 947	8 300	–	–
Road transport		–	–	–	–	32 500	32 500	18 059	27 000	30 000	30 000
Environmental protection		–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>		<b>117 256</b>	<b>42 723</b>	<b>66 199</b>	<b>115 766</b>	<b>90 766</b>	<b>90 766</b>	<b>16 551</b>	<b>101 038</b>	<b>71 786</b>	<b>75 973</b>
Energy sources		43 389	12 108	16 469	67 500	40 500	40 500	3 163	46 000	26 000	26 898
Water management		36 981	7 058	1 312	1 000	2 000	2 000	345	13 000	28 018	30 508
Waste water management		36 886	23 556	48 418	47 266	48 266	48 266	13 043	42 038	17 768	18 567
Waste management		–	–	–	–	–	–	–	–	–	–
<b>Other</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>200 685</b>	<b>137 018</b>	<b>119 502</b>	<b>179 266</b>	<b>166 666</b>	<b>166 666</b>	<b>43 968</b>	<b>190 043</b>	<b>154 168</b>	<b>164 069</b>
<b>Funded by:</b>											
National Government		172 816	126 994	101 832	167 766	123 766	123 766	30 112	134 338	120 786	134 973
Provincial Government		4 207	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	3 500	3 500	3 595	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	–	2 483	–	14 400	14 400	5 947	–	–	–
<b>Transfers recognised - capital</b>	<b>4</b>	<b>177 023</b>	<b>126 994</b>	<b>104 315</b>	<b>167 766</b>	<b>141 666</b>	<b>141 666</b>	<b>39 655</b>	<b>134 338</b>	<b>120 786</b>	<b>134 973</b>
<b>Borrowing</b>	<b>6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Internally generated funds</b>		<b>23 662</b>	<b>10 023</b>	<b>15 186</b>	<b>11 500</b>	<b>25 000</b>	<b>25 000</b>	<b>4 313</b>	<b>55 705</b>	<b>33 382</b>	<b>29 096</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>200 685</b>	<b>137 018</b>	<b>119 502</b>	<b>179 266</b>	<b>166 666</b>	<b>166 666</b>	<b>43 968</b>	<b>190 043</b>	<b>154 168</b>	<b>164 069</b>

#### References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
3. Capital expenditure by functional classification must reconcile to the appropriations by vote
4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)

6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17

7. Total Capital Funding must balance with Total Capital Expenditure

8. Include any capitalised interest (MFMA section 46) as part of relevant capital budget



## NC091 Sol Plaatje - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

[illegible]

Vote 09 - Infrastructure And Services	84 549	24 693	64 887	81 266	94 296	94 286	19 004	56 638	71 786	75 973	56 638	-	-	56 638	71 786	-	-	71 786	-	-	75 973
09.1 - Infrastructure Admin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.2 - Ce - Water And Sanitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.3 - Public Toilets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.4 - Mechanical Workshops	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.5 - Fleet	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.6 - Roads Planning And Design	-	-	-	-	7 300	7 300	2 465	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.7 - Road Construction And Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.8 - Housing - Admin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.9 - Housing - Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.10 - Sewerage - Reticulation	25 407	23 556	48 418	47 266	48 266	48 266	13 043	42 038	17 768	18 567	42 038	-	-	42 038	17 768	-	-	17 768	-	-	18 567
09.11 - Sewerage - Treatment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.12 - Sewerage - Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.13 - Water - Treatment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.14 - Water - Distribution	36 981	693	-	1 000	1 000	1 000	345	12 000	28 018	30 508	12 000	-	-	12 000	28 018	-	-	28 018	-	-	30 508
09.15 - Water - Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.16 - Electricity - Admin	22 161	444	16 469	33 000	37 720	37 720	3 150	2 000	26 000	26 898	2 000	-	-	2 000	26 000	-	-	26 000	-	-	26 898
09.17 - Electricity - Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.18 - Electricity - Streetlights Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 09 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	#N/A	
Vote 10 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	#N/A	
Vote 11 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	#N/A	
Vote 12 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	#N/A	
Vote 13 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	#N/A	
Vote 14 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	#N/A	
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	#N/A	
Capital multi-year expenditure sub-total	144 854	48 572	94 705	122 266	119 686	119 686	26 848	64 338	71 786	75 973	64 338	-	-	64 338	71 786	-	-	71 786	-	-	#N/A



NC091 Sol Plaatje - Table A6 Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
ASSETS											
Current assets											
Cash	1	73 916	96 534	43 008	172 968	180 670	180 670	113 170	(1 939)	(270 419)	(620 844)
Call investment deposits		–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	1 362 935	1 617 332	1 712 601	1 475 363	1 366 263	1 366 263	1 987 196	2 244 736	2 596 604	2 982 256
Other debtors		116 681	109 701	98 092	547 474	547 474	547 474	141 453	418 926	435 117	441 724
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	39 015	35 583	39 323	39 323	39 323	39 323	99 250	39 323	39 323	39 323
Total current assets		1 592 548	1 859 150	1 893 024	2 235 127	2 133 730	2 133 730	2 341 067	2 701 047	2 800 625	2 842 459
Non current assets											
Long-term receivables	3	–	–	-	36 867	36 867	36 867	–	35 716	37 859	39 752
Investments											
Investment property		208 859	209 344	209 057	205 486	205 486	205 486	209 907	208 312	210 915	213 497
Investment in Associate											
Property, plant and equipment		1 741 181	1 808 607	1 865 761	1 964 370	1 937 370	1 937 370	1 902 931	1 795 402	1 802 002	1 845 426
Biological											
Intangible		5 566	2 508	10 339	7 307	21 707	21 707	16 287	2 908	2 950	3 164
Other non-current assets		12 071	12 071	12 071	11 864	11 864	11 864	12 071	9 926	9 926	9 926
Total non current assets		1 967 676	2 032 530	2 097 228	2 225 894	2 213 294	2 213 294	2 141 195	2 052 265	2 063 652	2 111 765
TOTAL ASSETS		3 560 224	3 891 680	3 990 252	4 461 022	4 347 024	4 347 024	4 482 263	4 753 311	4 864 277	4 954 223
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits	4	35 012	36 793	39 774	45 623	45 623	45 623	42 028	49 224	52 152	54 760
Trade and other payables		385 712	513 679	631 609	590 399	590 399	590 399	939 879	907 727	1 015 126	1 095 493
Provisions		–	–	–	89 313	89 313	89 313	–	94 029	99 671	104 654
Total current liabilities		420 723	550 472	671 382	725 335	725 335	725 335	981 907	1 050 980	1 166 949	1 254 907
Non current liabilities											
Borrowing		201 167	191 815	182 267	172 829	172 829	172 829	177 258	148 630	140 429	131 589
Provisions		259 275	241 131	254 667	245 000	233 000	233 000	244 748	259 520	262 166	264 971
Total non current liabilities		460 441	432 945	436 934	417 829	405 829	405 829	422 006	408 150	402 595	396 560
TOTAL LIABILITIES		881 165	983 417	1 108 316	1 143 164	1 131 164	1 131 164	1 403 913	1 459 129	1 569 544	1 651 467
NET ASSETS	5	2 679 060	2 908 263	2 881 936	3 317 858	3 215 860	3 215 860	3 078 350	3 294 182	3 294 734	3 302 757
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	4	2 788 761	3 052 305	3 049 283	3 246 167	3 149 967	3 149 967	3 122 885	3 213 305	3 209 186	3 212 932
Reserves		72 772	69 484	57 205	79 393	65 893	65 893	57 205	80 876	85 548	89 825
TOTAL COMMUNITY WEALTH/EQUITY	5	2 861 533	3 121 789	3 106 488	3 325 560	3 215 860	3 215 860	3 180 090	3 294 182	3 294 734	3 302 757

References

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Net assets must balance with Total Community Wealth/Equity

NC091 Sol Plaatje - Table A7 Budgeted Cash Flows

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	561 377	537 299	537 299	537 299	286 796	533 499	559 541	585 440
Service charges		–	–	1 857 261	901 622	901 622	901 622	800 271	1 093 079	1 199 066	1 294 618
Other revenue		–	–	(872 756)	339 839	339 839	339 839	179 090	403 395	237 927	241 361
Transfers and Subsidies - Operational	1	–	–	23 639	230 640	230 640	230 640	28 096	18 959	15 390	15 840
Transfers and Subsidies - Capital	1	–	–	33 560	149 809	149 809	149 809	40 633	134 338	120 786	134 973
Interest		–	–	3 829	9 000	9 000	9 000	–	6 000	12 000	15 000
Dividends									–	–	–
Payments											
Suppliers and employees		–	–	(1 559 634)	(1 880 833)	(1 880 833)	(1 880 833)	(1 718 685)	(2 040 585)	(2 193 417)	(2 351 539)
Finance charges		–	–	–	(22 261)	(22 261)	(22 261)	–	(38 960)	(38 488)	(37 910)
Transfers and Grants	1	–	–	–	(4 850)	(4 850)	(4 850)	–	(4 460)	(4 568)	(4 677)
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	–	47 277	260 265	260 265	260 265	(383 799)	105 265	(91 762)	(106 893)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									–	–	–
Decrease (increase) in non-current receivables		–	–	–	36 867	–	–	–	1 151	(2 143)	(1 893)
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		–	–	(116 394)	(179 266)	(179 266)	(179 266)	(39 479)	(190 043)	(154 168)	(164 069)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	(116 394)	(142 399)	(179 266)	(179 266)	(39 479)	(188 892)	(156 311)	(165 962)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits		(35 012)	(1 782)	(2 980)	(5 849)	–	–	(2 254)	3 601	2 928	2 608
Payments											
Repayment of borrowing		–	–	–	(10 734)	(10 734)	(10 734)	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		(35 012)	(1 782)	(2 980)	(16 583)	(10 734)	(10 734)	(2 254)	3 601	2 928	2 608
NET INCREASE/ (DECREASE) IN CASH HELD		(35 012)	(1 782)	(72 098)	101 283	70 265	70 265	(425 532)	(80 026)	(245 145)	(270 248)
Cash/cash equivalents at the year begin:	2	81 460	73 916	96 534	93 891	93 891	93 891	–	172 922	92 896	(152 249)
Cash/cash equivalents at the year end:	2	46 449	72 134	24 436	195 174	164 156	164 156	(425 532)	92 896	(152 249)	(422 496)

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities

2. Cash equivalents includes investments with maturities of 3 months or less

3. The MTREF is populated directly from SA30.

Total receipts	–	–	1 606 911	2 205 075	2 168 208	2 168 208	1 334 886	2 190 421	2 142 567	2 285 339
Total payments	–	–	(1 676 028)	(2 087 210)	(2 087 210)	(2 087 210)	(1 758 164)	(2 274 048)	(2 390 641)	(2 558 195)
	–	–	(69 117)	117 866	80 999	80 999	(423 278)	(83 628)	(248 073)	(272 855)
Borrowings & investments & c.deposits	(35 012)	(1 782)	(2 980)	(5 849)	–	–	(2 254)	3 601	2 928	2 608
Repayment of borrowing	–	–	–	(10 734)	(10 734)	(10 734)	–	–	–	–
	(35 012)	(1 782)	(72 098)	101 283	70 265	70 265	(425 532)	(80 026)	(245 145)	(270 248)
	–	–	0	–	–	–	–	–	–	–

NC091 Sol Plaatje - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	46 449	72 134	24 436	195 174	164 156	164 156	(425 532)	92 896	(152 249)	(422 496)
Other current investments > 90 days		27 467	24 400	18 572	(22 206)	16 514	16 514	538 702	(94 835)	(118 170)	(198 347)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>73 916</b>	<b>96 534</b>	<b>43 008</b>	<b>172 968</b>	<b>180 670</b>	<b>180 670</b>	<b>113 170</b>	<b>(1 939)</b>	<b>(270 419)</b>	<b>(620 844)</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		6 901	27 126	6 273	12 628	12 628	12 628	49 709	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	312 665	409 287	(1 027 204)	(1 054 734)	(963 246)	(963 246)	(1 223 030)	(1 462 154)	(1 443 254)	(1 685 521)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	72 772	69 484	57 205	79 393	65 893	65 893	57 205	80 876	85 548	89 825
<b>Total Application of cash and investments:</b>		<b>392 338</b>	<b>505 896</b>	<b>(963 726)</b>	<b>(962 713)</b>	<b>(884 725)</b>	<b>(884 725)</b>	<b>(1 116 116)</b>	<b>(1 381 278)</b>	<b>(1 357 706)</b>	<b>(1 595 695)</b>
<b>Surplus(shortfall)</b>		<b>(318 422)</b>	<b>(409 362)</b>	<b>1 006 734</b>	<b>1 135 681</b>	<b>1 065 396</b>	<b>1 065 396</b>	<b>1 229 286</b>	<b>1 379 340</b>	<b>1 087 286</b>	<b>974 851</b>

- References
1. Must reconcile with Budgeted Cash Flows
  2. For example: VAT, taxation
  3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
  4. For example: sinking fund requirements for borrowing
  5. Council approval required for each reserve created and basis of cash backing of reserves

Other working capital requirements

Debtors	–	–	1 559 103	1 723 234	1 631 746	1 631 746	1 986 223	2 464 885	2 566 684	2 895 816
Creditors due	312 665	409 287	531 899	668 500	668 500	668 500	763 193	1 002 731	1 123 430	1 210 295
Total	(312 665)	(409 287)	1 027 204	1 054 734	963 246	963 246	1 223 030	1 462 154	1 443 254	1 685 521

Debtors collection assumptions

Balance outstanding - debtors	1 479 617	1 727 033	1 810 693	2 059 704	1 950 604	1 950 604	2 128 648	2 699 379	3 069 581	3 463 732
Estimate of debtors collection rate	0,0%	0,0%	86,1%	83,7%	83,7%	83,7%	93,3%	91,3%	83,6%	83,6%

Long term investments committed

Balance <i>(Insert description; eg sinking fund)</i>	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments										
Housing Development Fund	–	–	–	–	–	–	–	–	–	–
Capital replacement	39 313	43 753	29 681	26 745	13 245	13 245	29 681	23 577	24 992	26 242
Self-insurance	22 616	14 555	15 833	35 609	35 609	35 609	15 833	39 238	41 592	43 671
Other reserves	10 843	11 176	11 691	17 039	17 039	17 039	11 691	18 061	18 964	19 912
Revaluation	–	–	–	–	–	–	–	–	–	–
	72 772	69 484	57 205	79 393	65 893	65 893	57 205	80 876	85 548	89 825

**NC091 Sol Plaatje - Table A9 Asset Management**

Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
CAPITAL EXPENDITURE											
Total New Assets		1	63 516	50 547	51 665	99 766	96 666	96 666	108 795	52 382	48 994
Roads Infrastructure			–	–	–	–	–	–	–	–	–
Storm water Infrastructure			–	–	–	–	–	–	–	–	–
Electrical Infrastructure			24 017	12 108	16 469	65 000	38 000	38 000	33 000	20 000	20 898
Water Supply Infrastructure			19 297	7 058	1 312	–	1 000	1 000	1 000	–	–
Sanitation Infrastructure			11 479	16 823	21 320	22 266	22 266	22 266	21 090	–	–
Solid Waste Infrastructure			–	–	–	–	–	–	–	–	–
Rail Infrastructure			–	–	–	–	–	–	–	–	–
Coastal Infrastructure			–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure			–	–	–	–	–	–	–	–	–
Infrastructure			54 793	35 989	39 101	87 266	61 266	61 266	55 090	20 000	20 898
Community Facilities			1 856	4 534	5 055	–	3 000	3 000	–	–	–
Sport and Recreation Facilities			–	–	–	–	–	–	–	–	–
Community Assets			1 856	4 534	5 055	–	3 000	3 000	–	–	–
Heritage Assets			4 207	–	–	–	–	–	–	–	–
Revenue Generating			2 660	813	1 437	3 000	3 000	3 000	5 000	5 000	5 000
Non-revenue Generating			–	–	–	–	–	–	–	–	–
Investment properties			2 660	813	1 437	3 000	3 000	3 000	5 000	5 000	5 000
Operational Buildings			–	–	–	–	–	–	–	–	–
Housing			–	–	–	–	–	–	–	–	–
Other Assets			–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets			–	–	–	–	–	–	–	–	–
Servitudes			–	–	–	–	–	–	–	–	–
Licences and Rights			–	–	2 483	–	14 400	14 400	–	–	–
Intangible Assets			–	–	2 483	–	14 400	14 400	–	–	–
Computer Equipment			–	3 253	1 687	3 500	3 500	3 500	11 300	3 500	3 500
Furniture and Office Equipment			–	634	76	2 000	2 000	2 000	2 000	2 000	2 000
Machinery and Equipment			–	–	–	–	–	–	–	–	–
Transport Assets			–	5 323	1 825	4 000	9 500	9 500	35 405	21 882	17 596
Land			–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals			–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets		2	86 726	6 733	35 223	39 000	42 200	42 200	51 948	69 786	73 075
Roads Infrastructure			18 677	–	6 163	13 000	15 200	15 200	15 000	20 000	20 000
Storm water Infrastructure			51 582	–	1 963	–	–	–	–	–	–
Electrical Infrastructure			6 734	–	–	1 000	1 000	1 000	6 000	6 000	6 000
Water Supply Infrastructure			2 971	–	–	–	–	–	10 000	26 018	28 508
Sanitation Infrastructure			4 120	6 733	27 098	25 000	26 000	26 000	20 948	17 768	18 567
Solid Waste Infrastructure			–	–	–	–	–	–	–	–	–
Rail Infrastructure			–	–	–	–	–	–	–	–	–
Coastal Infrastructure			–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure			–	–	–	–	–	–	–	–	–
Infrastructure			84 084	6 733	35 223	39 000	42 200	42 200	51 948	69 786	73 075
Community Facilities			–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities			2 642	–	–	–	–	–	–	–	–
Community Assets			2 642	–	–	–	–	–	–	–	–
Heritage Assets			–	–	–	–	–	–	–	–	–
Revenue Generating			–	–	–	–	–	–	–	–	–
Non-revenue Generating			–	–	–	–	–	–	–	–	–
Investment properties			–	–	–	–	–	–	–	–	–
Operational Buildings			–	–	–	–	–	–	–	–	–
Housing			–	–	–	–	–	–	–	–	–
Other Assets			–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets			–	–	–	–	–	–	–	–	–
Servitudes			–	–	–	–	–	–	–	–	–
Licences and Rights			–	–	–	–	–	–	–	–	–
Intangible Assets			–	–	–	–	–	–	–	–	–
Computer Equipment			–	–	–	–	–	–	–	–	–
Furniture and Office Equipment			–	–	–	–	–	–	–	–	–
Machinery and Equipment			–	–	–	–	–	–	–	–	–
Transport Assets			–	–	–	–	–	–	–	–	–
Land			–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals			–	–	–	–	–	–	–	–	–

<b>Total Upgrading of Existing Assets</b>	6	<b>50 443</b>	<b>79 738</b>	<b>32 613</b>	<b>40 500</b>	<b>27 800</b>	<b>27 800</b>	<b>29 300</b>	<b>32 000</b>	<b>42 000</b>
Roads Infrastructure		–	79 738	31 971	30 000	17 300	17 300	12 000	30 000	40 000
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		12 637	–	–	1 500	1 500	1 500	7 000	–	–
Water Supply Infrastructure		14 713	–	–	1 000	1 000	1 000	2 000	2 000	2 000
Sanitation Infrastructure		21 287	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
<b>Infrastructure</b>		<b>48 637</b>	<b>79 738</b>	<b>31 971</b>	<b>32 500</b>	<b>19 800</b>	<b>19 800</b>	<b>21 000</b>	<b>32 000</b>	<b>42 000</b>
Community Facilities		–	–	643	8 000	8 000	8 000	8 300	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
<b>Community Assets</b>		<b>–</b>	<b>–</b>	<b>643</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 300</b>	<b>–</b>	<b>–</b>
<b>Heritage Assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
<b>Investment properties</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Operational Buildings		1 806	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
<b>Other Assets</b>		<b>1 806</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Biological or Cultivated Assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
<b>Intangible Assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure</b>	4	<b>200 685</b>	<b>137 018</b>	<b>119 502</b>	<b>179 266</b>	<b>166 666</b>	<b>166 666</b>	<b>190 043</b>	<b>154 168</b>	<b>164 069</b>
Roads Infrastructure		18 677	79 738	38 133	43 000	32 500	32 500	27 000	50 000	60 000
Storm water Infrastructure		51 582	–	1 963	–	–	–	–	–	–
Electrical Infrastructure		43 389	12 108	16 469	67 500	40 500	40 500	46 000	26 000	26 898
Water Supply Infrastructure		36 981	7 058	1 312	1 000	2 000	2 000	13 000	28 018	30 508
Sanitation Infrastructure		36 886	23 556	48 418	47 266	48 266	48 266	42 038	17 768	18 567
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
<b>Infrastructure</b>		<b>187 514</b>	<b>122 461</b>	<b>106 295</b>	<b>158 766</b>	<b>123 266</b>	<b>123 266</b>	<b>128 038</b>	<b>121 786</b>	<b>135 973</b>
Community Facilities		1 856	4 534	5 697	8 000	11 000	11 000	8 300	–	–
Sport and Recreation Facilities		2 642	–	–	–	–	–	–	–	–
<b>Community Assets</b>		<b>4 497</b>	<b>4 534</b>	<b>5 697</b>	<b>8 000</b>	<b>11 000</b>	<b>11 000</b>	<b>8 300</b>	<b>–</b>	<b>–</b>
<b>Heritage Assets</b>		<b>4 207</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Revenue Generating		2 660	813	1 437	3 000	3 000	3 000	5 000	5 000	5 000
Non-revenue Generating		–	–	–	–	–	–	–	–	–
<b>Investment properties</b>		<b>2 660</b>	<b>813</b>	<b>1 437</b>	<b>3 000</b>	<b>3 000</b>	<b>3 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>
Operational Buildings		1 806	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
<b>Other Assets</b>		<b>1 806</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Biological or Cultivated Assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	2 483	–	14 400	14 400	–	–	–
<b>Intangible Assets</b>		<b>–</b>	<b>–</b>	<b>2 483</b>	<b>–</b>	<b>14 400</b>	<b>14 400</b>	<b>–</b>	<b>–</b>	<b>–</b>
Computer Equipment		–	3 253	1 687	3 500	3 500	3 500	11 300	3 500	3 500
Furniture and Office Equipment		–	634	76	2 000	2 000	2 000	2 000	2 000	2 000
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	5 323	1 825	4 000	9 500	9 500	35 405	21 882	17 596
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>200 685</b>	<b>137 018</b>	<b>119 502</b>	<b>179 266</b>	<b>166 666</b>	<b>166 666</b>	<b>190 043</b>	<b>154 168</b>	<b>164 069</b>



<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	1 967 676	2 032 530	2 097 228	2 189 027	2 176 427	2 176 427	1 826 505	1 863 325	1 899 644
Roads Infrastructure		396 469	475 549	499 618	177 129	166 629	166 629	169 419	197 125	208 798
Storm water Infrastructure		66 727	53 445	54 066	118 802	118 802	118 802	138 655	141 500	142 623
Electrical Infrastructure		269 120	273 592	281 120	374 895	347 895	347 895	352 343	351 903	356 030
Water Supply Infrastructure		285 144	284 983	279 524	493 378	494 378	494 378	459 639	506 149	537 213
Sanitation Infrastructure		396 531	407 873	444 110	447 042	448 042	448 042	131 802	112 930	118 496
Solid Waste Infrastructure		21 806	21 127	21 603	6 599	6 599	6 599	21 460	21 153	22 407
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
<b>Infrastructure</b>		<b>1 435 798</b>	<b>1 516 569</b>	<b>1 580 042</b>	<b>1 617 844</b>	<b>1 582 344</b>	<b>1 582 344</b>	<b>1 273 319</b>	<b>1 330 760</b>	<b>1 385 566</b>
<b>Community Assets</b>		168 391	160 502	158 119	260 850	263 850	263 850	194 891	194 835	180 939
<b>Heritage Assets</b>		12 071	12 071	12 071	11 864	11 864	11 864	9 926	9 926	9 926
<b>Investment properties</b>		208 859	209 344	209 057	205 486	205 486	205 486	208 312	210 915	213 497
<b>Other Assets</b>		–	–	–	–	–	–	–	–	–
<b>Biological or Cultivated Assets</b>										
<b>Intangible Assets</b>		5 566	2 508	10 339	7 307	21 707	21 707	2 908	2 950	3 164
<b>Computer Equipment</b>		5 756	4 823	4 486	13 387	13 387	13 387	22 782	15 037	13 160
<b>Furniture and Office Equipment</b>		3 597	2 664	1 828	2 621	2 621	2 621	4 602	3 542	2 536
<b>Machinery and Equipment</b>		3 128	2 911	4 066	4 638	4 638	4 638	6 024	7 248	8 533
<b>Transport Assets</b>		31 090	25 653	22 581	10 100	15 600	15 600	47 810	28 182	17 392
<b>Land</b>		93 420	95 485	94 639	54 930	54 930	54 930	55 930	59 930	64 930
<b>Zoo's, Marine and Non-biological Animals</b>										
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>1 967 676</b>	<b>2 032 530</b>	<b>2 097 228</b>	<b>2 189 027</b>	<b>2 176 427</b>	<b>2 176 427</b>	<b>1 826 505</b>	<b>1 863 325</b>	<b>1 899 644</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>294 143</b>	<b>287 242</b>	<b>306 905</b>	<b>347 876</b>	<b>358 248</b>	<b>358 248</b>	<b>362 107</b>	<b>382 257</b>	<b>406 013</b>
<b>Depreciation</b>	7	61 697	69 409	63 881	79 150	79 150	79 150	81 050	85 265	89 954
<b>Repairs and Maintenance by Asset Class</b>	3	<b>232 446</b>	<b>217 834</b>	<b>243 024</b>	<b>268 726</b>	<b>279 098</b>	<b>279 098</b>	<b>281 057</b>	<b>296 992</b>	<b>316 059</b>
Roads Infrastructure		42 323	46 057	47 389	45 195	45 400	45 400	51 355	53 642	58 258
Storm water Infrastructure		598	–	542	600	1 245	1 245	570	601	637
Electrical Infrastructure		56 875	52 173	57 938	64 176	63 416	63 416	67 247	71 430	75 568
Water Supply Infrastructure		36 640	37 718	44 102	45 998	56 168	56 168	49 386	52 349	55 490
Sanitation Infrastructure		28 872	20 370	24 371	30 903	32 587	32 587	31 725	33 473	35 316
Solid Waste Infrastructure		18 778	13 991	14 983	22 978	22 748	22 748	21 968	23 243	24 615
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		1 329	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
<b>Infrastructure</b>		<b>185 414</b>	<b>170 309</b>	<b>189 325</b>	<b>209 850</b>	<b>221 564</b>	<b>221 564</b>	<b>222 251</b>	<b>234 738</b>	<b>249 884</b>
Community Facilities		2 916	1 785	2 746	3 420	3 606	3 606	3 175	3 642	3 843
Sport and Recreation Facilities		401	533	443	790	700	700	710	455	480
<b>Community Assets</b>		<b>3 318</b>	<b>2 318</b>	<b>3 188</b>	<b>4 210</b>	<b>4 306</b>	<b>4 306</b>	<b>3 885</b>	<b>4 097</b>	<b>4 324</b>
<b>Heritage Assets</b>		–	–	–	–	–	–	–	–	–
Revenue Generating		6 653	6 357	6 991	7 509	7 269	7 269	7 899	8 373	8 869
Non-revenue Generating		–	–	–	–	–	–	–	–	–
<b>Investment properties</b>		<b>6 653</b>	<b>6 357</b>	<b>6 991</b>	<b>7 509</b>	<b>7 269</b>	<b>7 269</b>	<b>7 899</b>	<b>8 373</b>	<b>8 869</b>
Operational Buildings		13 924	12 760	13 215	14 890	14 790	14 790	15 281	16 198	17 182
Housing		–	–	–	–	–	–	–	–	–
<b>Other Assets</b>		<b>13 924</b>	<b>12 760</b>	<b>13 215</b>	<b>14 890</b>	<b>14 790</b>	<b>14 790</b>	<b>15 281</b>	<b>16 198</b>	<b>17 182</b>
<b>Biological or Cultivated Assets</b>		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
<b>Intangible Assets</b>		–	–	–	–	–	–	–	–	–
<b>Computer Equipment</b>		–	–	–	–	–	–	–	–	–
<b>Furniture and Office Equipment</b>		<b>1 261</b>	<b>1 051</b>	<b>1 183</b>	<b>1 684</b>	<b>1 642</b>	<b>1 642</b>	<b>1 723</b>	<b>1 810</b>	<b>1 910</b>
<b>Machinery and Equipment</b>		<b>17 095</b>	<b>21 657</b>	<b>24 900</b>	<b>24 179</b>	<b>23 556</b>	<b>23 556</b>	<b>24 597</b>	<b>26 061</b>	<b>27 850</b>
<b>Transport Assets</b>		<b>4 782</b>	<b>3 383</b>	<b>4 221</b>	<b>6 404</b>	<b>5 970</b>	<b>5 970</b>	<b>5 422</b>	<b>5 716</b>	<b>6 040</b>
<b>Land</b>		–	–	–	–	–	–	–	–	–
<b>Zoo's, Marine and Non-biological Animals</b>		–	–	–	–	–	–	–	–	–
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>294 143</b>	<b>287 242</b>	<b>306 905</b>	<b>347 876</b>	<b>358 248</b>	<b>358 248</b>	<b>362 107</b>	<b>382 257</b>	<b>406 013</b>
<b>Renewal and upgrading of Existing Assets as % of total capex</b>		68,4%	63,1%	56,8%	44,3%	42,0%	42,0%	42,8%	66,0%	70,1%
<b>Renewal and upgrading of Existing Assets as % of deprecn</b>		222,3%	124,6%	106,2%	100,4%	88,4%	88,4%	100,2%	119,4%	127,9%
<b>R&amp;M as a % of PPE</b>		13,3%	12,0%	13,0%	13,7%	14,4%	14,4%	15,7%	16,5%	17,1%
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>		19,0%	15,0%	15,0%	16,0%	16,0%	16,0%	20,0%	21,0%	23,0%

#### References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Detail of upgrading of existing assets provided in Table SA34e
7. Detail of depreciation provided in Table SA34d

NC091 Sol Plaatje - Table A10 Basic service delivery measurement

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		43 577	43 577	43 577	43 577	43 577	43 577	43 577	43 577	43 577
Piped water inside yard (but not in dwelling)		22 582	22 582	22 582	22 582	22 582	22 582	22 582	22 582	22 582
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		66 159	66 159	66 159	66 159	66 159	66 159	66 159	66 159	66 159
Using public tap (< min.service level)	3	5 272	5 272	5 272	5 272	5 272	5 272	5 272	5 272	5 272
Other water supply (< min.service level)	4	160	160	160	160	160	160	160	160	160
No water supply		349	349	349	349	349	349	349	349	349
<i>Below Minimum Service Level sub-total</i>		5 781	5 781	5 781	5 781	5 781	5 781	5 781	5 781	5 781
<b>Total number of households</b>	5	<b>71 940</b>	<b>71 940</b>	<b>71 940</b>	<b>71 940</b>	<b>71 940</b>	<b>71 940</b>	<b>71 940</b>	<b>71 940</b>	<b>71 940</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		63 359	63 359	63 359	63 359	63 359	63 359	63 359	63 359	63 359
Flush toilet (with septic tank)		1 816	1 816	1 816	1 816	1 816	1 816	1 816	1 816	1 816
Chemical toilet		22	22	22	22	22	22	22	22	22
Pit toilet (ventilated)		1 235	1 235	1 235	1 235	1 235	1 235	1 235	1 235	1 235
Other toilet provisions (> min.service level)		342	342	342	342	342	342	342	342	342
<i>Minimum Service Level and Above sub-total</i>		66 774	66 774	66 774	66 774	66 774	66 774	66 774	66 774	66 774
Bucket toilet		4 352	4 352	4 352	4 352	4 352	4 352	4 352	4 352	4 352
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		812	812	812	812	812	812	812	812	812
<i>Below Minimum Service Level sub-total</i>		5 164	5 164	5 164	5 164	5 164	5 164	5 164	5 164	5 164
<b>Total number of households</b>	5	<b>71 938</b>	<b>71 938</b>	<b>71 938</b>	<b>71 938</b>	<b>71 938</b>	<b>71 938</b>	<b>71 938</b>	<b>71 938</b>	<b>71 938</b>
<b>Energy:</b>										
Electricity (at least min.service level)		9 116	9 116	9 116	9 116	9 116	9 116	9 116	9 116	9 116
Electricity - prepaid (min.service level)		57 145	57 145	57 145	57 145	57 145	57 145	57 145	57 145	57 145
<i>Minimum Service Level and Above sub-total</i>		66 261	66 261	66 261	66 261	66 261	66 261	66 261	66 261	66 261
Electricity (< min.service level)		4 320	4 320	4 320	4 320	4 320	4 320	4 320	4 320	4 320
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		1 357	1 357	1 357	1 357	1 357	1 357	1 357	1 357	1 357
<i>Below Minimum Service Level sub-total</i>		5 677	5 677	5 677	5 677	5 677	5 677	5 677	5 677	5 677
<b>Total number of households</b>	5	<b>71 938</b>	<b>71 938</b>	<b>71 938</b>	<b>71 938</b>	<b>71 938</b>	<b>71 938</b>	<b>71 938</b>	<b>71 938</b>	<b>71 938</b>
<b>Refuse:</b>										
Removed at least once a week		59 526	59 526	59 526	59 526	59 526	59 526	59 526	59 526	59 526
<i>Minimum Service Level and Above sub-total</i>		59 526	59 526	59 526	59 526	59 526	59 526	59 526	59 526	59 526
Removed less frequently than once a week		1 538	1 538	1 538	1 538	1 538	1 538	1 538	1 538	1 538
Using communal refuse dump		1 605	1 605	1 605	1 605	1 605	1 605	1 605	1 605	1 605
Using own refuse dump		3 373	3 373	3 373	3 373	3 373	3 373	3 373	3 373	3 373
Other rubbish disposal		1 371	1 371	1 371	1 371	1 371	1 371	1 371	1 371	1 371
No rubbish disposal		4 526	4 526	4 526	4 526	4 526	4 526	4 526	4 526	4 526
<i>Below Minimum Service Level sub-total</i>		12 413	12 413	12 413	12 413	12 413	12 413	12 413	12 413	12 413
<b>Total number of households</b>	5	<b>71 939</b>	<b>71 939</b>	<b>71 939</b>	<b>71 939</b>	<b>71 939</b>	<b>71 939</b>	<b>71 939</b>	<b>71 939</b>	<b>71 939</b>
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		14 647	11 509	11 980	12 000	12 000	12 000	12 000	13 000	15 000
Sanitation (free minimum level service)		14 647	11 509	11 980	12 000	12 000	12 000	12 000	13 000	15 000
Electricity/other energy (50kwh per household per month)		14 647	11 509	11 980	12 000	12 000	12 000	12 000	13 000	15 000
Refuse (removed at least once a week)		14 647	11 509	11 980	12 000	12 000	12 000	12 000	13 000	15 000
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		6 317	5 824	4 366	8 000	8 000	8 000	8 000	8 440	8 904
Sanitation (free sanitation service to indigent households)		289	310	267	400	21 000	21 000	21 000	22 260	23 484
Electricity/other energy (50kwh per indigent household per month)		6 956	–	9 971	12 000	12 000	12 000	12 000	12 900	13 868
Refuse (removed once a week for indigent households)		11 716	12 263	12 445	13 300	13 300	13 300	13 500	14 175	14 955
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		–	–	–	–	–	–	–	–	–
<b>Total cost of FBS provided</b>		<b>25 278</b>	<b>18 398</b>	<b>27 049</b>	<b>33 700</b>	<b>54 300</b>	<b>54 300</b>	<b>54 500</b>	<b>57 775</b>	<b>61 211</b>
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		155	165	174	181	181	181	189	199	210
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		21	21	21	21	21	21	21	21	21
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		32 686	28 084	28 229	36 150	36 150	36 150	34 470	36 194	38 184
Water (in excess of 6 kilolitres per indigent household per month)		19 948	16 626	18 786	19 100	19 100	19 100	20 500	21 628	22 817
Sanitation (in excess of free sanitation service to indigent households)		19 930	19 787	20 611	24 000	3 400	3 400	3 400	3 604	3 802
Electricity/other energy (in excess of 50 kwh per indigent household per month)		32 600	32 931	34 338	36 000	36 000	36 000	41 000	44 075	47 381
Refuse (in excess of one removal a week for indigent households)		4 181	4 082	4 004	4 500	4 500	4 500	4 500	4 725	4 985
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
<b>Total revenue cost of subsidised services provided</b>	6	<b>109 345</b>	<b>101 509</b>	<b>105 967</b>	<b>119 750</b>	<b>99 150</b>	<b>99 150</b>	<b>103 870</b>	<b>110 225</b>	<b>117 169</b>

**References**

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)
8. Must reflect the cost to the municipality of providing the Free Basic Service
9. Reflect the cost to the municipality in terms of 'revenue foregone' of providing free services (note this will not equal 'Revenue Foregone' on SA1)

NC091 Sol Plaatje - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

2021/22 Page - Supporting Table SAT Supporting Detail to Budgeted financial performance											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	545 573	583 157	599 305	639 857	639 857	639 857	446 764	662 116	694 477	726 937
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		32 686	28 084	28 229	36 150	36 150	36 150	6 185	34 470	36 194	38 184
Net Property Rates		512 886	555 073	571 075	603 707	603 707	603 707	440 579	627 646	658 284	688 753
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	592 010	697 759	703 615	909 157	909 157	909 157	506 984	972 854	1 073 743	1 169 882
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		32 600	32 931	34 338	36 000	36 000	36 000	9 692	41 000	44 075	47 381
Less Cost of Free Basis Services (50 kwh per indigent household per month)		6 956	-	9 971	12 000	12 000	12 000		12 000	12 900	13 868
Net Service charges - electricity revenue		552 454	664 828	659 307	861 157	861 157	861 157	497 292	919 854	1 016 768	1 108 634
Service charges - water revenue											
Total Service charges - water revenue	6	262 956	281 068	282 308	321 112	321 112	321 112	202 495	339 217	367 543	386 347
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		19 948	16 626	18 786	19 100	19 100	19 100	2 756	20 500	21 628	22 817
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		6 317	5 824	4 366	8 000	8 000	8 000		8 000	8 440	8 904
Net Service charges - water revenue		236 691	258 618	259 156	294 012	294 012	294 012	199 738	310 717	337 475	354 626
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		87 643	93 216	99 064	101 048	101 048	101 048	69 905	106 100	112 067	118 443
Less Revenue Foregone (in excess of free sanitation service to indigent households)		19 930	19 787	20 611	24 000	3 400	3 400	12 690	3 400	3 604	3 802
Less Cost of Free Basis Services (free sanitation service to indigent households)		289	310	267	400	21 000	21 000		21 000	22 260	23 484
Net Service charges - sanitation revenue		67 424	73 119	78 186	76 648	76 648	76 648	57 215	81 700	86 203	91 156
Service charges - refuse revenue											
Total refuse removal revenue	6	64 677	68 909	72 850	77 367	77 367	77 367	51 279	78 940	84 739	90 581
Total landfill revenue											
Less Revenue Foregone (in excess of one removal a week to indigent households)		4 181	4 082	4 004	4 500	4 500	4 500	1 095	4 500	4 725	4 985
Less Cost of Free Basis Services (removed once a week to indigent households)		11 716	12 263	12 445	13 300	13 300	13 300		13 500	14 175	14 955
Net Service charges - refuse revenue		48 780	52 564	56 401	59 567	59 567	59 567	50 184	60 940	65 839	70 641
Other Revenue by source											
Fuel Levy											
Other Revenue		16 309	18 108	17 354	19 411	19 685	19 685	11 794	18 145	19 111	20 148
Total 'Other' Revenue	1	16 309	18 108	17 354	19 411	19 685	19 685	11 794	18 145	19 111	20 148
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	365 625	384 859	405 014	459 193	460 905	460 905	287 563	473 099	501 956	529 488
Pension and UIF Contributions		59 547	62 760	64 848	77 965	77 965	77 965	43 802	78 718	82 860	87 484
Medical Aid Contributions		45 183	48 775	48 981	58 845	58 845	58 845	38 400	58 532	61 598	65 038
Overtime		9 594	7 286	5 493	4 146	4 146	4 146	3 356	3 973	4 185	4 418
Performance Bonus		26 336	27 067	28 489	35 421	35 421	35 421	24 219	36 221	38 125	40 252
Motor Vehicle Allowance		40 274	40 843	40 348	53 582	53 582	53 582	29 300	53 235	55 991	59 084
Cellphone Allowance		1 501	1 503	1 464	1 701	1 701	1 701	1 067	1 617	1 700	1 794
Housing Allowances		2 674	2 805	2 731	3 197	3 197	3 197	1 809	2 937	3 090	3 262
Other benefits and allowances		71 746	65 865	63 973	63 985	67 473	67 473	52 791	63 917	67 324	71 102
Payments in lieu of leave		13 784	909	29 135	14 000	14 000	14 000	9 469	15 000	15 750	16 616
Long service awards		16 773	19 571	23 192	22 853	22 853	22 853	16 032	23 254	24 483	25 850
Post-retirement benefit obligations		35 530	(9 322)	12 550	41 500	41 500	41 500	1 021	38 900	40 845	43 091
sub-total	5	688 565	652 922	726 219	836 388	841 588	841 588	508 829	849 403	897 908	947 480
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	688 565	652 922	726 219	836 388	841 588	841 588	508 829	849 403	897 908	947 480

<b>Depreciation &amp; asset impairment</b>											
Depreciation of Property, Plant & Equipment	58 056	64 786	59 843	74 150	74 150	74 150	–	76 550	80 540	84 969	
Lease amortisation	3 641	4 215	4 038	5 000	5 000	5 000	–	4 500	4 725	4 985	
Capital asset impairment	–	407	–	–	–	–	–	–	–	–	
<b>Total Depreciation &amp; asset impairment</b>	<b>61 697</b>	<b>69 409</b>	<b>63 881</b>	<b>79 150</b>	<b>79 150</b>	<b>79 150</b>	<b>–</b>	<b>81 050</b>	<b>85 265</b>	<b>89 954</b>	
<b>Bulk purchases - electricity</b>											
Electricity bulk purchases	459 678	515 937	540 953	647 000	647 000	647 000	460 887	682 000	763 840	840 224	
<b>Total bulk purchases</b>	<b>459 678</b>	<b>515 937</b>	<b>540 953</b>	<b>647 000</b>	<b>647 000</b>	<b>647 000</b>	<b>460 887</b>	<b>682 000</b>	<b>763 840</b>	<b>840 224</b>	
<b>Transfers and grants</b>											
Cash transfers and grants	3 940	2 733	2 528	4 850	4 850	4 850	1 996	4 460	4 568	4 677	
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–	–	
<b>Total transfers and grants</b>	<b>3 940</b>	<b>2 733</b>	<b>2 528</b>	<b>4 850</b>	<b>4 850</b>	<b>4 850</b>	<b>1 996</b>	<b>4 460</b>	<b>4 568</b>	<b>4 677</b>	
<b>Contracted services</b>											
Outsourced Services	3 281	5 076	4 023	5 612	6 112	6 112	1 196	5 617	5 699	5 792	
Consultants and Professional Services	12 403	9 886	5 358	10 320	9 295	9 295	2 280	9 085	9 542	10 064	
Contractors	26 657	23 385	31 270	30 755	25 815	25 815	15 898	31 735	33 571	35 496	
<b>Total contracted services</b>	<b>42 341</b>	<b>38 346</b>	<b>40 651</b>	<b>46 687</b>	<b>41 222</b>	<b>41 222</b>	<b>19 373</b>	<b>46 437</b>	<b>48 812</b>	<b>51 352</b>	
<b>Other Expenditure By Type</b>											
Collection costs	–	53	–	–	–	–	(103)	–	–	–	
Contributions to 'other' provisions	2	(179)	–	–	–	–	–	–	–	–	
Audit fees	4 917	5 326	4 984	6 000	6 000	6 000	5 592	6 200	6 510	6 868	
Other Expenditure	85 416	95 787	97 203	113 770	126 482	126 482	101 352	128 443	135 146	142 365	
<b>Total Other Expenditure</b>	<b>90 334</b>	<b>100 987</b>	<b>102 187</b>	<b>119 770</b>	<b>132 482</b>	<b>132 482</b>	<b>106 841</b>	<b>134 643</b>	<b>141 656</b>	<b>149 233</b>	
<b>by Expenditure Item</b>											
Employee related costs	109 913	109 285	116 745	130 610	135 610	135 610	88 645	139 321	147 465	156 263	
Inventory Consumed (Project Maintenance)	110 563	103 942	117 421	127 071	137 098	137 098	94 682	133 609	140 840	150 523	
Contracted Services	7 597	869	3 910	5 210	210	210	62	2 190	2 401	2 611	
Other Expenditure	4 373	3 738	4 948	5 835	6 179	6 179	4 246	5 937	6 286	6 662	
<b>Total Repairs and Maintenance Expenditure</b>	<b>232 446</b>	<b>217 834</b>	<b>243 024</b>	<b>268 726</b>	<b>279 098</b>	<b>279 098</b>	<b>187 634</b>	<b>281 057</b>	<b>296 992</b>	<b>316 059</b>	
<b>Inventory Consumed</b>											
Inventory Consumed - Water	–	–	–	114 000	45 240	45 240	–	60 000	63 300	66 800	
Inventory Consumed - Other	45 612	48 468	53 848	165 331	186 290	186 290	37 875	176 627	181 348	194 593	
<b>Total Inventory Consumed &amp; Other Material</b>	<b>45 612</b>	<b>48 468</b>	<b>53 848</b>	<b>279 331</b>	<b>231 530</b>	<b>231 530</b>	<b>37 875</b>	<b>236 627</b>	<b>244 648</b>	<b>261 393</b>	

check – – – – – – – – – –

#### References

1. Must reconcile with 'Budgeted Financial Performance (Revenue and Expenditure)
2. Must reconcile to supporting documentation on staff salaries
- 3.
4. Expenditure to meet any 'unfunded obligations'
- 5 This sub-total must agree with the total on SA22, but excluding councillor and board member items
6. Include a note for each revenue item that is affected by 'revenue foregone'
7. Special consideration may have to be given to including 'goodwill arising' or 'joint venture' budgets where circumstances require this (include separately under relevant notes)
8. Repairs and Maintenance is not a GRAP item. However to facilitate transparency, municipalities must provide a breakdown of the amounts included in the relevant GRAP items that will be spent on Repairs and Maintenance.
9. Must reconcile with Repairs and Maintenance by Asset Class (Total Repairs and Maintenance) on Table SA34c.
10. Only applicable to municipalities that have adopted the 'revaluation method' in GRAP 17. The aim is to prevent overstating 'depreciation and asset impairment'

NC091 Sol Plaatje - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 01 - Executive & Council	Vote 02 - Municipal And General	Vote 03 - Municipal Manager	Vote 04 - Corporate Services	Vote 05 - Community Services	Vote 06 - Financial Services	Vote 07 - Strategy Econ Development And Planning	Vote 08 - Infrastructure And Services	Vote 09 -	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 - Other	Total
R thousand	1																
Revenue By Source																	
Property rates		-	-	-	-	-	627 646	-	-	-	-	-	-	-	-	-	627 646
Service charges - electricity revenue		-	-	-	-	-	-	-	919 854	-	-	-	-	-	-	-	919 854
Service charges - water revenue		-	-	-	-	-	-	-	310 717	-	-	-	-	-	-	-	310 717
Service charges - sanitation revenue		-	-	-	-	-	-	-	81 700	-	-	-	-	-	-	-	81 700
Service charges - refuse revenue		-	-	-	-	60 940	-	-	-	-	-	-	-	-	-	-	60 940
Rental of facilities and equipment		-	-	-	-	20	-	190	12 800	-	-	-	-	-	-	-	13 010
Interest earned - external investments		-	6 000	-	-	-	-	-	-	-	-	-	-	-	-	-	6 000
Interest earned - outstanding debtors		-	86 000	-	-	10 000	-	-	60 500	-	-	-	-	-	-	-	156 500
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	10 230	17 500	-	-	-	-	-	-	-	-	-	27 730
Licences and permits		-	-	-	-	6 850	-	-	-	-	-	-	-	-	-	-	6 850
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue		-	801	-	1 373	6 073	1 392	7 755	751	-	-	-	-	-	-	-	18 145
Transfers and subsidies		-	243 117	-	5 500	7 800	1 700	-	-	-	-	-	-	-	-	-	258 117
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribution)		-	335 918	-	6 873	101 913	648 238	7 945	1 386 322	-	-	-	-	-	-	-	2 487 209
Expenditure By Type																	
Employee related costs		19 159	65 300	18 472	67 560	249 625	136 284	52 736	240 268	-	-	-	-	-	-	-	849 403
Remuneration of councillors		34 547	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34 547
Debt impairment		-	155 000	-	-	5 500	-	-	136 500	-	-	-	-	-	-	-	297 000
Depreciation & asset impairment		-	47 750	-	-	900	-	-	32 400	-	-	-	-	-	-	-	81 050
Finance charges		-	236	-	-	-	-	-	38 724	-	-	-	-	-	-	-	38 960
Bulk purchases - electricity		-	-	-	-	-	-	-	682 000	-	-	-	-	-	-	-	682 000
Inventory consumed		-	93 810	-	-	-	-	-	142 817	-	-	-	-	-	-	-	236 627
Contracted services		100	7 350	4 016	1	385	1 360	310	32 915	-	-	-	-	-	-	-	46 437
Transfers and subsidies		-	4 300	-	-	160	-	-	-	-	-	-	-	-	-	-	4 460
Other expenditure		4 823	48 920	891	4 192	7 773	17 273	1 905	48 866	-	-	-	-	-	-	-	134 643
Losses		-	-	-	-	-	-	-	60 000	-	-	-	-	-	-	-	60 000
Total Expenditure		58 629	422 667	23 378	71 753	264 343	154 917	54 951	1 414 490	-	-	-	-	-	-	-	2 465 128
Surplus/(Deficit)		(58 629)	(86 749)	(23 378)	(64 880)	(162 430)	493 321	(47 006)	(28 168)	-	-	-	-	-	-	-	22 081
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			134 338	-	-	-	-	-	-	-	-	-	-	-	-	-	134 338
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								-									-
Transfers and subsidies - capital (in-kind - all)																	-
Surplus/(Deficit) after capital transfers & contributions		(58 629)	47 589	(23 378)	(64 880)	(162 430)	493 321	(47 006)	(28 168)	-	-	-	-	-	-	-	156 419

References  
1. Departmental columns to be based on municipal organisation structure

NC991 Sol Platte - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2019/20	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
<b>R thousand</b>												
<b>ASSETS</b>												
<b>Consumer debtors</b>												
Consumer debtors		2 308 838	2 863 488	2 472 405	3 109 489	3 109 489	3 109 489	2 864 665	4 238 863	4 682 179	5 176 482	
Less: Provision for debt impairment		(945 953)	(1 946 157)	(759 867)	(1 634 136)	(1 743 238)	(1 743 238)	(877 469)	(1 965 127)	(2 085 514)	(2 194 226)	
<b>Total Consumer debtors</b>	<b>2</b>	<b>1 362 885</b>	<b>1 917 332</b>	<b>1 712 538</b>	<b>1 475 353</b>	<b>1 366 251</b>	<b>1 366 251</b>	<b>1 987 196</b>	<b>2 244 736</b>	<b>2 596 664</b>	<b>2 982 256</b>	
<b>Debt investment assets</b>												
Balance at the beginning of the year		(788 171)	(825 195)	(741 505)	(1 538 673)	(1 538 673)	(1 538 673)	(749 616)	(1 794 205)	(1 975 962)	(2 079 032)	
Contributions to the provision		(127 026)	(83 686)	(8 109)	(182 026)	(201 626)	(201 626)	(121 967)	(197 662)	(199 461)	(114 866)	
But: debt written off		(22 705)	(264 645)	(12 500)	87 072	87 072	87 072	(6 975)	(22)	(162)	(238)	
<b>Balance at end of year</b>	<b>6</b>	<b>(945 953)</b>	<b>(1 946 157)</b>	<b>(759 867)</b>	<b>(1 634 136)</b>	<b>(1 743 238)</b>	<b>(1 743 238)</b>	<b>(877 469)</b>	<b>(1 965 127)</b>	<b>(2 085 514)</b>	<b>(2 194 226)</b>	
<b>Inventory</b>												
<b>Basic</b>												
Opening Balance		1 982	2 236	2 382	2 083	2 083	2 083	2 083	2 083	2 083	2 083	
System Input Volume		344	46	(199)	114 000	116 000	116 000	47 592	120 000	126 000	133 983	
Water Treatment Works		--	--	--	--	--	--	--	--	--	--	
Risk Purchases		344	46	(199)	114 000	116 000	116 000	47 592	120 000	126 000	133 983	
Natural Sources		--	--	--	--	--	--	--	--	--	--	
<b>Authorized Consumption</b>	<b>6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(114 000)</b>	<b>(82 245)</b>	<b>(82 245)</b>	<b>--</b>	<b>(60 000)</b>	<b>(83 385)</b>	<b>(86 805)</b>	
Billed Authorized Consumption		--	--	--	285 895	(45 249)	(45 249)	--	(60 000)	(83 385)	(86 805)	
Billed Metered Consumption		--	--	--	285 895	(27 489)	(27 489)	--	(44 800)	(57 490)	(60 119)	
Free Basic Water		--	--	--	45 941	(6 705)	(4 705)	--	(6 000)	(6 440)	(6 904)	
Subsidised Water		--	--	--	--	(2 000)	(2 000)	--	(10 000)	(10 000)	(11 136)	
Revenue Water		--	--	--	247 950	(29 995)	(29 995)	--	(31 500)	(33 233)	(35 079)	
Billed Unmetered Consumption		--	--	--	(7 555)	(7 555)	(7 555)	--	(14 500)	(11 670)	(11 487)	
Free Basic Water		--	--	--	(7 555)	(7 555)	(7 555)	--	(10 500)	(11 070)	(11 487)	
Subsidised Water		--	--	--	--	--	--	--	--	--	--	
Revenue Water		--	--	--	--	--	--	--	--	--	--	
Unbilled Authorized Consumption		--	--	--	(399 950)	--	--	--	--	--	--	
Unbilled Metered Consumption		--	--	--	(399 950)	--	--	--	--	--	--	
Unbilled Unmetered Consumption		--	--	--	--	--	--	--	--	--	--	
<b>Water Losses</b>		--	--	--	(79 769)	(79 769)	--	--	(60 000)	(83 385)	(86 763)	
Apparent losses		--	--	--	--	--	--	--	(6 000)	(6 380)	(6 769)	
Unauthorized Consumption		--	--	--	--	--	--	--	--	--	--	
Customer Meter Inaccuracies		--	--	--	--	--	--	--	(6 000)	(6 380)	(6 769)	
Real losses		--	--	--	(79 769)	(79 769)	--	--	(44 800)	(57 490)	(60 119)	
Leakage on Transmission and Distribution Mains		--	--	--	--	(16 501)	(16 501)	--	(24 000)	(25 300)	(26 963)	
Leakage and Overflow at Storage Tanks/Reservoirs		--	--	--	--	(7 076)	(7 076)	--	(6 000)	(6 300)	(6 700)	
Leakage on Service Connections up to the point of Customer Meter		--	--	--	--	(15 921)	(15 921)	--	(12 000)	(12 700)	(13 400)	
Disa Transfer and Management Errors		--	--	--	--	--	--	--	--	--	--	
Unrecoverable Actual Real Losses		--	--	--	(31 842)	(31 842)	--	--	(12 000)	(12 700)	(13 400)	
<b>Non-revenue Water</b>		--	--	--	(399 950)	(79 769)	(79 769)	--	(60 000)	(83 385)	(86 763)	
<b>Closing Balance Water</b>	<b>2 238</b>	<b>2 282</b>	<b>2 083</b>	<b>2 083</b>	<b>2 083</b>	<b>2 083</b>	<b>2 083</b>	<b>49 675</b>	<b>2 083</b>	<b>2 083</b>	<b>2 083</b>	
<b>Agricultural</b>												
<b>Opening Balance</b>												
Acquisitions		--	--	--	--	--	--	--	--	--	--	
Issues		--	--	--	--	--	--	--	--	--	--	
Adjustments		--	--	--	--	--	--	--	--	--	--	
Write-offs		--	--	--	--	--	--	--	--	--	--	
<b>Closing balance - Agricultural</b>	<b>7 8 9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	
<b>Consumables</b>												
<b>Standard Rate</b>												
Opening Balance		1 234	1 484	2 241	1 225	1 225	1 225	1 225	1 225	1 225	1 225	
Acquisitions		3 528	7 055	6 236	7 286	10 321	10 321	4 265	14 666	16 472	16 524	
Issues		(3 496)	(6 225)	(6 740)	(7 386)	(10 321)	(10 321)	(2 766)	(14 666)	(16 472)	(16 524)	
Adjustments		170	(31)	(500)	--	--	--	(39)	--	--	--	
Write-offs		(82)	(425)	(2)	--	--	--	--	--	--	--	
<b>Closing balance - Consumables Standard Rate</b>	<b>6 7 8 9</b>	<b>1 486</b>	<b>2 241</b>	<b>1 225</b>	<b>1 225</b>	<b>1 225</b>	<b>1 225</b>	<b>2 735</b>	<b>1 225</b>	<b>1 225</b>	<b>1 225</b>	
<b>Zero Rate</b>												
Opening Balance		788	472	166	480	480	480	480	480	480	480	
Acquisitions		15 317	11 341	10 169	3 379	3 396	3 396	10 241	14 466	16 219	16 196	
Issues		(13 342)	(11 501)	(10 100)	(3 379)	(3 396)	(3 396)	(9 805)	(14 466)	(16 298)	(16 196)	
Adjustments		(186)	--	--	--	--	--	--	--	--	--	
Write-offs		(35)	(77)	(21)	--	--	--	--	--	--	--	
<b>Closing balance - Consumables Zero Rate</b>	<b>7 8 9</b>	<b>472</b>	<b>166</b>	<b>480</b>	<b>480</b>	<b>480</b>	<b>480</b>	<b>888</b>	<b>480</b>	<b>480</b>	<b>480</b>	
<b>Finished Goods</b>												
<b>Opening Balance</b>												
Acquisitions		--	--	--	--	--	--	--	--	--	--	
Issues		--	--	--	--	--	--	--	--	--	--	
Adjustments		--	--	--	--	--	--	--	--	--	--	
Write-offs		--	--	--	--	--	--	--	--	--	--	
<b>Closing balance - Finished Goods</b>	<b>7 8 9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	
<b>Materials and Supplies</b>												
<b>Opening Balance</b>												
Acquisitions		25 696	28 181	24 233	28 965	28 885	28 885	28 885	28 885	28 885	28 885	
Issues		11 141	28 763	41 865	154 586	172 514	172 514	38 658	147 905	162 176	167 864	
Issues		(28 776)	(30 862)	(36 915)	(154 586)	(172 514)	(172 514)	(26 271)	(147 305)	(160 378)	(161 864)	
Adjustments		330	43	49	--	--	--	39	--	--	--	
Write-offs		(221)	(683)	(57)	--	--	--	--	--	--	--	
<b>Closing balance - Materials and Supplies</b>	<b>7 8 9</b>	<b>28 181</b>	<b>24 233</b>	<b>28 885</b>	<b>28 885</b>	<b>28 885</b>	<b>28 885</b>	<b>38 291</b>	<b>28 885</b>	<b>28 885</b>	<b>28 885</b>	
<b>Work-in-progress</b>												
<b>Opening Balance</b>												
Materials		--	--	--	--	--	--	--	--	--	--	
Transfers		--	--	--	--	--	--	--	--	--	--	
<b>Closing balance - Work-in-progress</b>	<b>7 8 9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	
<b>Housing Stock</b>												
<b>Opening Balance</b>												
Acquisitions		6 638	6 642	6 642	6 680	6 680	6 680	6 680	6 680	6 680	6 680	
Transfers		1 671	0	18	--	--	--	--	--	--	--	
Sales		(1 667)	--	--	--	--	--	--	--	--	--	
<b>Closing Balance - Housing Stock</b>	<b>6 642</b>	<b>6 642</b>	<b>6 660</b>	<b>6 680</b>	<b>6 680</b>	<b>6 680</b>	<b>6 680</b>	<b>6 680</b>	<b>6 680</b>	<b>6 680</b>	<b>6 680</b>	
<b>Land</b>												
<b>Opening Balance</b>												
Acquisitions		--	--	--	--	--	--	--	--	--	--	
Sales		--	--	--	--	--	--	--	--	--	--	
Adjustments		--	--	--	--	--	--	--	--	--	--	
Correction of Prior period errors		--	--	--	--	--	--	--	--	--	--	
<b>Closing Balance - Land</b>	<b>39 915</b>	<b>35 583</b>	<b>39 323</b>	<b>39 323</b>	<b>39 323</b>	<b>39 323</b>	<b>39 323</b>	<b>39 250</b>	<b>39 323</b>	<b>39 323</b>	<b>39 323</b>	
<b>Property, plant and equipment (PPE)</b>												
PPE at contribution (net: Finance leases)		2 452 172	2 883 551	2 700 348	2 907 746	2 889 746	2 889 746	2 737 519	2 843 863	2 919 762	3 021 276	
Less: Accumulated depreciation		(753 981)	(770 964)	(834 588)	(843 375)	(843 375)	(843 375)	(834 588)	(1 048 261)	(1 116 705)	(1 178 882)	
<b>Total Property, plant and equipment (PPE)</b>	<b>2</b>	<b>1 748 191</b>	<b>1 988 607</b>	<b>1 865 760</b>	<b>1 964 371</b>	<b>1 937 371</b>	<b>1 937 371</b>	<b>1 903 931</b>	<b>1 795 602</b>	<b>1 803 057</b>	<b>1 842 394</b>	
<b>LIABILITIES</b>												
<b>Current liabilities - Borrowing</b>												
Short term loans (other than bank overdraft)		--	--	--	--	--	--	--	--	--	--	
Current portion of long-term liabilities		--	--	--	--	--	--	--	--	--	--	
<b>Total Current liabilities - Borrowing</b>	<b>7 8 9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	
<b>Trade and other payables</b>												
Trade Payables		312 665	409 267	531 695	662 312	662 312	763 153	1 002 731	1 123 430	1 210 236	1 210 236	
Other creditors		6 801	27 105	6 273	6 188	6 188	12 628	48 705	--			

NC091 Sol Plaatje - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand												
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Marketing the municipality as premier destination for tourism and investment	A	2	266 533	288 469	309 378	310 993	313 726	313 726	335 918	350 834	367 103
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				533 870	571 568	594 906	623 229	623 229	623 229	648 238	679 804	711 345
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION				6 007	1 415	6 247	6 804	7 078	7 078	6 873	6 942	7 019
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				1 021 915	1 169 080	1 147 305	1 415 645	1 419 145	1 419 145	1 488 235	1 627 347	1 752 778
LOCAL ECONOMIC DEVELOPMENT				5 309	6 910	6 501	9 041	9 041	9 041	7 945	8 350	8 810
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	1 833 634	2 037 442	2 064 336	2 365 711	2 372 218	2 372 218	2 487 209	2 673 277	2 847 055

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
2. Balance of allocations not directly linked to an IDP strategic objective
- |                          |           |           |           |           |           |           |           |           |           |
|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| check op revenue balance | (197 254) | (143 011) | (112 562) | (167 766) | (141 666) | (141 666) | (134 338) | (120 786) | (134 973) |
|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

NC091 Sol Plaatje - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand													
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Marketing the municipality as premier destination for tourism and investment	A	1	323 636	306 714	388 768	393 339	396 539	396 539	416 801	432 338	458 699	
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				115 007	117 561	126 380	152 611	152 611	152 611	157 404	165 377	174 379	
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION				78 446	85 541	85 283	98 236	98 510	98 510	97 947	102 553	107 837	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				1 289 309	1 374 622	1 512 509	1 641 423	1 714 338	1 714 338	1 731 509	1 875 876	2 014 935	
LOCAL ECONOMIC DEVELOPMENT				54 587	52 401	53 419	59 374	59 592	59 592	61 468	64 785	68 422	
Allocations to other priorities													
Total Expenditure				1	1 860 985	1 936 838	2 166 359	2 344 984	2 421 590	2 421 590	2 465 128	2 640 928	2 824 271

References

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
2. Balance of allocations not directly linked to an IDP strategic objective
- check op expenditure balance208 278213 526224 552–––(0)–0



NC091 Sol Plaatje - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand												
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				83 430	94 295	50 177	55 500	21 000	21 000	53 705	52 382	58 096
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				-	-	-	-	-	-	-	-	-
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				117 256	42 723	66 199	115 766	123 266	123 266	128 038	101 786	105 973
LOCAL ECONOMIC DEVELOPMENT	Marketing the municipality as premier destination for tourism and investment	A		-	-	3 126	8 000	22 400	22 400	8 300	-	-
Allocations to other priorities												
Total Capital Expenditure												

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
2. Goal code must be used on Table SA36
3. Balance of allocations not directly linked to an IDP strategic objective  
check capital balance

- - - - -

NC091 Sol Plaatje - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
05 - Community Services										
Public Safety										
Licensing And Control Of Animals										
Electricity (Kwh Per Household Per Month)	Kwh Per Household Per	50	50	50	50	50	50	50	50	50
Property Rates (R000 Value Threshold)	Rand Value Threshold	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Adjustment(Impermissible Values Per	Rand Value	—	—	—	—	—	—	—	—	—
Refuse (Average Litres Per Week)	Average Litres Per Week	21	21	21	21	21	21	21	21	21
Month)	Rand Per Household Per	155	165	174	181	181	181	189	199	210
Month)	Kilolitres Per Household Per	6	6	6	6	6	6	6	6	6
Waste Management										
Solid Waste Disposal (Landfill Sites)										
Removal	Households	14 647	11 509	11 980	12 000	12 000	12 000	12 000	13 000	15 000
Removal	Households	—	—	—	—	—	—	—	—	—
Informal Settlements (R000)	Rand Value	—	—	—	—	—	—	—	—	—
No Rubbish Disposal	Households	4 526	4 526	4 526	4 526	4 526	4 526	4 526	4 526	4 526
Other (R000)	Rand Value	—	—	—	—	—	—	—	—	—
Other Rubbish Disposal	Households	1 371	1 371	1 371	1 371	1 371	1 371	1 371	1 371	1 371
Removed At Least Once A Week	Households	59 526	59 526	59 526	59 526	59 526	59 526	59 526	59 526	59 526
Week	Households	1 538	1 538	1 538	1 538	1 538	1 538	1 538	1 538	1 538
Using Communal Refuse Dump	Households	1 605	1 605	1 605	1 605	1 605	1 605	1 605	1 605	1 605
Using Own Refuse Dump	Households	3 373	3 373	3 373	3 373	3 373	3 373	3 373	3 373	3 373
08 - Infrastructure And Services										
Energy Sources										
Electricity										
Electricity - Prepaid (Min.Service Level)	Households	57 145	57 145	57 145	57 145	57 145	57 145	57 145	57 145	57 145
Electricity (< Min.Service Level)	Households	4 320	4 320	4 320	4 320	4 320	4 320	4 320	4 320	4 320
Electricity (At Least Min.Service Level)	Households	9 116	9 116	9 116	9 116	9 116	9 116	9 116	9 116	9 116
Electricity	Households	14 647	11 509	11 980	12 000	12 000	12 000	12 000	13 000	15 000
Receiving Electricity	Households	—	—	—	—	—	—	—	—	—
Informal Settlements (R000)	Rand Value	—	—	—	—	—	—	—	—	—
Other (R000)	Rand Value	—	—	—	—	—	—	—	—	—
Other Energy Sources	Households	1 357	1 357	1 357	1 357	1 357	1 357	1 357	1 357	1 357
Other Households Receiving Electricity	Households	—	—	—	—	—	—	—	—	—
Waste Water Management										
Sewerage										
Bucket Toilet	Households	4 352	4 352	4 352	4 352	4 352	4 352	4 352	4 352	4 352
Chemical Toilet	Households	22	22	22	22	22	22	22	22	22
Flush Toilet (Connected To Sewerage)	Households	63 359	63 359	63 359	63 359	63 359	63 359	63 359	63 359	63 359
Flush Toilet (With Septic Tank)	Households	1 816	1 816	1 816	1 816	1 816	1 816	1 816	1 816	1 816
Sanitation	Households	14 647	11 509	11 980	12 000	12 000	12 000	12 000	13 000	15 000
Receiving Sanitation	Households	—	—	—	—	—	—	—	—	—
Informal Settlements (R000)	Rand Value	—	—	—	—	—	—	—	—	—
No Toilet Provisions	Households	812	812	812	812	812	812	812	812	812
Level)	Households	342	342	342	342	342	342	342	342	342
Pit Toilet (Ventilated)	Households	1 235	1 235	1 235	1 235	1 235	1 235	1 235	1 235	1 235
Water Management										
Water Distribution										
Water	Households	14 647	11 509	11 980	12 000	12 000	12 000	12 000	13 000	15 000
Receiving Water	Households	—	—	—	—	—	—	—	—	—
Informal Settlements (R000)	Rand Value	—	—	—	—	—	—	—	—	—
No Water Supply	Households	349	349	349	349	349	349	349	349	349
Other Water Supply (< Min.Service Level)	Households	160	160	160	160	160	160	160	160	160
Level)	Households	—	—	—	—	—	—	—	—	—
Piped Water Inside Dwelling	Households	43 577	43 577	43 577	43 577	43 577	43 577	43 577	43 577	43 577
Dwelling)	Households	22 582	22 582	22 582	22 582	22 582	22 582	22 582	22 582	22 582
Using Public Tap (< Min.Service Level)	Households	5 272	5 272	5 272	5 272	5 272	5 272	5 272	5 272	5 272
Level)	Households	—	—	—	—	—	—	—	—	—

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))
2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities
3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

NC091 Sol Plaatje - Entities measureable performance objectives

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Entity 1 - (name of entity)										
Insert measure/s description										
Entity 2 - (name of entity)										
#REF!										
Entity 3 - (name of entity)										
#REF!										
And so on for the rest of the Entities										

1. Include a measurable performance objective as agreed with the parent municipality (MFMA s87(5)(d))  
2. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

**NC091 Sol Plaatje - Supporting Table SA8 Performance indicators and benchmarks**

2021/22 Budget - Supporting Table 2021/22 Performance Indicators and Benchmarks											
Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b><u>Borrowing Management</u></b>											
Credit Rating		1,8			Baa1.za	1,6	1,6	1,6			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1,6%	1,8%	1,9%	1,4%	3,1%	3,1%	1,1%	1,6%	1,5%	1,3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1,6%	1,7%	2,0%	1,5%	3,5%	3,5%	1,0%	1,7%	1,6%	1,5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	276,4%	276,1%	318,6%	217,7%	262,3%	262,3%	309,9%	183,8%	164,2%	146,5%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	3,8	3,4	2,8	3,1	2,9	2,9	2,4	2,6	2,4	2,3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3,8	3,4	2,8	3,1	2,9	2,9	2,4	2,6	2,4	2,3
Liquidity Ratio	Monetary Assets/Current Liabilities	0,2	0,2	0,1	0,2	0,2	0,2	0,1	(0,0)	(0,2)	(0,5)
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0,0%	0,0%	148,9%	77,9%	75,9%	75,9%	87,3%	81,4%	81,1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0,0%	0,0%	148,9%	75,9%	75,9%	75,9%	87,3%	81,3%	81,2%	81,3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	80,7%	84,8%	87,7%	87,1%	82,2%	82,2%	135,2%	108,5%	114,8%	121,7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	0,0%	0,0%	0,0%	100,0%	100,0%	100,0%	0,0%	0,0%	0,0%	0,0%
Creditors to Cash and Investments		673,1%	567,4%	2176,7%	339,3%	403,5%	403,5%	-179,4%	1079,4%	-737,9%	-286,5%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	128150719	93841831	127533451	108568949	108568949	108568949	0	96648459	73211208	49295547
	Total Cost of Losses (Rand '000)	117 524	99 335	142 894	121 760	121 760	121 760	–	136 400	114 576	84 022
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	1925,0%	2642,0%	1600,0%	1600,0%	1600,0%	0,0%	2000,0%	1500,0%	1000,0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	21 256	23 300	22 778	16 880	16 880	16 880	–	18 401	16 727	15 017
	Total Cost of Losses (Rand '000)	56679652	66605225	69576202	57000000	57000000	57000000	0	60000000	56970000	53425200
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	6230,0%	6169,0%	5000,0%	5000,0%	5000,0%	0,0%	5000,0%	4500,0%	4000,0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	37,6%	32,0%	35,2%	35,4%	35,5%	35,5%	32,3%	34,2%	33,6%	33,3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	39,1%	33,5%	36,6%	36,8%	36,9%	36,9%		35,5%	34,9%	34,6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	12,7%	10,7%	11,8%	11,4%	11,8%	11,8%		11,3%	11,1%	11,1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4,8%	4,9%	4,9%	4,3%	6,0%	6,0%	0,9%	4,8%	4,6%	4,5%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	476,0	91,4	108,2	108,2	108,2	226,5	185,8	160,0	170,2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	103,5%	106,9%	110,7%	106,0%	100,3%	100,3%	169,9%	132,3%	139,2%	147,1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0,4	0,6	0,2	1,2	1,0	1,0	(4,2)	0,5	(0,8)	(2,1)

**References**

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

NC091 Sol Plaatje - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population			201	243	248	255	255	-	255	255	255	255
Females aged 5 - 14			40	-	46	36	36	-	36	36	36	36
Males aged 5 - 14			40	-	47	36	36	-	36	36	36	36
Females aged 15 - 34			55	-	70	41	41	-	41	41	41	41
Males aged 15 - 34			50	-	65	44	44	-	44	44	44	44
Unemployment			28	28	79	90	90	-	90	90	90	90
<b>Monthly household income (no. of households)</b>												
No income	1, 12	0-2400	4 393	79 310	7 032	44	44	-	44	44	44	44
R1 - R1 600		2400-6000	127 071	114 291	2 001	330	330	-	330	330	330	330
R1 601 - R3 200		6000-12000	32 171	9 682	3 215	1 650	1 650	-	1 650	1 650	1 650	1 650
R3 201 - R6 400		12000-18000	26 483	11 029	9 683	2 390	2 390	-	2 390	2 390	2 390	2 390
R6 401 - R12 800		18000-30000	12 979	10 923	11 291	5 090	5 090	-	5 090	5 090	5 090	5 090
R12 801 - R25 600		30000-42000	3 615	5 243	8 977	6 730	6 730	-	6 730	6 730	6 730	6 730
R25 601 - R51 200		42000-54000	1 078	2 056	7 235	6 220	6 220	-	6 220	6 220	6 220	6 220
R52 201 - R102 400		54000-72000	611	333	5 776	6 260	6 260	-	6 260	6 260	6 260	6 260
R102 401 - R204 800		72000-96000	310	242	3 006	5 860	5 860	-	5 860	5 860	5 860	5 860
R204 801 - R409 600		96000-132000	134	78	1 087	5 930	5 930	-	5 930	5 930	5 930	5 930
R409 601 - R819 200		132000-192000	-	-	268	6 420	6 420	-	6 420	6 420	6 420	6 420
> R819 200		192000-360000	-	-	224	8 350	8 350	-	8 350	8 350	8 350	8 350
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13											
Insert description	2											
<b>Household demographics (000)</b>												
Number of people in municipal area			201	243	248	255	255	-	255	255	255	255
Number of poor people in municipal area			81	74	33	40	40	-	40	40	40	40
Number of households in municipal area			60	52	60	63	63	-	63	63	63	63
Number of poor households in municipal area			-	-	9	9	9	-	9	9	9	9
Definition of poor household (R per month)												
<b>Housing statistics</b>												
Formal	3		41 282	46 230	49 202	54 500	54 500	-	54 500	54 500	54 500	54 500
Informal			9 247	5 733	11 095	9 594	9 594	-	9 594	9 594	9 594	9 594
Total number of households			50 529	51 963	60 297	64 094	64 094	-	64 094	64 094	64 094	64 094
Dwellings provided by municipality	4		-	-	440	2 550	2 550	-	2 550	2 550	2 550	2 550
Dwellings provided by provincials			-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector	5		-	-	-	-	-	-	-	-	-	-
Total new housing dwellings			-	-	440	2 550	2 550	-	2 550	2 550	2 550	2 550
<b>Economic</b>												
Inflation/inflation outlook (CPIX)	6					5.3%	5.3%	0.0%	5.4%	3.9%	4.2%	4.4%
Interest rate - borrowing						12.5%	12.5%	0.0%	12.5%	12.5%	12.5%	12.5%
Interest rate - investment						6.0%	6.0%	0.0%	6.0%	6.0%	6.0%	6.0%
Remuneration increases						7.0%	7.0%	0.0%	7.0%	7.0%	7.0%	7.0%
Consumption growth (electricity)						1.0%	1.0%	0.0%	1.0%	1.0%	1.0%	1.0%
Consumption growth (water)						1.0%	1.0%	0.0%	1.0%	1.0%	1.0%	1.0%
<b>Collection rates</b>												
Property tax/service charges	7					88.0%	88.0%	0.0%	88.0%	88.0%	88.0%	88.0%
Rental of facilities & equipment						100.0%	100.0%	0.0%	100.0%	100.0%	100.0%	100.0%
Interest - external investments						100.0%	100.0%	0.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors						25.0%	25.0%	0.0%	25.0%	25.0%	25.0%	25.0%
Revenue from agency services						100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%

[illegible]

[illegible]

-	Formal settlements - (removed once a week to indigent households)	11 716 362	12 263 393	12 444 943	13 300 000	13 300 000	13 300 000	13 500 000	14 175 000	14 954 625
	Number of HH receiving this type of FBS	14 647	11 509	11 980	12 000	12 000	12 000	12 000	13 000	15 000
	Informal settlements (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Other (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	<b>Total cost of FBS - Refuse Removal for informal settlements</b>	-	-	-	-	-	-	-	-	-

References

1. Monthly household income threshold. Should include all sources of income.
2. Show the poverty analysis the municipality uses to determine its indigents policy and the provision of services
3. Include total of all housing units within the municipality
4. Number of subsidised dwellings to be constructed by the municipality under agency agreement with province
5. Provide estimate based on building approval information. Include any non-subsidised dwellings constructed by the municipality
6. Insert actual or estimated % increases assumed as a basis for budget calculations
7. Insert actual or estimated % collection rate assumed as a basis for budget calculations for each revenue group
8. Stand distance <= 200m from dwelling
9. Stand distance > 200m from dwelling
10. Borehole, spring, rain-water tank etc.
11. Must agree to total number of households in municipal area
12. Household income categories assume an average 4 person household. Stats SA - Census 2011 Questionnaire
13. Based on National poverty line of R515 per capita per month (2008 prices), assuming an average household size of 4 persons



NC091 Sol Plaatje Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Funding measures</b>												
Cashless equivalents at the year end - R000	18(1)a	1	46 449	72 134	24 436	195 174	164 156	164 156	425 532	92 896	(152 249)	(422 498)
Cash - investments at the yr end less applications - R000	18(1)a	2	(318 422)	(409 362)	1 006 734	1 135 681	1 065 396	1 065 396	1 229 286	1 379 340	1 087 286	974 851
Cash year end monthly employee/supplier payments	18(1)a	3	0.4	0.6	0.2	1.2	1.0	1.0	(4.2)	0.5	(0.8)	(2.1)
Surplus/(Deficit) excluding depreciation offsets: R000	18(1)	4	378 179	457 141	235 091	188 493	92 283	92 283	288 702	156 419	153 134	157 757
Service charge re % change - macro CPI% target exclusive	18(1)a(2)	5	N.A.	7.1%	(4.6%)	10.7%	(8.2%)	(8.2%)	(40.3%)	(5.4%)	2.2%	0.9%
Cash receipts % of Ratespayer & Other revenue	18(1)a(2)	6	0.0%	0.0%	86.1%	83.7%	83.7%	83.7%	93.3%	91.3%	83.6%	83.6%
Debt impairment expense as a % of total billable revenue	18(1)a(2)	7	14.5%	14.5%	21.2%	14.5%	14.5%	14.5%	11.1%	14.8%	14.6%	14.6%
Capital payments % of capital expenditure	18(1)c(19)	8	0.0%	0.0%	97.4%	100.0%	107.6%	107.6%	89.8%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/granted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incl/(excl)	18(1)a	11	N.A.	16.7%	4.8%	11.7%	(5.4%)	0.0%	11.2%	39.2%	13.8%	12.9%
Long term receivables % change - incl/(excl)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	(100.0%)	(3.1%)	6.0%	5.0%
R&M % of Property Plant & Equipment	20(1)(a)	13	13.3%	12.0%	13.0%	13.7%	14.4%	14.4%	14.6%	15.7%	16.5%	17.1%
Asset renewal % of capital budget	20(1)(a)	14	43.2%	4.9%	29.5%	21.8%	25.3%	25.3%	0.0%	27.3%	45.3%	44.5%
<b>Adherence</b>												
1. Positive cash balances indicative of minimum compliance - subject to 2												
2. Realistic average cash collection forecasts as % of annual billed revenue												
3. Indicative of sufficient liquidity to meet average monthly operating payments												
4. Indicative of funded operational requirements												
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)												
6. Realistic average cash collection forecasts as % of annual billed revenue												
7. Realistic average increase in debt impairment (doubtful debt) provision												
8. Indicative of planned capital expenditure level & cash payment timing												
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing												
10. Substantiation of National/Province allocations included in budget												
11. Indicative of realistic current asset debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)												
12. Indicative of realistic long term asset debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)												
13. Indicative of a creditable allowance for repairs & maintenance of assets - functioning assets revenue protection												
14. Indicative of a creditable allowance for asset renewal (requires analysis of asset renewal projects as % of total capital plan) - functioning assets revenue protection												
<b>Supporting indicators</b>												
% incr total service charges (incl prop rates)	18(1)a		13.1%	1.2%	16.7%	0.0%	0.0%	0.0%	(34.3%)	5.8%	8.2%	6.9%
% incr Property Tax	18(1)a		8.2%	2.9%	5.7%	0.0%	0.0%	0.0%	(27.0%)	4.0%	4.9%	4.6%
% incr Service charges - electricity revenue	18(1)a		20.3%	(0.6%)	30.6%	0.0%	0.0%	0.0%	(42.3%)	6.8%	10.5%	9.0%
% incr Service charges - water revenue	18(1)a		9.3%	0.2%	13.4%	0.0%	0.0%	0.0%	(32.1%)	5.7%	8.6%	5.1%
% incr Service charges - sanitation revenue	18(1)a		8.4%	6.9%	(2.0%)	0.0%	0.0%	0.0%	(25.4%)	6.6%	5.5%	5.7%
% incr Service charges - refuse revenue	18(1)a		7.8%	7.3%	5.6%	0.0%	0.0%	0.0%	(15.8%)	2.3%	6.0%	7.3%
% incr in	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		1 418 236	1 604 202	1 624 125	1 895 090	1 895 090	1 895 090	1 245 009	2 008 857	2 164 589	2 313 810
Service charges	18(1)a		1 418 236	1 604 202	1 624 125	1 895 090	1 895 090	1 895 090	1 245 009	2 008 857	2 164 589	2 313 810
Property rates			512 886	555 073	571 075	603 707	603 707	603 707	440 579	627 646	658 284	688 753
Service charges - electricity revenue			552 454	664 828	659 307	861 157	861 157	861 157	497 292	919 854	1 016 768	1 108 634
Service charges - water revenue			236 691	258 618	259 156	294 012	294 012	294 012	199 738	310 717	337 475	354 626
Service charges - sanitation revenue			67 424	73 119	78 186	76 648	76 648	76 648	57 215	81 700	86 203	91 166
Service charges - refuse removal			48 780	52 864	56 401	59 967	59 967	59 967	50 184	69 940	66 839	70 641
Service charges - other			-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			11 092	11 427	12 018	13 145	13 145	13 145	8 239	13 010	13 662	14 414
Capital expenditure excluding capital grant funding			23 652	10 023	15 186	11 500	25 000	25 000	4 313	55 705	33 362	29 096
Cash receipts from ratespayers	18(1)a	-	-	-	-	1 546 860	1 778 759	1 778 759	1 266 157	2 029 973	1 996 534	2 121 419
Ratespayer & Other revenue	18(1)a		1 630 945	1 816 707	1 795 339	2 138 671	2 138 345	2 138 345	1 556 949	2 223 092	2 387 721	2 537 463
Change in consumer debtors (current and non-current)			181 074	247 416	83 660	249 011	139 911	139 911	317 955	638 675	370 202	394 151
Operating and Capital Grant Revenue	18(1)a		389 363	357 826	370 132	398 406	364 139	364 139	246 878	352 455	394 342	429 564
Capital expenditure - total	20(1)(a)		200 695	137 018	119 502	179 266	166 666	166 666	43 968	190 043	154 168	164 089
Capital expenditure - renewal	20(1)(a)		86 726	6 733	35 223	39 000	42 200	42 200		51 948	69 796	73 075
<b>Supporting benchmarks</b>												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
2% guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY										250 317	265 366	285 951
DoRA capital grants total MFY										134 338	120 786	134 973
Provincial operating grants										7 800	8 190	8 640
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										392 455	394 342	429 564
Average annual collection rate (arrears inclusive)												
<b>DoRA operating</b>												
Fms										1 700	1 700	1 700
Idg										5 500	5 500	5 500
Equitable Share										239 158	258 166	278 751
Eqwp										3 959	-	-
										250 317	265 366	285 951
<b>DoRA capital</b>												
Mng										-	20 000	30 000
Invp										40 000	20 000	20 888
Wsig										19 948	17 768	18 567
Endcm										4 000	4 000	4 000
Idg										70 280	59 016	61 528
										134 338	120 786	134 973
<b>Trend</b>												
Change in consumer debtors (current and non-current)			181 074	247 416	83 660	317 955	639 675	370 202	394 151	-	-	-
<b>Total Operating Revenue</b>												
			1 833 634	2 037 442	2 064 336	2 365 711	2 372 218	2 372 218	1 574 148	2 487 209	2 673 277	2 847 055
<b>Total Operating Expenditure</b>												
			1 652 708	1 723 311	1 941 807	2 344 984	2 421 590	2 421 590	1 306 925	2 465 128	2 640 528	2 824 271
<b>Operating Performance Surplus/(Deficit)</b>												
			180 926	314 131	122 529	20 727	(49 373)	(49 373)	267 222	22 081	32 348	22 784
<b>Cash and Cash Equivalents (30 June 2012)</b>												
<b>Revenue</b>												
% Increase in Total Operating Revenue			11.1%	1.3%	14.6%	0.3%	0.0%	0.0%	(33.6%)	4.8%	7.5%	6.9%
% Increase in Property Rates Revenue			-	8.2%	2.9%	5.7%	0.0%	0.0%	(27.0%)	4.0%	4.9%	4.6%
% Increase in Electricity Revenue			20.3%	(0.6%)	30.6%	0.0%	0.0%	0.0%	(42.3%)	6.8%	10.5%	9.0%
% Increase in Property Rates & Services Charges			13.1%	1.2%	16.7%	0.0%	0.0%	0.0%	(34.3%)	5.8%	8.2%	6.9%
<b>Expenditure</b>												
% Increase in Total Operating Expenditure			4.3%	12.7%	20.8%	3.3%	0.0%	0.0%	(46.0%)	1.8%	7.1%	6.9%
% Increase in Employee Costs			(5.2%)	11.2%	15.2%	0.6%	0.0%	0.0%	(39.5%)	0.9%	5.7%	5.5%
% Increase in Electricity Bulk Purchases			12.2%	4.8%	19.6%	0.0%	0.0%	0.0%	(28.8%)	5.4%	12.0%	10.0%
Average Cost Per Budgeted Employee Position (Remuneration)					402660.3636	317294.3316			322231.7967			
Average Cost Per Councilor (Remuneration)					465538.2197	531498.8846			531498.8846			
R&M % of PPE			13.3%	12.0%	13.0%	13.7%	14.4%	14.4%	15.7%	16.5%	17.1%	
Asset Renewal and R&M as a % of PPE			19.0%	15.0%	15.0%	16.0%	16.0%	16.0%	20.0%	21.0%	23.0%	
Debt Impairment % of Total Billable Revenue			14.5%	14.5%	21.2%	14.5%	14.5%	14.5%	11.0%	14.8%	14.6%	14.6%
<b>Capital Revenue</b>												
Internally Funded & Other (R000)			23 652	10 023	15 186	11 500	25 000	25 000	4 313	55 705	33 362	29 096
Borrowing (R000)			177 023	126 984	194 315	157 768	141 666	141 666	39 655	134 338	120 786	134 973
Internally Generated funds % of Non Grant Funding			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			88.2%	92.7%	87.3%	93.6%	85.6%	85.6%	90.2%	70.7%	78.3%	82.3%
<b>Capital Expenditure</b>												
Total Capital Programme (R000)			200 695	137 018	119 502	179 266	166 666	166 666	43 968	190 043	154 168	164 089
Asset Renewal			137 189	86 471	67 638	79 500	70 000	70 000	70 000	81 248	101 786	115 075
Asset Renewal % of Total Capital Expenditure			68.4%	63.1%	56.8%	44.3%	42.0%	42.0%	159.2%	42.8%	66.0%	70.5%
<b>Cash</b>												
Cash Coverage Ratio			0	0	0	0	0	0	(0)	0	(0)	(0)
<b>Borrowing</b>												
Credit Rating (2009/10)												
Capital Charges to Operating			1.6%	1.8%	1.9%	1.4%	3.1%	3.1%	1.1%	1.6%	1.5%	1.3%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Revenues</b>												
Surplus/(Deficit)			(318 422)	(409 362)	1 006 734	1 135 681	1 065 396	1 065 396	1 229 286	1 379 340	1 087 286	974 851
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			6.7%	5.6%	5.9%	5.6%	4.6%	4.6%		4.7%	4.6%	4.6%
<b>High Level Outcome of Funding Compliance</b>												
Total Operating Revenue			1 833 634	2 037 442	2 064 336	2 365 711	2 372 218	2 372 218	1 574 148	2 487 209	2 673 277	2 847 055
Total Operating Expenditure			1 652 708	1 723 311	1 941 807	2 344 984	2 421 590	2 421 590	1 306 925	2 465 128	2 640 528	2 824 271
Surplus/(Deficit) Including Operating Statement			180 926	314 131	122 529	20 727	(49 373)	(49 373)	267 222	22 081	32 348	22 784
Surplus/(Deficit) Considering Reserves and Cash Banking			(18 422)	(469 362)	1 006 734	1 135 681	1 065 396	1 065 396	1 229 286	1 379 340	1 087 286	974 851
MTREF Funded % / Unfunded %	0	15	0	0	1	1	1	1	1	1	1	1
MTREF Funded % / Unfunded %	0	15	0	0	1	1	1	1	1	1	1	1

**NC091 Sol Plaatje - Supporting Table SA11 Property rates summary**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Valuation:</b>	1	2015-01-01	2019-01-01	2019-01-01	2019-01-01					
Date of valuation:		2015	2019	2019	2019			0		
Financial year valuation used		2015	2019	2019	2019			0		
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes	No	No			Yes		
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes	No	No			Yes		
Municipal partnership s38 used? (Y/N)		No	No		No	No	No			
No. of assistant valuers (FTE)	3	–	1	–	2	1	1	1	1	1
No. of data collectors (FTE)	3	–	6	–	6	6	6	6	6	6
No. of internal valuers (FTE)	3	–	2	–	3	2	2	2	2	3
No. of external valuers (FTE)	3	–	1	–	1	1	1	1	1	1
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)		Yes	Yes	No	No			Yes		
Implementation time of new valuation roll (mths)		–	–	–	–			12		
No. of properties	5	–	55 031	–	64 017	57 855	57 855	59 012	60 192	61 396
No. of sectional title values	5	–	1 165	–	1 322	1 180	1 180	1 204	1 228	1 252
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations		–	738	–	2 000	539	539	550	560	580
No. of valuation roll amendments		–	738	–	2 000	539	539	550	560	580
No. of objections by rate payers		–	591	–	25	3	3	4	2	1
No. of appeals by rate payers		–	39	–	1	1	1	–	–	–
No. of successful objections		–	171	–	15	–	–	–	1	–
No. of successful objections > 10%	8	–	127	–	8	8	8	–	–	–
Supplementary valuation		–	1	–	1	1	1	1	1	1
Public service infrastructure value (Rm)	5	–	129	–	160	129	129	131	133	134
Municipality owned property value (Rm)		–	1 113	–	1 127	1 230	1 230	1 254	1 279	1 305
<b>Valuation reductions:</b>										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)		–	699	–	827	721	721	736	750	765
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
<b>Total valuation reductions:</b>		–	699	–	827	721	721	736	750	765
Total value used for rating (Rm)	5	–	34 757	–	33 724	35 252	35 252	35 957	36 856	37 593
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5	–	35 456	–	34 551	35 973	35 973	36 693	37 427	38 175
<b>Rating:</b>										
Residential rate used to determine rate for other categories? (Y/N)	5	Yes	No	No	No			Yes		
Differential rates used? (Y/N)		Yes	No	No	No			Yes		
Limit on annual rate increase (s20)? (Y/N)		Yes	No	No	Yes	No	No	No	No	No
Special rating area used? (Y/N)										
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0
Rates policy accompanying budget? (Y/N)		Yes	No	No	No			Yes		
Fixed amount minimum value (R'000)		–	–	–	–			–		
Non-residential prescribed ratio s19? (%)		0,0%	0,0%	0,0%	0,0%			0,0%		
<b>Rate revenue:</b>										
Rate revenue budget (R '000)	6	512 886	578 654	–	674 739	623 318	623 318	635 784	667 573	680 925
Rate revenue expected to collect (R'000)	6	405 607	462 923	–	607 265	560 986	560 986	572 205	600 816	612 832
Expected cash collection rate (%)		79,1%	0,0%	0,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)		–	2 678	–	3 142	3 033	3 033	3 093	3 155	3 218
Rebates, exemptions - bona fide farm. (R'000)		–	2 503	–	2 931	3 045	3 045	3 106	3 168	3 232
Rebates, exemptions - other (R'000)		–	14 462	–	16 672	17 161	17 161	17 505	17 855	18 212
Phase-in reductions/discounts (R'000)										
<b>Total rebates, exemptns, reductns, discs (R'000)</b>		–	19 643	–	22 745	23 239	23 239	23 704	24 178	24 662

**References**

1. All numbers to be expressed as whole numbers except FTEs and Rates in the Rand
2. To give effect to rates policy
3. Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff
4. Required to implement new system (FTE)
5. Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12
6. Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
7. Included in rate revenue budget
8. In favour of the rate-payer

**NC091 Sol Plaatje - Supporting Table SA12a Property rates by category (current year)**

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/nts	Public benefit organs.	Mining Props.
<b>Current Year 2021/22</b>																	
<b>Valuation:</b>																	
No. of properties		48 281	213	2 062	448	282	4 675	184	–	–	–	–	–	–	–	1 688	22
No. of sectional title property values		1 103	2	42	–	31	2	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		371	2	40	7	–	18	2	–	–	–	–	–	–	–	98	1
Supplementary valuation (Rm)		239 340 000	2 600 000	388 035 000	36 600 000	–	30 940 000	2 000	–	–	–	–	–	–	–	7 241 000	5 000 000
No. of valuation roll amendments		371	2	40	7	–	18	2	–	–	–	–	–	–	–	98	1
No. of objections by rate-payers		3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation (select)		3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Frequency of valuation (select)		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)		Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?		Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform
<b>Valuation reductions:</b>																	
Valuation reductions-public infrastructure (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		721	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-other (Rm)	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total valuation reductions:</b>																	
Total value used for rating (Rm)	6	20 185	725	6 378	2 274	3 223	1 230	129	–	–	–	–	–	–	–	1 007	103
Total land value (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total market value (Rm)	6	21 230	748	6 551	2 320	3 285	1 134	131	–	–	–	–	–	–	–	897	111
<b>Rating:</b>																	
Average rate	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rate revenue budget (R '000)		223 695	22 994	205 768	3 338	142 193	–	–	–	–	–	–	–	–	–	–	25 330
Rate revenue expected to collect (R'000)		201 326	20 694	185 191	3 004	127 974	–	–	–	–	–	–	–	–	–	–	22 797
Expected cash collection rate (%)	4	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%
Special rating areas (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		3 033	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	3 045	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		8 537	2 999	5 588	38	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total rebates,exemptns,eductns,discs (R'000)</b>																	

**References**

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is 'free' value greater than MPRA minimum.
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum
4. Include arrears collections
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.

**NC091 Sol Plaatje - Supporting Table SA12b Property rates by category (budget year)**

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/nts	Public benefit organs.	Mining Props.
<b>Budget Year 2022/23</b>																	
<b>Valuation:</b>																	
No. of properties		49 247	217	2 103	457	288	4 769	188	–	–	–	–	–	–	–	1 722	22
No. of sectional title property values		1 125	2	43	–	32	2	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations		380	2	41	8	–	18	2	–	–	–	–	–	–	–	98	1
Supplementary valuation (Rm)		244 126 800	2 652 000	395 795 700	37 332 000	–	31 558 800	2 040	–	–	–	–	–	–	–	7 385 820	5 100 000
No. of valuation roll amendments		380	2	41	8	–	18	2	–	–	–	–	–	–	–	98	1
No. of objections by rate-payers		220	10	25	20	20	5	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		10	1	3	2	2	2	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		10	1	3	2	2	2	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	120	5	12	10	10	1	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	34	3	5	5	2	1	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued																	
Years since last valuation (select)		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Frequency of valuation (select)		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)		Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?		Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform
<b>Valuation reductions:</b>																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)		736	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)																	
<b>Total valuation reductions:</b>																	
Total value used for rating (Rm)	6	20 588	739	6 505	2 320	3 287	1 254	131	–	–	–	–	–	–	–	1 027	105
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6	17 913	505	5 208	2 004	3 183	1 152	79	–	–	–	–	–	–	–	1 175	119
<b>Rating:</b>																	
Average rate	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rate revenue budget (R '000)		228 169	23 454	209 883	3 405	145 037	–	–	–	–	–	–	–	–	–	–	25 836
Rate revenue expected to collect (R'000)		205 352	21 108	188 895	3 065	130 533	–	–	–	–	–	–	–	–	–	–	23 253
Expected cash collection rate (%)	4	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)		3 093	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	3 106	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		8 707	3 059	5 700	38	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)																	
<b>Total rebates,exemptns,reductns,discs (R'000)</b>																	

**References**

- Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
- Include value of additional reductions is 'free' value greater than MPRA minimum.
- Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum
- Include arrears collections
- In favour of the rate-payer
- Provide relevant information for historical comparisons.

**NC091 Sol Plaatje - Supporting Table SA13a Service Tariffs by category**

Description	Ref	Provide description of tariff structure where appropriate	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
							Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Property rates (rate in the Rand)</b>	1								
Residential properties		Residential	0,0108	0,0098	0,0104	0,0112	0,0119	0,0125	0,0131
Residential properties - vacant land			-	-	-	0,0168	0,0179	0,0188	0,0197
Formal/informal settlements									
Small holdings									
Farm properties - used		Agricultural farms	0,0027	0,0024	0,0026	0,0028	0,0030	0,0031	0,0033
Farm properties - not used		Agricultural business	0,0027	0,0024	0,0026	0,0028	0,0030	0,0031	0,0033
Industrial properties		Industrial	0,0347	0,0312	0,0332	0,0358	0,0382	0,0401	0,0420
Business and commercial properties		Business/Residential	0,0321	0,0293	0,0311	0,0335	0,0358	0,0376	0,0393
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties		State/Public schools	0,0758	0,0585	-	0,0758	-	-	-
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
<b>Exemptions, reductions and rebates (Rands)</b>									
<b>Residential properties</b>									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
<b>Other rebates or exemptions</b>	2								
<b>Water tariffs</b>									
<b>Domestic</b>									
Basic charge/fixd fee (Rands/month)									
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/kl)									
Water usage - life line tariff		Residential (0-6kl)	6	6	7	7	7	8	8
Water usage - Block 1 (c/kl)		Residential (7-20kl)	25	27	28	29	31	34	35
Water usage - Block 2 (c/kl)		Residential (21-40kl)	28	30	32	33	35	38	40
Water usage - Block 3 (c/kl)		Residential (41-60kl)	30	32	34	35	37	40	42
Water usage - Block 4 (c/kl)		Residential (more than 60kl)	32	34	36	37	39	43	45
<b>Other</b>	2								
<b>Waste water tariffs</b>									
<b>Domestic</b>									
Basic charge/fixd fee (Rands/month)		Basic charge	155	165	174	181	189	199	210
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/kl)									
Volumetric charge - Block 1 (c/kl)		(fill in structure)							
Volumetric charge - Block 2 (c/kl)		(fill in structure)							
Volumetric charge - Block 3 (c/kl)		(fill in structure)							

Volumetric charge - Block 4 (c/kl)								
<b>Other</b>	2	(fill in structure)						
<b>Electricity tariffs</b>								
<b>Domestic</b>								
Basic charge/fixd fee (Rands/month)		260	-	-	-	66	71	76
Service point - vacant land (Rands/month)								
FBE		Indigents tariff - Block 1 (0-	-	-	-	2	2	3
Life-line tariff - meter		(describe structure)						
Life-line tariff - prepaid		(describe structure)						
Flat rate tariff - meter (c/kwh)		-	-	-	-	-	-	-
Flat rate tariff - prepaid(c/kwh)		-	-	-	-	-	-	-
Meter - IBT Block 1 (c/kwh)		Block 1 (0-350Kwh)	1	2	2	2	2	3
Meter - IBT Block 2 (c/kwh)		Block 2 (>350Kwh)	1	2	2	3	3	3
Meter - IBT Block 3 (c/kwh)		-	-	-	-	-	-	-
Meter - IBT Block 4 (c/kwh)		-	-	-	-	-	-	-
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)						
Prepaid - IBT Block 1 (c/kwh)		Block 1 (0-350Kwh)	-	-	2	2	2	3
Prepaid - IBT Block 2 (c/kwh)		Block 2 (>350Kwh)	-	-	2	3	3	3
Prepaid - IBT Block 3 (c/kwh)		-	-	-	-	-	-	-
Prepaid - IBT Block 4 (c/kwh)		-	-	-	-	-	-	-
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)						
<b>Other</b>	2							
<b>Waste management tariffs</b>								
<b>Domestic</b>								
Street cleaning charge								
Basic charge/fixd fee		Basic charge	111	118	124	129	135	145
80l bin - once a week								156
250l bin - once a week								

**References**

1. If properties are not rated or zero rated this must be indicated as such
2. Please provide detailed descriptions on Sheet SA13b







**NC091 Sol Plaatje - Supporting Table SA13b Service Tariffs by category - explanatory**

Description	Ref	Provide description of tariff structure where appropriate	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
							Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Exemptions, reductions and rebates (Rands)</b>									
Residential Properties		standard rebate	15 000	15 000	15 000	15 000	15 000	15 000	
<b>Water tariffs</b>									
Water Usage - Life Line Tariff		Residential (0-6kl)	6	6	7	7	7	8	
Water Usage - Block 1 (C/Kl)		Residential (7-20kl)	25	27	28	29	31	34	
Water Usage - Block 2 (C/Kl)		Residential (21-40kl)	28	30	32	33	35	38	
Water Usage - Block 3 (C/Kl)		Residential (41-60kl)	30	32	34	35	37	40	
Water Usage - Block 4 (C/Kl)		Residential (more than 60kl)	32	34	36	37	39	43	
<b>Waste water tariffs</b>									
Basic Charge		Basic charge	155	165	174	181	189	199	
<b>Electricity tariffs</b>									
Domestic Basic Charge			-	-	-	-	-	-	
Meter - 1bt Block 1 (C/Kwh)		Block 1 (0-350 Kwh)	1	2	2	2	-	-	
Meter - 1bt Block 2 (C/Kwh)		Block 2 (>350Kwh)	1	2	2	3	-	-	
Meter - 1bt Block 3 (C/Kwh)			2	-	-	-	-	-	
Meter - 1bt Block 4 (C/Kwh)			2	-	-	-	-	-	



NC091 Sol Plaatje - Supporting Table SA14 Household bills

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23 % incr.	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		556,60	501,01	533,07	574,32	574,32	574,32	6,9%	613,82	643,77	673,58
Electricity: Basic levy		–	–	–	–	–	–	#####	57,01	63,06	68,78
Electricity: Consumption		1 591,45	2 094,95	1 934,95	2 217,25	2 217,25	2 217,25	0,7%	2 232,44	2 469,31	2 693,52
Water: Basic levy											
Water: Consumption		527,04	558,69	589,42	612,99	612,99	612,99	5,7%	647,81	703,59	739,33
Sanitation		121,42	129,32	136,43	141,89	141,89	141,89	4,0%	147,56	155,09	164,01
Refuse removal		86,68	92,32	97,39	101,29	101,29	101,29	4,0%	105,34	113,81	122,11
Other		–	–	–	–	–	–	–	181,20	200,43	218,62
sub-total		2 883,19	3 376,29	3 291,26	3 647,74	3 647,74	3 647,74	9,3%	3 985,18	4 349,06	4 679,95
VAT on Services		382,90	428,52	413,78	461,01	461,01	461,01	9,7%	505,71	555,79	600,96
Total large household bill:		3 266,09	3 804,81	3 705,04	4 108,75	4 108,75	4 108,75	9,3%	4 490,89	4 904,85	5 280,91
% increase/-decrease			16,5%	(2,6%)	10,9%	–	–		9,3%	9,2%	7,7%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		394,09	354,73	377,43	406,64	406,64	406,64	6,9%	434,60	455,81	476,91
Electricity: Basic levy		–	–	–	–	–	–	(100,0%)	–	–	–
Electricity: Consumption		646,58	932,15	860,97	986,58	986,58	986,58	9,6%	1 081,10	1 195,80	1 304,38
Water: Basic levy											
Water: Consumption		415,79	440,79	465,03	483,63	483,63	483,63	5,7%	511,10	555,11	583,31
Sanitation		121,42	129,32	136,43	141,89	141,89	141,89	4,0%	147,56	155,09	164,01
Refuse removal		86,68	92,32	97,39	101,29	101,29	101,29	4,0%	105,34	113,81	122,11
Other											
sub-total		1 664,56	1 949,31	1 937,25	2 120,03	2 120,03	2 120,03	7,5%	2 279,70	2 475,62	2 650,72
VAT on Services		224,48	236,09	234,00	257,01	257,01	257,01	7,7%	276,77	302,97	326,07
Total small household bill:		1 889,04	2 185,40	2 171,25	2 377,04	2 377,04	2 377,04	7,5%	2 556,47	2 778,59	2 976,79
% increase/-decrease			15,7%	(0,6%)	9,5%	–	–		7,5%	8,7%	7,1%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		231,58	208,45	221,79	238,95	238,95	238,95	6,9%	255,38	267,85	280,25
Electricity: Basic levy											
Electricity: Consumption		293,89	499,98	384,84	440,99	440,99	440,99	8,0%	476,28	526,82	574,65
Water: Basic levy											
Water: Consumption		276,65	293,31	309,44	321,82	321,82	321,82	5,7%	340,09	369,38	388,14
Sanitation											
Refuse removal											
Other											
sub-total		802,12	1 001,74	916,07	1 001,76	1 001,76	1 001,76	7,0%	1 071,75	1 164,05	1 243,04
VAT on Services		85,58	102,12	104,15	114,42	114,42	114,42	7,0%	122,46	134,43	144,42
Total small household bill:		887,70	1 103,86	1 020,22	1 116,18	1 116,18	1 116,18	7,0%	1 194,21	1 298,48	1 387,46
% increase/-decrease			24,4%	(7,6%)	9,4%	–	–		7,0%	8,7%	6,9%

References

- 1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
- 2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
- 3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

NC091 Sol Plaatje - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	-	-	-

References  
1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

NC091 Sol Plaatje - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate <sup>a</sup>	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
Standard Bank 048466271-073 <sup>1</sup>		6 months	Notice	Yes	Fixed	8,50%	0		07 May 2019	21 852	-	-	-	21 852
Nedbank 9002324052		6 months	Notice	Yes	Fixed	8,06%	0		06 June 2019	10 397	-	-	-	10 397
Absa Bank 20-7291-5615 <sup>1</sup>		6 months	Notice	Yes	Fixed	8,02%	0		06 June 2019	10 396	-	-	-	10 396
Investec Bank Jb 9778751 <sup>1</sup>		6 months	Notice	Yes	Fixed	7,95%	0		06 June 2019	10 392	-	-	-	10 392
Absa Bank 20-6295-4443 <sup>1</sup>		12 months	Fixed	Yes	Fixed	8,10%	0		26 June 2019	3 302	-	-	-	3 302
Absa Bank 20-78146864 <sup>1</sup>		5 months	Fixed	Yes	Fixed	7,54%	0		26 June 2019	2 383	-	-	-	2 383
First Rand, Nedbank, S'Dard, Investec		12 months	Call a/c	Yes	Variable	6,30%	0		30 June 2020	43 072	-	-	-	43 072
Municipality sub-total										101 794		-	-	101 794
Entities														
N/A														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									101 794		-	-	101 794

References

1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)

2. List investments in expiry date order

3. If 'variable' is selected in column F, input interest rate range

4. Withdrawals to be entered as negative

check

**NC091 Sol Plaatje - Supporting Table SA17 Borrowing**

2022/23 Medium Term Revenue & Expenditure Framework										
Borrowing - Categorised by type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Parent municipality</b>										
Annuity and Bullet Loans		201 167	191 815	182 267	172 829	172 829	172 829	148 630	140 429	131 589
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	201 167	191 815	182 267	172 829	172 829	172 829	148 630	140 429	131 589
<b>Entities</b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	201 167	191 815	182 267	172 829	172 829	172 829	148 630	140 429	131 589

[illegible]

## References

1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)

[illegible]

NC091 Sol Plaatje - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		5 500	4 500	6 641	–	–	–	7 200	7 200	7 200
Local Government Equitable Share										
ISDG: RECEIPTS		3 800	4 500	4 941	–	–	–	5 500	5 500	5 500
LGFMG: RECEIPTS		1 700	–	1 700	–	–	–	1 700	1 700	1 700
MIG: RECEIPTS		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	5 500	4 500	6 641	–	–	–	7 200	7 200	7 200
Capital Transfers and Grants										
National Government:		175 526	168 384	99 619	167 766	123 766	123 766	134 338	120 786	134 973
INEP: RECEIPTS		36 997	24 498	10 000	66 500	36 500	36 500	40 000	20 000	20 898
MIG: RECEIPTS		48 816	51 287	50 328	66 266	66 266	66 266	70 390	59 018	61 508
NDPG: RECEIPTS		58 000	78 299	20 000	10 000	–	–	–	20 000	30 000
RBIG: RECEIPTS		14 713	–	–	–	–	–	–	–	–
TSU_C_M_NG_EE&DSM: RECEIPTS		–	–	–	–	–	–	4 000	4 000	4 000
WSIG: RECEIPTS		17 000	14 300	19 291	25 000	21 000	21 000	19 948	17 768	18 567
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	175 526	168 384	99 619	167 766	123 766	123 766	134 338	120 786	134 973
TOTAL RECEIPTS OF TRANSFERS & GRANTS		181 026	172 884	106 260	167 766	123 766	123 766	141 538	127 986	142 173

References

1. Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation

2. Amounts actually RECEIVED; not revenue recognised (objective is to confirm grants transferred)

3. Replacement of RSC levies

4. Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality

5. Total transfers and grants must reconcile to Budgeted Cash Flows

6. Motor vehicle licensing refunds to be included under 'agency' services (Not Grant Receipts)

NC091 Sol Plaatje - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		6 749	4 500	6 361	–	–	–	7 200	7 200	7 200
Local Government Equitable Share										
ISDG: TRSF TO REV		5 049	4 500	4 661	–	–	–	5 500	5 500	5 500
LGFMG: TRSF TO REV		1 700	–	1 700	–	–	–	1 700	1 700	1 700
MIG: TRSF TO REV		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		6 749	4 500	6 361	–	–	–	7 200	7 200	7 200
Capital expenditure of Transfers and Grants										
National Government:		191 170	143 011	109 706	167 766	123 766	123 766	134 338	120 786	134 973
INEP: TRSF TO REV		36 997	11 842	17 206	66 500	36 500	36 500	40 000	20 000	20 898
MIG: TRSF TO REV		52 242	53 039	50 328	66 266	66 266	66 266	70 390	59 018	61 508
NDPG: TRSF TO REV		58 000	70 386	22 881	10 000	–	–	–	20 000	30 000
RBIG: TRSF TO REV		14 713	–	–	–	–	–	–	–	–
TSU_C_M_NG_EE&DSM: TRSF TO REV		–	–	–	–	–	–	4 000	4 000	4 000
WSIG: TRSF TO REV		29 218	7 743	19 291	25 000	21 000	21 000	19 948	17 768	18 567
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		191 170	143 011	109 706	167 766	123 766	123 766	134 338	120 786	134 973
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		197 919	147 511	116 068	167 766	123 766	123 766	141 538	127 986	142 173

References

1. Expenditure must be separately listed for each transfer or grant received or recognised



# NC091 Sol Plaatje - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		(3 141)	(1 892)	–	–	–	–	–	–	–
Current year receipts		(8 637)	(4 500)	(10 811)	–	–	–	(11 159)	(7 200)	(7 200)
<b>Conditions met - transferred to revenue</b>		<b>9 886</b>	<b>4 500</b>	<b>10 531</b>	–	–	–	<b>11 159</b>	<b>7 200</b>	<b>7 200</b>
Conditions still to be met - transferred to liabilities		(1 892)	(3 784)	(280)	–	–	–	–	–	–
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		(83)	–	–	–	–	–	–	–	–
Current year receipts		(1 904)	–	(19 071)	(230 640)	(212 740)	(212 740)	(7 800)	(8 190)	(8 640)
<b>Conditions met - transferred to revenue</b>		<b>1 987</b>	–	<b>18 109</b>	<b>218 012</b>	<b>200 112</b>	<b>200 112</b>	<b>7 800</b>	<b>8 190</b>	<b>8 640</b>
Conditions still to be met - transferred to liabilities		–	–	(962)	(12 628)	(12 628)	(12 628)	–	–	–
<b>Total operating transfers and grants revenue</b>		<b>11 873</b>	<b>4 500</b>	<b>28 640</b>	<b>218 012</b>	<b>200 112</b>	<b>200 112</b>	<b>18 959</b>	<b>15 390</b>	<b>15 840</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>(1 892)</b>	<b>(3 784)</b>	<b>(1 241)</b>	<b>(12 628)</b>	<b>(12 628)</b>	<b>(12 628)</b>	–	–	–
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		(20 653)	(5 009)	(27 126)	–	–	–	–	–	–
Current year receipts		(175 526)	(168 384)	(99 619)	(167 766)	(123 766)	(123 766)	(134 338)	(120 786)	(134 973)
<b>Conditions met - transferred to revenue</b>		<b>191 170</b>	<b>143 011</b>	<b>109 706</b>	<b>167 766</b>	<b>123 766</b>	<b>123 766</b>	<b>134 338</b>	<b>120 786</b>	<b>134 973</b>
Conditions still to be met - transferred to liabilities		(5 009)	(33 639)	(29 045)	–	–	–	–	–	–
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		(7 855)	–	–	–	–	–	–	–	–
Current year receipts		(128)	–	–	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>		<b>7 983</b>	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
<b>Total capital transfers and grants revenue</b>		<b>199 153</b>	<b>143 011</b>	<b>109 706</b>	<b>167 766</b>	<b>123 766</b>	<b>123 766</b>	<b>134 338</b>	<b>120 786</b>	<b>134 973</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>(5 009)</b>	<b>(33 639)</b>	<b>(29 045)</b>	–	–	–	–	–	–
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>211 026</b>	<b>147 511</b>	<b>138 347</b>	<b>385 778</b>	<b>323 878</b>	<b>323 878</b>	<b>153 297</b>	<b>136 176</b>	<b>150 813</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>(6 901)</b>	<b>(37 423)</b>	<b>(30 287)</b>	<b>(12 628)</b>	<b>(12 628)</b>	<b>(12 628)</b>	–	–	–

## References

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance
2. CTBM = conditions to be met
3. National Treasury database will require this reconciliation for each transfer/grant

Check opex	(180 237)	(210 315)	(231 786)	(12 628)	(36 760)	(36 760)	(239 158)	(258 166)	(278 751)
Check capex	22 131	16 016	5 391	–	(17 900)	(17 900)	–	–	–

NC091 Sol Plaatje - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Cash Transfers to other municipalities											
Insert description	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
Non-Prof:Oth Inst/Grants&Don Diam & Dor		-	-	-	-	-	-	-	-	-	-
Non-Prof:Oth Inst/Grants&Don Oth Pub Gra		1 498	374	270	2 500	2 500	2 500	200	2 000	2 000	2 000
Non-Prof:Oth Institut/Gariep		-	-	-	-	-	-	-	-	-	-
Non-Prof:Oth Institut/Sport Council		-	-	-	-	-	-	-	-	-	-
Non-Prof:Other Institutions/Spca		1 700	2 000	2 100	2 200	2 200	2 200	1 650	2 300	2 400	2 500
Total Cash Transfers To Organisations		3 198	2 374	2 370	4 700	4 700	4 700	1 850	4 300	4 400	4 500
Cash Transfers to Groups of Individuals											
Hh Oth Trans: Housing - Individual Supp		604	237	1	-	-	-	-	-	-	-
Hh Ssp Soc Ass: Grant In Aid		138	122	158	150	150	150	146	160	168	177
Total Cash Transfers To Groups Of Individuals:		743	359	159	150	150	150	146	160	168	177
TOTAL CASH TRANSFERS AND GRANTS	6	3 940	2 733	2 528	4 850	4 850	4 850	1 996	4 460	4 568	4 677
Non-Cash Transfers to other municipalities											
	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	3 940	2 733	2 528	4 850	4 850	4 850	1 996	4 460	4 568	4 677

References

1. Insert description listed by municipal name and demarcation code of recipient

2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)

3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)

4. Insert description of each other organisation (e.g. charity)

5 Insert description of each other organisation (e.g. the aged, child-headed households)

6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

**NC091 Sol Plaatje - Supporting Table SA22 Summary councillor and staff benefits**

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
<b>Councillors (Political Office Bearers plus Other)</b>	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		–	–	–	–	–	–	–	–	–
Pension and UIF Contributions		927	844	827	–	–	–	–	–	–
Medical Aid Contributions		306	320	339	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Cellphone Allowance		2 766	2 874	2 862	3 243	3 243	3 243	3 243	3 405	3 592
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		24 389	26 329	26 231	31 305	31 305	31 305	31 305	32 870	34 678
<b>Sub Total - Councillors</b>		<b>28 388</b>	<b>30 367</b>	<b>30 260</b>	<b>34 547</b>	<b>34 547</b>	<b>34 547</b>	<b>34 547</b>	<b>36 275</b>	<b>38 270</b>
<b>% increase</b>	4		7,0%	(0,4%)	14,2%	–	–	–	5,0%	5,5%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		8 440	8 465	9 434	8 600	8 600	8 600	8 853	9 295	9 799
Pension and UIF Contributions		843	981	984	1 108	1 108	1 108	1 209	1 269	1 338
Medical Aid Contributions		193	206	215	252	252	252	253	266	280
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	1 913	2 244	2 042	1 961	1 961	1 961	1 939	2 036	2 146
Cellphone Allowance	3	168	168	168	202	202	202	202	212	223
Housing Allowances	3	36	36	36	39	39	39	42	45	47
Other benefits and allowances	3	15	15	15	105	105	105	77	81	85
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		48	45	56	62	62	62	65	68	72
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>		<b>11 655</b>	<b>12 160</b>	<b>12 951</b>	<b>12 329</b>	<b>12 329</b>	<b>12 329</b>	<b>12 640</b>	<b>13 272</b>	<b>13 990</b>
<b>% increase</b>	4		4,3%	6,5%	(4,8%)	–	–	2,5%	5,0%	5,4%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		357 185	376 393	395 579	450 593	452 304	452 304	464 246	492 661	519 689
Pension and UIF Contributions		58 704	61 779	63 864	76 857	76 857	76 857	77 509	81 590	86 146
Medical Aid Contributions		44 990	48 569	48 766	58 592	58 592	58 592	58 279	61 333	64 758
Overtime		9 594	7 286	5 493	4 146	4 146	4 146	3 973	4 185	4 418
Performance Bonus		26 336	27 067	28 489	35 421	35 421	35 421	36 221	38 125	40 252
Motor Vehicle Allowance	3	38 361	38 599	38 306	51 621	51 621	51 621	51 296	53 955	56 938
Cellphone Allowance	3	1 333	1 335	1 296	1 499	1 499	1 499	1 415	1 489	1 571
Housing Allowances	3	2 638	2 769	2 696	3 158	3 158	3 158	2 895	3 046	3 215
Other benefits and allowances	3	71 731	65 850	63 958	63 880	67 368	67 368	63 840	67 243	71 017
Payments in lieu of leave		13 784	909	29 135	14 000	14 000	14 000	15 000	15 750	16 616
Long service awards		16 725	19 526	23 136	22 791	22 791	22 791	23 189	24 415	25 778
Post-retirement benefit obligations	6	35 530	(9 322)	12 550	41 500	41 500	41 500	38 900	40 845	43 091
<b>Sub Total - Other Municipal Staff</b>		<b>676 910</b>	<b>640 762</b>	<b>713 268</b>	<b>824 059</b>	<b>829 259</b>	<b>829 259</b>	<b>836 763</b>	<b>884 636</b>	<b>933 490</b>
<b>% increase</b>	4		(5,3%)	11,3%	15,5%	0,6%	–	0,9%	5,7%	5,5%
<b>Total Parent Municipality</b>		<b>716 953</b>	<b>683 289</b>	<b>756 479</b>	<b>870 935</b>	<b>876 135</b>	<b>876 135</b>	<b>883 950</b>	<b>934 183</b>	<b>985 750</b>
			(4,7%)	10,7%	15,1%	0,6%	–	0,9%	5,7%	5,5%
<b>Board Members of Entities</b>										
Basic Salaries and Wages		–	–	–	–	–	–	–	–	–
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Board Fees		–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
<b>Sub Total - Board Members of Entities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>% increase</b>	4		–	–	–	–	–	–	–	–

<b>Senior Managers of Entities</b>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Senior Managers of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Other Staff of Entities</b>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Other Staff of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		716 953	683 289	756 479	870 935	876 135	876 135	883 950	934 183	985 750
<b>% increase</b>	4		(4,7%)	10,7%	15,1%	0,6%	-	0,9%	5,7%	5,5%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	688 565	652 922	726 219	836 388	841 588	841 588	849 403	897 908	947 480

#### References

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved
2. s57 of the Systems Act
3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance
4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D
5. Must agree to the sub-total appearing on Table A1 (Employee costs)
6. Includes pension payments and employer contributions to medical aid
7. Correct as at 30 June

#### Column Definitions:

- A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited
- D. The original budget approved by council for the budget year.
- E. The budget for the budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.
- G. The amount to be appropriated for the budget year.
- H and I. The indicative projection

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		-		991 012			991 012
Chief Whip			-	-	-			-
Executive Mayor			-	-	1 226 294			1 226 294
Deputy Executive Mayor			-	-	-			-
Executive Committee			-	-	9 321 913			9 321 913
Total for all other councillors			-	-	23 008 215			23 008 215
<b>Total Councillors</b>	8	-	-	-	<b>34 547 434</b>			<b>34 547 434</b>
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1 886 117	1 785	191 100			2 079 002
Chief Finance Officer			1 477 939	270 196	464 800			2 212 935
SM D01			1 427 134	268 523	459 356			2 155 013
SM D02			1 363 401	247 950	424 293			2 035 644
SM D03			1 449 569	249 716	381 194			2 080 479
SM D04			1 248 575	423 671	404 374			2 076 620
								-
List of each official with packages >= senior manager								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total Senior Managers of the Municipality</b>	8,10	-	<b>8 852 735</b>	<b>1 461 841</b>	<b>2 325 117</b>	<b>-</b>		<b>12 639 693</b>
<b>A Heading for Each Entity</b>	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total for municipal entities</b>	8,10	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	<b>8 852 735</b>	<b>1 461 841</b>	<b>36 872 551</b>	<b>-</b>		<b>47 187 127</b>

1. Pension and medical aid
2. Total package must equal the total cost to the municipality
3. List each political office bearer by designation. Provide a total for all other councillors
4. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)
5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation
6. List each entity where municipality has an interest and state percentage ownership and control
7. List each senior manager reporting to the CEO of an Entity by designation
8. Must reconcile to relevant section of Table SA24
9. Must reconcile to totals shown for the budget year of Table SA22
10. Correct as at 30 June

NC091 Sol Plaatje - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2020/21			Current Year 2021/22			Budget Year 2022/23		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)	4	65	65	–	65	65	–	65	65	–
Board Members of municipal entities	5									
<b>Municipal employees</b>										
Municipal Manager and Senior Managers	3	6	6	–	6	6	–	6	6	–
Other Managers	7	3	2	–	3	2	–	3	3	–
Professionals		201	80	1	198	79	1	198	155	19
Finance		17	17	–	13	13	1	13	10	3
Spatial/town planning		19	6	–	19	6	–	19	11	4
Information Technology		4	4	–	4	4	–	4	4	–
Roads		2	2	–	2	2	–	2	2	–
Electricity		13	7	–	13	7	–	13	5	3
Water		2	2	–	2	2	–	2	2	1
Sanitation		3	2	1	3	3	–	3	2	1
Refuse		–	–	–	–	–	–	–	–	–
Other		141	40	–	142	42	–	142	119	7
Technicians		274	177	11	275	185	10	275	226	22
Finance		10	10	–	10	10	–	10	6	3
Spatial/town planning		29	15	–	29	15	–	29	11	7
Information Technology		8	4	1	8	4	–	8	5	1
Roads		6	4	1	6	6	–	6	5	2
Electricity		150	98	3	150	98	2	150	137	–
Water		10	3	–	10	3	4	10	9	–
Sanitation		25	20	–	25	20	1	25	19	6
Refuse		1	–	–	1	–	–	1	1	–
Other		35	23	6	36	29	3	36	33	3
Clerks (Clerical and administrative)		472	359	110	429	345	57	429	402	34
Service and sales workers		220	133	–	348	206	–	348	229	4
Skilled agricultural and fishery workers		150	89	–	145	78	–	145	42	–
Craft and related trades										
Plant and Machine Operators		215	96	1	215	100	2	215	98	–
Elementary Occupations		1 016	577	162	1 017	618	141	1 017	681	120
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>2 622</b>	<b>1 584</b>	<b>285</b>	<b>2 701</b>	<b>1 684</b>	<b>211</b>	<b>2 701</b>	<b>1 907</b>	<b>199</b>
<b>% increase</b>					3,0%	6,3%	(26,0%)	–	13,2%	(5,7%)
<b>Total municipal employees headcount</b>	6, 10	<b>2 942</b>	<b>1 877</b>	<b>317</b>	<b>3 021</b>	<b>1 922</b>	<b>247</b>	<b>3 021</b>	<b>2 153</b>	<b>227</b>
Finance personnel headcount	8, 10	<b>306</b>	<b>281</b>	<b>32</b>	<b>306</b>	<b>225</b>	<b>34</b>	<b>306</b>	<b>232</b>	<b>28</b>
Human Resources personnel headcount	8, 10	<b>14</b>	<b>12</b>	<b>–</b>	<b>14</b>	<b>13</b>	<b>2</b>	<b>14</b>	<b>14</b>	<b>–</b>

References

1. Positions must be funded and aligned to the municipality's current organisational structure
2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.
3. s57 of the Systems Act
4. Include only in Consolidated Statements
5. Include municipal entity employees in Consolidated Statements
6. Include headcount (number of persons, Not FTE) of managers and staff only (exclude councillors)
7. Managers who provide the direction of a critical technical function
8. Total number of employees working on these functions

NC091 Sol Plaatje - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>																
<b>Revenue By Source</b>																
Property rates		52 304	52 304	52 304	52 304	52 304	52 304	52 304	52 304	52 304	52 304	52 304	52 304	627 646	658 284	688 753
Service charges - electricity revenue		76 654	76 654	76 654	76 654	76 654	76 654	76 654	76 654	76 654	76 654	76 654	76 655	919 854	1 016 768	1 108 634
Service charges - water revenue		25 893	25 893	25 893	25 893	25 893	25 893	25 893	25 893	25 893	25 893	25 893	25 893	310 717	337 475	354 626
Service charges - sanitation revenue		6 808	6 808	6 808	6 808	6 808	6 808	6 808	6 808	6 808	6 808	6 808	6 808	81 700	86 203	91 156
Service charges - refuse revenue		5 078	5 078	5 078	5 078	5 078	5 078	5 078	5 078	5 078	5 078	5 078	5 078	60 940	65 839	70 641
Rental of facilities and equipment		1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	13 010	13 662	14 414
Interest earned - external investments		500	500	500	500	500	500	500	500	500	500	500	500	6 000	12 000	15 000
Interest earned - outstanding debtors		13 042	13 042	13 042	13 042	13 042	13 042	13 042	13 042	13 042	13 042	13 042	13 042	156 500	154 069	150 785
Dividends received		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	27 730	29 117	30 718
Licences and permits		571	571	571	571	571	571	571	571	571	571	571	571	6 850	7 193	7 588
Agency services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies		21 510	21 510	21 510	21 510	21 510	21 510	21 510	21 510	21 510	21 510	21 510	21 510	258 117	273 556	294 591
Other revenue		1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	1 512	18 145	19 111	20 148
Gains		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Revenue (excluding capital transfers and contribution)</b>		<b>207 267</b>	<b>207 267</b>	<b>207 267</b>	<b>207 267</b>	<b>207 267</b>	<b>207 267</b>	<b>207 267</b>	<b>207 267</b>	<b>207 267</b>	<b>207 267</b>	<b>207 267</b>	<b>207 268</b>	<b>2 487 209</b>	<b>2 673 277</b>	<b>2 847 055</b>
<b>Expenditure By Type</b>																
Employee related costs		70 784	70 784	70 784	70 784	70 784	70 784	70 784	70 784	70 784	70 784	70 784	70 780	849 403	897 908	947 480
Remuneration of councillors		2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	2 879	34 547	36 275	38 270
Debt impairment		24 750	24 750	24 750	24 750	24 750	24 750	24 750	24 750	24 750	24 750	24 750	24 750	297 000	316 170	337 015
Depreciation & asset impairment		6 754	6 754	6 754	6 754	6 754	6 754	6 754	6 754	6 754	6 754	6 754	6 754	81 050	85 265	89 954
Finance charges		3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	38 960	38 488	37 910
Bulk purchases - electricity		56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	682 000	763 840	840 224
Inventory consumed		19 719	19 719	19 719	19 719	19 719	19 719	19 719	19 719	19 719	19 719	19 719	19 717	236 627	244 648	261 393
Contracted services		3 870	3 870	3 870	3 870	3 870	3 870	3 870	3 870	3 870	3 870	3 870	3 870	46 437	48 812	51 352
Transfers and subsidies		372	372	372	372	372	372	372	372	372	372	372	372	4 460	4 568	4 677
Other expenditure		11 221	11 221	11 221	11 221	11 221	11 221	11 221	11 221	11 221	11 221	11 221	11 217	134 643	141 656	149 233
Losses		5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	60 000	63 300	66 763
<b>Total Expenditure</b>		<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 418</b>	<b>2 465 128</b>	<b>2 640 928</b>	<b>2 824 271</b>
<b>Surplus/(Deficit)</b>		<b>1 839</b>	<b>1 839</b>	<b>1 839</b>	<b>1 839</b>	<b>1 839</b>	<b>1 839</b>	<b>1 839</b>	<b>1 839</b>	<b>1 839</b>	<b>1 839</b>	<b>1 839</b>	<b>1 849</b>	<b>22 081</b>	<b>32 348</b>	<b>22 784</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	134 338	120 786	134 973
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)													—	—	—	—
Transfers and subsidies - capital (in-kind - all)													—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 044</b>	<b>156 419</b>	<b>153 134</b>	<b>157 757</b>
Taxation													—	—	—	—
Attributable to minorities													—	—	—	—
Share of surplus/ (deficit) of associate													—	—	—	—
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 044</b>	<b>156 419</b>	<b>153 134</b>	<b>157 757</b>

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

**NC091 Sol Plaatje - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)**

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Vote 01 - Executive & Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 02 - Municipal And General		39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	470 256	471 620	502 076
Vote 03 - Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 04 - Corporate Services		573	573	573	573	573	573	573	573	573	573	573	573	6 873	6 942	7 019
Vote 05 - Community Services		8 493	8 493	8 493	8 493	8 493	8 493	8 493	8 493	8 493	8 493	8 493	8 493	101 913	108 936	116 109
Vote 06 - Financial Services		54 020	54 020	54 020	54 020	54 020	54 020	54 020	54 020	54 020	54 020	54 020	54 020	648 238	679 804	711 345
Vote 07 - Strategy Econ Development And Planning		662	662	662	662	662	662	662	662	662	662	662	662	7 945	8 350	8 810
Vote 08 - Infrastructure And Services		115 527	115 527	115 527	115 527	115 527	115 527	115 527	115 527	115 527	115 527	115 527	115 527	1 386 322	1 518 411	1 636 669
Vote 09 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>		<b>218 462</b>	<b>218 462</b>	<b>218 462</b>	<b>218 462</b>	<b>218 462</b>	<b>218 462</b>	<b>218 462</b>	<b>218 462</b>	<b>218 462</b>	<b>218 462</b>	<b>218 462</b>	<b>218 463</b>	<b>2 621 547</b>	<b>2 794 063</b>	<b>2 982 028</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 01 - Executive & Council		4 910	4 910	4 910	4 910	4 910	4 910	4 910	4 910	4 910	4 910	4 910	4 909	58 915	61 861	65 263
Vote 02 - Municipal And General		29 824	29 824	29 824	29 824	29 824	29 824	29 824	29 824	29 824	29 824	29 824	29 824	357 885	370 477	393 436
Vote 03 - Municipal Manager		1 961	1 961	1 961	1 961	1 961	1 961	1 961	1 961	1 961	1 961	1 961	1 960	23 528	24 705	26 064
Vote 04 - Corporate Services		6 202	6 202	6 202	6 202	6 202	6 202	6 202	6 202	6 202	6 202	6 202	6 200	74 419	77 848	81 773
Vote 05 - Community Services		24 806	24 806	24 806	24 806	24 806	24 806	24 806	24 806	24 806	24 806	24 806	24 804	297 675	318 812	337 080
Vote 06 - Financial Services		13 117	13 117	13 117	13 117	13 117	13 117	13 117	13 117	13 117	13 117	13 117	13 116	157 404	165 377	174 379
Vote 07 - Strategy Econ Development And Planning		5 122	5 122	5 122	5 122	5 122	5 122	5 122	5 122	5 122	5 122	5 122	5 121	61 468	64 785	68 422
Vote 08 - Infrastructure And Services		119 486	119 486	119 486	119 486	119 486	119 486	119 486	119 486	119 486	119 486	119 486	119 484	1 433 833	1 557 063	1 677 855
Vote 09 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Expenditure by Vote</b>		<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 428</b>	<b>205 418</b>	<b>2 465 128</b>	<b>2 640 928</b>	<b>2 824 271</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 044</b>	<b>156 419</b>	<b>153 134</b>	<b>157 757</b>
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 034</b>	<b>13 044</b>	<b>156 419</b>	<b>153 134</b>	<b>157 757</b>

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance



NC091 Sol Plaatje - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand																
Revenue - Functional																
Governance and administration		93 847	93 847	93 847	93 847	93 847	93 847	93 847	93 847	93 847	93 847	93 847	93 847	1 126 167	1 159 205	1 221 326
Executive and council		39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	39 188	470 256	471 620	502 076
Finance and administration		54 659	54 659	54 659	54 659	54 659	54 659	54 659	54 659	54 659	54 659	54 659	54 659	655 911	687 585	719 251
Internal audit														—	—	—
Community and public safety		2 206	2 206	2 206	2 206	2 206	2 206	2 206	2 206	2 206	2 206	2 206	2 206	26 474	27 823	29 354
Community and social services		946	946	946	946	946	946	946	946	946	946	946	946	11 348	11 934	12 591
Sport and recreation		159	159	159	159	159	159	159	159	159	159	159	159	1 905	2 007	2 117
Public safety		28	28	28	28	28	28	28	28	28	28	28	28	340	357	377
Housing		1 067	1 067	1 067	1 067	1 067	1 067	1 067	1 067	1 067	1 067	1 067	1 067	12 801	13 441	14 180
Health		7	7	7	7	7	7	7	7	7	7	7	7	80	84	89
Economic and environmental services		1 335	1 335	1 335	1 335	1 335	1 335	1 335	1 335	1 335	1 335	1 335	1 335	16 015	16 825	17 752
Planning and development		460	460	460	460	460	460	460	460	460	460	460	460	5 525	5 809	6 129
Road transport		874	874	874	874	874	874	874	874	874	874	874	874	10 490	11 016	11 623
Environmental protection														—	—	—
Trading services		120 348	120 348	120 348	120 348	120 348	120 348	120 348	120 348	120 348	120 348	120 348	120 348	1 444 171	1 581 053	1 703 936
Energy sources		77 988	77 988	77 988	77 988	77 988	77 988	77 988	77 988	77 988	77 988	77 988	77 988	935 854	1 033 648	1 126 442
Water management		28 764	28 764	28 764	28 764	28 764	28 764	28 764	28 764	28 764	28 764	28 764	28 764	345 167	373 990	393 149
Waste water management		7 683	7 683	7 683	7 683	7 683	7 683	7 683	7 683	7 683	7 683	7 683	7 683	92 200	97 015	102 563
Waste management		5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	70 950	76 400	81 783
Other		727	727	727	727	727	727	727	727	727	727	727	727	8 720	9 156	9 660
Total Revenue - Functional		218 462	218 462	218 462	218 462	218 462	218 462	218 462	218 462	218 462	218 462	218 462	218 463	2 621 547	2 794 063	2 982 028
Expenditure - Functional																
Governance and administration		59 405	59 405	59 405	59 405	59 405	59 405	59 405	59 405	59 405	59 405	59 405	59 401	712 851	743 381	786 852
Executive and council		35 721	35 721	35 721	35 721	35 721	35 721	35 721	35 721	35 721	35 721	35 721	35 721	428 654	444 784	471 830
Finance and administration		23 139	23 139	23 139	23 139	23 139	23 139	23 139	23 139	23 139	23 139	23 139	23 135	277 659	291 732	307 779
Internal audit		545	545	545	545	545	545	545	545	545	545	545	545	6 538	6 865	7 243
Community and public safety		15 164	15 164	15 164	15 164	15 164	15 164	15 164	15 164	15 164	15 164	15 164	15 162	181 961	195 476	205 815
Community and social services		3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	3 593	43 119	49 741	52 021
Sport and recreation		4 440	4 440	4 440	4 440	4 440	4 440	4 440	4 440	4 440	4 440	4 440	4 440	53 283	55 744	58 810
Public safety		3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	43 948	46 233	48 784
Housing		1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	22 768	23 974	25 328
Health		1 570	1 570	1 570	1 570	1 570	1 570	1 570	1 570	1 570	1 570	1 570	1 570	18 842	19 784	20 872
Economic and environmental services		11 828	11 828	11 828	11 828	11 828	11 828	11 828	11 828	11 828	11 828	11 828	11 826	141 936	149 308	157 723
Planning and development		3 989	3 989	3 989	3 989	3 989	3 989	3 989	3 989	3 989	3 989	3 989	3 988	47 872	50 348	53 116
Road transport		7 777	7 777	7 777	7 777	7 777	7 777	7 777	7 777	7 777	7 777	7 777	7 777	93 326	98 186	103 790
Environmental protection		61	61	61	61	61	61	61	61	61	61	61	61	737	774	817
Trading services		116 873	116 873	116 873	116 873	116 873	116 873	116 873	116 873	116 873	116 873	116 873	116 872	1 402 477	1 525 542	1 645 164
Energy sources		76 307	76 307	76 307	76 307	76 307	76 307	76 307	76 307	76 307	76 307	76 307	76 306	915 683	1 010 851	1 101 097
Water management		26 872	26 872	26 872	26 872	26 872	26 872	26 872	26 872	26 872	26 872	26 872	26 872	322 469	340 077	358 491
Waste water management		7 781	7 781	7 781	7 781	7 781	7 781	7 781	7 781	7 781	7 781	7 781	7 781	93 375	98 215	103 793
Waste management		5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 913	5 912	70 950	76 400	81 783
Other		2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 159	2 158	25 903	27 221	28 718
Total Expenditure - Functional		205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 428	205 418	2 465 128	2 640 928	2 824 271
Surplus/(Deficit) before assoc.		13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 044	156 419	153 134	157 757
Share of surplus/ (deficit) of associate													—	—	—	—
Surplus/(Deficit)	1	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 034	13 044	156 419	153 134	157 757

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

**NC091 Sol Plaatje - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)**

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		692	692	692	692	692	692	692	692	692	692	692	692	8 300	-	-
Vote 08 - Infrastructure And Services		4 670	4 670	4 670	4 670	4 670	4 670	4 670	4 670	4 670	4 670	4 670	4 670	56 038	71 786	75 973
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	5 362	5 362	5 362	5 362	5 362	5 362	5 362	5 362	5 362	5 362	5 362	5 361	64 338	71 786	75 973
<b>Single-year expenditure to be appropriated</b>																
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	53 705	52 382	58 096
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Infrastructure And Services		6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	72 000	30 000	30 000
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	10 475	10 475	10 475	10 475	10 475	10 475	10 475	10 475	10 475	10 475	10 475	10 475	125 705	82 382	88 096
<b>Total Capital Expenditure</b>	2	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	190 043	154 168	164 069

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

NC091 Sol Plaatje - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	53 705	52 382	58 096
Executive and council		4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	4 475	53 705	52 382	58 096
Finance and administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internal audit														–	–	–
<b>Community and public safety</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and social services														–	–	–
Sport and recreation														–	–	–
Public safety														–	–	–
Housing														–	–	–
Health														–	–	–
<b>Economic and environmental services</b>		2 942	2 942	2 942	2 942	2 942	2 942	2 942	2 942	2 942	2 942	2 942	2 942	35 300	30 000	30 000
Planning and development		692	692	692	692	692	692	692	692	692	692	692	692	8 300	–	–
Road transport		2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	27 000	30 000	30 000
Environmental protection														–	–	–
<b>Trading services</b>		8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	101 038	71 786	75 973
Energy sources		3 833	3 833	3 833	3 833	3 833	3 833	3 833	3 833	3 833	3 833	3 833	3 833	46 000	26 000	26 898
Water management		1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	13 000	28 018	30 508
Waste water management		3 503	3 503	3 503	3 503	3 503	3 503	3 503	3 503	3 503	3 503	3 503	3 503	42 038	17 768	18 567
Waste management														–	–	–
<b>Other</b>														–	–	–
<b>Total Capital Expenditure - Functional</b>	2	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	190 043	154 168	164 069
<b>Funded by:</b>																
National Government		11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	134 338	120 786	134 973
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies – capital (priority allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>		11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	134 338	120 786	134 973
<b>Borrowing</b>														–	–	–
<b>Internally generated funds</b>		4 642	4 642	4 642	4 642	4 642	4 642	4 642	4 642	4 642	4 642	4 642	4 642	55 705	33 382	29 096
<b>Total Capital Funding</b>		15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	190 043	154 168	164 069

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates

2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

check

NC091 Sol Plaatje - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Cash Receipts By Source</b>													1		
Property rates	44 458	44 458	44 458	44 458	44 458	44 458	44 458	44 458	44 458	44 458	44 458	44 458	533 499	559 541	585 440
Service charges - electricity revenue	65 156	65 156	65 156	65 156	65 156	65 156	65 156	65 156	65 156	65 156	65 156	65 156	781 875	864 253	942 338
Service charges - water revenue	16 831	16 831	16 831	16 831	16 831	16 831	16 831	16 831	16 831	16 831	16 831	16 831	201 966	219 359	230 507
Service charges - sanitation revenue	5 787	5 787	5 787	5 787	5 787	5 787	5 787	5 787	5 787	5 787	5 787	5 787	69 444	73 272	77 482
Service charges - refuse revenue	3 316	3 316	3 316	3 316	3 316	3 316	3 316	3 316	3 316	3 316	3 316	3 316	39 795	42 182	44 291
Rental of facilities and equipment	2	2	2	2	2	2	2	2	2	2	2	2	20	21	22
Interest earned - external investments	500	500	500	500	500	500	500	500	500	500	500	500	6 000	12 000	15 000
Interest earned - outstanding debtors													-		
Dividends received													-		
Fines, penalties and forfeits	2 423	2 423	2 423	2 423	2 423	2 423	2 423	2 423	2 423	2 423	2 423	2 423	29 080	30 445	32 180
Licences and permits	571	571	571	571	571	571	571	571	571	571	571	571	6 850	7 193	7 588
Agency services													-		
Transfers and Subsidies - Operational	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	18 959	15 390	15 840
Other revenue	30 620	30 620	30 620	30 620	30 620	30 620	30 620	30 620	30 620	30 620	30 620	30 621	367 445	200 269	201 571
<b>Cash Receipts by Source</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 244</b>	<b>171 245</b>	<b>2 054 932</b>	<b>2 023 924</b>	<b>2 152 259</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	11 195	134 338	120 786	134 973
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)													-		
Proceeds on Disposal of Fixed and Intangible Assets													-		
Short term loans													-		
Borrowing long term/refinancing													-		
Increase (decrease) in consumer deposits	300	300	300	300	300	300	300	300	300	300	300	300	3 601	2 928	2 608
Decrease (increase) in non-current receivables	96	96	96	96	96	96	96	96	96	96	96	96	1 151	(2 143)	(1 893)
Decrease (increase) in non-current investments													-		
<b>Total Cash Receipts by Source</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>182 835</b>	<b>2 194 022</b>	<b>2 145 496</b>	<b>2 287 947</b>
<b>Cash Payments by Type</b>															
Employee related costs	68 248	68 248	68 248	68 248	68 248	68 248	68 248	68 248	68 248	68 248	68 248	68 244	818 971	865 954	913 822
Remuneration of councillors													-		
Finance charges	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	38 960	38 488	37 910
Bulk purchases - electricity	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	56 833	682 000	763 840	840 224
Acquisitions - water & other inventory	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	9 999	120 000	126 600	133 563
Contracted services													-		
Transfers and grants - other municipalities													-		
Transfers and grants - other	372	372	372	372	372	372	372	372	372	372	372	372	4 460	4 568	4 677
Other expenditure	34 604	34 604	34 604	34 604	34 604	34 604	34 604	34 604	34 604	34 604	34 604	34 600	415 242	432 432	459 063
<b>Cash Payments by Type</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 304</b>	<b>173 294</b>	<b>2 079 633</b>	<b>2 231 881</b>	<b>2 389 259</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	15 837	190 043	154 168	164 069
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	364	364	364	364	364	364	364	364	364	364	364	364	4 373	4 591	4 867
<b>Total Cash Payments by Type</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 505</b>	<b>189 495</b>	<b>2 274 048</b>	<b>2 390 641</b>	<b>2 558 195</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 670)</b>	<b>(6 660)</b>	<b>(80 026)</b>	<b>(245 145)</b>	<b>(270 248)</b>
Cash/cash equivalents at the month/year begin:	172 922	166 253	159 583	152 913	146 244	139 574	132 904	126 235	119 565	112 895	106 226	99 556	172 922	92 896	(152 249)
Cash/cash equivalents at the month/year end:	166 253	159 583	152 913	146 244	139 574	132 904	126 235	119 565	112 895	106 226	99 556	92 896	92 896	(152 249)	(422 496)

References

1. Note that this section of Table SA 30 is deliberately not linked to Table A4 because timing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure. However for the MTREF it is now directly linked to A7.

**NC091 Sol Plaatje - NOT REQUIRED - municipality does not have entities**

[illegible]

**NC091 Sol Plaatje - Supporting Table SA32 List of external mechanisms**

External mechanism  Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
Dbsa Loan @ 12.445%	M	240	Piped Water Inside Dwelling	30 June 2031	31
Dbsa Loan @ 12.61%	M	240	Piped Water Inside Dwelling	31 December 2028	3
Dbsa Loan @ 6.75%	M	288	Piped Water Inside Dwelling	31 December 2023	1

References

1. Total agreement period from commencement until end
2. Annual value

NC091 Sol Plaatje - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Total Contract Value
		Total	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3													
Parent Municipality:														
<u>Revenue Obligation By Contract</u>	2													
No Future Contracts Greater Than 5m		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													
No Future Contracts Greater Than 5m		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													
Upgrade Stormwater Galeshewe		-	40 000	-	-	-	-	-	-	-	-	-	-	40 000
Lerato Park Link Water And Sewer		-	-	-	-	-	-	-	-	-	-	-	-	-
Homevale Fire Station		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure Implication		-	40 000	-	-	-	-	-	-	-	-	-	-	40 000
Total Parent Expenditure Implication		-	40 000	-	-	-	-	-	-	-	-	-	-	40 000
Entities:														
<u>Revenue Obligation By Contract</u>	2													
														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													
														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													
														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

References

1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column

2. List all contracts with future financial obligations beyond the three years covered by the MTREF (MFMA s33)

3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R1million. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million

NC091 Sol Plaatje - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		54 793	35 989	39 101	87 266	61 266	61 266	55 090	20 000	20 896
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation										
Electrical Infrastructure		24 017	12 108	16 469	65 000	38 000	38 000	33 000	20 000	20 896
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks		24 017	10 297	16 469	65 000	38 000	38 000	33 000	20 000	20 896
Capital Spares		-	1 811	-	-	-	-	-	-	-
Water Supply Infrastructure		19 297	7 058	1 312	-	1 000	1 000	1 000	-	-
Dams and Weirs										
Boreholes										
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		7 302	-	-	-	-	-	-	-	-
Water Treatment Works										
Bulk Mains		-	693	-	-	-	-	-	-	-
Distribution		11 995	6 365	1 312	-	1 000	1 000	1 000	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-						
Capital Spares										
Sanitation Infrastructure		11 479	16 823	21 320	22 266	22 266	22 266	21 090	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		11 479	16 823	21 320	22 266	22 266	22 266	21 090	-	-
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares										
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										



<b>Community Assets</b>	<b>1 856</b>	<b>4 534</b>	<b>5 055</b>	<b>-</b>	<b>3 000</b>	<b>3 000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community Facilities	1 856	4 534	5 055	-	3 000	3 000	-	-	-
Halls									
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations	1 856	4 534	5 055	-	3 000	3 000	-	-	-
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities									
Capital Spares									
<b>Heritage assets</b>	<b>4 207</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Monuments	4 207	-	-	-	-	-	-	-	-
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
<b>Investment properties</b>	<b>2 660</b>	<b>813</b>	<b>1 437</b>	<b>3 000</b>	<b>3 000</b>	<b>3 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>
Revenue Generating	2 660	813	1 437	3 000	3 000	3 000	5 000	5 000	5 000
Improved Property	2 660	813	1 437	3 000	3 000	3 000	5 000	5 000	5 000
Unimproved Property									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
<b>Other assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices									
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
Stores									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	-	-	-	-	-	-	-	-	-
Staff Housing									
Social Housing									
Capital Spares									
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Biological or Cultivated Assets									
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>2 483</b>	<b>-</b>	<b>14 400</b>	<b>14 400</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes									
Licences and Rights	-	-	2 483	-	14 400	14 400	-	-	-
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications									
Unspecified	-	-	2 483	-	14 400	14 400	-	-	-
<b>Computer Equipment</b>	<b>-</b>	<b>3 253</b>	<b>1 687</b>	<b>3 500</b>	<b>3 500</b>	<b>3 500</b>	<b>11 300</b>	<b>3 500</b>	<b>3 500</b>
Computer Equipment	-	3 253	1 687	3 500	3 500	3 500	11 300	3 500	3 500
<b>Furniture and Office Equipment</b>	<b>-</b>	<b>634</b>	<b>76</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>
Furniture and Office Equipment	-	634	76	2 000	2 000	2 000	2 000	2 000	2 000
<b>Machinery and Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and Equipment									
<b>Transport Assets</b>	<b>-</b>	<b>5 323</b>	<b>1 825</b>	<b>4 000</b>	<b>9 500</b>	<b>9 500</b>	<b>35 405</b>	<b>21 882</b>	<b>17 596</b>
Transport Assets	-	5 323	1 825	4 000	9 500	9 500	35 405	21 882	17 596
<b>Land</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Land									
<b>Zoo's, Marine and Non-biological Animals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Zoo's, Marine and Non-biological Animals									
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>63 516</b>	<b>50 547</b>	<b>51 665</b>	<b>99 766</b>	<b>96 666</b>	<b>96 666</b>	<b>108 795</b>	<b>52 382</b>

#### References

1. Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on upgrading of existing assets (SA34e) must reconcile to total capital expenditure on new and existing assets (SA34c).

check balance

- - - - -

**NC091 Sol Plaatje - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class**

[illegible]

1. Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on upgrading of existing assets (SA34e) must reconcile to total capital expenditure (SA34c).

*check balance*

**NC091 Sol Plaatje - Supporting Table SA34c Repairs and maintenance expenditure by asset class**

RCSG's Strategic Supporting Table BSCC: Repairs and Maintenance Expenditure by Asset Class										
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		185 414	170 309	189 325	209 850	221 564	221 564	222 251	234 738	249 884
Roads Infrastructure		42 323	46 057	47 389	45 195	45 400	45 400	51 355	53 642	58 258
Roads		34 301	39 850	41 329	38 685	38 940	38 940	40 847	43 109	45 695
Road Structures										
Road Furniture		8 022	6 206	6 060	6 510	6 460	6 460	10 508	10 533	12 563
Capital Spares										
Storm water Infrastructure		598	–	542	600	1 245	1 245	570	601	637
Drainage Collection		598	–	542	600	1 245	1 245	570	601	637
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		56 875	52 173	57 938	64 176	63 416	63 416	67 247	71 430	75 568
Power Plants										
HV Substations		968	1 097	1 002	1 280	1 280	1 280	1 150	1 219	1 286
HV Switching Station		5 037	4 081	4 028	4 850	5 607	5 607	5 070	5 362	5 661
HV Transmission Conductors										
MV Substations		1 054	1 553	1 612	1 630	1 629	1 629	1 650	1 749	1 845
MV Switching Stations		4 731	4 793	4 697	5 850	5 682	5 682	5 490	5 819	6 139
MV Networks		1 965	1 576	2 741	1 900	2 073	2 703	2 862	3 019	3 019
LV Networks		14 072	14 307	15 607	16 050	16 428	16 428	17 650	18 789	19 951
Capital Spares		29 049	24 766	28 250	32 616	30 717	30 717	33 537	35 629	37 666
Water Supply Infrastructure		36 640	37 718	44 102	45 998	56 168	56 168	49 386	52 349	55 490
Dams and Weirs										
Boreholes										
Reservoirs		1 987	675	4 172	5 400	9 450	9 450	5 200	5 512	5 843
Pump Stations		716	66	18	1 400	4 300	4 300	1 000	1 060	1 124
Water Treatment Works		2 189	5 508	1 694	2 900	2 220	2 220	2 300	2 438	2 584
Bulk Mains		214	2 125	1 419	3 000	1 700	1 700	3 000	3 180	3 371
Distribution		29 980	23 882	31 122	30 943	35 188	35 188	33 351	35 352	37 473
Distribution Points										
PRV Stations										
Capital Spares		1 554	5 463	5 678	2 355	3 310	3 310	4 535	4 807	5 096
Sanitation Infrastructure		28 872	20 370	24 371	30 903	32 587	32 587	31 725	33 473	35 316
Pump Station		9 420	3 161	6 509	8 050	9 420	9 420	8 250	8 706	9 188
Reticalulation		17 484	17 039	17 534	20 553	21 447	21 447	21 175	22 340	23 568
Waste Water Treatment Works		391	25	51	500	200	200	500	528	557
Outfall Sewers										
Toilet Facilities		1 578	144	276	1 800	1 520	1 520	1 800	1 899	2 003
Capital Spares										
Solid Waste Infrastructure		18 778	13 991	14 983	22 978	22 748	22 748	21 968	23 243	24 615
Landfill Sites		18 525	13 802	14 745	22 698	22 498	22 498	21 688	22 949	24 304
Waste Transfer Stations										
Waste Processing Facilities		253	189	238	280	250	250	280	294	310
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		1 329	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares		1 329	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		3 318	2 318	3 188	4 210	4 306	4 306	3 885	4 097	4 324
Community Facilities		2 916	1 785	2 746	3 420	3 606	3 606	3 175	3 642	3 843
Halls		47	110	1 016	130	168	168	130	138	145
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations		181	–	178	200	200	200	200	210	222
Testing Stations										
Museums										
Galleries										

References

1. Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1

1. Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1

[illegible]





**NC091 Sol Plaatje - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class**

Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure										
Roads Infrastructure		48 637	79 738	31 971	32 500	19 800	19 800	21 000	32 000	42 000
Roads		-	79 738	31 971	30 000	17 300	17 300	12 000	30 000	40 000
Road Structures		-	79 738	31 971	30 000	17 300	17 300	12 000	30 000	40 000
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		12 637	-	-	1 500	1 500	1 500	7 000	-	-
Power Plants										
HV Substations		12 637	-	-	1 500	1 500	1 500	7 000	-	-
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		14 713	-	-	1 000	1 000	1 000	2 000	2 000	2 000
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains		14 713	-	-	-	-	-	-	-	-
Distribution		-	-	-	1 000	1 000	1 000	2 000	2 000	2 000
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		21 287	-	-	-	-	-	-	-	-
Pump Station										
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works										
Outfall Sewers		21 287	-	-	-	-	-	-	-	-
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		-	-	643	8 000	8 000	8 000	8 300	-	-
Community Facilities		-	-	643	8 000	8 000	8 000	8 300	-	-
Halls										
Centres										
Orchards										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										





**NC091 Sol Plaatje - Supporting Table SA35 Future financial implications of the capital budget**

Vote Description R thousand	Ref	2022/23 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Present value
<b>Capital expenditure</b>	1							
Vote 01 - Executive & Council		-	-	-	-	-	-	-
Vote 02 - Municipal And General		53 705	52 382	58 096	-	-	-	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		8 300	-	-	-	-	-	-
Vote 08 - Infrastructure And Services		128 038	101 786	105 973	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-
List entity summary if applicable								
<b>Total Capital Expenditure</b>		<b>190 043</b>	<b>154 168</b>	<b>164 069</b>	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 01 - Executive & Council								
Vote 02 - Municipal And General								
Vote 03 - Municipal Manager								
Vote 04 - Corporate Services								
Vote 05 - Community Services								
Vote 06 - Financial Services								
Vote 07 - Strategy Econ Development And Planning								
Vote 08 - Infrastructure And Services								
Vote 09 -								
Vote 10 -								
Vote 11 -								
Vote 12 -								
Vote 13 -								
Vote 14 -								
Vote 15 - Other								
List entity summary if applicable								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates		627 646	658 284	688 753				
Service charges - electricity revenue		919 854	1 016 768	1 108 634				
Service charges - water revenue		310 717	337 475	354 626				
Service charges - sanitation revenue		81 700	86 203	91 156				
Service charges - refuse revenue		60 940	65 839	70 641				
Rental of facilities and equipment		13 010	13 662	14 414				
List other revenues sources if applicable		6 000	12 000	15 000				
List entity summary if applicable								
<b>Total future revenue</b>		<b>2 019 867</b>	<b>2 190 232</b>	<b>2 343 224</b>	-	-	-	-
<b>Net Financial Implications</b>		<b>(1 829 824)</b>	<b>(2 036 064)</b>	<b>(2 179 155)</b>	-	-	-	-

**References**

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

NC091 Sol Plaatje - Supporting Table SA36 Detailed capital budget

R thousand														2022/23 Medium Term Revenue & Expenditure Framework			
	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2020/21	Current Year 2021/22 Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality:																	
List all capital projects grouped by Function																	
Corporate Wide Strategic Planning (I	Craven Street Trade Centre	2002002002001018_00	UPGRADING	ent, effective and development-oriented public	Inclusion and Access			Community Facilities	Stalls	WHOLE OF THE MUNICIPALITY	0	0	643	8 000	8 300	-	-
Corporate Wide Strategic Planning (I	European Union Bear Project	0020030070022006_00	NEW	ent, effective and development-oriented public	Growth			Licences And Rights	Unspecified	WHOLE OF THE MUNICIPALITY	0	0	2 483	14 400	-	-	-
Electricity	El lu C - Hv Subs-Acq/Carteri GI Sbt	001001002001002_00	UPGRADING	competitive and responsive economic infrastru	Inclusion and Access			Electrical Infrastructure	Hv Substations	WARD 26	0	0	-	-	7 000	-	-
Electricity	Upgrade Hadson Park 66/11 Kv Substation	001001002001002_00	UPGRADING	competitive and responsive economic infrastru	Inclusion and Access			Electrical Infrastructure	Hv Substations	WARD 34	0	0	-	1 500	-	-	-
Electricity	El lu C - Lv Netw-Acq/Elec Houses	0001002001008_000	NEW	competitive and responsive economic infrastru	Growth			Electrical Infrastructure	Lv Networks	WHOLE OF THE MUNICIPALITY	0	0	-	-	-	20 000	20 898
Electricity	Electric Lerato Park Link Serv Network	0001002001008_000	NEW	competitive and responsive economic infrastru	Growth			Electrical Infrastructure	Lv Networks	WARD 28	0	0	-	5 000	-	-	-
Electricity	Electrification Golf Course	0001002001008_000	NEW	competitive and responsive economic infrastru	Growth			Electrical Infrastructure	Lv Networks	WARD 19	0	0	-	5 400	-	-	-
Electricity	Electrification Lerato Park	0001002001008_000	NEW	competitive and responsive economic infrastru	Growth			Electrical Infrastructure	Lv Networks	WARD 28	0	0	16 469	3 000	-	-	-
Electricity	Electrification Letabo Park	0001002001008_000	NEW	competitive and responsive economic infrastru	Growth			Electrical Infrastructure	Lv Networks	WARD 38	0	0	-	23 320	-	-	-
Electricity	Networks Acq - Electr Mathibe	0001002001008_000	NEW	competitive and responsive economic infrastru	Growth			Electrical Infrastructure	Lv Networks	WHOLE OF THE MUNICIPALITY	0	0	-	-	33 000	-	-
Electricity	Networks Acq - Electr Soul City	0001002001008_000	NEW	competitive and responsive economic infrastru	Growth			Electrical Infrastructure	Lv Networks	WHOLE OF THE MUNICIPALITY	0	0	-	1 280	-	-	-
Electricity	Install Vsd's At Newton Resevoir	001001001001008_00	RENEWAL	competitive and responsive economic infrastru	Inclusion and Access			Electrical Infrastructure	Lv Networks	WHOLE OF THE MUNICIPALITY	0	0	-	-	1 000	-	-
Electricity	Street Lights Replace 125w Mv With 36w	001001001001008_00	RENEWAL	competitive and responsive economic infrastru	Inclusion and Access			Electrical Infrastructure	Lv Networks	WHOLE OF THE MUNICIPALITY	0	0	-	-	3 000	-	-
Electricity	Capital Spares-Acq-Prepaid Meters	001001001001009_00	RENEWAL	competitive and responsive economic infrastru	Inclusion and Access			Electrical Infrastructure	Capital Spares	WHOLE OF THE MUNICIPALITY	0	0	-	1 000	2 000	2 000	2 000
Electricity	Eedam Projects	001001001001009_00	RENEWAL	competitive and responsive economic infrastru	Inclusion and Access			Electrical Infrastructure	Capital Spares	WHOLE OF THE MUNICIPALITY	0	0	-	-	-	4 000	4 000
Finance	P-Cier-Rd/Pav/Brd/Sw-Re-sealing	0001001001006001_00	RENEWAL	competitive and responsive economic infrastru	Inclusion and Access			Roads Infrastructure	Roads	WHOLE OF THE MUNICIPALITY	0	0	1 188	-	-	-	-
Finance	Resealing Of Roads Various Wards	0001001001006001_00	RENEWAL	competitive and responsive economic infrastru	Inclusion and Access			Roads Infrastructure	Roads	WHOLE OF THE MUNICIPALITY	0	0	4 974	-	-	-	-
Finance	Roads & Stormwater Upgrade Wards	0001001001007002_00	RENEWAL	competitive and responsive economic infrastru	Inclusion and Access			Storm Water Infrastructure	Storm Water Conveyance	WHOLE OF THE MUNICIPALITY	0	0	1 963	-	-	-	-
Finance	Roads Infra - lu C: Stormw Gsw	0001001002006001_00	UPGRADING	competitive and responsive economic infrastru	Inclusion and Access			Roads Infrastructure	Roads	WHOLE OF THE MUNICIPALITY	0	0	19 896	-	-	20 000	30 000
Finance	Stormwat Proj-Sw Channel Galash Ludg	0001001002006001_00	UPGRADING	competitive and responsive economic infrastru	Inclusion and Access			Roads Infrastructure	Roads	WHOLE OF THE MUNICIPALITY	0	0	-	-	-	-	-
Finance	Upgrade Gravel Roads Wards Various	0001001002006001_00	UPGRADING	competitive and responsive economic infrastru	Inclusion and Access			Roads Infrastructure	Roads	WHOLE OF THE MUNICIPALITY	0	0	12 075	-	-	-	-
Finance	Acq-Computer Equipment Replacement	PC002003004_0000	NEW	ent, effective and development-oriented public	Growth			Computer Equipment	Computer Equipment	WHOLE OF THE MUNICIPALITY	0	0	1 687	3 500	11 300	3 500	3 500
Finance	Acq-Furniture And Office Equip Replacem	PC002003005_0000	NEW	ent, effective and development-oriented public	Growth			Furniture And Office Equipment	Furniture And Office Equipment	WHOLE OF THE MUNICIPALITY	0	0	76	2 000	2 000	2 000	2 000
Finance	Additions-Planning And Surveying	002003008001001_00	NEW		Growth			Revenue Generating	Improved Property	WHOLE OF THE MUNICIPALITY	0	0	640	-	-	-	-
Finance	P-Coin In Pr R-G Imp Ptp	002003008001001_00	NEW		Growth			Revenue Generating	Improved Property	WHOLE OF THE MUNICIPALITY	0	0	-	3 000	5 000	5 000	5 000
Finance	Township Establishment Various Wards	002003008001001_00	NEW		Growth			Revenue Generating	Improved Property	WHOLE OF THE MUNICIPALITY	0	0	797	-	-	-	-
Finance	Acq-Fleet Replacement	PC002003010_0000	NEW		Growth			Transport Assets	Transport Assets	WHOLE OF THE MUNICIPALITY	0	0	1 825	9 500	35 405	21 882	17 596
Finance	P-Coin Com F Fire/Ambul	002003002001005_00	NEW	sive, responsive and sustainable social prote	Growth			Community Facilities	Fire/Ambulance Stations	WARD 3	0	0	5 055	3 000	-	-	-
Sewerage	Acq - Carters Glen Sewer Pump Station	0001001001003001_00	RENEWAL	competitive and responsive economic infrastru	Inclusion and Access			Sanitation Infrastructure	Pump Station	WHOLE OF THE MUNICIPALITY	0	0	19 291	21 000	19 948	17 768	-
Sewerage	Reconstruction Old Sink Toilets Phase 1	0001001001003005_00	RENEWAL	competitive and responsive economic infrastru	Inclusion and Access			Sanitation Infrastructure	Toilet Facilities	WARD 17	0	0	7 807	5 000	1 000	-	-
Sewerage	Reconstructr Of Sink Toilets Ward17	0001001001003005_00	RENEWAL	competitive and responsive economic infrastru	Inclusion and Access			Sanitation Infrastructure	Toilet Facilities	WARD 17	0	0	-	-	-	-	18 567
Sewerage	Leratopark Sewer Upgrad Downstream Inf	0001002005002_000	NEW	competitive and responsive economic infrastru	Growth			Sanitation Infrastructure	Reliculation	WARD 28	0	0	21 320	22 266	21 090	-	-
Town Planning, Building Regulations	P-Cier Rds Roads	0001001001006001_00	RENEWAL	competitive and responsive economic infrastru	Inclusion and Access			Roads Infrastructure	Roads	WHOLE OF THE MUNICIPALITY	0	0	-	11 700	15 000	20 000	20 000
Town Planning, Building Regulations	Resealing Of Roads Fb Wm	0001001001006001_00	RENEWAL	competitive and responsive economic infrastru	Inclusion and Access			Roads Infrastructure	Roads	WHOLE OF THE MUNICIPALITY	0	0	-	3 500	-	-	-
Town Planning, Building Regulations	Stormwat Proj-Sw Channel Galash Ludg	0001001002006001_00	UPGRADING	competitive and responsive economic infrastru	Inclusion and Access			Roads Infrastructure	Roads	WHOLE OF THE MUNICIPALITY	0	0	-	7 300	-	-	-
Town Planning, Building Regulations	Upgrade Gravel Roads Wards Various	0001001002006001_00	UPGRADING	competitive and responsive economic infrastru	Inclusion and Access			Roads Infrastructure	Roads	WHOLE OF THE MUNICIPALITY	0	0	-	10 000	12 000	10 000	10 000
Water Distribution	Water Pipes Refurb Prog Various Wards	0001001001004007_00	RENEWAL	competitive and responsive economic infrastru	Inclusion and Access			Water Supply Infrastructure	Distribution	WHOLE OF THE MUNICIPALITY	0	0	-	-	10 000	26 018	28 508
Water Distribution	Distribution-Acq-Wat Meter Replaceme	0001001002004007_00	UPGRADING	competitive and responsive economic infrastru	Inclusion and Access			Water Supply Infrastructure	Distribution	WHOLE OF THE MUNICIPALITY	0	0	-	1 000	2 000	2 000	2 000
Water Distribution	Elevated Water Tanks Distribution	0001002004007_000	NEW	competitive and responsive economic infrastru	Growth			Water Supply Infrastructure	Distribution	WHOLE OF THE MUNICIPALITY	0	0	1 312	1 000	1 000	-	-
Parent Capital expenditure													119 502	166 666	190 043	154 168	164 069
Entities:																	
List all capital projects grouped by Entity																	
Entity A																	
Entity B																	
Entity Capital expenditure													-	-	-	-	-
Total Capital expenditure													119 502	166 666	190 043	154 168	164 069
References																	
Must reconcile with Budgeted Capital Expenditure																	
Projects that fall above the threshold values applicable to the municipality as identified in regulation 13 of the Municipal Budget and Reporting Regulations must be listed individually. Other projects by Function																	
Asset class as per table A9 and asset sub-class as per table SA34																	
GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.																	
Distinguish projects approved in terms of MFMA section 19(1)(b) and MRRR Regulation 13																	
Project Number consists of MSC:OA Project Longcode and seq No (sample PC001002006002_00002)																	
check																	

NC091 Sol Plaatje - Supporting Table SA37 Projects delayed from previous financial year/s

R thousand													Previous target year to complete	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude		Original Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality:																		
List all capital projects grouped by Function																		
List all capital projects grouped by Entity																		
Entity Name																		
Project name																		

References

List all projects with planned completion dates in current year that have been re-budgeted in the MTREF

Asset class as per table A9 and asset sub-class as per table SA34

GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.

Project Details - Summary (Total: 1000 Projects)													Project Summary		Project Status	
Project ID	Project Name	Project Manager	Project Type	Project Status	Project Phase	Project Budget	Project Start Date	Project End Date	Project Duration	Project Progress	Project Risk	Project Priority	Project Owner	Project Manager	Project Status	Project Priority
1	Project A	John Doe	Software Development	In Progress	Phase 1	\$100,000	2023-01-01	2023-03-31	90 Days	75%	Low	High	John Doe	John Doe	In Progress	High
2	Project B	Jane Smith	Hardware Development	Completed	Phase 2	\$200,000	2023-02-01	2023-04-30	90 Days	100%	Medium	Medium	Jane Smith	Jane Smith	Completed	Medium
3	Project C	Mike Johnson	Cloud Migration	On Hold	Phase 1	\$150,000	2023-03-01	2023-05-31	90 Days	20%	High	Low	Mike Johnson	Mike Johnson	On Hold	Low
4	Project D	Sarah Brown	Mobile App Development	In Progress	Phase 1	\$80,000	2023-04-01	2023-06-30	90 Days	60%	Low	High	Sarah Brown	Sarah Brown	In Progress	High
5	Project E	David Wilson	Web Development	Completed	Phase 2	\$120,000	2023-05-01	2023-07-31	90 Days	100%	Medium	Medium	David Wilson	David Wilson	Completed	Medium
6	Project F	Emily Davis	Database Optimization	In Progress	Phase 1	\$90,000	2023-06-01	2023-08-31	90 Days	50%	Low	High	Emily Davis	Emily Davis	In Progress	High
7	Project G	Chris Miller	System Integration	On Hold	Phase 1	\$180,000	2023-07-01	2023-09-30	90 Days	10%	High	Low	Chris Miller	Chris Miller	On Hold	Low
8	Project H	Alexander Lee	Security Audit	Completed	Phase 2	\$70,000	2023-08-01	2023-10-31	90 Days	100%	Medium	Medium	Alexander Lee	Alexander Lee	Completed	Medium
9	Project I	Olivia White	UX Research	In Progress	Phase 1	\$60,000	2023-09-01	2023-11-30	90 Days	40%	Low	High	Olivia White	Olivia White	In Progress	High
10	Project J	Benjamin Green	API Development	On Hold	Phase 1	\$110,000	2023-10-01	2023-12-31	90 Days	15%	High	Low	Benjamin Green	Benjamin Green	On Hold	Low
11	Project K	Mia Black	Frontend Development	Completed	Phase 2	\$130,000	2023-11-01	2024-01-31	90 Days	100%	Medium	Medium	Mia Black	Mia Black	Completed	Medium
12	Project L	Noah Gray	Backend Development	In Progress	Phase 1	\$140,000	2023-12-01	2024-02-28	90 Days	30%	Low	High	Noah Gray	Noah Gray	In Progress	High
13	Project M	Ava Blue	Database Migration	On Hold	Phase 1	\$160,000	2024-01-01	2024-03-31	90 Days	5%	High	Low	Ava Blue	Ava Blue	On Hold	Low
14	Project N	Liam Red	System Upgrade	Completed	Phase 2	\$190,000	2024-02-01	2024-04-30	90 Days	100%	Medium	Medium	Liam Red	Liam Red	Completed	Medium
15	Project O	Isabella Purple	Mobile App Launch	In Progress	Phase 1	\$105,000	2024-03-01	2024-05-31	90 Days	65%	Low	High	Isabella Purple	Isabella Purple	In Progress	High
16	Project P	Ethan Yellow	Web Development	On Hold	Phase 1	\$115,000	2024-04-01	2024-06-30	90 Days	12%	High	Low	Ethan Yellow	Ethan Yellow	On Hold	Low
17	Project Q	Sophia Pink	Database Optimization	Completed	Phase 2	\$85,000	2024-05-01	2024-07-31	90 Days	100%	Medium	Medium	Sophia Pink	Sophia Pink	Completed	Medium
18	Project R	Lucas Brown	System Integration	In Progress	Phase 1	\$175,000	2024-06-01	2024-08-31	90 Days	25%	High	Low	Lucas Brown	Lucas Brown	In Progress	Low
19	Project S	Charlotte Green	Security Audit	On Hold	Phase 1	\$75,000	2024-07-01	2024-09-30	90 Days	8%	Medium	Medium	Charlotte Green	Charlotte Green	On Hold	Medium
20	Project T	James Blue	UX Research	Completed	Phase 2	\$65,000	2024-08-01	2024-10-31	90 Days	100%	Low	High	James Blue	James Blue	Completed	High
21	Project U	Amelia Red	API Development	In Progress	Phase 1	\$125,000	2024-09-01	2024-11-30	90 Days	45%	High	Low	Amelia Red	Amelia Red	In Progress	Low
22	Project V	William Purple	Frontend Development	On Hold	Phase 1	\$135,000	2024-10-01	2025-01-31	90 Days	18%	High	Low	William Purple	William Purple	On Hold	Low
23	Project W	Harper Yellow	Backend Development	Completed	Phase 2	\$145,000	2024-11-01	2025-02-28	90 Days	100%	Medium	Medium	Harper Yellow	Harper Yellow	Completed	Medium
24	Project X	Evelyn Pink	Database Migration	In Progress	Phase 1	\$155,000	2025-01-01	2025-03-31	90 Days	35%	High	Low	Evelyn Pink	Evelyn Pink	In Progress	Low
25	Project Y	Benjamin Brown	System Upgrade	On Hold	Phase 1	\$185,000	2025-02-01	2025-04-30	90 Days	10%	Medium	Medium	Benjamin Brown	Benjamin Brown	On Hold	Medium
26	Project Z	Isabella Green	Mobile App Launch	Completed	Phase 2	\$108,000	2025-03-01	2025-05-31	90 Days	100%	Low	High	Isabella Green	Isabella Green	Completed	High
27	Project AA	Ethan Blue	Web Development	In Progress	Phase 1	\$118,000	2025-04-01	2025-06-30	90 Days	22%	High	Low	Ethan Blue	Ethan Blue	In Progress	Low

FORM	YEAR	END	MUNCDE	ITEMCODE	SEQ
BSD	2022		NC091	1000	1
BSD	2022		NC091	1100	2
BSD	2022		NC091	1101	3
BSD	2022		NC091	1102	4
BSD	2022		NC091	1103	5
BSD	2022		NC091	1104	6
BSD	2022		NC091	1105	7
BSD	2022		NC091	1106	8
BSD	2022		NC091	1107	9
BSD	2022		NC091	1108	10
BSD	2022		NC091	1109	11
BSD	2022		NC091	1110	12
BSD	2022		NC091	1200	13
BSD	2022		NC091	1201	14
BSD	2022		NC091	1202	15
BSD	2022		NC091	1203	16
BSD	2022		NC091	1204	17
BSD	2022		NC091	1205	18
BSD	2022		NC091	1206	19
BSD	2022		NC091	1207	20
BSD	2022		NC091	1208	21
BSD	2022		NC091	1209	22
BSD	2022		NC091	1210	23
BSD	2022		NC091	1211	24
BSD	2022		NC091	1300	25
BSD	2022		NC091	1301	26
BSD	2022		NC091	1302	27
BSD	2022		NC091	1303	28
BSD	2022		NC091	1304	29
BSD	2022		NC091	1305	30
BSD	2022		NC091	1306	31
BSD	2022		NC091	1307	32
BSD	2022		NC091	1308	33
BSD	2022		NC091	1400	34
BSD	2022		NC091	1401	35
BSD	2022		NC091	1402	36
BSD	2022		NC091	1403	37
BSD	2022		NC091	1404	38
BSD	2022		NC091	1405	39
BSD	2022		NC091	1406	40
BSD	2022		NC091	1407	41
BSD	2022		NC091	1408	42
BSD	2022		NC091	1409	43
BSD	2022		NC091		
BSD	2022		NC091	1500	45
BSD	2022		NC091	1501	46
BSD	2022		NC091	1502	47
BSD	2022		NC091	1503	48
BSD	2022		NC091	1504	49
BSD	2022		NC091		
BSD	2022		NC091	1600	51
BSD	2022		NC091	1601	52
BSD	2022		NC091	1602	53
BSD	2022		NC091	1603	54
BSD	2022		NC091	1604	55
BSD	2022		NC091	1606	56

**SECTION 2:**

**TARIFFS**

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 2019 General Valuation Roll



**ALL TARIFFS ARE VAT INCLUSIVE WHERE APPLICABLE**  
**ANY FUTURE CHANGES IN VAT WILL BE IMPLEMENTED ACCORDINGLY.**

1.1

**LEVY OF RATES (FINANCE/VALUATIONS)**

	PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
Residential Property	0.011179	0.011948	0.012531	0.013111
Vacant Residential Property	0.016768	0.017922	0.018796	0.019667
Industrial Property	0.035774	0.038234	0.040100	0.041956
Vacant Industrial	0.039126	0.041817	0.043858	0.045889
Business and Commercial Property	0.033537	0.035843	0.037592	0.039333
Vacant Business and Commercial Property	0.039126	0.041817	0.043858	0.045889
Agricultural Property	0.002795	0.002987	0.003133	0.003278
Mining Property	0.245938	0.131426	0.137839	0.144221
Public Service Property	0.050307	0.053766	0.056390	0.059001
Public Service Infrastructure	0.000000	0.000000	0.000000	0.000000
Public Benefit Activity Property	0.000000	0.000000	0.000000	0.000000
Place of Worship	0.000000	0.000000	0.000000	0.000000
Land Reform Beneficiary	0.000000	0.000000	0.000000	0.000000
Private Open Space	0.011179	0.011948	0.012531	0.013111
Municipal property used for Municipal Purposes	0.000000	0.000000	0.000000	0.000000
Independent Schools	0.005589	0.005974	0.006265	0.006556
Sports Grounds and facilities operated for gain	0.000000	0.000000	0.000000	0.000000
Average rates tariff	0.017359	0.018142	0.019028	0.019909

1.1.1

An allowance has been made for the inclusion of rebates for Pensioners, Disabled Persons, Bona Fide Agricultural Property, Rural Residential Properties, Rural Commercial, Rural Industrial, Creches and Guesthouse Properties meeting certain criteria. The proposed rebate for Pensioners and Disabled Persons is 60 % and the income threshold to qualify is R 140 000 in addition to criteria per the Policy. The proposed rebate for Rural Residential is 15%, bona fide Agricultural Property is 50 %, Rural Commercial and Industrial properties is 75% and Creches and Guesthouses is 30% subject to the requirements per the policy.

1.1.2

Public Service Infrastructure is no longer feasible to rate due to the regulated rating ratios. It is therefore zero (0) rated.

1.1.3

A special rebate has been introduced where property is affected by any natural disaster as defined by the Disaster Management Act, No 16 of 2015. This rebate is set at 50 % of the tariff of the particular category of the particular category of property affected by such natural disaster and is additional to any other rebates.

1.1.4

The next General Valuation Roll is set down for implementation on the 1st of July 2023.

1.1.5

There have been additions to the rating categories which have been brought about by recent amendments of the Local Government: Municipal Property Rates Act 6 of 2004.

1.1.6

The categories of property with zero rate tariffs are those that are impermissible to rate in terms of the MPRA, not feasible to rate, or for public benefit purposes not desirable to rate.

1.1.7

Subject to section 19, a municipality may, in terms of the criteria set out in its rates policy, levy different rates for different categories of rateable property, determined in subsection (2) and (3), which must be determined according to the:


- use of the property;
- permitted use of the property; or
- a combination of (a) and (b).


The following categories was based on ownership and will be removed as from 1 July 2021 and incorporated into other categories according to use:

- Property Used by Organ of State
- Solar Farms
- University



		PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
1.2	<b><u>MUNICIPAL SWIMMING POOLS &amp; SPORTS FIELDS (COMMUNITY &amp; SOCIAL DEVELOPMENT SERVICES)</u></b>				
1.2.1	<b><u>Karen Muir Swimming Pool</u></b>				
	Admission fees - Children	14.00	15.00	16.00	17.00
	Admission fees - Adults	19.00	20.00	21.00	22.00
	Season tickets - Children	144.00	151.00	158.00	165.00
	Season tickets - Adults	249.00	261.00	274.00	287.00
	Hire of pool	2,095.00	2,200.00	2,307.00	2,414.00
	Key / Loss / damage / breakage deposit	1,764.00	1,852.00	1,942.00	2,032.00
1.2.2	<b><u>Florianville Swimming Pool</u></b>				
	Admission fees - Children	14.00	15.00	16.00	17.00
	Admission fees - Adults	19.00	20.00	21.00	22.00
	Season tickets - Children	122.00	128.00	134.00	140.00
	Season tickets - Adults	199.00	209.00	219.00	229.00
	Hire of pool	1,984.00	2,083.00	2,185.00	2,286.00
	Key / Loss / damage / breakage deposit	1,764.00	1,852.00	1,942.00	2,032.00
1.2.3	<b><u>Roodepan Swimming Pool</u></b>				
	Admission fees - Children	10.00	11.00	12.00	13.00
	Admission fees - Adults	19.00	20.00	21.00	22.00
	Season tickets - Children	110.00	116.00	122.00	128.00
	Season tickets - Adults	177.00	186.00	195.00	204.00
	Hire of pool	1,984.00	2,083.00	2,185.00	2,286.00
	Key / Loss / damage / breakage deposit	1,764.00	1,852.00	1,942.00	2,032.00
1.2.4	<b><u>Galeshewe Swimming Pool</u></b>				
	Admission fees - Children	10.00	11.00	12.00	13.00
	Admission fees - Adults	19.00	20.00	21.00	22.00
	Season tickets - Children	110.00	116.00	122.00	128.00
	Season tickets - Adults	177.00	186.00	195.00	204.00
	Hire of pool	1,984.00	2,083.00	2,185.00	2,286.00
	Key / Loss / damage / breakage deposit	1,764.00	1,852.00	1,942.00	2,032.00
	* Hire of pool for functions / commercial use (tariff applicable to all pools)	4,410.00	4,631.00	4,857.00	5,082.00
	* Key / Loss / damage / breakage deposit	2,756.00	2,894.00	3,035.00	3,176.00
1.2.5	<b><u>De Beers Stadium</u></b>				
	Hire of athletics track	1,477.00	1,551.00	1,627.00	1,702.00
	Key / Loss / damage / breakage deposit	1,477.00	1,551.00	1,627.00	1,702.00
	Apparatus per day	882.00	926.00	971.00	1,016.00
	Key / Loss / damage / breakage deposit	1,213.00	1,274.00	1,336.00	1,398.00
	Training sessions (Schools/Clubs) per season	204.00	214.00	224.00	234.00
	Hire of sports field/preparation fee	794.00	834.00	875.00	916.00
	Key / Loss / damage / breakage deposit	1,213.00	1,274.00	1,336.00	1,398.00
	Preparation Fee	794.00	834.00	875.00	916.00
	VIP Lounge	794.00	834.00	875.00	916.00
	Lights :Fixed (plus hourly rate)	1,697.00	1,782.00	1,869.00	1,956.00
	: Hourly rate	53.00	56.00	59.00	62.00
	<b>HIRE OF STADIUM</b>				
	Other than sport	2,756.00	2,894.00	3,035.00	3,176.00
	Key / Loss / damage / breakage deposit	2,205.00	2,315.00	2,428.00	2,540.00
	Music festivals/events /commercial use	25,355.00	26,623.00	27,922.00	29,215.00
	Key / Loss / damage / breakage deposit	35,277.00	37,041.00	38,849.00	40,648.00
	<b>HIRE OF HALL NO. 4</b>				
	Indoor sport	177.00	186.00	195.00	204.00
	Hire of cafeteria/bar	353.00	371.00	389.00	407.00
	Key / Loss / damage / breakage deposit	1,213.00	1,274.00	1,336.00	1,398.00

		PRESENT TARIFFS 	PROPOSED TARIFFS 2022/07/01	PROPOSED TARIFFS 2023/07/01	PROPOSED TARIFFS 2024/07/01
		R	R	R	R
<b>PRACTICE SESSIONS FOR ATHLETICS</b>					
	Season ticket for individuals	187.00	196.00	206.00	216.00
	Individual per session	48.00	50.00	52.00	54.00
<b>GROUPS:</b>					
	1 - 10 per session	83.00	87.00	91.00	95.00
	11 - 20 per session	106.00	111.00	116.00	121.00
	21 - 30 per session	134.00	141.00	148.00	155.00
	31 - 40 per session	165.00	173.00	181.00	189.00
	41 - 60 per session	193.00	203.00	213.00	223.00
	61 and more per session	281.00	295.00	309.00	323.00
1.2.6	<b><u>Galeshewe Stadium</u></b>				
	Sport per day	1,102.00	1,157.00	1,213.00	1,269.00
	Hire of multipurpose courts and athletic track	New	900.00	944.00	988.00
	Key / Loss / damage / breakage deposit	1,488.00	1,562.00	1,638.00	1,714.00
	Other than sport	4,961.00	5,209.00	5,463.00	5,716.00
	Key / Loss / damage / breakage deposit	2,205.00	2,315.00	2,428.00	2,540.00
	Music festivals/events /commercial use	19,843.00	20,835.00	21,852.00	22,864.00
	Key / Loss / damage / breakage deposit	34,174.00	35,883.00	37,634.00	39,376.00
	Lights :Fixed (plus hourly rate)	3,417.00	3,588.00	3,763.00	3,937.00
	: Hourly rate	99.00	104.00	109.00	114.00
1.2.7	<b><u>Galeshewe Arena</u></b>				
	Hire of arena per day	430.00	452.00	474.00	496.00
	Hire of hall per day	220.00	231.00	242.00	253.00
	Key / Loss / damage / breakage deposit	717.00	753.00	790.00	827.00
	Music festivals/events /commercial use	6,504.00	6,829.00	7,162.00	7,494.00
	Key / Loss / damage / breakage deposit	13,229.00	13,890.00	14,568.00	15,242.00
	Lights :Fixed (plus hourly rate)	55.00	58.00	61.00	64.00
	: Hourly rate	16.00	17.00	18.00	19.00
1.2.8	<b><u>West-End Indoor Facility</u></b>				
	<b><u>Competitive sport -</u></b>				
	Prior occupation per day	808.00	852.00	894.00	935.00
	Main Hall (per day)	1,899.00	2,003.00	2,101.00	2,198.00
	Key / Loss / damage / breakage deposit	1,888.00	1,992.00	2,089.00	2,186.00
	Small Hall (per day)	1,179.00	1,244.00	1,305.00	1,365.00
	Key / Loss / damage / breakage deposit	1,179.00	1,244.00	1,305.00	1,365.00
	<b><u>Training sessions -</u></b>				
	Main Hall (per hour)	196.00	207.00	217.00	227.00
	Key / Loss / damage / breakage deposit	295.00	311.00	326.00	341.00
	Small Hall (per hour)	141.00	149.00	156.00	163.00
	Key / Loss / damage / breakage deposit	259.00	273.00	286.00	299.00
	<b><u>Other than sport -</u></b>				
	Prior occupation per day	943.00	995.00	1,044.00	1,092.00
	Main Hall	2,359.00	2,489.00	2,610.00	2,731.00
	Key / Loss / damage / breakage deposit	2,359.00	2,489.00	2,610.00	2,731.00
	Small Hall	1,321.00	1,394.00	1,462.00	1,530.00
	Key / Loss / damage / breakage deposit	1,415.00	1,493.00	1,566.00	1,639.00
	<b><u>Commercial use -</u></b>				
	Prior occupation per day	968.00	1,021.00	1,071.00	1,121.00
	Main Hall (per day)	5,308.00	5,600.00	5,873.00	6,145.00
	Key / Loss / damage / breakage deposit	15,688.00	16,551.00	17,359.00	18,163.00
	Small Hall (per day)	2,359.00	2,489.00	2,610.00	2,731.00
	Key / Loss / damage / breakage deposit	2,359.00	2,489.00	2,610.00	2,731.00
	Kitchen (per day)	673.00	710.00	745.00	779.00
	Key / Loss / damage / breakage deposit	1,179.00	1,244.00	1,305.00	1,365.00

	PRESENT TARIFFS 	PROPOSED TARIFFS 2022/07/01	PROPOSED TARIFFS 2023/07/01	PROPOSED TARIFFS 2024/07/01
	R	R	R	R
Braai (per day)	708.00	747.00	783.00	819.00
Key / Loss / damage / breakage deposit	1,179.00	1,244.00	1,305.00	1,365.00
Conference room	708.00	747.00	783.00	819.00
Key / Loss / damage / breakage deposit	826.00	871.00	914.00	956.00

1.2.9

**West-End Club****Commercial use -**

Prior occupation per day	1,038.00	1,095.00	1,148.00	1,201.00
Main Hall (per day)	5,072.00	5,351.00	5,612.00	5,872.00
Key / Loss / damage / breakage deposit	12,385.00	13,066.00	13,704.00	14,338.00

**Competitive sport -**

Prior occupation per day	885.00	934.00	980.00	1,025.00
Main Hall (per day)	1,179.00	1,244.00	1,305.00	1,365.00
Key / Loss / damage / breakage deposit	1,179.00	1,244.00	1,305.00	1,365.00

**Training sessions -**

Main Hall (per hour)	194.00	205.00	215.00	225.00
Key / Loss / damage / breakage deposit	318.00	335.00	351.00	367.00
Main Hall (other than specified)	2,654.00	2,800.00	2,937.00	3,073.00
Key / Loss / damage / breakage deposit	2,654.00	2,800.00	2,937.00	3,073.00
Kitchen	672.00	709.00	744.00	778.00
Key / Loss / damage / breakage deposit	1,179.00	1,244.00	1,305.00	1,365.00
Braai area	708.00	747.00	783.00	819.00
Key / Loss / damage / breakage deposit	1,179.00	1,244.00	1,305.00	1,365.00
Trog Bar	943.00	995.00	1,044.00	1,092.00
Key / Loss / damage / breakage deposit	1,179.00	1,244.00	1,305.00	1,365.00
Soccer Field	672.00	709.00	744.00	778.00
Key / Loss / damage / breakage deposit	943.00	995.00	1,044.00	1,092.00
Cricket field	672.00	709.00	744.00	778.00
Key / Loss / damage / breakage deposit	943.00	995.00	1,044.00	1,092.00
Air Conditioner	766.00	808.00	847.00	886.00
Deposit on hiring of facilities (Within 7 days of the request for the reservation)	50% of total amount	50% of total amount	50% of total amount	50% of total amount

**Cancellation**

If a reservation is cancelled within 30 days of occupation the refund to the client will be 50% of the deposit amount paid.

If a reservation is cancelled within 10 days of occupation 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 pre occupation fee payable 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 market related corkage fee may be charged 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.
18. Funerals to be charged as per item 1.9.5

If a request is received from the following organizations \* to use the facilities at a reduced tariff ONLY the Municipal Manager may approve a reduced tariff. The relevant deposit, which is refundable, is payable.

\* Registered Welfare Organisations

\* Registered Non-profitable Organisations

\* Schools and Churches

NB. Government Departments to pay full tariff.

If a contract is drawn up with a specific Provincial or National body for the hire of any of the facilities for sport (seasonal), the fee is R37 000-00 for the season

Deposit for reservation = 25% of total reservation fee to be paid within 7 days of booking.

Cancellation fee = 25% of total reservation fee.

1.2.10	<b><u>Open Mine Caravan Park</u></b>				
	Caravans - (per Caravan)	153.00	160.00	168.00	176.00
	- (per person)	77.00	80.00	84.00	88.00
	Caravan Club				
	Minimum of 20 Caravans - (per Caravan)	112.00	116.00	122.00	128.00
	- (per person)	71.00	74.00	78.00	82.00
	Pensioners - (per Caravan)	106.00	110.00	115.00	120.00
	- (per person)	71.00	74.00	78.00	82.00
	Tent (per site)	112.00	116.00	122.00	128.00
	(per person)	88.00	92.00	96.00	100.00
	Day Visitors:				
	Car (per car)	88.00	92.00	96.00	100.00
	(per person)	95.00	99.00	104.00	109.00
	Bus (per bus)	437.00	454.00	476.00	498.00
	(per person)	77.00	80.00	84.00	88.00
1.3	<b><u>BURIAL PLOT FEES (COMMUNITY &amp; SOCIAL DEVELOPMENT SERVICES)</u></b>				
1.3.1	<b><u>West-End and Kenilworth Cemeteries</u></b>				
	Re-opening (casket)	1,124.00	1,169.00	1,226.00	1,283.00
	Re-opening (adults)	915.00	952.00	998.00	1,044.00
	Re-opening (babies)	728.00	757.00	794.00	831.00
	Burial of ashes	242.00	252.00	264.00	276.00
	Grave fees (adult)	1,543.00	1,605.00	1,683.00	1,761.00
	Grave fees (children under 7)	1,179.00	1,226.00	1,286.00	1,346.00
	Special graves (casket)	2,172.00	2,259.00	2,369.00	2,479.00
	Wall of Remembrance (per niche)	2,282.00	2,373.00	2,489.00	2,604.00
	Two burials per grave	3,307.00	3,439.00	3,607.00	3,774.00
	Reserved graves	3,307.00	3,439.00	3,607.00	3,774.00
	Monument erection fee - single graves	563.00	586.00	615.00	643.00
	Monument erection fee - double graves	970.00	1,009.00	1,058.00	1,107.00
	Sundry payment - Saturday funerals	1,158.00	1,204.00	1,263.00	1,321.00

		PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
1.3.2	<b><u>Roodepan, Greenpoint and Galeshewe Cemeteries</u></b>				
	Re-opening (casket)	970.00	1,009.00	1,058.00	1,107.00
	Re-opening (adults)	738.00	768.00	805.00	842.00
	Re-opening (babies)	640.00	666.00	699.00	731.00
	Burial of ashes	242.00	252.00	264.00	276.00
	Grave fees (adult)	970.00	1,009.00	1,058.00	1,107.00
	Grave fees (children under 7)	430.00	447.00	469.00	491.00
	Special graves (casket)	1,874.00	1,949.00	2,044.00	2,139.00
	Pauper graves	408.00	424.00	445.00	466.00
	Two burials per grave	2,315.00	2,408.00	2,526.00	2,643.00
	Reserved graves	2,359.00	2,453.00	2,573.00	2,692.00
	Monument erection fee - single graves	563.00	586.00	615.00	643.00
	Monument erection fee - double graves	970.00	1,009.00	1,058.00	1,107.00
	Sundry payment - Saturday funerals	1,158.00	1,204.00	1,263.00	1,321.00
1.3.3	<b><u>Ritchie, Motswedimosa and Rietvale Cemeteries</u></b>				
	Re-opening (casket)	970.00	1,009.00	1,058.00	1,107.00
	Re-opening (adults)	738.00	768.00	805.00	842.00
	Re-opening (babies)	640.00	666.00	699.00	731.00
	Burial of ashes	242.00	252.00	264.00	276.00
	Grave fees (adult)	970.00	1,009.00	1,058.00	1,107.00
	Grave fees (children under 7)	430.00	447.00	469.00	491.00
	Special graves (casket)	1,874.00	1,949.00	2,044.00	2,139.00
	Pauper graves	408.00	424.00	445.00	466.00
	Two burials per grave	2,315.00	2,408.00	2,526.00	2,643.00
	Reserved graves	2,359.00	2,453.00	2,573.00	2,692.00
	Monument erection fee - single graves	563.00	586.00	615.00	643.00
	Monument erection fee - double graves	970.00	1,009.00	1,058.00	1,107.00
	Sundry payment - Saturday funerals	1,158.00	1,204.00	1,263.00	1,321.00
	<b><u>Phutanang Cemetery</u></b>				
	Re-opening (dome casket/casket)	970.00	1,009.00	1,058.00	1,107.00
	Re-opening (adults)-normal	738.00	768.00	805.00	842.00
	Re-opening (babies)	640.00	666.00	699.00	731.00
	Burial of ashes	242.00	252.00	264.00	276.00
	Grave fees (adult)	970.00	1,000.00	1,049.00	1,098.00
	Grave fees (children under 7)	430.00	447.00	469.00	491.00
	Special graves (dome casket/casket)	1,874.00	1,944.00	2,039.00	2,133.00
	Pauper graves	408.00	424.00	445.00	466.00
	Two burials per grave	2,315.00	1,845.00	1,935.00	2,025.00
	Reserved graves	2,359.00	2,389.00	2,506.00	2,622.00
	Monument erection fee - single graves	563.00	586.00	615.00	643.00
	Monument erection fee - double graves	970.00	1,009.00	1,058.00	1,107.00
	Sundry payment - Saturday funerals	1,158.00	1,204.00	1,263.00	1,321.00
1.3.4	Grave Fees for Deceased Indigent Account holders	374.00	389.00	408.00	427.00
1.4	<b><u>PLEASURE RESORTS AND CARAVAN PARKS (COMMUNITY &amp; SOCIAL DEVELOPMENT SERVICES)</u></b>		-		

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

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 48 hours of the date of the request for a reservation. Deposit amount is 75% of total amount.

Preference would be given to all clients (reservations) who utilise accommodation for longer periods during high peak season. Deposits for such reservations will be the full amount of the reservation with the provision that payments being received within the month the reservation has been done.

\*\*\*No free entry for Riverton residents

All Resorts - Festivals /events (see condition no 33)

as per quotation

as per quotation

as per quotation

as per quotation

1.4.1

#### Riverton Pleasure Resort

##### Chalets/Villas

Basic tariff per unit

149.00

155.00

163.00

171.00

Per bed available in the unit

209.00

217.00

228.00

239.00

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).

##### Rondavels

Basic tariff per unit

86.00

89.00

93.00

97.00

Per bed available in the unit

149.00

155.00

163.00

171.00

If group bookings are made where more than 50 beds are required, a 15% discount becomes applicable.

Upgraded Rondavels : Basic tariff per unit

123.00

128.00

134.00

140.00

Upgraded Rondavels : Per bed available in the unit

163.00

170.00

178.00

186.00

##### Caravan Park

Caravan (per day)

123.00

128.00

134.00

140.00

Per person (per day)

58.00

60.00

63.00

66.00

Caravan Clubs (minimum of 15 caravans)

(excluding December holidays)

30% discount

30% discount

30% discount

30% discount

Pensioners (excluding December holidays)

40% discount

40% discount

40% discount

40% discount

Super Tube per ride

6.00

6.00

6.00

6.00

Day visitors

47.00

49.00

51.00

53.00

Day visitors (1 May - 31 August)

29.00

30.00

31.00

32.00

Cars

34.00

35.00

37.00

39.00

Season ticket (minimum 100 tickets)

50% discount

50% discount

50% discount

50% discount

Boats

88.00

92.00

96.00

100.00

Hall (for period of 24 hours)

625.00

650.00

682.00

714.00

#### Key / Loss / damage / breakage deposit

Chalets and Villas

584.00

607.00

637.00

666.00

Rondavels

584.00

607.00

637.00

666.00

Hall

584.00

607.00

637.00

666.00

Group reservations

6,544.00

6,806.00

7,138.00

7,468.00

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

#### Langleg Pleasure Resort

##### Chalets

149.00

155.00

163.00

171.00

Basic tariff per unit

134.00

139.00

146.00

153.00

Per bed available in the unit

##### Rondavels

Basic tariff per unit

86.00

89.00

93.00

97.00

Per bed available in the unit

44.00

46.00

48.00

50.00

Entire Resort: (Chalets, Rondavels, Hall, Dormitories, Ablutions, Day visitors area)

40899.00

42,535.00

44,611.00

46,676.00

(Key deposit of R19000-00 as well as payment for 15 (fifteen) security guards from a recognized security company on the day of the festival is compulsory)

PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
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Key / Loss / damage / breakage deposit

Resort	21,034.00	21,875.00	22,943.00	24,005.00
Chalets	584.00	607.00	637.00	666.00
Rondavels	584.00	607.00	637.00	666.00

Camping sites

Tent 6 persons(per day)	110.00	114.00	120.00	126.00
Per person (per day)	58.00	60.00	63.00	66.00

Caravans

Per caravan (per day)	129.00	134.00	141.00	148.00
Per person (per day)	71.00	74.00	78.00	82.00

Hall

24-hour period	1,402.00	1,458.00	1,529.00	1,600.00
Per person	41.00	43.00	45.00	47.00
Key / Loss / damage / breakage deposit	584.00	607.00	637.00	666.00

Day visitors

Per person	47.00	49.00	51.00	53.00
Cars	35.00	36.00	38.00	40.00

Group accommodation

Key / Loss / damage / breakage deposit	1,752.00	1,822.00	1,911.00	1,999.00
Per person per night (without bedding)	116.00	121.00	127.00	133.00
Per person per night (with bedding)	140.00	146.00	153.00	160.00

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

Basic tariff per unit	181.00	188.00	197.00	206.00
Per bed available in the unit	216.00	225.00	236.00	247.00
(Amount converted to the nearest multiple of 5).				
Key / Loss / damage / breakage deposit	584.00	607.00	637.00	666.00

Chalets : Transka


Basic tariff per unit	149.00	155.00	163.00	171.00
Per bed available in the unit	149.00	155.00	163.00	171.00
Key / Loss / damage / breakage deposit	584.00	607.00	637.00	666.00

Caravan Park :Transka

Caravan (per day)	134.00	139.00	146.00	153.00
Per person (per day)	71.00	74.00	78.00	82.00

Group accommodation

Transka - per person per night (with bedding)	134.00	139.00	146.00	153.00
Key / Loss / damage / breakage deposit	1,752.00	1,822.00	1,911.00	1,999.00
Rekaofela - per person per night	158.00	164.00	172.00	180.00
Key / Loss / damage / breakage deposit	1,752.00	1,822.00	1,911.00	1,999.00

	PRESENT TARIFFS 	PROPOSED TARIFFS 2022/07/01	PROPOSED TARIFFS 2023/07/01	PROPOSED TARIFFS 2024/07/01
	R	R	R	R
Hall - (24-hour period) Kopano	1,227.00	1,276.00	1,338.00	1,400.00
- (48-hour period)	1,285.00	1,336.00	1,401.00	1,466.00
- (72-hour period)	1,344.00	1,398.00	1,466.00	1,534.00
- (96-hour period)	1,402.00	1,458.00	1,529.00	1,600.00
(More than 96 hours)	2,045.00	2,127.00	2,231.00	2,334.00
Key / Loss / damage / breakage deposit	1,752.00	1,822.00	1,911.00	1,999.00
<b><u>Training Centre - Mongano Hall</u></b>				
Per person per night	158.00	164.00	172.00	180.00
Key / Loss / damage / breakage deposit	1,752.00	1,822.00	1,911.00	1,999.00
Hall - (24-hour period)	2,629.00	2,734.00	2,867.00	3,000.00
- (48-hour period)	2,746.00	2,856.00	2,995.00	3,134.00
- (72-hour period)	2,921.00	3,038.00	3,186.00	3,334.00
- (96-hour period)	3,038.00	3,160.00	3,314.00	3,467.00
(More than 96 hours)	5,200.00	5,408.00	5,672.00	5,935.00
Key / Loss / damage / breakage deposit	1,752.00	1,822.00	1,911.00	1,999.00
Prior occupation	1,169.00	1,216.00	1,275.00	1,334.00
<b><u>Recreation Hall - Riverside Hall</u></b>				
Hall - (24-hour period)	6,544.00	6,806.00	7,138.00	7,468.00
- (48-hour period)	6,778.00	7,049.00	7,393.00	7,735.00
- (72-hour period)	6,894.00	7,170.00	7,520.00	7,868.00
- (96-hour period)	7,128.00	7,413.00	7,775.00	8,135.00
(More than 96 hours)	7,829.00	8,142.00	8,539.00	8,934.00
Prior occupation (per day)	666.00	693.00	727.00	761.00
Key / Loss / damage / breakage deposit	2,921.00	3,038.00	3,186.00	3,334.00
<b><u>Meals and refreshments</u></b>				
That a 10% levy be charged on all catering costs over weekends, long weekends and public holidays.				
<b><u>Catering at Rekaofela Resort is compulsory</u></b>				
<b><u>No outside Caterers are allowed to do catering at this facility</u></b>				
Daily conference tariff per person per day for a minimum of 20-40 delegates.	795.00	827.00	867.00	907.00
Daily conference tariff per person per day for less than 20 delegates,	935.00	972.00	1,019.00	1,066.00
<b>Breakfast</b>	60.00	62.00	65.00	68.00
	63.00	66.00	69.00	72.00
	77.00	80.00	84.00	88.00
	90.00	94.00	99.00	104.00
	103.00	107.00	112.00	117.00
	118.00	123.00	129.00	135.00
	158.00	164.00	172.00	180.00
<b>Lunch / Dinner</b>	77.00	80.00	84.00	88.00
	90.00	94.00	99.00	104.00
	97.00	101.00	106.00	111.00
	103.00	107.00	112.00	117.00
	97.00	101.00	106.00	111.00
	111.00	115.00	121.00	127.00
	116.00	121.00	127.00	133.00
	123.00	128.00	134.00	140.00
	129.00	134.00	141.00	148.00
	134.00	139.00	146.00	153.00
	141.00	147.00	154.00	161.00
	154.00	160.00	168.00	176.00
	163.00	170.00	178.00	186.00
	176.00	183.00	192.00	201.00
	206.00	214.00	224.00	234.00



	<div><div>PRESENT</div><div>TARIFFS</div><div>R</div></div>	<div><div>PROPOSED</div><div>TARIFFS</div><div>2022/07/01</div><div>R</div></div>	<div><div>PROPOSED</div><div>TARIFFS</div><div>2023/07/01</div><div>R</div></div>	<div><div>PROPOSED</div><div>TARIFFS</div><div>2024/07/01</div><div>R</div></div>
Poeding	35.00 41.00 53.00	36.00 43.00 55.00	38.00 45.00 58.00	40.00 47.00 61.00
<b><u>Additional meals</u></b>				
Finger lunch per person	58.00 77.00 84.00 111.00 129.00	60.00 80.00 87.00 115.00 134.00	63.00 84.00 91.00 121.00 141.00	66.00 88.00 95.00 127.00 148.00
Spitbraai per person	257.00 297.00 338.00	267.00 309.00 352.00	280.00 324.00 369.00	293.00 339.00 386.00
Weddings per person	276.00 297.00 353.00 397.00	287.00 309.00 367.00 413.00	301.00 324.00 385.00 433.00	315.00 339.00 403.00 453.00
<b><u>Coffee/Tea &amp; Refreshments</u></b>				
Coffee/Tea (per person)	24.00	25.00	26.00	27.00
Coffee/Tea & refreshments (per person)	59.00	61.00	64.00	67.00
Coffee/Tea & muffens (per person)	51.00	53.00	56.00	59.00
Tableclothes (weddings) each	63.00	66.00	69.00	72.00
Crockery and cutlery (per day)	386.00	401.00	421.00	440.00
Overhead projector (per day)	76.00	79.00	83.00	87.00
Video machine (per day)	71.00	74.00	78.00	82.00
Television (per day)	47.00	49.00	51.00	53.00
Flip chart	47.00	49.00	51.00	53.00
Flip chart paper (per batch)	321.00	334.00	350.00	366.00
Cool room (24-hours)	128.00	133.00	139.00	145.00
Data Projector (per day)	257.00	267.00	280.00	293.00
<b><u>Printing charges and phone calls</u></b>				
Paper prints - A4	11.00	11.00	12.00	13.00
Paper prints - A3	16.00	17.00	18.00	19.00
Fax - A4	25.00	26.00	27.00	28.00
<b><u>Day Visitor Tariff</u></b>				
Per person (Transka)	25.00	26.00	27.00	28.00
Per person Seasonal (Transka) Easter/ December till 10th of January	70.00	73.00	77.00	81.00
School children out of season (Transka)	12.00	12.00	13.00	14.00
Winter Period ( 1 May till 31st July	12.00	12.00	13.00	14.00
Buses (15 Seater and more) / Cars	34.00	35.00	37.00	39.00
Putt-Putt	23.00	24.00	25.00	26.00

For calculation of tariffs, a day will be calculated from 15:00 - 11:00 the following day or part thereof. In the 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.

Lapa A  
Lapa B  
Lapa C  
Key / Loss / damage / breakage deposit

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

#### 1.4.4

### Adventure Centre

### Course fees

Instruction (per activity, per person)  
1-Activity introduction (per person) -  
instruction, refreshments, equipment

496.00	516.00	541.00	566.00
551.00	573.00	601.00	629.00

Instructor's fees

Instructor's fees per day (with OAA Level 2 training)  
Instructor's fees per day (with OAA Level 3 training)  
Instructor's transport costs (per Km)

496.00	516.00	541.00	566.00
551.00	573.00	601.00	629.00
6.00	6.00	6.00	6.00

**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, prohibition 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 case of exceeding the prescribed hours.

PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
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27. No private caterers or private individuals are allowed to use any catering equipment or kitchen facilities or any resources of the Rekaofela Resort for personnel or private use.
28. The serving of meals in all cases will not exceed the 2.5 hour prescribed time frame.
29. In the event of catering at Rekaofela, all payments must be received 5 days prior to the actual reservation date. In the case of not receiving payment in the prescribed period no catering will be done, the reservation cancelled and the cancellation fee is applicable.
30. All individuals, private institutions, schools, political parties, private companies, wedding arrangements, family reunions etc. must pay upfront before any service are to be rendered.
31. In the event of outstanding accounts, no new reservations will be accepted before all outstanding payments have been received. Where state departments are involved, no service will be provided without an official order at least 4 days prior to the reservation.(see cancellation fee)
32. Preference would be given to all clients (reservations) who utilise accommodation for longer periods during high peak season. Such reservations will be accommodated well in advance of 1/2 day reservations with the provision that payments being received within the month the reservation has been done.
33. An application for hire of a resort to stage a festival / event should be made on the relevant application form, after which the Resort Manager will compile a quotation and submit same to the CFO for approval.

1.4.5	<b><u>PERSONNAL HEALTH</u></b> <b><u>PATIENT INFORMATION FROM CLINICS</u></b> Per enquiry per person	467.00	486.00	510.00	534.00
1.5	<b><u>HOUSING (SERVICES &amp; INFRASTRUCTURE)</u></b> 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 2 Bedroom <u>Hercules Court</u> 1 Bedroom 2 Bedroom <u>Holland Court</u> 1 Bedroom 2 Bedroom 3 Bedroom Bachelor <u>Newton Court</u> 1 Bedroom 2 Bedroom 3 Bedroom <u>Tiffany Court</u> 2 Bedroom <u>Eugenie Court</u> 1 Bedroom 2 Bedroom <u>Jonker Court</u> 1 Bedroom 2 Bedroom  <u>Eureka Court</u> 1 Bedroom 2 Bedroom <u>Krisant Court</u> 1 Bedroom 2 Bedroom <u>Roodepan Flats</u> 1 Bedroom 2 Bedroom 3 Bedroom	1,654.00 2,095.00  1,819.00 2,205.00  2,425.00 2,976.00 3,197.00 2,150.00  2,701.00 3,307.00 3,803.00  3,307.00  2,646.00 3,197.00  2,205.00 2,646.00   2,205.00 2,701.00  2,095.00 2,701.00  805.00 1,323.00 1,819.00	1,720.00 2,179.00  1,892.00 2,293.00  2,522.00 3,095.00 3,325.00 2,236.00  2,809.00 3,439.00 3,955.00  3,439.00  2,752.00 3,325.00  2,293.00 2,752.00   2,293.00 2,809.00  2,179.00 2,809.00  837.00 1,376.00 1,892.00	1,804.00 2,285.00  1,984.00 2,405.00  2,645.00 3,246.00 3,487.00 2,345.00  2,946.00 3,607.00 4,148.00  3,607.00  2,886.00 3,487.00  2,405.00 2,886.00   2,405.00 2,946.00  878.00 1,443.00 1,984.00	1,888.00 2,391.00  2,076.00 2,516.00  2,767.00 3,396.00 3,648.00 2,454.00  3,082.00 3,774.00 4,340.00  3,774.00  3,020.00 3,648.00  2,516.00 3,020.00   2,516.00 3,082.00  2,391.00 3,082.00  919.00 1,510.00 2,076.00

	PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
<u>Flamingo Court</u>				
1 Bedroom	1,378.00	1,433.00	1,503.00	1,573.00
2 Bedroom	1,764.00	1,835.00	1,925.00	2,014.00
Bachelor	1,268.00	1,319.00	1,383.00	1,447.00
<u>Lerato Park Communal Residential Units (CRU)</u>				
Bachelor unit-CRU Units (Type A-30m <sup>2</sup> )	1,800.00	1,800.00	1,900.00	2,000.00
1 Bedroom unit -CRU Units (Type B-42m <sup>2</sup> )	2,500.00	2,500.00	2,600.00	2,700.00
2 Bedroom unit- Rental units (Type C - 42m <sup>2</sup> )	2,500.00	2,500.00	2,600.00	2,700.00
2 Bedroom unit- Rental units (Type D - 43m <sup>2</sup> )	2,800.00	2,800.00	2,900.00	3,000.00
2 Bedroom unit- Rental units (Type E - 52m <sup>2</sup> )	3,500.00	3,500.00	3,600.00	3,700.00
2 Bedroom unit- Rental units (Type F - 52m <sup>2</sup> )	3,500.00	3,500.00	3,600.00	3,700.00
2 Bedroom unit- Rental units (Type G - 52m <sup>2</sup> )	3,500.00	3,500.00	3,600.00	3,700.00
NB: Rental charges are inclusive of Sewerage and Refuse removal as per Council approved tariffs.				
<u>Carports</u>				
Carport with locking facility (per month)	122.00	127.00	133.00	139.00
Carport without locking facility (per month)	55.00	57.00	60.00	63.00
Key deposit	165.00	172.00	180.00	188.00
Administration fee	187.00	194.00	203.00	212.00
<u>By-pass houses</u>				
7 Villiers street	2,039.00	2,121.00	2,225.00	2,328.00
9 Villiers street	1,874.00	1,949.00	2,044.00	2,139.00
27a St Augustines road	2,039.00	2,121.00	2,225.00	2,328.00
28 St Augustines road	2,315.00	2,408.00	2,526.00	2,643.00
29 St Augustines road	1,819.00	1,892.00	1,984.00	2,076.00
20 Auction	2,039.00	2,121.00	2,225.00	2,328.00
4 Marriott	1,874.00	1,949.00	2,044.00	2,139.00
21 Diebel	2,480.00	2,579.00	2,705.00	2,830.00
13 Fuller	1,654.00	1,720.00	1,804.00	1,888.00
49 Jacobson	2,756.00	2,866.00	3,006.00	3,145.00
183 Barkly	1,158.00	1,204.00	1,263.00	1,321.00
185 Barkly	2,536.00	2,637.00	2,766.00	2,894.00
30 Meyer	3,748.00	3,898.00	4,088.00	4,277.00
West end Nursery house	2,039.00	2,121.00	2,225.00	2,328.00
Pioneer cemetery house	540.00	562.00	589.00	616.00
104a Waterworks street	2,315.00	2,408.00	2,526.00	2,643.00
Administration fee	165.00	172.00	180.00	188.00
<u>Santa centre</u>				
Rental units	77.00	80.00	84.00	88.00
<u>Dingaan family units</u>				
Bachelor	319.00	332.00	348.00	364.00
1 Bedroom	353.00	367.00	385.00	403.00
<u>Selling Scheme</u>				
Administration charges	110.00	114.00	120.00	126.00
Insurance	50.00	52.00	55.00	58.00
<u>Informal housing</u>				
Occupation fee	132.00	137.00	144.00	151.00
1.6 <u>MARK (STRATEGY, ECONOMIC DEVELOPMENT &amp; PLANNING SERVICES)</u>				
<u>Hire</u>				
Office (per m2) per month	34.00	35.00	37.00	39.00
<u>Cold rooms per month</u>				
Outsdie	3308.00	3,440.00	3,608.00	3,775.00
Inside	6600.00	8,599.00	9,019.00	9,437.00
<u>Outside buildings</u> (per m2) per month	41.00	43.00	45.00	47.00
Parking per month	71.00	74.00	78.00	82.00
Transaction fees per transaction	1.00	1.16	1.00	1.00
Ripening fees per pallet per day	22.00	23.00	24.00	25.00
Ripening fees per box per day	5.00	6.00	6.00	6.00
Hiring of the Lapa	1,402.00	1,458.00	1,529.00	1,600.00
<u>Small trollies per day</u>				
Trolley	6.00	7.00	7.00	7.00
Pallet jack	30.00	31.00	33.00	35.00

	<div>PRESENT TARIFFS R</div>	<div>PROPOSED TARIFFS 2022/07/01 R</div>	<div>PROPOSED TARIFFS 2023/07/01 R</div>	<div>PROPOSED TARIFFS 2024/07/01 R</div>
Storage (per m2) per month	12.00	12.00	13.00	14.00
Big trollies ( plus refundable deposits of R10.00)	11	13.00	14.00	15.00

PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
Lowered curbing per meter	267.00	278.00	292.00
Per safety pole on sidewalk	240.00	250.00	262.00
Tar patching work per m2 - area ÷ 30mm thickness installed	402.00	418.00	438.00
Application fee for upgrading of sidewalk per square meter	2.08	2.16	2.00
Application and advertisement for closure of road	5,843.00	6,077.00	6,374.00
Lowered kerbs inspections	94.00	98.00	103.00
Erf peg inspections (per inspection)	158.00	164.00	172.00
Wayleave applications: Once-off fee			
a) Application of a wayleave (to offset the cost of the documentation and inspection costs),	2,600.00	2,704.00	2,836.00
b) A non-refundable deposit per road crossing shall be apply.	2,080.00	2,163.00	2,269.00
c) Residential access without ingeneering drawings	New	1,500.00	1,573.00
d) Residential access with ingeneering drawings	New	1,800.00	1,888.00
e) Encroachment of sidewalk per m² per month	New	300.00	315.00
Recurring fee			
f) An additional cost per linear metre per annum, in lure of a rental fees of use of the municipal infrastructure.	2.08	2.16	2.00
g) Failure to comply with the stipulated request as per (f) above will result in a fixed cost per annum being applied.	208,000.00	216,320.00	226,876.00

1.7

**SIDEWALK AND ROAD TARIFFS (SERVICES & INFRASTRUCTURE)**

1.8

**URBAN PLANNING (STRATEGY, ECONOMIC DEVELOPMENT & PLANNING SERVICES)**

1.8.1

**Building Control Section****Building Plan Inspection Fees**

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	785.00	816.00	856.00	896.00
Minor building work as defined in the definitions of the NBR	785.00	816.00	856.00	896.00
Swimming Pool	785.00	816.00	856.00	896.00
Boundary Wall - Plan Submission	785.00	816.00	856.00	896.00
Cellphone Mast - Plan Submission	1,091.00	1,135.00	1,190.00	1,245.00
Re-inspection of defective work (every inspection more than two)	740.00	770.00	808.00	845.00
Re-submission of lapsed plans	1,414.00	1,471.00	1,543.00	1,614.00
Alterations to drainage systems	643.00	669.00	702.00	735.00
For all new buildings per m2	20.00	21.00	22.00	23.00
For all as-built buildings, completed or under construction	96.00	100.00	105.00	110.00
For new buildings over 500m2 (per m2)	18.00	19.00	20.00	21.00
For all new buildings per m2 exceeding 1000m2	17.00	18.00	19.00	20.00
Per Government subsidized house	78.00	81.00	85.00	89.00
For additions to any existing building per m2	20.00	21.00	22.00	23.00
For additions over 500m2 (per m2)	18.00	19.00	20.00	21.00
For additions of buildings per m2 exceeding 1000m2	17.00	18.00	19.00	20.00
For business temporary structure/s per square meter	11.00	11.00	12.00	13.00
For any government building/s per square meter	20.00	21.00	22.00	23.00
For residential temporary structure per square meter	6.00	6.00	6.00	6.00
<b><u>For internal alterations to existing buildings.</u></b>				
Between 0 & 250m2 any existing building	1,180.00	1,227.00	1,287.00	1,347.00
Between 250 & 500m2 any existing building	1,338.00	1,392.00	1,460.00	1,528.00
Between 500 & 750m2 any existing building	2,279.00	2,370.00	2,486.00	2,601.00
Between 750 & 1000m2 any existing building	4,370.00	4,545.00	4,767.00	4,988.00
Between 1000 & 5000m2 any existing building	8,320.00	8,653.00	9,075.00	9,495.00
Between 5000 & 10000m2 any existing building	13,737.00	14,286.00	14,983.00	15,677.00
Private Contractors - Council supervision				
per house type (over and above inspection fees)	158.00	164.00	172.00	180.00
Postage of Plans less than weigh 1Kg	235.00	244.00	256.00	268.00
Postage of Plans less than weigh 2Kg	471.00	490.00	514.00	538.00
Postage of Plans less than weigh 5Kg	942.00	980.00	1,028.00	1,076.00
Postage of Plans less than weigh 7Kg	1,884.00	1,959.00	2,055.00	2,150.00
Postage of Plans exceeding weigh 7Kg	3,141.00	3,267.00	3,426.00	3,585.00

1.8.1.2		PRESENT TARIFFS 	PROPOSED TARIFFS 2022/07/01	PROPOSED TARIFFS 2023/07/01	PROPOSED TARIFFS 2024/07/01
		R	R	R	R
	<b>Building Control Penalty and Fine schedule for Law-Enforcement (New)</b>				
	Demolition Permit	1,156.00	1,202.00	1,261.00	1,319.00
	Temporary Occupancy	1,156.00	1,202.00	1,261.00	1,319.00
	Section 7 (6) Approval	6,427.00	6,684.00	7,010.00	7,335.00
	Accumulative daily fine CIB	158.00	164.00	172.00	180.00
	Under construction illegal work per m2	96.00	100.00	105.00	110.00
	Submission fee for completed illegal work per m2	96.00	100.00	105.00	110.00
	Dumping building rubble exceed 30days per m3	315.00	328.00	344.00	360.00
	Dumping building rubble exceed 60days per m3	472.00	491.00	515.00	539.00
	Encroachment to council land (per day)	158.00	164.00	172.00	180.00
	Failing to display building permit onsite	785.00	816.00	856.00	896.00
	Aggressive FDBP (per day)	158.00	164.00	172.00	180.00
	Structure as nuisance in terms of Section 10	158.00	164.00	172.00	180.00
	Aggressive structure as nuisance	1,571.00	1,634.00	1,714.00	1,793.00
	Unauthorised erected public tent 500-1000m2	785.00	816.00	856.00	896.00
	Unauthorised erected public tent 1000-5000m2	1,571.00	1,634.00	1,714.00	1,793.00
	Unauthorised erected public tent 2000-10000m2	3,141.00	3,267.00	3,426.00	3,585.00
	Unauthorised erected public tent 10000-above	7,853.00	8,167.00	8,566.00	8,963.00
	Unauthorised erected artist stage	2,356.00	2,450.00	2,570.00	2,689.00
	Unauthorised demolishing of structure/s	7,853.00	8,167.00	8,566.00	8,963.00
	Unauthorised occupying building/s	3,926.00	4,083.00	4,282.00	4,480.00
	Amendment fee	785.00	816.00	856.00	896.00
	Additional Occupancy per certificate	165.00	172.00	180.00	188.00
	<b>Services rendered: Application in terms of the Sol Plaatje Land Use By-Laws 2015 read together with SPLUM Act (Act 16 of 2013): Basic fee plus</b>	3,298.00	3,430.00	3,597.00	3,764.00
	Rezoning	1,210.00	1,258.00	1,319.00	1,380.00
	Consent use / Conditional uses	1,210.00	1,258.00	1,319.00	1,380.00
	Phasing of Layout Plan	656.00	682.00	715.00	748.00
	All departures included in applications submitted for council approval(basic fee included)	1,210.00	1,258.00	1,319.00	1,380.00
	Consolidation	656.00	682.00	715.00	748.00
	Subdivision:				
	Basic subdivision fee	1,210.00	1,258.00	1,319.00	1,380.00
	Thereafter:				
	3-10 erven an additional payment (per erf)	131.00	136.00	143.00	150.00
	11-50 erven an additional payment (per erf)	66.00	69.00	72.00	75.00
	51 and above erven an additional payment (per erf)	14.00	15.00	16.00	17.00
	Advertising deposit per application (Local Newspapers)	2,356.00	2,450.00	2,570.00	2,689.00
	Removal, Suspension or Amendment of Title Deed	1,210.00	1,258.00	1,319.00	1,380.00
	Advertising: Government Gazette	5,965.00	6,204.00	6,507.00	6,808.00
	Advertising: Local Newspaper (two placements)	3,926.00	4,083.00	4,282.00	4,480.00
	Amendment of condition of approval/layout plan of previous Council decision without the basic fee	1,210.00	1,258.00	1,319.00	1,380.00
	Extension of Council approval without basic fee	1,210.00	1,258.00	1,319.00	1,380.00
	Cancellation Fee	473.00	492.00	516.00	540.00
	<b>Delegated Departures as per Zoning Scheme:</b>				
	Delegated departures (coverage: Erven less than 600m² not exceeding 60%)	707.00	735.00	771.00	807.00
	Delegated departures (second dwelling: max 75m²) (excluding electrical contribution fees)	707.00	735.00	771.00	807.00
	Delegated departures (garages/carports: not exceeding 6m on Street Building Lines except title conditions for garages)	707.00	735.00	771.00	807.00
	All departures excluding the above for Council approval	2,045.00	2,127.00	2,231.00	2,334.00

1.8.1.3

**Home Businesses: Per application only  
(No basic fee)**

PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
Home business registration	864.00	899.00	943.00
Home business registration (Galeshewe)	864.00	899.00	943.00
<b>Other:</b>			
Information (without copy costs)	40.00	42.00	44.00
Zoning Certificate	125.00	130.00	136.00
CUP Reports/SDF/LUMS/IDP/GURP	1,414.00	1,471.00	1,543.00
Building Plan research (without copy costs)	40.00	42.00	44.00
Building statistics - Monthly	235.00	244.00	256.00
- Annually	1,730.00	1,799.00	1,887.00
Scanning of plans - any size	30.00	30.00	31.00

**RESIDENTIAL BUSINESS BYLAW 2011**

OFFENCE	SECT				
Any person who contravenes or fails to comply with this: The owner/operator of every residential business shall be the dwelling unit on the premises in which the business operates.	4.1 (i)	2,337.00	2,430.00	2,549.00	2,667.00
Any person who contravenes or fails to comply with this: All heavy equipment such as tractors trailers, semi-trailers, or construction equipment must be garaged screened with plantings or fencing to at least the height of the equipment	4.2	1,169.00	1,216.00	1,275.00	1,334.00
Any person who contravenes or fails to comply with this: One commercial vehicle which is not heavy equipment and which is not more than two tons in rated capacity may be parked outdoors on the property. Additional commercial vehicle must be garaged or screened as for heavy equipment.	4.3	1,169.00	1,216.00	1,275.00	1,334.00
Any person who contravenes or fails to comply with this: Any outdoors lighting fixture newly installed or replaced shall be shield so that it does not produce a strong, direct light beyond the property boundaries. Lighting must be compatible with the character of the district.	4.6 (i)	584.00	607.00	637.00	666.00
Any person who contravenes or fails to comply with this: Hours of operation: In no case shall a residential business be open to the public, including non-resident employees, clients, visitors, deliveries, earlier than 07h00 nor later than 21h00 with the exception of Tuck Shops may operate from 06h00-22h00.	4.7	1,169.00	1,216.00	1,275.00	1,334.00
Any person who contravenes or fails to comply with this: General Nuisances: Any activity that might result in excessive noise, electrical interference, smoke, dust, odours, heat, or glare beyond that which is common to the residential character of the area is prohibited.	4.8	2,337.00	2,430.00	2,549.00	2,667.00
Any person who contravenes or fails to comply with this: Hazardous Materials: No highly toxic, explosive, Flammable, combustible, corrosive, radioactive or similar hazardous materials shall be used, stored, or manufactured on the premises in amounts exceeding those found in normal residential use.	4.9	2,337.00	2,430.00	2,549.00	2,667.00
Any person who contravenes or fails to comply with this: Retail sales: There shall be no sales of services or products on the premises which are not produced on the premises, except those sales which are incidental to the business.	4.1	2,337.00	2,430.00	2,549.00	2,667.00
Any person who contravenes or fails to comply with this: No more two (2) employees who do not live on the premises shall be permitted to work on the premises at any one time for residential business	5.1	2,337.00	2,430.00	2,549.00	2,667.00
Any person who contravenes or fails to comply with this: A residential business may not use more than of the gross floor area of the buildings for business purposes, as in accordance's with the municipality's Land Use Management scheme, from time to time.	5.2	1,169.00	1,216.00	1,275.00	1,334.00
Any person who contravenes or fails to comply with this: Tuck shop shall serve a minimum of at least 60 household and least be at least 200m from formal business opportunity	6.1	2,337.00	2,430.00	2,549.00	2,667.00
Any person who contravenes or fails to comply with this: Tuck shop trade is restricted to general household consumables and liquor sales shall not be permitted.	6.2	2,337.00	2,430.00	2,549.00	2,667.00
Any person who contravenes or fails to comply with this: Tuck Shops shall only be allowed to operate between the hours of 06h00 to 22h00	6.3	1,169.00	1,216.00	1,275.00	1,334.00
Any person who contravenes or fails to comply with this: Tuck Shops shall be of a separate, permanent structure and must be separated by a wall and/or door from other activities in the residential home, such as sleeping cooking or entertainment areas, if attached to the house	6.4	1,169.00	1,216.00	1,275.00	1,334.00
Any person who contravenes or fails to comply with this: Tuck shop must adhere to the conditions as prescribed by the Municipality's Environmental Health By-law and must comply with National Building Regulations and Building Standards Act, 1977 ( 103 of 1977)	6.5	1,169.00	1,216.00	1,275.00	1,334.00
Amendment of a land development application prior to approval in terms of Section 42 of SPLUMA	New		1,950.00	2,045.00	2,140.00
Registration of servitudes in terms of section 15	New		950.00	996.00	1,042.00



1.8.1.4

**BED & BREAKFAST –AND GUESTHOUSE ESTABLISHMENT BYLAW 2011****OFFENCE**

Any person who contravenes or fails to comply with this: No person may operate a bed and breakfast or a guesthouse facility on any premises unless he/she has comply with all applicable legislation, including:-

- (a) the National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977) where all buildings constructed on the premises must comply with this Act and its by-laws;
- (b) the municipality's applicable Town Planning Scheme with specific reference to parking, floor area ratio, height, coverage and zoning, number or rooms, if prescribed by a Town Planning Scheme applicable to the area where the property is located and with municipality's Outdoor Advertising Signs Bylaws with reference to signage.
- (c) the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No 54 of 1972) as amended, and the By- laws governing general hygiene requirements for food premises and the transport of food, and the provisions of the National Health Act, 2003, (Act No 61 of 2003) in general.
- (d) the Broadcasting Act, 1999 (Act No 4 of 1999), as amended, if the lettable room is supplied with a television set;
- (e) the South African Music Rights Organisation (SAMRO) where a licence is required if background music is to be played to the guests;
- (f) the Northern Cape Liquor Act 4, 2008 (Act No 4 of 2008) read together with the Liquor Act 59, 2003, ( Act 59 of 2003) if liquor, including complimentary drinks, are served to guests;
- (g) the Tobacco Products Control Amendment Act, 1999 (Act No 12 of 1999), as amended, where it is a requirement that signs are displayed in areas designated for smoking and no-smoking signs are displayed elsewhere;

2.1 (a)-  
(g)

Any person who contravenes or fails to comply with this: The premises must provide: access to bedrooms and bathrooms at all the times for registered guests;	2.2 (a)	2,337.00	2,430.00	2,549.00	2,667.00
Any person who contravenes or fails to comply with this: an area where breakfast can be served , adequate for the use of, and easily accessible to any guest on the premises	2.2 (c)	2,337.00	2,430.00	2,549.00	2,667.00
Any person who contravenes or fails to comply with this: A bathroom and toilet for each lettable room suitably placed in a separate compartment which is close to the lettable room and is easily accessible to the guest/s of a lettable room and separate to that of the owner of the facility;	2.2 (d)	1,752.00	1,822.00	1,911.00	1,999.00
Any person who contravenes or fails to comply with this: No kitchen facility may be provided to guests in the lettable rooms;	2.3	1,752.00	1,822.00	1,911.00	1,999.00
Any person who contravenes or fails to comply with this: The operation of the facility may not detract from the residential character and amenities of the property or the immediate surroundings;	2.4	1,752.00	1,822.00	1,911.00	1,999.00
Any person who contravenes or fails to comply with this: The facility may not include a place of public assembly or a place of public amusement.	2.6	1,169.00	1,216.00	1,275.00	1,334.00
Any person who contravenes or fails to comply with this: At least 20% of residential guest houses' site must be attributed to a garden area for common usage.	2.7	1,169.00	1,216.00	1,275.00	1,334.00
Any person who contravenes or fails to comply with this: At least 40% of the commercial guest houses' site must be attributed to a garden area for common usage.	2.8	1,752.00	1,822.00	1,911.00	1,999.00
Any person who contravenes or fails to comply with this: Effective, paved parking, together with the necessary maneuvering area shall be providing on the erf to the satisfaction of the municipality, in accordance to the following ratios:	2.9	1,752.00	1,822.00	1,911.00	1,999.00
(a) 1 parking space per bedroom or suite; plus					
(b) 1 parking space for staff; and					
(c) 1 parking space for visitors					
Any person who contravenes or fails to comply with this: A person who wants to operate a bed and breakfast or guest house facility must –					
(a) be resident on the property;					
(b) abide by all relevant health, fire, business, labour, town planning and media laws and by-laws;					
(c) ensure that the application for municipality's special consent to operate a bed and breakfast or guest house facility is accompanied by letters of consent from the registered owners of the adjoining properties;					
(d) keep all sanitary, ablution and water supply fittings in good working order;	5 (a) –				
(e) keep the premises and all furniture, fittings, appliances, equipment, containers, curtains, covers, hangings and other soft furnishings, table linen, bed linen and cloths of whatever nature used in connection with the facility in a clean, hygienic and good condition at all times;	(g)				
(f) supply fresh linen and unused soap for each letting; and					
(g) Take adequate measures to eradicate pests on the premises.					
		2,000.00	2,000.00	2,000.00	2,000.00

1.8.1.5

**CRECHES, CHILDCARE CENTRES AND NURSERY SCHOOLS BYLAW 2011****OFFENCE**

No person or body of persons shall establish, erect, maintain or conduct a crèche, child care centre or facility, or a crèche-cum-nursery school unless such person or body is in possession of a license from the municipality authorizing him to do so, specifying the premises to which such license relates and stating the number and ages of children permitted to be kept on such premises.	2.1	2,337.00	2,430.00	2,549.00	2,667.00
Any person who contravenes or fails to comply with this: A license shall not be granted in terms of subsection (1) unless a crèche, child care centre or crèche-cum-nursery school complies with the provisions of these by-laws to the satisfaction of the municipality's officer of health	2.2	2,337.00	2,430.00	2,549.00	2,667.00
Any person who contravenes or fails to comply with this: A person, or in the case of crèche or crèches-cum-nursery school administered by a body of persons, such body, licensed in terms of subsection (1), shall be responsible for the care and supervision of the children specified in such license and shall at all times be responsible to the municipality for the satisfactory performance of his obligations in terms of such license.	2.3	2,337.00	2,430.00	2,549.00	2,667.00
Any person who contravenes or fails to comply with this: A license issued in terms of this section shall not be transferable.	2.4	1,169.00	1,216.00	1,275.00	1,334.00
Any person who contravenes or fails to comply with this: A license issued in the form of a certificate of approval must be displayed at all times on the inside of the main door of the child care facility, crèche or crèche-cum-nursery school.	2.5	584.00	607.00	637.00	666.00
Any person who contravenes or fails to comply with this: The following minimum accommodation and facilities shall be provided in respect of crèche, child care centres and crèches-cum-nursery schools admitting for all-day care children aged 3 years and over but under school-going age.	3.1 (a) - (e)				
(a) An office		584.00	607.00	637.00	666.00
(b) A staff room provided that one room may, subject to the approval of the officer of health, be used as an office and staff room combined;		584.00	607.00	637.00	666.00
(c) An isolation room with a minimum floor area of 2m x 3m, fitted with a built-in wash-hand basin with hot and cold running water and equipped with a first-aid cupboard and equipment and bed or stretcher		584.00	607.00	637.00	666.00
(d) A playroom for play activities, serving of meals and sleeping purposes with a minimum free-playing area of 3m <sup>2</sup> for every child, not more than one-third of the total indoor play area may consist of a covered veranda or stoep, which shall be protected against wind, rain and other inclement weather conditions.		584.00	607.00	637.00	666.00
(e) A kitchen complying with the following requirements					
(i) The kitchen including scullery, shall have a minimum floor area of 14m <sup>2</sup> for a maximum of 30 children accommodated with an additional 0.3 m <sup>2</sup> per child for 30 to 100 children and a further 0.1 m <sup>2</sup> per child for every child in excess of		1,169.00	1,216.00	1,275.00	1,334.00
(ii) The kitchen shall be provided with a double compartment sink, wash-hand basin, vegetable washing sink and where the officer of health deems it necessary; an approved pot-washing sink shall be installed on the premises		584.00	607.00	637.00	666.00
(iii) In the discretion of the municipality and after due consideration having being given to the manner, amount and nature of cooking undertake on the premises, there shall be provided, immediately above every cooking stove, oven or similar apparatus, a hood or canopy of adequate size, having a flue at least 300mm in diameter and in addition such mechanical device as the Municipality shall deem necessary in these circumstances, exhausting to the atmosphere at such a position or manner as is necessary to prevent the discharge there from constituting a nuisance or annoyance to the neighbourhood: provided that where the municipality is satisfied that the purposes of this subsection will be effectively achieved thereby, a mechanical device may be provided instead of a hood or canopy as aforesaid;		1,169.00	1,216.00	1,275.00	1,334.00
(iv) The washbasins mentioned in paragraph (5)(b) shall be made of stainless steel or other approved impervious material and shall have an adequate and wholesome supply of hot and cold running water effectively distributed and laid over the sinks and wash-hand basins		584.00	607.00	637.00	666.00
(v) Each bowl of the double-compartment sink shall have a minimum depth of 225mm and minimum capacity of 55 litres		234.00	243.00	255.00	267.00
(vi) The draining boards of the sinks shall be fitted with 150 mm splash screens and installed 100mm from any wall surface, and every part of a wall surface within 600mm from any part of the sink or draining board so installed, shall be tiled or given some other approved finish having similar properties to a tiled surface, to a height at least 1.5 m from the floor.		1,169.00	1,216.00	1,275.00	1,334.00
(vii) The floor of the kitchen shall be of concrete or other similar impervious material		584.00	607.00	637.00	666.00
(viii) Natural light and ventilation shall be provided in accordance with the municipality's building by-laws		935.00	972.00	1,019.00	1,066.00
(ix) Wall surfaces shall be tiled or smooth-plastered and oil-painted in light-coloured oil		1,169.00	1,216.00	1,275.00	1,334.00

PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
(x) Ceilings shall be dust proof	584.00	607.00	637.00
(xi) All cupboards, shelves and other equipment for the storage of kitchen utensils and equipment shall be of metal and shall be so fitted or situated as to be easily cleaned and not for favour the harbourage of insects, rodents and other vermin;	935.00	972.00	1,019.00
(xii) All worktables shall be constructed of metal with a stainless steel top;	584.00	607.00	637.00
(xiii) The stove or other cooking units shall be so installed as to allow easy access between the stove or cooking unit and the adjoining wall surfaces to allow for cleaning;	584.00	607.00	637.00
(xiv) Facilities for the storage of vegetables shall be provided;	584.00	607.00	637.00
(xv) There shall be provided suitable refrigeration facilities for the storage of perishable foodstuffs	1,169.00	1,216.00	1,275.00
(xvi) There shall be provided a sufficient number of metal bins with covers for the temporary storage of refuse pending disposal	1,169.00	1,216.00	1,275.00
<b>Advertising</b>			
Application fee	370.00	413.00	433.00
Directional sign board single once off	1,447.00	1,613.00	1,692.00
Directional sign board double once off	2,836.00	3,162.00	3,316.00
LED - Digital Billboard displayed on municipal property per month	2,176.00	2,426.00	2,544.00
Per banner	347.00	387.00	406.00
Per Illegal Boards	434.00	484.00	508.00
Per Illegal Boards Additional fee if not removed within 2 (two) weeks	289.00	322.00	338.00
NGO's, Churches, Schools etc. deposit upfront and if the posters are removed within a week, the deposit is 100% refundable, if it is not removed within a week Council will be liable to clean the city and the deposit is then non-refundable	1,447.00	1,613.00	1,692.00
Political poster deposit upfront and if the posters are removed within a week, the deposit is 100% refundable, if it is not removed within a week Council will be liable to clean the city and the deposit is then non-refundable	7,234.00	8,066.00	8,460.00
The above advertising tariffs are subject to a 5% discount only when the following criteria are met: Five (5) or more boards must be placed. The application fee must exceed R1 500-00 for any particular advertising.			
<b>Plan Printing Charges</b>			
<u>Paper prints:</u>			
Size A4	11.00	11.00	12.00
Size A3	12.00	12.00	13.00
Size A2	17.00	18.00	19.00
Size A1	64.00	67.00	70.00
Size A0	95.00	99.00	104.00
<u>Opaque Film Prints &amp; Transparent Prints</u>			
Size A4	25.00	26.00	27.00
Size A3	47.00	49.00	51.00
Size A2	124.00	129.00	135.00
Size A1	173.00	180.00	189.00
Size A0	267.00	278.00	292.00
<u>Plans plotted by REGIS System</u>			
Size A4	54.00	56.00	59.00
Size A3	73.00	76.00	80.00
Size A2	145.00	151.00	158.00
Size A1	215.00	224.00	235.00
Size A0	255.00	265.00	278.00

1.8.2

1.8.3

PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
<u>Paper prints: Color</u>			
Size A4	6.00	6.00	6.00
Size A3	4.00	4.00	4.00
Size A2	14.00	15.00	16.00
Size A1	70.00	73.00	77.00
Size A0	86.00	89.00	93.00
<u>Opaque Film Prints &amp; Transparent Prints Color</u>			
Size A4	29.00	30.00	31.00
Size A3	56.00	58.00	61.00
Size A2	153.00	159.00	167.00
Size A1	208.00	216.00	227.00
Size A0	313.00	326.00	342.00
<u>Plans plotted by REGIS System - Color</u>			
Size A4	59.00	61.00	64.00
Size A3	108.00	112.00	117.00
Size A2	181.00	188.00	197.00
Size A1	291.00	303.00	318.00
Size A0	309.00	321.00	337.00
<u>Other</u>			
Information (without copy cart)	31.00	32.00	34.00
CUP Reports/SDF/LUMS/IDP/GURP	150.00	156.00	164.00
Building Plan search fee (without copy cart)	1,566.00	1,629.00	1,708.00
Building Statistics - Monthly	150.00	156.00	164.00
- Annually	1,566.00	1,629.00	1,708.00
Building Occupancy Certificate	911.00	947.00	993.00
Temporary Occupancy	911.00	947.00	993.00
Hoarding on Municipal property per square meter	150.00	156.00	164.00
Compulsory (removal executed by Municipal) of Building rubble per m3 load	783.00	814.00	873.00
Penalty on illegal building structure/s, per day and to be attached to account	235.00	244.00	262.00
Penalty on illegal encroaching to adjacent erf/erven, per day and to be attached to account	235.00	244.00	262.00
Penalty on illegal usage of property other than as zoned, per day and to be attached to account	235.00	244.00	262.00
Penalty on illegal closing of adjacent neighbour access, per day and to be attached to account	235.00	244.00	262.00
Penalty on illegal closing for storm water flow allowance, per day and to be attached to account	235.00	244.00	262.00
Penalty on deviation from approved building plan/s, per day and to be attached to account	235.00	244.00	262.00
Penalty on illegal encroaching to municipality land or property, per day and to be attached to account	235.00	244.00	256.00
Unauthorised sewer connection	1,571.00	1,634.00	1,714.00
Unauthorised water connection	1,571.00	1,634.00	1,714.00
Unauthorised electrical connection	1,571.00	1,634.00	1,714.00
Commencing building work or statutory stages controlled without council authorisation	784.00	815.00	855.00
Unauthorised erection of structures for event	23,371.00	24,306.00	25,492.00
Any other application that is not mentioned above but linked to Sol Plaatje Land Use By-Law	New	1,000.00	1,049.00

1.9 **PARKS & RECREATION (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)**

1.9.1 **TARIFFS FOR RECREATION HALL**

Development Sport

Training sessions (Monday - Thursday)

07:45 - 16:30 (per hour)

Key / Loss / damage / breakage deposit

53.00	56.00	59.00	62.00
130.00	137.00	144.00	151.00

PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
* <u>Monday - Friday</u>			
07:00 - 12:00 (per session)	378.00	399.00	418.00
12:00 - 17:00 (per session)	378.00	399.00	418.00
17:00 - 07:00 (per hour)	472.00	498.00	522.00
* <u>Saturdays</u>			
A basic fee is charged for 4 hours or part thereof	766.00	809.00	848.00
For every additional hour which the facility is used an additional tariff is payable	378.00	399.00	418.00
* <u>Sundays &amp; Public Holidays</u>			
A basic fee is charged for 4 hours or part thereof	826.00	872.00	915.00
For every additional hour which the facility is used an additional tariff is payable	389.00	411.00	431.00
* <u>All Dances</u>			
A basic fee is charged for 4 hours or part thereof	2,949.00	3,112.00	3,264.00
For every additional hour which the facility is used an additional tariff is payable	778.00	821.00	861.00
* Funerals - for 4 hours	708.00	747.00	783.00
For every additional hour	384.00	406.00	426.00
Preparation fee (per hour)	472.00	498.00	522.00
* Key / Loss / damage / breakage deposit	1,298.00	1,370.00	1,437.00
<b><u>TARIFFS FOR SOCIAL CENTRE, R C ELLIOTT HALL AND RITCHIE</u></b>			
<u>Development Sport</u>			
Training sessions (Monday - Thursday)			
07:45 - 16:30 (per hour)	53.00	56.00	59.00
Key / Loss / damage / breakage deposit	130.00	138.00	145.00
* <u>Monday - Friday</u>			
07:00 - 12:00 (per session)	378.00	399.00	418.00
12:00 - 17:00 (per session)	268.00	283.00	297.00
17:00 - 07:00 (per hour)	472.00	498.00	522.00
* <u>Saturdays</u>			
A basic fee charged for 4 hours or part thereof	766.00	809.00	848.00
For every additional hour which the facility is used an additional tariff is payable	389.00	399.00	418.00
* <u>Sundays &amp; Public Holidays</u>			
A basic fee is charged for 4 hours or part thereof	826.00	872.00	915.00
For every additional hour which the facility is used an additional tariff is payable	389.00	411.00	431.00
* <u>All Dances</u>			
A basic fee is charged for 4 hours or part thereof	2,949.00	3,112.00	3,264.00
For every additional hour which the facility is used an additional tariff is payable	778.00	821.00	861.00
* Funerals - for 4 hours	708.00	747.00	783.00
For every additional hour	384.00	406.00	426.00
Preparation fee (per hour)	472.00	498.00	522.00
* Key / Loss / damage / breakage deposit	1,298.00	370.00	388.00

1.9.2

PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
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1.9.3 **TARIFFS FOR FLORIANVILLE HALL**

Development Sport

Training sessions (Monday - Thursday)

07:45 - 16:30 (per hour)

Key / Loss / damage / breakage deposit

53.00	56.00	59.00	62.00
130.00	138.00	145.00	152.00

\* Monday - Friday

07:00 - 12:00 (per session)

12:00 - 17:00 (per session)

17:00 - 07:00 (per hour)

378.00	399.00	418.00	437.00
378.00	399.00	418.00	437.00
472.00	498.00	522.00	546.00

\* Saturdays

A basic fee charged for 4 hours or part thereof

For every additional hour which the facility is used an additional tariff is payable

768.00	810.00	850.00	889.00
389.00	410.00	430.00	450.00

\* Sundays & Public Holidays

A basic fee is charged for 4 hours or part thereof

For every additional hour which the facility is used an additional tariff is payable

826.00	871.00	914.00	956.00
818.00	863.00	905.00	947.00

\* All Dances

A basic fee is charged for 4 hours or part thereof

For every additional hour which the facility is used an additional tariff is payable

2,949.00	3,112.00	3,264.00	3,415.00
778.00	821.00	861.00	901.00

\* Funerals - for 4 hours

For every additional hour

Preparation fee (per hour)

708.00	747.00	783.00	819.00
384.00	405.00	425.00	445.00
472.00	498.00	522.00	546.00

\* Key / Loss / damage / breakage deposit

1,298.00	1,370.00	1,437.00	1,504.00
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1.9.4 **GARDNER WILLIAMS HALL, GREENPOINT HALL  
AND GALESHEWE CENTRE (ABATHO BANTU HALL)**

Development Sport

Training sessions (Monday - Thursday)

07:45 - 16:30 (per hour)

Key / Loss / damage / breakage deposit

53.00	56.00	59.00	62.00
130.00	138.00	145.00	152.00

\* Monday - Friday

07:00 - 12:00 (per session)

12:00 - 17:00 (per session)

17:00 - 07:00 (per hour)

254.00	268.00	281.00	294.00
254.00	268.00	281.00	294.00
254.00	268.00	281.00	294.00

\* Saturdays

A basic fee charged for 4 hours or part thereof

For every additional hour which the facility is used an additional tariff is payable

708.00	747.00	783.00	819.00
354.00	374.00	392.00	410.00

\* Sundays & Public Holidays

A basic fee is charged for 4 hours or part thereof

For every additional hour which the facility is used an additional tariff is payable

\* Key / Loss / damage / breakage deposit

731.00	771.00	809.00	846.00
389.00	411.00	431.00	451.00
1,298.00	1,370.00	1,437.00	1,504.00

\* All Dances

A basic fee is charged for 4 hours or part thereof

For every additional hour which the facility is used an additional tariff is payable

2,949.00	3,112.00	3,264.00	3,415.00
778.00	821.00	861.00	901.00

PRESENT TARIFFS	PROPOSED TARIFFS	PROPOSED TARIFFS	PROPOSED TARIFFS
2022/07/01	2022/07/01	2023/07/01	2024/07/01
R	R	R	R
* Funerals - for 4 hours	708.00	747.00	783.00
For every additional hour	384.00	405.00	425.00
Preparation fee (per hour)	472.00	498.00	522.00
* Key / Loss / damage / breakage deposit	1,298.00	1,370.00	1,437.00

1.9.5

**CITY HALL****\* Monday - Friday**

07:00 - 12:00 (per session)

1,134.00

1,196.00

1,254.00

1,312.00

12:00 - 17:00 (per session)

1,134.00

1,196.00

1,254.00

1,312.00

17:00 - 07:00 (per hour)

683.00

721.00

756.00

791.00

**\* Saturdays**

A basic fee charged for 4 hours or part thereof

1,769.00

1,866.00

1,957.00

2,048.00

For every additional hour which the facility is used  
an additional tariff is payable

472.00

498.00

522.00

546.00

**\* Sundays & Public Holidays**

A basic fee is charged for 4 hours or part thereof

1,946.00

2,053.00

2,153.00

2,253.00

For every additional hour which the facility is used  
an additional tariff is payable

683.00

721.00

756.00

791.00

\* Key / Loss / damage / breakage deposit

1,415.00

1,493.00

1,566.00

1,639.00

**\*\* All Dances**

A basic fee is charged for 4 hours or part thereof

2,949.00

3,112.00

3,264.00

3,415.00

For every additional hour which the facility is used  
an additional tariff is payable

813.00

858.00

900.00

942.00

\*\* Key / Loss / damage / breakage deposit

1,769.00

1,866.00

1,957.00

2,048.00

**\*\*\* Supper Room**

07:00 - 12:00 (per session)

885.00

934.00

980.00

1,025.00

12:00 - 17:00 (per session)

885.00

934.00

980.00

1,025.00

17:00 - 07:00 (per hour)

650.00

686.00

719.00

752.00

\*\*\* Funerals - for 4 hours

1,769.00

1,867.00

1,958.00

2,049.00

For every additional hour

384.00

405.00

425.00

445.00

**\*\*\* Key / Loss / damage / breakage deposit**

1,179.00

1,244.00

1,305.00

1,365.00

Preparation fee (per hour) applicable to all activities

519.00

548.00

588.00

638.00

Aircon \ 8 hour session

1,179.00

1,244.00

1,334.00

1,447.00

If a request is received from a the following organizations \* to use the facilities at a reduced tariff ONLY  
the Municipal Manager may approve a reduced tariff. The relevant deposit, which is refundable, is payable.

\* Registered Welfare Organisations

\* Registered Non-profitable Organisations

\* Schools

\* Churches

NB. Government Departments to pay full tariff.

1.9.6

**PROPERTY SERVICES**

Administration costs for the sale of land (once-off) -

15% of the sale / hire price:

\* Minimum

661.00

687.00

721.00

754.00

\* Maximum

1,996.00

2,076.00

2,177.00

2,278.00

Administration costs for the leasing of land/property (with each renewal of contract)

661.00

687.00

721.00

754.00

Advertising for alienation or leasing of land

882.00

917.00

962.00

1,007.00

PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
<b>TRAFFIC</b>			
<b><u>FUNCTIONS, MARCHES &amp; SPORT</u></b>			
<b><u>Monday to Saturday</u></b>			
One or two Officers per event	1,140.00	1,190.00	1,248.00
Three or four Officers per event	2,250.00	2,340.00	2,454.00
More than four Officers per event	2,800.00	2,900.00	3,042.00
<b><u>Sunday and Public Holidays</u></b>			
Per Officer per hour or part thereof	1,080.00	1,120.00	1,175.00
<b><u>ESCORT OF ABNORMAL LOADS</u></b>			
<b><u>Monday to Saturday</u></b>			
Per Officer per hour or part thereof	670.00	700.00	734.00
<b><u>Sunday and Public Holidays</u></b>			
Per Officer per hour or part thereof	2,180.00	2,270.00	2,381.00
<b><u>RENTAL OF ROAD SIGNS</u></b>			
Renting of temporary Road Signs -	370.00	390.00	409.00
Deposit per sign	220.00	230.00	241.00
<b><u>HIRE OF PARKING BAY</u></b>			
Hiring of a Parking Bay per Parking Bay per Day	250.00	260.00	273.00
<b><u>SEARCH FEES</u></b>			
Service of Summonses for other Local Authorities (per Summons executed)	120.00	125.00	131.00
Accident Report	100.00	105.00	110.00
<b><u>WEIGHBRIDGE</u></b>			
0 - 3500 kg	140.00	150.00	157.00
3500 - 9000 kg	260.00	270.00	283.00
9000 - 16000 kg	390.00	410.00	430.00
Above 16000 kg	650.00	680.00	713.00
<b><u>LIBRARY</u></b>			
Videos, Fiksie en Nie-fiksie / DVD	8.00	10.00	10.00
Damaged barcode	5.00	5.00	5.00
Postal tariffs : reminders	9.00	10.00	10.00
Fines : per week	3.00	3.50	4.00
: per month	11.00	14.00	15.00
Maximum fine per item	44.00	48.00	50.00
Reservation fee	5.00	6.00	6.00
Admin fee : Phone calls	17.00	18.00	19.00
Admin fee : Cell phone calls	20.00	22.00	23.00
Book record covers	14.00	15.00	16.00
Duplicate computer membership card	44.00	48.00	50.00
Photocopy charges - A4	1.00	1.00	1.00
- A3	1.00	1.50	2.00
Country members (per annum)	177.00	185.00	194.00
Visitors - deposit	187.00	200.00	210.00
- fee	165.00	175.00	184.00

1.9.7

1.9.8



	PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
<u>Laminates:</u>				
A4	8.00	10.00	10.00	10.00
A3	17.00	18.00	19.00	20.00
85mm x 60	5.00	5.00	5.00	5.00
A5	6.00	6.00	6.00	6.00
Inter library loans	99.00	105.00	110.00	115.00
Books rebinding	88.00	95.00	100.00	105.00
Toilet tariff	1.00	1.00	1.00	1.00
CD container / DVD	6.00	6.00	6.00	6.00
Research fee (inter library loans)	31.00	35.00	37.00	39.00
<u>Fax facility:</u>				
Local per page	5.00	8.00	8.00	8.00
National per page	14.00	15.00	16.00	17.00
International per page	35.00	40.00	42.00	44.00
Faxes received per page	3.00	5.00	5.00	5.00
Fax to mail (all 086 numbers) per page	11.00	14.00	15.00	16.00
<b><u>MAIN- AND GALESHEWE LIBRARIES</u></b>				
<u>Non-profitable Organisations and Cultural Activities</u>				
Per session	187.00	200.00	210.00	220.00
Kitchen facilities	67.00	75.00	79.00	83.00
Key / Loss / damage / breakage deposit	529.00	550.00	577.00	604.00
<u>Commercial Institutions and Political Parties</u>				
Per session	441.00	465.00	488.00	511.00
Kitchen facilities	67.00	75.00	79.00	83.00
Key / Loss / damage / breakage deposit	529.00	550.00	577.00	604.00
Audio visual material (per item)	88.00	95.00	100.00	105.00
Data Projector (Main Library only) per session	353.00	365.00	383.00	401.00
<b><u>HALL RENTALS</u></b>				
<b><u>SONNY LEON LIBRARY</u></b>				
<u>Non-profitable organisations and Cultural Activities</u>				
Per session	110.00	120.00	126.00	132.00
Kitchen facilities	67.00	75.00	79.00	83.00
Key / Loss / damage / breakage deposit	529.00	550.00	577.00	604.00
<u>Commercial Institutions and Political Parties</u>				
Per session	276.00	295.00	309.00	323.00
Kitchen facilities	67.00	75.00	79.00	83.00
Key / Loss / damage / breakage deposit	529.00	550.00	577.00	604.00
Audio visual material (per item)	88.00	95.00	100.00	105.00
<b><u>HALL RENTALS</u></b>				
<b><u>BEACONSFIELD AND JUDY SCOTT LIBRARIES</u></b>				
<u>Non-profitable organizations and Cultural Activities</u>				
Per session	110.00	120.00	126.00	132.00
Kitchen	67.00	75.00	79.00	83.00
Key / Loss / damage / breakage deposit	529.00	550.00	577.00	604.00
<u>Commercial Institutions and Political Parties</u>				
Per session	276.00	295.00	309.00	323.00
Kitchen facilities	67.00	75.00	79.00	83.00
Key / Loss / damage / breakage deposit	529.00	550.00	577.00	604.00
Audio visual material (per item)	88.00	95.00	100.00	105.00

PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
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**AFRICANA LIBRARY**

**Research fees**

* National	970.00	1,020.00	1,070.00	1,120.00
* International	1,213.00	1,300.00	1,363.00	1,426.00

\* Pro rata fees will be levied for partially research request

**EMERGENCY SERVICES**

**Km Turnout fees**

(Calculated per vehicle per Km traveled from turnout to the incident to return to the Fire Station)

* Fire fighting vehicle	48.00	50.00	52.00	54.00
* Assistance vehicle	9.00	10.00	11.00	12.00

**Turnout fees for the fire fighting vehicles, portable pumps and assistance vehicles**

(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	2,280.00	2,371.00	2,487.00	2,602.00
Portable pump	1,140.00	1,186.00	1,244.00	1,302.00
Assistance vehicle	1,140.00	1,186.00	1,244.00	1,302.00
Hazmat Pumps	2,280.00	2,371.00	2,487.00	2,602.00

**Turnout fees for the fire fighting vehicles, portable pumps and assistance vehicles**

(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	1,140.00	1,186.00	1,244.00	1,302.00
Portable pump	570.00	593.00	622.00	651.00
Assistance vehicle	570.00	593.00	622.00	651.00
Hazmat Pumps	1,140.00	1,186.00	1,244.00	1,302.00

**Personnel tariffs**

(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	618.00	643.00	674.00	705.00
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**Specialized equipment**

(Calculated per unit used)

Chemical extinguisher	473.00	492.00	516.00	540.00
CO² extinguisher	473.00	492.00	516.00	540.00
Breathing apparatus	328.00	341.00	358.00	375.00
Refill of SCBA/SCUBA cylinder : per cylinder	37.00	38.00	40.00	42.00
* Jaws of Life rescue equipment - per incident / use	981.00	1,020.00	1,070.00	1,120.00
* Rollgliss rescue equipment - per incident / use	981.00	1,020.00	1,070.00	1,120.00
* Medical equipment (consumables) - per patient	473.00	492.00	516.00	540.00
* Pneumatic Equipment - per incident / use	981.00	1,020.00	1,070.00	1,120.00

Replacement cost+20%	Replacement cost+20%	Replacement cost+20%	Replacement cost
Replacement cost+20%	Replacement cost+20%	Replacement cost+20%	Replacement cost

**Fire extinguishing material**

(Calculated per unit state or part thereof)

Water - municipal tariff per Kl				
CO² - purchase tariff per Kg	Tariff +20%	Tariff +20%	Tariff +20%	Tariff +20%
Dry chemical powder - purchase tariff per Kg	Tariff +20%	Tariff +20%	Tariff +20%	Tariff +20%
Foam - purchase tariff per liter	Tariff +20%	Tariff +20%	Tariff +20%	Tariff +20%

	<div>PRESENT TARIFFS R</div>	<div>PROPOSED TARIFFS 2022/07/01 R</div>	<div>PROPOSED TARIFFS 2023/07/01 R</div>	<div>PROPOSED TARIFFS 2024/07/01 R</div>
<b><u>Inspection fees</u></b> (Calculated per inspection or plan approved) Fire prevention inspection, building plans and sites per project	570.00	593.00	622.00	651.00
Inspection of flammable liquids, solids and gasses installations:				
* 1 liter - 2000 liter	661.00	687.00	721.00	754.00
* 2001 liter - 5000 liter	855.00	889.00	932.00	975.00
* 5001 liter - 50000 liter	1,043.00	1,085.00	1,138.00	1,191.00
* 50001 lire and more	1,234.00	1,283.00	1,346.00	1,408.00
*Tankers - irrespective the size and inspected at the Emergency Services - per registration certificate	630.00	655.00	687.00	719.00
Inspection and service of fire extinguishers for Municipal Sections - per extinguisher serviced.	as per tender	as per tender	as per tender	as per tender
Monitoring of fire alarms (per month per alarm)	254.00	264.00	277.00	290.00
<b><u>Training</u></b> As per Prospectus - calculated in terms of time and material used.				
1.9.10 <b><u>DEVELOPMENT SERVICES</u></b>				
<b><u>Tram</u></b>				
Single trip (Adults) (Return Trip 2x single)	12.00	13.00	14.00	15.00
Single trip (Children - Primary School) (Return Trip 2x single)	12.00	13.00	14.00	15.00
<b><u>Regional Tourism Centre</u></b>				
Kiosk:				
Minimum tender price/month - 12 month period	1,378.00	1,433.00	1,503.00	1,573.00
Cubicles:				
Minimum tender price/month - 12 month period	992.00	1,032.00	1,082.00	1,132.00
Exhibition space per m² per day	19.00	20.00	21.00	22.00
Hawkers shelter per day	35.00	36.00	38.00	40.00
<b><u>Informal Trade facilities</u></b>				
Stalls with storage facilities	388.00	404.00	424.00	444.00
Stalls without storage facilities	186.00	193.00	202.00	211.00
Fruits and Vegetable Structures	253.00	263.00	276.00	289.00
Pension Pay Points ( Card Carrying Pensioners)	74.00	77.00	81.00	85.00
Caravans within CBD (Auction set-off price)	491.00	511.00	536.00	561.00
Caravans outside CBD	246.00	256.00	268.00	280.00
1.9.11 <b><u>POUND SERVICES</u></b>				
<b><u>Impounding:</u></b>				
Horses, donkey's, cattle and pigs (each, once off payment)	177.00	184.00	193.00	202.00
Sheep and goat (each, once off payment)	71.00	74.00	78.00	82.00
<b><u>Maintenance</u></b>				
Horses, donkey's, cattle and pigs (each per day)	71.00	74.00	78.00	82.00
Sheep and goat (each per day)	36.00	37.00	39.00	41.00
<b><u>G.W.K rent tariff</u></b>				
Large stock unit	71.00	74.00	78.00	82.00
Small stock unit	43.00	45.00	47.00	49.00
The tariff per kilometre will be applicable for animals brought to the pound by an individual with a (LCV) light commercial vehicle. The tariff paid will be in accordance with the AA Vehicle Rates Calculator.				

PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
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1.10 **LABORATORY TARIFFS (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)**

Chemical Analysis

Digester samples	660.00	686.00	719.00	752.00
Waste activated sludge	187.00	194.00	203.00	212.00
Sludge volume index	95.00	99.00	104.00	109.00
Nitrates	150.00	156.00	164.00	172.00
Potassium	180.00	187.00	196.00	205.00
Sulfates	180.00	187.00	196.00	205.00
Phosphate	180.00	187.00	196.00	205.00
Fluoride	180.00	187.00	196.00	205.00
Total solids	180.00	187.00	196.00	205.00
Free Residual Chlorine	95.00	99.00	104.00	109.00
Magnesium	205.00	213.00	223.00	233.00
COD	163.00	170.00	178.00	186.00
TKN = Total Kjeldahl Nitrogen	205.00	213.00	223.00	233.00
NH-3/Ammonia	205.00	213.00	223.00	233.00
Zinc	205.00	213.00	223.00	233.00
Iron	205.00	213.00	223.00	233.00
Manganese	205.00	213.00	223.00	233.00
Plate Count	187.00	194.00	203.00	212.00
Suspended solids	187.00	194.00	203.00	212.00
Hardness	187.00	194.00	203.00	212.00
Alkalinity	187.00	194.00	203.00	212.00
Total Chloride	187.00	194.00	203.00	212.00
Aluminium	187.00	194.00	203.00	212.00
PH	82.00	85.00	89.00	93.00
Conductivity	82.00	85.00	89.00	93.00
Turbidity	82.00	85.00	89.00	93.00
Dissolved Oxygen	82.00	85.00	89.00	93.00

Packets

Water Bacteriological E. coli and coli	378.00	393.00	412.00	431.00
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1.11 **MISCELLANEOUS (FINANCIAL SERVICES)**

1.11.1 Furnishing of information

(a) Search of any account	99.00	103.00	108.00	113.00
(b) For the inspection of any Deed document or diagram or any details relating thereto	99.00	103.00	108.00	113.00
(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)	99.00	103.00	108.00	113.00
(d) In respect of any search or provision of information where a fee for such search has not been prescribed by (a), (b) or (c).	220.00	229.00	240.00	251.00
<b>NB. ABOVE - In respect of (a)(b) and (d) for every hour or portion thereof</b>				

1.11.2	Water - Reconnection fees	1,102.00	1,146.00	1,202.00	1,258.00
	Water - Disconnection fees	1,102.00	1,146.00	1,202.00	1,258.00
	Water - Temporary consumption (Funerals, etc.)	220.00	229.00	240.00	251.00
1.11.3	Special meter reading	220.00	229.00	240.00	251.00
1.11.4	Meter test - Electricity	661.00	687.00	721.00	754.00
	Electricity - Temporary consumption (Funerals, etc.)	331.00	344.00	361.00	378.00
1.11.5	Electricity - Non-payment penalty:				
	* For Conventional meters	717.00	746.00	782.00	818.00
	* For Prepaid meters	441.00	459.00	481.00	503.00

		PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
1.11.6	Electricity - Reconnection fees (Controller Wire) Tampering administration fee Tamper disconnection fee Tamper reconnection fee	772.00 1,874.00 3,583.00 3,583.00	803.00 1,949.00 3,726.00 3,726.00	842.00 2,044.00 3,908.00 3,908.00	881.00 2,139.00 4,089.00 4,089.00
1.11.7	<u>Informal Housing - Erven with pails</u> Bulk refuse Pails High Mast Gravel road Stand pipe	33.00 See sanitation 31.00 29.00 33.00	34.00 See sanitation 32.00 30.00 34.00	36.00 See sanitation 34.00 31.00 36.00	38.00 See sanitation 36.00 32.00 38.00
1.11.8	<u>Informal Housing - Sewered Erven</u> Bulk refuse Sewerage High Mast Gravel road Stand pipe	33.00 See sanitation 31.00 29.00 33.00	34.00 See sanitation 32.00 30.00 34.00	36.00 See sanitation 34.00 31.00 36.00	38.00 See sanitation 36.00 32.00 38.00
1.11.9	Electricity availability	276.00	287.00	301.00	315.00
1.11.10	Water availability	276.00	287.00	301.00	315.00
1.11.11	Fixed electricity (limited supply - 2Amps)	276.00	287.00	301.00	315.00
1.11.12	<u>Deposits - Electricity and Water Supply</u> <u>Flats:</u> 1-Bedroom 2-Bedroom 3-Bedroom  <u>Townhouses:</u> 2-Bedroom 3-Bedroom  <u>Domestic Houses:</u> 2-Bedroom 3-Bedroom More than 3-bedrooms  Builders water deposit <u>Business/Industries:</u> Small power users Large power users <u>Rural consumers</u> Informal housing <u>Businesses/Industries:</u> Bulk water supply Indigents - Water deposit	1,405.00 1,685.00 2,135.00  1,685.00 2,135.00  1,685.00 2,135.00 3,034.00  2,976.00 3,034.00 7,303.00 85.00 7,303.00 78.00	1,489.00 1,786.00 2,263.00  1,786.00 2,263.00  1,786.00 2,263.00 3,216.00  3,095.00 3,216.00 7,741.00 90.00 7,741.00 83.00	1,562.00 1,873.00 2,373.00  1,873.00 2,373.00  1,873.00 2,373.00 3,373.00  3,246.00 3,373.00 8,119.00 94.00 8,119.00 87.00	1,634.00 1,960.00 2,483.00  1,960.00 2,483.00  1,960.00 2,483.00 3,529.00  3,396.00 3,529.00 8,495.00 98.00 8,495.00 91.00
1.11.13	Valuation Roll (CD or Disk)	5,236.00	5,445.00	5,711.00	5,975.00
1.11.14	Address List (CD or Disk)	5,236.00	5,445.00	5,711.00	5,975.00

		PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
1.11.15	<u>Penalty for an unmetered</u> (official) Water connection Thereafter a daily penalty until meter is installed (per day) Consumption per house	13,229.00 1,433.00 7,166.00	13,758.00 1,490.00 7,453.00	14,429.00 1,563.00 7,817.00	15,097.00 1,635.00 8,179.00
1.11.16	Electricity and water availability for Business/Industries/State.	276.00	287.00	301.00	315.00
1.11.17	<u>Late objection to General Valuation Roll or Supplementary Valuation Roll</u> Prescribed application fee for consideration of late objection and review	386.00	401.00	421.00	440.00
1.11.18	A basic tariff for services which are impractical to be metered as per the Tariff Policy	165.00	172.00	180.00	188.00
1.11.19	All financial transactions on services or other, billed by the municipality attracting interest will be charged such interest at a rate of prime (bank rate) plus 1 %.				
1.12	<b><u>WATER TARIFFS (SERVICES &amp; INFRASTRUCTURE)</u></b>				
1.12.1	<u>Water Connections</u> Size of Connection (mm)      Size of Meter (mm)				
	20      15	9,495.00	10,034.00	10,898.00	11,452.00
	25      20	9,868.00	10,429.00	11,327.00	11,902.00
	40      32	19,490.00	20,597.00	22,370.00	23,506.00
	50      40	22,938.00	24,241.00	26,328.00	27,665.00
	80      50	37,422.00	39,548.00	42,953.00	45,135.00
		Additional costs	Additional costs	Additional costs	Additional costs
	100      75	43,650.00	46,129.00	50,101.00	52,646.00
		Additional costs	Additional costs	Additional costs	Additional costs
	150      100	51,734.00	54,672.00	59,379.00	62,395.00
		Additional costs	Additional costs	Additional costs	Additional costs
	250      150	51,734.00	54,672.00	59,379.00	62,395.00
		Additional costs	Additional costs	Additional costs	Additional costs
	300      150	51,734.00	54,672.00	59,379.00	62,395.00
		Additional costs	Additional costs	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 (refundable on closure of account) is payable.	1,396.00	1,475.00	1,602.00	1,683.00
1.12.2	<u>Testing of Water Meters</u> Tariff per meter tested	1,418.00	1,499.00	1,628.00	1,711.00
1.12.3	<u>Exposure of Services</u> Tariff per service exposure	704.00	744.00	808.00	849.00
1.12.4	<u>Water</u> (Normal tariff structure) Schools, Sports fields and Parks Charities/Churches Business - Commercial Business - Industrial Indigents (0 - 6 KI) Residential (0 - 6 KI) Residential (7 - 20 KI) Residential (21 - 40 KI) Residential (41 - 60 KI) Residential (more than 60 KI)	21.19 21.19 35.97 29.38 6.91 6.91 29.37 33.06 34.97 37.36	22.39 22.39 38.01 31.05 7.30 7.30 31.04 34.94 36.95 39.48	24.32 24.32 41.28 33.73 7.93 7.93 33.71 37.94 40.14 42.88	25.55 25.55 43.38 35.44 8.34 8.34 35.43 39.87 42.17 45.06

PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
Flats (0 - 6 KI)	6.91	7.30	8.34
Flats (7 - 20 KI)	29.38	31.05	35.44
Flats (21 - 40 KI)	33.06	34.94	39.87
Flats (more than 40 KI)	37.36	39.48	45.06
Prepaid water per KI Households	17.77	18.78	21.44
Builders Water	41.36	43.71	49.89
Rural consumers: as above plus	4.00%	4.00%	4.00%

1.12.5

**Water restriction tariffs**

- **Stage/Level one:** Restrictions are intended to enforce sensible use of water and to prevent inefficient water use practices, by reducing non-essential use of water by 20%. These restrictions are meant to minimize unnecessary water consumption during peak daily demand periods, but to have little impact on amenity of community and residential assets. This may be achieved by enforcing water restrictions tariffs and other related measures as approved by Council.
- **Stage/Level two:** Restrictions are designed to reduce non-essential water use by 40% of average consumption. Non-essential residential and commercial use is limited to alternative days, and watering of lawns and filling of swimming pools is banned.
- **Stage/Level three:** Non-essential use is reduced by 70% of average consumption. Watering of residential, commercial and public gardens is limited to levels intended to prevent long term vegetation damage. Normal watering of lawns is banned.
- **Stage/Level four:** Restrictions only allow the consumption of water for essential public health purposes. All non-essential uses are banned.
- **Stage/Level Five:** Water Conservation Notice. Water restrictions are imposed to effect emergency water conservation (Emergency Management). No non-essential water use is permitted at any time during the restriction. Only essential domestic, industrial and commercial use may be permitted under strict monitoring.

**level 1 - 20% saving**

Residential/Indigents (0 - 6 KI)	6.91	7.30	7.93	8.34
Residential (7 - 20 KI)	30.85	32.61	35.41	37.21
Residential (21 - 40 KI)	36.37	38.44	41.75	43.87
Residential (41 - 60 KI)	40.21	42.50	46.16	48.50
Residential (more than 60 KI)	44.83	47.38	51.46	54.07
Flats (0 - 6 KI)	6.91	7.30	7.93	8.34
Flats (7 - 20 KI)	30.85	32.61	35.41	37.21
Flats (21 - 40 KI)	36.37	38.44	41.75	43.87
Flats (more than 40 KI)	44.83	47.38	51.46	54.07
Schools,sport, parks	24.36	25.74	27.96	29.38
Churches	24.36	25.74	27.96	29.38
Builders water	47.56	50.27	54.59	57.37
Industries	41.36	43.71	47.48	49.89
Commercial	33.78	35.70	38.78	40.75

**level 2 - 40% saving**

Residential/Indigents (0 - 6 KI)	6.91	7.30	7.93	8.34
Residential (7 - 20 KI)	32.31	34.15	37.09	38.97
Residential (21 - 40 KI)	39.69	41.94	45.55	47.86
Residential (41 - 60 KI)	43.70	46.18	50.16	52.71
Residential (more than 60 KI)	52.30	55.27	60.03	63.08
Flats (0 - 6 KI)	7.25	7.66	8.32	8.75
Flats (7 - 20 KI)	35.25	37.26	40.46	42.52
Flats (21 - 40 KI)	39.69	41.94	45.55	47.86
Flats (more than 40 KI)	52.30	55.27	60.03	63.08
Schools,sport, parks	25.41	26.85	29.17	30.65
Churches	25.41	26.85	29.17	30.65
Builders water	49.63	52.45	56.96	59.85
Industries	43.15	45.60	49.53	52.05
Commercial	35.25	37.26	40.46	42.52

	PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
<b>level 3 - 70% saving</b>				
Residential/Indigents (0 - 6 KI)	7.60	8.04	8.73	9.17
Residential (7 - 20 KI)	35.25	37.26	40.46	42.52
Residential (21 - 40 KI)	41.33	43.68	47.44	49.85
Residential (41 - 60 KI)	45.46	48.04	52.18	54.83
Residential (more than 60 KI)	56.04	59.23	64.33	67.60
Flats (0 - 6 KI)	7.60	8.04	8.73	9.17
Flats (7 - 20 KI)	35.25	37.26	40.46	42.52
Flats (21 - 40 KI)	42.99	45.43	49.34	51.85
Flats (more than 40 KI)	56.04	59.23	64.33	67.60
Schools,sport, parks	27.53	29.09	31.60	33.20
Churches	27.53	29.09	31.60	33.20
Builders water	53.76	56.82	61.71	64.84
Industries	46.75	49.41	53.66	56.39
Commercial	38.19	40.36	43.84	46.07
<b>level 4 - survival</b>				
Residential/Indigents (0 - 6 KI)	7.60	8.04	8.73	9.17
Residential (7 - 20 KI)	44.07	46.58	50.59	53.16
Residential (21 - 40 KI)	49.60	52.42	56.94	59.83
Residential (41 - 60 KI)	62.94	66.51	72.24	75.91
Residential (more than 60 KI)	67.26	71.08	77.20	81.12
Flats (0 - 6 KI)	7.60	8.04	8.73	9.17
Flats (7 - 20 KI)	44.07	46.58	50.59	53.16
Flats (21 - 40 KI)	59.52	62.90	68.32	71.79
Flats (more than 40 KI)	67.26	71.08	77.20	81.12
Schools,sport, parks	38.13	40.29	43.76	45.99
Churches	38.13	40.29	43.76	45.99
Builders water	74.45	78.67	85.45	89.79
Industries	64.73	68.41	74.30	78.08
Commercial	52.89	55.89	60.70	63.78
<b>level 5 - emergency</b>				
Residential/Indigents (0 - 6 KI)	7.60	8.04	8.73	9.17
Residential (7 - 20 KI)	58.76	62.09	67.44	70.86
Residential (21 - 40 KI)	66.14	69.90	75.91	79.77
Residential (41 - 60 KI)	69.94	73.91	80.27	84.35
Residential (more than 60 KI)	74.73	78.97	85.77	90.13
Flats (0 - 6 KI)	7.60	8.04	8.73	9.17
Flats (7 - 20 KI)	58.76	62.09	67.44	70.86
Flats (21 - 40 KI)	66.14	69.90	75.91	79.77
Flats (more than 40 KI)	74.73	78.97	85.77	90.13
Schools,sport, parks	42.36	44.77	48.62	51.09
Churches	42.36	44.77	48.62	51.09
Builders water	82.72	87.42	94.94	99.77
Industries	71.93	76.02	82.56	86.76
Commercial	58.76	62.09	67.44	70.86

1.12.6 **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.

Sorts 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:

1.13.1 Non-Residential dwellings:

(a) Payable by the owner -

One regular removal of refuse not exceeding 0,8m³ per week per month

762.05

792.53

856.25

918.67

b) 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 1,6m³ per one removal per week per month

762.05

792.53

856.25

918.67

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

(c) 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 6m³ per one removal per week the tariff for each removal shall be

2,860.47

2,974.88

3,214.07

3,448.37

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

(d) Where the owner or occupier hires a 1,54m³ bulk container from the City Council - that hire shall be 6,0m³ container hire

464.48

483.06

521.89

559.94

(e) Where special garden refuse is removed the tariff per per m² applicable shall be

669.50

696.28

752.26

807.10

(f) All non residential premises pay the availability tariff of one regular refuse removal per week where the actual removal is undertaken by the business itself.

74.21

77.18

83.39

89.47

(g) 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

762.05

792.53

856.25

918.67

385.16

400.57

432.77

464.32

1.13.2 Residential

Payable by the owner for one regular removal of refuse per week - the tariff shall be

129.43

134.60

145.42

156.03

1.13.3 Non -Residential

Payable by the owner for one regular removal of refuse per week- -the tariff shall be

762.05

792.53

856.25

918.67

1.13.4 Flats

Tariff only applicable to Municipal flats

64.71

67.30

72.71

78.01

1.13.5 Availability charge

A basic monthly charge - Residential

64.71

67.30

72.71

78.01

- Non - Residential

385.16

400.57

432.77

464.32

1.14 **SANITATION TARIFFS (SERVICES & INFRASTRUCTURE)**

1.14.1 Sewerage

Private dwelling houses and premises (excluding flats, semi-detached dwellings, hotels, boarding and lodging houses and hostels):

Basic monthly charge for indigents

181.30

188.55

198.94

210.38

Basic monthly charge (two sanitary convenience)

181.30

188.55

198.94

210.38

Additional monthly charge (each additional connection, excluding private dwellings)

108.80

113.15

119.38

126.25

Flats and semi-detached dwellings:

Basic monthly charge (first living unit)

181.30

188.55

198.94

210.38

Additional monthly charge (each additional unit)

108.80

113.15

119.38

126.25

Hotel, Boarding Houses, Lodging Houses and Hostels

	PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
Basic monthly charge (two sanitary conveniences)	181.30	188.55	198.94	210.38
Additional monthly charge (each additional connection)	108.80	113.15	119.38	126.25
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	159.24	165.61	174.73	184.78
1.14.2 <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 5KI)	301.37	313.42	330.69	349.71
Additional charge (per 1KI or part thereof)	49.74	51.73	54.58	57.71
Vacuum tanker transport charge (per call)	248.68	258.63	272.88	288.57
B. Within 10km of CBD (After hours, Monday - Friday & Saturdays)				
Basic charge (first 5KI)	471.86	490.74	517.78	547.55
Additional charge (per 1KI or part thereof)	80.82	84.05	88.68	93.78
Vacuum tanker transport charge (per call)	348.14	362.07	382.02	403.98
C. Within 10km of CBD (Sundays and Public Holidays)				
Basic charge (first 5KI)	620.76	645.59	681.17	720.33
Additional charge (per 1KI or part thereof)	96.37	100.22	105.74	111.82
Vacuum tanker transport charge (per call)	489.58	509.16	537.22	568.11
D. Further than 10km from CBD (Per km further)				
As above (A to C) plus km charge				
Any tanker/km	56.19	58.44	61.65	65.20
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)	141.59	147.26	155.37	164.31
Additional monthly charge (each additional pail removal, five times per fortnight)	77.71	80.82	85.28	90.18
Occasional hire of bucket (per day per bucket)	38.85	40.41	42.63	45.08
Removal of night-soil from building premises and contractor's sites (surcharge not applicable)				
Basic monthly charge (one pail, three times a week)	976.60	1,015.66	1,071.62	1,133.24
Basic monthly charge (one pail, six times a week)	1,448.38	1,506.32	1,589.31	1,680.70
1.14.3 <u>Blockages and Portable Toilets</u> <u>Internal sewer blockages:</u>				
Basic charge (Monday - Friday between 08:00 - 16:00)	598.38	622.32	656.60	694.36
Basic charge after hours (Monday - Saturdays)	730.48	759.70	801.56	847.65
Basic charge (Sundays and Public holidays)	1,087.96	1,131.48	1,193.82	1,262.47
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>Portable Toilets:</u>				
Hire rate per day on site	271.98	282.86	298.45	315.61
Transport charge (per vehicle)	582.83	606.15	639.54	676.32
<u>Sewer Connections:</u>				
Sewer connection (100mm)	3,380.44	3,515.66	3,709.37	3,922.66
Sewer connection (150mm)	3,924.42	4,081.40	4,306.28	4,553.89
Public convenience (Craven Street)				
Shower plus usage of towel (per person)	15.66	16.28	17.18	18.17

		PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
1.14.4	<u>Purified effluent tariffs</u> Basic Charge (Use in Excess of 1 Megalitre - 1000kl per billing cycle of approximately 30 days) Plus per KI  Basic Charge (Use LESS than 1 Megalitre per billing cycle of approximately 30 days) Plus per KI	70,988.00 0.2007  - 0.6706	73,827.52 0.2088  - 0.6974	77,895.42 0.2203  - 0.7358	82,374.41 0.2329  - 0.7782
1.15	<u>INCENTIVE/DISCOUNT EARLY PAYMENT</u>  An incentive/discount on the early payment of water, rates, sewerage and refuse services charges if the account is paid before or on the monthly deadline date. To be implemented from the first account run in July.	10%	10%	10%	10%
1.16	<u>ELECTRICITY (SERVICES &amp; INFRASTRUCTURE)</u>				
1.16.1	<u>TARIFFS FOR SERVICE CONNECTIONS</u> <u>SCALE 4 - STREET LIGHTS</u> Cost of an additional street light Cost to move a street light Replacement of a damaged street light pole: * 6m single cantilever * 9m single cantilever * 9m double cantilever * 12m single cantilever  <u>SINGLE PHASE DIS- &amp; RECONNECTION FEE WHEREBY AN ELECTRICIAN IS INVOLVED</u> Disconnection fee for an O/H supply system Disconnection fee for an U/G supply system Reconnection fee for an P/H supply system Reconnection fee for an U/G supply system  <u>3-PHASE DIS- &amp; RECONNECTION FEE WHEREBY AN ELECTRICIAN IS INVOLVED</u> Disconnection fee for an O/H supply system Disconnection fee for an U/G supply system Reconnection fee for an O/H supply system Reconnection fee for an U/G supply system  <u>CALL OUT TO CONSUMER</u> Call out to a fault on consumer's installation	As per quote As per quote  30,586.00 48,611.00 49,224.00 52,182.00  3,348.00 8,063.00 3,402.00 446.00  4,772.00 8,309.00 6,583.00 8,309.00  675.00	As per quote As per quote  32,672.00 51,926.00 52,581.00 55,741.00  3,576.00 8,613.00 3,634.00 476.00  5,097.00 8,876.00 7,032.00 8,876.00  721.00	As per quote As per quote  35,364.00 56,205.00 56,914.00 60,334.00  3,871.00 9,323.00 3,933.00 515.00  5,517.00 9,607.00 7,611.00 9,607.00  780.00	As per quote As per quote  37,815.00 60,100.00 60,858.00 64,515.00  4,139.00 9,969.00 4,206.00 551.00  5,899.00 10,273.00 8,138.00 10,273.00  834.00
1.16.2	<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 Airdac connection from O/H supply system with prepayment meter only Cable connection from U/G supply system with prepayment meter Cable connection from U/G supply system with conventional meter  <u>60AMP STANDARD 3-PHASE</u> Airdac connection from O/H supply system with prepayment meter & ready board Airdac connection from P/H supply system with prepayment meter only Cable connection from U/G supply system with prepayment meter Cable connection from U/G supply system with conventional meter  <u>ALTERATIONS TO SERVICE CONNECTIONS</u> Alterations on existing single phase connection Alterations on existing 3-phase connection	24,176.00 21,226.00 33,719.00 29,901.00  29,410.00 26,460.00 36,610.00 43,811.00  As per quote As per quote	25,825.00 22,674.00 36,019.00 31,940.00  31,416.00 28,265.00 39,107.00 46,799.00  As per quote As per quote	27,953.00 24,542.00 38,987.00 34,572.00  34,005.00 30,594.00 42,329.00 50,655.00  As per quote As per quote	29,890.00 26,243.00 41,689.00 36,968.00  36,362.00 32,714.00 45,262.00 54,165.00  As per quote As per quote

	<b>UPGRADING OF SERVICES</b>				
	<u>UPGRADING OF AN EXISTING SINGLE PHASE</u>				
	<u>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	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	As per quote and stipulated conditions	As per quote and stipulated conditions
	<u>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	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	As per quote and stipulated conditions	As per quote and stipulated conditions
	Supply above 100A (single & 3-phase)	As per quote	As per quote	As per quote	As per quote
	Replacement of conventional meter with prepayment meter (Meter only)	Bin price + VAT	Bin price + VAT	Bin price + VAT	Bin price + VAT
	Replacement of conventional meter with prepayment meter (Meter and labour)	11,758.00	12,560.00	13,595.00	14,537.00
	<b>NB. MAXIMUM OF TWO PREPAYMENT METERS DOMESTIC ERF, EXCEPT WHEN 3-PHASE</b>				
	<u>CABLES AND VARIOUS</u>				
	Installation of public address system	6,307.00	6,737.00	7,292.00	7,797.00
	Meter test	1,275.00	1,362.00	1,474.00	1,576.00
	Special meter reading	414.00	442.00	478.00	511.00
1.16.4	ELECTRICITY TARIFFS (POWER USERS) <b>(Subject to the approval of the NERSA)</b> NERSA guideline tariffs for municipalities necessitate the introduction and implementation of inclined block tariff for domestic users. This has had a major impact on all categories of electricity tariffs. In addition to this, SPM sought to simplify and align it's "Large Power User" tariffs with Eskom's municipal billing structure. This required a revision of all commercial/business based tariffs. For large power users a low and high demand season tariff was introduced.				
	<u>A. The customer groupings are as follows:</u> <u>Domestic Consumers:</u> Defined as residential use. <u>Indigent Consumers:</u> Defined as consumers registered as indigent with the Municipality and who consume for residential purposes. <u>Public Benefit Activity Consumers:</u> Defined as churches, schools, halls, old age homes and other charitable and non profit organisations. <u>Small Power Consumers:</u> Defined as all other consumers not on the Time of Use Billing Structure and not defined as "Domestic" or "Public Benefit Activities". <u>Time of Use Consumers:</u> Defined as all consumers who have installed TOU capable metering to SPM's standards. Such metering to be installed at their own costs.				
1.16.4.1	<b><u>Domestic Tariff (Conventional and Prepaids) = 20 Apm</u></b>				
	Block 1 (0 - 350 Kwh)	2.0285	2.2639	2.4504	2.6203
	Block 2 (> 350 Kwh)	2.8305	3.0060	3.2537	3.4792
	<b><u>Domestic Tariff (Conventional and Prepaids) &gt; 20 Apm</u></b>				
	Basic Charge (Rand per month)	New	65.56	70.96	75.88
	<b>Capacity charge (Rand/Amp/phase/month)</b>	New	3.02	3.27	3.50
	Block 1 (0 - 350 Kwh)	2.0285	2.1920	2.3726	2.5370
	Block 2 (> 350 Kwh)	2.8305	2.7694	2.9976	3.2053
1.16.4.2	<b><u>Indigents Tariff (Prepaids) 20 Amps</u></b>				
	Block 1 (0 - 50 Kwh) (subsided)	2.0285	2.1909	2.3714	2.5358
	Block 2 (51 - 350 Kwh)	2.0285	2.1909	2.3714	2.5358
	Block 3 (> 351 Kwh)	2.8305	3.0569	3.3088	3.5381
1.16.4.2	<b><u>Public Benefit and Schools</u></b>				
	Conventional and Prepayment Meter users				
	Basic Charge per month	377.93	332.19	368.15	393.66
	Capacity charge (Rand/Amp/phase/month)	New	3.51	3.89	4.16
	Summer	2.7295	2.6943	2.9163	3.1184
	Winter	2.7715	2.7974	3.0279	3.2377
1.16.4.3	<b><u>Business Tariff</u></b>				
1.16.4.3.1	<b><u>Small Power Users (Conventional and prepaid meters)</u></b>				
	Energy charge per Kwhr				

		PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
Basic Charge per month		377.93	345.41	382.80	409.33
Capacity charge (Rand/Amp/phase/month)		New	3.02	3.35	3.58
<u>Summer</u>					
Block 1 (0 - 1200 Kwh)		2.9534	2.7744	3.0030	3.2111
Block 2 ( > 1200 Kwh)		3.3079	2.7744	3.0030	3.2111
<u>Winter</u>					
Block 1 (0 - 1200 Kwh)		3.0655	2.9199	3.1605	3.3795
Block 2 ( > 1200 Kwh)		3.4733	2.9199	3.1605	3.3795
1.16.4.3.2	<b><u>Time of Use Consumers</u></b>				
1.16.4.3.2.1	<b><u>NPO, NGO, SCHOOLS</u></b>				
<b><u>Industrial TOU LV &lt;200 KVA</u></b>					
Basic charge per month (< 200KVA)		1679.70	1,405.10	1,557.19	1,665.10
Network Access Charge R/kVA		56.34	67.91	75.26	80.48
Network Demand Charge R/kVA		166.19	177.60	196.82	210.46
Energy Charges R/Kwh					
<b><u>Low Demand Season: (September - May) Summer</u></b>					
Peak (< 200KVA)		2.1246	2.3338	2.5261	2.7012
Standard (< 200KVA)		1.5795	1.7641	1.9095	2.0418
Off-peak (< 200KVA)		1.2735	1.4008	1.5162	1.6213
<b><u>High Demand Season: (June - August) Winter</u></b>					
Peak (< 200KVA)		4.3215	5.0891	5.5084	5.8902
Standard (< 200KVA)		1.9289	2.1523	2.3296	2.4911
Off-peak (< 200KVA)		1.4008	1.5309	1.6570	1.7719
<b><u>Industrial TOU LV &gt;200&lt;500 KVA (Exception 800 KVA )</u></b>					
Basic charge per month		3,359.40	2,790.16	3,020.07	3,229.36
Network Access Charge R/kVA		56.34	67.91	73.51	78.60
Network Demand Charge R/kVA		166.19	177.60	192.23	205.56
Energy Charges R/Kwh					
<b><u>Low Demand Season: (September - May) Summer</u></b>					
Peak (>200<500 KVA )		2.2308	2.4223	2.6219	2.8036
Standard (>200<500 KVA )		1.6269	1.8103	1.9595	2.0953
Off-peak (>200<500 KVA )		1.2990	1.4311	1.5490	1.6564
<b><u>High Demand Season: (June - August) Winter</u></b>					
Peak (>200<500 KVA )		4.3638	5.1316	5.5544	5.9394
Standard (>200<500 KVA )		1.9674	2.1921	2.3727	2.5372
Off-peak (>200<500 KVA )		1.4008	1.5430	1.6701	1.7859
<b><u>Industrial TOU MV</u></b>					
Basic charge per month		4,759.15	3,797.98	4,110.93	4,395.82
Network Access Charge R/kVA		56.34	59.4800	64.38	68.84
Network Demand Charge R/kVA		166.19	158.20	171.24	183.10
Energy Charges R/Kwh					
<b><u>Low Demand Season: (September - May) Summer</u></b>					
Peak		2.4008	2.5446	2.7543	2.9451
Standard		1.7374	1.8899	2.0456	2.1874
Off-peak		1.4137	1.5138	1.6385	1.7521
<b><u>High Demand Season: (June - August) Winter</u></b>					
Peak		4.4063	5.1622	5.5876	5.9748
Standard		2.0831	2.2753	2.4628	2.6335
Off-peak		1.5549	1.6539	1.7902	1.9142
1.16.4.3.2.2	<b><u>BULK RESIDENTIAL INDUSTRIAL AND BUSINESSES</u></b>				
<b><u>Large Power Users TOU LV &lt; 200 KVA</u></b>					
Basic charge per month <200 KVA		2,239.60	1,808.22	1957.22	2,092.85
Network Access Charge R/kVA		66.40	66.72	73.94	79.07
Network Demand Charge R/kVA		195.93	199.01	220.55	235.84
Energy Charges R/Kwh					
<b><u>Low Demand Season: (September - May) Summer</u></b>					
Peak (<200 KVA)		2.4560	2.5724	2.7844	2.9773
Standard (< 200 KVA)		1.6605	1.8224	1.9726	2.1093
Off-peak (< 200 KVA)		1.5677	1.6126	1.7455	1.8664
<b><u>High Demand Season: (June - August) Winter</u></b>					
Peak (< 200 KVA)		5.9183	6.2387	6.7528	7.2207

	PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
Standard ( < 200 KVA)	2.0831	2.2633	2.4498	2.6196
Off-peak ( < 200 KVA)	1.7245	1.7640	1.9094	2.0417
Reactive Energy Charge R/ KVARH ( All )	New	0.2244	0.2429	0.2597
<b><u>Large Power Users TOU LV &gt;200&lt;500 KVA (Exception 800 KVA )</u></b>				
Basic charge per month LV >200<500 KVA	3,709.34	3,042.12	3,292.79	3,520.98
Network Access Charge R/kVA	66.40	66.72	72.22	77.22
Network Demand Charge R/kVA	195.93	179.61	194.41	207.88
<b><u>Energy Charges R/Kwh</u></b>				
<b><u>Low Demand Season: (September - May) Summer</u></b>				
Peak (LV >200<500 KVA )	2.3795	2.5293	2.7377	2.9274
Standard (LV >200<500 KVA)	1.7497	1.8987	2.0552	2.1976
Off-peak ( LV >200<500 KVA)	1.6682	1.6970	1.8368	1.9641
<b><u>High Demand Season: (June - August) Winter</u></b>				
Peak ( LV >200<500 KVA)	5.9747	6.2914	6.8098	7.2817
Standard (LV >200<500 KVA)	2.0947	2.2837	2.4719	2.6432
Off-peak (LV >200<500 KVA)	1.9596	1.9453	2.1056	2.2515
Reactive Energy Charge R/ KVARH ( All )	New	0.2244	0.2429	0.2597
<b><u>Large Power Users TOU MV</u></b>				
Basic charge per month	5,151.08	4,489.05	4,858.95	5,195.67
Network Access Charge R/kVA	66.40	65.25	70.63	75.52
Network Demand Charge R/kVA	195.93	176.32	190.85	204.07
<b><u>Energy Charges R/Kwh</u></b>				
<b><u>Low Demand Season: (September - May) Summer</u></b>				
Peak	2.4140	2.5413	2.7507	2.9413
Standard	1.8897	1.9866	2.1503	2.2993
Off-peak	1.7219	1.7228	1.8648	1.9940
<b><u>High Demand Season: (June - August) Winter</u></b>				
Peak	6.1438	6.4003	6.9277	7.4078
Standard	2.1559	2.3149	2.5056	2.6793
Off-peak	2.1164	2.0454	2.2139	2.3674
Reactive Energy Charge R/ KVARH (All)	New	0.2244	0.2429	0.2597
1.16.4.4	<b><u>Street Lights</u></b>			
Basic Charge light per month	New	41.3557	44.7634	47.8655
Energy charge R/kWh	1.8790	1.3529	1.4644	1.5659
<b><u>Availability</u></b>				
Fixed	374.1721	421.3017	456.0170	487.6189
1.16.4.5	<b><u>Electricity Feedback Tariffs - Small Scale Embedded Generation Photovoltaic Policy</u></b>			
No more electricity may be fed back into the system than what is consumed by said consumer. Consequently the accountholder must be a net consumer of electricity				
Only Domestic/Residential consumers are liable for the basic charge and this cost is already included in the sale of kVA				
Any liability for amounts payable to the generator for electricity fed back into the grid by SPM is subject to full compliance with the SSEG Policy and concomitant laws.				
Basic charge per month - payable by the generator	172.50	195.54	216.71	231.72
Capacity charge R/kva	115.00	115.00	127.45	136.28
Energy Charges R/Kwh - payable to the generator				
<b><u>Low Demand Season: (September - May)</u></b>				
Peak	1.6804	1.5426	1.6697	1.7854
Standard	1.1368	1.0616	1.1491	1.2287
Off-peak	0.5191	0.6733	0.7288	0.7793
<b><u>High Demand Season: (June - August)</u></b>				
Peak	3.3349	4.7288	5.1185	5.4732
Standard	1.1499	1.4324	1.5504	1.6579
Off-peak	0.6914	0.7778	0.8419	0.9002

1.16.4.6

**Small Scale TOU tariff for SSEG customers**  
Basic Charge per month - payable by the generator  
Capacity charge R/kva  
Energy Charges R/Kwh - payable to the generator  
Low Demand Season: (September - May)  
Peak  
Standard  
Off-peak  
High Demand Season: (June - August)  
Peak  
Standard  
Off-peak

PRESENT TARIFFS R	PROPOSED TARIFFS 2022/07/01 R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R
New	198.95	215.34	230.27
New	9.56	10.35	11.06
New	7.3352	7.9396	8.4898
New	2.3928	2.5900	2.7695
New	1.6468	1.7825	1.9060
New	1.0444	1.1305	1.2088
New	7.3352	7.9396	8.4898
New	2.2220	2.4051	2.5718
New	1.2065	1.3059	1.3964

**SECTION 3:**

**HISTORY OF  
TARIFFS**



SOL PLAATJE MUNICIPALITY																									
TARIFF HISTORY																									
	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
RATES	9.91%	9.99%	8.85%	9.99%	8.50%	7.98%	6.03%	6.00%	8.50%	11.97%	8.50%	9.91%	9.80%	8.91%	6.99%	6.50%	4.00%	5.50%	6.00%	6.00%	5.50%	4.00%	4.00%	4.88%	4.63%
SEWERAGE	5.46%	5.50%	5.50%	6.50%	4.00%	4.00%	5.61%	6.00%	7.54%	9.50%	7.00%	9.90%	9.90%	6.50%	6.50%	6.50%	4.00%	5.50%	5.95%	6.50%	5.50%	4.00%	4.00%	5.51%	5.75%
CLEANSING	5.15%	5.50%	5.50%	6.00%	5.00%	4.00%	5.81%	6.00%	9.53%	9.00%	7.00%	8.00%	8.00%	6.90%	5.90%	6.50%	4.00%	5.50%	6.00%	7.50%	5.50%	4.00%	4.00%	8.04%	7.29%
WATER	8.72%	9.97%	9.63%	14.92%	8.40%	6.90%	6.01%	6.00%	18.96%	9.60%	9.50%	11.95%	9.90%	8.90%	14.99%	6.50%	4.00%	5.50%	5.90%	6.00%	5.50%	4.00%	5.68%	8.61%	5.08%
ELECTRICITY	4.99%	5.50%	5.51%	4.93%	4.00%	4.30%	5.78%	5.60%	32.60%	34.00%	22.22%	24.98%	9.99%	6.90%	6.72%	12.20%	7.50%	1.88%	5.95%	11.40%	6.22%	14.59%	6.82%	10.54%	9.04%
AVERAGE	6.95%	7.46%	7.44%	8.61%	6.31%	5.88%	6.03%	5.84%	15.43%	20.46%	14.60%	14.09%	9.85%	7.79%	8.13%	9.00%	5.53%	3.85%	5.96%	8.36%	5.82%	8.56%	5.54%	7.52%	6.36%

# **SECTION 4:**

## **INTEGRATED DEVELOPMENT PLAN OVERVIEW**

**IDP Overview to be tabled with Final Budget 2022/2023**

# **SECTION 5:**

## **SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

**SDBIP Overview to be tabled with Final Budget 2022/2023**

**SECTION 6:**

**BUDGET  
RELATED  
POLICIES  
OVERVIEW  
AND  
AMENDMENTS**



## **SOL PLAATJE MUNICIPALITY**

### **ANNEXURE : BUDGET RELATED POLICIES**

<b>List of Budget related policies</b>	<b>Explanation numbers</b>	<b>Approved</b>	<b>Resolution Number</b>	<b>Reviewed</b>
Policy Asset Management	1	28-May-14	C125/05/14	March 2022
Policy Cash Management & Investment	1	07-Apr-05	CR22	March 2022
Policy Customer Services Credit Control Debt Collection	1	31-May-18	C38/05/18	March 2022
Policy Indigent	1	28-May-14	C121/05/14	March 2022
Policy Internal Audit	1	17-Nov-05		March 2022
Policy Property Rates	1 & 2	27-May-15	C100/05/15	March 2022
Policy Risk Management	1	17-Nov-05	CR500	March 2022
Policy Supply Chain Management	1 & 2	04-Nov-14	C265/11/14	March 2022
Deviation Procedures	1 & 2			March 2022
Procedures for Variation Orders	1 & 2			March 2022
Tariff Policy on Property Rates	1 & 2	31-May-18	C38/05/18	March 2022
Tariff Policy on Electricity	1 & 2	31-May-18	C38/05/18	March 2022
Tariff Policy on Water	1 & 2	31-May-18	C38/05/18	March 2022
Tariff Policy on Sanitation	1 & 2	31-May-18	C38/05/18	March 2022
Tariff Policy on Refuse Removal/Solid Waste	1 & 2	31-May-18	C38/05/18	March 2022
Policy Debt Write-off	1	28-May-14	C125/05/14	March 2022
Policy Regarding Audit Committees	1	17-Nov-05	CR500	March 2022
Disposal of Moveable Assets Policy	1	27-May-15	C100/05/15	March 2022
Policy Borrowing	1	28-May-14	C125/05/14	March 2022
Policy Irregular, fruitless and wasteful expenditure	1 & 2	28-May-14	C125/05/14	March 2022
Budget Implementation and Management Policy (Budget policy)	1	27-May-15	C100/05/15	March 2022
Funding and Reserves policy	1	25-May-16	C148/05/16	March 2022
Policy Short and Long term borrowing	1	19-Apr-11	C150/11	March 2022
Financial Management and Revenue Enhancement Strategy policy	1	27-May-15	C100/05/15	March 2022
Policy related to long-term financial planning	1	27-May-15	C100/05/15	March 2022
Consumer Deposit Policy	1	31-May-17	C60/05/17	March 2022
Free Basic Services Policy	1	31-May-17	C60/05/17	March 2022
Sol Plaatje Materiality and Significance Framework	1	31-May-18	C38/05/18	March 2022
Contracts Policy	1 & 2	31-May-17	C60/05/17	March 2022
EFT Policy	1 & 2			March 2022
SSEG PV Policy	1	31-May-17	C60/05/17	March 2022
Bulk Infrastructure Contribution Policy	1	31-May-17	C60/05/17	March 2022
Water Restrictions Policy	1	31-May-17	C60/05/17	March 2022
Infrastructure investment and capital projects policy (included in Budget policy)	1	28-May-14	C125/05/14	March 2022

#### **Explanation numbers**

1. These policies are accessible on the Sol Plaatje website: [www.solplaatje.org.za](http://www.solplaatje.org.za).
2. Policy to be approved with budget process 2022/23.



# **SOL PLAATJE LOCAL MUNICIPALITY**

## **EFT POLICY**



**APPROVED ON THE  
RESOLUTION NUMBER**



## Table of Contents

1. Policy Purpose.....	3
2. Definitions.....	3
3. General Requirements.....	3
4. Roles and Responsibilities .....	4
5. Procedures .....	4



## 1. Policy Purpose

The primary goal of this policy is to ensure Electronic Funds Transfers (EFTs) are initiated, executed, and approved in a secure manner. This policy establishes requirements with respect to domestic payments via EFT for payments of municipal suppliers, monthly wage bill and adhoc payments as they fall due.

This policy applies to refunds made to municipal debtors arising from overpayments or credits passed in line with Customer Care, Credit Control and debt Collection Policy of the municipality.

## 2. Definitions

**Automated Clearing House (ACH):** Generally, refers to payments made via direct deposit and should be set up in the vendor master that denotes this payment method.

**Bank codes:**

STANDARD BANK- 051001

ABSA- 632005

CAPITEC BANK- 470010

NEDBANK- 198765

FIRST NATIONAL BANK- 250655

SWIFT - Society of Worldwide Interbank Financial Telecommunications

**Banking information:** Information from the payee or their bank regarding their account; including bank name, account name, account number, routing number, bank contact information and any other information necessary to transmit funds.

**Electronic Funds Transfer (EFT):** The electronic exchange (transfer of money from one bank account to another), either within a single financial institution or across multiple institutions, through computer-based systems. Wire transfers and ACH payments are examples of EFTs.

## 3. General Requirements

All EFT payments will be coordinated and submitted through Supply Chain Management, Payroll or Creditors Controller's Office. The Controller or his/her designee will approve all new and changes to electronic funds transfer requests, ensuring that the payment via wire is necessary, all required documentation is provided and appropriately approved, and that the request and banking account information is accurate and valid.

Change in banking details by a supplier must be done through the Central Supplier Database and Supply Chain must be provided with the stamped bank account confirmation letter, for record keeping. No official of the municipality is expected nor



approved to update any supplier bank account records, on either the financial management system of the municipality or supplier database approved.

In a case where the banking details on the invoice differs with those on CSD, the invoice must be returned back to the supplier for update of the banking details on CSD and on the invoice.

For staff related banking details, changes can only be effected upon presentation of the stamped bank account confirmation to the payroll officials. No changes will be effected unless the employee presents himself/herself with proper identification. Telephonic, faxed or e-mail letters shall not be accepted.

#### 4. Roles and Responsibilities

**Accounts Payable** in the Controller's office is responsible for ensuring that proper documentation, authorization and accounting information are provided and accompany any EFT payment instructions.

**Supply Chain Management Acquisitioning** is responsible for administrative process for the purchase of goods and/or services and negotiating payment terms in relation to those purchases. If payment via EFT is requested, the Acquisitioner must liaise with SCM Supplier Database Administration Section to ensure that the payment can be made in accordance with this policy.

**The Controller's Office (Payroll or Creditors)** is responsible for initiating and releasing EFTs on behalf of the municipality. Two separate individuals are required to initiate and release EFT payments through the municipality's banking partner's computer-based system. The Controller's Office also has the responsibility to confirm EFT instructions with specific departments and individuals if there is any question as to the validity of the EFT request.

**Departments** are responsible for obtaining and submitting proper support and approvals, including the completed and approved vouchers or payment documents at least thirty (30) business days prior to payment being needed.

#### 5. Procedures

To promote the safety of the municipality's funds in the EFT environment, the following procedures will be adhered to all:

- The procedure to initiate an EFT is subject to the same financial policies, procedures and controls that govern disbursement by any other payment mechanism.
- EFT transactions will not be made without proper authorization of affected parties in accordance with the municipality's procurement or recruitment business practices.



- Authentication of new EFT requests and changes to existing EFTs required prior to the transaction being input into the computer-based banking system and includes the following steps:
  - **Validate** all new electronic payment instruction requests received even if the request is internal.
  - **Contact** the supplier or requester directly by phone to confirm any requests for payment method or payment instruction changes. Do not use the contact information provided on the request to change payment method or payment instructions; do use contact information known to be genuine such as the contact information in your master supplier file or information collected from the original contract.
  - Have the contact confirm existing payment instructions on file prior to making changes to those instructions (i.e. current bank account and routing number provided in original instructions).
  - **Verify** the new information provided on the payment instructions provided with the known contact (i.e. contact bank to confirm correct account name, number and routing information) and through CSD for all suppliers
  - **Document** the verification process that was followed to validate payment instructions. A record of the verification must be maintained in accordance with record retention policies.
- When payments are approved, they will be set up as a template in the computer-based banking system and cannot be altered by those assigned to use it. The set-up and modifications to these templates will require two authorized municipal signatories.
- When EFT payments are approved, they will be set-up in the vendor master database in the financial accounting system by individuals authorized to perform vendor maintenance.
- Bank balances will be monitored daily for unusual or unexpected transactions.
- Reconciliation of banking activity to the general ledger will be accomplished in a timely manner with investigation and resolution of reconciling items.

### Staff Rotation

All municipal officials assigned with the powers and functions to release payments shall rotate on a weekly basis to ensure that there is relief and independence in decision making regarding authorisation of each payment.



Staff are fully aware of the extent of this responsibility and must exercise caution at all times to avoid financial losses by the municipality as well as litigation that may arise as a result of failure to pay all dues within the agreed upon timeframes.

In a case of uncertainty with any payment, all enquiries must be referred to the Chief Financial Officer, who may in turn liaise with the department that was financially enriched by the services of the service provider.

Staff involved with the payments/withdrawals from the bank account of the municipality, shall receive induction and accept the delegation in writing immediately after approval of this policy.

# **SOL PLAATJE LOCAL MUNICIPALITY**

## **TARIFF POLICY**



**APPROVED ON THE ~~30-OF~~ JUNE 2020**

**RESOLUTION NUMBER ~~C129/06/20~~**



## CONTENTS

## Page

1. LEGISLATIVE CONTEXT .....	3
2. SCOPE OF THE POLICY .....	4
3. DEFINITIONS .....	4
4. PRINCIPLES APPLICABLE TO THIS POLICY.....	5
5. APPLICATION OF PRINCIPLES IN THE MSA.....	6
6. DIFFERENTIATION IN TERMS OF THE MSA .....	78
7. SUBSIDISATION OF BASIC SERVICE TARIFFS FOR RESIDENTIAL/ DOMESTIC USERS .....	9
8. ACCESS TO SERVICES BY POOR HOUSEHOLDS .....	9
9. MUNICIPAL MANAGER AS RESPONSIBLE AND ACCOUNTABLE OFFICER .....	940
10. DEFINITIONS .....	11
11. POLICY PROVISIONS SPECIFIC TO WATER SUPPLY .....	12
12. POLICIES SPECIFIC TO THE SANITATION SERVICE.....	16
13. GENERAL POLICIES APPLICABLE TO WATER AND SANITATION TARIFFS.....	19
14. POLICIES SPECIFIC TO THE ELECTRICITY SERVICE .....	21
15. POLICIES SPECIFIC TO WASTE MANAGEMENT.....	24
ANNEXURE PER PARAGRAPH 6 OF THE POLICY .....	27





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## GENERAL POLICY PROVISIONS

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### 1. LEGISLATIVE CONTEXT

- a. Section 74 of the Municipal Systems Act, No. 32 of 2000 ("MSA") requires that the Council adopt a Tariff Policy.
- b. Section 62 of the Municipal Finance Management Act, No. 56 of 2000 ("MFMA") requires the Accounting Officer to ensure that the municipality has and implements a tariff policy.
- c. The Constitution entitles everyone to administrative action which is lawful, reasonable and procedurally fair and to be given reasons for any such action which affects them.
- d. The Promotion of Administrative Justice Act 3 of 2000 is the legislation required by the Constitution to give effect to the right to just administrative action and in order to promote an efficient administration and good governance and to create a culture of accountability, openness and transparency in public administration or in the exercise of a public power or the performance of a public function.
- e. This policy incorporates the above principles by providing parameters and procedures to guide the municipality and its officers in implementing it, and thereby exercising a public power through a series of administrative actions. In so doing, this policy seeks to provide certainty on the part of those affected by it with regard to how the municipality will act in the circumstances covered by the policy and uniformity of action on the part of its officers.
- f. The municipality commits itself and its officers to act fairly and justly in an open and transparent manner in implementing this policy.



## 2. SCOPE OF THE POLICY

- a. Accordingly this policy document provides a framework for the annual setting (or revision) of tariffs. The policy does not set specific tariffs, nor does it make tariff proposals. Details relating to specific levels and applications of the various tariffs are published in the municipality's schedule of tariffs approved annually and published in conjunction with the budget, and are contained in the schedule hereto.
- b. The policy is applicable to all consumption tariffs for electricity, water, sanitation and solid waste services provided by the municipality as well as all fixed tariffs related thereto.
- c. Pursuant to the prescripts in paragraph a above, and notwithstanding paragraph b, in recognition of the total number of tariffs, rates, levies and other charges existent within the Municipality, the Municipal Manager must cause the establishment of an administrative Tariff, Tax and Services Committee to ensure, *inter alia*, the adherence to this and all other policies and legislation which regulate or influence tariffs in Sol Plaatje Municipality. The terms of reference for said Committee will be approved by the Municipal Manager.

## 3. DEFINITIONS

- a. **"Total Municipal Account"** means an assumed current account based on average bills for water, electricity, sanitation, solid waste services and rates.
- b. **"Indigent Fund"** means a budget provision, funded from equitable share transfers and municipal rates, used to subsidise the basic level of services provided free by the municipality in terms of its Indigent Management Policy.
- c. **"Rates and General Account"** means a budget provision used to fund municipal services excluding those funded by tariffs such as electricity, water, sanitation and solid waste.
- d. **"Fixed Tariff"** means a tariff set as a fixed Rand amount and includes miscellaneous tariffs.



- e. **"Consumption-based Tariff"** means a tariff set as a Rand amount per measurable unit of service.
- f. **"CPI"** means the consumer price index excluding mortgage costs as measured by STATSSA.
- g. **"The municipality"** means the Sol Plaatje Local Municipality acting through the Municipal Manager in terms of the delegations contained in this policy
- h. **"The Council"** means the Council of the municipality.
- i. **"MSA"** means the Municipal Systems Act 32 of 2000.

#### 4. PRINCIPLES APPLICABLE TO THIS POLICY

- a. The tariffs approved during the Budget process by the Council to fund services must be consistent with this policy.
- b. The municipality is committed to equitable and sustainable provision of services achieved through the economic and effective funding of efficient services.
- c. Poor people should have access to free basic services in accordance with national government policy, taking into account affordability thereof for the municipality.
- d. The cost of a service provided primarily for the benefit of an individual user, the provision of which is able to be accurately measured, should be recovered from the individual by means of tariffs.
- e. A fixed tariff should be used when a service connection or other once-off or occasional work is undertaken by the municipality in connection with provision of a service and when a metered amount of a service is consumed; a consumption-based tariff should be used unless paragraphs i and j below apply.



- f. Some services, although provided primarily for the benefit of individual users, have important community benefits. The cost of such services, particularly if the use thereof cannot be accurately measured, may be recovered by a combination of tariffs and rates (e.g. the provision of solid waste services).
- g. If a service is provided primarily for the benefit of the community and the use thereof by individuals cannot be accurately measured, the cost of providing the service should be recovered by means of rates (e.g. the provision of street lighting).
- h. Where an individual user's consumption can be metered, electricity and water will be charged for in terms of consumption-based tariffs. These tariffs must be structured to accommodate the provision of free basic electricity and water in terms of the municipality's Indigent Management Policy.
- i. Where the infrastructure enabling reading of meters like roads and street names are not yet available or determined or the cost of reading meters and the cost of debt recovery exceed the benefit, the municipality may levy a fixed consumption charge based on management best consumption estimate for metered services rendered in that area.
- j. The municipality may resolve to subsidise, up to the maximum as per the indigent policy, services billed at flat tariff based on certain terms and conditions to be determined in the customer care, credit control and debt collection policy and/or indigent management policy

## **5. APPLICATION OF PRINCIPLES IN THE MSA**

- a. Users of municipal services will be treated equitably and differentiation between different categories of users, debtors, service providers, services, service standards, geographical areas will occur only to the extent provided for in this policy and must preclude unfair discrimination.
- b. To the extent possible, the amount individual users pay for services consumed by them, must be in proportion to their use of that service through the levying



of consumption-based tariffs, dependent however upon the ability of the municipality to provide metering of the service which meets the standards contained in its Customer Care, Credit Control and Debt Collections Policy.

- c. Tariffs must be reflective of the costs reasonably associated with the rendering of the service in question as reflected in the budgeted income and expenditure of the service including any contributions to the Rates and General Account.
- d. Tariffs must be set at levels that ensure the financial sustainability of the service, taking into account any subsidies received from outside sources (such as capital grants).
- e. The Council may impose a surcharge on the tariff applicable to a service.
- f. The Council may provide for the promotion of local economic development through the imposition of special tariffs for categories of commercial and industrial users as provided in a policy adopted for this purpose.
- g. The economical, efficient and effective use of resources will be encouraged *inter alia* through the use of rising block tariffs, time of use tariffs, and tariff options linked to solid waste minimisation for certain categories of users.
- h. The extent of subsidisation of tariffs for poor households and any other category of user will be reflected on the monthly account of such users. The impact of such subsidisation will be fully disclosed in the Budget report to the Council.
- i. The amount that all consumers pay for services, as reflected in the Total Municipal Account must be affordable for different categories of users and as far as possible, annual tariff increases should be limited to the rate of inflation as measured in the CPI.

## **6. DIFFERENTIATION IN TERMS OF THE MSA**

- a. The MSA entitles a municipality to differentiate on the basis described in 5(a). The municipality is not obliged to differentiate but should it resolve to do so in



respect of a particular service, such differentiation must be in accordance with the framework contained in this paragraph. Any categories provided for which are not defined for a particular service, must be adequately defined in the budget resolutions imposing the tariff and in the municipality's tariff schedules and a distinct tariff must be applicable to each such category.

- b. The following categories of users may be used (subject to appropriate definition):
  - i. Residential/domestic
  - ii. Non-residential
  - iii. Commercial
  - iv. Industrial/mining
  - v. Farming
  - vi. Government
  - vii. State-owned enterprise
  - viii. Vacant land
  - ix. Informal settlements and transient camps (domestic supply see annexure)
- c. The municipality may use different categories of service, subject to definition of the basic service in its Indigent Management Policy and definition of any other categories in its Budget resolutions. The following criteria may be used in defining different categories of service:
  - i. Type of service
  - ii. Category of user
  - iii. Level of consumption
  - iv. Type of connection
  - v. Time of use

Categories of service may be restricted to certain categories of user (e.g. the basic service will be restricted to residential/domestic users).



- d. Different categories of standard of service may be defined for different categories of users or of services, provided that the basic service may not include different standards.
- e. The Council may apply differentiation based on geographic area, provided that the service in question meets at least the standard of the basic service and at least one of the following criteria is also met:
  - i. Topography will have a significant impact on the cost of delivery of the service
  - ii. Significant capital costs will be required to develop service infrastructure
  - iii. The area in question may be identified in the IDP as having strategic developmental importance.

## **7. SUBSIDISATION OF BASIC SERVICE TARIFFS FOR RESIDENTIAL/ DOMESTIC USERS**

The Council may provide for the subsidisation of basic levels of service to qualifying users in terms of the municipality's Indigent Management Policy in tariffs levied on other categories of users.

## **8. ACCESS TO SERVICES BY POOR HOUSEHOLDS**

- a. The Council applies the standards for basic service levels described in national government policy with regard to free basic services. The free and subsidised basic services provided to poor households are as provided for in the Council's Indigent Management Policy.

## **9. MUNICIPAL MANAGER AS RESPONSIBLE AND ACCOUNTABLE OFFICER**

- a. The Municipal Manager is responsible and accountable for the implementation and enforcement of the provisions of this policy and must take the necessary steps to do so.



- b. The Municipal Manager shall from time to time report to the Executive Mayor on matters relating to this policy, the efficacy of the tariffs set by the Council in terms hereof, the administrative mechanisms, resources, processes and procedures related to its implementation and the extent to which the policy is achieving the objectives of the Council.
- c. All the necessary power and authority is hereby delegated to the Municipal Manager to enable him/her to fulfil his/her functions, responsibilities and obligations in terms hereof, with full authority to further delegate any specific responsibility.





## WATER AND SANITATION TARIFF POLICY

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### 10. DEFINITIONS

- a. **"Average historic cost of water (AHCW)"** means the total current annual cost of the water service (including capital charges but excluding surcharges and contributions to a capital development fund) divided by the total volume of billed water sales for that year.
- b. **"Commercial water use"** means water supplied to premises predominantly of a commercial nature (e.g. shops, offices, showrooms, service stations, hospitals).
- c. **"Domestic water use"** means water that is used predominantly for domestic purposes, including garden irrigation.
- d. **"Industrial water use"** means water which is used in mining, manufacturing, generating electricity, land-based transport, construction or any related purpose.
- e. **"Other water use"** means all water used not defined as domestic, industrial and commercial.
- f. **"Future incremental marginal cost"** means the average incremental cost of system expansion, taking into account the next large scheme or schemes to be built to meet current and future increases in water demand.
- g. **"Residential unit"** means a group of rooms, used for residential purposes, contained within a block of flats, and which includes any undivided share of common property or any other portion of the property apportioned to that unit for its exclusive use, which shall include a garage or any other outbuildings.
- h. **"Average historical cost of sanitation"** means the total annual cost of the sanitation service (including capital charges but excluding contributions to a



capital development fund) divided by the total volume of sewage discharged for that year.

- i. **"Commercial wastewater"** means effluent discharged from premises predominantly of a commercial nature (e.g. shops, offices, showrooms, service stations).
- j. **"Industrial wastewater"** means wastewater arising from mining, manufacturing, electricity generation, land-based transport, construction or any related activities.
- k. **"Other wastewater"** means effluent discharge from premises not defined as domestic, commercial or industrial.

## 11. POLICY PROVISIONS SPECIFIC TO WATER SUPPLY

- a. User categories: In setting water tariffs, the Council shall take into account at least the following four categories of user; viz:
  - i. Domestic water use
  - ii. Industrial water use
  - iii. Commercial water use
  - iv. Other water use
- b. Domestic consumer sub-categories: In setting water tariffs for domestic consumers, the Council may take into account the significantly different levels and standards of services provided by the municipality and accordingly determine at least the following four sub-categories of domestic consumer; viz
  - i. Domestic communal (which shall mean consumers with access to communal water services such as a public standpipe or a water tanker service)
  - ii. Domestic controlled (which means consumers with access to a controlled volume of water supply)



- iii. Domestic full (which means consumers with access to an uncontrolled volume of water supply that is metered)
- iv. Domestic cluster (which means consumers in a multi-residential unit development, with an uncontrolled supply, served by one metered connection point)
- c. Metering: All connections providing an uncontrolled volume of water supply shall be metered and tariffs shall be applied in proportion to water use. The amount of water supplied to standpipes in informal settlements without title deeds should also be measured to assess the impact of this free water supply on the service as a whole, but should not be billed. The municipality is moving progressively towards the implementation of a demand metering system through the installation of water management devices.
- d. Consumption tariffs: In setting tariffs, the Council may have regard to at least the following categories of tariffs:
  - i. Consumption tariffs – Domestic communal: Where a communal water supply provides water for domestic use and such usage at the communal outlet is, on average, less than 6 kl per household served, then no charge shall be levied for this water.
  - ii. Consumption tariffs – Domestic controlled: Where water use is controlled to less than 6kl a month per connection, for domestic purposes, then no charge shall be levied on domestic households for such water. Should usage exceed 6 kl per month, a fixed monthly tariff shall be applied.
  - iii. Consumption tariffs – Domestic full: Consumption tariffs for un-controlled volume, metered domestic connections shall be based on an increasing block structure with the first block set at 6kl per connection per month and the last block set at an amount that would deter unnecessarily high water use and would reflect the incremental cost that would be incurred to increase the water supply infrastructure to meet an incremental growth in demand. The rising block tariff structure should consist of at least five steps. The consumption level at which the last step begins



- should be at an amount that would encourage water conservation and should not be greater than 60 kl per month.
- iv. Consumption tariffs – Domestic cluster: Consumption tariffs for multi-residential unit developments served by one metered connection point will be set to recover at least the AHCW.
  - v. Consumption tariffs – Industrial, Commercial and other: Other than in instances where special tariffs have been set, the consumption tariffs for all other consumers in this category should be set to at least equal to the AHCW. Data in respect of separate consumption categories such as for sporting bodies, schools and municipal consumption may be maintained to assist in water demand management measures.
  - vi. Consumption tariffs – Schools, sports fields, clubs, churches, charities: any subsidies to these categories of users should be made through the medium of grants or other transparent mechanisms but not through tariffs lower than the AHCW so as not to negate the inherent incentive to use water wisely and economically.
  - vii. Consumption tariffs – Users of non-potable water.
- e. Surcharges: The Council may impose a surcharge on any water tariff.
- f. Fixed service charges: In setting fixed service charges for various purposes, the Council shall have regard at least to the following provisions:
- i. Fixed service charges – Domestic: If a fixed monthly charge is applied, it should be kept at a minimum where possible as the domestic water tariff should, as much as possible, take into account the cost of maintaining the connection.
  - ii. Fixed service charges – Industrial and other: Any fixed monthly service charge for these categories shall take into account the size of the connection and the historic cost of maintaining it to ensure that it is cost-reflective.
- g. Connection charges: Connection charges shall be set to recover the full costs of installation of a connection.



- h. Credit Control measures: The following provisions should be read with the municipality's Credit Control Policy:
  - i. Domestic consumers who fail to pay amounts due for water consumption may, after due process, have their uncontrolled water connections restricted by a flow-limiting or water management device, in the sole discretion of the municipality.
  - ii. All non-domestic consumers who fail to pay amounts due for water consumption shall, after due process, have their uncontrolled water connections disconnected.
- i. Water restriction tariffs: Special tariffs may be introduced during periods when water restrictions are in effect as an incentive to reduce water to within sustainable limits. The Council may approve a separate tariff schedule in conjunction with the normal tariff schedule approved with the budget, which will apply when water restrictions are in force.
- j. Rebates for underground leaks:
  - i. The cost of repairing leaks in a reticulation system situated on private property and the cost of water wasted as a result of such a leak are the responsibility of the owner/consumer.
  - ii. The municipality will nevertheless in implementing its Water Loss Minimisation Project address the question of underground leaks and leaks not visible to the eye, on private property, by granting a rebate in respect of the additional cost of water wasted as a result of such a leak to consumers who have made application in the prescribed manner.
  - iii. A rebate approved by the Council in terms of this policy shall apply only in respect of the additional cost of water wasted as a result of leaks that occur underground and/or are not visible, in the property's primary water reticulation system (plumbing) and shall not apply if the leak occurs in a supplementary system (such as garden irrigation systems, automatic filling systems to ponds, pools etc.).



- iv. Additional consumption occurring as a result of a qualifying leak shall be determined by establishing the difference between the "average" consumption over a corresponding consumption period and the total consumption during that period when the leak occurred. The consumer will be credited with that proportion of the additional consumption constituting the rebate approved by the Council.
- v. The rebate will be granted for a maximum of three months (being an adequate period for the consumer to be alerted to the increased consumption and arrange for the leak to be repaired). The municipality will not approve more than two claims for a rebate in respect of a property per calendar year.

## 12. POLICIES SPECIFIC TO THE SANITATION SERVICE

- a. User categories: In setting sanitation tariffs, the Council shall take into account at least the following user categories (but may specify additional categories) which shall be precisely defined in the Council's tariff resolutions:
  - i. Domestic users
  - ii. Industrial/Commercial users
  - iii. Other users
- b. Domestic user sub-categories: the sanitation tariff structure for domestic users shall distinguish between the different levels and standards of services provided by the municipality and may recognise at least the following sub-categories for domestic users:
  - i. Domestic communal (which means users/households with access to communal sanitation facilities);
  - ii. Domestic full (which means users with waterborne sanitation and access to uncontrolled discharge to a sewer network);
  - iii. Domestic on-site waterborne (which means users with waterborne sanitation collected on site including septic and conservancy tanks);



- iv. Domestic cluster (which means users in a multi-residential unit development such as flats or townhouses served by one connection point).
- c. Universal billing: all users save those provided with a rudimentary or basic service such as communal facilities, are to be billed.
- d. **It is the intention of the municipality to move to a method of formulating tariffs in the following manner:**

Categories of tariffs – Consumption based: In setting tariffs, the Council shall have regard to at least the following categories of tariff:

- i. Volumetric domestic tariffs – Domestic communal: no charge shall be rendered for the use of communal facilities.
- ii. Volumetric domestic tariffs – Domestic full: to be based on the assumed volume of wastewater discharged into the sewerage system (deemed to be 70% of the consumer's domestic water consumption), limited to a maximum billable volume of 35 kl per month.
- iii. Volumetric tariffs – Domestic on-site waterborne: to be based on the actual volume pumped into the collecting truck, reflected as an amount per kilolitre of wastewater.
- iv. Basic sanitation tariff: the Council may where appropriate levy a fixed charge for services provided in informal areas.
- v. Volumetric tariff – Domestic cluster: to be based on the assumed volume of wastewater discharged into the sewerage system (deemed to be 90% of the monthly metered water consumption of all units in the cluster) limited to a maximum billable volume of 35 kl per month per unit.
- vi. Volumetric tariffs – Industrial and Commercial: to be based on the assumed volume of wastewater discharged into the sewerage system (deemed to be 95% of the monthly metered water consumption).
- vii. Volumetric tariffs – Other (schools, hospitals, municipal users, churches etc.): to be based on the assumed volume of wastewater discharged into the sewerage system (deemed to be 95% of the monthly metered water consumption by the institution in question).



- viii. Users making use only of the sanitation service: users who obtain a water supply from a source other than the municipal supply (such as a neighbouring water supply authority or from an unmetered borehole) but nevertheless make use of the municipality's sanitation service, remain liable to pay for that service. The volume of water usage on which the sanitation charge is to be based shall be determined and verified on an annual basis by the municipality, by measurement or estimation of the water used, as the municipality in its sole discretion deems fit. Determination of the percentage wastewater will be per the user category.
- ix. Surcharge for extraordinary treatment costs for industrial effluent: where the measured pollution loading of wastewater discharged into the sewerage system by an industrial user exceeds the pollution loading of ordinary domestic wastewater, the user will assume responsibility for the additional treatment cost recovered as an additional charge based on the Industrial Effluent Miscellaneous Tariff read with the industrial effluent formulae adopted by the Council in its tariff resolutions from time to time. The additional charge shall be billed monthly whilst the poor quality remains.

**However, until such time as the municipality is able to transform to the above methodology, the current method of applying a flat rate or fixed rate as contained in the respective budgets will be applied.**

- e. Categories of tariff—Fixed tariffs:
  - i. Surcharge – Storm-water discharges into sewer: if an unauthorised discharge connection for storm-water run-off into a sewer is found, the owner of the premises in question will be given notice to either alter the connection to provide for discharge into the storm-water/road drainage system or to apply for condonation for the existing connection. Condonation shall only be granted, if in the sole discretion of the municipality, a connection to the proper system is not practically possible. The applicable Miscellaneous Tariff will be charged on a monthly basis.





- ii. Fixed service charges: a fixed monthly service charge will apply to users who discharge wastewater into a sewer system.
  - iii. Connection charges: the Council shall set a connection charge for all consumer categories which recovers the full costs of the sewer connection installation.
- f. Adjustment to the deemed volume: in respect of any specific user in the Industrial/Commercial, Domestic (cluster) and Other tariff categories, the municipality may in its sole discretion adjust the percentage of water deemed to have been discharged into the sewerage system as wastewater, based on calculation or measurement or any other appropriate method, to more closely approximate the actual wastewater discharged.
- g. Contributions: the sewerage service may subsidise any other service.
- h. Effect of water-leak rebate on volumetric sanitation charge: the volume of any water calculated to have been lost resulting from a leak in regard to which a rebate has been approved in terms of paragraph 10(p) shall be deducted from the volume of water used to compile the volumetric sanitation charge for the period of the rebate.

### **13. GENERAL POLICIES APPLICABLE TO WATER AND SANITATION TARIFFS**

- a. Subsidisation: in setting tariffs, the Council may provide for reasonable and appropriate cross-subsidisation between consumer categories. The existence of any such subsidisation must be disclosed in the Council's budget resolutions.
- b. Full cost recovery: the calculation and setting of all tariffs will be based on the principle of full cost recovery and provision for the long-term sustainability of the service.



- c. Annual determination of tariffs: all tariffs are determined and set by the Council on an annual basis together with approval of its budget as provided for in section 24(2)(c)(i) of the MFMA.
- d. Value Added Tax: as prescribed by applicable legislation, VAT is levied on all consumptive tariffs and tariffs as approved by the Council.
- e. Availability charge: an availability charge in the form of a fixed tariff shall apply to serviced vacant or undeveloped land for both the water and sanitation services or where the accountholder/consumer has not consumed more than 6 kl of water. This may have been due to the use of alternative water sources (e.g. a borehole). This provision does not apply to indigent households.



## ELECTRICITY TARIFF POLICY

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### 14. POLICIES SPECIFIC TO THE ELECTRICITY SERVICE

- a. User categories: in setting electricity tariffs, the Council shall take into account at least the following user categories (but may specify additional categories):
  - i. Domestic user – includes users individually or collectively, in private residential establishments including houses, blocks of flats, townhouse complexes;
  - ii. Commercial/Industrial user – means users other than domestic users and includes halls, churches, schools, sports clubs, restaurants, theatres, consulting rooms, all other commercial and industrial premises including residential premises operated commercially such as hotels, guest house/bed-and-breakfast establishments, hospitals, retirement homes and the like.
  - iii. Reseller – This is an electricity tariff to be charged to resellers by licensees. It is developed with an intention of enabling resellers to supply electricity at a desired quality of service, while also maintaining their networks at desired levels. Furthermore, this tariff is intended to ensure that a reseller can charge its customers in line with approved tariff schedules of the Municipality. A reseller tariff may be subcategorised using the definitions per paragraphs (i) supra.
- b. Tariff categories: in setting electricity tariffs, the Council may establish tariffs in the following categories:
  - i. Consumption based (cost reflective) tariffs including:
    - single tier tariff
    - multi-tier block tariff
    - time of use and demand charges
  - ii. Consumption based (subsidised) tariffs (as determined in terms of the municipality's Indigent Management Policy)



- iii. Fixed tariffs including:
- Connection charge (being a fee payable as a contribution towards the cost of providing a supply)
  - Development levy (being a charge calculated to contribute to the costs incurred in increasing the capacity of existing networks resulting from the additional demand imposed by new users)
  - Service charge (being a charge calculated to contribute to fixed costs such as capital redemption, meter reading, billing, vending, maintenance etc. which is payable whilst a premises is connected irrespective of whether electricity is supplied)
  - Miscellaneous tariffs (being specific charges for occasional services rendered such as disconnection, re-connection, meter testing etc.)
- iv. Special tariffs (any tariff introduced from time to time in terms of section 74(2)(g) MSA) or a tariff relating to the consumption of "green energy", being energy generated from a renewable or efficient source)
- v. Wheeling tariff (a tariff for the transport of electrical energy over the municipality's network infrastructure).
- c. Categories of service: the Council, in setting tariffs may have regard to the following categories of service (which may constitute sub categories of user categories) including:
- i. nature of service (including wheeling, the supply of green energy etc.)
  - ii. the level of service consumption
  - iii. type of connection
  - iv. time of use
- d. Surcharge/contributions: the Council in setting tariffs, may impose a surcharge on electricity tariffs (over and above the recovery of the average cost of supply) for the purpose of funding a contribution to the municipality's Rate and General Fund



- e. Subsidisation: in setting tariffs, the Council may provide for reasonable and appropriate cross-subsidisation between categories of user, provided however that the existence of any such subsidy must be clearly disclosed in resolutions adopting tariffs and in the resulting Schedule of Tariffs.
- f. Annual determination of tariffs: electricity tariffs shall be set on an annual basis as prescribed by section 24(2)(c)(i) MFMA after consideration by the Council of a comprehensive report and recommendations from the Municipal Manager taking into account at least the principles in (g) hereunder, anticipated increase in the block cost of electricity, expected increased/decreased demand, the potential effect of any substantial development, patterns of use, availability of supply and sustainability of the service, especially the need for expansion, replacement and/or maintenance of infrastructure as well as any policies, guidelines and comments from the National Energy Regulator of South Africa and such determination shall be subject to approval by it.
- g. Principles: in setting tariffs, the Council shall ensure the full recovery of the cost of operation of the service on a year to year basis, having regard to the issues reported upon in terms of (f) above, and take into account the affordability of electricity and shall consistently and equitably apply this policy.
- h. Availability charge: an availability charge in the form of a fixed tariff shall apply to vacant or undeveloped land where services are available or where the accountholder/consumer has not consumed more than 50 kWh of electricity. This may have been due to the use of alternative energy sources. This provision does not apply to indigent households.



## **WASTE MANAGEMENT TARIFF POLICY**

### **15. POLICIES SPECIFIC TO WASTE MANAGEMENT**

- a. User categories: The municipality will enter into a supply agreement for waste management services only with the owner of a property. Accordingly, in setting tariffs for the Waste Management Service, the Council shall take into account at least the following categories of users who have entered into supply agreements for:
  - i. Residential property: (being a property that is used predominantly for residential purposes, including multi-dwelling properties such as Sectional Title schemes and share block schemes, blocks of flats, retirement homes and villages). Owners in this category may obtain a waste management service from the municipality only. The Council may determine sub-categories provided that these are disclosed in its tariff-setting resolutions and adequately defined.
  - ii. Non-residential property: (being an improved property that is predominantly used for purposes other than residential, including land used for commercial, industrial, ~~or agricultural~~ or mining purposes and also hotels, ~~hospitals and guesthouses~~ hospitals, guesthouses, creche/aftercare, schools and public service properties). An owner in this category may elect to obtain waste management services from a supplier other than the municipality. The Council may define sub-categories in its tariff setting resolutions.
  - iii. Vacant land: (unimproved land not being used for any purpose).
- b. Categories of tariffs: in setting tariffs, the Council may have regard to at least the following categories of tariffs:
  - i. Cost reflective tariffs
  - ii. Subsidised tariffs
  - iii. Fixed tariffs
  - iv. Special tariffs



- c. Categories of service: in setting tariffs, the Council shall distinguish between the following levels and standards of service:
  - i. Door to door removal- black bag (once weekly)
  - ii. Door to door removal-skip (once weekly)
  - iii. Door to door removal-skip (multiple removals per week)
  - iv. Bulk removals
  - v. Garden refuse removal
- d. Principles applicable to Waste Management tariff setting: the following principles shall inform the determination of appropriate tariffs:
  - i. National Waste Minimisation Strategy: the municipality adheres to the principles and objectives set in this strategy.
  - ii. In achieving a "pro-poor" orientation, residential Waste Management tariffs should be structured to achieve a minimum basic level of service affordable for all households while at the same time delivering a viable and sustainable service.
  - iii. The setting and implementation of tariffs must treat users of the service equitably but may however differentiate between different categories of user.
  - iv. The overall package of tariffs must recover the costs reasonably associated with the rendering of the service including such costs which cannot be allocated to a specific user.
  - v. The overall package of tariffs must facilitate the current and long-term sustainability of the service with adequate provision for operating costs, maintenance, rehabilitation and replacement of infrastructure.
  - vi. In setting tariffs, the Council may provide for an appropriate level of cross-subsidisation between categories of user and tariffs, provided however that the extent thereof must be fully disclosed in tariff setting resolutions and the Schedule of Tariffs.
- e. Surcharge and contributions: As far as possible, the Council shall avoid setting a surcharge on tariffs in the Waste Management Service and the Service shall not make contributions to any other service.



f. Annual setting of tariffs: a package of tariffs shall be developed in conjunction with the budget process and adopted annually by resolution in terms of section 24(2)(c)(ii) MFMA.

g. Availability charge: an availability charge in the form of a fixed tariff shall apply to vacant or undeveloped land where services are available.

h. No refuse will be charged on an erf/stand that is categorised as PSI (Public Service Infrastructure) or TSI (Private Service Infrastructure).

i. All owners within a multi-property complex ( including sectional title schemes, full title complex, block of flats, retirements homes and villages and estates) will be charged separately for refuse per erf/stand or unit (if sectional title).

g.i. For the purpose of this policy the following categories of properties will be included in the residential property category use: Places of Worship, Public benefit activities, sports ground and facilities and private open space.

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## ANNEXURE PER PARAGRAPH 6 OF THE POLICY

### INFORMAL SETTLEMENT

1. KIMBERLEY NORTH
2. BOIKHUTSONG & KUTLWANONG
3. COLVILLE 83 & 64
4. CHRIS HANI
5. GALESHEWE
6. RITCHIE WELTER VREDE & MOTSWEDIMOSA
7. ARENA 65
8. ROODEPAN
9. HOMEVALLEY
10. KAGISHO
11. SOLLY LEGODI
12. TSHWARAGANO
13. PHUTANANG
14. REDIRILE
15. JOHN MAMPE
16. TSWELELANG
17. CHINA SQUARE
18. WIT DAM
19. UBUNTU
20. THAMBO SQUARE
21. NXUMALO
22. PLATFONTEIN
23. GREEN POINT
24. RABAJI
25. LORATO PARK
26. JACKSONVILLE
27. DONKERHOEK
28. KATIMA
29. BLOEMANDA
30. SOUL CITY
31. PROMISE LAND
32. RIEMVASMAL
33. TRANSIT CAMP
34. RESERVE ROAD SHACKS
35. PHOMOLONG
36. ZONE 2

And any other area as identified by the Municipality as necessary to receive a basic level of service but which has not been formally established or is impractical to recover exact readings.

# **SOL PLAATJE MUNICIPALITY**



## **Unauthorised, irregular and fruitless and wasteful expenditure Policy**

**For adoption with the tabled Budget: 2020/21 MTREF**

**Date:**

**Council Resolution:**

## Table of contents

1. DEFINITIONS .....	1
2. POLICY OBJECTIVE .....	2
3. LEGISLATIVE FRAMEWORK .....	3
4. SCOPE OF APPLICATION .....	3
5. SECTION 32 OF THE MFMA .....	3
6. ROLE OF THE ACCOUNTING OFFICER .....	4
7. ROLES AND POWERS OF MPAC .....	5
8. PROCESS TO BE FOLLOWED IN CASES OF UIF&W EXPENDITURE .....	5
9. UNFORESEEN AND UNAVOIDABLE EXPENDITURE .....	7
10. DISCLOSURE OF UIF&W EXPENDITURE .....	8
11. QUANTIFYING IRREGULAR AND FRUITLESS & WASTEFUL EXPENDITURE .....	8
12. RECOVERY OF UIF&W EXPENDITURE .....	8
13. DISCIPLINARY AND CRIMINAL CHARGES FOR UIF&W EXPENDITURE .....	9
14. RELEVANT AUTHORITY FOR CONDONEMENT OF IRREGULAR EXPENDITURE .....	10
15. EXAMPLES OF UIF&W EXPENDITURE .....	10
16. APPROVAL .....	11

## 1. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act.

**“financial statements”**, in relation to municipality or municipal entity, means statements consisting of at least—

- (a) a statement of financial position;
- (b) a statement of financial performance;
- (c) a cash-flow statement;
- (d) any other statements that may be prescribed; and
- (e) any notes to these statements;

**“financial year”** means a year ending on 30 June;

**“municipality”** means Sol Plaatje Municipality (SPM)

**Municipal Public Accounts Committee (MPAC)** –is a committee of the municipal council, appointed in accordance with section 79 of the Structures Act and a council committee contemplated in section 32(2)(a)(ii) of the Act to investigate the recoverability of any unauthorised, irregular and fruitless and wasteful expenditure

**“the Act”** means the Municipal Finance Management Act, 2003 (Act No. 56 of 2003)

**“municipal council”** or **“council”** means the council of a municipality referred to in section 18 of the Municipal Structures Act;

**“fruitless and wasteful expenditure”** means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

**“irregular expenditure”**, in relation to a municipality or municipal entity, means

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality’s by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of “unauthorised expenditure”;

**“Official”** means any person employed by the Sol Plaatje Municipality, be it in the capacity as a permanent official, temporary official, intern or contracted employee (in terms of Section 57 of the Municipal Systems

Act, Act 32 of 2000 or any other form of employment contract);

**“overspending”**

- (a) in relation to the budget of a municipality, means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year’s budget for its operational or capital expenditure, as the case may be;
- (b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- (c) in relation to expenditure under section 26, means causing expenditure under that section to exceed the limits allowed in subsection (5) of that section;

**UIF&W Expenditure**, acronym for Unauthorised, Irregular and Fruitless and wasteful Expenditure

**“unauthorised expenditure”**, in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

- (a) overspending of the total amount appropriated in the municipality’s approved budget;
- (b) overspending of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of “allocation” otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by the municipality otherwise than in accordance with this Act;

**“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 departments or functional areas of the municipality; and
- (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

## **2. POLICY OBJECTIVE**

The objective of this Policy is to provide:

- (a) A regulatory framework on the procedures to be followed when dealing with unauthorised, irregular and fruitless and wasteful expenditure,
- (b) The disclosure of unauthorised, irregular and fruitless and wasteful expenditure in the Annual Financial Statements (AFS)
- (c) Prevent and curb unauthorised, irregular, fruitless and wasteful expenditure;
- (d) Identify and investigate unauthorised, irregular, fruitless and wasteful expenditure;
- (e) Respond appropriately in accordance with the law; and
- (f) To address instances of unauthorised, irregular, fruitless and wasteful expenditure conclusively.
- (g) To improve accountability and consequence management
- (h) To inform officials of the consequences of not complying with the relevant regulatory and legislative requirements

### 3. LEGISLATIVE FRAMEWORK

This policy is informed and based on the following legislative requirements:

- Municipal Finance Management Act, Act 56 of 2003
- Municipal Systems Act, Act 32 of 2000, and its regulations;
- Public Office-Bearers Act, Act 20 of 1998, and its regulations;
- Municipal Budget and Reporting Regulations (MBRR) GG 32141 of 17 April 2009
- Supply Chain Management Regulations
- Supply Chain Management Policy
- MFMA Circular No 62: Supply Chain Management: Enhancing compliance and accountability
- MFMA Circular 68 dealing with unauthorised, irregular, fruitless and wasteful expenditure
- MFMA Circular No. 76: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings
- MFMA Circular No 92: Municipal Public Accounts Committee (MPAC)
- Treasury Regulations as they apply to the municipality
- Municipal Public Accounts Committees (MPAC) – Guide and Toolkit
- Standard of Generally Recognised Accounting Practice – GRAP 3

### 4. SCOPE OF APPLICATION

This policy is applicable to Sol Plaatje Municipality and all its officials and councillors. This policy also provides guidelines and parameters for the SPM to identify the possible irregular, fruitless and wasteful expenditure and to ensure compliance with the requirements of the MFMA.

### 5. SECTION 32 OF THE MFMA

- (1) Without limiting liability in terms of the common law or other legislation
  - (a) a political office-bearer of a municipality is liable for unauthorised expenditure if that office-bearer knowingly or after having been advised by the accounting officer of the municipality that the expenditure is likely to result in unauthorised expenditure, instructed an official of the municipality to incur the expenditure;
  - (b) the accounting officer is liable for unauthorised expenditure deliberately or negligently incurred by the accounting officer, subject to subsection (3);
  - (c) any political office-bearer or official of a municipality who deliberately or negligently committed, made or authorised an irregular expenditure, is liable for that expenditure; or
  - (d) any political office-bearer or official of a municipality who deliberately or negligently made or authorised a fruitless and wasteful expenditure is liable for that expenditure.
- (2) A municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure
  - (a) in the case of unauthorised expenditure, is—
    - (i) authorised in an adjustments budget; or
    - (ii) certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council; and
  - (b) in the case of irregular or fruitless and wasteful expenditure, is after investigation by a

council committee, certified by the council as irrecoverable and written off by the council.

- (3) If the accounting officer becomes aware that the council, the mayor or the executive committee of the municipality, as the case may be, has taken a decision which, if implemented, is likely to result in unauthorised, irregular or fruitless and wasteful expenditure, the accounting officer is not liable for any ensuing unauthorised, irregular or fruitless and wasteful expenditure provided that the accounting officer has informed the council, the mayor or the executive committee, in writing, that the expenditure is likely to be unauthorised, irregular or fruitless and wasteful expenditure.
- (4) The accounting officer must promptly inform the mayor, the MEC for local government in the province and the Auditor-General, in writing, of:
  - (a) any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality;
  - (b) whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and
  - (c) the steps that have been taken:
    - (i) to recover or rectify such expenditure; and
    - (ii) to prevent a recurrence of such expenditure.
- (5) The writing off in terms of subsection (2) of any unauthorised, irregular or fruitless and wasteful expenditure as irrecoverable, is no excuse in criminal or disciplinary proceedings against a person charged with the commission of an offence or a breach of this Act relating to such unauthorised, irregular or fruitless and wasteful expenditure.
- (6) The accounting officer must report to the South African Police Service all cases of alleged—
  - (a) irregular expenditure that constitute a criminal offence; and
  - (b) theft and fraud and corruption that occurred in the municipality.
- (7) The council of a municipality must take all reasonable steps to ensure that all cases referred to in subsection (6) are reported to the South African Police Service if—
  - (a) the charge is against the accounting officer; or
  - (b) the accounting officer fails to comply with that subsection.
- (8) The Minister, acting with the concurrence of the Cabinet member responsible for local government, may regulate the application of this section by regulation in terms of section 168.

## **6. ROLE OF THE ACCOUNTING OFFICER**

The Accounting Officer is responsible, amongst others, for the following –

- (1) Exercise all reasonable care to prevent and detect unauthorised, irregular and fruitless and wasteful expenditure and other losses and must for this purpose implement effective, efficient and transparent processes of financial and risk management;
- (2) Inform the Executive Mayor, Mayoral Committee and Council (in writing), as the case may be, if a decision is taken which, if implemented, is likely to result in unauthorised, irregular and fruitless and wasteful expenditure;
- (3) On discovery of any unauthorised, irregular and fruitless and wasteful expenditure to report promptly

(in writing), the particulars of the expenditure to the Executive Mayor; and Follow the prescribed processes to deal with unauthorised, irregular, fruitless and wasteful expenditure.

## **7. ROLES AND POWERS OF MPAC**

1. As per the Municipal Public Accounts Committees (MPAC) – Guide and Toolkit these are the roles assigned to MPAC and central to the MPAC oversight are the matters to be dealt with when there are instances of either unauthorised, irregular, fruitless and wasteful expenditure identified.
2. To review and recommend to Council actions or otherwise relating to the expediting and conclusion of Unauthorised, Irregular Fruitless and Wasteful expenditure in terms of MFMA Sect 32.
3. To examine appropriate investigation reports, undertaken by others, such as the Internal Audit or Forensic reports, seek clarity from the Accounting Officer and recommend to Council further actions or write off in terms of MFMA Sect 32 (2).
4. The above to be dealt with consistently with criminal and disciplinary proceedings in terms of MFMA 32 (5) and MFMA Regulations for Financial Misconduct and Criminal Proceedings issued in terms of MFMA Sect 171-174.
5. Unforeseen and unavoidable expenditure – MPAC to receive information only on adjustment budget process (s29) to enable it to undertake its (MFMA sect 32) responsibilities
6. In the case of unauthorised, irregular, fruitless and wasteful expenditure or any matter of financial governance, MPAC has the right to call the accounting officer or other senior staff to provide information or clarity
7. The MPAC may request the support of both the Audit Committee and the internal audit unit. The Committee shall have permanent referral of documents relating to:
  - information relating to compliance in terms of sections 32 and 133 of MFMA;
  - information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is currently serving or has served before the Committee;

## **8. PROCESS TO BE FOLLOWED IN CASES OF UIF&W EXPENDITURE**

1. The Manager: Expenditure must record and maintain an Unauthorised, irregular and fruitless and wasteful expenditure register. It is the function of the Expenditure Section to identify any irregular expenditure incurred and report these prior to payment to the CFO to verify if the expenditure/payment is irregular and shall receive further instruction from the CFO.
2. The Expenditure section will report to National Treasury on quarterly basis for compliance purposes. The format of the register will be consistent with Annexure A of MFMA Circular 68 issued on 10 May 2013. This register must also be retained for purpose of internal and external audit.
3. For future development, when capturing payments, compulsory fields to be added on the relevant functions on the financial system to enable the generation of a report on Irregular and fruitless and wasteful expenditure of all transactions processed on the financial system.
4. Deal with impending overspending in terms of the approved Budget and virement Policy of the municipality.
5. Any unauthorised, irregular or fruitless and wasteful expenditure as defined must be promptly reported to the Chief Financial Officer who will initiate the process of dealing with the unauthorised, irregular or fruitless and wasteful expenditure.
6. Upon receiving a report of unauthorised, irregular or fruitless and wasteful expenditure, the Chief Financial Officer will advise, in writing, the Municipal Manager and the Chairperson of MPAC.
7. The MPAC will institute an investigation as contemplated in section 32 of the MFMA, and in particular,



determine the following –

- (a) Nature of the non-compliance (i.e. non-compliance with MFMA, MSA, Remuneration of Public Officer Bearer's Act, SCM policy);
- (b) Nature and reason for the unauthorised expenditure, irregular or fruitless and wasteful expenditure;
- (c) Whether the unauthorised, irregular or fruitless and wasteful expenditure was as a result of an instruction given, and if so, by whom. In addition, whether the Accounting Officer or official involved advised that such a decision would result in unauthorised, irregular or fruitless and wasteful expenditure;
- (d) Whether the irregular expenditure result from a minor breach in the procurement policy;
- (e) Whether the municipality suffered a financial loss;
- (f) Whether the Accounting Officer / official / public officer bearer acted deliberately, negligently, or grossly negligently;
- (g) Grounds shown as to why the unauthorised expenditure should be authorised
- (h) Whether the Accounting Officer can condone the non-compliance with the SCM policy as a minor breach;
- (i) Recommend to Council for write-off or recovery
- (j) Whether the non-compliance must be submitted to the National Treasury for condonation; and
- (k) Whether the non-compliance must be submitted to the Minister of Co- operative Governance and Traditional Affairs for condonation

8. Issues to be considered by council committee as per section 74 of the MBRR

- (1) A council committee contemplated in section 32(2)(a)(ii) of the Act to investigate the recoverability of any unauthorised, irregular or fruitless and wasteful expenditure must consider –
  - (a) the measures already taken to recover such expenditure;
  - (b) the cost of the measures already taken to recover such expenditure;
  - (c) the estimated cost and likely benefit of further measures that can be taken to recover such expenditure; and
  - (d) submit a motivation explaining its recommendation to the municipal council for a final decision.
- (2) The municipal manager must provide all information required by the council committee referred to in sub-regulation (1), and any other information the council committee may require for the purpose of conducting a proper investigation.

## 9. UNFORESEEN AND UNAVOIDABLE EXPENDITURE

As prescribed in section 29 of the Act

(1) The mayor of a municipality may in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget.

(2) Any such expenditure—

- (a) must be in accordance with any framework that may be prescribed;
- (b) may not exceed a prescribed percentage of the approved annual budget;
- (c) must be reported by the mayor to the municipal council at its next meeting;
- (d) and must be appropriated in an adjustments budget.

(3) If such adjustments budget is not passed within 60 days after the expenditure was incurred, the expenditure is unauthorised and section 32 applies. Authorisation of unforeseen and unavoidable expenditure as per Section 71 of the MBRR:

(1) The mayor of a municipality may authorise expenditure in terms of section 29 of the Act only if

- (a) the expenditure could not have been foreseen at the time the annual budget of the municipality was passed; and
- (b) the delay that will be caused pending approval of an adjustments budget by the municipal council in terms of section 28(2)(c) of the Act to authorise the expenditure may -
  - (i) result in significant financial loss for the municipality;
  - (ii) cause a disruption or suspension, or a serious threat to the continuation, of a basic municipal service;
  - (iii) lead to loss of life or serious injury or significant damage to property; or
  - (iv) obstruct the municipality from instituting or defending legal proceedings on an urgent basis.

(2) The mayor of a municipality may not authorise expenditure in terms of section 29 of the Act if the expenditure -

- (a) was considered by the council, but not approved in the annual budget or an adjustments budget;
- (b) is required for -
  - (i) price increases of goods or services during the financial year;
  - (ii) new municipal services or functions during the financial year;
  - (iii) the extension of existing municipal services or functions during the financial year;
  - (iv) the appointment of personnel during the financial year; or
  - (v) allocating discretionary appropriations to any vote during the financial year; or
  - (vi) would contravene any existing council policy; or
  - (vii) is intended to ratify irregular or fruitless and wasteful expenditure.

(3) Monetary limits on unforeseen and unavoidable expenditure as per section 72 of the MBRR

The amount of expenditure that a mayor of a municipality may authorise in terms of section 29 of the Act is limited to –

- (a) R15 million in the case of a municipality with approved total revenue in its current annual budget greater than R500 million

## **10. DISCLOSURE OF UIF&W EXPENDITURE**

As per MFMA section 125(2)(d), the notes to the financial statements of a municipality must include particulars of:

- (i) any material losses and any material irregular or fruitless and wasteful expenditures, including in the case of a municipality, any material unauthorised expenditure, that occurred during the financial year, and whether these are recoverable;
- (ii) any criminal or disciplinary steps taken as a result of such losses or such unauthorised, irregular or fruitless and wasteful expenditures; and
- (iii) any material losses recovered or written off

## **11. QUANTIFYING IRREGULAR AND FRUITLESS & WASTEFUL EXPENDITURE**

1. The municipality must quantify the total amount of irregular and fruitless and wasteful expenditure unless it is impractical to do so.
2. In terms of GRAP 3, applying a requirement as impracticable is when the municipality cannot apply it after making every reasonable effort to do so. Insufficient time cannot be used as a justification for impracticability.
3. The municipality's exercise of quantifying the irregular and fruitless and wasteful expenditure must focus on the year under review.
4. However, if the non-compliance was identified on a multi-year contract that was identified in prior years, the irregular expenditure on that specific contract must be quantified from inception of the contract.
5. Furthermore, if the municipality was qualified on the completeness of irregular and fruitless and wasteful expenditure in the prior year(s), the municipality's exercise of quantifying the full extent of the irregular and fruitless and wasteful expenditure must date back to the year the qualification was reported, in order to ensure that the qualification is sufficiently addressed.
6. A municipality may only disclose impracticability after making every reasonable effort to quantify the full extent of the irregular and fruitless and wasteful expenditure.

## **12. RECOVERY OF UIF&W EXPENDITURE**

1. All instances of unauthorised expenditure must be recovered from the liable official or political office-bearer, unless the unauthorised expenditure has been dealt with in terms of the approved Budget and virement Policy of the municipality that allows the accounting officer to make limited shifts of funds, or authorised in an adjustments budget in terms of section 32(2)(a)(i) of the MFMA or certified as irrecoverable by the council after an investigation by a council committee in terms of section 32(2)(a)(ii) of the MFMA.
2. Once it has been established who is liable for the unauthorised expenditure, the accounting officer must, in writing, request that the liable official or political office-bearer pay the full amount within 30 days or in reasonable instalments via a salary stop order.
3. If the person fails to comply with the request or defaults on any payments, the matter must be handed to the municipality's legal division for the recovery of the debt through the normal debt collection process.
4. Depending on the amount to be recovered and affordability, the minimum recovery period may not extend beyond the termination of employment.

5. All instances of irregular and fruitless and wasteful expenditure must be recovered from the liable official or political office-bearer, unless the expenditure is certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council in terms of section 32(2)(b) of the MFMA.
6. Once it has been established who is liable for the irregular and fruitless and wasteful expenditure, the accounting officer must in writing request that the liable political office-bearer or official pay the full amount within 30 days or in reasonable instalments via a salary stop order. If the person fails to comply with the request or defaults on any payments, the matter must be recovered through the normal debt collection process of the municipality.
7. Depending on the amount to be recovered and affordability, the minimum recovery period may not extend beyond the termination of employment. The difference is that fruitless and wasteful expenditure can arise in any circumstance and is not dependent on non-compliance with any legislation.
8. Irregular expenditure resulting from breaches of the Public Office-Bearers Act is an exception in that the irregular expenditure must be recovered from the political office-bearer to whom it was paid, who might not have been responsible for making, permitting or authorising the irregular expenditure.
9. The municipality can also institute measures to recover money's paid from suppliers of assets, goods or services not received, as may be appropriate.

### **13. DISCIPLINARY AND CRIMINAL CHARGES FOR UIF&W EXPENDITURE**

1. If, after having followed a proper investigation, the council concludes that the political office-bearer or official responsible for making, permitting or authorising unauthorised, irregular, fruitless and wasteful expenditure did not act in good faith or committed an act of financial misconduct, then the municipality must consider instituting disciplinary action and criminal charges against the liable person/s in terms of chapter 15 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
2. If the action of the person(s) liable falls within the ambit of the above description, then the council, mayor or accounting officer (as may be relevant) must institute disciplinary charges as follows:
  - (i) Financial misconduct in terms of section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings: in the case of an official that deliberately or negligently:
    - contravened a provision of the MFMA which resulted in unauthorised, irregular, fruitless and wasteful expenditure; or
    - made, permitted or authorised an irregular expenditure (due to non-compliance with any of legislation mentioned in the definition of irregular expenditure);
  - (ii) *Breach of the Code of Conduct for Municipal Staff Members*: in the case of an official whose actions in making, permitting or authorising unauthorised, irregular, fruitless and wasteful expenditure constitute a breach of the Code; and
  - (iii) *Breach of the Code of Conduct for Councillors*: in the case of a political office-bearer, whose actions in making, permitting or authorising unauthorised, irregular, fruitless and wasteful expenditure constitute a breach of the Code. This would also include instances where a councillor knowingly voted in favour or agreed with a resolution before council that contravened legislation resulting in unauthorised, irregular, fruitless and wasteful expenditure when

implemented, or where the political office-bearer improperly interfered in the management or administration of the municipality.

#### **14. RELEVANT AUTHORITY FOR CONDONEMENT OF IRREGULAR EXPENDITURE**

1. In terms of section 32(2)(b), irregular expenditure may only be written-off by Council if, after an investigation by a council committee, the irregular expenditure is certified as irrecoverable.
2. With reference to (a) as defined, - in terms of section 170 of the MFMA, only the National Treasury may condone non-compliance with a regulation issued in terms of the MFMA or a condition imposed by the Act itself. Municipal Councils therefore have no power in terms of the MFMA to condone any act of non-compliance in terms of the MFMA or any of its Regulations.
3. With reference to (b) as defined – there is no provision in the Municipal Systems Act that allows for a contravention of the Act to be condoned. Nevertheless, should a municipality wish to request that an act of non-compliance with any provision of the MSA be condoned, then the accounting officer should address the request to the Minister of Co-operative Governance and Traditional Affairs, who is responsible for administering the MSA.
4. With reference to (c) as defined – there is no provision to allow irregular expenditure resulting from a contravention of the Public Office-Bearers Act to be condoned. This is consistent with section 167(2) of the MFMA, which provides that such irregular expenditure cannot be written-off and must be recovered from the political office-bearer concerned.
5. With reference to (d) as defined – a council may condone a contravention of the council approved SCM policy or a by-law giving effect to such policy, provided that the contravention, is not also a contravention of the MFMA or the SCM regulations, in which case (a) applies and then only National Treasury can condone a contravention of the SCM regulations.

#### **15. EXAMPLES OF UIF&W EXPENDITURE**

The following examples are only guides and are not exhaustive.

##### **1. Fruitless and wasteful expenditure**

- i. Procuring of goods and services that are not beneficial to the municipality. Costs of goods and services which are in excess of what would have been the case have proper procedures been followed (not obtaining minimum 3 quotes as per the SCM policy thresholds, etc).
- ii. Renting of property when sufficient and appropriate unoccupied property is owned by the municipality.
- iii. Incurring car rental costs, when internal vehicles are available or when shuttle services are available at a cheaper cost.
- iv. Officials travelling to workshops etc, and each making use of their own vehicle or opting for a more expensive mode of travel and/or accommodation
- v. Procuring of devices, machinery and equipment, etc that will not be utilised optimally and technically becomes a “white elephant”.
- vi. Employing contract workers when there are adequate permanent staff available to do the work, exuberant costs on events, entertainment, farewell functions etc.
- vii. Incurring penalty and interest costs on late payment of accounts. Erroneous payments and not taking all reasonable steps to prevent or recover any such payments.

## **2. Irregular expenditure**

- i. Irregular expenditure incurred as a result of users procuring goods or services by means other than through competitive bids and where reasons for deviating from inviting competitive bids as per SCM Regulation 36 have not been recorded, the deviation criteria not being met and approved by the accounting officer;
- ii. Not reporting deviations to Council as per SCM Regulation 36
- iii. Irregular expenditure incurred as a result of non-compliance with a requirement of the municipality's delegations of authority;
- iv. Irregular expenditure incurred due to it being in contravention of the municipality's supply chain management policy;
- v. Incurring expenditure that is not covered by any internal policy and/or Council resolution
- vi. Expenditure paid out to service providers who are in the service of state;
- vii. Irregular expenditure incurred as a result of non-compliance with a provision contained in any applicable legislation
- viii. Failing to comply with SCM Regulation 32 requirements when "piggybacking" on contracts secured by another organ of state
- ix. Extension of expired contracts and failure to follow section 116(3) processes when extending contracts
- x. Extension of scope of work or variation orders resulting in the contract value being exceeded (As per MFMA Circular No 62 Management of expansion or variation of orders against the original contract contracts may be expanded or varied by not more than 20% for construction related goods, services and/or infrastructure projects and 15% for all other goods and/or services of the original value of the contract.
- xi. Failure to comply with section 33 of the MFMA (Contracts having future budgetary implications) before entering into a contract of more than 3 years

## **3. Unauthorised expenditure:**

- i. Procuring of goods and services that are not budgeted for;
- ii. Expenditure not in terms of the conditions of the grant allocation received from another sphere of government;
- iii. Overspending of the total amount appropriated in the municipality's approved operational and/or capital budget
- iv. Overspending of the total budget per Directorate/Vote
- v. Overspending of expenditure per type or category, for e.g overspending on the Council's total Repairs and maintenance or Employee costs budget

## **16. APPROVAL**

The Unauthorised, irregular and fruitless and wasteful expenditure Policy has been approved by Council

## **Guideline to the amendment or additions to the UIFW Policy 14 March 2022**

**The area of focus in the Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy are indicated below for your consideration:**

- Under the **section 4: SCOPE OF APPLICATION**, the following statement was added: “This policy also provides guidelines and parameters for the SPM to identify the possible irregular, fruitless and wasteful expenditure and to ensure compliance with the requirements of the MFMA’.
- Under the **section 8: PROCESS TO BE FOLLOWED IN CASES OF UIF&W EXPENDITURE**, the following corrections were made in order to align the responsibility within the correct Section of Finance Directorate:
  - 1.” The Manager: Expenditure must record and maintain an Unauthorised, irregular and fruitless and wasteful expenditure register. It is the function of the Expenditure Section to identify any irregular expenditure incurred and report these prior to payment to the CFO to verify if the expenditure/payment is irregular and shall receive further instruction from the CFO”.
  2. “The Expenditure section will report to National Treasury on quarterly basis for compliance purposes. The format of the register will be consistent with Annexure A of MFMA Circular 68 issued on 10 May 2013. This register must also be retained for purpose of internal and external audit”.
  3. Section 6, 7 and 8 of the approved UIF&W expenditure policy were previously not numbered.

# **SOL PLAATJE LOCAL MUNICIPALITY**

## **PROPERTY RATES POLICY**



POLICY REVIEW APPROVED ON THE

RESOLUTION NUMBER:





## Contents

1. DEFINITIONS / INTERPRETATION.....	3
2. PURPOSE OF POLICY .....	4
3. LEGAL FRAMEWORK .....	4
4. IMPOSITION OF PROPERTY RATES.....	5
5. CATEGORIES OF PROPERTIES .....	8
6. EXEMPTIONS, REBATES AND REDUCTIONS ON RATES.....	9
7. SPECIAL RATING AREAS.....	14
8. NATURAL AND OTHER DISASTERS .....	14
9. CROSS BORDER PROPERTIES .....	14
10. DECEASED ESTATES .....	15
12. SECTIONAL TITLES.....	16
13. OBJECTIONS TO ENTRIES INTO THE VALUATION ROLL AFTER THE EXPIRY OF THE PRESCRIBED PERIOD .....	16
14. METHOD AND TIME OF PAYMENT.....	16
15. RECOVERY OF RATES IN ARREARS.....	17
16. CORRECTION OF ERRORS AND OMISSIONS .....	17
17. DIFFERENTIAL RATES .....	18
18. COSTS OF EXEMPTIONS, REBATES, REDUCTIONS AND PHASING IN OF RATES.....	18
19. LOCAL, SOCIAL AND ECONOMIC DEVELOPMENT .....	18
20. REGISTER OF PROPERTIES .....	18
21. NOTIFICATION OF RATES .....	18
22. COMMENCEMENT AND PERIOD OF RATES.....	19
Annexure A - CATEGORIES OF PROPERTIES.....	19
Annexure B – CATEGORIES OF OWNERS.....	20
Annexure C – REBATE PROPERTIES.....	22
Annexure D – EXEMPTIONS .....	24
Annexure E – PRESCRIBED AND POLICY RATES RATIOS .....	25
Annexure F – PENSIONER REBATE APPLICATION FORM.....	26



# SOL PLAATJE MUNICIPALITY

## PROPERTY RATES POLICY

### 1. DEFINITIONS / INTERPRETATION

**“Act”**, means the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004 (abbreviated to “MPRA”;

**“Council”** means the highest legislative body of the Sol Plaatje Municipality as referred to in section 157 (1) of the Constitution and section 18 (3) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);

**“date of valuation”**, for the purposes of a general valuation, means the date to be determined by the municipality in terms of section 31 (1) of the Act, and the date on which the market conditions applied when determining the valuations in the General Valuation Roll;

**“district municipality”** means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality;

**“economic services”**, means services for which the tariffs are fixed to recover the full costs of the service, like refuse and sewer services;

**“market value”**, in relation to a property, means the amount a property would have realized if sold on the date of valuation in the open market by a willing seller to a willing buyer;

**“municipality”**, means the Sol Plaatje Municipality;

**“trading services”**, means services for which the tariffs are fixed to yield a trading profit, like electricity and water services;

**“MPRA”** means the Local Government Municipal Property Rates Act (Act No, 6 of 2004)



## **2. PURPOSE OF POLICY**

- 2.1. The purpose of this policy is to allow Council to exercise its power to impose rates within a statutory framework, with the aim to enhance certainty, uniformity and simplicity, taking into account the historical imbalances within communities, as well as the burden of rates on the poor.
- 2.2. As trustees on behalf of the local community, the Municipality shall adhere to its legislative and moral obligation to ensure it implements this policy to safeguard the monetary value and future service provision invested in property.

## **3. LEGAL FRAMEWORK**

- 3.1. This policy has been compiled in accordance with: -
  - 3.1.1 Section 229 of the Constitution of the Republic of South Africa, giving the municipality power to value and rate property in its area of jurisdiction;
  - 3.1.2 The Municipal Property Rates Act, 6 of 2004;
  - 3.1.3 The Local Government: Municipal Finance Management Act 2003, hereinafter referred to as the “MFMA”; and
  - 3.1.4 The Local Government: Municipal Systems Act, 2000, hereinafter referred to as the “Systems Act”.
- 3.2 This policy shall be subject to the applicable legislation.
- 3.3 This policy shall be applied with due observance of the Municipality’s policy with regard to delegated powers. Such delegations refer to delegations between the Municipal Manager and other responsible officials; the Council and the Executive Mayor as well as between Council and the Municipal Manager. All delegations in terms of this policy must be recorded in writing.
- 3.4 The Council shall, as stipulated in Chapter 4 of the Municipal Systems Act and section 22 of the MFMA, provide measures for continuous consultation with the community and other stakeholders in the development and ultimate adoption of this Property Rates Policy.
- 3.5 The Constitution entitles everyone to administrative action which is lawful, reasonable and procedurally fair and to be given reasons for any such action which affects them.

The Promotion of Administrative Justice Act 3/2000 is the legislation required by the Constitution to give effect to the right to just administrative action and in order to promote and efficient administration and good governance and to create a culture of accountability, openness and transparency in public administration or in the exercise of a public power or the performance of a public function.



This policy incorporates the above principles by providing parameters and procedures to guide the municipality and its officers in implementing it, and thereby exercising a public power through a series of administrative actions. In so doing, this policy seeks to provide certainty on the part of those affected by it with regard to how the municipality will act in the circumstances covered by the policy and uniformity of action on the part of its officers.

The municipality commits itself and its officers to act fairly and justly in an open and transparent manner in implementing this policy.

## **4. IMPOSITION OF PROPERTY RATES**

### **4.1. Obligation:**

- 4.1.1. The Council shall as part of each annual operating budget component impose a rate in the rand on the market value of all rateable property recorded in the municipality's valuation roll and supplementary valuation roll.
- 4.1.2. The Council pledges itself, subject to any applicable limitations by law, to limit each annual increase as far as practicable to the increase in the consumer price index over the period preceding the financial year to which the increase relates and to any limitations imposed by National Treasury.
- 4.1.3. The Council shall, in imposing the rate for each financial year, take proper cognizance of the aggregate burden of rates and service charges on representative property owners, in the various categories of property ownership, and of the extent to which this burden is or remains competitive with the comparable burden in other municipalities within the local economic region.

### **4.2. Policy principles**

All ratepayers, in a specific category, as determined by Council from time to time, shall be treated equitably, as required by Section 3 (3) (a) of the Act;

- 4.2.1 Rates shall be raised in proportion to the improved value of the property;
- 4.2.2 The rates tariff shall be based on the value of all rateable properties and the amount required by the municipality to balance the operating budget after taking into account profits generated by trading and economic services and the amounts required to finance exemptions, rebates and reductions of rates as approved by Council from time to time;
- 4.2.3 Property rates shall not be used to subsidize trading services;



4.2.4 Exemptions, reductions and rebates should not unreasonably affect the income base of the municipality.

Therefore, pursuant to section 3 (3) (b) of the Act, it is the policy of the municipality, when –

- \* levying different rates for different categories of properties;
- \* exempting a specific category of owners of properties, or the owners of a specific category of properties, from payment of a rate on their properties;
- \* granting rebates;
- \* increasing rates;

***to apply the following criteria -***

- \* poverty alleviation
- \* stimulation of industrial growth
- \* promotion of tourism
- \* creation of jobs
- \* maintenance of agricultural activity
- \* assist charity and other public benefit organizations
- \* the consumer inflation index
- \* this municipality's budgetary needs
- \* this municipality's integrated development plan
- \* amounts contributed by services

4.2.5 **Compliance with section 3 (3) (d) of the Act**

Pursuant to section 3 (3) (d) of the Act, it is the policy of the municipality to exercise its powers in terms of section 9 (1) of the Act in relation to properties used for multiple purposes by assigning a property use for multiple purposes to a category based on the purpose corresponding with the dominant use of the property where such dominant use is either Industrial / Commercial or Mining. Where the dominant use is any other, the property will be valued and rated using the apportionment in terms of section 9 (2) of the Act.

4.2.6 **Compliance with section 3 (3) (f) of the Act.**

Pursuant to section 3 (3) (f) of the Act, it is the policy of the municipality to provide indigent property owners as registered in terms of this municipality's indigents policy a rebate on their rates account.

4.2.7 **Compliance with section 3 (3) (h) of the Act.**

Pursuant to section 3 (3) (h) of the Act, it is the policy of the Municipality to, in addition to the exemption of the first 30% of value and the phasing



in as prescribed in the Act, to consider further rebates on public service infrastructure, taking into account the Integrated Development Plan (IDP) priorities and objectives. The quantification of such rebates is to be determined by the annual budgetary process.

#### 4.2.8 **Compliance with section 3 (3) (i) of the Act.**

Pursuant to section 3 (3) (i) of the Act, it is the policy of the Municipality to promote the interests of social or economic development, or when competing with other municipalities for investment of a specific nature, to consider providing incentive rebates in order to attract such development or investment, provided such development or investment is quantifiably beneficial to the community and should not amount to unfair discrimination as contemplated in Chapter 2, section 9 of the Constitution.

4.2.8.1 The property will be offered an incentive rebate as a percentage against its rateable category. E.g. if a manufacturing plant is established on an industrial property and it is desirable, provides employment and boosts the local economy, a rebate (as a percentage) against the rating tariff for “Industrial Property” will be offered.

4.2.8.2 The extent of the incentive rebate offered by Sol Plaatje Municipality will be determined by the Municipal Manager and the Chief Financial Officer upon application by the interested party. The following criteria, in determining this percentage, will apply:

- Value of investment into the city
- Number of local jobs created
- Desirability of industry/commercial activity
- Location of property
- SPM budget availability

4.2.8.3 The maximum incentive rebate offered is 100 % and applies to property rates only.

4.2.8.4 Incentive rebates offered are only valid from date of completion of the development, and valuation of such development on the Supplementary Valuation Roll.



Such incentive rebate remains valid for the period for which it was offered and for as long as all municipal policies, by-laws, National and Provincial legislation is adhered to and as long as the property owner maintains their municipal account to the Municipality's satisfaction.

## **5. CATEGORIES OF PROPERTIES**

In terms of Section 8 and in pursuant to section 3 (3) (c) of the Act, the municipality may levy different rates for the different categories of rateable properties as set out below.

Pursuant to section 3 (3) (c) of the Act, the Council will, in determining the category of a property, take into consideration the actual use of the property and the property shall be rated on such actual use. Where the property is vacant (undeveloped) then the category will be determined as per its permitted use. The categories include the following:

- 5.1 residential properties;
- 5.2 vacant residential properties;
- 5.3 industrial properties;
- 5.4 vacant industrial properties;
- 5.5 business commercial properties;
- 5.6 vacant business and commercial properties;
- 5.7 agricultural properties;
- 5.8 Mining properties;
- 5.9 properties owned by an organ of state and used for public service purposes;
- 5.10 Public Service Infrastructure properties;
- 5.11 Private Service Infrastructure
- 5.12 Properties owned by public benefit organizations and used for specified public benefit activities.
- 5.13 Place of Public Worship.
- 5.14 Private Open Space;
- 5.15 Property owned by the Municipality and used for municipal purposes in service delivery;
- 5.16 Independent schools registered in terms of the South African Schools Act, 84 of 1996.



5.17 Sports grounds and facilities used and operated for gain.

## 6. EXEMPTIONS, REBATES AND REDUCTIONS ON RATES

In terms of Section 15(1) of the Act, the Municipality may: -

- i. Exempt a specific category of owners of properties, or the owners of a specific category of properties, from payment of a rate levied on their property; or
- ii. Grant to a specific category of owners of properties, or to the owners of a specific category of properties, a rebate or a reduction in the rates payable in respect of their properties;

Determination of any possible exemptions, rebates or reduction will be considered annually as part of the budget process of the Municipality. As a guide in determining the possible exemptions, rebates or reductions, the following will be considered:

### 6.1 **Exemptions**

6.1.1 *Property registered in the name of and used primarily as a place of public worship* by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

6.1.2 *Public benefit activities (welfare and humanitarian)*

- (i) Rateable property registered in the name of an institution or organization that performs welfare and humanitarian work as contemplated in the ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962) which is not operated for gain.
- (ii) Rateable property, registered in the name of a trustee or any organization, which is maintained for the welfare of war veterans which is not operated for gain.

6.1.3 *Public benefit activities (cultural)*

- (i) Rateable property registered in the name of Boy Scouts, Girl Guides, Sea Scouts, Voortrekkers and similar organizations which is not operated for gain.
- (ii) Rateable properties registered in the name of the organizations that are involved in the promotion, establishment, protection,





preservation or maintenance of areas, collections or buildings of historical or cultural interest, national monuments, national heritage sites, museums, including art galleries, archives and libraries which is not operated for gain.

6.1.4 *Public benefit activities (sport)*

- (i) Rateable properties used for the purpose of amateur and social activities, which are connected with such sport which is not operated for gain.

6.1.5 *Rateable properties used for public benefit activities (conservation, environment and animal welfare)*

- (i) Properties that are in the name of an organisation or institution that is engaged in the conservation, rehabilitation or protection of the natural environment, including flora and fauna which is not operated for gain.
- (ii) Rateable property registered in the name of an institution or organisation that has as its exclusive objective the protection of tame or wild animals or birds which is not operated for gain.

*Public benefit activities (health care)*

- 6.1.6 Rateable property registered in the name of an institution or organisation which has as its exclusive objective health care or counselling for terminally ill persons or persons with a severe physical or mental disability and persons affected by HIV/ AIDS which is not operated for gain.

6.1.7 *Public benefit activity (agricultural)*

- (i) Rateable property, registered in the name of an agricultural society affiliated to or recognized by the South African Agricultural Union, which is used for the purposes of such a society which is not operated for gain.

6.1.8 *Rateable property registered in the name of an institution or organisation, which, in the opinion of the Council, performs charitable work.*

6.1.9 *Road reserves are exempted from payment of rates in accordance with Act No. 7 of 1998 on Road Agencies.*

- 6.1.10 At least the first R15 000 of the market value of residential properties and properties used for multiple purposes of which one or more components is used for residential purposes, where, in the case of residential properties, the properties referred to shall be vacant or improved properties and shall be zoned as residential and where, in the case of



properties used for multiple purpose and of which one or more components is used for residential purposes.

6.1.11 As a caution to the possible infringement of section 16 (1) of the MPRA, as well as in recognition of the regulated tariffs for public service infrastructure affecting the feasibility of charging rates on the sector, it is the policy of this municipality to charge a zero rate to all public service infrastructure, including private service infrastructure.

6.1.12 Land Reform Beneficiaries for ten years from the date the beneficiary's title was registered or upon alienation of the property.

## 6.2 **Rebates**

Rebates for the following categories of properties and/or owners of properties being utilized for the intended purpose will be considered:

6.2.1 *Rebates in respect of income categories: such as indigents, pensioners, disabled, etc.*

The following owners may be granted a rebate on or a reduction in the rates payable on their property if they meet all the following criteria:

- Registered owner of the property or in the case of Pensioners, must be the owner or must have a registered right of usufructs on the whole property;
- In the case of Pensioners, must be at least 60 years old on the 1<sup>st</sup> of July in the financial year concerned;
- Must reside on the property;
- May not own more than one property nationally
- Income must not exceed an amount annually set by the Council; and
- Applications for the rebate must be submitted before 30 June (unless as part of an indigent application).
- Late applications may be considered in terms of this policy and granted pro-rata from the date of the successful application.

6.2.2 *Municipal property and usage*

- (i) A pro-rata rebate will be granted where the municipality is engaged in land sales transactions that have taken place after the financial year has started.



- (ii) Where the municipality registers a road reserve or servitude on a privately owned property a pro rata rebate equal to the rates calculated on the value of the reserve or servitude will be given to the owner of the property.

- 6.2.3 Properties in rural areas, excluding all properties falling within the urban edge as determined by the Sol Plaatje Municipal Spatial Development Framework, which are used only for industrial, commercial and/or residential purposes and where no municipal services (water, electricity, sanitation, refuse removal) are available. This excludes properties used as Solar Farms or the portions thereof.
- 6.2.4 Properties that includes crèches and guest houses will qualify for a rebate to enable the promotion of small business enterprises.
- 6.2.5 Where the bulk of the property is located outside the Sol Plaatje Municipal boundary (i.e. 51 % or more), the whole of the property will be deemed to be outside the Sol Plaatje Municipal boundary and will be valued and subjected to a 100% rebate on the relevant tariff.
- 6.2.6 All categories of properties as listed in paragraph 5 may be subject to a rebate. Such rebate shall be considered as part of the budgetary process envisioned in the MFMA and must be determined per any criteria set down in this Policy.
- 6.2.7 Categories of properties or categories of owners of properties who may qualify for a rebate as determined in the Municipality's budget from time to time may apply for such rebate. Any properties or their owners qualifying for such will receive said rebate from the date of approval of application of such. The responsibility of applying for a rebate rests with the property owner or accountholder.

### 6.3 **Elements to be considered**

In determining any exemptions, rebates or reductions the Council shall consider:

- 6.3.1 The financial sustainability of the municipality and the cost of services to be provided from the assessment of the rates income.
- 6.3.2 The inability of residential property owners to pass on the burden of rates, as opposed to the ability of the owners of business, commercial, industrial and certain other properties to recover such rates as part of the expenses associated with the goods or service which they produce.
- 6.3.3 The need to accommodate indigents, the disabled, and pensioners.



- 6.3.4 The value of agricultural activities to the local economy coupled with the limited municipal services extended to such activities.
- 6.3.5 The need to preserve the cultural heritage of the local community.
- 6.3.6 The need to encourage the expansion of public service infrastructure.
- 6.3.7 The contribution which property developers (especially in regard to commercial and industrial property development) make towards local economic development, and the continuing need to encourage such development.
- 6.3.8 The number of services provided by the Municipality in a particular area.

6.4 **Budget Year:**

All exemptions, rebates and reductions projected in a financial year must be reflected in the municipality's budget for that year.



#### **6.5 Public service infrastructure**

Public service infrastructure is to be valued at market value and where there is insufficient data such properties are to be valued using alternative acceptable valuation methods.

#### **6.6 Local, social and economic development**

The municipality may grant rebates to organizations that promote local, social and economic development as referred to in paragraphs 4.2.8 and 18 of this policy.

### **7. SPECIAL RATING AREAS**

The municipality may from time to time, as provided for in Section 22 of the Act, and as to be depicted in its annual budget and by resolution of the Council, determine a certain area within the boundaries of the municipality, as a special rating area.

### **8. NATURAL AND OTHER DISASTERS**

Properties affected by a natural disaster, as defined in terms of the Disaster Management Act 16 of 2015, may qualify for relief by way of a temporary rates rebate. Such relief will be determined by Council from time to time according to its tariffs.

### **9. CROSS BORDER PROPERTIES**

In terms of the Constitution, specifically section 229 (3) and further described in the Local Government: Municipal Fiscal Powers and Functions Act, No 12 of 2007, when two municipalities have the same fiscal powers and functions with regard to the same area, an appropriate division of those powers and functions must be made in terms of national legislation. The division may be made only after taking into account at least the following criteria:-

- (a) The need to comply with sound principles of taxation.
- (b) The powers and functions performed by each municipality.
- (c) The fiscal capacity of each municipality.
- (d) The effectiveness and efficiency of raising taxes, levies and duties.
- (e) Equity.

In addition to the above, the following criteria will apply:

- 9.1 Where the bulk of the property is located within the Sol Plaatje Municipal boundary (i.e. 50% or more), the whole of the property will be deemed to be within the Sol



Plaatje Municipal boundary, will be valued accordingly and will be included in the General Valuation Roll.

9.2 Where the bulk of the property is located outside the Sol Plaatje Municipal boundary (i.e. 51 % or more), the whole of the property will be deemed to be outside the Sol Plaatje Municipal boundary and will be valued and subjected to a 100% rebate on the relevant tariff..

9.3 Where properties are so affected, the relevant adjacent Local Authority and the respective owners will be notified in writing of this condition.

## **10. DECEASED ESTATES**

According to the MPRA as well as section 24 of the Act an “Owner”, in relation to a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered; provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:

(ii) “an executor or administrator, in the case of a property in a deceased estate”  
Section 24: “A rate levied by a municipality on a property must be paid by the owner of the property”. (Authorised person)

Therefore, an executor or administrator is deemed the owner of the property upon receipt of a letter of authority from the Master of the Court authorising such. Upon receiving the letter of Authority, the “owner” has the responsibility to timeously inform Rates and Enquiries section. Property rates will then be billed to this “owner” from the date of the letter of authority from the Master of the High Court. The letter of authority date will deem as the day of rates being levied on the account and all other payments made prior to the deceased account for reconciliation.

## **11. LIABILITY FOR AND RECOVERY OF RATES**

The MPRA and the Municipality’s Credit Control and Debt Collection Policy applies.



## **12. SECTIONAL TITLES**

A rate on property which is subject to a sectional title scheme must be levied on the individual sectional title units in the scheme and not on the property as a whole.

As per SECTIONAL TITLES ACT 95 OF 1986 Section 15B Registration of transfer of ownership and other rights - The registrar shall not register a transfer of a unit or of an undivided share therein, unless there is produced to him a conveyancer's certificate.

The conveyancer's certificate must be submitted to Sol Plaatje Municipality, Rates Department before rates clearance certificates will be issued on sectional title units.

## **13. OBJECTIONS TO ENTRIES INTO THE VALUATION ROLL AFTER THE EXPIRY OF THE PRESCRIBED PERIOD**

13.1 Where an authorised person submits an objection to the valuation of a property in a General or Supplementary Valuation Roll, and such objection does not fall within the allowed for prescribed period, the following is required to accompany such objection:

- 13.1.1 A valuation certificate from a Professional Valuer or a Professional Associate Valuer, registered with the South African Council of Property Valuers Profession.
- 13.1.2 The payment of a prescribed fee as determined by Council from time to time in its budget process.
- 13.1.3 All accompanying documentation as the Municipal Valuer may deem necessary in the resolution of the matter.
- 13.1.4 Depending on the complexity of the objection and the type of property, the Municipal Valuer may insist on the provision of a Valuation Report stemming from the certificate contemplated in paragraph 13.1.1.

13.2 Where the Municipal Valuer accedes to the objection made, the prescribed fee paid in terms of paragraph 13.1.2 will be refunded to the person who paid such fee if such person has no service account with SPM. If such person has an account with SPM such amount will be credited to their consumer account.

13.3 The provisions of section 78 (4) of the MPRA apply strictly in the case of any amendments to the General Valuation Roll.

## **14. METHOD AND TIME OF PAYMENT**

14.1 The rates levied on the properties shall be due and payable:

- 14.1.1 on a monthly basis; or



- 14.1.2 the municipality shall determine the due dates for payments in monthly instalments and the single annual payment and this date shall appear on the accounts forwarded to the owner/ tenant/ occupants/ agent;

## **15. RECOVERY OF RATES IN ARREARS**

### **15.1 Credit Control and Collection**

Where applicable, credit control and debt collection will be applied, in accordance with the approved Customer Services, Credit Control and Debt Collection Policy of the Council, for any outstanding amounts.

### **15.2 Supplementary Valuation Debits**

In the event that a property has been transferred to a new owner and a Supplementary Valuation took place, the immediate predecessor in title, as well as the new owner, will jointly and severally be held responsible for settling the interim account.

### **15.3 Ownership**

Properties, which vest in the Municipality during developments, i.e. open spaces and roads should be transferred at the cost of the developer to the Municipality. Until such time, rates levied will be for the account of the developer.

### **15.4 Rebate for indigent debtors**

The rebate is as determined by the Municipality's policy on indigent debtors.

## **16. CORRECTION OF ERRORS AND OMISSIONS**

- 16.1 Where the rates levied on a particular property have been incorrectly determined whether because of an error or omission on the part of the municipality or false information provided by the person concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is deemed back to the date on which rates were first levied in terms of the current valuation roll.
- 16.2 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.





## **17. DIFFERENTIAL RATES**

- 17.1 Differential rates will be applied on categories of properties as contemplated in Section 8 of the Act and as listed in paragraph 4 of this policy.
- 17.2 Different categories of properties may pay different rates in the rand based on the market value of the properties.
- 17.3 In order to account for categories of properties, categories of owners, and exemptions, rebates and reductions, as well as whether these are annual or monthly payers, a list of categories for the purpose of charging correct tariffs on the financial system is annexed hereto and must be reviewed annually along with this Policy.

## **18. COSTS OF EXEMPTIONS, REBATES, REDUCTIONS AND PHASING IN OF RATES**

- 18.1 During the budget process the accounting officer must inform Council of all costs associated with suggested exemptions, rebates, reductions and phasing in of rates and account for these in terms of sections 15 (3) and (4) of the Act

## **19. LOCAL, SOCIAL AND ECONOMIC DEVELOPMENT**

- 19.1 The municipality may grant rebates to organisations that promote local, social and economic development in its area of jurisdiction.
- 19.2 The Municipality's LED Unit must validate the qualification for the continued application of the rebate and the said rebates must be phased- out within 3 years from the date that the rebate was granted for the first time.
- 19.3 Rebates will be restricted to a percentage determined by Council from time to time.

## **20. REGISTER OF PROPERTIES**

- 20.1 The Accounting Officer must ensure that a register of properties is drawn up and maintained as contemplated in section 23 of the Act.

## **21. NOTIFICATION OF RATES**

- 21.1 A notice stating the date on which the new rates shall become operational as resolved by Council must be displayed and publicised by the Municipality.



21.2 This is to be aligned with the annual budgetary process and shall be subject to the same obligations as contemplated in the MFMA.

## 22. COMMENCEMENT AND PERIOD OF RATES

This policy takes effect on the 1<sup>st</sup> of July 202~~2~~<sup>4</sup>.

### Annexure A - CATEGORIES OF PROPERTIES

Categories of Property	Description	Abbreviation	Rebate / Exemption Y/N
Residential	Improved property with the dominant use or zoning for residential purposes	RES	Yes
Vacant Residential	Unimproved property zoned for residential purposes and only if less than 50% of the improvements are completed	RESV	Yes
Industrial	Improved property with the dominant use or zoning for industrial purposes	IND	No
Vacant Industrial	Unimproved property zoned for industrial purposes and only if less than 50% of the improvements are completed	INDV	No
Commercial	Improved property with the dominant use or zoning for commercial or business purposes.	COM	No
Vacant Commercial	Unimproved property zoned for commercial or business purposes and only if less than 50% of the improvements are completed	COMV	No
Agricultural	Property that is used primarily for agricultural purposes but, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purposes of eco-tourism or for the trading in or hunting of game.	AGR	Yes
Mining	Properties used for or zoned for mining purposes. Any building, other immovable structure and	MNG	No



	infrastructure above the surface of the mining property required for the purposes of mining will be included (Refer to Section (17)(f) and Section 46(2) and (3) of the act)		
<b>Public Service Properties</b>	Properties owned by an organ of state and used for public service purposes	<b>PSP</b>	<b>No</b>
<b>Public Service Infrastructure</b>	Publicly controlled infrastructure as stated in the definition thereof in the Act	<b>PSI</b>	<b>Yes</b>
<b>Private Service Infrastructure</b>	Privately owned and controlled infrastructure which does not vest in the Council or other public authority.	<b>TSI</b>	<b>Yes</b>
<b>Public Benefit Activities</b>	Properties owned by public benefit organisations and used for specified public benefit activities	<b>PBA</b>	<b>Yes</b>
<b>Private Open Space</b>	Private open space includes recreational, security and or parks/green areas owned by a private entity, to which the general public has no right of access	<b>POS</b>	<b>No</b>
<b>Independent Schools</b>	These are Schools registered as Independent Schools in terms of the South African Schools Act, 84 of 1996	<b>ISC</b>	<b>No</b>
<b>Municipal Owned Property</b>	Property which is owned by the Municipality and not operated for gain	<b>MUN</b>	<b>Full</b>
<b>Sports Fields</b>	Sports grounds and facilities used and operated for gain. This includes offices, shops etc. supporting such purpose	<b>SPRT</b>	<b>Yes</b>

## **Annexure B – CATEGORIES OF OWNERS**

<b>Categories of Owners</b>	<b>Description</b>	<b>Abbreviation</b>	<b>Rebate Yes/No</b>
<b>Pensioners</b>	Per paragraph 6.2.1	<b>RESP</b>	<b>Yes</b>
<b>Indigents</b>	Per paragraph 6.2.1 and the Indigent Management Policy	<b>RESI</b>	<b>Yes</b>
<b>Disabled</b>	Per paragraph 6.2.1	<b>RESD</b>	<b>Yes</b>
<b>Agricultural Organisations</b>	Rateable property, registered in the name of an agricultural society affiliated to or recognized by the South	<b>AGO</b>	<b>Yes</b>



	<b>African Agricultural Union, which is used for the purposes of such a society which is not operated for gain. Per paragraph 6.1.7</b>		
<b>Charities</b>	<b>Rateable property registered in the name of an institution or organisation, which, in the opinion of the Council, performs charitable work. Per paragraph 6.1.8</b>	<b>CPROP</b>	<b>Yes</b>
<b>Land Reform Beneficiary</b>	<b>This is a category of owner who is exempt from paying rates in terms of 17(1)(g) of the Act</b>	<b>LRB</b>	<b>No</b>



## Annexure C – REBATE PROPERTIES

REBATE PROPERTIES			
Categories of Properties and Owners	Description	Abbreviation	Rebate
Incentive Schemes	Undeveloped property which is identified as desirable for improvement by the Municipality for a particular use and industry and which will provide economic stimulus and employment.	COMIS INDIS RESIS	Yes
Agricultural	Properties used for bona fide agricultural purposes with the property owner deriving his principle source of income from produce of the land but, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purposes of eco-tourism or for the trading in or hunting of game.	AGRBF	Yes
Pensioners	Per paragraph 6.2.1	RESP	Yes
Indigents	Per paragraph 6.2.1 and the Indigent Management Policy	RESI	Yes
Disabled	Per paragraph 6.2.1	RESD	Yes
Rural Residential	Properties located in a rural area, excluding all properties falling within the urban edge as determined by the Sol Plaatje Municipality's Spatial Development Plan and/or subdivided from agricultural property and used for residential purposes (e.g. golf estates, informal villages) and where no municipal services are available. Per paragraph 6.2.3	REST	Yes
Rural Commercial	Properties located in a rural area, excluding all properties falling within the urban edge as determined by the Sol Plaatje Municipality's Spatial Development Plan and/or subdivided from agricultural property and used for business purposes (e.g. Farming Co-ops etc.) and where no municipal services are available. Per paragraph 6.2.3	COMT	Yes
Rural Industrial	Properties located in a rural area, excluding all properties falling within the urban edge as determined by the Sol Plaatje Municipality's Spatial Development Plan and/or subdivided from agricultural property and used for industrial purposes (e.g. Farming Co-ops etc.) and where no municipal	INDT	Yes



	services are available. Per paragraph 6.2.3		
<b>Sports Fields</b>	Sports grounds and facilities used and operated for gain. This includes offices, shops etc. supporting such purpose.	<b>SPRT</b>	<b>Yes</b>
<b>Consent Use – Guest House</b>	Temporary accommodation including the serving of meals to patrons, with a maximum length of stay by the guest of 3 months, and as further defined by the Residential Business, Bed & Breakfast, Crèches, Childcare Centre, Liquor Trading and Car Wash By-laws as promulgated by Government Gazette Notice 126 of 2013.	<b>COMG</b>	<b>Yes</b>
<b>Consent Use – Crèche and Childcare Centre</b>	Premises used to accommodate children, and does not fall under the definition of public benefit activities, and as further defined by the Residential Business, Bed & Breakfast, Crèches, Childcare Centre, Liquor Trading and Car Wash By-laws as promulgated by Government Gazette Notice 126 of 2013.	<b>COMC</b>	<b>Yes</b>
<b>Cross-Border Properties</b>	Where the bulk of the property is located outside the Sol Plaatje Municipal boundary (i.e. 51 % or more), the whole of the property will be deemed to be outside the Sol Plaatje Municipal boundary and will be valued and subjected to a 100% rebate on the relevant tariff.	<b>AGRCB</b>	<b>Yes</b>



## Annexure D – EXEMPTIONS

<b>Categories of Properties and Owners</b>	<b>Description</b>	<b>Abbreviation</b>	<b>Partial/ Full</b>
<b>Residential</b>	The first R 15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of the category “Residential” or for properties used for multiple purposes, provided one or more components of the property are used for residential purposes	<b>Various</b>	<b>Partial</b>
<b>Place of Worship</b>	Property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium provided that the property is registered in the name of the religious community, trust established for the sole benefit of a religious community or subject to a land tenure right	<b>POW</b>	<b>Full</b>
<b>Public Service Infrastructure</b>	The first 30 % of market value and subject to section 17 (a) of the Act	<b>PSI</b>	<b>Partial</b>
<b>Private Service Infrastructure</b>	Privately controlled infrastructure	<b>TSI</b>	<b>Full</b>
<b>Municipal Owned Property</b>	Property which is owned by the Municipality used for the purposes of service delivery	<b>MUN</b>	<b>Full</b>
<b>Agricultural Organisations</b>	Rateable property, registered in the name of an agricultural society affiliated to or recognized by the South African Agricultural Union, which is used for the purposes of such a society which is not operated for gain.	<b>AGO</b>	<b>Full</b>
<b>Charities</b>	Rateable property registered in the name of an institution or organisation, which, in the opinion of the Council, performs charitable work.	<b>CPROP</b>	<b>Full</b>
<b>Public Benefit Activities</b>	Properties owned by public benefit organisations and used for specified public benefit activities	<b>PBA</b>	<b>Full</b>
<b>Land Reform Beneficiary</b>	This is a category of owner who is exempt from paying rates in terms of	<b>LRB</b>	<b>Full</b>



	17(1)(g) of the Act for ten years or if they sell the property		
--	--	--	--

## Annexure E – PRESCRIBED AND POLICY RATES RATIOS

### PRESCRIBED RATIOS

These ratios may not be exceeded when determining rates tariffs

Category	Ratio in relation to residential property
Residential Property	1 : 1
Agricultural Property	1 : 0.25
Public Service Infrastructure	1 : 0.25
Public Benefit Organisation Property	1 : 0.25

### POLICY RATIOS

These ratios are determined by the Municipality in addition to the prescribed ratios and must be reviewed annually taking into account the criteria set for determining rates tariffs.

Category	Proposed Ratio in relation to residential rate
Residential Property	1
Vacant Residential Property	1.5
Industrial Property	3.2
Vacant Industrial	3.5
Business and Commercial Property	3
Vacant Business and Commercial Property	3.5
Agricultural Property	0.25
Mining Property	<del>11</del> 22
Public Service Property	4.5
Public Service Infrastructure	0
Private Service Infrastructure	0
Public Benefit Activity Property	0
Private Open Space	1
Place of Worship	0
Land Reform Beneficiary	0
Municipal	0
Independent Schools	0.5
Sports Fields	0



## Annexure F – PENSIONER REBATE APPLICATION FORM



**SOL PLAATJE MUNICIPALITY**  
**DIRECTORATE: FINANCIAL SERVICES**

**PENSIONERS RATES REBATE APPLICATION FORM**

THE APPLICATION MUST PLEASE BE COMPLETED IN BLOCK LETTERS

N.B: THE SHADED BLOCKS ARE FOR OFFICE USE ONLY.

I, the undersigned (Names in full) _____	
(Identity Number) _____	do hereby apply for a rebate in respect
of the rates levied on account number _____	
for erf number _____	(Neighbourhood) _____
situated at (Street address) _____	
In support of my application, I confirm that: -	
1. I am the registered owner of this property. I occupy the dwelling and use it solely for residential purposes.	
OR	
I am the usufructuary of the property, which is owned by _____	
and use the dwelling solely for residential purposes.	
2. I am a Male <input type="checkbox"/> Female <input type="checkbox"/> and was born on _____	
3. My total annual income (including that of my spouse) is _____	
4. There are no additional dwelling units erected on this erf being used for income generation.	<input type="checkbox"/> Yes <input type="checkbox"/> No
I further make oath/affirm and declare the above particulars to be true and correct.	
Date _____	Applicant's Signature _____
Sworn before me at _____ on this _____ day of _____, 20____	
The deponent having declared that he/she knows and understands the contents of this declaration.	
(Date) _____	SIGNATURE _____
	(Commissioner of Oaths)

CHECKED BY: \_\_\_\_\_ APPROVED BY: \_\_\_\_\_

# SOL PLAATJE LOCAL MANAGEMENT



## CONTRACT PERFORMANCE MANAGEMENT POLICY

**Approved by Council: 16 May 2019**

**Resolution: C43/05/19**

**MUNICIPAL CONTRACT PERFORMANCE MANAGEMENT POLICY**

**LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003**

**CONTRACT PERFORMANCE MANAGEMENT POLICY REVIEW AND ADOPTION PROCESS**

<b>Adoption and Review</b>	<b>Council Resolution Date</b>	<b>Council Resolution number</b>
Original adoption	01 July 2017	Not applicable
Reviewed and amended	16 May 2019	C43 /05/19
Reviewed and amended	14 March 2022	
Procedure for variation order attached as an <b>Annexure A</b>		

## TABLE OF CONTENTS

	PAGE
1. Pre-amble	5
2. Definitions	6
3. Abbreviations	8
4. Objectives	9
5. Statutory and Regulatory Framework	10
5.1 Application and Framework of the Contract Management Policy	10
5.2 Adoption, Amendment, and Implementation of the Contract Management Policy	10
5.3 Application of Policy	11
5.4 Basis of Binding of the Municipality in a Contract	11
5.5 Condition of Contract	13
5.6 Administrative Capacity	13
5.7 Management of Contracts	13
5.8 Contract Lifecycle Management	14
5.9 Amendment of Contracts	16
5.9.1 Procedures of Contract Amendment	17
5.10 Contract Variation	19
5.10.1 Procedures for Contract Variation	20
5.11 Contract Contingencies	21
5.12 Contract Budget Adjustment	21
6. Maintenance and Contract Administration	23
6.1 Processing of Payments Procedures	23
6.2 Contract Performance Reporting	24
6.3 Contract Administration	26
6.4 Once-Off Service Delivery Contracts	26
6.5 Closing on Contracts and Project Sign Off	27
7. Reporting of Bad Performance and Remedial Action	28
8. Blacklisting of Service Providers	29
9. Roles and responsibilities of Officials	30

9.1	Municipal Manager	30
9.2	Chief Financial Officer	31
9.3	Executive Director	31
9.4	Line/Project Manager	32
9.5	IDP Office	33
9.6	PMU Office	33
9.7	Internal Audit	34
9.8	Head of Supply Chain Management Division or his/her delegate	34
9.9	Expenditure Manager	35
10.	Contracts having Budgetary Implications beyond Three Financial Years	36
11.	Resolution of Disputes, Objections, Complaints and Queries	36
12.	Contract Price Escalations	36
13.	Performance in Terms of Contracts	37
13.1	Performance guarantees, warranties, Securities & Sureties	37
13.2	Unsatisfactory performance	38
13.3	Municipality Performance	39
13.2	Supplier Performance	39
14.	Review of Contracts	40
15.	Implementation and Review Process	40

# CONTRACT MANAGEMENT POLICY FOR SOL PLAATJE MUNICIPALITY

## 1. PRE-AMBLE:

The policy applies to all transactions undertaken by the Sol Plaatje Municipality which involves a contract whether explicitly agreed in writing, or implicitly implied through actions.

Properly managed contracts by all stakeholders involved, can ensure that services are delivered within specifications as set and agreed by all, during the specifications phase and at the agreed cost, (inclusive of VAT and escalation clauses in contracts) time period and qualities of the goods and services procured.

All contracts must be managed throughout the Contract Life Cycle, based on the level of management control appropriate for the classification of that contract.

Improperly managed contracts may impact negatively on service delivery. Adverse effects of ineffective contract management include but are not limited to:

- i. Goods and services outside of specification.
- ii. Cost overruns.
- iii. Poor suppliers, buyer or other stakeholder relations;
- iv. Negative public perception, and
- v. Potentially complete service delivery failures.

Hence, good contract management by all stakeholders involved is essential for good financial management and will contribute greatly to the effectiveness and efficiency of service delivery. In effect, it would give strategic direction to all Directorates following a centralised strategy of contract management. This policy must be read in conjunction with the SCM Policy of the Sol Plaatje Municipality.

## 2. DEFINITIONS:

In this Policy, unless the context indicates otherwise:

<b>Accounting Officer (in relation to a municipality)</b>	the municipal official referred to in section 60 of the MFMA (2003); and include a person acting as the accounting officer.
<b>Act or MFMA</b>	the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).
<b>Circular 62</b>	communication from National Treasury by means of a Circular to enhance compliance and accountability to SCM Regulations and the MFMA of 2003.
<b>Construction Industry Development Board (CIDB):</b>	the Construction Industry Development Board (CIDB), a national body established by an Act of Parliament (Act 38 of 2000) to oversee the sustainability and growth of construction enterprises across the country.
<b>Contract</b>	the agreement that results from the acceptance of a bid by the Municipality (signed mutual agreement).
<b>Contract Alteration</b>	changing technical writing or input errors to the agreement of the contract without changing the scope of contract.
<b>Contract Amendment</b>	changing the scope, nature, duration, purpose or objective of the agreement or contract (In context of Circular 62 and section 116 (3) of the MFMA).
<b>Line/Project Manager</b>	the official/line manager within a specific department, responsible for all day to day activities (including performance management and dispute resolution) during the life cycle of the contract (with delegated powers to perform this function). A Line/Project Manager could also be the Project Manager.
<b>Contract Management</b>	the administrative activities by all stakeholders involved in an agreement (SLA/SDA) or contract and include the; SCM Contract Manager, Contract Owner, Line/Project Manager, Service Provider or Suppliers, associated with contracts, and includes processes associated with the invitation to bid, Bid Evaluation, Award of Contract, Contract Implementation, Measurement of work completed, and Computation of payments. It also includes monitoring the contract relationship, addressing related problems, incorporating necessary changes or modifications in the contract, ensuring both parties meet or exceed each other's expectations, and actively interacting with the contractor to achieve the contract's objective(s).
<b>Contract Variation or Variation Order</b>	an alteration to the scope of works in a construction or service contract in the form of addition, subtraction, substitution or omission from the original scope.
<b>Contingencies</b>	a percentage of concept budget allowed for unforeseeable programmatic and design changes which occur over the course of the execution.
<b>Price Escalation</b>	the changes in the cost or price of specific goods or services in a given economy over a period.

<b>Project Funding</b>	the allocated funds to cover all costs associated with Acquisitioning, Implementation, Monitoring and Handover/Commissioning of the project. A project may be funded from more than one source as per the approved budget.
<b>Standard Contract</b>	Is a contract between two parties where the terms and conditions of the contract are set by one of the parties and the other party has little or no ability to negotiate more favourable? In the case of the municipality, standard contracts shall be initiated by the municipality as the employer and negotiated in good faith with the contracted service provider. For software maintenance, the contract shall be initiated by the service provider as they carry extensive knowledge of their systems, and the municipality shall cover itself in the Master Agreement on the system, software application or program developed.
<b>SCM Contract Performance Manager</b>	the SCM officials responsible for Monitoring, Regulating and Reporting on all contract related activities as set out in Section 116 of the MFMA.
<b>Contract Owner</b>	the Executive Director, Senior Manager or Manager, as the case may be, that is ultimately accountable for all activities during the life cycle of the contract. The Contract Owner can also be seen as the Budget holder.
<b>Executive Director</b>	Appointment according to sect 56 of the Municipal Systems Act Delegation (in relation to a duty)
<b>Delegation (in relation to a duty)</b>	Includes an instruction or request to perform or to assist in performing the duty.
<b>Force Majeure (Act of God)</b>	Is the expression used to denote irresistible superior force which might cause damage or prevent the execution of an obligation, therefore suppliers are not liable for damages caused by force majeure or for failure to carry out a contract if prevented (terms and conditions in this regard will be determined by every individual contract/s).
<b>Official (In relation to a municipality)</b>	means: <ul style="list-style-type: none"> <li>• an employee of a municipality.</li> <li>• a person seconded to a municipality to work as a member of the staff of the municipality; or</li> <li>• a person contracted by a municipality to work as a member of the staff of the municipality otherwise than as an employee.</li> </ul>
<b>Users</b>	all officials as set out in the organogram of the Sol Plaatje Municipality involved with contracts.
<b>Contract Lifecycle</b>	the period from the beginning of the contract, its inception, management, and termination of such contract
<b>Contract Lifecycle Management</b>	the process by which the municipality strengthens and taps into value of its contract portfolio, this includes risk management, managing budgets and successful delivery of the project according to management expectations.
<b>Service Level Agreement (SLA)</b>	an agreement between a service provider and the SPM that defines the level of service expected from the service provider. This agreement is either included in the contract or serves as an addendum to the contract. The SLA is subservient in its interpretation and application to the main contract



### 3. ABBREVIATIONS:

<b>AMU</b>	Asset Management Unit
<b>BAC</b>	Bid Adjudication Committee
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>BEC</b>	Bid Evaluation Committee
<b>BEE</b>	Black Economic Empowerment
<b>BoQ</b>	Bill of Quantities
<b>BSC</b>	Bid Specification Committee
<b>BTO</b>	Budget and Treasury Office
<b>CFO</b>	Chief Financial Officer
<b>CIDB</b>	Construction Industry Development Board
<b>CSD</b>	Central Supplier Database
<b>GCC</b>	General Conditions of Contract
<b>IDP</b>	Integrated Development Plan
<b>IUDG</b>	Integrated Urban Development Grant
<b>KPI</b>	Key Performance Indicators
<b>MBD</b>	Municipal Bid Documents
<b>MFMA</b>	Local Government: Municipal Finance Management Act, 2003 (Act no 56 of 2003)
<b>MSA</b>	Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
<b>NT</b>	National Treasury established by section 5 of the Public Finance Management Act.
<b>PID</b>	Project Initiation Documents
<b>PIP</b>	Project Implementation Plan
<b>PMU</b>	Project Management Unit
<b>PSC</b>	Project Steering Committee
<b>SDBIP</b>	Service Delivery Budget Implementation Plan
<b>SCC</b>	Special Conditions of Contract
<b>SCM</b>	Supply Chain Management
<b>SDA</b>	Service Delivery Agreement
<b>SLA</b>	Service Level Agreement
<b>VAT</b>	Value Added Tax

#### 4. OBJECTIVES:

The objectives of this policy are to give effect to Section 217 of the Constitution of South Africa (1996) that stipulate:

- a) When an organ of state in the National, Provincial or Local sphere of government, or any other institution identified in National Legislation, contracts for goods or services, it must do so in accordance with a system which is:
  - i. Equitable
  - ii. Transparent
  - iii. Competitive
  - iv. Cost-effective and
  - v. Fair
- b) This is also aligned with the MFMA, Chapter 11. The SCM Policy ensures effective and efficient control of contracts procured through the SCM procedures, thus ensuring that:
  - i. Proper recording and enforcement of contracts throughout the contract life cycle (specifications to contract reviews);
  - ii. Support to the Demand Management framework as set out in Circular 62 of National Treasury (August 2012), optimizing proper planning, resulting in effective service delivery.
  - iii. Management of Contract Performance.
  - iv. Compliance with the regulatory framework.
  - v. To assist officials in understanding their legal and managerial responsibilities with regards to contract management;
  - vi. The optimization of efficient and sustainable financial wellbeing of the Municipality, resulting in lower cost drivers, and
  - vii. The continuous development of effective Management Information Systems, resulting in strategic support and risk preventions.

The existence of Contracts Management Policy is to ensure that no contract procurement of goods and services (excluding land sales or rentals of Sol Plaatje Municipal Assets, which are managed by Property Management Services), takes place outside of the SCM System.

## **5. STATUTORY AND REGULATORY FRAMEWORK FOR MANAGING CONTRACTS:**

### **5.1 Application and Framework of the Contract Management Policy:**

- a) All officials and other role players in the Supply Chain Management system of the Sol Plaatje Municipality must implement this Policy in a way that gives effect to:
  - i. Section 217 of the Constitution.
  - ii. Section 116 of the MFMA.
  - iii. Section 33 of the MFMA.
  - iv. SCM Policy.
  - v. SCM Regulations.
  - vi. Any other legislation pertaining to SCM.
- b) This Policy applies when the Municipality:
  - i. Procures goods or services.
  - ii. Disposes of goods no longer needed; and
  - iii. Selects service providers and suppliers to provide assistance in the provision of municipal services including circumstances where Chapter 8 of the Municipal Systems Act applies.

### **5.2 Adoption, Amendment, and Implementation of the Contract Management Policy:**

- a) The accounting officer must:
  - i. At least annually review the implementation of this Policy; and
  - ii. When the accounting officer considers it necessary, submit proposals for the amendment of this Policy to Council.

- b) In terms of Section 62(1) (f) (iv) of the Act, take all reasonable steps to ensure that the Contract Management Policy is implemented.

### **5.3 Application of Policy:**

The policy applies to all transactions per the Supply Chain Management processes and undertaken by the Sol Plaatje Municipality which involves a contract whether explicitly agreed in writing, or implicitly through actions.

### **5.4 Basis for binding the Municipality in a Contract.**

- a) The Supply Chain Management Policy of the Municipality gives guidance for procurement of goods and services as per various thresholds determined by monetary value. The policy stipulates that procurement of goods and services up to R30 000.00 inclusive of VAT shall be done through written quotations evaluated based on price only, the service providers must be registered in the Central Supplier Database (CSD) and Sol Plaatje Municipality Database. Most of these quotations are for once off delivery of such goods and services at an agreed upon point.
- b) By accepting the quotation as submitted by service provider, there is a form of contract that gives rights and obligations to both parties. In these instances, it is not necessary to sign a contract. All documents pertaining to such procurement shall be in custody of Supply Chain and Expenditure Management Section and shall form the basis for the issuing of the official order and for payment.
- c) Procurement of goods and services between R30 000, 01 to R200 000.00 (inclusive of VAT) shall be through an open process where the quotation shall be advertised on the Municipal Website and SCM notice board. The evaluation of such quotations shall be based on BBBEE status levels (80/20) and Price. The evaluation of these quotes shall be conducted by Supply Chain Management Unit officials and shall inform the procuring department of the outcomes of the evaluation. Upon acceptance an official order shall be issued to the successful

bidder. Entering into a contract shall be optional at the instance of the Procuring Department for this category of procurement. The letter of appointment may be issued in this regard stipulating specific conditions of delivery of goods/services procurement, as well as timelines involved in the delivery.

- d) Procurement of goods and services above R200 000 (inclusive of VAT) shall be through an open, competitive bidding process and the specification shall be approved by the Bid Specification Committee (BSC), evaluated by the Bid Evaluation Committee (BEC) and the award is made by the Bid Adjudication Committee (BAC) in line with the delegated powers. It is compulsory to enter into a Service Level Agreement for procurement of goods and services with the value exceeding R200 000.00. The level of complexity of contract will depend on the nature of services, quality and other special conditions of delivery.
- e) Where the above supply chain processes could not be fulfilled, an authorised deviation by the Municipal Manager also leads to a binding agreement.
- f) It is based on the above approaches that an official of the Municipality may enter into a binding agreement between the Municipality and the service provider.
- g) Appointment of a service provider without following the above procedures may lead to invalid contracts, and the official involved may be held responsible for financial misconduct and be subjected to Disciplinary action, and the resultant expenditure will be irregular and may be recovered from such officials.
- h) Local Government Supply Chain Management Regulations permits the Accounting Officer to ratify minor non-compliances from SCM Policy by Bid Committees and Officials.

## **5.5 Conditions of Contract:**

- a) A contract or Agreement procured through the Supply Chain Management System of the Municipality must:
  - i. Be in writing;
  - ii. Stipulate the terms and conditions of the contract or agreement, which must provide for;
    - the termination of the contract or agreement in the case of breach or non- or underperformance.
    - dispute resolution mechanisms to settle disputes between the parties.
    - a periodic review of the contract or agreement once every three (3) years in the case of a contract or agreement for longer than three (3) years.
    - the municipality's liability and indemnity exposure.
    - force majeure and
    - any other matters that may be prescribed.
- b) The relevant Executive Director, with delegated powers from the Municipal Manager, must establish capacity in his/her Directorate to assist the Accounting Officer in carrying out the duties set out in section 116(2) of the MFMA.

## **5.6 Administrative Capacity:**

The relevant Senior Manager, with delegated powers from the Municipal Manager, must establish capacity in his/her Directorate to assist the Accounting Officer in carrying out the duties set out in section 116(2) of the MFMA.

## **5.7 Management of Contracts:**

The Accounting Officer and delegated officials must take all reasonable steps to:

- Ensure that a contract or agreement procured through the Supply Chain Management Policy of the Municipality is properly enforced.

- Monitor on a monthly basis the performance of the contractor under the contract or agreement.
- Administrate the contract with the necessary competencies and delegations, ensuring effective management of contracts.
- The PMU Manager must ensure that Line/Project Managers submit suppliers' performance reports to the SCM Contract Administrator within **5 business days** after the end of each month.
- The Head of SCM submits a consolidated report to the Municipal Manager and relevant Executive Directors within **10 business days** after the end of each month for purposes of Section 116 (2)(b) of the Act.
- The PMU Manager must submit a consolidated report on the performance of contracts or agreements for purposes of Section 116 (2)(d), to the Accounting Officer within **15 business days** of the end of each quarter.

#### **5.7.1 Procurement Gate 8 (PG 8)**

- a) Administer and monitor the contract.
- b) Minimum Requirements for PG 8: 1) Finance department to:
  - (i) Capture contract award data.
  - (ii) Manage cash flow projection.
  - (ii) Administer contract in accordance with the terms and provisions of the contract.

#### **5.7. 2) Delivery department to:**

- (i) Ensure compliance with contractual requirements.
- c) PG 8 is complete when a delegated person captures the contract completion/termination data (close out reports and relevant documents), including payment certificates due

### **5.8 Contract Lifecycle Management:**

Contract Lifecycle is a back to back process of acquisition to the award of contract. The cycle further entails execution, closure and handover of the project to the relevant official representing the Municipality.

The Municipality recognises seven steps in Contract Lifecycle Management as elaborated below:

- a) Contract Requisitioning – this is the first action of defining the purpose and request.
- b) Authoring – this involves the development of the contract documentation, version control and validation. Legal experts or suitably experience officials must be involved in authoring the contract.
- c) Negotiation – the ability to analyse the versions of contracts and the relevant attachments as influenced by the discussions between the parties to the contract. The Accounting Officer may appoint an official to assist in the negotiations or may make use of external experts depending on the complexity of the service and contract.
- d) Approval- routing the contract document and the necessary attachments for review and approval. The Line/Project Manager must approve the draft contract prior to the final version being submitted to the Accounting Officer or his delegate for signature.
- e) Execution – the process of allowing the contracted service provider to perform duties as outlined in the contract document. The Line/Project Manager must ensure that the performance by the other party is not delayed or impeded in any way where it is within the Municipality's control.
- f) Obligations Management – involves that deliverables are being met and maintain compliance at all times. The Line/Project Manager must ensure that all deliverables are quality assessed and controlled.
- g) Contract Amendment – process of keeping track of original terms in addition to current obligations to deliver on the contract. Where any such amendment is proposed, the Line/Project Manager must prepare a report and motivation accompanying such proposal for the approval of the Contract Owner and complying with the relevant clause.



- h) Audit and Reporting – access to the entire contract for audit tracking, reporting and easy integration with other systems. It is the responsibility of the Line/Project Manager to ensure that a comprehensive file to Auditing Standards are kept in a safe place and that access to such file is available by authorised personnel.
- i) Renewal Clauses – contract extensions after the expiry dates. The Line/Project Manager must advise the Contract Owner (Municipal Manager) within 30 days regarding the renewal clauses and the financial implications thereof and final approval must be granted by the Municipal Manager.

## **5.9 Amendment of Contracts:**

- a) A Contract or Agreement procured through the Supply Chain Management Policy of the Municipality may be amended by the concerned parties to the contract, in exceptional circumstances in order to mitigate abuse, in perception after the fact to prevent financial inefficiencies and influencing financial sustainability.
- b) In terms of Section 116(3) of the MFMA, (56 of 2003), amendments (in compliance with SCM procedures), may only be made after the initial, original contract has been signed. The MFMA requires that the reasons for the proposed amendment must be tabled in Council; and
  - the local community has been given reasonable notice of the intention to amend the contract or agreement; and have been invited to submit representations to the Municipality.
- c) Amendments of contracts where the expansion or variation is not more than (National Treasury Circular 62):
  - 20% (construction related goods, services and/or infrastructure projects), and
  - 15% (all other goods and/or services) of the original value of the contract, must be submitted directly to the Head of Supply Chain Management.
- d) Division for approval and further reference to the Bid Committees, and or Chief Financial Officer or Municipal Manager (depending on delegations) committee system for approval.

- e) Amendments of contracts where the Expansion or Variation is more than the threshold prescribed by National Treasury (Circular 62), must be dealt with in terms of the provisions of section 116(3) of the MFMA, and are exempt from this process.
- f) Amendments to the contract, without influencing the value or Term of the Contract, within the scope of the original terms and conditions, may be altered, provided that both parties have consensus on the amendment and the contract amendment is in writing and signed by both parties.
- g) No agreement to amend or vary a contract shall be valid and of any force unless such agreement to amend or vary is entered into writing and signed by the contracting parties.
- h) When an amendment has a budgetary implication for a term longer than 3 (three) years, Section 33 of the MFMA will apply to this amendment (Section 116 (3) of the MFMA will be followed with Section 33, when amending an existing contract for longer than 3 years).

#### **5.9.1 Procedures for contract amendment:**

Contract amendment may include change in some elements of scope of work as a result of unforeseen circumstances, change in area of work, or change in the number of units or materials for the benefit of the organisation.

- a) The Line/Project Manager shall prepare a report to the Executive Director motivating the need for contract amendment or adjustment. The motivation will be prepared in a prescribed format with the following information as mandatory:
  - Short description of the project;
  - Project status;
  - Summary of Contractors performance;

- Project budget and expenditure to date;
  - Proposed amendment (scope, area, associated costs, budget);
  - Reason for amendment contrary to inviting bids for the new scope;
  - Benefits arising from the amendment;
  - Cost implication and funding of such costs
- b) The Head of the Supply Chain Management Division must provide their written professional opinion of the compliance with the Supply Chain Management Policy as well as the Municipal Finance Management Act. The Executive Director in whose purview the contract resides and for whom the amendment report has been prepared shall submit the completed report under their signature to the Chief Financial Officer.
- c) The CFO will then in turn solicit the approval of such from the Municipal Manager upon the CFO's satisfaction that the report is complete and sufficiently substantiated.
- d) Should the Municipal Manager support the proposed amendment, the CFO shall prepare an item for the Municipal Council using the motivation provided by the Line/Project Manager and Executive Director initially. The Head of SCM shall facilitate the notification to the public with regards to the amendment and receive any objections or comments.
- e) Once the comments are received, the Head of SCM and the CFO will advise the Municipal Manager and the Executive Director concerned.
- f) Contract amendment shall require signing of the addendum to the original contract by all contracting parties to the contract. It should however be noted that amendments should be made in line with the allocated budget as per the approved budget for the project/service. If the amendment requires additional

funding, the above process can only resume once funds are confirmed in respect of the work to be done.

- g) For Integrated Urban Development Grant (IUDG) funded projects, confirmation must be obtained from the PMU Office with regards to approved funding on the project and procedures for Budget Maintenance must be fulfilled prior to taking the recommended steps for Contract Amendment.

#### **5.10 Contract Variation:**

- a) A variation order register must be developed, maintained and kept by the PMU Manager. The PMU Manager must ensure that the register is circulated to SCM Contracts and Expenditure on a monthly basis.
- b) Contract variation refers to the variation of actual work that needs to be done or the methodology, approach or resources planned to be used in the execution of the project. Contract variation shall be initiated by the appointed contractor after demonstrating the benefits of varying the original contract bills of quantity or other inputs used in the implementation of the contract agreement. Issues of quality, subsequent maintenance costs and materials and the completion period must be considered prior to agreeing with the variation.
- c) The process shall entail a request letter from the Contractor to the Line/Project Manager, and the request shall entail cost and benefits of the variation, financial implications, advantages of the variation and the impact or implications on quality of the product/service at the end of the day.
- d) The variation must be considered by the Contract Owner concerned, and once agreed upon, the Contract Variation Agreements shall be signed by all parties concerned. The Executive Directors shall inform the Chief Financial Officer for to

assess the impact of the variation on the project for Assets Management and SCM purposes and information.

- e) Where contract variation requires additional funding, not exceeding 20% of the contract value, which is within the approved budget for current and subsequent year for that line item or project, reference will be made to Accounting Officer's guidelines for implementing Supply Chain Management Regulation. The request shall be approved by the Accounting Officer on recommendation of the Chief Financial Officer.

#### 5.10.1 Procedures for Contract Variation:

Activity	Responsible Person
The Contractor or Service Provider shall propose variation order to the Line/Project Manager responsible and overseeing the contractor, with a full cost-benefit analysis, financial implications, future maintenance costs and availability of parts/materials.	Contractor/Service Provider
The Line/Project Manager shall consider the request and present such to the Executive Director responsible to obtain concurrence.	Line Manager
The concurrence shall be presented to the Budget and Treasury Office, Assets Management Unit for their analysis.	Line Manager
The Line Manager shall liaise with the CFO with all the inputs received thus far for recommendation to approve to the Accounting Officer	Line Manager
The Line Manager and CFO shall submit the variation to the	Line Manager/CFO

Accounting Officer for approval.	
The Service Provider shall be informed of the acceptance of the variation and all necessary documents shall be signed and filed.	Line Manager

### **5.11 Contract Contingencies:**

- a) A contingency clause is a provision in the contract that requires a specific event or action to take place for a contract to be considered valid. A contingency clause should clearly outline what the condition is, how the condition is to be fulfilled and which party is responsible for it.
- b) In Construction Contracts, contingencies are those unforeseen conditions experienced during contract execution. These conditions need to be dealt with to enable the contractor to proceed with executing the scope of work as per the agreement.
- c) The contingency is brought to the attention of the Line/Project Manager responsible for that work, and upon assessment agree that the circumstances are indeed a contingency. A recommendation to proceed with work aimed at resolving the contingency shall be made by the Line/Project Manager and approved by the relevant Executive Director. The approval shall be in writing, and once signed off by all parties, it shall be communicated to the Chief Financial Officer to ensure that the correct budget/line item is used for the processing of invoices against the contingency budget as per the signed agreement.

Contingency fees are normally set at a percentage not exceeding 10% of the project costs as per the bidding document.

- d) Where contingencies are expected to exceed 10% or the Contract Terms Conditions, the CFO must be notified so as to provide professional advice on the process which must be followed in this regard.

#### **5.12 Contract Budget Adjustment:**

- a) Projects where costs are not time bound like consultancy services and similar advisory services executed through use of Human Resources to execute and budgeted for in the Capital Budget, can only be adjusted by way of Council Resolution, through an adjustment budget or through adhering to MFMA Section 29 – unforeseen and unavoidable expenditure.
- b) A differentiation should be made between project budgets overrun or over-expenditure and additional funding required as a result of contract value as per the winning bid price offer. In cases of projects funded under Capital Budget, the following process must be followed:

<b>Where the amount of the project awarded far exceeds the budget – Capital</b>	
Confirmation of funding of project.	Chief Financial Officer or Delegate
Successful bidder price exceeds the budget.	Negotiate scope reduction to align award amount with available funds
Successful bidder price exceeds the budget.	Approval by Municipal Manager with the commitment to adjust project funding. An award can only be made once there is confirmation that the quoted price is fully funded in either current year's budget, or will be funded through an adjustment budget or in the following year's budget
<b>Where the project is overspending</b>	
Oversee project implementation against project plan which is addendum to the Service Level	Line/Project Manager

Agreement entered into.	
Monitor claims against BoQ or project costing as per MBD1.	Line/Project Manager
Query any claims that exceed BoQ as per tender documents upon receipt of invoices.	Line/Project Manager
Obtain clarification from Contractor/Consultants on claims/quote variations, and the impact of the variation on entire project budget/costs	Line/Project Manager
If clarification is satisfactory, report in writing to BTO the implications of the variances.	Line/Project Manager
Inform the CFO of imminent changes in project costs and impact on total project budget.	BTO
Approval of invoice for payment.	Senior Manager/CFO
Perform project budget forecast	Line/Project Manager and BTO
Advise CFO on projections and for noting for budget adjustment budget.	Senior Manager or Line/Project Manager and BTO

## 6. MAINTENANCE AND CONTRACT ADMINISTRATION:

- a) Contract Administration includes all administrative duties associated with a contract once it is adjudicated and implemented. No rights in terms of an awarded contract will accrue before the SCM appeal period and/or appeal has been finalised.
- b) The contract should be signed by all parties concerned (The relevant official should also ensure that the suppliers have the delegated powers to sign and amend the Contractual Agreement). The contract will only be enforceable after all the signatures of the relevant parties are documented and the date of such enforcement shall be the date of the last authorised signature.
- c) A signed Service Level Agreement must be compiled and signed which will incorporate all the relevant sections of the tender documentation.
- d) All once-off purchases shall have a specified end delivery date.

### 6.1 Processing of payments procedures



- a) For Civil Contracts, all invoices shall be delivered to the Engineer responsible together with Consultant report detailing the BoQ used during the period the invoice applies. After satisfying themselves with the contents of the invoice, the Consultant Report, and an Engineers Certificate shall be completed accordingly within the department.
- b) Upon completion of the Engineers Certificate, a voucher for payment shall be completed and presented to the Budget and Treasury Office to confirm the vote number and that the contractor is being paid as per the Bid Adjudication Minutes. These documents shall be prepared in triplicate (pink, yellow and white) with all signatories on all documents. All vouchers shall be signed by the Engineer or Line/Project Manager and approved by the Executive Director, which must first be submitted to Supply Chain Management for verification of validity of the contract and status of suppliers' company profile (CSD report requirements and Municipal Rates & Services). All payment documents shall be forwarded to the Expenditure Division by Supply Chain Management for processing.
- c) All queries regarding the payment shall be directed to the Engineer responsible for the function. The Expenditure Section shall complete the payment reference number on the voucher and forward yellow copy to Assets Management Unit (for use in capitalisation and unbundling of assets). AMU shall liaise with BTO for the completion of commitments and grants registers. The Expenditure Section shall update the Civil Contracts Register and ensure that the Engineers Certificates per project follow a chronological order and that the line item used is consistent throughout the project execution and payment period.
- d) Virements on the Capital Budget shall be done by the Chief Financial Officer in line with Council resolutions.

## **6.2 Contractor performance reporting:**

- a) The reporting of the contractor's performance is the responsibility of the Line/Project Manager.
- b) The reporting should emanate from the Governance Structure (Project Steering Committee (PSC)) which have been established for the management and monitoring the performance of the contract (project).
- c) The establishment of the Governance Structure (Project Steering Committee (PSC)) must form part of the terms and conditions of the SLA.
- d) The SLA will be developed by the Line/Project Manager in consultation with the Legal Advisor of the Municipality.
- e) Once the SLA have been finalised by the Line/Project Manager and Legal Advisor, it must be submitted to SCM for finalisation of contract documentation.
- f) It is imperative that upon signing the Contract and Service Level Agreement that a project scorecard is completed as well. The project scorecard shall indicate the following;
  - Key Performance Area
  - Key Strategic Objective
  - Key Performance Indicator
  - Key Activities and Milestones
  - Project Performance Evaluation Scorecard
  - Project Plan
  - Project Deliverables
- g) The above shall be used to appraise the project progress as well as the contractor. The scorecard shall be submitted with payments documents. The Expenditure Section shall forward the Project Scorecard to Head of SCM for the purposes of compiling Project Performance and Contract Performance Report.

- h) The Head of SCM shall submit to the CFO, monthly a Consolidated Project and Contractor Performance Report. The CFO may further interact with the Executive Directors on any matters.
- i) Requiring their attention as per the report submitted by Head of SCM. Line/Project Manager shall include this report when reporting on Performance Management System monthly and shall be part of the project file.

### **6.3 Contract Administration:**

Contract Administration is the function of the Line/Project Manager and shall be overseen by the Executive Director responsible. Contract Administration includes the following activities and responsibilities:

Contract Initiation	Through SCM Processes
Negotiations	Including SCM Practitioners and BTO Officials and CFO
Appointment of Contractor/Service Provider/Consultants	Municipal Manager
Contractor Engagement Authoring Service Level Agreement	Line Manager and Legal
SLA Meetings	Line Manager and Executive Director
Contractor Invoices	Line Manager, Executive Director and Expenditure Section
Contractor Performance Reporting	Line Manager and Executive Director
Contract Amendment/Variation/Contingencies	Line Manager/Head of SCM/CFO
Termination of contract	Executive Director/Head of SCM/ Municipal Manager/Legal
Project Close-Out	Line Manager/Assets Management/ IDP

### **6.4 Once-off service delivery contracts:**

- a) It is advised that for contractor appointment with a value up R200 000.00 and the nature of appointment is services related, that a Service Level Agreement be entered into for the purposes of specifying;
- Nature of services (scope of work)
  - Service standards and compliance requirements
  - Timelines
  - Claims procedures and milestones
  - Quality of reports
  - Timeframes
  - Progress report and meetings
  - Contract Termination Clauses
  - Address nominated by a party in a legal contract (Domicilia).
- b) Where the contract involves delivery of goods, the appointment letter should state all of the above as preconditions, and such appointment letter will serve as an annexure to the contract. Quality and place become critical for delivery and invoicing.

## **6.5 Closing of contract and project sign off:**

- a) Once the terms and conditions of the contract had been fulfilled, the Contractor will prepare a Project Completion Certificate with the following details;
- Date of commencement of the project
  - Project costs (list of all invoices submitted and the value of each)
  - Retention fees held and the release date of such
  - Project successes and challenges

- List of all variations, amounts and summary of details
  - BoQ of materials used
  - Any warranties certificates, guarantees and Standard Operating Manual where necessary
  - Confirmation of the satisfactory completion of all obligations by the other party per the contract.
- b) All the above shall be part of the Project Certificate. The certificate shall be submitted to the Assets Management Unit for unbundling of work in progress and capitalisation.
- c) The completion report or close-up report must be submitted to the SCM Contracts by the Line/Project Manager on completion of the project/contract.

## **7. REPORTING OF BAD PERFORMANCE AND REMEDIAL ACTION:**

- a) During monthly reporting, the Line/Project Manager is expected to report any concerns of performance, quality and communication from the service provider's side. In the scorecard, indication must also be made of achievement of timelines and staying within the budget without compromising quality.
- b) The Line/Project Manager may recommend to the Executive Director and with motivation, to terminate the contract for various reasons. The Executive Director will in turn consult with the Legal Section. Notwithstanding the above, prior to any legal action in whatever way, it is the Policy of the Municipality to always consider the impact to the community and the interests of the Municipality, of any action it may take when invoking any legal or other remedies against a party in breach of such contract.
- c) A letter to terminate a contract shall be issued only on instruction by the Contract Owner (Municipal Manager) and through the Legal Section after having complied

with any provisions contained for the remedy of breach and taking cognisance of repercussions and costs after consultation with the CFO.

- d) SCM will only consider termination of the contract upon receipt of a written approval from the Contracts Owner (Municipal Manager) supported by the Legal Advisor.
- e) All stakeholders involved in these discussions must firstly consider any remedial action to prevent or avoid termination or litigation. The Contract Owner (Municipal Manager) may serve a Dispute Resolution Mechanism in such cases where the relationship is breaking down or performance is beyond tolerance and impacts on project execution and financials associated with the project.

## **8. BLACKLISTING OF SERVICE PROVIDERS:**

- a) Bidders or contractors shall be reported to National Treasury for blacklisting under the following circumstances;
  - Failure to disclose honestly, the relationship of the company, its shareholders, owners, and/or directors with any Organs of State
  - False CIDB or fraudulent CIDB Certificates
  - False or fraudulent Tax Clearance Certificates
  - False or fraudulent Municipal Accounts
  - Termination of contracts due to breach of contract
- b) As soon as one of the above instances is found, the Chief Financial Officer shall communicate with the Service Provider/Contractor affected to confirm the information obtained against such. Once the finding is confirmed, a report from the Line Manager responsible for that contract or Service Level Agreement must be obtained with regards to the project status. The Service Provider may be

requested to finish the project as soon as it is practical and vacate the site with immediate effect.

- c) Such Service Provider will also be blacklisted using the SPM internal blacklist register controlled by the Head of SCM and the Bid Committees shall be informed of the Blacklisted Bidders to avoid of making further awards to the Company in future.
- d) A bidder reconstituted and bearing another name shall for the purposes of this register also be considered an undesirable bidder where the Service Providers consist of substantially the same components (including Human Resources and Directors or owners) which gave rise to the blacklisting of first instance.
- e) The Blacklist Register shall have the following information:
  - i. Name of the Bidder/Company, including the name whereby Trading as (t/a)
  - ii. Company registration details
  - iii. VAT Number
  - iv. Tender reference number
  - v. Copy of MBD4
  - vi. Report prove false declaration
  - vii. Copy of letter sent to the Bidder and their response if any
  - viii. Letter of notice of blacklisting
- f) Only the BEC, BAC and Legal Services shall have access to this report. The register shall be signed off by Municipal Manager in consultation with the Head of Legal Services of the Municipality.

## **9. ROLES AND RESPONSIBILITIES OF OFFICIALS:**

### **9.1 Municipal Manager:**

- a) The Municipal Manager appoints successful bidders, whilst the Chief Financial Officer signs and issues all letters of notices to unsuccessful bidders per bid. The appointment letter includes the signing of the MBD7 – form of contract which must be accepted by the Bidder.
- b) In cases where a Service Level Agreement is entered into, the Municipal Manager or his delegate may sign the SLA upon advice by Legal Services of the Municipality. The Municipal Manager further delegates contracts management to the Executive Director responsible.

## **9.2 The Chief Financial Officer:**

- a) The Chief Financial Officer is the custodian of the Supply Chain Management Policy and must ensure compliance across the organisation for all procurement financial thresholds. The Chief Financial Officer is also responsible for the updating of the Supplier Database, and by sub-delegation to the Supply Chain Management Section, issues order as per requisitions and arrange for the delivery of items.
- b) The Chief Financial Officer is also the Chairperson of the Bid Adjudication Committee and as such must report all bids awarded to the Municipal Manager. The Chief Financial Officer must oversee the updating of the Tender and Contracts Registers and ensures completeness and compliance of such. The Chief Financial Officer may sign Contracts and Service Level Agreements as and when necessary and when delegated by the Municipal Manager to.
- c) The Chief Financial Officer co-ordinates Contract Performance Reporting to Council for the Municipal Manager.

## **9.3 Executive Directors:**

The Executive Director is the custodian of the contract/project and is responsible for the following activities:



- a) Ensuring that all the necessary legal formalities in entering into the contract are adhered to;
- b) Ensuring that purchase orders are processed on the Financial System in accordance with the pricing schedule;
- c) Maintaining adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;
- d) Inform the Asset Management Section of the Expenditure Department of the location of newly procured assets for Asset Register and insurance purposes; and
- e) Where appropriate, in terms of Council's Delegations, authorise invoices due for payment;
- f) To take appropriate action in consultation with the Senior Manager and the SCM Contract Administrator, where a contractor is underperforming or is in default or breach of the contract;
- g) Ensure performance of suppliers is managed appropriately to the terms and conditions of the contract.

#### **9.4 Line/Project Manager:**

- a) The Executive Director is responsible for ensuring that Line/Project Manager are assigned to all contracts.
- b) The Line/Project Manager must coordinate the signing of contracts with the relevant service provider, in line with the Delegation of Powers and Duties Policy. However, the Executive Director is ultimately accountable for the contract.

##### **9.4.1 The Line/Project Manager is responsible for the following activities:**

- a) Proper records regarding all aspects of the contract must be maintained and kept in accordance with relevant legislation by the Line/Project Managers. All

communication related to contracts must be linked to the master document on the electronic system, by the relevant official;

- b) Safe custody of all contract documents must be enforced by all relevant users. Line/Project Manager and Senior Managers are responsible for the electronic capturing of the contract information and maintenance thereof on the Contract Management system;
- c) The original signed contract must be kept at the SCM Contract Management office for safekeeping and storage, and a copy sent to the Line/Project Manager office for safekeeping and storage at their records department. The SCM Contracts Management office is responsible for the administration of archived contract documentation.

#### **9.5 The IDP Office:**

- a) The IDP Office is responsible for coordinating performance reporting, as such, once a bid has been awarded, the IDP Office must be provided with the Project Implementation Plan (PIP or PID), to note the delivery timelines and milestones relevant for reporting purposes. Monthly, the IDP Office will receive a Project Scorecard pertaining to the activities of the month and these will be reported against the PIP or PID for performance reporting purposes. Performance report Service Delivery Budget Implementation Plan per project must be forwarded to SCM Contracts Management monthly by the IDP Office for audit purposes.
- b) The IDP Office will liaise with the Line/Project Manager with regards to targets against the actual and coordinate the Top Layer SDBIP which may incorporate indicators accomplished by way of SLA. The IDP Office may be provided with the copy of the SLA as part of the KPI file necessary for performance reporting.

#### **9.6 The PMU Office:**

- a) The Project Management Unit oversees project implementation, grant expenditure and related reporting to the transferring department. The Unit is more concerned about qualitative reporting on the project as such, project designs, materials usage, and site meetings are coordinated with the PMU.
- b) The PMU is the custodian of layout plans/designs of projects (Civil/Town Planning/Engineering). Minutes of site meetings must be submitted to PMU for comments which may be useful in future meetings, bringing management's perspective on contractor performance, quality and timelines concerned. Project Grant Expenditure reports must be submitted on a monthly basis to SCM Contracts Management for audit purposes by the PMU office.

#### **9.7 Internal Audit:**

- a) The Internal Audit Unit is responsible for assurance audit in as far as performance management and internal controls are concerned. The section is responsible to test the level of compliance with regards to this policy and may inspect project files and test completeness in as far as documents and reporting is concerned. Part of the assurance procedures is to check the validity of contracts and the level of risk exposure of the municipality and how the contract mitigates this risk.
- b) MFMA Circulars also guides that the Municipal Manager may request the Internal Audit to validate the capability of the service provider in executing a project by testing its functionality, experience as well as financial resource strength necessary.
- c) As part of Auditing Performance, the Internal Audit Section may assess the adherence to the PID or PIP and make recommendations to management.

#### **9.8 Head of Supply Chain Management Division or his/her delegate:**

The Head of Supply Chain Management Unit or his/her delegate, being the Contracts Administrator is the SCM official responsible for system administration, status and SCM Performance Reporting on all contracts related activities.

For the purposes of Contract Management activities performed by the relevant role players, the SCM Contract Performance Manager will monitor and report on the following activities:

- a) Identification and classification of contracts for management purposes in terms of the SCM processes;
- b) Recognition, measurement and disclosure;
- c) Oversight of contract management as is provided for in this policy;
- d) Document and information management;
- e) Relationship management;
- f) Performance management;
- g) Contract risk management.

#### **9.9 The Expenditure Manager:**

- a) Expenditure Management Section is responsible for the processing of payments based on terms and conditions of all contracts entered into. Expenditure Control Section must be provided with BoQ, PIP or PID, milestones and payment schedules for each contract.
- b) The Section must make sure that the contract clearly describes the project, the cost centre, the Line/Project manager, funding sources and the responsible person so that all signatures as per the payment documents are matched with the SLA.
- c) The Section must also test compliance with Value Added Tax Guidelines as well as with SCM compliance in so far as facilitating payment is concerned. The

control of banking details of all contractors is exercised by the Demand Management Section and Expenditure Section uses the Creditor reference number for payments purposes.

- d) The section records payments against a project based on the sequential numbering of payment certificates duly signed by the Engineer of the Line/Project Manager, referring to supply chain bid reference numbers, must be forwarded to SCM Contracts Administrator monthly. The Expenditure Section monitors progress payments made against the awarded amount and must report any over-expenditure to the Executive Director, Supply Chain Manager and CFO.
- e) It is the function of the Expenditure Section to identify any irregular expenditure incurred and report these prior to payment to the CFO to verify if the expenditure/payment is irregular and shall receive further instruction from the CFO.

#### **10. CONTRACTS HAVING BUDGETARY IMPLICATIONS BEYOND THREE FINANCIAL YEARS:**

Sol Plaatje Municipality may not enter into any contract that will impose financial obligations beyond the three years covered in the annual budget for that financial year, unless the requirements of Section 33 of the Municipal Finance Management Act have been fully complied with.

#### **11. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES:**

The Accounting Officer is responsible to establish a dispute resolution mechanism as per paragraph 5.3.1.2. and also, as required by section 116(1) of the MFMA and paragraph 50 of the SCM Policy.

#### **12. CONTRACT PRICE ESCALATIONS:**

- a) There are requirements that must be complied with for requests for price escalation during the implementation of contracts for procurement of Goods and Infrastructure Projects under extraordinary circumstances pursuant to and in accordance with MBD 3.2.
- b) The extraordinary circumstances refer to event or occurrence or series of events or occurrences during contract implementation which gives rise to price escalation. These occurrences or events are unforeseen and inevitable as a result of nature or Act of God.
- c) An appropriate Contract Price Adjustment formula or specified terms of escalation must be specified in the bid documents.
- d) Escalation notification must be in writing and presented before the implementation date thereof.
- e) Line/Project Managers are responsible to manage, verify and implement price escalations as per originally agreed terms and conditions set out in the specifications of the contract and they must keep proof of evidence to the newly agreed escalations on the system for all other relevant stakeholders to access.
- f) No contract price escalation for consulting services shall be allowed.

### **13. PERFORMANCE IN TERMS OF CONTRACTS:**

In terms of the SCM Policy and the Municipal Systems Act, the Accounting Officer must implement an internal monitoring system in order to determine, on the basis of a

retrospective analysis, whether the authorised Supply Chain Management processes were followed and whether the objectives of this Policy were achieved in terms of the Performance Management System Implementation Policy (Paragraph 9).

### **13.1 Performance Guarantees, Warrantees, Securities and Sureties**

Guarantees of an insurance company or bank and retention monies required in engineering and construction contracts shall be in accordance with the provisions of the CIDB Standard for Uniformity in Construction Procurement – refer to Best Practice Guideline A2: Applying the procurement prescripts of the CIDB in the Public Sector dated December 2007: Edition 5 for the Minimum levels of securities generally provided for in engineering and construction contracts.

If, during the warranty period, goods do not comply with the requirements because of faulty material used during manufacture, or faulty finishing, or any deficiency, latent or otherwise, the contractor shall be requested without delay, by registered mail, to replace or repair the goods depending on the circumstances. Supplies replaced or repaired or services rendered shall be warranted for the same period as the original supplies or services. See the general conditions of contract in connection with warrantees.

### **13.2 Unsatisfactory Performance: SPM's Role**

Unsatisfactory performance shall be communicated to contractors in writing compelling the contractor to perform according to the contract and thus to rectify or to restrain from unacceptable actions.

Unsatisfactory performance occurs when performance is not in accordance with the contractual conditions. Directives regarding action in such cases should appear in the general conditions of contract.

Before action is taken in terms of the general conditions of contract or any other special contract condition applicable, SPM shall warn the contractor by registered mail that action will be taken in accordance with the contract conditions unless the contractor complies with the contract conditions and delivers satisfactory supplies or services within a specified reasonable time. If the contractor still does not perform satisfactorily despite a final warning, the SCM Unit may make a recommendation to the MM or the delegate for the appropriate penalties to be introduced or make a recommendation to the MM for the cancellation of the contract concerned.

When SPM has to satisfy its need through another provider (for the contractor's expense), the loss to SPM shall always be restricted to the minimum since it is difficult to justify the recovery of unreasonable additional costs from the contractor.

### **13.3 Municipality's Performance:**

- a) The municipality is required to pay creditors within 30 days of receiving all relevant invoice statements.
  - i. The municipality is also required to create a favourable environment to receive services and goods without preventing the supplier to perform their duties.
  - ii. All parties involved must perform according to the terms and conditions of the relevant contract, while the contract is active.

### **13.4 Supplier Performance:**

- a) **The supplier of goods and services** is required to perform as per terms and conditioned agreed upon and should inform the Municipality if circumstances prevent them to perform, with reasons provided, within **5 working days** (to be included in all contracts).
- b) **For all relevant deviations** from the agreed terms and conditions of any contract, the Key Performance Indicators (KPI's) should be reviewed as well as the alignment with the strategic objectives established in the IDP.



- c) **Supplier's performance will be reviewed** by Sol Plaatje Municipal Officials / Line/Project Managers on a monthly basis (**every 30<sup>th</sup> of the month**) giving effect to section 116 of the MFMA, 2003 and the Performance Management System Implementation Policy.
- d) **Prescribed procedures** to evaluate Service Providers must be complied with (Refer to the Performance Management Framework Policy)

**The following procedures need to be followed:**

- a) The requirements of this policy must be included in the contract of the Service Provider.
- b) The performance of the Service Provider under the contract or **Service Level Agreement must be assessed monthly** by the Line/Project Manager.
- c) The assessment must be completed in the Contract Management System.
- d) The Line/Project Manager must complete the Service Provider Assessment on the Contract Management System at the end of each month.
- e) The quarterly assessment and reporting must be completed within **15 working days** after the end of each quarter. (Refer to the Performance Management Framework Policy, paragraph 9.2.1).
- f) The Line/ Project Manager must provide a copy of the assessment to the Service Provider and Supply Chain Management Unit, at the end of each quarter, assessment period.
- g) Supply Chain Management Unit (Contract Management Office), will review quarterly Service Provider assessments **within 20 days** after the end of each quarter and submit a summary report to Council.
- h) The Executive Director must ensure Line/Project Managers submit supplier's performance reports to the SCM Contract Administrator.
- i) The Accounting Officer need to develop a template and report structures to be utilised to manage the above processes.

#### 14. REVIEW OF CONTRACTS:

- a) In terms of section 116 (1) of the MFMA, a Contract or Agreement procured through the Supply Chain Management system must have a periodic review once every three years in the case of a contract.
- b) The Executive Directors or Line/Project Managers must conduct a review within 3 months after the expiry of contracts, post contract reviews.
- c) The expired contract can only be renewed once by **three (3) months** after it has expired.

#### 15. IMPLEMENTATION AND REVIEW PROCESS:

- a) At least annually reviewed in consultation with all relevant stakeholders as indicated in this policy;
- b) When there are any changes in the legislation affecting this policy, submit amendments to council for approval;
- c) This policy will come into effect once adopted and approved by Council.

## SOL PLAATJE MUNICIPALITY



## SUPPLY CHAIN MANAGEMENT POLICY

*Final Version 1.0 of March 2019*

*Reviewed by Council in March 2021*

**MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY**  
**LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003**

**SUPPLY CHAIN MANAGEMENT POLICY REVIEW AND ADOPTION PROCESS**

<b>Adoption and Review</b>	<b>Council Resolution Date</b>	<b>Council Resolution number</b>
Original adoption	17 November 2005	CR500
Reviewed and amended	8 February 2006	C26
Reviewed and amended	17 February 2010	C75/10
Reviewed and amended	02 March 2011	C85/11
Reviewed and amended	29 August 2012	C214/12
Reviewed and amended	07 August 2013	C175/08/13
Reviewed and amended	04 November 2014	C265/11/14
Reviewed and amended	24 February 2016	C68/2/16
Reviewed and amended	31 May 2018	C38/05/18
Reviewed and amended	12 March 2019	C31/04/19
Reviewed and amended	30 June 2020	C129/06/20
Reviewed and amended	30 March 2021	C36/03/21
Reviewed and amended	30 March 2022	

**Council** resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the following proposal as the Supply Chain Management Policy of the **Sol Plaatje Municipality**

## TABLE OF CONTENTS

## PAGES

### CHAPTER 1: INTRODUCTION

5 - 11

- 1.1 Adoption of SCM policy
- 1.2 Review of SCM policy
- 1.3 Amended history
- 1.4 Distribution of SCM policy
- 1.5 Transgression of SCM policy
- 1.6 Abbreviations
- 1.7 Definitions

### CHAPTER 2: IMPLEMENTATION OF SCM POLICY

12-15

- 2. Supply chain management policy
- 3. Amendment of supply chain management policy
- 4. Delegation of supply chain management powers and duties
- 5. Sub-delegations
- 6. Oversight role of council
- 7. Supply chain management units
- 8. Training of supply chain management officials

### CHAPTER 3: SUPPLY CHAIN MANAGEMENT SYSTEM

16-43

- 9. Format of supply chain management system
- 10. System of demand management
- 10.(A) Framework for Infrastructure Procurement
- 11. Range of procurement processes
- 11 (A) Framework for Infrastructure Procurement
- 12. General preconditions for consideration of written quotations or bids
- 13. Lists of accredited prospective providers
- 14. Petty cash purchases
- 15. Written or verbal quotations
- 16. Formal written price quotations
- 17. Procedures for procuring goods or services through written or verbal quotations and formal written price quotations
- 18. Competitive bidding process
- 19. Process for competitive bidding
- 20. Bid documentation for competitive bids
- 21. Public invitation for competitive bids
- 22. Procedure for handling, opening and recording of bids
- 23. Negotiations with preferred bidders
- 24. Two-stage bidding process
- 25. Committee system for competitive bids
- 26. Bid specification committees
- 27. Bid evaluation committees
- 28. Bid Adjudication committees
- 29. Procurement of banking services
- 30. Procurement of IT related goods or services

- 31. Procurement of goods and services under contracts secured by other organs of state
- 32. Procurement of goods necessitating special safety arrangements
- 34. Proudly South African Campaign
- 35. Appointment of consultants
- 36. Deviation from and ratification of minor breaches of, procurement processes
- 37. Unsolicited bids
- 38. Combating of abuse of supply chain management system
- 39. Logistics management
- 40. Disposal management
- 41. Risk management
- 42. Performance management

#### **CHAPTER 4: OTHER MATTERS**

**43-51**

- 43. Prohibition on awards to persons whose tax matters are not in order
- 44. Prohibition on awards to persons in the service of the state
- 45. Awards to close family members of persons in the service of the state
- 46. Ethical standards
- 47. Inducements, rewards, gifts and favours
- 48. Sponsorships
- 49. Objections and complaints
- 50. Resolution of disputes, objections, complaints and queries
- 51. Contracts providing for compensation based on turnover
- 52. Promotion of Environmentally Friendly Procurement
- 53. Breach of Policy
- 54. Prequalification criteria for procurement
- 55. Validity Period
- 56. Evaluation of Bids based on functionality as a criterion
- 57. Extension of contracts
- 58. Variation of contracts
- 59. Contract termination
- 60. Local Production and content
- 61. Joint Venture Companies

## **CHAPTER 1. INTRODUCTION**

### **1.1 ADOPTION OF SCM POLICY**

1.1.1 The Municipal Supply Chain Management (MSCM) Regulations provide that:

- i. Regulations 3 (1) states that the Accounting Officer (AO) who is the Municipal Manager (MM) of the municipality shall:
- ii. promptly prepare and submit a draft Supply Chain Management (SCM) policy, complying with the MSCM regulation 2 to the Council for adoption:
- iii. at least annually review the implementation of the policy and
- iv. when the MM considers it necessary, submit the proposal for the amendment of the policy to the Council.

1.1.2 Regulations 3 (2) states that:

- i. the MM may use any Treasury guidelines determining standards for municipal SCM policies and submit to Council that standard or a modified version thereof, as a draft policy.
- ii. If the MM submit a draft policy to the Council that differs from the National Treasury guideline standard, the MM shall ensure that such draft policy complies with Regulations 2.
- iii. the MM shall report any deviation from the guideline standard to the National Treasury and relevant Provincial treasury.
- iv. Regulations 3 (3) states that when preparing or amending its SCM policy, the municipality shall take account of the need for uniformity in SCM practices, particularly to promote accessibility of SCM systems for small businesses.
- v. Regulations 3 (4) states that the MM shall in terms of section 62 (1) (f) (iv) of the MFMA take all reasonable steps to ensure that the municipality has implemented a SCM Policy as set out in regulation 2.

**Recommended by:** \_\_\_\_\_

**Municipal Manager**

**Approved by the  
Council of SPM**

\_\_\_\_\_  
**Council Resolution No**

**Version No:** \_\_\_\_\_

\_\_\_\_\_  
**Date:**

\_\_\_\_\_  
**Date:**

\_\_\_\_\_  
**Effective Date**

**This document consists of the SCM Policy of the Sol Plaatje Municipality as approved by the Council on the date specified**

**Next Version date:** \_\_\_\_\_

## **1.2 REVIEW OF SCM POLICY**

- 1.2.1 The approved supply chain management (SCM) policy shall be reviewed at least annually to ensure that it is aligned to applicable legislation and regulations.
- 1.2.2 Following each review, if the SCM requires updating, the MM shall submit an updated draft policy to Council for adoption.

## **1.3 AMENDED HISTORY**

The amendments and reviews are done on annual basis but in case of NT instructions, amendments can be done as and when required.

## **1.4 DISTRIBUTION OF SCM POLICY**

- 1.4.1. All changes shall be distributed to relevant SCM role players
- 1.4.2. After changes have been made, updated hard copies and electronic copies (posted on the Intranet) of the document shall be sent to the following:
- 1.4.3. The CFO
- 1.4.4. The Finance Committee
- 1.4.5. The SPM Policy Committee
- 1.4.6. The Executive Directors
- 1.4.7. The Members of Bid Committees
- 1.4.8. All Supply Chain Officials
- 1.4.9. This policy is applicable to the SPM and all SPM's SCM activities shall be executed in line with this policy.

## **1.5 TRANSGRESSION OF SCM POLICY**

- 1.5.1. Any SPM official who acts contrary to any provision of this policy, shall be subjected to disciplinary action in line with SPM 's Disciplinary Policy.



## 1.6 ABBREVIATIONS:

TABLE 1.

ABBREVIATION	MEANING
AC	Accounting Officer
AG	Auditor General
MM	Municipal Manager
B-BBEE	Board Based Black Economic Empowerment
B-BBEE Act	Board Based Black Economic Empowerment, Act No, 53 of 2003
BEE	Black Economic Empowerment
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board 2000 (Act No.38 of 2000)
DTI	Department of Trade and Industry
GCC	General Conditions of contract
IDP	Integrated Development Plan
IT	Information Technology
ITC	Information to Consultants
LCC	Life Cycle costing
MFMA	Municipal Finance Management Act, act No. 56 of 2003
MSA	Municipal Systems Act
MSCM Regulations	Municipal Supply Chain Management Regulations
MTREF	Medium Term Revenue and Expenditure Framework
NIPP	National Industrial Participation Programme
PCCA	Prevention and Combating of Corrupt Activities Act, Act No.12 of 2004
PPP	Public -Private Partnership
PPPFA	Preferential procurement Policy Framework Act, Act No. 5 of 2000
QBS	Quality Based Selection
QCBS	Quality and Cost Based Selection
RFI	Request for Information
RFP	Request for Proposal
RFQ	Request for Quotation
SAPS	South African Police Services
SARS	South African Revenue Services
SCM	Supply Chain Management
SCM Unit	Supply Chain Management Unit
SITA	State Information Technology Agency
SLA	Service Level Agreement
SPM	Sol Plaatje Municipality
TCO	Total Cost of Ownership
TOR	Terms of Reference
WIP	Work in Progress

## 1.7 DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Municipal Finance Management Act and relevant regulations has the same meaning as in the Act and relevant Regulations.

Table 2

TERM	DEFINITION
Accountability	The personal responsibility of a person to his senior or higher authority for any act or omission in the execution of his assigned duties (accountability cannot be delegated).
Accounting	Means the recording of all receipts and issues and continued recording thereof.
Accounting Officer	Means the Municipal Manager and also means the municipal officer referred to in section 60 of the MFMA.
Accredited agent	Service provider who is authorized to deliver certain goods/services and can be trading in a specific area, however an accredited agent is not a sole provider.
Accredited	Goods/services that are officially recognized, are generally accepted or having a guaranteed quality.
Acquisition Management	<p>The process of procurement of goods, work and services and includes the:</p> <ul style="list-style-type: none"> <li>▪ Identification of preferential policy objectives;</li> <li>▪ Determination of market strategy;</li> <li>▪ Application of depreciation rates;</li> <li>▪ Application of total cost of ownership principle;</li> <li>▪ Compilation of quotation/bid documentation, including conditions;</li> <li>▪ Determination of evaluation criteria;</li> <li>▪ Publishing of quotes/bids;</li> <li>▪ Receiving and opening of quotes/bids;</li> <li>▪ Evaluation of quotes/bids and tabling of recommendations;</li> <li>▪ Award of quotes/bids;</li> <li>▪ Negotiations;</li> <li>▪ Compilation and signing of contract documents;</li> <li>▪ Access to information;</li> <li>▪ Contract administration</li> </ul>
Asset	<p>It is a resource controlled by the municipality as a result of past events and from which future economic benefits or service potential is expected to flow to the municipality. It has the following characteristics:</p> <ul style="list-style-type: none"> <li>▪ It possesses service potential or future economic benefit that is expected to flow to the municipality;</li> <li>▪ It is controlled by the municipality;</li> <li>▪ It originates as a result of a past transaction or event.</li> </ul>
Asset Controller	A person delegated to be in charge of a division/section and to whom non-consumable items are issued. The asset controller will be held responsible for these items, until such times as they are returned to store or are disposed of. [The asset controller may appoint sub asset holders.
Authority	Authority is the right or power attached to a rank or appointment

TERM	DEFINITION
	permitting the holder thereof to make decisions, to take command or to demand action by others.
Black people	A generic term which means Africans, Coloureds and Indians as defined in the Broad-Based Black Empowerment Act (No. 53 of 2003).
Black Designated Group	Assigned to it in the codes of good practice issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act. In the context of this policy it shall therefore mean black people; women, people with disabilities; or small enterprises, as defined in section 1 of the National Small Enterprise Act, 1996 2.11. (Act No. 102 of 1996).
Broad Based Black Economic Empowerment	Means the economic empowerment of all black people including women, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to: <ul style="list-style-type: none"> <li>▪ Increasing the number of black people that manage, own and control enterprises and productive assets;</li> <li>▪ Facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises;</li> <li>▪ Achieving equitable representation in all occupational categories and levels in the workforce;</li> <li>▪ Preferential procurement;</li> <li>▪ Investment in enterprises that are owned or managed by black people.</li> </ul>
Chief Financial Officer	Means a person designated in terms of MFMA section 80(2)(a).
Community or broad-bases enterprise	Has an empowerment shareholder who represents a broad base of members such as local community or where the benefits support a target group for example black women, people living with disabilities, youth and workers.
Close Family Member	Means the spouse, child and parent of a person in the service of the state or who has been in the service of the state in the previous twelve months.
Combative Practices	Practices that includes but are not limited to: <ul style="list-style-type: none"> <li>▪ Suggestions to fictitious lower quotations;</li> <li>▪ Reference to non-existent competition;</li> <li>▪ Exploiting errors in bids;</li> <li>▪ Soliciting bids from bidders whose names appear on the list or restricted bidders/suppliers/persons.</li> </ul>
Competitive Bid	Bid in terms of a competitive bidding process.
Constitution	Republic of South Africa Act, No. 108 of 1996
Contract	Agreement that results from the acceptance of a bid by an organ of state.
Contract	means the agreement that results from the acceptance of a bid by an organ of state
Designated sector	means a sector, sub-sector or industry or product designated in terms of section 8(1)(a) of Preferential Procurement Regulations of 2017;
EME	means an. exempted micro enterprise in terms of a code of good practice on black economic empowerment issued in terms

TERM	DEFINITION
	of section 9(1) of the Broad-Based Black Economic Empowerment Act;
Emergency procurement	emergency cases are cases where immediate action is necessary in order to avoid dangerous or risky situation (life threatening) or misery such as floods or fires,
Conditions/Circumstances that necessitate Deviation	<ul style="list-style-type: none"> <li>○ Disastrous situation leading to loss or damage to public or private property</li> <li>○ Life threatening</li> <li>○ Environmental pollution</li> <li>○ Loss of revenue by the municipality</li> </ul>
Exceptional / Urgent Cases	exceptional cases are cases where early delivery is of critical importance and the invitation of competitive bids is either impossible or impractical it must be shown where and how the market was tested. However, a lack of proper planning should not be constituted as an urgent case subject to the approval of the Accounting Officer. The nature of the urgency and the details of the justifiable procurement must be recorded.
Final award	in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;
Formal written price quotation	means quotations referred to in paragraph 12 (1) (c) of this Policy;
"in the service of the state" means to be –	<p>(a) a member of –</p> <ul style="list-style-type: none"> <li>(i) any municipal council;</li> <li>(ii) any provincial legislature; or</li> <li>(iii) the National Assembly or the National Council of Provinces</li> </ul> <p>(b) a member of the board of directors of any municipal entity;</p> <p>(c) an official of any municipality or municipal entity;</p> <p>(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);</p> <p>(e) a member of the accounting authority of any national or provincial public entity; or</p> <p>(f) an employee of Parliament or a provincial legislature;</p>
Irregular expenditure	means expenditure, other than unauthorized expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation
Long term contract	means a contract with a duration period exceeding one year;
List of accredited prospective providers	means the list of accredited prospective providers which the municipality must keep in terms of paragraph 14 of this policy;
	<p>other applicable legislation" means any other legislation applicable to municipal supply chain management, including</p> <p>(a) the Preferential Procurement Policy Framework Act, 2000</p>

TERM	DEFINITION
	(Act No. 5 of 2000); (b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); and (c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);
Military Veteran	has the meaning assigned to it in section 1 of the Military Veterans Act, 2011 (Act No. 18 of 2011)
Non-Executive Director	A Non-Executive Director is an independent member of the company's board or committee or tribunal , but he/she does not possess the management responsibilities and get paid a service fee.
QSE	means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
Rural area	means- a sparsely populated area in which people farm or depend on natural resources, including villages and small towns that are dispersed through the area; area including a large settlement which depends on migratory labour and remittances and government social grants for survival, and may have a traditional land tenure system;
Sub-contracting	means the primary contractor assigning or leasing or making out work to, or employing another person or contractor to support such primary contractor in the execution of part of the project in terms of the contract.
Treasury guidelines	means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;
The Regulations	means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;
Township	means an urban living area that any time from the late 19th century until 27 April 1994, was reserved for black people, including areas developed for historically disadvantaged individuals post 27 April 1994;
Written or verbal Quotations	means quotations referred to in paragraph 12(1)(b) of this Policy.
Municipality	means the Sol Plaatje Local Municipality.
Municipal Entity	has the meaning assigned to it by section 1 of the Municipal Systems Act, 2000.
SPLM	means the Sol Plaatje Local Municipality
Sole Provider	means a provider of specialized or exclusive goods/services who has a sole distribution/patent/manufacturing rights and copyrights.
Youth	has the meaning assigned to it in section 1 of the National Youth Development Agency Act, 2008 (Act No. 54 of 2008).

## **CHAPTER 2: IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY**

### **2. Supply chain management policy**

- (1) All relevant role players in the supply chain management system of the Sol Plaatje Municipality must implement this Policy in a way that –
  - (a) gives effect to –
    - (i) section 217 of the Constitution; and
    - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
  - (b) is fair, equitable, transparent, competitive and cost effective;
  - (c) complies with –
    - (i) Chapter 2 of the Regulations Framework; and
    - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
  - (d) is consistent with other applicable legislation;
  - (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
  - (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- (2) The Policy applies when the municipality:
  - (a) procures goods, services or infrastructure deliveries;
  - (b) disposes goods no longer needed;
  - (c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
  - (d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.
- (3) The Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including
  - (a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
  - (b) electricity from Eskom or another public entity, another municipality or a municipal entity.

### **3. Amendment of the supply chain management policy**

- (1) The Accounting Officer must:
  - (a) at least annually review the implementation of this Policy; and
  - (b) when the Accounting Officer considers it necessary, submit proposals for the amendment of this Policy to council.
- (2) If the Accounting Officer submits proposed amendments to council that differs from the model policy issued by the National Treasury, the Accounting Officer must –

- (a) ensure that such proposed amendments comply with the Regulations, chapter 2; and
  - (b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
- (3) When amending this supply chain management policy, the municipality must take account of the needs for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

#### **4. Delegation of supply chain management powers and duties**

- (1) The council hereby delegates all powers and duties to the Accounting Officer which are necessary to enable the Accounting Officer:
- (a) to discharge the supply chain management responsibilities conferred on Accounting Officers in terms of:
    - (i) Chapter 8 or 10 of the Act; and
    - (ii) this Policy;
  - (b) to maximize administrative and operational efficiency in the implementation of this Policy;
  - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
  - (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an Accounting Officer in terms of sub-section (1).
- (3) The Accounting Officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee which is not exclusively composed of officials of the municipality;
- (4) This section may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in section 26 of this Policy.

#### **5. Sub-delegations**

- (1) The Accounting Officer may in terms of section 79 or 106 of the Municipal Finance Management Act and sections 4 and 5 of the Supply Chain Management Regulations as well as the Delegation Register of the municipality sub-delegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of this Policy, but any such sub-delegation must be consistent with sub-section (2) of this section and section 4 of this Policy.
- (2) The power to make a final award:
- (a) above R10 000 000 (VAT included) may not be sub-delegated by the Accounting Officer.
  - (b) above R200 000 (VAT included) but not exceeding R10 000 000 (VAT included) must be sub-delegated to the bid adjudication committee.

- (c) above R30 000 (VAT included) but not exceeding R200 000 (VAT included) may be procured by inviting formal written quotations from as many possible service providers on the list of accredited prospective service providers by the supply chain unit, must be done in accordance with Preferential Procurement Regulations of 2011 and final evaluations and must be approved by head of supply chain management, or his/her delegate. The chief financial officer must be provided monthly with a list of all procurements.
  - (d) above R10,000 (VAT included) but not exceeding R30,000 (VAT included) may be procured by inviting formal written quotations from at least 3 (three) prospective service providers. All quotations invited must be recorded and approved by the head of supply chain management, or his/her delegate.
  - (e) above R2,000 (VAT included) but not exceeding R10,000 (VAT included) may be procured by inviting verbal or written quotations from at least 3 (three) prospective service providers.
- (3) The bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with subsection (2) must within **five days** after each award submit to the Accounting Officer, a written report containing particulars of each final award made by such official or committee during that month, including:
- (a) the amount of the award;
  - (b) the name of the person to whom the award was made; and
  - (c) the reason why the award was made to that person.
- (4) A written report referred to in sub-section 3 must be submitted:
- (a) to the Accounting Officer, in the case of an award by:
    - (i) the chief financial officer; or a senior manager or delegate.
    - (ii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or
- (5) Sub-sections (3) and (4) of this policy do not apply to procurements out of petty cash. This section may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in section 26 of this Policy.
- (6) No supply chain management decision-making powers may be delegated to an advisor or consultant.

## **6. Oversight role of council**

- (1) The council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the Accounting Officer must:
  - (a) (i) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
  - (ii) Whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to council.



- (3) The Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Executive Mayor.
- (4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.
- (5) For the purposes of oversight in accordance with MFMA Circular 77 the Accounting Officer must:
  - (a) within **30 days of the end of each financial year**, submit a report on the implementation of this Policy and the equivalent policy to the council;
  - (b) whenever there are serious and material problems in the implementation of the Policy immediately submit a report to the council;
  - (c) within **10 days of the end of each quarter**, submit a report on the implementation of the Policy to the Executive Mayor; and
  - (d) make the reports public in accordance with section 21A of the Municipal Systems Act Of 2000.

## **7. Supply chain management unit**

- (1) A supply chain management unit is hereby established to implement this Policy.
- (2) The supply chain management unit operates under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

## **8. Training of supply chain management officials and Bid committees**

The Accounting Officer and all other officials of the municipality involved in the implementation of the SCM Policy must meet the prescribed competency levels in terms of the National Treasury Competency Regulations:

- (i) The municipality must provide opportunities and resources for training of officials preferred to meet the relevant prescribed supply chain management competency levels.
- (ii) That National and Provincial Treasury or any other accredited body may assist the municipality in the training of officials in meeting the relevant prescribed supply chain management competency levels.
- (iii) The members of the bid committees must be provided with relevant training in order to effectively and efficiently execute their delegated duties in connection with bids.
- (iv) Refresher training must be provided annually to SCM officials and bid committee members.

## **CHAPTER 3: SUPPLY CHAIN MANAGEMENT SYSTEM**

### **9. Format of supply chain management System**

This Policy provides systems for:

- (i) demand management;
- (ii) acquisition management;
- (iii) logistics management;
- (iv) asset/disposal management;
- (v) risk management; and
- (vi) performance management.

### **10. (A) System of demand management**

- (1) The Accounting Officer must establish and implement an effective system of demand management in order to ensure that the resources required by the municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.
- (2) The demand management system must:
  - (a) Demand Management should be co-ordinated by SCM in consultation with end users.
  - (b) Include timely planning and management processes through the proper implementation of the consolidated procurement plan as well as the Quotation Procurement Request Plan.
  - (c) Each end user department shall perform an annual needs analysis of strategic objectives and programmes involving SCM and Finance to determine strategic sourcing that will ultimately provide best value for money.
  - (d) Take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature.
  - (e) Provide for the compilation of the required specifications to ensure that its needs are met.
  - (f) Must undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.
  - (g) Annually inform Line Managers to submit Procurement Plans, before the 15<sup>th</sup> March of each financial year.

## 10 (A) FRAMEWORK FOR INFRASTRUCTURE PROCUREMENT

The framework for infrastructure procurement outlines the minimum infrastructure procurement policy requirements for municipal planning and implementation.

The strategic direction set in the Integrated Development Plan (IDP) informs the framework for infrastructure procurement. For example, procurement strategies must be aligned to the municipality's developmental and internal transformation needs, as specified in the IDP.

### 1. Minimum Requirement for Infrastructure Procurement

- a) Infrastructure procurement must be undertaken in accordance with all applicable Infrastructure Procurement related legislation and this Framework.
- b) Infrastructure procurement must be implemented in accordance with the institutional Supply Chain Management System, which promotes differentiated procurement for infrastructure.
- c) Infrastructure procurement must be implemented in accordance with the procurement gates prescribed in paragraph 11.
- d) The Accounting Officer must ensure that a budget is available for the duration of the project, in line with MFMA provisions for capital and operating budgets.
- e) The Accounting Officer must ensure that cash flow management processes are in place to meet payment obligations within the time periods specified in the contract.
- f) Procurement gates provided in paragraph 11 of this policy must be used, as appropriate, to:
  - i. Authorise commencement of activities that lead to the next control gate;
  - ii. Confirm conformity with requirements; and/or
  - iii. Provide information
- g) The authorisation to proceed to the next procurement gate must be given by a delegated person or body. The delegated person or body must be able to apply relevant built environment knowledge and skill to achieve the intended results required at the relevant procurement gate. The level of detail contained in the documentation on which a decision to proceed to the next procurement gate is made, must be sufficient to enable an informed decision.
- h) The Accounting Officer must develop and implement effective and efficient emergency procurement procedures, including relevant approval delegation, in compliance with relevant legislation.

- i) The Accounting Officer must develop and implement an effective and efficient infrastructure disposal policy in line with the Municipal Asset Transfer Regulations. The institution may consider disposal strategies aligned to their internal disposal policy, prior to proceeding with the procurement strategy.
- j) The Accounting Officer must keep records of Procurement Gate Approvals, in a manual or electronic format, with the following minimum requirements:
  - i. Procurement gate;
  - ii. Delegated person/s or body;
  - iii. Date on which the approval request was received;
  - iv. Date on which the approval was actioned; and
  - v. Signature of the delegated person or body.
- k) All assets must be recorded in the municipal asset register as required by the GRAP standards.

#### 1.1. Infrastructure Procurement Gates (PG1)

- a) Initiate a procurement process;  
***(See Annexure C: In order for the initiation to be completed, and the decision to proceed with procurement is effected; the Project Stage Deliverables for Stages 1 and 2 must be completed. In the case of Mega Projects (Projects in excess of R50 million) the Gateway Review requirements must be adhered to as stipulated within Annexure C)***

#### 1.2 Minimum Requirement for PG 1

- i. Establish and clarify the procurement need, aligned to the municipality's development and transformation priorities specified in the IDP.
- ii. Determine a suitable title for the procurement, to be applied as the project description.
- iii. Prepare the broad scope of work for the procurement.
- iv. Perform market analysis.
- v. Estimate the financial value of proposed procurement and contract for budgetary purposes, based on the broad scope of work.
- vi. Confirm the budget.
- vii. Compliance with section 33 of the MFMA with respect to community and stakeholder consultation.
- b) PG 1 is complete when a designated person or body makes the decision to proceed/not to proceed, with the procurement of the infrastructure.

### **1.3 Procurement Gate 2 for PG 2:**

- a) Approve procurement strategy to be adopted.

***(See Annexure C: In order for the procurement strategy to be adopted, and the decision to proceed with an approved procurement strategy; the Project Stage Deliverables for Stages 3 and 4 must be completed***

#### **1.3.1 Minimum Requirement for PG 2:**

- a) Develop a procurement strategy aligned to the institutional procurement strategy:
  - i. Establish contracting and pricing strategy comprising of an appropriate allocation of responsibilities and risks; and the methodology for contractor payments.
  - ii. Identify service required for works.
  - iii. Decide on contracting strategy.
  - iv. Decide on pricing strategy.
  - v. Decide on form of contract.
  - vi. Establish opportunities for promoting preferential procurement in compliance with legislative provisions and the Construction Sector Code.
- b) PG 2 is complete when a delegated person or body approves the procurement strategy that is to be adopted.

### **1.4 Procurement Gate 3 (PG 3)**

- a) Approve procurement documents.

#### **1.4.1 Minimum requirements for PG 3:**

- b) Prepare procurement documents that are compatible with:
  - i. Approved procurement strategies.
  - ii. Project management design documentation.
- c) PG 3 is complete when the Bid Specification Committee approves the procurement document.

### **1.5 Procurement Gate 4 (PG 4)**

- a) Confirm that cash flow processes are in place to meet projected contractual obligations.

### 1.5.1 Minimum requirement for PG 4

- a. Confirm that cash flow processes are in place to meet contractual obligations.
- b. Establish control measures for settlement of payments within the time period specified in the contract.
- c. PG 4 is complete when a delegated person or body confirms in writing that cash flow processes are in place; and control measures are established for the procurement to take place.

### 1.6 Verification of bids in excess of R10 million

**Prior to advertisement:** Verification by the CFO, the senior manager responsible for a vote must submit to the CFO:

- proof that budgetary provision exists for the procurement of the goods/services and / or infrastructure projects;
- any ancillary budgetary implications related to the bid;
- any multi -year budgetary implications;

## 11. System of acquisition management

- (1) The Accounting Officer must implement the system of acquisition management set out in this Part in order to ensure:
  - (a) that goods and services are procured by the municipality in accordance with authorized processes only;
  - (b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
  - (c) procurement of goods and services, either through quotations of a bidding processes, shall be within the threshold values as determined by National Treasury; and
  - (d) the approval of the thresholds of supply chain officials are set and reviewed annually.
- (2) When procuring goods or services contemplated in section 110(2) of the Act, the Accounting Officer must inform council and must be made public that such goods or services are procured otherwise than through the municipality supply chain management system, including:
  - (a) the kind of goods or services; and
  - (b) the name of the supplier.

### 11. (A) Framework for Infrastructure Procurement

The framework for infrastructure procurement outlines the minimum infrastructure procurement policy requirements for municipal planning and implementation. The strategic direction set in the Integrated Development Plan (IDP) informs the framework for infrastructure procurement.

For example, procurement strategies must be aligned to the municipality's developmental and internal transformation needs, as specified in the IDP.

### **11.1 Procurement Gate 5 (PG 5)**

- a) Solicit tender offers.

Minimum requirements for PG 5

- (i) Invite contractors to submit tender offers.
- (ii) Receive tender offers.
- (iii) Record tender offers.
- (iv) Safeguard tender offers.

- b) PG 5 is complete when tender offers received are recorded and safeguarded by a delegated person from the SCM unit.

### **11.2 Procurement Gate 6 (PG 6)**

- a) Evaluate tender offers premised on undertakings and parameters established in procurement documents.

Minimum Requirement for PG 6:

- (i) Determine whether tender offers are complete.
- (ii) Determine whether tender offers are responsive.
- (iii) Evaluate tender submissions.
- (iv) Review minimum compliance requirements for each tender.
- (v) Perform a risk analysis.
- (vi) Prepare a report on tender offers received, and on their achievement of minimum compliance.

- b) PG 6 is complete when the chairperson of the Bid Evaluation Committee approves the BEC report.

### **11.3 Procurement Gate 7 (PG 7)**

- a) Award the contract.

Minimum Requirement for PG 7:

- (i) Bid adjudication committee review of the BEC evaluation report.
- (ii) Bid Adjudication Committee makes an award.
- (iii) Accounting Officer Approval of the tender process.
- (iv) Notify successful tenderer and unsuccessful tenderers of the outcome.
- (v) Sign contract document.
- (vi) Formally accept tender offer.

- b) PG 7 is complete when the Accounting Officer or the Bid Adjudication Committee where delegated, confirms that the tenderer has provided evidence of complying with all requirements stated in the tender data and formally accepts the tender offer in writing, and issues the contractor with a signed copy of the contract.

## **12. Range of procurement processes**

### **12.1 Goods and services may be procured by way of:**

Table: 3

Description	Value (VAT inclusive)
Petty cash purchases as determined by Section 12(1)(a) of the Regulations	Transaction up to value of R 2000
Petty cash purchases determined by SCM policy	SCM no longer have physical cash but generate an official order.
Written or verbal quotation	R 2000 to R 30 000
Formal written price quotation	R 30 001 to R 200 000
Competitive bidding process	Above a transaction value of up to R200 000

The above range of procurement processes is in line with the SCM policy

12.2 Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

## **13. General preconditions for consideration of written quotations or bids**

- (1) A written quotation or bid may not be considered unless the provider who submitted the quotation or bid:
- (a) has furnished the municipality with the following details:
    - (i) full name of sole proprietor or company;
    - (ii) identification number, company registration number or other;
    - (iii) Tax Compliance Status (TCS) pin from the SARS;
    - (iv) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears for 90 days;
    - (v) Current compliant CSD report;
    - (vi) Original BBBEE certificate accredited by South African National Accreditation System (SANAS) or certified copy thereof or an original Sworn Affidavit for EMEs and QSEs or certified copy thereof or BBBEE certificate for EME's and start up enterprises; and
    - (vii) In the event where no valid BBBEE certificate or Sworn Affidavit is provided, a CSD report may be used for BBBEE verification and claiming of points, provided the service provider has updated their CSD.
  - (b) Requirements for construction and engineering related bids should be awarded according to CIDB Regulations and has indicated or disclosed:



- (i) If a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months;
- (ii) any person or service provider who fails to disclose his or her employment status with organs of state, his or her contract will be terminated immediately, the service provider shall be deregistered and shall not be allowed to bid for a period not less than three years and shall be reported to National Treasury for blacklisting.
- (c) Any persons or directors in the service of the state, or has been in the service of the state in the previous twelve months are not allowed to do business with the municipality and this exclude non-executive directors as per definition in (d) below.
- (d) A Non-Executive Director is an independent member of the company's board or committee or tribunal, but he or she does not possess the management responsibilities and get paid a service fee not a salary.

#### **14. Lists of accredited prospective providers**

- (1) The Accounting Officer must:
  - (a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations;
  - (b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to update or renew their registration on the municipal database, failure to comply the account will be deactivated until renewal and invite new prospective bidders to register with the municipal database;
  - (c) specify the minimum listing criteria for accredited prospective providers:
    - (i) Business or Owner's address;
    - (ii) Bank confirmation letter of the business;
    - (iii) Must be registered on the CSD;
    - (iv) The municipality shall accept the SARS Tax Compliance Status (TCS) pin for tax status validation;
    - (v) An annual declaration of interest (MBD4) to be filled in by the service provider;
    - (vi) Listing criteria stating services provide by bidders
    - (vii) Municipal rates and taxes including service charges not in arrears for more than 90 days either or valid lease agreement stating who is responsible for the municipal account;
    - (viii) In the event of where the bidder cannot produce a municipal account or valid lease agreement, a proof of address as confirmed by the municipality will be considered.
    - (ix) No award will be made in terms of this policy to a person whose municipal rates, taxes and service fees are not paid-up or arrangements have been made with the relevant Municipality to paid-up arrears.
    - (x) Original or certified BBBEE certificate accredited by SANAS or an original or certified Sworn Affidavit for EME'S and QSE'S.

- (d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector, in accordance with the MFMA Circular 46 (as amended from time to time).
- (2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- (3) The commodity must be aligned with the goods and services provided by suppliers as per listing criteria.
- (4) In the case where the supplier database is maintained by a government department, in this case, National Treasury, through the Central Supplier Database, the municipality shall keep records of service providers at the level of detail that will ensure minimum compliance requirements in as far as status of the municipal account, declaration of interest, relatedness to people in service of state.

## **15. Petty cash purchases**

- (1) The conditions for the procurement of goods by means of petty cash purchases referred to in section 12 (1) (a) of this Policy, are as follows:
  - (a) Council determines the terms on which a manager may delegate responsibility for petty cash to an official reporting to the manager; petty cash threshold to be delegated per month is R2000 per case;
  - (b) Council determines the maximum number of petty cash purchases or the maximum amounts per month for each manager; threshold per month is R2000 in total per case;
  - (c) a monthly reconciliation report from the acquisition manager must be provided to the chief financial officer, including:
    - (i) the total amount of petty cash purchases for that month; and
    - (ii) receipts and appropriate documents for each purchase.
  - (d) insert any other conditions determined by the council.

## **16. Written or verbal quotations**

- (1) The conditions for the procurement of goods or services through written or verbal quotations, are as follows:
  - (a) that quotations must be obtained from at least three different service providers preferably from, but not limited to, service providers whose names appear on the list of accredited prospective service providers of the municipality, provided that if quotations are obtained from service providers who are not listed, such service providers must meet the listing criteria set out in section 14(1)(b) and (c) of this Policy and be registered on the CSD;
  - (b) where no suitable accredited service providers are available from the list, quotations may be obtained from other possible service providers not on the list, provided that such service providers meet the listing criteria set out in section 14(1)(b) and (c) of this Policy and be registered on the CSD;
  - (c) quotations must be invited on a rotation basis;

- (d) to the extent feasible, providers must be requested to submit such quotations in writing;
- (e) if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the Accounting Officer or another official designated by the Accounting Officer;
- (f) the Accounting Officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and
- (f) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

## **17. Formal written price quotations**

- (1) The conditions for the procurement of goods or services through formal written price quotations are as follows:
  - (a) At least three (3) written price quotations must be obtained from three (3) different suppliers registered on the CSD.
  - (b) if it is not possible to obtain at least three (3) written price quotations from three (3) different suppliers registered on the CSD, except where suppliers are exempted from registration on the CSD, the reason should be recorded and approved by the accounting officer / authority or his /her delegate / committee before the order is issued and maintained for audit purposes
  - (c) Accounting Officer / authorities must ensure that the prices received are market related and where they are not, negotiations have been entered into in line with the Preferential Procurement Regulations, 2017 (PPR 2017).
  - (d) the Supply Chain Management must record the names of the potential providers and their written quotations.
- (2) A designated official referred to in sub-section (1) (d) must within three days of the after end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that sub-section.

## **18. The procedure for the procurement of goods or services through written or verbal quotations and formal written price quotations, is as follows:**

- (a) When using the list of accredited prospective service providers, the Accounting Officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
- (b) All requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of section 17, be advertised for at least seven (7) **calendar** days on the website and an official notice board of the municipality; evaluation will be on 80:20-point system where 80 points is for price and 20 points for BBBEE status level as per the Preferential Procurement Regulations of 2017.
- (c) Offers received must be evaluated on a comparative basis taking into account only unconditional discounts;

- (d) the Accounting Officer or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;
- (e) On the second time of re-advertising a bid, suppliers on the municipal database may be consulted to apply for the bid;
- (f) The prescripts of the PPPFA and its Regulations shall be applied to all procurement equal to or above R 30 000 (all applicable taxes included);
- (g) Offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
- (h) Acceptable offers, which are subject to the BBBEE status level system (PPPFA and associated regulations), must be awarded to the bidder whose offer is according to specifications, has got the ability to deliver the required service, has scored the highest points and is compliant with all the other requirements such as CSD registration;
- (g) The delegated officials, in conjunction with SCM, shall ensure quotation documentation, quotations received from bidders, approvals, letters of award and any other related relevant documentation are maintained in a standardised filing system for proper record keeping purposes.

## **19. Competitive bidding process**

- (1) Goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may only be procured through a competitive bidding process, subject to section 11(2) of this Policy.
- (2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.
- (3) Point systems to be used:
  - 3.1 80:20-point principle
    - 80 points for price
    - 20 points for BBBEE status level:  
(R30 000 – R50 000 000)
  - 3.2 90:10-point system
    - 90 points for price
    - 10 points for BBBEE status level  
(R50 000 000= plus)
  - 3.3 The specification committee will indicate on a bid document if functionality criteria points need to be used, and the evaluations committee will evaluate based on the functionality criteria for a specific bid.
  - 3.4 For construction procurements CIDB Act and Regulations to be used for quotations/bids.

## **20. Procedures for competitive bidding**

- (1) The procedures for the following stages of a competitive bidding process are as follows:
  - (a) Compilation of bidding documentation as detailed in section 21;
  - (b) Public invitation of bids as detailed in section 22;
  - (c) Site meetings or briefing sessions as detailed in section 22;
  - (d) Handling of bids submitted in response to public invitation as detailed in section 23;
  - (e) Evaluation of bids as detailed in section 28;
  - (f) Award of contracts as detailed in section 29;
  - (g) Administration of contracts; and
  - (h) Proper record keeping:
    - (i) Original legal copies of written contract agreements should be kept in a secure place for reference purposes.

## **21. Compilation of Bid documentation for competitive bids**

- (1) In addition to regulation 13 the criteria to which bid documentation for a competitive bidding process must:
  - (a) take into account:
    - (i) the general conditions of contract and any special conditions of contract, if specified;
    - (ii) any Treasury guidelines on bid documentation; and
    - (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
  - (b) include the preference points system to be used, as contemplated in the Preferential Procurement Regulations of 2017 and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
  - (c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
  - (d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish:
    - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements:
      - (aa) for the past three years; or
      - (bb) since their establishment if established during the past three year;
    - (ii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
    - (iii) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and

- (e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation) or when unsuccessful, in a South African court of law. The Accounting Officer reserves the right to stipulate that such a dispute to be settled utilizing a court of law within the Sol Plaatje municipal district.

## **22. Public invitation for competitive bids**

- (1) Supply chain management policy must determine the procedure for the invitation of competitive bids and must stipulate:
  - (a) That any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality **or** any other appropriate ways which may include the Government Tender Bulletin, e-Tender Publication, CIDB i-Tender system for construction-related tenders, and in any other appropriate media.
  - (b) The information contained in a public advertisement, must include:
    - (i) the closure date for the submission of bids, which may not be less than thirty (30) calendar days in the case of transactions over R10 million (VAT included), or which are of a long-term nature, or fourteen (14) calendar days in any other case, from the date on which the advertisement is placed in a newspaper, or;
    - (ii) a statement that bids may only be submitted on the bid documentation provided by the municipality; and
    - (iii) date, time and venue of any proposed site meetings or briefing sessions
- (2) The Accounting Officer may determine a closure date for the submission of bids which is not less than the thirty (30) or fourteen (14) calendar days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process and such 14 days must be approved by Municipal Manager.
- (3) Bids submitted must be sealed; the envelope must contain the bid number, description of bid and closing date.

## **23. Procedure for Handling, opening and recording of bids**

- 2. The time for the bid opening should be the same as the deadline for receipt of bids, or promptly thereafter and should be announced, together with the place for bid opening, in the invitation to bid. To standardize the closing of bids, bids closed at 10:00.
- 3. All bids must be opened in public at the stipulated time and place, if practical. Notwithstanding the number and volume of the bids received, bidders or their representatives should be allowed to be present at the bid opening meeting immediately after closing.
- 4. The names of the bidders and if practical, the total price of each bid and of any alternative bids, should be read aloud. Immediately after opening a current CSD report for proof of compliancy to SARS be printed by SCM officials.
- 5. The procedures for the handling, opening and recording of bids, are as follows:
  - (a) Bids:

- (i) must be opened only in public;
  - (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
  - (iii) received after the closing time should be recorded and but not be considered and returned unopened immediately.
- (b) Bids are opened in public as soon as possible after the closing time on the closing date of bids. When requested by any bidder or member of the public, the names of the bidders who submitted bids in time be read out and when possible / practical, also the respective total bidding prices. A register must be compiled of all bids received in time during the bid.
- (c) No information, except the provisions in sub-section (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
- (d) The Accounting Officer must:
  - (i) record in a register all bids received in time;
  - (ii) make the register available for public inspection; and
- (iv) publish the entries in the register and the bid results on the website of the municipality.

#### **24. Negotiations with preferred bidders**

- (1) The Accounting Officer may, in terms of this Supply Chain Management Policy negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provide that such negotiation:
  - (a) does not allow any preferred bidder a second or unfair opportunity
  - (b) is not to the detriment of any other bidder; and
  - (c) does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.

#### **25. Two-stage bidding process**

- (1) A two-stage bidding process is allowed for:
  - (a) large complex projects;
  - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
  - (c) long term projects with a duration period exceeding three years.
- (2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- (3) In the second stage final technical proposals and priced bids should be invited.

#### **26. Committee system for competitive bids**

- (1) A committee system for competitive bids shall consist of the following committees:
  - (a) a bid specification committee;
  - (b) a bid evaluation committee; and

- (c) a bid adjudication committee;
- (2) The Accounting Officer appoints the members of each committee, taking into account section 117 of the Act; and cannot be sub-delegated except for the CFO in the adjudication committee who can appoint a sub-delegate:
  - (a) All members of the three committees are appointed for 12 months and may be re-appointed for another 12 months (1<sup>st</sup> July to 30<sup>th</sup> June) and must declare their financial interest, sign the SCM code of conduct, and also declare business interest(s) as per Regulation 46(2)(e) and (f).
- (2) Members of all the bid committees are jointly and severally responsible for the decisions made by the committees in which they serve.
- (3) A neutral or independent observer, appointed by the Accounting Officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency. Such an observer must ensure there is no conflict of interest and should not participate in any government procurement processes.
- (4) The committee system must be consistent with:
  - (a) sections 27, 28 and 29 of this Policy; and
  - (b) any other applicable legislation.
- (5) The Accounting Officer may appoint the committee system to formal written price quotations.
- (6) Quorum: The Bid Committees cannot undertake business without a quorum present, consisting of 50% plus 1 of its total members with voting powers (rounded to the nearest whole number).

## **27. Bid specification committees**

- (1) A bid specification committee must compile the specifications for the procurement of goods or services for infrastructure delivery in accordance with MFMA Circular 77 by the municipality.
- (2) Determining Specifications/Terms of reference:
  - (a) The Bid Specification Committee shall draw up clear specifications and terms of reference.
  - (b) Include clear evaluation criteria prior to the invitation of the quotation/bid as offers may only be evaluated according to the criteria stipulated in the quotation/bid document.
  - (c) It is the responsibility of the end user through the facilitation of the Cross-Functional Team and the Bid Specification Committee to compile detailed and clear specification with which to source proposals.
  - (d) Specifications should be based on relevant characteristics and/or performance requirements. Reference to brand name, catalogue numbers, or similar classifications to be avoided. If it is necessary to quote a brand name the words "or equivalent" should be added after the reference. The specification should commit the acceptance of office for goods which have similar characteristics and which provide performance at least equivalent to those specified. The quality required should not be over specified to the extent that it will be impossible for others to offer such a product.



- (e) Must indicate the pre-qualification criteria for preferential procurement as set out in the Preferential Procurement Regulations 2017.
  - (f) The Bid Specification Committee must determine the Bid advert days in line with Supply Chain Policy.
  - (g) must be approved by the Accounting Officer or may be delegated to the specification committee prior to publication of the invitation for bids in terms of this Policy.
  - (h) The specification committee will indicate on a bid document if functionality criteria points need to be used.
  - (i) The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting provided they form a quorum.
- (3) A bid specification committee must be composed of 50% + 1 (one) of the appointed members, for a period as determined by the Accounting Officer; the Chairperson; registered Professional Engineer (depending on the type of specification); SCM practitioner; official from Budget Office (BTO) and a Secretariat of the BSC.
  - (4) The Line Managers will be invited as and when their items are presented at the Bid Specification Committee for their presentation.
  - (5) Internal or external advisor with no voting rights can form part of the Bid Specification Committee and the number of specialists is not restricted.
  - (6) A legal expert may be appointed to provide advisory support to the committee.
  - (7) the risk and compliance officer attending the meeting shall ensure that evaluations are compliant to policy, procedure and process.
  - (8) The specification committee will approve the functionality points that must be used.
  - (9) No person, advisor or corporate entity involved with the bid specification and procurement documentation committee, or director of such a corporate entity, may bid for any resulting contracts.
  - (10) Secretariat of the BSC shall fulfill the professional Secretariat function.
  - (11) For general goods and services that are frequently procured, a specifications library may be compiled, and such specifications revised annually.

## 28. Bid Evaluation Committees

- (1) Bid Evaluation Committee for infrastructure (construction), **goods and services** must:
  - (a) Evaluate bids in accordance with:
    - (i) The specifications for a specific procurement; and
    - (ii) The point system must be set out in the supply chain management policy of municipality in terms of regulation 27(2) (f) and as prescribed in terms of the Preferential Procurement Policy Framework Act.
  - (b) Evaluate each bidder's technical and financial ability to execute the contract;
  - (c) Check that the bid under the evaluation are compliant as per bid document;
  - (d) Check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears for more than 90 days;

- (e) Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter to the adjudication committee for consideration and/or approval.
  - (f) The risk and compliance officer attending the meeting shall ensure that evaluations are compliant to policy, procedure and process.
  - (g) Must present their reports to the bid adjudication committee to clarify uncertainty and shall not have any voting rights on the bid adjudication committee.
  - (h) The compulsory declaration has been completed;
  - (i) The tenderer is not listed in the National Treasury's Register for tender Defaulters or list of restricted suppliers; and
  - (j) Certified or original BBBEE certificate, issued by the South African national accreditation system (SANAS), original or certified sworn affidavit or BBBEE certificate for EMEs and start up enterprises (issued by the DTI).
- (2) A bid evaluation committee composition:
- a) 50% + 1 (one) as appointed by the Accounting Officer, for period stated and the quorum is constituted by Chairperson; SCM practitioner, official from Finance division and three (3) other officials from any cross functional section.
  - (a) Officials including an internal specialist from the department who require the goods and/or services.
  - (b) The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting provided they form a quorum.
  - (d) Members of the committee will be appointed for a period determined by the Accounting Officer.
  - (e) Secretariat of the BEC shall fulfill the professional Secretariat function.
  - (f) A legal expert may be appointed to provide advisory support to the committee.
  - (g) An official may not be a member of the Bid Evaluation Committee and the Adjudication Committee for the same bid.

## 29. Bid adjudication and tender committees

- (1) A bid adjudication committee for infrastructure (construction), **goods and services** must:
  - (a) Consider the report and recommendations of the bid evaluation committee; and either:
    - (i) verify that the procurement process which was followed complies with the provisions of this document;
    - (i) confirm that the report is complete and addresses all considerations necessary to make a recommendation;
    - (ii) depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or
    - (iii) make another recommendation to the Accounting Officer on how to proceed with the relevant procurement.
  - (b) A BAC shall ensure that:
    - (i) All bids have been evaluated in a compliant manner

- (ii) Disqualifications are justified and that valid and accountable reasons/motivation were furnished for passing over of bids.
    - (iii) Scoring have been fair, consistent and correctly calculated and applied, and
    - (iv) Declarations of interest have been taken into account.
  - (c) A BAC shall ensure, before recommending or awarding a bid, that the bid represents the best value available to the Municipality in terms of price, functionality, local content and promotion of BBEE.
  - (d) consider commercial risks and identify any risks that have been overlooked or fall outside of the scope of the report which warrant investigation prior to taking a final decision.
- (2) A bid adjudication committee composition:  
50% + 1 (one) as appointed by the Accounting Officer and must consist of **at least four senior managers** of the municipality which must include-
- (a) The Chief Financial Officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
  - (b) At least one senior supply chain management practitioner who is an official of the municipality; and any other 3 senior managers.
  - (c) A technical expert in the relevant field who is an official of the Municipality, if the Municipality has such an expert.
- (3) Outside technical experts may form part of the adjudication process in case; they must leave the meeting after advice has been given. Only the standing committee members can be involved in final deliberations and recommendations for final approval.
- (4) A legal expert may be appointed to provide advisory support to the committee.
- (5) The risk and compliance officer attending the meeting shall ensure that evaluations are compliant to policy, procedure and process.
- (6) BAC members shall be cleared to the level of “confidential” by the Accounting Officer on an annual basis.
- (7) The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- (8) An official may not be a member of the Bid Evaluation Committee and the Adjudication Committee for the same bid.
- (9) (a) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid:
- (i) check in respect of the preferred bidder whether that bidder’s municipal rates and taxes and municipal service charges are not in arrears, and;
  - (ii) notify the Accounting Officer.
- (b) The Accounting Officer may:
- (i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in section (1a); and
  - (ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration and
  - (iii) refer the report back to the evaluation committee for their reconsideration or make an award of a tender with or without conditions if the value is

under R10 000 000. If above R10 000 000, make recommendation to the Accounting Officer.

- (10) The Accounting Officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- (11) The Accounting Officer must comply with section 114 of the Act within 10 working days.
- (12) The Accounting Officer shall appoint an alternative per bid committee member for continuity.
- (13) The BAC committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded.
- (14) The BAC committee shall consider the merits of an unsolicited offer and make a recommendation Accounting Officer.
- (15) The BAC committee shall report to the Accounting Officer any recommendation made to award a contract to a bidder other than the bidder recommended by the evaluation committee giving reasons for making such a recommendation.
- (16) The BAC committee shall not make a recommendation for an award of a contract or order if the recommended bidder or framework contractor has:
  - (i) made a misrepresentation or submitted false documents in competing for the contract or order; or
  - (ii) been convicted of a corrupt or fraudulent act in competing for any contract during the past five years.
- (17) The BAC committee may on justifiable grounds and after following due process, disregard the submission of any bidder if that bidder or any of its directors, members or trustees or partners has abused the delivery management system or has committed fraud, corruption or any other improper conduct in relation to such system. The National Treasury and the provincial treasury shall be informed where such tenderers are disregarded.

### **30. Procurement of banking services**

- (1) A contract for the provision of banking services:
    - (a) must be procured through competitive bids;
    - (b) must be consistent with section 7 or 85 of the Act; and
    - (c) may not be for a period of more than five years at a time.
  - (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
  - (3) The closure date for the submission of bids may not be less than sixty (60) calendar days from the date on which the advertisement is placed in a newspaper in terms of the section.
- 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

### **31. Procurement of IT related goods or services**

- (1) The Accounting Officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) The parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- (3) The Accounting Officer must notify SITA together with a motivation of the IT needs of the municipality if:
  - (a) the transaction value of IT related goods or services required by the municipality in any financial year will exceed R50 million (VAT included); or
  - (b) the transaction value of a contract to be procured by the municipality whether for one or more years exceeds R50 million (VAT included).
- (4) If SITA comments on the submission and the municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

### **32. Procurement of goods and services under contracts secured by other organs of state**

- (1) The Accounting Officer may procure goods or services for the municipality under a contract secured by another organ of state, but only if:
  - (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
  - (b) the municipality has no reason to believe that such contract was not validly procured;
  - (c) there are demonstrable discounts or benefits for the municipality to do so; and
  - (d) that other organ of state and the provider have consented to such procurement in writing.
- (2) Sub-sections (1)(c) and (d) do not apply if:
  - (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
  - (b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

### **33. Procurement of goods necessitating special safety arrangements**

- (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, must be restricted where ever possible.
- (2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership and cost advantages for the municipality.

### 34. Proudly South African Campaign / Locality

The Municipality supports the Proudly South African Campaign to the extent that, as far as possible preference is given to procuring local goods and services from:

- (a) Offices within the vicinity of SPM
- (b) Offices within the vicinity of Francis Baard District
- (c) Offices within the Northern Cape Province
- (d) Offices within the Republic of South Africa

Table: 4 Locality

No#	Criteria	Minimum Baseline for Points allocation
1.	Offices within the vicinity of SPM	10
2.	Offices within the vicinity of Francis Baard District	7
3.	Offices within the Northern Cape Province	5
4.	Offices within the Republic of South Africa	3

All tenders must comply with locality point scoring and this scoring will vary according to the nature of the tender as and when required by the BSC.

**NB. The bidder must clearly stipulate location of the business. For the above the measurement, the business / trading address in the form of municipal account or lease agreement or both will be used as a proof.**

### 35. Appointment of Consultants

- (1) A supply chain management policy may allow the accounting officer to procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.
- (2) A contract for the provision of consultancy services to a municipality must be procured through competitive bids if –
  - (a) The value of the contract exceeds R 200 000 (VAT included); or
  - (b) The duration period of the contract exceeds one year.
- (3) In addition to any requirements prescribed by these Regulations for competitive bids, bidders must furnish the municipality with particulars of:
  - (a) All consultancy services provided to an organ of state in the last five years; and
  - (b) Any similar consultancy services provided to an organ of state in the last five years
- (4) The municipality must ensure that copy right in any document produced, and the patent rights or ownership in any plant, machinery, thing, system process designed or devised by a consultant in the course of consultancy services is vested in the municipality.

### 36. Deviation from, and ratification of minor breaches of, procurement processes (Refer to SPM Directive 01 of 2021/ 2022)

- (1) The Accounting Officer may:
  - (a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only

- (i) in an emergency;
  - (ii) if such goods or services are produced or available from a single provider only;
  - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
  - (v) acquisition of animals for zoos; or
  - (v) in any other exceptional case where it is impractical or impossible follow the official procurement processes; and
- (b) ratify any minor breaches of the procurement processes by official or committee acting in terms of delegated powers or duties which are purely of a technical nature.
- (2) The Accounting Officer must record the reasons for any deviations in terms of subsection (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.
- (3) Subsection (2) does not apply to the procurement of goods and services contemplated in section 110(2) of the Act.
- (4) If an accredited agent must be used to perform maintenance services for equipment or vehicles as part of its guarantee or warranty or to obtain genuine parts, a list of such procurements for amounts above R2000.00 must be supplied monthly to the Accounting Officer for information purposes. The type of service, cost, and reason for using one supplier only must be stated.

### **36 (a) Conditions/Circumstances that necessitate deviations**

There are mandatory and extreme conditions that compels a Line Manager to urgently want to dispense of Supply Chain Management or procurement and these reasons should at least cover the following;

- a) Disastrous situation leading to loss or damage to public or private property
- b) Life threatening
- c) Environmental pollution
- d) Loss of revenue by the municipality

These circumstances may lead to emergency procurement to mitigate the risk anticipated from the eventuality, and in the case of an eventuality, minimize the impact on life, environment and property.

Emergency procurement in its nature is aimed to avert temporarily, whilst permanent strategies must be sought to address the situation and /or an unexpected and sudden event that must be dealt with urgently and where there is an immediate threat to revenue, to property, to life and limb.

### **37. Unsolicited bids**

- (1) In accordance with section 113 of the Act the municipality is not obliged to consider unsolicited bids received outside a normal bidding process.
- (2) If an Accounting Officer decides in terms of section 113(2) of the Act to consider an unsolicited bid, only if:

- (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
  - (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages for the municipality;
  - (c) the person who made the bid is the sole provider of the product or services for the municipality; and
  - (d) the reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.
- (3) Where the Accounting Officer decides to consider an unsolicited bid that complies with subsection (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –
- (a) its reasons as to why the bid should not be open to other competitors;
  - (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
  - (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- (4) Once the Accounting Officer has received written comments, it must submit such comments to the National Treasury and the relevant provincial treasury.
- (5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer, depending on its delegations.
- (6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
- (7) When considering the matter, the adjudication committee must take into account –
- (a) any comments submitted by the public; and
  - (b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- (8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- (9) Such submission must be made within seven days (7) after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 30 days of the submission.

### **37. (a) Unsolicited bids (National Treasury Practice Note No.11 of 2008/9)**

- (1) Criteria for consideration of an Unsolicited proposal:
  - (a) A comprehensive and relevant project feasibility study has established a clear business case; and
  - (b) The product or service involves an innovative approach to project development and management; or
- (2) The Accounting Officer must reject the unsolicited proposal if the proposal relates to known institutional requirements that can, within reasonable and practicable limits, be acquired by conventional competitive bidding methods.
- (3) Use of external consultants. The municipality may seek advice from independent consultants or experts provided that:



- (a) An appropriate undertaking be obtained from any such person that any confidential material or information provided by the proponent will not be disclosed to anyone other than an employee or agent of such a third party who will, in turn treat the information or material as confidential and give an undertaking to do so; and
- (b) The cost of obtaining independent advice will be incurred by the institution, unless the proponent withdraws the proposal prior to entering into an unsolicited proposal agreement, in other which event the proponent will be liable to the institution for these costs.

### **38. Combating of abuse of supply chain management system (bid rigging)**

- (1) The Accounting Officer must–
  - (a) Take all reasonable steps to prevent abuse of the supply chain management system;
  - (b) Investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
    - (i) take appropriate steps against such official or other role player; or
    - (ii) report any alleged criminal conduct to the South African Police Service;
  - (c) Check the National Treasury’s database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
  - (d) Reject any bid from a bidder–
    - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or
    - (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
  - (e) Reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
  - (f) Cancel a contract awarded to a person if –
    - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
    - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
  - (g) Reject the bid of any bidder if that bidder or any of its directors –
    - (i) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
    - (ii) has been convicted for fraud or corruption during the past five years;
    - (v) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five

years; or has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

- (2) The Accounting Officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of sub-sections (1)(b)(ii), (e) or (f) of this policy.
- (3) Section 4(1)(b)(iii) of the competition act No.89 of 1998, as amended, prohibits any agreement between or concerted practice by firms, or a decision by association of firms, if it is between parties in horizontal relationship and if it involves collusive bidding/ tendering (or bid rigging).
- (4) In order to deter any form of collusive bidding (bid rigging), bidders shall confirm that they have not entered into any such practices by completing a certificate to that effect.
- (5) The standard document pertaining to the certification of the independent bid determination shall accompany all price quotation, advertised competitive bids, limited bids and proposals.
- (6) SPM is required to utilise the information contained in the Certificate of Independent Bid Documentation (MBD 9) to ensure that when bids are considered all reasonable steps are taken to prevent any form of bid rigging.

### **39. Logistics Management**

- (1) The Accounting Officer must establish and implement an effective system of logistics management, which must include –
  - (a) No issuing of store items or the commencement of the procurement process may take place without a properly completed requisition form.
  - (b) The monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
  - (c) The setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
  - (d) The placing of manual or electronic orders for all acquisitions including those from petty cash;
  - (e) Before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
  - (f) Appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
  - (g) Regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes;
  - (h) Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services; and
  - (i) The maintenance and administration of term contracts is co-managed with acquisition management for general goods/ services.

- (j) Only orders created via the official SPM mechanism will be deemed valid by SPM.

#### **40. Disposal Management**

- (1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets are subject to sections 14 and 90 of the Act.
  - (a) Two separate disposal committees may be appointed by the Accounting Officer for the disposal of movable and immovable capital assets for a period so determined by the Accounting Officer.
  - (b) For movable capital assets, the composition would be consistent with the Asset Management Policy;
  - (c) Before disposal of immovable assets refer to section 14 of the MFMA and the Municipal Asset Transfer Regulations (no. R.878);
  - (d) Such a disposal committee are advisory committees to the Municipal Manager on the disposal of capital assets and do not replace any of the bidding committees.
- (2)
  - (a) Assets may be disposed of by:
    - (i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
    - (ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
    - (iii) selling the asset; or
    - (iv) destroying the asset.
  - (b) The Accounting Officer must ensure that:
    - (i) immovable property may be sold only at market related prices except when the public interest or the plight of the poor demands otherwise in accordance with section 14 of the MFMA;
    - (ii) movable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous to the municipality;
    - (vi) in the case of disposable computer equipment, the provincial department of education must first be approached to indicate within 30 calendar days whether any local schools are interested in the equipment; and
    - (iv) in the case of disposable firearms, National Conventional Arms Control Committee has approved any sale or donation of fire arms to any person or institution within or outside the Republic; provided that:
  - (c) Immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise; and all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed.
  - (d) Ensure that where assets are traded in for other assets, the highest possible trade-in price is negotiated.

(3) Competitive bids: The sale and letting of assets:

- (a) The sale and letting of assets above a transaction value of R200 000 (VAT included) and long-term contracts may only be procured through a competitive bidding process, subject to subsection 11(2) of this Policy.
- (b) The sale and letting of assets less than a transaction value of R200 000 (VAT included) may only be procured through a formal written price quotation ( 7 days web quote).
- (c) The sale and letting of assets above an estimated transaction value of R200 000 (VAT included), may not be deliberately split into parts or items of lesser value merely for the sake of selling or letting such assets otherwise than through a competitive bidding process.
- (c) The preference point systems prescribed in the PPPFA and the Preferential Procurement Regulations, 2011 are not applicable to the sale and letting of assets.
- (d) In instances where assets are sold or leased by means of advertised complete bids or written price quotations or by auctions the award must be made to the highest bidder.

**41. Risk management**

- (1) A Supply Chain Management policy must provide for an effective system of risk management for the identification, consideration and avoidance of potential risks in the Supply Chain Management system.
- (2) Risk management must include:
  - (a) the identification of risks on a case-by-case basis;
  - (b) the allocation of risks to the party best suited to manage such risks;
  - (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
  - (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
  - (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.
- (3) The MFMA requires the accounting officer to effectively to manage risk as well as ensure that an effective fraud prevention plan is in place as part of ensuring good governance and effective management of resources of the municipality.
- (4) A systemic risk management framework which shall incorporate a regular assessment of the relevant risk shall be developed.
- (5) Risks shall be identified upfront on a case-by-case bases.

**42. Performance management**

- (1) A Supply Chain Management policy must provide for an effective internal monitoring system in order to determine, on the basis a retrospective analysis, whether the authorised supply chain management processes are being followed.

- (2) In the monitoring of supply chain management performance, the accounting officer together with the Chief Financial Officer, must set goals and performance criteria for SCM officials against which performance can be measured.
- (3) Three (3) months prior to the expiration of an existing contract, the end-user department must be notified by SCM to submit new procurement plan.

## **CHAPTER 4: OTHER MATTERS**

### **43. Prohibition on awards to persons whose tax matters are not in order** (in line with National Treasury circular 90 and NT instruction note no.7 of 2017/18)

- (1) Municipality may not make any award above R10 000 to a person whose tax matters have not been declared by the South African Revenue Service to be in order until written proof from SARS of their tax compliance status or proof from SARS that they have made an arrangement to meet their outstanding tax obligation.
- (2) If the recommended bidder is not tax compliant, the bidder should be notified of their non-compliant status and the bidder must be requested to submit to the municipality within 7 working days.
- (3) The proof of tax compliance status submitted by the bidder to the municipality must be verified via the CSD or E-filing.
- (4) The accounting officer should reject any bid submitted by the bidder, if such bidder fails to provide proof of tax compliance status within the time frame stated above.
- (5) Where goods or services have been delivered satisfactorily without dispute, accounting officers should not delay processing of invoices due to outstanding tax matters.

### **44. Prohibition on awards to persons in the service of the state**

- (1) Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy:
  - (a) who is in the service of the state;
  - (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
  - (c) a person who is an advisor or consultant contracted with the municipality.
  - (d) any persons or directors in the service of the state, or has been in the service of the state in the previous twelve months are not allowed to do business with the municipality and this exclude non-executive directors as per definition in (e) below.
  - (e) a Non-Executive Director is an independent member of the company's board or committee or tribunal, but he or she does not possess the management responsibilities and get paid a service fee not a salary.
- (2) Any person or service provider who fails to disclose his or her employment status with organs of state, his or her contract will be terminated immediately, the service provider shall be deregistered and shall not be allowed to bid for a period not less than three years and shall be reported to National Treasury for blacklisting.

#### **45. Awards to close family members of persons in the service of the state**

- (1) The Accounting Officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 (incl. VAT) to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including:
  - (a) the name of that person;
  - (b) the capacity in which that person is in the service of the state; and
  - (c) the amount of the award.

#### **46. Ethical standards**

- (1) A code of ethical standards as set out in the "*SPLM's code of conduct for supply chain management practitioners and other role players involved in supply chain management*" is attached as annexure c in order to promote:
  - (a) mutual trust and respect; and
  - (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.
- (2) Municipal code of ethical standards must stipulates that an official or other role player involved in the implementation of the supply chain management policy of the municipality
  - (a) Must treat all providers and potential providers equitably
  - (b) May not use her or his position for private gain or to improperly benefit another person
  - (c) May not accept any reward, gift, favour, hospitality or other benefits directly or indirectly, including to any close family members, partner or associate of that person
  - (d) Notwithstanding sub-regulation (2)(c), must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefits promised, offered or granted to that person or to any close family member, partner or associate of that person
  - (e) Must declare to the accounting officer details of any private or business interests which that person or any close family member, partner or associates may have in any proposed procurement or disposal process of, or in any award of a contract by, the municipality
  - (f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person or any close family members, partner or associate has any private or business interest.
  - (g) Must be scrupulous in his or her use of property belonging to the Municipality
  - (h) Must assist the Accounting Officer in combating fraud, corruption, favouritism and unfair and irregular practices in the SCM system.
  - (i) Must report to the Accounting Officer any alleged irregular conduct in the SCM system which that person may become aware of including:
    - (i) Any alleged fraud, corruption, favouritism or unfair conduct
    - (ii) Any alleged contravention of regulation 47(1)
    - (iii) Any alleged breach of code of ethical standards
- (3) A supply chain management policy must:
  - (a) Determine that all declarations in terms of sub-regulation (2) (d)and (e) must be recorded in a register which Accounting Officer must keep for this purpose.

- (b) Determine that all declaration by the Accounting Officer must be made to the Mayor of the Municipality who must ensure that declarations are recorded in the register, and
- (c) Contains measures to ensure that appropriate action is taken against any official or other role players who commits a breach of code of ethical standards.
- (4) A SCM Policy must take into account the National Treasury code of conduct for SCM practitioners and other role players involved in SCM.
- (5) A Municipality may adopt the National Treasury code of conduct for SCM practitioners and other role players involved in SCM. When adopted such code of conduct becomes binding on all officials and other role players involved in the implementation of SCM Policy of the Municipality.
- (6) Sub-regulation (2) (c) does not apply to gifts less than R350 in value.
- (7) A breach of the code of ethics must be dealt with as follows:
  - (a) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
  - (b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
  - (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.
- (8) All committee members and SCM practitioners may be vetted by the National Intelligence Agency (N.I.A).
- (9) A "Confidential" financial declaration of interest form may be completed by all Bid Adjudication members and submitted to the Accounting Officer annually.
- (10) A cooling off period for former employees and councillors will apply: they will be prohibited for a period of 12 months after leaving the municipal services to participate in any SCM activities e.g. rendering goods /services or consulting services to the Municipality or its entity if established.

**47. Inducements, rewards, gifts and favours to municipalities and other role players**

- (1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant:
  - (a) any inducement or reward to the municipality for or in connection with the award of a contract; or
  - (b) any reward, gift, favour or hospitality to:
    - (i) any official; or
    - (ii) any other role player involved in the implementation of this Policy.
- (2) The Accounting Officer must promptly report any alleged contravention of sub-section (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- (3) Sub-section (1) does not apply to gifts less than R350 in value.
- (4) All supply chain practitioners and bid committee members must disclose annually rewards, gifts and favours to the Accounting Officer or his delegate who will maintain a Gift Register.

- (5) The Accounting Officer will disclose any such gifts and or favours annually to the Executive Mayor.

#### **48. Sponsorships**

- (1) The Accounting Officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –
  - (a) a provider or prospective provider of goods or services; or
  - (b) a recipient or prospective recipient of goods disposed or to be disposed.

#### **49. Objections and complaints**

- (1) Municipality must allow persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within fourteen (14) calendar days of the decision or action, a written objection or complaint against the decision or action to the Accounting Officer, on the prescribed grievance forms.
- (2) Objections and complaint must be in writing addressed to the Accounting Officer of the Municipality.
- (3) Unsuccessful bidders notice must be published on the website of the Municipality stating reasons for being unsuccessful.

#### **50. Resolution of disputes, objections, complaints and queries**

- (1) The Accounting Officer must appoint an independent and impartial person, not directly involved in the supply chain management processes:
  - (a) to assist in the resolution of disputes between the municipality and other persons regarding:
    - (i) any decisions or actions taken in the implementation of the supply chain management system; or
    - (ii) any matter arising from a contract awarded in the course of the supply chain management system; or
  - (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) The Accounting Officer, or another official designated by the Accounting Officer, is responsible for assisting the appointed person to perform his or her functions effectively. A complaints register must be implemented and maintained per annum.
- (3) The person appointed must:
  - (a) strive to resolve promptly all disputes, objections, complaints or queries received; and
  - (b) submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if:
  - (a) the dispute, objection, complaint or query is not resolved within 60 days; or
  - (b) no response is forthcoming within 60 days.



- (5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.
- (6) This regulation must not be read as affecting a person's rights to approach a court at any time.
- (7) Publish bid results on Municipal website e.g. company name and price.

#### **51. Contracts Providing for compensation based on turnover**

- (1) If a service provider acts on behalf of a municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate:
  - (a) a cap on the compensation payable to the service provider; and
  - (b) that such compensation must be performance based.

#### **52. Promotion of Environmentally Friendly Procurement**

- (1) The Municipality commits itself to environmentally friendly procurement when procuring goods and services, including, but not limited to:
  - (a) the incorporation of energy efficiency measures when procuring electrical supplies such as bulbs, globes etc.
  - (b) the adoption of an integrated waste management strategy such as investigating recycling options and the handling of hazardous substances.
  - (c) compliance with green building guidelines and standards (SANS).
  - (d) sourcing and using resources that are renewable as far as possible.
  - (e) consider the extent of pollution of using the type, quantity and energy of materials procured.
  - (f) source vehicles and equipment that are more energy efficient and produce less pollution.

#### **53. Breach of Policy**

Any person in the employment of the Municipality who contravenes the Supply Chain Management Policy shall be liable for disciplinary charges in line with the disciplinary policy of the Municipality and/or subjected to criminal or civil charges.

#### **54. Prequalification criteria for preferential procurement**

If the Bid Specification or any other Committee as appointed by the Accounting Officer decides to apply pre-qualifying criteria to advance certain designated groups, the bid shall therefore be advertised with a specific tendering condition that only to one or more of the following tenderers may respond:

- (1) a tenderer having a stipulated minimum B-BBEE status level of contributor;
- (2) an EME or a QSE
- (3) a tenderer subcontracting a minimum of 30% to-
  - a. an EME or QSE which is at least 51% owned by black people;

- b. an EME or QSE which is at least 51% owned by black people who are youth; (or an EME or QSE which is at least 51% owned by black people who are women;
  - c. an EME or QSE which is at least 51% owned by black people with disabilities;
  - d. an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
  - e. a cooperative which is at least 51% owned by black people;
  - f. an EME or QSE which is at least 51% owned by black people who are military veterans; an EME or QSE.
- (4) A tender that fails to meet any pre-qualifying criteria stipulated in the tender documents is an unacceptable tender.

#### **54. (a) Compulsory subcontracting**

- (1) If feasible to subcontract for a contract above R30 million, an organ of state must apply subcontracting to advance designated groups.
- (2) If the municipality applies subcontracting as contemplated in sub-regulation (1), the organ of state must advertise the tender with a specific tendering condition that the successful tenderer must subcontract a minimum of 30% of the value of the contract.

#### **55. Validity period**

- (1) Bidders should be required to submit bids valid for a period not exceeding **ninety (90) days**. This period should be sufficient to enable the bid committees to complete the comparison and evaluation of bids, review the recommendations and award the contract.
- (2) Line Managers must submit a technical report within fourteen calendar days from the closing date of the tender and for web quotes is five calendar days.
- (3) All tenders may be extended beyond the ninety days to **hundred and twenty (120) days** as and when required.
  - (a) An extension must be requested by the line manager in writing before the expiration date.
  - (b) The granted extension should not exceed thirty (30) days to award.
  - (c) In the case of fixed price contract, no price adjustment can be made within the first 12 months cycle for the successful bidder.
  - (d) Cooling off period is not applicable for Goods and Services tenders and SCM has to notify all stakeholders through various communication platform.
  - (e) Cooling off period for CIDB tenders is not applicable but when re-advertising for the third time the municipality must obtain approval from National Treasury.

#### **56. Evaluation of bids based on functionality as a criterion**

In general, the need to invite bids based on functionality as a criterion depends on the nature of the required commodity or service considering quality, reliability, viability and durability of a service and the bidder's technical capacity and ability to execute a contract.

When the municipality invites a bid that will also be evaluated based on functionality as a criterion, the Accounting Officer or the Bid Specifications Committee must clearly specify the following aspects in the bid documents:

- a) Evaluation criteria for measuring functionality  
The evaluation criterion may include criteria such as the consultant's relevant experience for the assignment, the quality of the methodology; the qualifications of key personnel; transfer of knowledge, etc.
- b) Weight of each criterion  
The weight allocated to each criterion should not be generic but should be determined separately for each bid on a case by case basis.
- c) Applicable value  
The applicable values that will be utilized when scoring each criterion should be objective. As a guide, values ranging from 1 being poor, 2 being average, 3 being good, 4 being very good and 5 being excellent, may be utilized.
- d) Minimum qualifying score for functionality  
The minimum qualifying score that must be obtained for functionality in order for a bid to be considered should not be generic. It should be determined separately for each bid or on a case by case basis. The minimum qualifying score must not be prescribed so low that it may jeopardize the quality of the service required nor so high that it may be restrictive to the extent that it jeopardizes the fairness of the SCM system.

The evaluation criteria for measuring functionality must be objective. The tender documents must specify:

- The evaluation criteria for measuring functionality;
- The points for each criteria and, if any, each sub-criterion; and
- The minimum qualifying score for functionality.
- The minimum qualifying score for functionality for a tender to be considered further.

Points scored for functionality must be rounded off to the nearest two decimal places. A tender that fails to obtain the minimum qualifying score for functionality as indicated in the tender documents is not an acceptable tender.

Each tender that obtained the minimum qualifying score for functionality must be evaluated further in terms of price and the preference point system and any objective criteria envisaged in Section 11 of Preferential Procurement Regulation of 2017.

## **57. Extension of Contract**

- (1) The municipality may not extend the contract for more than three months; however, this may occur under circumstances in which clear and justifiable reasons have been provided to the approval authority to extend such contract. Any such extension may not approved, if the purpose is to circumvent the competitive bidding mechanisms of the procurement policy.
- (2) The value of the extension may not exceed the original approved value of the contract.
- (3) Approval for the extension of contract shall be obtained from the delegated structure that approve the original award of the bid.
- (4) Where prices are amended for the extended period, the reasonableness of prices shall be established and approved by the delegate structure referred above.
- (5) The extension of a contract shall be requested 3 months in advance and finalised before the expiry date of the current contract.

- (6) Where justifiable reasons are provided for extending a contract, the relevant application may be considered favourably and contractors may be approached by the line manager with the request to indicate whether they are prepared to extend the contract period.
- (7) The system contracts such financial system and other related software system must be registered with the ICT and there must be an SLA in place.
- (8) In of case software system, contract may be extended on a month to month basis for a period not exceeding 12 months.

## **58. Variation of contracts**

- (1) The expansion or variation of orders against the original contract has, however led to a wide scale abuse of the current SCM system.
- (2) In order to mitigate such practices, accounting officers of municipalities and municipal entities are advised that contracts may be expanded or varied by not more than 20% for construction related goods, services and/or infrastructure projects and 15% for all other goods and/or services of the original value of the contract
- (3) If it is recognised that, in exceptional cases, an accounting officer of a municipality or municipal entity may deem it necessary to expand or vary orders against the original contract.
- (4) Contracts may be amended/varied/modified according to SPM delegated powers to achieve the original objective of the contract.
- (5) All contractual parties shall agree to the amendment in writing.

## **59. Contract Termination**

- (1) Municipality may terminate a contract awarded to a supplier of goods and services;
  - i. If the supplier committed any proven corrupt or fraudulent act during the bidding process or the execution of the contract.
  - ii. If any official or other role player committed any corrupt or fraudulent act during the bidding process or the extension of that contract that benefits the supplier.
  - iii. Termination of a contract may be considered for a variety of reasons, as stipulated in the general conditions of contract, such as delayed deliveries, failing to perform any other contractual obligation or if the supplier has engaged in corrupt and fraudulent practices and insolvency.
  - iv. Contract termination may be affected if allowed for in the contractual conditions and if both parties agree to the termination in writing.

## **60. Local Production and Content**

**Definition:** “According to SATS 1286:2011, local content of a product is the tender price the value of important context, expressed as a percentage. It is, therefore, necessary to first compute the imported value of a product to determine the local content of a product.”

- (1) The municipality with the Department of Trade and Industry in consultation with National Treasury assigned designated sectors, sub-sectors or industries or products for local production and content.
- (2) The municipality must advertise the tender with a specific condition that only locally produced goods or locally manufactured goods with a stipulated minimum threshold for local production and content will be considered.

- (3) The threshold referred to in sub-section (2) must be in accordance with the standards determined by the Department of Trade and Industry in consultation with National Treasury.
- (4) A tender that fails to meet the minimum stipulated threshold for local content and production is an unacceptable tender.
- (5) According MFMA circular 62 all local content bids must include Municipal Bid Document (MBD 6.2) 'Declaration Certificate for Local Production and Content for Designated Sectors' All Annexures (A-E).
- (6) A tender must complete Declarations B, C, D and consolidate the information on E. Annexure C must be submitted with the tender by the closing date and time as determined by the Municipality. The municipality reserves the right to request that Declarations D and E also be submitted. If the tenders is successful, the tender must continuously update Declarations C, D and E with actual values for the duration of the contract.

## **61. Joint Venture Companies**

Companies or bidders bidding as Joint venture must include their consolidated

- (1) Signed Joint Venture Agreement by both parties
- (2) Joint B-BBEE certificate
- (3) Separate Tax compliance status pin for both companies
- (4) Separate CSD report for both companies
- (5) Separate Municipal accounts for both Companies/Valid lease agreement or in case where one municipal account is submitted, it must that of the lead partner in the Joint Venture companies.
- (6) MBD 4,8 & 9 must be completed respectively by both parties and submitted as part of the bid document

## Guideline to the SCM Policy amendments or additions: 14 March 2022

The Supply Chain Unit has undertaken a process to review their policies on annual basis in line with the requirements of regulations. The area of focus in the SCM policy are indicated below for ease of reference for your consideration:

- 1) The definitions of section 36 of deviations under emergency and exceptional cases on page 10 of the SCM policy.
- 2) **Section 12:** Range of procurement processes in which table 3 was inserted on page 17 of SCM policy.
- 3) **Section 13:** General preconditions for consideration of written quotations or bids in which a Tax clearance certificate was changed to Tax Compliance Status Pin and municipal accounts was considered not in arrears for 60 days and now has been changed in line with the regulation to 90 days.
- 4) **Section 13:** (c) & (d) definition of non-executive director
- 5) **Section 17:** (1) (a) and (b): has been changed to be in line with National Treasury: SCM Instruction No 02 of 2021/2022.
- 6) **Section 26:** Committee system for competitive bids: this clause has now be integrated into the policy for proper management of the appointment of members of bid committees by the MM: "All members of the three committees are appointed for 12 months and may be re-appointed for another 12 months (1<sup>st</sup> July to 30<sup>th</sup> June) and must declare their financial interest, sign the SCM code of conduct, and also declare business interest(s) as per Regulation 46(2)(e) and (f)."
- 7) **Section 27(2)(f): Bid specification Committee:** "The Bid Specification Committee must determine the Bid advert days in line with Supply Chain Policy". The clause was inserted after the AG queried the advert days (30 calendar days)
- 8) **Section 34:** Proudly South African Campaign / Locality: Table 4 was inserted in order to empower local businesses within the SPM.
- 9) **Section 36:** Under section 36(a) additions have been made which are: Conditions/Circumstances that necessitate deviations.
- 10) **Section 37:** under section 37 (a) additional information as National Treasury Practice Note No.11 of 2008/09 for unsolicited bids.
- 11) **Section 44:** (d) & (e) non-executive director
- 12) **Section 46:** Ethical standards: additions to subsection 2 and 3 were made.
- 13) **Section 55:** 3(d) & (e) cooling off periods
- 14) **Section 57:** Extension of Contracts: subsection 1 to 8 of the policy were added.
- 15) **Section 58:** Variation of Contracts and **Section 59:** contract termination are included in details in the Performance Contract Management Policy.

# **SOL PLAATJE LOCAL MUNICIPALITY**

**DIRECTORATE: FINANCIAL SERVICES**

**SUB-DIRECTORATE: SUPPLY CHAIN MANAGEMENT**



## **PROCEDURES FOR VARIATION ORDERS**

**Reviewed by EMT:**

**Adopted by Committee:**

**Noted by Council:**

## 1. INTRODUCTION

*The term “construction law” is universally understood to cover the whole field of law which directly affects the construction industry and the legal instruments through which it operates. However, construction law extends well beyond the law as such. Efficient and workable construction contracts require that the needs of the construction process should be considered by applying the principles of management. Construction contracts must also take account of disputes and their resolution. Construction law is thus an interactive subject in which both lawyers and construction professionals, including managers, have an essential part to play.*

Variation orders are common to all types of projects, and most if not all projects have the presence of variation clauses, thus admitting that no project can be completed without changes. Even if carefully planned, it is likely that there will be changes to the scope of theses. The contract, as the work progresses indicated that variations occur given the uniqueness of each project and the limited resources, time and money available for planning.

Construction contracts must make provisions for possible variations given the nature of building construction because construction projects involve complex operations which cannot be accurately determined in advance. A degree of change should be expected as it is difficult for clients to visualize the end product we are procuring. Unforeseen conditions<sup>4</sup> may arise which require measures that have not been provided for in the contract. Arguably, variation orders cannot be avoided completely and that it is hardly possible to complete a construction project without changes to the plans or the construction process itself due to the complexity of construction activities. Variation orders occur due to a number of reasons ranging from finance, design, aesthetic, geological, weather conditions to feasibility of construction, statutory changes, product improvement, discrepancies between contract Further, the human behaviour of parties to the contract cannot be predicted.

Variation orders may arise from changes in the minds of parties involved in the contract. Variation orders may be initiated either by clients or by contractors.



## 1.1 What is a contract?

A contract is an agreement entered into between two or more people with the intention of creating legally enforceable obligations. Once properly concluded, a contract is binding on each party. This means that each party has a legal obligation to do the things which the contract requires him or her to do. If a party does not do so, he or she may be in breach of the contract and the other party will have certain remedies, such as claiming for additional costs caused by the breach (called damages). They are also able to get a court order to force the party in breach to do what is required of them under the contract.

The law of contract is frequently the first ‘case law’ subject to which students are introduced when they commence their legal studies. The main reason for this is that contracts affect the general public more than most other areas of law and arise daily in business and commercial life. The contract is the most important stage in the process when land or buildings are transferred and when building projects are undertaken.

A contract is made up of a set of mutual promises stating the rights and obligations of the parties to that contract. These rights and obligations become enforceable by law and, therefore, parties rely on contracting and contracts in structuring their business relations.

Although parties have significant flexibility in setting the terms of their contracts the enforceability of these terms are subject to limits imposed by relevant legislation and common law. Contracts are, therefore, *private law created by the agreement between contracting parties within the parameters of well-established basic legal mechanisms.*

In order for a valid contract to come into existence, certain requirements must be satisfied. These requirements are:

- i) The parties should be competent to contract
- ii) There should be an agreement and consensus between parties
- iii) The contents or consequences of the contract should be possible at the time that the contract is entered into;

- iv) The subject matter of the contract should be legal;
- v) The contract should not be contrary to public policy;
- vi) The contract should be voluntarily, seriously and deliberately entered into for some reasonable cause;
- vii) The formalities required by law should be observed

**The contract should describe the following:**

1. What will be done;
2. How long it will take to complete;
3. How much it will cost and the payment terms;
4. What will be done if either party defaults; and
5. The extent to which the common law, which would usually apply, is adhered to.

1.2 What is an Agreement

The basis of a contract is agreement between the parties. The common law has developed a series of tests to determine whether or not agreement has been reached. These tests have been crystallised into the test of offer and acceptance. It is an accepted principle that:

*‘According to our law if two or more persons, of sound mind and capable of contracting, entered into a lawful agreement, a valid contract arises between them which is enforceable by action’*

**1.3 Offer and Acceptance**

An offer is defined as “... a declaration of intent made by a prospective party to a contract (the *offeror*) that contains proposals regarding the proposed contract, and that is of such a nature that mere acceptance thereof by the *offeree* (to whom the offer was made) creates a contract”.

When an offer has been made, no contract is formed until the *offeree* accepts the offer. Many offers (or counter-offers) may be made during contractual negotiations, yet there can always be only one acceptance. The point at which the offer is accepted has been described as the moment when consensus has been reached, a '*meeting of the minds*', or when the parties are '*ad idem*'. Contractual liability is based on this consensus or '*meeting of the minds*.' Steyn *et al.* defines an acceptance as "... an unqualified declaration of intent made by the *offeree*, approving the offer without reservation".

However, consent is not always as clear-cut as the express acceptance of an offer. It is sometimes necessary to make enquiries into surrounding circumstances to determine whether or not an offer has been accepted.

Accordingly, acceptance of an offer can be implied or tacit – i.e. it can be inferred from the circumstances that the offer has been accepted. However, acceptance (like an offer) must be clear and unequivocal so as to leave no doubt in the *offeror's* mind that the offer has been accepted.

A party to whom an offer has been made should not assume that the offer will remain open indefinitely. The party making the offer is free to revoke the offer at any time before acceptance by the other party (provided there is no express validity period). Once the offer is terminated, the party to whom the offer has been made can no longer accept that offer and form a valid contract. An offer is deemed to be open for a reasonable time when no time limit is stipulated.

Generally construction contracts take some degree of clarification and negotiation to finalise. During such negotiations, various statements may be made by the parties, which may be interpreted by one party (and not the other) as a firm offer. Our courts have distinguished certain statements from true offers, some examples are:

- Invitations to negotiate – these are statements made to induce another party to enter into a contract.
- Requests for a quotation (RFQ, RFP or enquiry) – a request to submit an offer/an invitation to do business.

- Statements of information – these usually relate to information made by one party in respect of the terms on which he is prepared to conduct business.
- Statements of intention/letters of intent – there is an extremely fine line between stating that you intend to contract and actually offering to do so. The fine line usually turns on whether the party making the offer indicated an intention to be bound by contract without further thought on his part.

## **2.1 Conditions – General**

A condition qualifies a contractual obligation in such a manner as to make implementation of that contractual obligation dependant on the occurrence (or non-occurrence) of an uncertain future event. The most distinguishing characteristic of a condition is that it relates to an *uncertain future event*.

In a contract, a condition operates to suspend, rescind, or modify the principal obligation under given circumstances. A further example of a condition is the condition common in most agreements of sale of an immovable property which stipulates that the agreement of sale is subject to the purchaser obtaining a bank loan of a certain amount. If the purchaser fails to obtain a loan as provided for in the agreement of sale, the obligations set out in the agreement fall away. This is known as a *condition precedent*, which is discussed further below.

Conditions can be used in contracts, offers and, in some instances, acceptance. Conditions are classified into different categories that describe the different types of conditions:

## **2.2 Suspensive conditions**

A suspensive condition *suspends* the operation of an obligation, in whole or in part, pending the occurrence or non-occurrence of a particular specified future event i.e. until certainty is reached in respect of that future event.

An example of a suspensive condition is a standard clause relating to special risks (FIDIC). In the event of a special risk occurring, such as an outbreak of war, and damage taking place to the site and/or contractor's equipment, the contractor shall be entitled to suspend the works and claim payment of the cost of rectifying the site and replacing his equipment.

Another example can be found in the new FIDIC red book, clause 4.24 which relates to “fossils” etc.:

*‘All fossils, coins, articles of value or antiquity, and structures and other remains or items of geological interest found on the site shall be placed under the care and authority of the employer. The contractor shall take reasonable precautions to prevent contractor’s personnel or other persons from removing or damaging any of these findings. The contractor shall, upon discovery of any such finding, promptly give notice to the engineer, who shall issue instructions for dealing with it.’*

### **2.3 Resolutive conditions**

A resolutive condition, on the other hand, does not postpone the operation of a contractual obligation – the obligation becomes effective immediately and operates in full, but the obligation may come to an end if certainty is reached in that the condition is fulfilled or in that it fails.

### **2.4 Condition precedent**

A condition precedent is a condition that the parties agree must be fulfilled before any contractual obligations at all come into existence between them. Usually the securing of financing for a project is a condition precedent to either party incurring contractual obligations.

Another example of a condition precedent is the obtaining of council approval before the project or contract commences.

### **2.5 Options**

An option is a right acquired under a contract and agreed to between the parties in terms whereof one party acquires a right to something that may be exercised and realised in specified circumstances. An option is actually a contract within a contract.

### 3. VARIATION ORDERS

A variation (sometimes referred to a variation, instruction, variation order or change order, is an alteration to the scope of works in a construction contract in the form of an addition, substitution or omission from the original scope of works.

Variation order means all changes to the job, which are ordered or approved as a change. The existence of variation order problems in the field that impact on the achievement of project targets and the company's profit target in the project comes from aspects of construction, administrative aspects, aspects of resources. From some cases projects have occurred with regard to variation orders causing increased cost of contract value (cost overruns).

Almost all construction projects vary from the original design, scope and definition. Whether small or large, construction projects will inevitably depart from the original tender design, specifications and drawings prepared by the design team. This can be because of technological advancement, statutory changes or enforcement, change in conditions, geological anomalies, non-availability of specified materials, or simply because of the continued development of the design after the contract has been awarded. In large civil engineering projects variations can be very significant, whereas on small building contracts they may be relatively minor.

#### ***Variations may include:***

- a) Extension of time
- b) Alterations to the design
- c) Alterations to quantities
- d) Alterations to quality
- e) Alterations to working conditions
- f) Alterations to sequence of work

Variations may also be deemed to occur if the contract documents do not properly describe the works actually required.

Variations may not (without the contractors consent):

- a) Change the fundamental nature of the works
- b) Omit work so that it can be carried out by another contractor

- c) Be instructed after practical completion
- d) Require the contractor to carry out work that was subject of a prime cost sum

In legal terms, a variation is an agreement supported by consideration to alter some terms of the contract. No power to order variation is implied, and so there must be express terms in contracts which give the power instruct variations. In the absence of such express terms the contractor may reject instructions for variations without any legal consequences.

Standard forms of contract generally make express provisions for the contract administrator (generally the architect or engineer) to instruct variations (for example, FIDIC Clause 51.1). Such provisions enable the continued, smooth administration of the works without the need for another contract.

Variation instructions must be clear as to what is and is not included, and may propose the method of valuation.

- a. Extension of time

Many construction contracts allow the construction period to be extended where there are delays that are not the contractor's fault. This is described as an extension of time (EOT).

Variations may (but do not necessarily) constitute relevant events that can merit an extension of time and so adjustment of the completion date.

#### **4. Construction Contingency**

A **construction contingency** is an amount of money set aside to cover any unexpected costs that can arise throughout a construction project. This money is on reserve and is not allocated to any specific area of work. Essentially, the contingency acts as insurance against other, unforeseen costs.

Determining the amount of contingency is a balancing act. On the one hand, you want to have enough contingency funds to cover any uncertainties. On the other hand, you need enough cash on hand to keep construction going. Most projects will use a rate of around 5-10% of the total budget for contingencies.

#### **4.1 Types of Construction Contingencies**

There are two main types of construction contingency funds: contractor contingency and owner contingency.

##### ***4.1.1 Contractor Contingency***

A contractor contingency is an amount built into the contractor's anticipated price for the project to account for various risk factors that cannot otherwise be accounted for in a **schedule of values**. This money is set aside to account for any errors that occur on behalf of the contractor. Accordingly, contractors consider these funds *spent money*. Building this extra funding into your estimate is the contractor accepting the fact that unpredictable costs are all part of the construction biz.

##### ***4.1.2 Owner Contingency***

An owner's reserve is an amount set aside for additions or modifications of the scope of the work. These types of contingencies are used mainly in **guaranteed maximum price (GMP) contracts**. Changes and mistakes are not always the contractor's fault. Any changes that are not included in the initial bid will have to be paid by the owner funded contingency. Incomplete plans or owner directed changes are the leading causes of dipping into an owner contingency fund.

#### **4.2 Creating a Construction Contingency Budget**

When encountering a construction contingency clause in your contract, it is essential to keep an eye out for a few things. First, it should detail both the owner's contingency and the contractor's contingency. They should list any and all predetermined costs that the contingency should be used for.

The list could include anything from incomplete designs, **construction project delays**, substitute subcontractors, price increases, and any other number of unexpected costs. This is generally referred to as the contingency budget.



#### 4.2.1 Schedule Delay: How to Assess & Reduce Impact in Construction

Anyone in the construction trade knows that schedule delays are part of the gig. In fact, 80 percent of construction businesses expect delays on at least some, if not all, of their projects. It is proven that one out of every three contractors finishes their projects on time.

Below are the different types of schedule delays are, as well as these can be handled.

#### 4.2.2 *Critical delays*

When determining the type of delay you're dealing with, the first thing you need to consider is if it's a critical delay.

If a delay affects the project's completion date, it's a **critical delay**. A delay that affects important milestones on the project (which always have the potential to affect the project completion date) can also be a critical delay.

By their nature, you can't make up for critical delays. Skilled management can minimize the long-term effects, but you can't completely absorb the delay elsewhere in the project.

The main factor determining whether a delay is critical is if it affects any of the waypoints set by the **Critical Path Method** (CPM). If a delay prevents or delays reaching any of the CPM milestones, you've got a critical delay on your hands.

If you compare your schedule delay against the CPM and there are no changes, you're dealing with a **non-critical delay**.

#### 4.2.3 *Excusable delays*

Once you determine the effect that the delay will have on the project's timeline, it's time to assign some blame (well, not really). Rather than jumping straight to laying blame, you need to determine whether the delay is excusable or not.

If your new timeline results from something outside of the contractor's scope or control, it's **excusable**. You can't hold someone responsible for an aspect of the project that they simply cannot control.

Excusable delays can include things like dangerous or impending weather conditions, **customer or owner change orders**, hidden issues with the property, or errors in the project specs.

On the other hand, **inexcusable delays** are a whole other animal: These delays are definitely someone's fault. Whether it's a sub's fault for not ordering materials on time, poor planning on the part of the GC, or faulty craftsmanship somewhere in the project, someone specific is to blame.

#### ***4.2.4 Compensable delays***

While you're sorting through the delay, you have to determine if someone should receive compensation. Compensation can come in the form of more time, more money, or both.

If the delay affects a party, and that party has nothing to do with causing the delay, it's likely **compensable for that specific party**. If the drywallers have to wait because the subcontractor responsible for order insulation made a mistake, the drywallers should receive compensation in the form of a longer deadline (at the least).

In this case, the drywallers' delay is compensable, but the delay of the sub responsible for the insulation is not — the delay of the sub responsible is also inexcusable.

#### ***4.2.5 Concurrent delays***

Concurrent delays and their effects are where things get particularly cloudy. Concurrent delays occur when two or more delays occur on a project. These two delays don't need to occur at exactly the same time but instead happen within a particular window, overlapping each other. Concurrent delays can compound the issue, and they're very difficult to sort

through. Determining if either, or both, are compensable or excusable can be extremely challenging.

#### **4.2.6 Schedule delays**

Schedule delays are a lot like snowflakes: No two are exactly alike. There are many ways that a project's schedule can go sideways. The following are schedule delays:

##### **4.2.7 Weather delays**

Avoiding bad jokes about weathermen always being wrong, the reality is that you simply cannot plan for the weather. Sure, you can tailor your project to start in the spring and end in the fall, but a lot of **bad weather that can result in long construction delays** can happen in that window.

##### **4.2.8 Budget delays**

Budget delays can bring a project to a complete standstill. Whether it's because the contractor misquoted the estimate, or the owner can't secure financing, there can be major delays.

##### **4.2.9 Labor scheduling**

Construction coordination isn't always straightforward. A subcontractor managing several projects at once can lead to light crews and delayed timelines.

##### **4.2.10 Lack of communication**

**Communication is crucial to any construction project.** Communication between subs, site management, and the owner is absolutely key for a successful project. Without the proper channels to follow, issues that come up can go unreported or unnoticed. They'll compound into much larger problems that cause delays.

#### 4.2.11 Site coordination

These delays arise from contractors and between subcontractors blaming each other. The reality is that at some point, most subs' time on a project consists of sitting around, waiting for another contractor to finish their job — or, worse, waiting on the GC for an approval — before they can proceed.

This downtime adds up into an inefficiency-snowball, tacking days and weeks onto the project. Better coordination and communication can lead to less downtime and faster approvals.

#### 4.2.12 Pandemics

Some delays are entirely out of everyone's hands, and pandemics are one of them. COVID-19's effect on the construction industry continues to mount.

At one point, the majority of projects were on hold in some parts of the country. Once sites reopened, labor and materials shortages continue to plague projects, extending their schedules

### 5 Planning a project:

#### 5.1 Set realistic expectations

Setting an unrealistic deadline or budget doesn't do anyone any good. While no one will fault you for being a go-getter, setting a deadline you know will be difficult to meet is setting your project up for failure (or at least a missed deadline).

When you're running full speed, the slightest slip can cost you your footing. Instead of pushing yourself and your crews at redline, **set up realistic goals and timelines that you can both reach**, allowing some room to absorb small delays along the way.

## 5.2 Update the construction contract

Your contract can help or hurt you in the event of a schedule delay. Be sure to set it up to help by including the common excusable delays in your contract. Be sure they include a force majeure clause, as so many have realized the benefits of one recently.

If there's one thing to avoid in your contract, it's a No Damage for Delay clause, which can mean you won't see any compensation for any delay, **excusable or otherwise**.

Also, you should outline any changes along the way in by using change orders. A change order essentially acts as the new contract after a change like a delay.

## 5.3 Watch your lien & notice deadlines

Schedule delays don't just affect the flow of work; they can very easily impact payments to contractors, subs, and suppliers on the job, too. If a project delay is causing a payment delay, keep a close eye on your state's mechanics lien rules.

Each state has deadlines for sending notice and/or filing a lien. Miss the deadline and you could lose one of the most powerful tools in your payment toolbox.

## 5.4 Encourage collaboration and transparency

Creating a jobsite atmosphere where subcontractors are comfortable reporting issues to site management can go a long way toward avoiding significant project delays. By creating channels for communication, you'll create a collaborative and transparent environment where everyone works together to address problems.

The opposite of this environment is a scenario where subs feel like they need to hide issues or handle issues by themselves. This can lead to bigger problems that fall outside of their limited scope, becoming widespread delays.

## 5.5 Negotiate

We've already established that delays will probably happen on a project. Once you accept that, you can think objectively and come to a creative resolution. Sometimes that creative resolution requires a scheduling adjustment. Other times, creativity might mean adjusting payment terms or amounts.

When you're willing to negotiate over the terms of a delay, you're able to minimize its effects on the project and solve it quickly.

## 6 Versus Contingencies:

Allowances and contingencies are often confused with one another, but understanding their differences is crucial to successfully executing project contracts.

One simple, yet effective, way to remember these differences is that allowances are the "known" unknowns, such as underground utility conflicts, while contingencies are for the "unknown" unknowns, such as changes in a project's scope. Allowances are typically used to cover the scope of items where the extent of the work is not known at the time the guaranteed maximum price (GMP) is submitted. On water treatment plant facilities, this unknown work may include the type and quantity of structural concrete repair, underground utility conflicts, or performance coating repairs to name a few. These variances in quantities and types, and therefore price, are typically reconciled with the allowance. Through the change order process, the change order is either added or deducted from the contract price depending on whether the amount of established allowance is exceeded or under-run.

The "unknown" unknown, or contingency, is the dollar amount added to an estimated price that allows for items or conditions that are uncertain and require additional costs. There are two primary types of contingencies: owner- and contractor-specific. Owner contingencies include those amounts reserved for additions to the project's scope or owner's risk items, while contractor contingencies are the amounts built into the contractor's anticipated price for the project to account for contractor risk. Owner contingencies often arise on projects with a GMP, in which the owner funds the contingency, so that costs arising from risks are drawn

from this contingency fund until it is exhausted. Any unused funds are typically reverted to the owner or are shared with the contractor.

A contractor contingency is used when there is a degree of statistical certainty that unpredictable individual costs will arise. Often thought of as “spent money,” this type of contingency is set at a level that balances the desire to have liquidity with the contractor’s need to control risk on a project, such as risks associated with incomplete designs, scope errors, or escalation. The contractor’s contingency exists to mitigate project-related risks for which the contractor is responsible, and it’s critical for parties to not lose sight of the basic purpose of the contractor’s contingency; it should not be viewed as a possible source for project cost savings. Again, any unused funds are typically reverted to the owner or are shared with the contractor.

Early in the preconstruction process, the contracting team should have a detailed risk management discussion to outline the risks associated with the project. During this discussion, the teams should discuss:

- Differences between allowances, contractor contingencies, and owner contingencies;
- Possible risks on the project and how these can be covered through use of the above;
- The agreeable amounts of the allowance or contingency, whichever is chosen;
- What will happen with unused contingency or allowance, or if the contingency or allowance are overrun at the end of a project.
- Once the team determines to move forward with a contingency, whether contract- or owner-specific, the clause should:
- Clarify both the owner’s contingency and the contractor’s contingency;
- Describe the types of costs or risks for which the contingency is to be used;
- Determine a process by which contingency is accessed during the project, and the paperwork and approvals needed to use contingency;

- Outline whether there is supplemental funding of contingency, if there is an overrun, and whether or not there is sharing of unspent contingency at project closeout.

## 7 WASTE ASSOCIATED WITH VARIATION ORDERS

The nature of variation orders can be determined by referring to both the reasons for their occurrence and subsequent effects. So far, there are two distinguishable types of variation orders, namely beneficial and detrimental variation orders. A beneficial variation order is one issued to improve the quality standard, reduce cost, schedule, or degree of difficulty in a project). A beneficial variation order eliminates unnecessary costs from a project; and as a result, it optimizes the client's benefits against the resource input by eliminating unnecessary costs. However, it should be noted that regardless of how beneficial a variation order might be non-value-adding costs are likely to accrue as a result. A detrimental variation order is one that negatively impacts the client's value or project performance. Arguably, a detrimental variation order compromises the economical value of the project.

While most construction industry stakeholders are arguably interested in the reduction of overall production costs, they are not always aware of the extent of non-value adding activities on construction projects. Consequently, there is a lack of knowledge about non-value-adding costs associated with variation orders. The realistic quantification of such costs is problematic due to lack of appropriate techniques for their measurement. In common practice, non-value-adding costs arising from variation orders that are typically transferred to the client are underestimated. For example, one may be able to calculate the costs of aborted works, but non-value-adding costs arising from non-productive time, redesign and overheads are not attributed to such an activity. Very often these costs are unknowingly transferred under the account of contingencies.

## 8 Valuation of Variations

Variations may give rise to additions or deductions from the contract sum. The valuation of variations may include not just the work which the variation instruction describes, but other expenses that may result from the variation, such as



the impact on other aspects of the works. Variations may also (but not necessarily) require adjustment of the completion date.

Variations may be valued by:

- a) Agreement between the contractor and the client
- b) The cost consultant
- c) A variation quotation prepared by the contractor and accepted by the client
- d) By some or other method agreed by the contractor and the client

Valuations of variations are often based on the rates and prices provided by the contractor in their tender, provided the work is of a similar nature and carried out in similar conditions. This is true, even if it becomes apparent that the rates provided by the contractor were higher or lower than otherwise available commercial rates.

The contractor's rates do not become reasonable or unreasonable by the execution of variations. If similar types of works to those instructed by a variation cannot be found in the drawings, specification or bills of quantities, then fair valuation of the contractor's direct costs, overheads and profit is necessary.

However, NEC contracts do not value variations based on rates in the tender. Guidance on assessing compensation events states:

*'Assessment of compensation events as they affect Prices is based on their effect on Defined Cost plus the Fee. This is different from some standard forms of contract where variations are valued using the rates and prices in the contract as a basis. The reason for this policy is that no compensation event for which a quotation is required is due to the fault of the Contractor or relates to a matter which is at his risk under the contract. It is therefore appropriate to reimburse the Contractor his forecast additional costs (or actual costs if the work has already been done) arising from the compensation event.'*

In other words, the contractor can ignore their tender pricing and claim cost plus on variations. However, there may be disagreements about items such as factory overheads and management which are very hard to evaluate. In addition, given the complexity and length of the supply chain in major building works, getting

forecast pricing from all the parties affected takes time, often beyond the date by which the contract administrator has to make the decision as to whether or not to instruct the variation.

They may then have to decide whether or not to proceed with a variation based on estimates from the cost consultant which in due course get replaced by the actual cost. It has been argued that this practicality defeats some of the rationale of the NEC contracts in relation to cost control and decision making.

## 9 Financing the Variation Order

1. If the Chief Financial Officer or his/her delegate confirms that the variation order estimate is not funded, then the variation order can be approved pending funding availability which may only be dealt with through the adjustment budget or by a mere virement with the limits of the Municipal Manager or the Chief Financial Officer. Confirmation must be made with the Project Owner if no standby funding was made available at the inception of the project such as contingency or similar funds.
2. If the Municipal Manager or the CFO have taken all reasonable steps to obtain funding but were unable, the Project Manager will have no obligation to further substantiate on the required funding nor commit to the contractor, the VO will be deemed expired, unless the contractor waives the requirement for additional funding for the scope as listed in the VO.
3. If the MM or CFO confirms funding availability to cover the VO, details of such funding shall be provided and confirmed by the BTO, and as such the Municipal Manager shall have the discretion whether the work under the VO should continue or not.

## 10 Payment of the Variation Order

If the variation order has been confirmed to be funded or funding requirement has been waived by the contractor, the price adjustment for the variation must be completed on the prescribed template and duly signed by the relevant authorities initiating and agreeing to the variation. The following must be considered when the price adjustment is taking place:

## 11 Source of conflict

Conflict can arise when work is not mentioned in the bills of quantities, drawings or specifications. In common law this silence does not mean the contractor has an automatic right to claim for extra payment. The client is not bound to pay for things that a reasonable contractor must have understood were to be done but which happen to be omitted from the bills of quantities.

Where there are items that, whilst they are not expressly mentioned, are nonetheless required in order to complete the works, then the contractor should have included them in their price. The bills of quantities and specification do not necessarily have to include 'every nail to be punched in'. For example, in fixing GRC façades it is necessary to have steel supports, and a reasonably experienced contractor must make provision for this in the contract price. Unless expressly excluded, such supports are not paid for as a variation.

Conflict can also arise when a sub-contractor qualifies that, for example, 'Supply & Fixing of Door is included' but 'Supply & Fixing of Ironmongery is excluded'. A reasonable sub-contractor should foresee that a door cannot be fixed without hinges – which is a part of the ironmongery. So even if ironmongery is excluded, the sub-contractor cannot expect a variation for any of the items required to fix the doors.

Also, under the pretext of variation, the contract administrator cannot change the nature of works. For example, if the contract provides for secant pile shoring, they cannot ask for diaphragm wall shoring as it will entirely change the nature of the work.

Further, if the contract administrator omits work from contractor's scope, such an omission must be genuine: that is, the work omitted must be omitted from the contract entirely, it cannot be used to take work away from the contractor to give it to another (for example, see FIDIC). Similarly, the contract administrator is not empowered to order variations to help the contractor if the contract works are proving too difficult or expensive for them.

## 12. Procedures for the approval and financing of variation order

A variation order may result in an unforeseen and unavoidable expenditure which is explained thoroughly in MFMA Section 29. In this case, once such a Variation Order is

approved, the Executive Mayor must present any expenditure incurred that was unforeseen to council within 60 days from date of approval. The following process must be followed:

1. In a case where the variation is initiated by the contractor, the following process must be followed:
  - a) At the site meeting or Project Steering Committee, the Variation must be discussed and recorded in the minutes
  - b) In a case of a project with consultants appointed, the consultant must verify the grounds as motivated by the contractor and obtain consensus from the Senior Manager responsible for the project outcome
  - c) The Variation Order must be proposed to confirm compliance with SCM or any other procurement guidelines and whether the variation can be split as separate scope of work, or scope amendment or just unforeseen and unavoidable expenditure.
  - d) CFO to confirm funds availability
  - e) In a case where funds are not immediately available, the CFO has about 60 days to look for funding, otherwise, the matter must be referred back to the PSC to discuss the implications of the lack of funding on the project deliverables
  - f) Once funded, the Variation Order is recommended by the CFO to the Municipal Manager for approval
  - g) The Head of SCM must correspond with the Contractor and BTO for budget adjustment, and the final budget be communicated to Payments Office for noting
2. In a case where the variation is initiated by the Project Manager or internally within the municipality, the following procedure will apply
  - a) Before raising the variation with the contractor and professional service provider on the project, a consensus memorandum from the Executive Director must be obtained, with the details of the variation, the impact on the project and the costs estimate
  - b) The signed memorandum must be presented to the BTO to discuss funding sources and funding availability

- c) If funds are available, the variation must be presented to the Project Steering Committee and assessed by the Professional Service Provider
- d) Once concurred upon, the minutes of the Project Steering Committee will serve as additional information to adjust the funds allocated to the project
- e) If the Variation necessitates an adjustment budget, the CFO is responsible for the tabling of such top Council.

## VARIATION ORDER

Contract No:	Variation Order No:			
Contract description (as per Procurement Plan)	Construction of Carters Ridge Sewer Outfall Mains.			
VO description/Motivation:				
How will this variation affect the contract period?				
<b>REASON AND MOTIVATION FOR VARIATION:</b>				
1. Reason for Variation:	Additional Work / Overtime	<input checked="" type="checkbox"/>	Design/ Plans Change	<input type="checkbox"/>
	Specification Change	<input type="checkbox"/>	Provisional Item	<input checked="" type="checkbox"/>
	Prime Cost Item	<input type="checkbox"/>	Unforeseen Events (photos must be attached)	<input type="checkbox"/>
<u>Variation % Calculation:</u>		Original contract amount (Vat Incl):	R	
		Previous variation orders (Vat Incl):	R	
		<b>Revised contract amount (Vat Incl):</b>	<b>R</b>	
		- Proposed variation order (Vat Incl)	R	
		<b>New Revised contract amount (Vat Incl):</b>	<b>R</b>	
Calculation of Variation % = ((B+D)/Ax100)				
2. Motivation:				
<b><u>3.Discussion</u></b>				
<b><u>3.1 Assessment of reason for variation</u></b>				
<b><u>Financial implications</u></b>				

## Conclusion

Appointed Contract Amount	
VO 1 & 2 Pipe jacking & non-destruction blasting	
VO 3 Relocation of Prison Fence	
VO 4 Pipe Jacking Shafts	
VO 5 Extension of Time Claim	
<b>New Contract Value (Vat inclusive)</b>	

ITEM	DESCRIPTION	UNIT	QUANTITY	RATE (Vat Incl)	AMOUNT (Vat Incl)
	OMIT:				
	ADD:				
	(The above rates include VAT)				

### NEW RATES:

The value (Vat incl) of the variations is being calculated accordance the principles in clause as per bid document  
.....

### ADDITIONAL EXPENDITURE:

Estimated additional expenditure (Vat Incl) : R .....

CPA (Contract price Adjustment) (Vat Incl) : R (not applicable) .....

*The above rates are valid at base date for the purposes of contract price adjustment.*

This expenditure will be funded from:

Savings on scheduled work

Contingencies allowed

**BTO Available Budget** .....

Additional funds requested

x

**Scoa Vote Number:** .....

Summary of VO's and Claims is attached.

<p>Issued by:</p> <p>_____</p> <p><b>PROJECT MANAGER/ ENGINEER</b> _____</p> <p>DATE _____</p>	<p>Accepted by:</p> <p>_____</p> <p><b>CONTRACTOR</b> _____</p> <p>DATE _____</p>
<p>Recommend by:</p> <p>_____</p> <p><b>CHIEF FINANCIAL OFFICER</b> _____</p> <p>DATE _____</p>	<p>Approved by:</p> <p>_____</p> <p><b>MUNICIPAL MANAGER</b> _____</p> <p>DATE _____</p>

## PICTURES ATTACHED



SOL PLAATJE LOCAL MUNICIPALITY



**DIRECTIVE 01: PROCUREMENT THROUGH DEVIATION – TO BE READ IN  
CONJUNCTION WITH THE APPROVED SUPPLY CHAIN MANAGEMENT  
POLICY**

**14 March 2022**

## Contents

PROCUREMENT THROUGH DEVIATION FROM NORMAL SUPPLY CHAIN MANAGEMENT PROCEDURES .....	3
1. LEGISLATIVE BACKGROUND TO DEVIATION FROM NORMAL SCM PROCEDURES 3	
2. REQUESTS TO DEVIATE FROM NORMAL SUPPLY CHAIN PROCEDURES AS PER THE FINANCIAL THRESHOLD OR COST ESTIMATE OF THE PROJECT .....	4
2.1 Key points .....	4
3. CONDITIONS/CIRCUMSTANCES THAT NECESSITATE DEVIATION .....	5
4. DEVIATIONS FROM SCM/PROCUREMENT PROCESS .....	5
5. DETAILED DEFINITIONS OF INSTANCES GIVING RISE TO DEVIATION .....	6
5.1 Single supplier source .....	6
5.2 Exceptional cases where it is impractical or impossible to follow official procurement processes .....	6
6. PROCEDURE FOR DEVIATION .....	8

## **PROCUREMENT THROUGH DEVIATION FROM NORMAL SUPPLY CHAIN MANAGEMENT PROCEDURES**

### **1. LEGISLATIVE BACKGROUND TO DEVIATION FROM NORMAL SCM PROCEDURES**

Chapter 11 of Municipal Finance Management Act (MFMA) refers to the procurement of goods and services. Section 112 of the act prescribes that the

1. The supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management, which must cover at least the following:
  - a) The range of supply chain management processes that municipalities and municipal entities may use, including tenders, quotations, auctions and other types of competitive bidding;
  - b) when a municipality or municipal entity may or must use a particular type of process;
  - c) procedures and mechanisms for each type of process;
  - d) procedures and mechanisms for more flexible processes where the value of a contract is below a prescribed amount;
  - e) open and transparent pre-qualification processes for tenders or other bids;
  - f) competitive bidding processes in which only pre-qualified persons may participate;
  - g) bid documentation, advertising of and invitations for contracts;
  - h) procedures and mechanisms for—
    - (i) the opening, registering and recording of bids in the presence of interested persons;
    - (ii) the evaluation of bids to ensure best value for money;
    - (iii) negotiating the final terms of contracts; and
    - (iv) the approval of bids;
  - i) screening processes and security clearances for prospective contractors on tenders or other bids above a prescribed value;
  - j) compulsory disclosure of any conflicts of interests prospective contractors may have in specific tenders and the exclusion of such prospective contractors from those tenders or bids;
  - k) participation in the supply chain management system of persons who are not officials of the municipality or municipal entity, subject to section 117;
  - l) the barring of persons from participating in tendering or other bidding processes, including persons—
    - (i) who were convicted for fraud or corruption during the past five years;
    - (ii) who wilfully neglected, reneged on or failed to comply with a government contract during the past five years; or

- (iii) whose tax matters are not cleared by South African Revenue Service;
- m) measures for—
  - (i) combating fraud, corruption, favouritism and unfair and irregular practices in municipal supply chain management; and
  - (ii) promoting ethics of officials and other role players involved in municipal supply chain management;
- n) the invalidation of recommendations or decisions that were unlawfully or improperly made, taken or influenced, including recommendations or decisions that were made, taken or in any way influenced by—
  - (i) councillors in contravention of item 5 or 6 of the Code of Conduct for Councillors set out in Schedule 1 to the Municipal Systems Act; or
  - (ii) municipal officials in contravention of item 4 or 5 of the Code of Conduct for Municipal Staff Members set out in Schedule 2 to that Act;
- o) the procurement of goods and services by municipalities or municipal entities through contracts procured by other organs of state;
- p) contract management and dispute settling procedures; and
- q) the delegation of municipal supply chain management powers and duties, including to officials.

## **2. REQUESTS TO DEVIATE FROM NORMAL SUPPLY CHAIN PROCEDURES AS PER THE FINANCIAL THRESHOLD OR COST ESTIMATE OF THE PROJECT**

Requests from National departments, Public entities, Constitutional institutions and Provincial treasuries to deviate from standard bidding processes when procuring goods or services. Provincial institutions should direct their requests to the relevant treasuries.

### **2.1 Key points**

1. An open bidding process is best practice to ensure that the services government receives are at a competitive price.
2. Project Managers may request approval to deviate from standard procurement processes. The Finance Department can support, support with conditions or not support the requests.
3. An example of a deviation request is asking for permission to contract another organ of state to do the work.
4. When a Line Manager requests permission to single source supplier of a good/service, it may be justified if the supplier has exceptional skill or is the only supplier capable of delivering the good/service, or that there is no other company registered for that service or commodity in the CSD.
5. Deviations should be the exception rather than the norm and should not be requested frequently.

If a section is frequently requesting approval to deviate from standard procurement processes, it can be an early warning sign that the procurement function is not planning its procurement adequately. It can also serve as an indication of possible poor governance practices and service delivery issues.

### **3. CONDITIONS/CIRCUMSTANCES THAT NECESSITATE DEVIATION**

There are mandatory and extreme conditions that compels a Line Manager to urgently want to dispense of Supply Chain Management or procurement and these reasons should at least cover the following;

- a) Disastrous situation leading to loss or damage to public or private property
- b) Life threatening
- c) Environmental pollution
- d) Loss of revenue by the municipality

These circumstances may lead to emergency procurement to mitigate the risk anticipated from the eventuality, and in the case of an eventuality, minimize the impact on life, environment and property.

Emergency procurement in its nature is aimed to avert temporarily, whilst permanent strategies must be sought to address the situation.

The following definitions are contained in SCM Policy and are re-iterated here for ease of reference:

### **4. DEVIATIONS FROM SCM/PROCUREMENT PROCESS**

Deviations from, and ratification of minor breaches of, procurement processes (Section 36 of the Municipal Supply Chain Management Regulations) Section 36 allows for the official policy to be dispensed with but only –

- a) in an emergency
- b) if such goods or services are produced or available from a single provider only
- c) for the acquisition of special works of art or historical objects where specifications are difficult to compile
- d) acquisition of animals for zoos; or
- e) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

The Accounting officer must record the reasons for any deviations in terms of sub regulation 1(a) and (b) and report them to the next meeting of the Council, and include as a note to the annual financial statement.

The following conditions do not necessitate deviation from normal supply chain management processes:

- a) Poor planning does not constitute an emergency. Known facts must be provided for in terms of operations and maintenance, or at least create a rotational database to appoint from when the need arises.

An emergency is defined as an unexpected and sudden event that must be dealt with urgently and where there is an immediate threat to revenue, to property, to life and limb.

In cases where it is impractical or impossible to follow the official procurement process it must be shown where and how the market was tested, why it is impractical to go to tender, the

provider chosen was undertaken in a fair manner so as not to prejudice other potential providers, etc. where it would be against the Municipality's best interest to follow the proper procurement process.

Requests that are submitted in accordance with Section 36 of the Supply Chain Management Regulations must be directed to the Municipal Manager, through the Chief Financial Officer or Head of Supply Chain Management Unit. The requests must also be submitted to the Bid Adjudication Committee, thereafter the report will be submitted to the Accounting Officer for approval.

All reports of this nature are to be signed by the Head: SCM or his delegate who will check:

- a) Is the motivation valid?***
- b) Is there sufficient reason for not going out to tender?***
- c) Is there adequate finance?***
- d) Is the process fair, equitable, as transparent as can be, cost effective?***
- e) Can the Municipality adequately account for making such a decision?***
- f) Is there no existing tender similar to the request?***

The Accounting Officer must record the reasons for any deviations as mentioned above, and report it to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.

## **5. DETAILED DEFINITIONS OF INSTANCES GIVING RISE TO DEVIATION**

### **5.1 Single supplier source**

This is an instance defined as approaching a single supplier and obtaining a price quotation from that supplier. It is important that the basis for selecting the particular supplier over other similar or available suppliers is clearly documented. The most appropriate means of using single or limited sourcing is to establish a database of prospective suppliers (such a database must be established through a public invitation, specifying the nature of the goods or services that will be procured) or otherwise in a manner that is in the best interest of the municipality.

**5.2 Exceptional cases where it is impractical or impossible to follow official procurement processes**

**5.2.1** It is common in the municipality that certain procurement procedures such as definition of the scope of work can be complex, complicated or there are uncertainties, for this to be considered the following must be prevalent in the motivation:

- i) Unknown specification
- ii) Receipts of no tender or inappropriate or unacceptable tenders
- iii) Best value
- iv) National security
- v) Professional advice

vi) Acquiring goods through an auction

Following are some practical examples that may apply:

5.2.1 Market conditions

In an instance where the market does not lend itself to a bidding process, whether owed to intellectual property rights, licencing privileges, lack of competition and/or lack of interest, care must be taken to prove with documented evidence that this is the case, otherwise the deviation will be classified as irregular. This definition also covers the term 'sole provider' whereby there is only one qualifying supplier for a given product of service, owed to location or intellectual property rights or licencing [Also see MFMA SCM Regulation 36 (a)(ii)].

5.2.3 Unclear specifications

Any instance where the product or service is not clearly definable in the terms of reference or specifications, to the point that a solution to a problem is being sought, constitutes an unclear specification. Such instances could result in inconsistent proposals or the outcome of the bidding process having to be negotiated. Care must be taken that this definition is not utilised when seeking to appoint consultants for advisory services (which is a definable service) or in instances where a specification could have been developed through other means (such as an expression of interest or hiring a subject matter expert) [Also See MFMA SCM Regulation 36 (a)(iii) & (iv)]

5.2.4 Security or confidentiality

These instances occur where the security or confidentiality of a matter is so sensitive that following the normal procurement process may compromise the security or confidentiality of the requirement. Only matters of National security, instances where the leaking of information could materially affect the operations (including its financial position) of government or prejudice a judicial position of government would fall into this category.

5.2.5 Legal reasons

A legal right created that supersedes the working of the prescripts any instance where international law or a legal obligation that was created outside the working of the prescripts supersedes the prescripts. Examples include international trade agreements, any rules or laws imposed on a process by another government (foreign transactions) or a court order/judgment.

Once a transaction has been classified as 'impractical' it becomes necessary to define 'the other means' through which the goods or services will be procured (including quotations, negotiations and time deviations):

## 6. PROCEDURE FOR DEVIATION

No department will be allowed to have a Deviation Form in their possession. Deviations will be issued by Head of SCM, prenumbered with the definition of services required as per the requestor of the form.

Step by step process:

1. Line Manager/User shall request the deviation form from the Head of SCM and define the services required and the motivation for deviation. The motivation must meet the definition as expanded on above.
2. The Line Manager/User must provide the pre-valuation criteria that must be complied with, this shall include CIDB Grading or Voluntary Association Membership or any that applies
3. Once the nature of work/ goods/commodities or industry has been defined, Demand Manager will draw a list of registered service providers on CSD accordingly, and provide the list to the Head of SCM. The list will be in three forms, service providers within

No#	Criteria	Minimum Baseline for Points allocation
1.	Offices within the vicinity of SPM	10
2.	Offices within the vicinity of Francis Baard District	7
3.	Offices within the Northern Cape Province	5
4.	Offices within the Republic of South Africa	3

4. The Head of SCM shall provide a deviation certificate, prenumbered to the Line Manager, populated with the type of procurement, the motivation and list of service providers
5. The Line Manager/User will obtain at least 5 quotations for the service required by - email all 5 service providers and give timelines for the closing of submission of quotes. The Head of SCM shall be copied in the communication.
6. SCM will evaluated the 5 quotations received and give feedback to the Line Manager/User
7. Once concurred upon with the Line Manager, the deviation template is further completed and authorization process begins
8. The CFO or the Executive Director concerned presents the deviation to the Municipal Manager for authorization
9. Once deviation is signed, the CFO submits the authorized deviation to Head of SCM for issuing of the order, the project is assigned a contract reference number
10. No work must be done prior to the issuing of an official order and appointment letter.
11. A letter of appointment is prepared by the Head of SCM and issued with the order to the appointed service provider.



## 7. ANNEXURE A. PROCUREMENT DEVIATION CERTIFICATE

### SOL PLAATJE MUNICIPALITY

#### PROCUREMENT DEVIATION CERTIFICATE

1. DEVIATION INFORMATION		
Project Name/ Description of Deviation:		
Prepared by Line / Project Manager:		Cell No:
		Ext. No:
Official Order Number:		
Date:	XX March 2022	

Deviation procurement process in terms of the Supply Chain Management Policy Sections 36 (1) and (2) and the, Municipal Supply Chain Management Regulations, Gazette No. 27636 of 30 May 2005, Section 36 for the following reasons:

2. TYPE OF DEVIATION APPLICATION	
<i>Mark with an X on type of deviation for application</i>	
1) An Emergency:	Yes: <input type="checkbox"/>
2) Sole Provider:	Yes: <input type="checkbox"/>
3) Work of Art or Historical Object:	Yes: <input type="checkbox"/>
4) Acquisition of animals:	Yes: <input type="checkbox"/>
5) Exception cases:	Yes: <input type="checkbox"/>

No work should be done prior to the approval of the deviation, and an official order. Only SCM would advise the accounting officer on issuing appointment letters once the order number is generated.

### **3. PROCUREMENT DEFINITION / SERVICE REQUIRED**

*Describe, in specific terms, what items will be procured and under what conditions or type of Service required:*

### **4. DESCRIBE DETAILED REASONS:**

*Describe, in specific terms, what are the reasons for procurement / service required*

**1. Background of Project**

**2. Costs of Project**

**3. Reasons for the deviation of the project**

## 5. ESTIMATED COST / BUDGET CONSIDERATION

*Provide an estimated total cost of all procurements in this product type / service required. Example: R1,567,000*

1. Capital / Operational SCOA Vote:
2. Budget Vote Number:
3. Budget Amount:
4. Required Estimated Amount:
5. Budget Amount Spend:
6. Budget Amount Available:
7. Term of Deviation Contract

Verification by the Chief Financial Officer / Delegate prior to Deviation (circle with pen)

Confirmed funds available or not available by BTO:

Name of BTO Officials:

Signature:

Date:

**GO40 SCOA Printout Attached as “ANNEXURE A” on last page”**

**Verification from the Chief Financial Officer prior to the award of contracts above the value of R10 million, in line with MFMA Circular No. 62.**

## 6. PROJECT PROCUREMENT PLAN / SIGNATURES

### AUTHORITY APPROVAL

Name/ Description of project or deviation:  
Order Number:  
Council Resolution Number:

I have reviewed the information contained in this deviation application and agree / disagree:

Print Name	Name and Surname	Signature	Date	Comments
Project / Line Manager				
Executive Director				
BTO / Financial Manager				
General Manager SCM				
CFO				
Acting Municipal Manager				

**Verification from the Chief Financial Officer prior to the award of contracts above the value of R10 million, in line with MFMA Circular No. 62.**

## ANNEXURE A

### 7. GO40 SCOA PRINTOUT ATTACHED HERE

**SECTION 7:**

**BY - LAWS**

## **SOL PLAATJE MUNICIPALITY**

### **ANNEXURE : BUDGET RELATED BYLAWS**

<b>List of Budget related Bylaws</b>	<b>Explanation numbers</b>
Advertising Signs	1
Aerial Systems	1
Animals, Poultry & Bees Control	1
Building Control	1
Caravan Park	1
Cemeteries	1
Debt Collection	1
Electricity	1
Fire Brigade	1
Fireworks	1
Keeping of Dog Control	1
Law Enforcement	1
Property Rates	1 & 2
Residential business, Bed & Breakfast and guesthouse establishment, Creches, childcare centres, Liquor trading and Car Wash enterprises	1
Standing Orders	1
Street Trading Control	1
Swimming Pools	1
Taxi Ranks	1
Water Supply	1

Explanation numbers

1. These bylaws are accessible on the Sol Plaatje website: [www.solplaatje.org.za](http://www.solplaatje.org.za)
2. Bylaws to be approved with draft budget process 2022/23

Notice No.

Date XX

Sol Plaatje Municipality, hereby, in terms of section 6 of the Local Government: Municipal Property Rates Act, 2004, has reviewed the proposed Municipality's Property Rates By-law set out hereunder.

## **SOL PLAATJE MUNICIPALITY**

### **MUNICIPAL PROPERTY RATES BY-LAW**

#### **PREAMBLE**

WHEREAS section 229(1) of the Constitution requires a municipality to impose rates on property and surcharges on fees for the services provided by or on behalf of the municipality;

AND WHEREAS section 13 of the Municipal Systems Act read with section 162 of the Constitution requires a municipality to promulgate municipal by-laws by publishing them in the gazette of the relevant province;

AND WHEREAS section 6 of the Local Government: Municipal Property Rates Act, 2004 requires a municipality to adopt by-laws to give effect to the implementation of its property rates policy; the by-laws may differentiate between the different categories of properties and different categories of owners of properties liable for the payment of rates;

NOW THEREFORE IT IS ENACTED by the Council of the Sol Plaatje Municipality, as follows:

#### **1. DEFINITIONS**

In this By-law, any word or expression to which a meaning has been assigned in the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), shall bear the same meaning unless the context indicates otherwise-

**'Municipality'** means Sol Plaatje Municipality;

**'Municipal Property Rates Act'** means the Local Government: Municipal Property Rates Act, 2004 (Act No 6 of 2004);

**'Rates Policy'** means the Sol Plaatje Municipality's property rates policy adopted by the Municipality's Council in terms of section 3(1) of the Local Government: Municipal Property Rates Act, 2004.



## **2. OBJECTS**

The object of this By-law is to give effect to the implementation of the municipality's Rates Policy as contemplated in section 6 of the Municipal Property Rates Act.

## **3. THE RATES POLICY**

The municipality prepared and adopted a Rates Policy as contemplated in terms of the provisions of section 3(1) of the Municipal Property Rates Act. The Rates Policy outlines the municipality's rating practices; therefore, it is not necessary for this By-law to restate and repeat same.

The Rates Policy is hereby incorporated by reference in this By-law. All amendments to the Rates Policy as the Council may approve from time to time, shall be deemed to be likewise incorporated.

The Municipality does not levy rates other than in terms of its Rates Policy and the annually promulgated resolution levying rates which reflects the cent amount in the Rand rate for each category of rateable property.

The Rates Policy is available at the municipality's head office, satellite offices, libraries and electronically on our website

## **4. CATEGORIES OF RATEABLE PROPERTIES**

The Rates Policy provides for categories of rateable properties determined in terms of section 8 of the Act.

## **5. CATEGORIES OF PROPERTIES AND CATEGORIES OF OWNERS OF PROPERTIES**

The Rates Policy provides for categories of properties and categories of owners of properties for the purposes of granting relief measures (exemptions, reductions and rebates) in terms of section 15 of the Act.

## **6. ENFORCEMENT OF THE RATES POLICY**

The Municipality's Rates Policy is enforced through the municipality's Credit Control and Debt Collection Policy and any further enforcement mechanisms stipulated in the Act and the Municipality's Rates Policy.

## **7. SHORT TITLE AND COMMENCEMENT**

This By-law is called the Sol Plaatje Municipal Property Rates By-law 1 of 2022, and takes effect on the 1<sup>st</sup> July 2022 after it has been published in the *Provincial Gazette*.



**cooperative governance**

Department:  
Cooperative Governance  
REPUBLIC OF SOUTH AFRICA

**LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT NO.6 OF 2004  
CIRCULAR NO. 11 (ISSUED ON 16 FEBRUARY 2021)**

**REPLACES CIRCULAR NO.6 ISSUED ON 10 APRIL 2014**

**TO ALL:**

**MUNICIPAL MANAGERS**

**MUNICIPAL CHIEF FINANCIAL OFFICERS**

<p><b>CIRCULAR ADVISING MUNICIPALITIES ON COMPLIANCE WITH SECTIONS 6 AND 14 OF THE ACT</b></p>
--

This Circular replaces Circular No.6 issued on 10 April 2014 pertaining to compliance with sections 6 and 14 of the Municipal Property Rates Act ("the Act").

The purpose of this Circular is to provide municipalities with practical advice in respect of how to comply with these two provisions of the Act that have emerged as matters with which there has been persistent non-compliance over time.

This Circular explains what, in terms of compliance as contemplated in those provisions is expected, what in practice is done incorrectly by municipalities in attempting to comply with those provisions, as well as what the correct administrative actions that will result in compliance are in that regard.

**1. Compliance with Section 6 of the Act read with Section 13 of the Municipal Systems Act: Adoption and Publication of By-Laws to Give Effect to the Rates Policy**

It has been observed that municipal practice in terms of the contents of property rates by-laws, the adoption thereof and the publication of the property rates by-laws is quite varied across municipalities. There is not a consistent approach in the way in which municipalities approach compliance with section 6 of the Act. The approach to what is contained in the property rates by-law is also mixed, with some municipalities opting for brief property rates by-laws that are no longer than three (3) pages, while some municipalities' property rates by-laws are lengthy. It is observed that where property rates by-laws are lengthy, the property rates policy of the municipality is quoted at length and in certain instances the by-law is a replica of the property rates policy.

***What does “adoption” of a property rates by-law mean?***

The Act in section 6 stipulates that by-laws must be adopted to give effect to the implementation of the municipality's rates policy. By definition, a by-law is a piece of legislation passed by the Council of a municipality which is binding on all persons to whom it applies. Therefore, the Council of the municipality must adopt the property rates by-law. A by-law that is not adopted by the Council of the municipality cannot be deemed to be a valid legislation of the municipality, and it can therefore not be deemed to be binding on the property owners of the municipality who are liable for property rates. This is because the property rates by-law gives effect to the implementation of the municipality's property rates policy. In other words, the property rates by-law legalises the property rates policy and makes it enforceable on those to whom it applies. Adoption means that **the municipality's administration must present the property rates by-law to a meeting of the Council and the Council must adopt (or approve) the said by-law.**

### ***Publication of the property rates by-law in the Provincial Gazette***

The property rates by-law must be published in the *Provincial Gazette*. Section 162(1) of the Constitution of the Republic of South Africa states that “***a municipal by-law may be enforced only after it has been published in the official gazette of the relevant province***”. Further to that, section 13(a) of the Municipal Systems Act, 2000, requires that a by-law **passed** by a municipal council **must be published promptly in the *Provincial Gazette***. To that end, the Act cross-references to sections 12 and 13 of the Municipal Systems Act. The Act must not be read and interpreted in isolation; it must be read with the Constitution and the Municipal Systems Act as the provisions of the three laws are interrelated.

It must always be borne in mind that the Constitution is the supreme law of the Republic, and in that regard its provisions take precedence over the provisions of any other law (including a municipal by-law). Therefore, in order to protect a municipality’s property rates budget and income, the by-law that is adopted and passed by the municipality must be published in the *Provincial Gazette*.

### ***What should be contained in the property rates by-law?***

In practice, the contents of property rates by-laws vary from municipality to municipality. Despite the variation, a twin approach has been established in municipal practice; one in which the by-law is largely a mirror image of the property rates policy, resulting in a bulky property rates by-law. The other established approach is one in which the by-law is concise, only referring to salient aspects of the property rates policy.

In terms of section 6 of the Act, the property rates by-law may differentiate between different categories of properties and different categories of owners of properties liable for the payment of rates.

Because the by-law gives effect to the property rates policy, it is important that this fact be stated upfront in the property rates by-law. The relevant section of the Act in terms of which the property rates by-law is issued must also be stated in the by-law. It is important that the property rates policy, to which the by-law gives effect, be incorporated in the by-law by reference. Incorporation by reference means including a second document (in this case, the rates policy) in the main document (the by-law) by mentioning the property rates policy. The document that is being incorporated by reference (the rates policy) should be sufficiently described so that it is easily identifiable and accessible to the persons to whom it applies.

This can be done by stating in the by-law that the rates policy is incorporated by reference in the by-law. The following is a suggested wording in this regard:

*“The municipality’s rates policy is hereby incorporated by reference in this by-law. All amendments made to the rates policy as the Council may approve from time to time, shall be deemed to be likewise incorporated in this by-law.”*

To ensure that the rates policy is sufficiently described, it is recommended that the rates policy be defined in the by-law. Below is a suggested definition for the rates policy that should be inserted in the definitions section of the by-law:

**“Rates policy”** means the xxx (municipality’s name) property rates policy adopted by the Council [by Resolution No. xxx] in terms of section 3(1) of the Local Government: Municipal Property Rates Act, 2004.

A copy of the property rates by-law as published in the *Provincial Gazette* (together with the rates policy as amended from time to time) must also be placed on the municipality’s website so that it is accessible to those to whom it applies. Hard copies must also be available at the municipality’s head and satellite offices and libraries.

*\*A specimen property rates by-law is appended to this Circular for reference purposes.*

## **2. Compliance with Section 14 of the Act: Promulgation of the resolutions levying rates**

**As with municipal practice relating to** the adoption and publication of property rates by-laws, municipal practice as far as compliance with section 14 of the Act is varied. A few municipalities do not promulgate the resolution levying rates in the *Provincial Gazette*, while among those that publish it, for some municipalities it does not meet the full requirements of section 14. Some municipalities publish (either in the *Provincial Gazette* or on their website) the cent in the Rand rates that are to be levied for a particular financial year with their budget documents in terms of the Municipal Finance Management Act, 2003. This is not the correct way to publish the resolution levying rates as contemplated in section 14 of the Act. The resolution levying property rates must be published separately in terms of section 14 of the Act.

In terms of section 14(1) of the Act *“a rate is levied by a municipality by resolution passed by the municipal council with a supporting vote of a majority of its members”*. Furthermore, section 14(2) of the Act states that *“a resolution levying rates in a municipality must be annually promulgated, within 60 days of the date of the resolution, by publishing the resolution in the Provincial Gazette”* (amongst other media in terms of section 14(3) of the Act). The provisions contained in the Act are specific to the levying of property rates and they were inserted purposefully, making publication for public record a requirement. The resolution levying rates must be passed by the municipal council every year and it must be published in the *Provincial Gazette* every year. This is because a municipal budget is passed annually and cent amount in the Rand (property) rates which form part of the municipal budget are determined every year.

The correct way to comply with the provisions of section 14 of the Act, in particular section 14(1) and (2) is for the municipal administration to, when submitting all documentation related to the budget of a particular financial year, **include specific documentation that explicitly sets out the proposed cent in the Rand rates to be levied in a particular financial year in respect of each category of property and any relief measures**

**(rebates and reductions) applicable to specific property owners, for example, indigent owners.** Ideally there should be no rebates of a general application to a category of property because the cent in the Rand rate for each property category must be the effective cent in the Rand rate. This documentation must be presented to and approved by the Council of the municipality and after approval, be published in the *Provincial Gazette* in terms of section 14(2); the publication must be done promptly so that it is done within the legislated 60 days period. A publication outside the legislated 60 days, unless specifically condoned by the MEC in terms of section 80 of the Act and related Regulations, is non-compliance with the Act.

Section 14(3) of the Act further provides that the resolution levying rates should be conspicuously displayed on the municipality's website and at the municipality's head and satellite offices and libraries. In addition, section 14(3) provides that it must be advertised in the media that the resolution levying rates is available on the municipality's website and the said locations. It is recommended that the same version of the resolution that was published in the *Provincial Gazette* be placed on the municipality's website, immediately after it is published in the *Provincial Gazette*. It is also advisable that the draft resolution levying property rates be placed on the municipality's website during the public participation processes and be replaced with the copy of the promulgated resolution afterwards.

As in the case of non-compliance with section 6 of the Act, in order to protect a municipality's property rates budget and income, the resolution levying rates that is passed by the municipality must be published in the *Provincial Gazette* within the legislated 60 days.

*\*A specimen resolution levying rates is appended to this Circular for reference purposes.*

## **CONTACT PERSON**

Should municipalities require any further information on matters dealt with in this Circular, request for such information should be directed to the Department of Cooperative Governance for the attention of:

The Director:           Municipal Property Rating  
Postal address:       Private Bag X804 Pretoria, 0001  
Telephone:           012-334-4933  
Facsimile:           012-334-4811  
Email:               [mpra@cogta.gov.za](mailto:mpra@cogta.gov.za)  
Website:           [www.cogta.gov.za](http://www.cogta.gov.za)



## **Sol Plaatje Municipality: Property Rates By-Law**

In accordance with section 162 of the Constitution of the Republic of South Africa (Act No. 108 of 1996), and section 6 (1) of the Property Rates Act (Act No. 6 of 2004), the Sol Plaatje Municipality has adopted the following Property Rates By-Law, in terms of council resolution C285/07, to give effect to the implementation of its Property Rates Policy.

Mr M. F Mashilo  
Municipal Manager

## **BY-LAW**

**To provide for the implementation and enforcement by the Sol Plaatje Municipality of its Rates Policy and for matters connected therewith.**

---

**BE IT ENACTED** by the Sol Plaatje Municipality, as follows:-

### **Definitions**

1. In this By-law, unless the context otherwise indicates -  
  
    **“Municipality”** means the Sol Plaatje Municipality; and  
  
    **“Act”** means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004).

### **Implementation and enforcement of policies**

2. (1) The Municipality must, pursuant to section 6 of the Act, and any national or provincial legislation regulating local government finance, give effect to its Rates Policy drafted and adopted in accordance with section 3 of the Act, by implementing and enforcing such policy.  
  
    (2) Any person, natural or juristic, who lays claim to any rebate, reduction, or exemption under the Rates Policy, must provide the information required and meet the obligations imposed by the Municipality in terms of such policy.

### **Short title**

3. This By-law shall be called the Property Rates By-Law, 2007.

### **Commencement**

4. This By-law shall come into effect on the 1<sup>st</sup> day of July 2007.

# **SECTION 8:**

## **M F M A CIRCULARS**

## **ANNEXURE : MFMA CIRCULARS**

1. All MFMA circulars are accessible on the NT website:  
[www.treasury.gov.za](http://www.treasury.gov.za)
2. The following MFMA circulars are included in the budget book:

MFMA Circular 109  
MFMA Circular 110  
MFMA Circular 111  
MFMA Circular 112  
MFMA Circular 113  
MFMA Circular 114  
MFMA Circular 115



## NATIONAL TREASURY

### MFMA Circular No 109

### Municipal Finance Management Act No. 56 of 2003

## AMENDMENTS TO MFMA CIRCULAR 105: WITHDRAWAL OF MFMA CIRCULAR 102: PROCUREMENT IN RESPONSE TO NATIONAL STATE OF DISASTER REGARDING COVID-19 PANDEMIC

### 1ST AMENDMENT TO MFMA CIRCULAR 105

1. Paragraph 6.1, Table 1 of MFMA Circular 105 is hereby adjusted to include reporting dates for the 2021/2022 financial year.

TABLE 1:		
Reporting Period:	Deadline of submission:	Report to be published by NT in public domain
April 2021	21 May 2021	31 May 2021
May 2021	21 June 2021	30 June 2021
June 2021	21 July 2021	31 July 2021
July 2021	21 August 2021	31 August 2021
August 2021	21 September 2021	30 September 2021
September 2021	21 October 2021	31 October 2021
October 2021	21 November 2021	30 November 2021
November 2021	21 December 2021	10 January 2022
December 2021	21 January 2022	31 January 2022
January 2022	21 February 2022	28 February 2022
February 2022	21 March 2022	31 March 2022
March 2022	21 April 2022	30 April 2022

2. The reports to be submitted to the National Treasury by email to [ocpocovid-19reporting@treasury.gov.za](mailto:ocpocovid-19reporting@treasury.gov.za) by the submission deadlines provided in Table 1.
3. All other contents of MFMA Circular 105 remain unchanged.

4. The amendments take effect from date of issuance of this Circular.



**ESTELLE SETAN**

**ACTING CHIEF PROCUREMENT OFFICER**

**DATE: 18 May 2021**



## NATIONAL TREASURY

### MFMA Circular No 110

## Municipal Finance Management Act No. 56 of 2003

## UNFAIR CRITERIA USED IN BIDDING PROCESSES RELATING TO INFRASTRUCTURE PROCUREMENT AND THE CHARGING OF EXCESSIVE FEES FOR TENDER DOCUMENTS

### PURPOSE

The purpose of this Treasury Circular is to inform accounting officers of municipalities and municipal entities that using membership of voluntary associations as a measure for eliminating bidders from an infrastructure procurement process, as well as charging excessive fees for tender documents, goes against the spirit and letter of the SCM regulatory framework.

### BACKGROUND AND DISCUSSION

It has come to the attention of the National Treasury that some municipalities are engaging in potentially discriminatory practices through the use of an unfair criterion in infrastructure procurement processes as well as charging excessive fees for tender documents.

In terms of section 112 (1) of the Municipal Supply Chain Management Act (MFMA), the supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management.

### PROHIBITION OF UNFAIR PRACTICES

Section 4 of the Council for the Built Environment Act, Act 43 of 2000, provides for the recognition of any voluntary associations by the "councils for the professions" in terms of any of the following "professions' Acts":

- a) The Architectural Profession Act 44 of 2000
- b) Project and Construction Management Professions Act, 2000
- c) Engineering Profession Act, 2000
- d) Landscape Architectural Profession Act, 2000
- e) Property Valuers Profession Act, 2000
- f) Quantity Surveying Profession Act, 2000

Whilst voluntary associations represent the interest of professionally registered individuals, some institutions however, are using membership of voluntary associations as a criterion to unfairly eliminate bidders from procurement processes.

In keeping with the principles and the enabling supply chain management framework,

accounting officers must avoid using any criteria that are inconsistent with the above framework, for example, using membership of voluntary associations as a criterion to exclude bidders from consideration in an infrastructure procurement process.

With regard to the sale of bid documents, accounting officers may decide to charge a refundable or non-refundable fee for bidding documents if and when necessary, provided that:

- a) The fee should be reasonable and reflect only the cost of their printing and delivery to prospective bidders; and
- b) All monies received for the sale of bidding documents must be dealt with in accordance with section 8(2) and 85(2) of the MFMA in the case of municipalities and municipal entities.

## CONCLUSION

Accounting officers of municipalities and municipal entities are therefore advised to review their policies and bring them in line with the content of this Circular as well as to bring this to the attention of their respective administration, municipal councils, board of directors of municipal entities.

## CONTACT

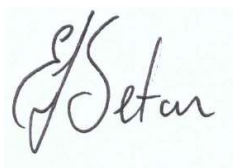


**Private Bag X115,  
Pretoria 0001**

**National Treasury**

Email – General [mfma@treasury.gov.za](mailto:mfma@treasury.gov.za)

Website [www.treasury.gov.za/mfma](http://www.treasury.gov.za/mfma)



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**MS ESTELLE SETAN**  
**ACTING CHIEF PROCUREMENT OFFICER**  
**DATE:** 31-May-2021



**NATIONAL TREASURY****MFMA Circular No 111****Municipal Finance Management Act No. 56 of 2003****UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE  
REDUCTION STRATEGY AND PLANS****PURPOSE**

The purpose of this Circular is to introduce the generic unauthorised, irregular, fruitless and wasteful (UIF&W) expenditure reduction strategy to municipalities and municipal entities which aims to support and introduce measures that will assist in reducing such expenditures. A copy of the strategy document is attached as Annexure A.

**BACKGROUND**

In recent years, there has been an increase in incidences of UIF&W expenditure. This is attributable to factors which include but are not limited to the repeated failures by municipalities and municipal entities to prevent non-compliance, introduce timely and decisive corrective measures and internal controls to ensure effective implementation of relevant laws and regulations. The lack of decisiveness in dealing with the UIF&W expenditure by many municipal councils and administrations has resulted in a negative public perception and narrative. Lack of focus and implementation of current measures on consequence management was identified as additional contributing factors.

The 2019-24 Medium Term Strategic Framework (MTSF) has highlighted the need to implement stronger monitoring, supporting, reporting and enforcement measures to reduce incidents of UIF&W expenditure. The emphasis has been to ensure measures are introduced to reduce irregular expenditure by 75% and to eliminate fruitless and wasteful expenditure by 100% during this period. Municipalities must also simultaneously address the growing incidents of unauthorised expenditure.

The strategy document and supporting tools have been developed to support specifically municipalities and municipal entities to meet the MTSF targets as highlighted above. The strategy is premised on three elements, namely, (i) supporting the municipal public account committees and municipal councils to fulfil their legislative responsibilities in terms of section 32(2)(b) of the MFMA to reduce incidences of UIF&W expenditures, (ii) the introduction of preventative controls to address further and future non-compliance with the legislative prescripts and (iii) the implementation of consequence management to ensure that strong ethical, accountable and transparent financial governance and institutional arrangements are implemented in all municipalities and municipal entities.

## **CONSULTATIVE PROCESS**

The development of the UIF&W expenditure reduction strategy and tools were undertaken through a consultative process, including contributions from internal and external stakeholders, as well as provincial treasuries and municipalities. This document brings together the processes that must be undertaken by municipalities and municipal entities as outlined in the MFMA and its regulations in addressing the UIF&W expenditure in a coherent, consistent and timely manner.

## **BRIEF OUTLINE OF THE STRATEGY**

The reduction strategy addresses a number of matters which includes role clarification of the different stakeholders in this process. These include the national and provincial treasuries, the municipal council, board of directors of municipal entities, accounting officers and other relevant stakeholders within municipalities and municipal entities, as well as to strengthen the role played by internal audit and audit committees. The strategy is supported by a number of annexures, tools and templates which provide information that municipalities and municipal entities can adapt and adopt for use in reducing UIF&W expenditure.

## **DEVELOPMENT OF THE UIF&W REDUCTION PLAN**

As a result of an increase in incidences of UIF&W expenditures, it has become necessary for municipalities and municipal entities to develop and implement appropriate strategies/plans to reduce and prevent UIF&W expenditure to achieve the targets set in the 2019-24 Medium Term Strategic Framework (MTSF). It is for this reason that numerous municipalities and municipal entities have requested assistance in the development of the UIF&W reduction strategy.

The UIF&W Reduction Plan template which is attached as Annexure 7 to the UIF&W Reduction Strategy supports this effort.

Municipalities and municipal entities are encouraged to utilise these templates as management tools to give effect to this, monitor the reduction of the UIF&W expenditures and to be able to report effectively to Management, Council, Oversight institutions and Treasuries.

## **SUPPORT INITIATIVES**

The national and provincial treasuries had provided support to both municipal officials and the Municipal Public Accounts Committees (MPACs) to understand their roles and responsibilities. The latest support from the national treasury, supported by provincial treasuries, national and provincial departments of cooperative governance and SALGA, undertook a number of provincial workshops aimed at capacitating MPACs and DC Boards to perform their functions relating to section 32 of the MFMA. Ongoing support and capacity building efforts are part of this strategy and will be rolled out to newly elected councillors appointed to these and other committees of council.

## **CONCLUSION**

It is incumbent on the accounting officer of a municipality or municipal entity to ensure that this circular and the UIF&W Reduction Strategy are brought to the attention of the municipal council, board of directors, senior management, chief finance officers, internal audit units, audit committees and supply chain management practitioners.

Moreover, it must be communicated to those officials delegated with financial management responsibilities in terms of sections 79, 82 and 106 of the MFMA.

In conclusion, all municipalities and municipal entities are required to discuss and resolve on its own UIF&W reduction strategy and implementation plans as a matter of priority and urgently.

Given that the 2021 elections have been concluded and there are a number of new councillors elected, a copy of this document must be provided to councillors at its meeting scheduled for January/February 2022 or sooner.

This must be supported by the submission of the municipality's and entity's own UIF&W expenditure reduction strategy and implementation plan, along with a resolution taken by Council confirming previous decisions and reinforcing these measures through adoption of a new Council Resolution reflecting the commitment of the new Council to attend to historical and recent UIF&W matters. This plan and adopted resolutions taken by the newly elected council must be submitted to the National Treasury via email to the address mentioned below.

Failure to address these matters timeously is likely to attract further attention by the Auditor-General, arising from the amendment to the Public Audit Act, and which can result in implementation of additional consequence and enforcement measures.

## **CONTACT**

Further clarifications or enquiries can be directed to the MFMA helpdesk facility  
email: [mfma@treasury.gov.za](mailto:mfma@treasury.gov.za)



**National Treasury**

*Phone*

***Private Bag X115, Pretoria  
0001***

*Fax*

***012 315 5850***

*Email – General*

***012 315 5230***

***[mfma@treasury.gov.za](mailto:mfma@treasury.gov.za)***

*Website*

***[www.treasury.gov.za/mfma](http://www.treasury.gov.za/mfma)***

**TV PILLAY**

**Chief Director: MFMA Implementation**

**16 November 2021**

**Annexure A : MFMA UIF&W Expenditure Reduction Strategy**



## **Municipal Budget Circular for the 2022/23 MTREF**

### **CONTENTS**

<b>1. THE SOUTH AFRICAN ECONOMY AND INFLATION TARGETS.....</b>	<b>2</b>
<b>2. KEY FOCUS AREAS FOR THE 2022/23 BUDGET PROCESS.....</b>	<b>3</b>
2.1 LOCAL GOVERNMENT CONDITIONAL GRANTS ALLOCATIONS.....	4
<b>3. IDP CONSULTATION PROCESS POST 2021 LOCAL GOVERNMENT ELECTIONS.....</b>	<b>5</b>
<b>4. MUNICIPALITIES UNABLE TO PASS THE ANNUAL BUDGET AFTER 1 JULY.....</b>	<b>5</b>
<b>5. MUNICIPAL STANDARD CHART OF ACCOUNTS (MSCOA).....</b>	<b>6</b>
5.1 RELEASE OF VERSION 6.6 OF THE CHART .....	6
5.2 CREDIBILITY OF MSCOA DATA STRINGS.....	6
5.3 REGULATION OF MINIMUM BUSINESS PROCESSES AND SYSTEM SPECIFICATIONS.....	7
5.4 EXTENSION OF RT25-2016 SERVICE LEVEL AGREEMENTS (SLA) FOR FINANCIAL SYSTEMS.....	8
5.5 MSCOA MONTHLY TRIAL BALANCE .....	9
5.6 BUDGETING FOR THE COVID-19 PANDEMIC .....	9
5.7 COSTING SEGMENT .....	9
5.8 CLASSIFICATION OF THE SKILLS DEVELOPMENT LEVY.....	10
5.9 REVISED MUNICIPAL PROPERTY RATES ACT CATEGORIES.....	10
<b>6. THE REVENUE BUDGET .....</b>	<b>10</b>
6.1 MAXIMISING THE REVENUE GENERATION OF THE MUNICIPAL REVENUE BASE .....	11
6.2 SETTING COST-REFLECTIVE TARIFFS.....	11
6.3 BULK ACCOUNT PAYMENTS AND CONCESSIONS.....	12
6.4 TIMEOUS ALLOCATIONS AND CLEARING OF THE CONTROL ACCOUNTS.....	12
6.5 SMART PREPAID METERS SOLUTION .....	12
6.6 COMPLETENESS AND CREDIBILITY OF REVENUE RELATED INFORMATION IN THE BUDGET .....	13
6.7 ESKOM BULK TARIFF INCREASES.....	13
6.8 LONG TERM FINANCIAL STRATEGIES .....	14
<b>7. FUNDING CHOICES AND MANAGEMENT ISSUES.....</b>	<b>14</b>
7.1 EMPLOYEE RELATED COSTS.....	15
7.2 REMUNERATION OF COUNCILLORS .....	15
<b>8. TRANSFERS TO MUNICIPALITIES.....</b>	<b>15</b>
8.1 CRITERIA FOR THE RELEASE OF THE EQUITABLE SHARE.....	15
<b>9. THE MUNICIPAL BUDGET AND REPORTING REGULATIONS .....</b>	<b>16</b>
9.1 SCHEDULE A - VERSION TO BE USED FOR THE 2022/23 MTREF.....	16
9.2 ASSISTANCE WITH THE COMPILATION OF BUDGETS .....	17
9.3 ASSESSING THE 2022/23 MTREF BUDGET .....	18
<b>10. SUBMITTING BUDGET DOCUMENTATION AND A1 SCHEDULES FOR 2022/23 MTREF.....</b>	<b>19</b>
10.1 EXPECTED SUBMISSIONS FOR 2022/23 MTREF .....	19
10.2 GO MUNI UPLOAD PORTAL .....	20
10.3 PORTALS FOR THE SUBMISSION OF INFORMATION.....	20
10.4 PUBLICATION OF BUDGETS ON MUNICIPAL WEBSITES.....	20
10.5 COMMUNICATION BY MUNICIPAL ENTITIES TO NATIONAL TREASURY .....	21

## Introduction

The purpose of the annual budget circular is to guide municipalities with their compilation of the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF). This circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts (*mSCOA*), and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, *mSCOA* is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

## 1. The South African economy and inflation targets

The National Treasury projects real economic growth of 5.1 per cent in 2021, following an expected contraction of 6.4 per cent in 2020. Real GDP growth is expected to moderate to 1.8 per cent in 2022, 1.6 per cent in 2023 and 1.7 per cent in 2024.

South Africa experienced its largest recorded decline in economic output in 2020 due to the strict COVID-19 lockdown. Real GDP contracted by 7.2 per cent in 2020 compared to 0.1 per cent increase in 2019. It is expected to increase by 6.2 per cent in 2021/22 and moderate by an average increase of 1.7 per cent over the 2022/23 MTEF.

Manufacturing production grew by 17 per cent in the first six months of 2021 compared with the same period in 2020. Production has not recovered to pre-pandemic levels, although the Absa Purchasing Managers' Index remains above the neutral 50-point mark. Electricity disruptions, raw material shortages and rising input costs will continue to limit output in the short to medium term.

The main risks to the economic outlook are slowdown in economic growth. The evolution of COVID-19 and slow progress in vaccine rollout reinforces uncertainty and poses risks to economic recovery.

Slow implementation of structural reforms continues to weigh on business confidence and private investment. Electricity supply constraints, which could worsen over the short term, are a drag on economic growth. In contrast, progress on energy reforms poses upside risks to fixed investment and the overall economic outlook.

A further deterioration in the public finances due to various spending pressures and the materialisation of contingent liabilities could trigger further credit rating downgrades. Pressures on the government wage bill ceiling, including the implementation of the non-pensionable salary increases undermine fiscal consolidation measures.

The fiscal framework does not include any additional support to state-owned companies, but the poor financial condition and operational performance of several of these companies remains a large contingent risk. A number of entities may request further bailouts.

Government is strictly enforcing minimum criteria before guaranteeing the debt of state-owned companies, as outlined in the 2021 Budget, which has led to a decline in guarantee requests. Nonetheless, the broader context of financial distress, weak governance and unsustainable operations in many of these companies remains unaddressed.

Since the 2008 global financial crisis, economic growth has trended downwards, resulting in persistent shortfalls in tax revenue that have not been matched by adjustments to spending growth. This in turn has led to wider budget deficits, higher borrowing and a rapid increase in the ratio of debt to GDP. The reason that the debt servicing costs are growing at a pace that is faster than the rate of GDP growth, and this ratio will continue to increase until government runs a sufficiently large primary budget surplus.

To maximise the value of spending, government needs to contain costs, more especially consumption related spending, exercise prudent and compliant financial management, and eradicate wasteful treatment of public funds and resources. Compensation of employees remains a major cost pressure. It remains critical for municipalities to adhere to compensation ceilings, manage headcounts proactively and conduct staff audit to ensure the staff complement is aligned to the approved organogram. This will assist government is to improve its fiscal position.

Medium-term priorities include: reindustrialising through implementation of the master plans; growing exports through the African Continental Free Trade Area; implementing the Tourism Sector Recovery Plan; supporting township and rural economies; and promoting localisation, inclusive economic growth and job creation.

In 2021/22, gross tax revenue is expected to be R120.3 billion higher than projected in the 2021 Budget, with corresponding improvements of R69.8 billion and R59.5 billion expected in 2022/23 and 2023/24 respectively. This is still well below pre-pandemic revenue estimates, but it provides space for government to deal with immediate fiscal pressures while continuing to stabilise the public finances.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

In summary, the tax revenue in 2021/22 was higher than projections and this was mainly due to commodity price rally. However, these are projected to be short term, and as such long-term spending commitments should not be made based on short term revenue benefits. There are measures in place to reduce expenditure to narrow the budget deficit.

The following macro-economic forecasts must be considered when preparing the 2022/23 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2020 - 2025**

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Forecast		
CPI Inflation	2.9%	4.9%	4.0%	4.4%	4.5%

Source: Medium Term Budget Policy Statement 2021.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

## 2. Key focus areas for the 2022/23 budget process



## 2.1 Local government conditional grants allocations

Over the 2022 MTEF period, transfers to municipalities will grow below inflation. Over the next three years, local government resources increase by 4.1 per cent.

Transfers to local government will be increased by R17.8 billion, including R9.3 billion from the local government equitable share, R1.5 billion from the general fuel levy and R6.9 billion in direct conditional grants over the 2022 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTEF period.

The annual Division of Revenue Bill will be published in February 2022 after the Minister of Finance's budget speech. The Bill will specify grant allocations and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2021 Division of Revenue Act to compile their 2022/23 MTREF. In terms of the outer year allocations (2023/24 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2021 Division of Revenue Act for 2021/22. The DoRA is available at:

<http://www.treasury.gov.za/documents/national%20budget/2021/default.aspx>

### ***Division of Revenue Amendment Bill, 2021: changes to local government allocations***

***Budget Facility for Infrastructure Funding*** – R81 million is added to the direct regional bulk infrastructure grant for George Local Municipality for the implementation of the potable water security and remedial works project. Due to delays in the implementation of projects approved through Budget Facility for Infrastructure (BFI), the projects sponsors have requested funding to be reduced to align with the planned project rollout.

R1.3 billion is reduced from the public transport network grant for City of Cape Town to align to its revised implementation plan of myCiti phase 2A.

***Neighbourhood Development Partnership Grant*** – R841 million is added to the direct neighbourhood development partnership grant for local government to create 32 663 jobs through precinct management, community safety, place-making, greening, integrated waste management and digitalisation, with special focus on poor and marginalised areas and economic nodes.

***Roll-over of indirect regional bulk infrastructure grant*** – R582 million is rolled over in the indirect regional bulk infrastructure grant to fund the operational payments for the Vaal River pollution remediation project in Emfuleni Local Municipality. This change is shown in Schedule 6, Part B of this Bill.

***Reprioritisation in the neighbourhood development partnership grant*** – In the neighbourhood development partnership grant, R90 million is shifted from the direct component to the indirect component of the grant, to fund project preparation, planning and implementation for municipalities facing implementation challenges. The affected municipalities are City of Johannesburg, Mogale City, Kwa-Dukuza, West Rand, Sol Plaatje, Ray Nkonyeni and City of Cape Town. These changes are shown in Schedule 5, Part B and Schedule 6, Part B of this Bill.

### ***Changes to gazetted frameworks and allocations***

***Neighbourhood development partnership grant*** – The grant framework for the neighbourhood development partnership grant is amended to remove reference to Built



Environment Performance Plans and include the conditions attached to the approval of funds from the Presidential Youth Employment Initiative. The conditions require cities to expand the existing Expanded Public Works Programme projects and enter into new partnerships with the private sector and civil society.

**Regional bulk infrastructure grant** – The grant framework for the regional bulk infrastructure grant is amended to include the conditions attached to the approval of funding from the BFI for the implementation of the potable water security and remedial works project in George Local Municipality. The conditions require that the municipality submit a business plan, a cost-benefit analysis report and enter into a co-financing agreement with the Department of Water and Sanitation and the Department of Cooperative Governance.

**Integrated urban development grant** – The grant framework for the integrated urban development grant is amended to include a provision for purchasing special vehicles for waste management. This correction is needed to ensure alignment with conditions in the municipal infrastructure grant as municipalities can move between the two grants.

**Municipal infrastructure grant** – The grant framework for the municipal infrastructure grant is amended to correct for the omission of the baseline allocation of R14.8 billion in 2019/20 in the past performance section of the framework. The amount was erroneously not captured. This correction is needed to show the audited past financial performance of the grant.

### **3. IDP Consultation Process Post 2021 Local Government Elections**

Municipalities are advised to refer to the guidance (refer to the email sent by CoGTA to all municipalities on 20 October 2021) provided through the joint National Treasury/ Department of Cooperative Governance/ South African Local Government Association (NT/DCoG/SALGA) Joint Circular No.1 on the transitional measures in relation to the IDP consultation process. This circular indicates that the previous municipal councils had an obligation to ensure that the legislative stipulations were complied with. Therefore, they were expected to continue the process of the development of the IDP starting with the development and adoption of the process plans as provided for in section 28 of the Municipal Systems Act. Municipalities should then implement the adopted budget process plan and conduct the public engagements as per dates they have indicated in the process plan.

### **4. Municipalities unable to pass the annual budget after 1 July**

The provincial executive council must urgently request the Mayor to submit a report outlining detailed reasons and or circumstances that led to failure to approve the annual budget by the 1 July.

The provincial executive council must intervene in terms of section 139(4) of the Constitution and take appropriate steps by issuing a directive to the municipal council to approve a budget and any revenue raising measures necessary to give effect to the budget within a reasonable period.

Section 26(4) and (5) of the MFMA provides for how the expenses can be met pending the approval of a budget through a directive. Provincial Treasuries should establish clear internal processes for reviewing and recommending the approval of withdrawals by their MEC (templates can be obtained from National Treasury).

The provincial executive council must upon issuing of a directive to the Municipal Council conduct an assessment of the budget tabled by the Mayor against the norms and standards, approved budget process plan, and the outcome of public participation processes.

In the event the Municipal Council fails to approve a budget due to walk out or individual misconduct by a majority of councillors, the Speaker must immediately investigate the conduct of those identified councillors in terms of the Code of Conduct for councillors as provided for in the Municipal Systems Act, 2000.

If in terms of the assessment by the provincial executive council of the tabled budget, it is found that there are no justifiable grounds for not approving the budget, the former must submit/ present the outcome of the assessment to the Municipal Council with a directive to consider the assessment and adopt the budget. If the assessment of the provincial executive council of the tabled budget finds that it does not adhere to the required norms and standards, the directive from the provincial executive council should instruct the council to first amend the budget to remedy this before adopting the budget.

The provincial executive council must, if necessary give the municipal council a further 14 days to approve a tabled budget that complies with norms and standards and incorporates the outcome of public participation, failing which the provincial executive council must consider dissolution of municipal council, approval of a temporary budget and appointment of an administrator as a last resort.

## 5. Municipal Standard Chart of Accounts (*mSCOA*)

### 5.1 Release of Version 6.6 of the Chart

On an annual basis, the *mSCOA* chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.6 is released with this circular.

Version 6.6 of the chart will be effective from 2022/23 and must be used to compile the 2022/23 MTREF and is available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

The Project Summary Document (PSD) on the National Treasury webpage will be aligned to the chart changes in version 6.6 where applicable. The PSD is also available on the above link.

*mSCOA* chart changes are issued annually in December. For the National Treasury to consider a new chart change, the issue must be logged with all relevant background and details on the Frequently Asked Questions (FAQ) database. The FAQ database can also be accessed on the above link.

The matter will then be further investigated by the FAQ committee of the National Treasury. If it is found that a chart change is required in the next chart version, then the matter will be elevated to the *mSCOA* Technical Committee and if in agreement, it will be recommended for approval to the *mSCOA* Steering Committee. Requests for chart changes in the next version of the chart must be logged for consideration by 31 August of each year.

### 5.2 Credibility of *mSCOA* data strings

The credibility of the *mSCOA* data strings remains a concern although we have observed a marked improvement in some areas. At the core of the problem is:

- The incorrect use of the *mSCOA* chart and segments, balance sheet budgeting, movement accounting and basic municipal accounting practices by municipalities;
- Some municipalities are not budgeting, transacting and reporting directly in/ from their core financial systems; have not purchased all the modules of the core financial system or have not upgraded to the Enterprise Resource Planning (ERP) (*mSCOA* enabling) version of their financial systems;
- A number of municipalities are still transacting on their legacy systems that are not *mSCOA* enabling or they are using Ms Excel spreadsheets that are not incorporated in the functionality of their financial systems, while they are paying for maintenance and support for the *mSCOA* enabling system that was procured. This constitute fruitless and wasteful expenditure; and
- Municipalities are not locking their adopted budgets and their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2022/23, the Local Government Database and Reporting System will lock all submission periods within the reporting period at the end of each quarter. The published period will NOT be opened again to ensure consistency between publications. System vendors were also requested to build this functionality into their municipal financial systems.

Municipalities should refer to the guidance provided in the *mSCOA* circulars issued by the National Treasury to classify their transactions correctly.

The credibility and accuracy of the data strings must be verified by municipalities before submission as the data strings submitted will be used as the single source for all analysis and publications in the 2022/23 municipal financial year.

### 5.3 Regulation of Minimum Business Processes and System Specifications

One of the key objectives of the *mSCOA* reform is to ensure that municipalities are planning, budgeting, transacting and reporting directly on and from integrated ERP systems to have one version of the truth in terms of the reported financial performance. The manual correction of data strings by municipal officials or system vendors are not allowed in terms of the *mSCOA* Regulations.

All municipalities and municipal entities had to comply with the *mSCOA* Regulations by 1 July 2017. MFMA Circular No. 80 (Annexure B) provided guidance on the minimum business processes and system specifications for all categories of municipalities (A, B and C). A number of Regulations and best practices as per the MFMA Circulars have been introduced since the issuing of MFMA Circular No. 80 in 2016.

The National Treasury will expand and regulate the business processes and system specifications in 2022/23 to these new developments. If your municipality has not yet achieved the minimum required level of *mSCOA* implementation, then a detailed action plan (road map) must be developed to indicate how the municipality will fast track the implementation of *mSCOA*. The action plan should include the following focus areas, as applicable to the municipality:

- **System landscape** – does the municipality has access to updated ICT hardware, software and licences that is sufficient to run the chosen financial management systems solution;
- **Governance and institutional arrangements** – is there a functional *mSCOA* steering committee or equivalent structure consisting of representatives from all business units, that meet regularly to monitor and report on *mSCOA* related issues to Management Committee (MANCO), Executive Committee (EXCO) and Council. Furthermore, did the

municipality appoint a suitably qualified System Administrator and the required IT securities are in place;

- **System functionality** – is the functionality of the system complying with the minimum business processes and system specifications articulated in MFMA Circular No 80; is the municipality utilising the core financial system solution and its modules optimally; and are 3rd party sub-systems seamlessly integrating with the *mSCOA* enabling financial system; and
- **Proficiency of municipal officials to use the financial system** – are the relevant municipal officials sufficiently capacitated on all system modules and functionalities to use the financial systems solution; are relevant officials in the organisation familiar with the *mSCOA* chart, balance sheet budgeting and movement accounting; and have change management taken place to ensure that *mSCOA* is institutionalised as an organisational reform and not only a financial reform.

It should be emphasised that the onus to ensure compliance with the *mSCOA* Regulations and minimum system specifications as per MFMA Circular No. 80 and its Annexure B rests with the municipality and not the system vendor. Municipalities should ensure that they budget sufficiently to become and remain *mSCOA* compliant.

The progress against the action plan must be monitored by the municipality's *mSCOA* Project Steering Committee and should also be reported at the 2021/22 Mid-year Budget and Performance engagements and the Budget and Benchmark engagements with the National and the respective provincial treasury. Copies of the action plan and progress reports should also be shared with the National and the respective provincial treasury.

#### 5.4 Extension of RT25-2016 Service Level Agreements (SLA) for Financial Systems

The National Treasury has received numerous queries about the extension of the SLA for the transversal contract for the procurement of municipal systems of financials management and internal control (RT25-2016).

The RT25-2016 contract has expired in May 2019. Therefore, the RT25-2016 cannot be utilised to procure financial systems and Service Level Agreements (SLAs) entered into through the transversal contract cannot be extended when they expire. Municipalities that procured systems through the RT25-2016 transversal tender must approach the market to procure a new service provider for system support and maintenance. Due to the high financial investment in procuring financial systems, it is not cost effective to change financial systems every 3 to 5 years. Also, the expiry of the SLA does not necessitate the procurement of a new financial system - unless the system that is being used is not complying with the required business processes and system specifications.

Furthermore, the Municipal SCM Regulations does not prohibit the use of long-term contracts as long as the needs analysis and market analysis are done to justify the continuous need for the service. Municipalities may utilise Section 33 of the MFMA, taking into account the municipality's specific circumstances, provided that the decision is legally sound and there is evidence to support the municipality's decision.

Where a municipality has entered into a SLA for the provision of system support and maintenance through an open procurement process, the SLA may be extended in terms of Section 116(3) of the MFMA.

Notwithstanding the above, since the ICT environment changes very quickly the municipal needs must be re-evaluated to ensure that the IT systems in place are still 1) compatible with the needs and systems of the municipality, 2) aligned to modern technology and new legislative requirements and 3) cost effective prior to concluding long-term maintenance and support agreements in the event that there are other financial management solutions or

systems that may be better or even more cost effective as opposed to the current ones that may be outdated.

### 5.5 *m*SCOA Monthly Trial Balance

Municipalities are required to submit the following documents to GoMuni Upload portal on a monthly basis in PDF format:

1. C Schedule
2. Primary Bank Statement
3. Bank Reconciliation
4. Quality certificate
5. Monthly budget statement (Section 71 Report)
6. Trial balance

To date, the trial balances were submitted in various formats with varying levels of detail – some of them unreadable, making it difficult to identify the submission of the trial balances. From 1 July 2022, the trial balance must include the following minimum information:

- *m*SCOA item description
- Balance brought forward (i.e. opening balance)
- Movement Debit
- Movement Credit
- Balanced closing balance at the end of the document

The name of the municipality, municipal code and relevant period (year and month) must be clearly identified in the submission. Municipalities should ensure that the monthly data string aligns to the trial balance submitted to the GoMuni Upload portal.

### 5.6 Budgeting for the COVID-19 pandemic

In terms of *m*SCOA Circular No. 9 municipalities are reminded to record and ring fence all funding and expenditure pertaining to the COVID-19 pandemic when budgeting and transacting.

It is evident from the *m*SCOA data strings that were submitted by municipalities in terms of the monthly Section 71 reporting that not all municipalities are budgeting and reporting on COVID-19 related allocations and expenditure as per the guidance provided. Therefore, the National Treasury is not able to draw complete COVID-19 reports from the *m*SCOA data strings inclusive of the data for all municipalities as yet and the weekly manual reporting is still required.

Once the National Treasury is able to draw COVID-19 reports from the *m*SCOA data strings for the majority of municipalities and the Covid-19 restrictions is lifted as per the Disaster Management Act, 2002 (Act 57 of 2002) and its regulations, the weekly manual reporting will be stopped.

### 5.7 Costing Segment

The purpose of the costing segment in *m*SCOA is to provide for the recording of the full cost for the four core municipal functions, namely: electricity, water, waste water and waste management as a minimum requirement. These four services are the most significant revenue generating functions within municipalities and essential for setting cost reflective tariffs.

The costing segment does not impact on the financial statements and will be recorded as a 'below the line cost' and are recorded in the management accounts to make decisions in



formulating tariffs and cost control. Municipalities must refer to the PSD for the detailed application of the costing segment.

### 5.8 Classification of the Skills Development Levy

Employers must pay 1 per cent of their employees pay to the skills development levy. This is a contribution of 1 per cent of the total amount paid in respect of salaries to employees, which includes overtime payments, leave pay, bonuses etc. Therefore, this does not constitute employee related cost because it is not a compensation to employees, nor social contributions. Skills Development levy must be classified as operational costs as indicated in the *mSCOA* Project Summary Document (PSD).

### 5.9 Revised Municipal Property Rates Act Categories

Reference is made to paragraph 4.3 of MFMA Circular No. 107. Municipalities are reminded that section 8 of the Municipal Property Rates Act on the determination of categories of **rateable** properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 ("the Amendment Act").

Municipalities were required to implement the new property categorisation framework by not later than 1 July 2021. The *mSCOA* chart Version 6.6 makes provision for the new and the old framework. However, the old framework will be retired in the next version of the chart and municipalities are advised to implement the new property categorisation framework as legislated. Therefore, municipalities cannot use both frameworks to avoid duplication and overstatement of revenue from property rates.

## 6. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.

Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment. Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

It should be noted that it is easier for consumers to pay for services if they are reliable and when the environment is well maintained.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore,

municipalities are required to **justify all increases in excess of the projected inflation target for 2022/23** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

### 6.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2022/23 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities should undertake this exercise annually as a routine practice during the budget process. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their annual reconciliation of the valuation roll to the billing system to the National Treasury by no later than **04 February 2022**.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>. If the municipality experience any challenge uploading the information a request for an alternative arrangement may be emailed to [linda.kruger@treasury.gov.za](mailto:linda.kruger@treasury.gov.za).

### 6.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular No. 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable a municipality to recover costs to fulfil its mandate. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>

It is also imperative that every municipality is utilising the *mSCOA* cost segment correctly.

### 6.3 Bulk Account Payments and Concessions

During 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also advised to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.**

In this regard municipalities are reminded to take note of the Constitutional Court decision in **Mazibuko and Others vs City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009)**. The Constitutional Court confirmed that a municipality has the right to disconnect the water service in the event of non-payment. In the case of registered indigent users, water may not be disconnected but can and should be restricted to the national policy limit of 6 kilolitres of water monthly.

### 6.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.

### 6.5 Smart Prepaid Meters Solution

The Inter-Ministerial Task Team (IMTT) of the 5<sup>th</sup> administration appointed a panel to investigate the electricity function to better understand what is causing the non-payment to Eskom. Cabinet subsequently endorsed the panel's recommendation that a smart prepaid solution for all municipalities must be explored. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a



transversal contract to standardise prepaid smart meter solutions for electricity that align to minimum and critical technical specifications for local government.

If your municipality or entity is currently in the process of procuring any smart meter solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal prepaid smart meter Terms of Reference (ToR); and
- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for any smart meter solution or similar system solution. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any smart meter solution or similar system solution or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) [Sadesh.Ramjathan@treasury.gov.za](mailto:Sadesh.Ramjathan@treasury.gov.za).

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

## **6.6 Completeness and credibility of revenue related information in the Budget**

The Municipal Budget and Reporting Regulations (MBRR) regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2022/23 MTREF.

## **6.7 Eskom Bulk Tariff increases**

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases. In their Multi-Year Price Determination (MYPD 5) application Eskom requested approval for municipal bulk tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA rejected this revenue application at the end of September 2021 and in October 2021 ESKOM filed an application in the High Court to review NERSA's decision. The matter is still in court with a decision anticipated to be made shortly. If Eskom succeeds, the court will compel NERSA to process the rejected application for tariffs for the year starting 1 April 2022 in terms of the existing MYPD methodology. NERSA will then be expected to immediately publish Eskom's application for public comment.

## 6.8 Long Term Financial Strategies

National Treasury is supporting municipalities to develop and implement long-term financial models and strategies. This reform seeks to develop more sustainable, and integrated infrastructure development programmes over the longer term, informed by strategic plans, and financed in the most effective and efficient manner.

Although some municipalities have long-term financial models (LTFM), they are not always integrated with municipal plans, or based on actual cash flow analysis and investment programmes, or able to consider alternative financial scenarios and outcomes in relation to the ability to borrow and the structuring of market transactions.

Municipalities need to develop LTFM that support decisions on investment selection and assesses the financial impact of policy choices, by forecasting future financial performance and the impact of infrastructure projects on borrowing capacity. The LTFM needs to inform the municipality's long-term financial strategy, which must articulate a sustainable, efficient and effective borrowing strategy and practices for the municipality and provide a clear statement of intent for lenders and other stakeholders.

National Treasury has initiated this reform in the metropolitan municipalities and some of the Intermediate City municipalities and will continue with this reform in the next financial year. Based on the piloting of this reform, guidance will be provided to all municipalities to develop and implement LTFM's and strategies.

## 7. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2022/23 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

## 7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2022/23 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2022 and 01 July 2023 an increase based on the projected average CPI percentages for 2022 and 2023. The forecasts of the Reserve Bank, in terms of the January 2022 and January 2023, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.

## 7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councilor(s) concerned.

# 8. TRANSFERS TO MUNICIPALITIES

## 8.1 Criteria for the release of the Equitable Share

Section 216(2) of the Constitution of South Africa requires that the National Treasury must enforce compliance with the measures established to ensure both transparency and expenditure control in each sphere of government and may stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of those measures.

The criteria for the release of the Equitable Share Instalments for the 2022/23 municipal financial year are as follows:

- The 2022/23 adopted budget must be funded and adopted by Council as per the legal framework, as required in terms of section 18 of the MFMA and consistent with the Budget Council and Budget Forum resolutions;
  - a. The adopted budget must include budget allocations for bulk suppliers current account payments;
  - b. Should the adopted budget still be unfunded, then a funding plan will be required to show how the municipality intends moving progressively out of this position into a funded state, if this plan has been adopted in the past, then a progress report must be submitted on the framework previously shared to guide municipalities which is aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS);
  - c. Those municipalities that adopted an unfunded budget must work with their respective Provincial Treasuries to rectify this position in the lead up to the main adjustments budget process in February 2023; and
  - d. A council resolution showing commitment to address the unfunded position must be submitted by these municipalities to the National Treasury by 01 July 2022.

- Credible *mSCOA* data strings and source documents for the 2022/23 MTREF and 2021/22 audits must be generated directly from the core municipal financial system and successfully uploaded to the Local Government GoMuni Portal. Source documents must be submitted in PDF and no excel based spreadsheet/ templates will be accepted;
- The report submitted by bulk suppliers in terms of section 41 of the MFMA must indicate that the current account has been paid timeously in terms of section 65(2)(e) of the MFMA. In addition, where the municipality has a repayment plan with Eskom and/ or the water boards, proof that the current accounts have been paid and a copy of the agreed upon payment plan (or evidence of negotiations underway with creditors) must be submitted to the National and provincial treasuries;
- Municipalities must provide evidence that SARS, pension and other staff benefits deducted from municipal officials have been paid over the appropriate Funds and/ or institutions;
- The information requested in MFMA Circulars No. 93, 98 and 107 on the reconciliation of the valuation roll have been submitted to the National Treasury as per the required timeframes;
- The Competency Regulations reporting requirements have been complied with;
- Provide a copy of the Unauthorised, Irregular, Fruitless and Wasteful (UIF&W) expenditure register, the latest copy of the Municipal Public Accounts Committee (MPAC) recommendations, Council Resolution on UIFW as well as council approved UIFW Reduction Strategy, proof of establishment of the Disciplinary Committee Board (or evidence of progress towards their establishment) and updated audit action plan (where the audit has been completed);
- Those municipalities that received an adverse or disclaimed opinions for the 2020/21 financial year will not receive their funding allocation unless there is a council resolution committing to address these opinions with an implementable plan. The resolution must be signed by each member of the Council and submitted to National Treasury by 1 October 2022;
- The Municipal Financial Recovery Service progress reporting framework for financial recovery plans must be complied with by municipalities under intervention in terms of S139 of the Constitution;
- Additionally, those municipalities that have outstanding audits for both the 2019/20 and 2020/21 financial years as well as municipalities with outstanding 2020/21 audit opinions that also received an adverse or disclaimer opinion in 2019/20, will also not receive their allocation; and
- Any other outstanding documents as per the legal framework have been submitted including the AFS submission (municipality only and consolidated AFS).

Failure to comply with the above criteria will result in National Treasury invoking section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

## 9. The Municipal Budget and Reporting Regulations

### 9.1 Schedule A - version to be used for the 2022/23 MTREF

National Treasury has released Version 6.6 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.6 of the *mSCOA* classification framework and must be used when compiling the 2022/23 MTREF budget.

All municipalities must prepare their 2022/23 MTREF budgets in their financial systems and produce the Schedule A1 directly from their financial system.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module in the financial system and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on A1 schedule version 6.6 is not allowed** in terms of the *mSCOA* Regulations.

National Treasury has protected the A1 schedule version 6.6 in order to ensure that the Schedule A1 generated directly from the financial system and not populated manually.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *mSCOA* chart version 6.6. The revised MBRR Schedules for the 2022/23 MTREF and its linkages to the financial and non-financial data string are available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

## 9.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a>
Abigail Maila		012-395 6737	<a href="mailto:Abigail.Maila@Treasury.gov.za">Abigail.Maila@Treasury.gov.za</a>
Buffalo City	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Free State	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a>
Cethekile Moshane		012-315 5079	<a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>
Gauteng	Matjatji Mashoeshoe	012-315 5553	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a>
Abigail Maila		012-395 6737	<a href="mailto:Abigail.Maila@Treasury.gov.za">Abigail.Maila@Treasury.gov.za</a>
Johannesburg and Tshwane	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
Ekurhuleni	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
Kevin Bell		012-315 5725	<a href="mailto:Kevin.Bell@treasury.gov.za">Kevin.Bell@treasury.gov.za</a>
eThekweni	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a>
Limpopo	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
Mpumalanga	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Lesego Leqasa			<a href="mailto:Lesego.Leqasa@treasury.gov.za">Lesego.Leqasa@treasury.gov.za</a>
Northern Cape	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Phumelele Gulukunqu		012-315 5539	<a href="mailto:Phumelele.Gulukunqu@treasury.gov.za">Phumelele.Gulukunqu@treasury.gov.za</a>
North West	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
Makgabo Mabotja		012-315 5156	<a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
Western Cape	Willem Voigt	012-315-5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
Cape Town	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
George	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Technical issues with Excel formats	Sephiri Tlhomeli	012-406 9064	<a href="mailto:Iqdataqueries@treasury.gov.za">Iqdataqueries@treasury.gov.za</a>



National and provincial treasuries will analyse the credibility of the data string submissions.

### 9.3 Assessing the 2022/23 MTREF budget

National and provincial treasuries will assess the 2022/23 MTREF budgets to determine if it is complete, funded and complies with the *mSCOA* requirements. The *mSCOA* data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

The **assessment period** of all municipal budget will therefore be from **01 April to 30 June 2022 for both the tabled and adopted budgets**. In this period, the National and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10<sup>th</sup> working day of July each year. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *mSCOA*, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget without a credible funding plan, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be immediately adopted by the Municipal Council, and the changes to the budget must be effected in the mid-year adjustments budget to ensure compliance with Section 18 of the MFMA.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D Schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and

adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

## 10. Submitting budget documentation and A1 schedules for 2022/23 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, **immediately** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2022**, the final date of submission of the electronic budget documents and corresponding *mSCOA* data strings is **Friday, 01 April 2022**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the *mSCOA* Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats **immediately** after approval by the municipal council. Therefore, if the annual budget is tabled to council on **31 May 2022**, the final date of submission of the electronic budget documents and corresponding *mSCOA* data strings is **Wednesday, 01 June 2022**.

**Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in pdf format to the GoMuni Upload portal.**

### 10.1 Expected submissions for 2022/23 MTREF

The following information should be submitted for the 2022/23 MTREF:

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the A1 schedule must be submitted in the prescribed *mSCOA* data string in the format published with Version 6.6 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

## 10.2 Go Muni Upload Portal

The National Treasury is in the process of finalising the development work on the GoMuni Upload portal. Municipalities, provincial treasuries, system vendors and sector departments should ensure that the names and contact details of the data uploaders or users of the data, as reflected on the LG Database, for their respective institutions are correct and updated as and when changes occur.

## 10.3 Portals for the submission of information

Municipalities must ensure that the documents are submitted to the correct portals/ mailboxes. These portals/ mailboxes are:

<https://lguploadportal.treasury.gov.za> (GoMuni Upload Portal) – All documents required in terms of legislation, including:

- mSCOA Data Strings by approved registered users;
- Budget-related and in-year documents and schedules (A, B and C) by approved registered users; and
- Reconciliation of the valuation roll to the financial system (as per MFMA Circular No. 93).

Budget related documents and schedules must be uploaded by approved registered users using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>. The GoMuni Upload Portal does not have the same size restrictions encountered with [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za), but requires all documents to:

- Be in PDF format only; and
- Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Municipalities may **only** send electronic versions of the above documents to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) when experiencing problems with the GoMuni Upload Portal.

[lgdataqueries@treasury.gov.za](mailto:lgdataqueries@treasury.gov.za) – Database related and submission queries and the grant rollover templates.

[lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) – Any additional information required by National Treasury that is not listed under the GoMuni Upload portal such as the manual COVID-19 reports.

Please do not submit the same document to ALL the platforms listed above as it means that our Database Team must register the same documents three times which slows down the process. **Any document/ queries that are submitted to the incorrect portal/ mailbox will be deleted and not processed.**

## 10.4 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.



### 10.5 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

## Contact



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**Post** Private Bag X115, Pretoria 0001  
**Phone** 012 315 5009  
**Fax** 012 395 6553  
**Website** <http://www.treasury.gov.za/default.aspx>

**JH Hattingh**  
**Chief Director: Local Government Budget Analysis**  
**06 December 2021**



## **Web Enabled Audit Action Plan System**

### **1. Introduction**

Section 131 of the MFMA requires that a municipality must address any issues raised by the Auditor-General in an audit report. This includes the parent municipality and municipal entities.

We have noted over the years that the audit action plans developed by municipalities and municipal entities are compiled using various tools and applications. A number of action plans do not contain key details or information in support of effective implementation.

The effectiveness of an Audit Action Plan is measured through the successful implementation of timely and appropriate actions, must prevent a recurrence of the audit findings in subsequent audits and translate into an improvement in the audit opinion.

The desired outcome has not always materialised in the past, due to a number of factors, such as:

- Inadequate planning and late compilation of the action plan.
- Different formats of the Audit Action Plans, which were inconsistent in content and form, difficult to monitor and report on progress at municipality, municipal entities, provincial and national departments.
- Inadequate monitoring of the implementation of the action plans by senior officials at the municipality and municipal entities.
- Provincial / National Treasury only becoming aware of challenges when it is too late to render assistance or support.
- Lack of skills/knowledge of those tasked with drafting the audit action plan with regards to the necessary actions that must be taken to address the finding.
- The same unsuccessful planned actions are proposed for recurring findings.
- Lack of assigned responsibility and accountability.

The COVID-19 pandemic and ensuing changes in the work environment has offered us an opportunity to address the challenges differently.

In line with the pro-active, hands-on approach in assisting municipalities and municipal entities, we have harnessed the advantages of technology to not only increase efficiency in municipal reporting, but also to accelerate the provision of real time

assistance to municipalities across the country, through the introduction of the **web-enabled audit action plan system**.

The web-enabled audit action plan will serve to address the gaps identified through the audit process in the following ways:

- The **standardised format** ensures that all necessary information is included in the audit action plan.
- An **approval process is embedded** in the system that incorporates management, the CFO, Internal Audit, Audit Committee, and the Municipal Manager.
- It allows for **multiple users to access and work** on the audit action plan **at the same time**.
- It provides for **e-mail alerts** once sections are completed, and supports efforts of National and Provincial Treasuries to provide support, advice, comments and recommendations.
- In-year and ongoing progress in implementation of the audit action plan can therefore be monitored in real time by all users through all stages. The **progress tracking** is done through the audit action plan Dashboards which track the resolution of the number of audit findings and users are able to extract reports on progress to address identified internal control deficiencies.
- **Quality assurance** is also ensured as internal audit units are required to confirm that the resolution of the findings was adequate, before an action plan status can change to “Complete”.
- The need to **report separately to different stakeholders** is obviated as treasury officials have access to real time information.

The web-enabled online Audit Action Plans will ensure more effective and rigorous engagement between Provincial and National departments and municipalities contributing towards ongoing improvements in audit outcomes.

The web-enabled Audit Action Plan forms part of the online application which also includes an enhanced online Financial Management Capability Maturity Model (FMCMM) which incorporates Financial Ratios. Improvements in a municipality's FMCMM scoring is likely to lead to better audit outcomes and the use of the Audit Action Plan will further reinforce this.

The FMCMM and Audit Action Plan application requires no financial outlay from municipalities other than access to the internet on standard browsers and no download of software is required.

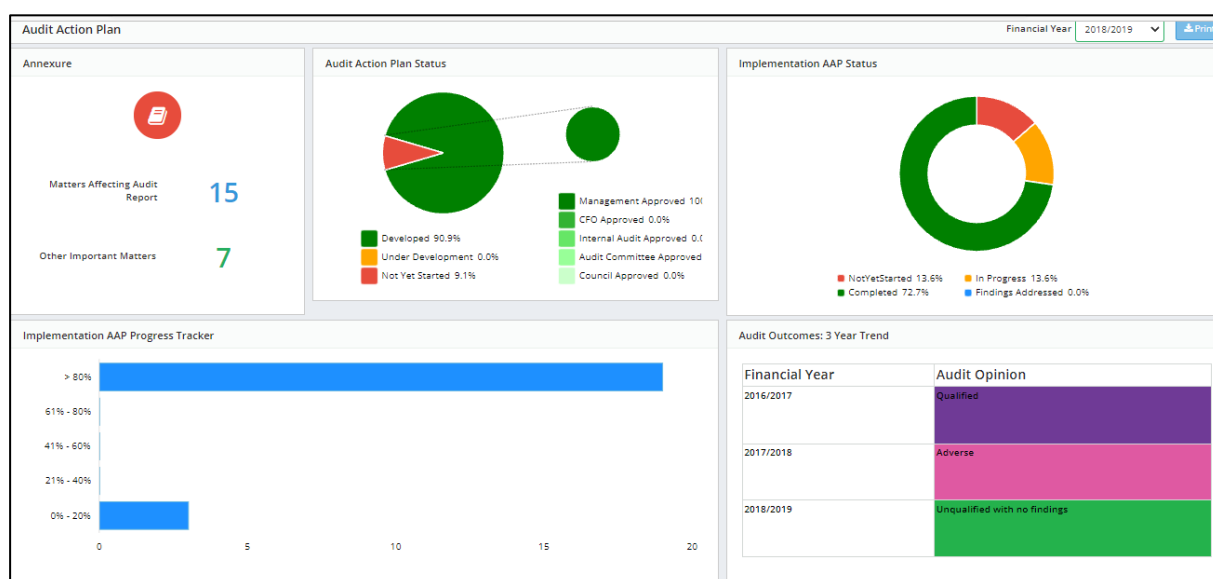
## 2. Audit action plans – accountability for public funds

The online system will give users the ability to develop an action plan to resolve audit outcomes and track progress towards improvements. The Auditor-General's audit and management reports are the main drivers for the population of the audit action plan, which will follow an **approval process** involving key stakeholders from the CFO, Internal Auditor, Audit Committee, and Council.

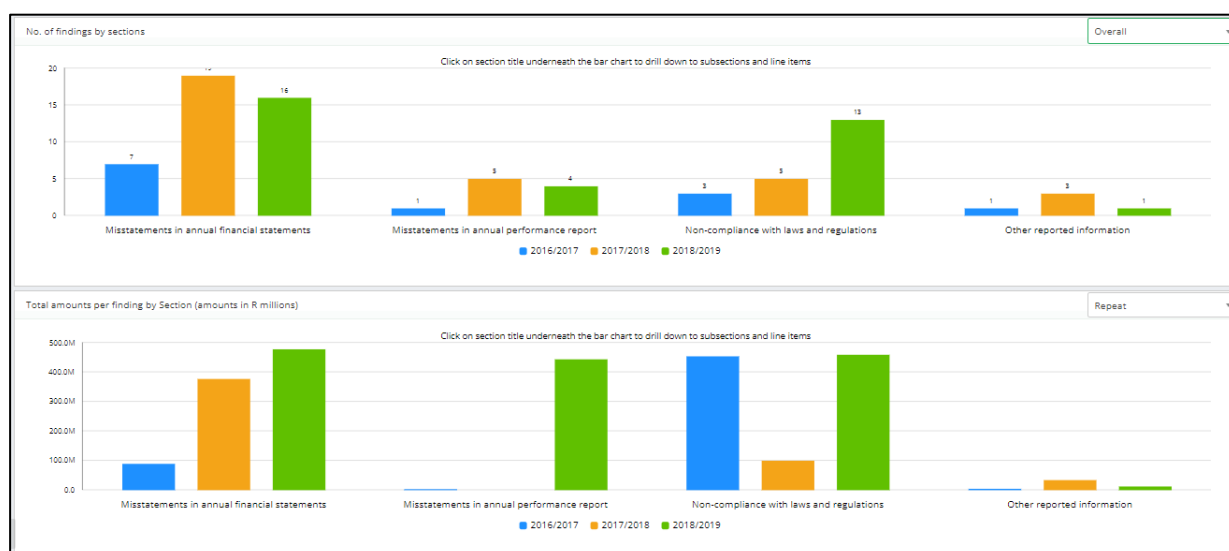
In addition, repeat findings and prior year proposed solutions are identifiable for special attention by stakeholders to expedite interventions when and where needed, both at the planned action phase, as well as at the implementation phase.

The system also stores past audit action plans, and this accumulation of knowledge would enable users to trace actions taken in previous years, and follow-up on corrective actions relating to prior year findings which have failed to adequately address and resolve the finding. In so doing, the system will assist in the identification of root causes of repeat findings so that appropriate actions may be introduced that will effectively resolve these findings.

Dashboards provide high level overviews of **trends and progress in implementing the audit action plan**. The main dashboard is shown below.



The same dashboard also indicates **areas of weakness and repeat** or recurring findings.



The drill-down functionality allows the user to further identify the exact line items in the financial statements that the findings relate to.

The following dashboards provide management and treasuries with an overview of the status of the implementation of the audit action plan:

Audit Action Plans				+ Add Action Plan
Summary		Matters Affecting Audit Report	Matters Affecting Management Report	Financial Year 2019/2020
Audit Action Plan	No of Findings			
	Matters Affecting Audit Report	Matters Affecting Management Report	Total	
Not Yet Started	4	0	4	
Under Development	0	0	0	
Developed - Management Approved	0	0	0	
Developed - CFO Approved	0	0	0	
Developed - Internal Auditor Approved	0	0	0	
Developed - Audit Committee Approved	0	0	0	
Developed - Council Approved	0	0	0	
Total	4	0	4	
Implementation	No of Findings			
	Matters Affecting Audit Report	Matters Affecting Management Report	Total	
Not Yet Started	4	0	4	
In Progress	0	0	0	
Completed	0	0	0	
Agreed Findings Addressed	0	0	0	
Total	4	0	4	
Findings also addressed in current year		0	0	0

**Stagnant or slow-moving findings** are easily identifiable from the dashboard below:

Audit Action Plans

Summary

Matters Affecting Audit Report

Other Important Matters

Audit Opinion

Select Option

Financial Year

2020/2021

Audit Action Plan Status

All

Implementation Status

Not Yet Started

In Progress

Completed

Agreed Findings Addressed

Date Created

dd MM yyyy

Due Date From

dd MM yyyy

Due Date Till

dd MM yyyy

Filter

Download

25

Reference	Section	Subsection	Line Item	Finding	Remedial Action Taken	Action Plan Status	Repeat Finding	Progress	Implementation Status	Responsible Person	Due Date	Completed Date	Action
AAP158-2021	Misstatement	Long term	Long-term	79. ISS.12	8888	Under Development	No	100%	Completed	Director Financial Reporting	22 Jul 2021	11 Oct 2021	
AAP177-2021	Misstatement	Short term	Short-term	8. ISS.91	null	Not Yet Started	No	0%	Not Yet Started	Midvaal CFO	22 Jul 2021		
AAP178-2021	Misstatement	Short term	Short-term	10. ISS.11	null	Not Yet Started	No	0%	Not Yet Started	Financial Manager	08 Oct 2021		

Showing 1 to 3 of 3

1

The system also **allows for changes**, updates and access rights are restricted to the responsibility of the various users.

The **upload of essential documents**, such as Council approvals, is also catered for on the system.

The web-enabled audit action plan **promotes accountability** for the resolution of audit findings in that action plans are allocated to specific individuals within the organisation and compliance in implementation of solutions may be monitored. It also permits users to submit comments and immediate feedback may be obtained where challenges are encountered.

The reporting functionality of the system supports improved decision making by working collaboratively with managers so that they actively report **real time information** and evidence where recommendations have been addressed and this will help reduce the amount of time and effort needed to follow-up. The filter mechanism allows a selection of reported information to be extracted such that only relevant information is included in reports destined for use by the various oversight structures, such as Council, MPAC and Audit Committees.

The combined risks of late submission and incorrect versions of the audit action plan being submitted for review is eliminated.

Active use of the system will help municipalities move away from a cycle of unfavourable audit outcomes and repeat findings.

Several municipalities and municipal entities of differing categories and locations were selected to test the system from an end-user perspective during the piloting phase. The piloting phase of the web-enabled audit action plan system took place between August 2021 and December 2021 at two (2) metros, two (2) district municipalities, two (2) local municipalities as well as twelve municipal entities.

The web-enabled FMCMM and Audit Action plan is accessible through the following URL link: <https://fmcmmaap.treasury.gov.za/>

In addition, help in completing the online FMCMM and Audit Action plan is available from:

1. Frequently Asked Questions (located under 'HELP' in the system);
2. A detailed User Guide (located under 'HELP' in the system); or
3. By logging an enquiry ticket via the Helpdesk (located under 'HELP' in the system).

### 3. Assistance with the web-enabled system

If municipalities and municipal entities require further assistance with the web-enabled system, in addition to the help function built into the system, the following officials from Provincial Treasuries and National Treasury can be contacted.

Province	Responsible official	Cell. No.	E-mail address
Eastern Cape	Nkosinathi Ngwenya	083 746 2216	Nkosinathi.Ngwenya@ectreasury.gov.za
Free State	Lebogang Moduane	083 389 1778	lmoduane@treasury.fs.gov.za
Gauteng	Ntuboy Mokhethi	073 181 6585	ntuboy.mokhethi@gauteng.gov.za
KwaZulu-Natal	Phehello Molo	072 422 0881	phehello.moloi@kzntreasury.gov.za
Limpopo	Nthabiseng Mbungela	079 894 7714	mbungelann@treasury.limpopo.gov.za
Mpumalanga	Shadrack Masombuka	082 901 7209	smasombuka@mpg.gov.za
Northern Cape	Michael Matthee	081 488 0939	mmatthee@ncpg.gov.za
North West	Kulani Chauke	081 312 5097	kulanichauke@nwpg.gov.za
Western Cape	Faez Salie	021 483 4252	Faez.Salie@westerncape.gov.za
<b>National Treasury Audit Action Plan Helpdesk</b>			
fmcmm.aap@treasury.gov.za			

## 4. Conclusion

The web-enabled audit action plan links to priorities to improve audit outcomes, encompasses all areas of the municipality and municipal entity that have specific responsibilities in resolving audit findings, will inform training and capacitation plans, and strengthen the role of the Internal Audit and Audit Committee when performing assurance checks.

Through the introduction of the web-enabled audit action plan, municipalities and municipal entities will be assisted to move from crisis, through recovery, to sustained improvement in audit outcomes.

This Circular is to be brought to the attention of municipal Councils, Board of Directors of municipal entities and the relevant oversight structures, such as Finance Committees, Audit Committees as well as Municipal Public Accounts Committees.

## Contact



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

Fax  
Email – General  
Website

**012 315 5230**

[mfma@treasury.gov.za](mailto:mfma@treasury.gov.za)

[www.treasury.gov.za/mfma](http://www.treasury.gov.za/mfma)

**TV PILLAY**  
**CHIEF DIRECTOR: MFMA IMPLEMENTATION**  
**23 February 2022**





## Web-enabled Implementation of the Financial Management Capability Maturity Model (FMCMM)

### 1. Introduction

The MFMA aims to modernise financial management in municipalities and municipal entities by developing advanced tools and reforms to enable sustainable delivery of services to communities. In managing a municipality's financial administration, the accounting officer must ensure, *inter alia*, that the municipality maintains effective, efficient and transparent systems of financial and risk management, and internal control.

The Financial Management Capability Maturity Model (FMCMM), was rolled out in 2015 as an enabling tool to assist municipalities and municipal entities in assessing the state of development of the internal controls, monitoring financial management capability, and identifying areas of financial weakness. The tool aims to improve municipalities and municipal entities' financial management capabilities and overall sustainability.

Based on the outcomes of the 2015 FMCMM assessments, it was evident that there were weaknesses in municipal policies, procedures and processes as well as compliance in several areas of financial management. These included poor Information and Communications Technology, Risk Management, Asset Management, Revenue Management, Supply Chain Management, and sustainable capacity. The development and implementation of action plans to address these weaknesses were slow.

The Auditor-General has continued to raise concerns around the extent of non-compliance with legislation that requires a response from municipalities and municipal entities.

The automated web-enabled FMCMM system will assist municipalities and municipal entities address these weaknesses by implementing actions and routinely executing duties that prevent financial loss, wastage and transgressions, which will lead to significant improvement in financial and performance management. This circular provides an overview of the web-enabled system for the FMCMM and supports implementation of MFMA Circular 71 on Financial Ratios and Norms.

### 2. The FMCMM – Continuous Improvement

The FMCMM is an assessment comprising several key financial management modules and addresses multiple disciplines. Each module contains several questions and assists in improving policies, procedures and processes, with risk identification and mitigation measures. The tool guides municipalities and municipal entities to



continuously improve and innovate in financial management towards effective, efficient and economical service delivery. The outcomes of the assessments serve as a proactive 'early warning' mechanism that supports improvements in financial management maturity, capabilities and contribute towards better audit outcomes.

Municipalities and municipal entities are expected to progress to higher maturity levels over time as the FMCMM assists management in implementing changes to address shortcomings, improve and develop practices for good strategic and financial management, and help sustain procedures and processes for effective and efficient financial management.

## FMCMM Maturity Levels

The Municipal FMCMM consists of 6 maturity levels.

Levels 1, 2 and 3 - Assessment of compliance levels were completed. **Covers 21 Modules**. Municipalities are in the process of addressing gaps through action plans– include all game changers.

- Level 1 - Starting up
- Level 2 - Developmental
- Level 3 – Controlling

Levels 4, 5 and 6 – These assess for progressive maturity improvements in municipalities (beyond compliance) .

- Level 4: Information level
- Level 5: Management level
- Level 6: Optimisation level



On the web-enabled system, the FMCMM 1, 2 and 3 assessments results provide municipalities with a list of prioritised actions that are manageable, can be completed per module, and the progress monitored. A municipality that addresses the shortcomings identified on Levels 1, 2, and 3 of a FMCMM assessment will be well placed to improve financial management and service delivery to communities and may proceed to levels 4, 5 and 6 of the FMCMM. The system automatically generates Action Plan templates to assist municipalities and break tasks into manageable sections.

Moreover, national and provincial departments responsible to support and build capacity in municipalities for efficient, effective and transparent financial management will be better placed to ensure that support is directed to areas most in need. Hence the development of corrective strategies and plans using the different area of financial management will assist in prioritising improvements. The reports generated from the FMCMM system depict outcomes at a national, provincial, district and municipal level.

### 3. FMCMM Levels 4, 5 and 6: Resilience, Sustainability, Agility and Responsiveness

The web-enabled system introduces advanced FMCMM Levels 4, 5 and 6. Both local and international research were undertaken in developing this aspect of the Model, and several key concepts have been incorporated in the assessments built into the web-enabled system. The assessment consists of Qualifying Questions and Module Questions. The Qualifying Questions serve as an indicator to determine the readiness of a municipality and municipal entity to be assessed for FMCMM levels 4, 5 and 6.

It also assess progressive maturity improvements beyond compliance and tests ability of the institution to deliver services to communities in a resilient, informed and sustainable manner, as follows:

- ❖ Financial Health Environment - Level 4 to Level 6: Assess a municipality's ability to create an environment to plan, manage and pay for critical public services; invest in infrastructure and finance sustainable borrowing; balance the critical financial and humanitarian interests.
- ❖ Efficiency and Sustainably - Level 4 to Level 6: Assess the maintenance and enhancement of environmental, social and economic resources to meet the needs of current and future generations.
- ❖ Public Value - Level 4 to Level 6: Assess a municipality's ability to develop a shared understanding of the important values that citizens want to see achieved by and reflected in the municipality's operations, achieving social outcomes, going beyond client satisfaction.

FMCMM 4, 5 and 6 assess municipalities through the lenses of resilience, sustainability, agility and responsiveness and is a call to improve processes and systems that will support future-fit and world-class municipalities. Resilient municipalities promote sustainable development, inclusive growth and address the needs of communities. There is a greater need for the public sector, including municipalities and municipal entities, to withstand shocks and guarantee services to the public. Moreover, it is not only expected that municipalities survive or cope under changing or challenging times, but that municipalities effectively anticipate risks, manage the risks and develop new capabilities and continue to provide services sustainably.

As we embrace the technological revolution; key concept included in FMCMM 4, 5 and 6 are innovation and technology improvements. The power of new information and communication technologies should be used to engage citizens and businesses to make the municipalities sustainable, more informed, and more connected. These new technologies should be used to transform the delivery of public services, allow greater interaction with citizens, and provide opportunities for decision-making to improve the quality of municipal services and citizen welfare.

For example, most municipalities were not prepared to manage the consequences of the global pandemic. Going forward, municipalities and municipal entities must assess the extent to which the ongoing uncertainty triggered by the pandemic or potential

future disruptions and shocks, impact on their operations and ability to respond through new strategies and initiatives in the future.

#### **4. Financial Ratios and Norms – assessing the effectiveness of systems**

The web-enabled system includes a mechanism to capture ratios using pre-audited, audited, restated Annual Financial Statements and projections. The financial ratios and norms cover a wide variety of matters designed to show outcomes or reflect the effectiveness of the financial management systems. The ratios and norms incorporated in the system relate to the following financial aspects and operations of a municipality or municipal entity:

1. Financial Position
2. Financial Performance
3. Budget Implementation

A detailed explanation of each ratio/norm and how they are calculated may be found in MFMA Circular 71 at <http://mfma.treasury.gov.za/Circulars/Pages/Circular71.aspx>. They include inter alia asset management, debtor management, liquidity, revenue management and grant dependency.

#### **5. The web-enabled system - greater efficiencies achieved**

The portal is a centralised system freely accessible to municipal and municipal entity users. No monetary outlay is required as no physical software download is necessary to use the system. Only a connection to the internet and the use of a standard browser is required. Working online provides municipal officials, the CFO, National and Provincial Treasuries, with real-time updated information without delay in submitting reports, as the reports will be extracted from the system and populated with relevant information in support of the users. This functionality will enable Treasuries and other stakeholders to prioritise support, training and improvement plans for municipalities and municipal entities.

The reporting function produces tailored reports according to the requirements of the user. The information that will populate a report is filtered based on the combination of fields selected by the end-user. Consistent, relevant, and comparable financial and operational (non-financial) information and reports are provided that meet the users' needs and depend on the quality of the information input into the system. The reports are also intended to meet the needs of the oversight bodies and can serve at various forums to improve financial governance. Dashboards allow for easy monitoring of the status of implementation of action plans and also enable the results to be grouped by local or district municipality, province or nationally. Below is a summary of additional efficiencies which will be introduced through the use of the web-enabled system:

- ❖ The assessments are completed mainly through selection from drop-down menus, can be assigned to different officials, thereby reducing time spent completing the assessment.

- ❖ Action plans are created once a module is fully populated, saved, and submitted. An automatic generation of an FMCMM Action Plan is when “no” and “partial” responses were captured.
- ❖ Each module or remedial action is assigned to the responsible municipal official. Internal audit testing capability is incorporated.
- ❖ The system sends simultaneous accessibility to key users in all three spheres of government (National, Provincial and Local). Oversight is enhanced as Provincial Treasury and National Treasury review of the process is mandatory, allowing for feedback and recommendations on the FMCMM Action Plan.
- ❖ In addition, the FMCMM Action Plan approval process makes provision for the Council approval of FMCMM Action Plan. This will improve councillor oversight. In addition, municipalities are advised to submit the revised FMCMM 123 which has been built into the system.
- ❖ Reporting and submissions are no longer required manually, as the system is accessible by multiple users, including the CFO of the municipality, Provincial Treasury and National Treasury.
- ❖ A database of assessments will be created over the years, allowing further analysis to assist municipalities and municipal entites to build sustainable, efficient institutions.
- ❖ Provision of a comprehensive Help function is built into the system, incorporating a detailed User Guide, an online query function for logging enquiry tickets, and a database of Frequently Asked Questions. In addition, NT has introduced a helpdesk e-mail for the web-enabled system ([fmcmm.aap@treasury.gov.za](mailto:fmcmm.aap@treasury.gov.za)).

## 6. Monitoring and Oversight

The system allows for various reports to be generated based on the FMCMM and Financial ratio assessments. It is expected that the FMCMM and financial ratio reports indicating a municipality's maturity level and performance in several financial management areas as well as the FMCMM Action Plans, are considered and engaged with in the finance portfolio committees of municipalities and are tabled in Council and meetings of the Board of Directors of municipal entities. The Council resolution or resolutions of the Board and recommendations made can accordingly be captured in the web-enabled system.

The role of the supporting and oversight national and provincial departments will be enhanced as information from these tools are available on the system. National and provincial departments are able to ascertain progress being made by the municipalities and municipalities in a live environment, hence allowing the departments to target support towards those municipalities whose performance is declining. The province wide or district wide maturity level reports and ratio outcomes can be tabled at various provincial and national inter-governmental structures, as well as provincial forums which include, inter alia, provincial chairpersons of finance forum, Mayor's forum, Municipal Managers and Chief Financial Officers' forum.

## 7. Rollout

Several municipalities of differing categories and locations were selected to test the system. The web-enabled FMCMM and Ratio system is accessible at the following URL link: <https://fmcmmaap.treasury.gov.za/>. Below is the annual implementation plan for the FMCMM 1, 2 and 3 assessments and development of FMCMM Action Plans.

Plan for FMCMM 123	
Timeframes	Modules and Action Plans
July	Bank, Cash and Investments; Compensation of employees; Revenue Management
August	Annual Reports; Expenditure Management; Capacity Building
September	Reassessment: Annual Financial Statements
October	No modules will be assessed
November	No modules will be assessed
December	Entities; Reassessment: Revenue Management
January	Reporting; BTO; Reassessment: Bank, Cash & Investments
February	Risk Management; Grants and Subsidies; Reassessment: Annual Reports
March	Supply Chain Management; Asset Management; Human Resources
April	Internal Audit; Borrowing; Budget
May	Liability Management; Public, Private and Partnerships
June	Annual Financial Statements; Reporting; Reassessment: Budget

The FMCMM 4, 5, and 6 assessments will initially be undertaken by Metropolitan and larger municipalities. At a minimum, the other municipalities will be required to complete the Qualifying Questions sections for FMCMM 4, 5 and 6 to assess their readiness and, if ready, can proceed with completing the full assessment.

## 8. Council Approval and Oversight on the implementation of the FMCMM and Financial Ratios

The FMCMM online web-based system will make input, data collection, and access to recommended actions faster and easier. User accessibility and inputs are heightened, and barriers to essential communication and duplications are eliminated.

Analysis by the system will also assist Provincial Treasuries and CoGTAs to prioritise actions, monitor and evaluate progress, and provide targeted and customised support to municipalities.

## 9. Assistance with the web-enabled system

If municipalities require further assistance with the web-enabled system, in addition to the Help function built into the system, the following officials from Provincial Treasuries and National Treasury can be contacted.

Province	Responsible official	Cell. No.	E-mail address
Eastern Cape	Nkosinathi Ngwenya	083 746 2216	Nkosinathi.Ngwenya@ectreasury.gov.za
Free State	Thandi Mazibuko	082 868 5123	mazibuko.thandi@treasury.fs.gov.za
Gauteng	Kgabo Moloto	072 260 3294	kgabo.moloto2@gauteng.gov.za
KwaZulu-Natal	Wayne Donnelly	083 788 0682	wayne.donnelly@kzntreasury.gov.za
Limpopo	Gladys Rapholo	079 895 7874	rapholomg@treasury.limpopo.gov.za
Mpumalanga	Shadrack Masombuka	082 901 7209	smasombuka@mpg.gov.za
Northern Cape	Lareze Petersen	084 281 7444	ldavid@ncpg.gov.za
North West	Sello Mokwepa	061 212 0364	smokwepa@nwpg.gov.za
Western Cape	Melissa van Niekerk	021 483 6695	Melissa.vanNiekerk@westerncape.gov.za
<b>National Treasury FMCMM Helpdesk</b>			
fmcmm.aap@treasury.gov.za			

## 10. Conclusion

The web-enabled and online FMCMM and Financial Ratio system will support municipal officials and councillors as well as municipal entities assess their financial management capability and capacity to make continuous improvements to policies, procedures and processes, develop action plans, monitor progress thereof and develop friendly reports in a real time basis. It also facilitates recommended actions faster and easier. User accessibility and inputs are heightened, and barriers to essential communication and duplications are eliminated.

Analysis by the system will also assist Provinces to prioritise actions, monitor and evaluate progress, provide targeted and customised support to municipalities and municipal entities.

By embracing the system, municipalities will propel themselves towards improved operations and ultimately improved service delivery.

This Circular is to be brought to the attention of municipal Councils, Board of Directors of entities and the relevant oversight structures, such as Finance Committees as well as Municipal Public Accounts Committees.

## Contact



Fax 012 315 5230  
Email – General [mfma@treasury.gov.za](mailto:mfma@treasury.gov.za)  
Website [www.treasury.gov.za/mfma](http://www.treasury.gov.za/mfma)

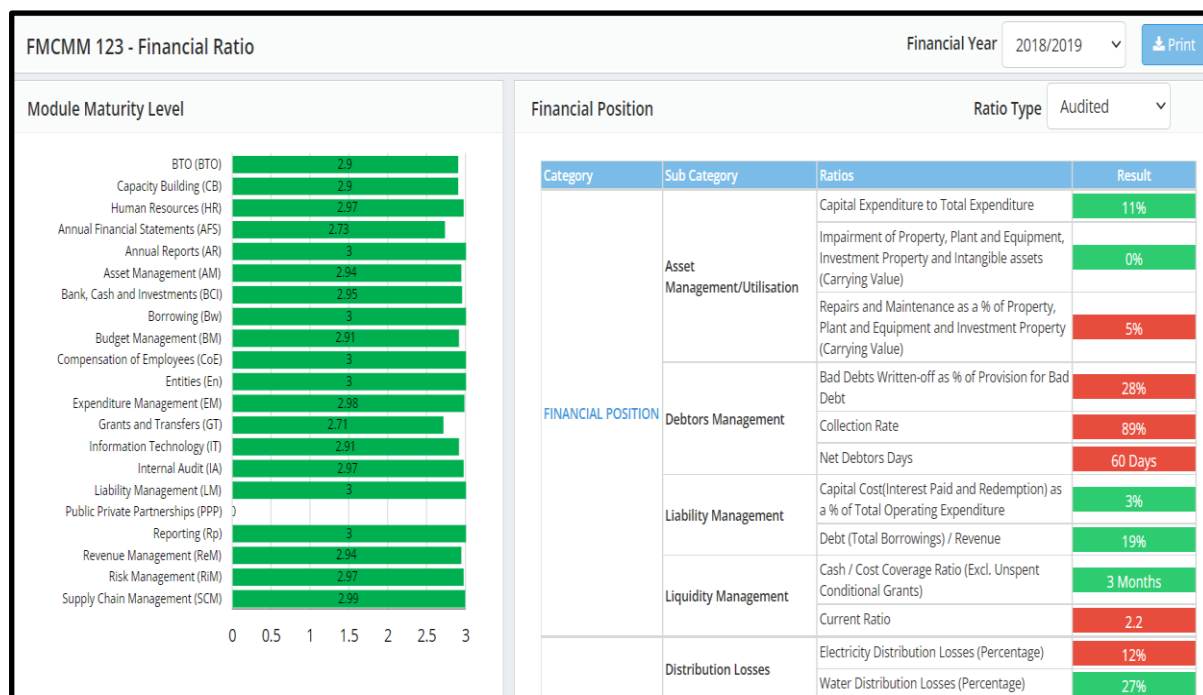
**TV PILLAY**  
**CHIEF DIRECTOR: MFMA IMPLEMENTATION**  
**23 February 2022**

**Annexure A:** Contains an extract of dashboards and reports generated by the system for FMCMM levels 1, 2 and 3 and levels 4,5 and 6, FMCMM Action plans and Financial Ratios and Norms.

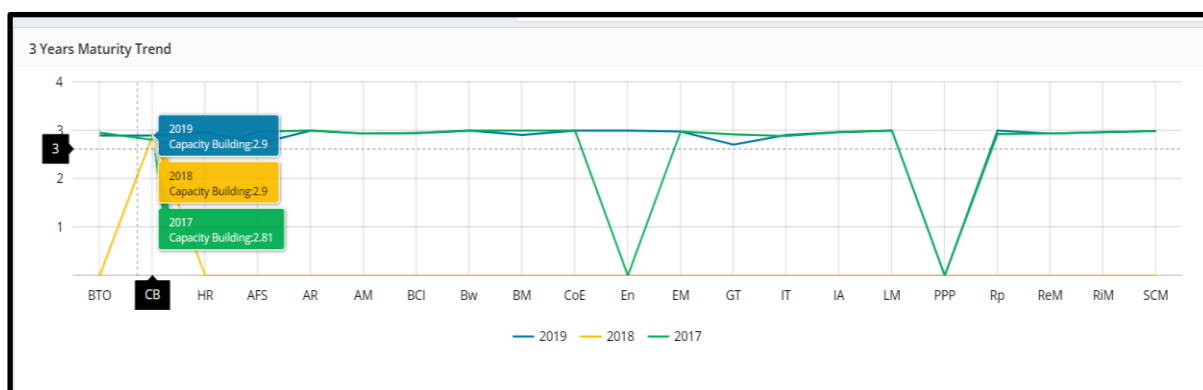


## Annexure A: Web-enabled system dashboards and reports

FMCMM 1,2,3 and Financial Ratios dashboard: On completing modules, the system provides a simple to follow colour coded table of results and suggested actions. High-level dashboards provide a quick and easy snapshot of the overall position of the municipality in terms of the maturity level of different components as well as significant ratios, as shown below. The Financial Ratio outcomes show ratios within and outside the norm.

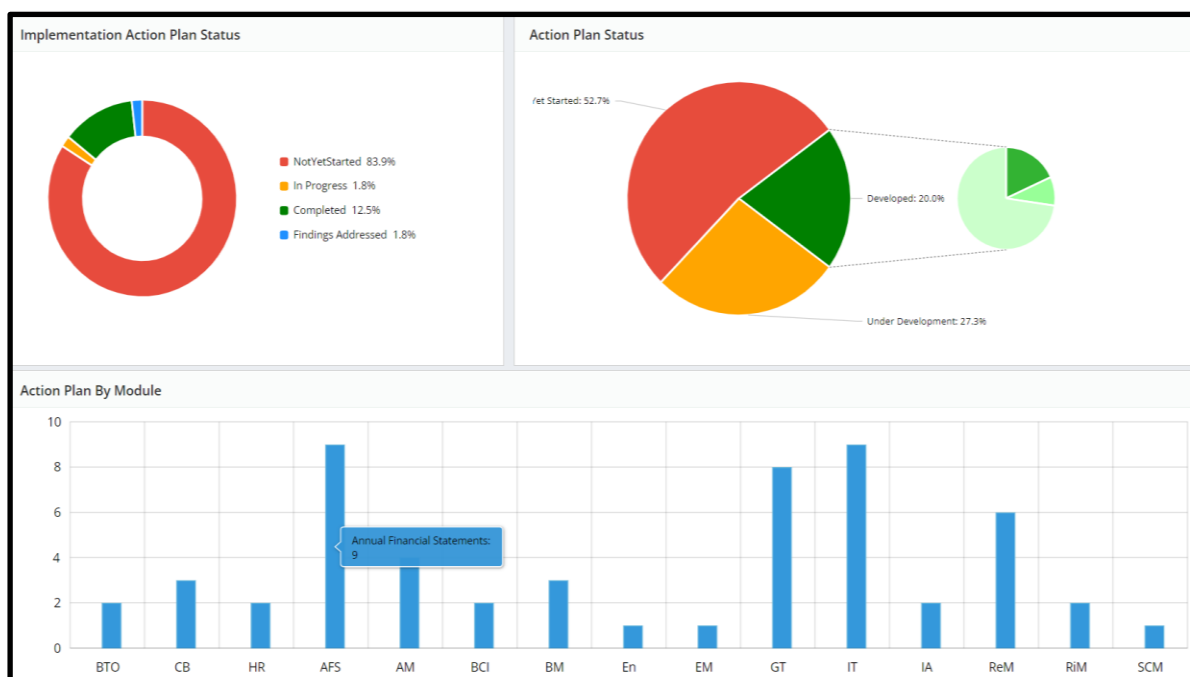


The system also tracks improvements/regressions in the maturity scoring.





FMCM Action Plans are created per module, and the system tracks the status of the development and implementation of FMCM Action.



The Maturity Level Trend Report for FMCM 1,2,3 assessments reflect the five-year outcomes.

FMCMM Report

Download Excel

Modules	Maturity Level Trend					Movement
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	
INSTITUTIONAL						
1 <a href="#">BTO</a>		2.90	2.90			→
2 <a href="#">Capacity Building</a>		2.90	2.93			↑
3 <a href="#">Human Resources</a>		2.97	2.90			↓
TECHNICAL						
4 <a href="#">Annual Financial Statements</a>		2.73	2.95			↑
5 <a href="#">Annual Reports</a>		3.00	2.85			↓
6 <a href="#">Asset Management</a>		2.94	2.82			↓
7 <a href="#">Bank, Cash and Investments</a>		2.95	3.00			↑
8 <a href="#">Borrowing</a>		3.00	3.00			→
9 <a href="#">Budget Management</a>		2.91	2.98			↑
10 <a href="#">Compensation of Employees</a>		3.00	3.00			→
11 <a href="#">Entities</a>		3.00	3.00			→
12 <a href="#">Expenditure Management</a>		2.98	3.00			↑
13 <a href="#">Grants and Transfers</a>		2.71	2.96			↑
14 <a href="#">Information Technology</a>		2.91	2.98			↑
15 <a href="#">Internal Audit</a>		2.97	3.00			↑
16 <a href="#">Liability Management</a>		3.00	2.96			↓
17 <a href="#">Public Private Partnerships</a>						
18 <a href="#">Reporting</a>		3.00	2.98			↓
19 <a href="#">Revenue Management</a>		2.94	3.00			↑
20 <a href="#">Risk Management</a>		2.97	3.00			↑
21 <a href="#">Supply Chain Management</a>		2.99	3.00			↑
TOTAL		2.93	2.96			↑

Dashboards and reports can be generated at a national, provincial, district or individual municipality level.

Category	Modules	National	Province	District Agg	A Municipality	B Municipality	C Municipality	D Municipality
INSTITUTIONAL	BTO	2.65	2.77	2.79	2.84	2.69	2.75	2.88
	Capacity Building	2.50	2.66	2.64	2.55	2.58	2.82	2.64
	Human Resources	2.58	2.73	2.69	2.81	2.41	2.97	2.59
TECHNICAL	Annual Financial Statements	2.73	2.85	2.80	2.92	2.82	2.55	2.94
	Annual Reports	2.67	2.79	2.91	2.80	2.91	2.96	3.00
	Asset Management	2.58	2.72	2.88	2.94	2.96	2.81	2.84
	Bank, Cash and Investments	2.83	2.92	2.94	3.00	2.92	2.88	2.96
	Borrowing	2.71	2.91	2.96		2.91	3.00	2.97
	Budget Management	2.81	2.91	2.85	2.84	2.75	2.83	2.99
	Compensation of Employees	2.75	2.83	2.87	2.80	2.93	2.76	3.00
	Entities	2.81	2.83					
	Expenditure Management	2.72	2.80	2.85	2.78	2.89	2.81	2.92
	Grants and Transfers	2.68	2.74	2.72	2.60	2.55	2.93	2.80
	Information Technology	2.37	2.63	2.68	2.58	2.77	2.55	2.82
	Internal Audit	2.68	2.76	2.80	2.65	2.89	2.70	2.96
	Liability Management	2.59	2.78	2.75	2.70	2.77	2.57	2.97
	Public Private Partnerships	2.89	2.74	2.85		2.85		
	Reporting	2.73	2.86	2.82	2.92	2.71	2.68	2.97
	Revenue Management	2.67	2.80	2.77	2.79	2.86	2.59	2.84
	Risk Management	2.39	2.75	2.76	2.62	2.66	2.82	2.96
	Supply Chain Management	2.68	2.80	2.80	2.67	2.82	2.76	2.95
TOTAL		2.67	2.79	2.80	2.76	2.78	2.77	2.89

Financial Ratios 3-year trend Report enables a comparison of current and past performance. Various reports may be extracted, including a detailed current year analysis, 3-year trends, and ratios within and outside the uniform ratios and norms.

Financial Ratio Report

Download Excel

Year 1	2018	Audited	Year 2	2019	Audited	Year 3	2020	Audited
	Ratio		Norm/Range	2017/2018 Audited	2018/2019 Audited	2019/2020 Audited		
1. FINANCIAL POSITION								
A. Asset Management/Utilisation								
1	Capital Expenditure to Total Expenditure		10% - 20%	13%	11%	10%		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)		0%	0%	0%	0%		
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)		8%	5%	5%	5%		
B. Debtors Management								
1	Collection Rate		95%	91%	89%	88%		
2	Bad Debts Written-off as % of Provision for Bad Debt		100%	61%	28%	57%		
3	Net Debtors Days		16 Days	57 Days	60 Days	96 Days		
C. Liability Management								
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure		6% - 8%	4%	3%	4%		
2	Debt (Total Borrowings) / Revenue		45%	20%	19%	20%		
D. Liquidity Management								
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)		1 - 3 Months	2.4 Months	3 Months	3 Months		
2	Current Ratio		1.5 - 2.1	2.8	2.2	2.2		

The FMCMM 4, 5, and 6 dashboard makes for a quick and easy overview of the scoring of the municipality, as they pertain to the Qualifying questions and the three levels of Financial Health and Environment, Efficiency and Sustainability and Public Value. Drill down functionalities on each element of the above graphs grant the user access to additional details of the modules.





## **Municipal Budget Circular for the 2022/23 MTREF**

### **CONTENTS**

<b>1. THE SOUTH AFRICAN ECONOMY AND INFLATION TARGETS.....</b>	<b>2</b>
<b>2. KEY FOCUS AREAS FOR THE 2022/23 BUDGET PROCESS .....</b>	<b>3</b>
2.1 LOCAL GOVERNMENT CONDITIONAL GRANTS ALLOCATIONS .....	3
2.2 DIVISION OF REVENUE BILL, 2022: CHANGES TO LOCAL GOVERNMENT ALLOCATIONS .....	3
2.3 CHANGES TO GAZETTED FRAMEWORKS AND ALLOCATIONS.....	4
<b>3. IDP CONSULTATION PROCESS POST 2021 LOCAL GOVERNMENT ELECTIONS .....</b>	<b>4</b>
<b>4. MUNICIPALITIES UNABLE TO PASS THE ANNUAL BUDGET AFTER 1 JULY.....</b>	<b>5</b>
<b>5. MUNICIPAL STANDARD CHART OF ACCOUNTS (MSCOA) .....</b>	<b>5</b>
5.1 RELEASE OF VERSION 6.6.1 OF THE CHART.....	5
5.2 FUNDING DEPRECIATION.....	6
5.3 APPLICATION OF COSTING .....	6
5.4 CHANGE IN CALCULATION OF CONSUMER DEPOSITS.....	6
5.5 NERSA REPORTING .....	7
5.6 RESTRUCTURING OF THE LONG-TERM COMPONENT OF TRADE PAYABLES.....	7
5.7 MSCOA eLEARNING.....	8
<b>6. THE REVENUE BUDGET .....</b>	<b>8</b>
6.1 MAXIMISING THE REVENUE GENERATION OF THE MUNICIPAL REVENUE BASE.....	9
6.2 SETTING COST-REFLECTIVE TARIFFS.....	9
6.3 BULK ACCOUNT PAYMENTS AND CONCESSIONS.....	10
6.4 TIMEOUS ALLOCATIONS AND CLEARING OF THE CONTROL ACCOUNTS.....	10
6.5 SMART PREPAID METERS SOLUTION .....	11
6.6 CRITICAL NOTICE AFFECTING STS METERS .....	11
6.7 COMPLETENESS AND CREDIBILITY OF REVENUE RELATED INFORMATION IN THE BUDGET.....	12
6.8 ESKOM BULK TARIFF INCREASES.....	12
6.9 LONG TERM FINANCIAL STRATEGIES .....	12
6.10 WATER MANAGEMENT.....	13
6.11 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (UIFW).....	13
<b>7. FUNDING CHOICES AND MANAGEMENT ISSUES.....</b>	<b>14</b>
7.1 EMPLOYEE RELATED COSTS .....	14
7.2 REMUNERATION OF COUNCILLORS .....	14
7.3 EQUITABLE SHARE ALLOCATION .....	15
<b>8. TRANSFERS TO MUNICIPALITIES.....</b>	<b>15</b>
8.1 CRITERIA FOR THE ROLLOVER OF CONDITIONAL GRANT FUNDS .....	15
8.2 UNSPENT CONDITIONAL GRANT FUNDS FOR 2021/22 .....	17
8.3 IMPORTANCE OF SECTION 16 OF THE DIVISION OF REVENUE ACT.....	17
<b>9. THE MUNICIPAL BUDGET AND REPORTING REGULATIONS.....</b>	<b>19</b>
9.1 SCHEDULE A - VERSION TO BE USED FOR THE 2022/23 MTREF .....	19
9.2 ASSISTANCE WITH THE COMPILATION OF BUDGETS .....	19
9.3 ASSESSING THE 2022/23 MTREF BUDGET.....	20
<b>10. SUBMITTING BUDGET DOCUMENTATION AND A1 SCHEDULES FOR 2022/23 MTREF .....</b>	<b>21</b>
10.1 EXPECTED SUBMISSIONS FOR 2022/23 MTREF .....	22
10.2 GoMUNI UPLOAD PORTAL .....	22
10.3 ADDITIONAL VALIDATION RULES APPLICABLE TO DATA STRING SUBMISSIONS .....	22
10.4 PUBLICATION OF MUNICIPAL DOCUMENTS.....	23
10.5 COMMUNICATION BY MUNICIPAL ENTITIES TO NATIONAL TREASURY .....	23

## Introduction

This budget circular is a follow-up to MFMA Circular No. 112 that was issued on 06 December 2021. It aims to provide further guidance to municipalities with the preparation of their 2022/23 Medium Term Revenue and Expenditure Framework (MTREF) budgets and should be read together with the budget circulars that have been issued previously.

The grant allocations as per the 2022 Budget Review and the 2022 Division of Revenue Bill are also key focus areas in this circular. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

## 1. The South African economy and inflation targets

The world economy is expected to grow by 4.4 per cent this year. This is lower than the 4.9 per cent that was anticipated when tabling the medium-term budget policy statement (MTBPS). The Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread. In addition, continued imbalances in global value chains have limited the pace of the world's economic recovery.

The South African economy has not been shielded from these global developments. National Treasury has revised South Africa's economic growth estimate for 2021 to 4.8 per cent, from 5.1 per cent at the time of the MTBPS.

This revision reflects a combination of the impact of changes in the global environment, along with South Africa's own unique challenges. Commodity prices, which have supported South Africa's economic recovery, slowed in the second half of 2021.

Also, violent unrest in July, and restrictions imposed to manage the third wave of COVID-19 further eroded the gains South Africa made in the first half of the year.

Industrial action in the manufacturing sector, and the re-emergence of loadshedding, also slowed the pace of the recovery.

Real Gross Domestic Product (GDP) growth of 2.1 per cent is projected for 2022. Over the next three years, GDP growth is expected to average 1.8 per cent.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

In summary, the tax revenue in 2021/22 was higher than projections and this was mainly due to commodity price rally. However, these are projected to be short term, and as such long-term spending commitments should not be made based on short term revenue benefits. There are measures in place to reduce expenditure to narrow the budget deficit.

The following macro-economic forecasts must be considered when preparing the 2022/23 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2020 - 2025**

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Forecast		
CPI Inflation	2.9%	4.5%	4.8%	4.4%	4.5%

Source: Budget Review 2022.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

## 2. Key focus areas for the 2022/23 budget process

### 2.1 Local government conditional grants allocations

Over the 2022 MTEF period, direct transfers to municipalities will grow above inflation, at an annual average rate of 7.9 per cent. Direct conditional grants grow at an annual average rate of 5.3 per cent over the MTEF, while the Local Government Equitable Share (LGES) grows faster, at an annual average rate of 10.3 per cent over the same period.

The higher than inflation growth of allocations to local government is due to additional allocations over the medium term as follows:

- The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTEF period. R28.9 billion is added to the LGES over the MTEF to increase coverage of the provision of free basic services; and
- An amount of R1.7 billion over the MTEF is added to the Neighbourhood Development Partnership Grant to fund the continuation of the upscaling of city-led public employment programmes, as part of the Presidential Youth Employment Intervention; and an amount of R347 million over the first two years of the MTEF period is allocated to fund the introduction of the Municipal Disaster Recovery Grant. More detail is provided below.

The Division of Revenue Bill was published on 23 February 2022, following the tabling of the Budget in Parliament. The Bill specifies all local government transfers and municipalities must reconcile their budgets to the numbers published herein.

In terms of the outer year allocations (2023/24 and 2024/25), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2022 Division of Revenue Act. The DoRB is available at:

<http://www.treasury.gov.za/documents/national%20budget/2022/dor.aspx>

### 2.2 Division of Revenue Bill, 2022: changes to local government allocations

**Budget Facility for Infrastructure (BFI) Funding** – There are reductions of R754 million in 2022/23 and R105 million in 2023/24; and an increase of R621 million in 2024/25 in the *Public Transport Network Grant* to align to the revised implementation plan and cash flow projections for the City of Cape Town's MyCiTi public transport network.

**Neighbourhood Development Partnership Grant** – R1.7 billion is added to the direct component of the *Neighbourhood Development Partnership Grant* for the eight metropolitan municipalities to fund the continuation of the upscaling of city-led public employment programmes that contribute to informal settlement upgrading, public space and asset maintenance, development and management, greening and cleaning, food security, innovative service delivery, local knowledge and information sharing and management, community safety, environmental services and management and community tourism. This is part of the Presidential Youth Employment Intervention and is a continuation of government's response to job losses due to COVID-19, introduced as part of the stimulus package to respond to the impact of the COVID-19 pandemic during 2020.

**Regional Bulk Infrastructure Grant** – R1 billion is added to the *Regional Bulk Infrastructure Grant*, funded from the BFI, to fund the continuation of the implementation of the Potable Water Security and Remedial Works project in George Local Municipality.

**Integrated National Electrification Programme (Eskom) Grant** – R50 million is reprioritised from the *Integrated National Electrification Programme (Eskom) Grant* to finance the operational requirements of the Independent Power Producer Office in 2022/23.

**Energy Efficiency and Demand Side Management Grant** – R8 million in 2022/23 and 2023/24, respectively is reprioritised from the *Energy Efficiency and Demand-Side Management Grant* to finance the operational requirements within the vote of the Department of Mineral Resources and Energy.

R10 million is shifted from the sport component of the **Municipal Infrastructure Grant (MIG)** to the **Integrated Urban Development Grant (IUDG)** in 2022/23, to fund a sport project in Polokwane Local Municipality.

The **Municipal Disaster Recovery Grant** is introduced to fund infrastructure recovery in municipalities in KwaZulu-Natal. This grant is allocated R347 million between 2022/23 and 2024/25.

### 2.3 Changes to gazetted frameworks and allocations

**Infrastructure Skills Development Grant (ISDG)** – The grant framework for the infrastructure skills development grant is amended to include a condition that municipalities must have a capacitated Project Management Units with qualified people to act as supervisors in terms of the relevant statutory council requirements.

**Municipal Infrastructure Grant (MIG)** – Over the 2022 MTEF, the Department of Cooperative Governance (DCoG) will introduce an indirect component to the MIG. This is to improve efficiency in grant expenditure to develop more and better-quality infrastructure. The conversion will be done in-year. The criteria as determined by DCoG includes indicators related to expenditure and reliability of infrastructure.

**Municipal Systems Improvement Grant** – Over the MTEF, a portion of the grant will be utilised to continue to support institutionalisation of the district development model.

**Municipal Disaster Relief Grant** – The name of the *Municipal Disaster Relief Grant* is changed to the *Municipal Disaster Response Grant*. The objective of the grant remains the same and the change aligns to existing National Disaster Management Centre (NDMC) processes in responding to disasters that have occurred.

**Local Government Financial Management (FMG) Grant** – Over the 2022 MTEF, the grant framework for the FMG will make provision for the preparation of asset registers.

## 3. IDP Consultation Process Post 2021 Local Government Elections

Municipalities are advised to refer to the guidance (refer to the email sent by the Department of Cooperative Governance and Traditional Affairs (CoGTA) to all municipalities on 20 October 2021) provided through the joint South African Local Government Association (SALGA)/ Department of Cooperative Governance (DCoG) and National Treasury (NT) Joint Circular No.1 on the transitional measures in relation to the integrated development plan (IDP) consultation process. This circular indicates that the previous municipal councils had an obligation to ensure that the legislative stipulations were complied with. Therefore, they were expected to continue the process of the development of the IDP starting with the development and adoption of the process plans as provided for in section 28 of the Municipal Systems Act,



2000. Municipalities should then implement the adopted budget process plan and conduct the public engagements as per dates they have indicated in the process plan.

#### **4. Municipalities unable to pass the annual budget after 1 July**

The provincial executive council must urgently request the Mayor to submit a report outlining detailed reasons and or circumstances that led to failure to approve the annual budget by the 1 July.

The provincial executive council must intervene in terms of section 139(4) of the Constitution and take appropriate steps by issuing a directive to the municipal council to approve a budget and any revenue raising measures necessary to give effect to the budget within a reasonable period.

Section 26(4) and (5) of the MFMA provides for how the expenses can be met pending the approval of a budget through a directive. Provincial Treasuries should establish clear internal processes for reviewing and recommending the approval of withdrawals by their MEC for Finance (templates can be obtained from National Treasury).

The provincial executive council must upon issuing of a directive to the Municipal Council conduct an assessment of the budget tabled by the Mayor against the norms and standards, approved budget process plan, and the outcome of public participation processes.

In the event the Municipal Council fails to approve a budget due to walk out or individual misconduct by a majority of councillors, the Speaker must immediately investigate the conduct of those identified councillors in terms of the Code of Conduct for councillors as provided for in the Municipal Systems Act, 2000.

If in terms of the assessment by the provincial executive council of the tabled budget, it is found that there are no justifiable grounds for not approving the budget, the former must submit/ present the outcome of the assessment to the Municipal Council with a directive to consider the assessment and adopt the budget. If the assessment of the provincial executive council of the tabled budget finds that it does not adhere to the required norms and standards, the directive from the provincial executive council should instruct the council to first amend the budget to remedy this before adopting the budget.

The provincial executive council must, if necessary give the municipal council a further 14 days to approve a tabled budget that complies with norms and standards and incorporates the outcome of public participation, failing which the provincial executive council must consider dissolution of municipal council, approval of a temporary budget and appointment of an administrator as a last resort.

#### **5. Municipal Standard Chart of Accounts (mSCOA)**

##### **5.1 Release of Version 6.6.1 of the Chart**

Version 6.6.1 of the chart will be released through a patch to accommodate the following changes/conditions published in the 2022 Division of Revenue (DoR) Bill:

- The capital leg of the Local Government Financial Management (FMG) grant that was retired in chart version 6.2 of the chart. As per the conditions published in the 2022 DoR Bill, the grant may be used, inter alia, for the acquisition, upgrade and maintenance of financial management systems to produce multi-year budgets, in-year reports, service



delivery and budget implementation plans, annual financial statements, annual reports and automated financial management practices including the *mSCOA*;

- Allocation-in-kind for the MIG grant to make provision for the indirect grant portion of the grant; and
- The name change from Municipal Disaster relief grant to Municipal Disaster Response Grant. Municipalities should take note of this change when they report on COVID-19 in terms of *mSCOA* Circular No. 9.

Version 6.6.1 of the chart will be effective from 01 July 2022 and must be used to compile the 2022/23 MTREF. The patch is available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

## 5.2 Funding Depreciation

From the analysis of the *mSCOA* data strings it is evident that a number of municipalities are allocating non-funding as the funding source in the fund segment for depreciation charges. Depreciation charges must be funded from operational funds such as service charges for electricity if assets are utilised for electricity purposes, service charges water for water management purposes, waste and wastewater management in the same manner and property rates for services like roads that is primarily funded from property rates.

When deprecation is funded, it will assist the municipalities to accumulate sufficient surpluses that must be transferred to cash backed reserves. Depreciation is the method to provide for the replacement of the assets. If depreciation remains a journal without the funds being ring-fenced, municipalities will not be in a financial position to fund future infrastructure assets.

## 5.3 Application of Costing

The mapping for Table A2 on Financial Performance of the regulated Schedule A was updated to include the costing segment. The costing segment in *mSCOA* provides for the recording of the full cost for the four core municipal functions, namely: electricity, water, wastewater and waste management. It also allows for the charge out of costs between functions and projects. Costing: recoveries was previously recorded as 'revenue: default' in the item segment. However, as the charge out of cost does not present revenue, municipalities must use 'expenditure: default' in the item segment to record the debit and credit of all costing transactions where the charges increase cost and the recoveries decrease the cost per function or project.

Municipalities are also reminded that one of the validation rules that are applied when *mSCOA* data strings are submitted is that costing transactions for charges and recoveries must balance to zero.

## 5.4 Change in calculation of consumer deposits

The addition of consumer deposits as a funding source in version 6.6 of the *mSCOA* chart impacts on the population of Tables SA30 and A7 in the Schedule A. The calculation will be changed in the 6.6 chart version to the following:

CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in consumer deposits	Consumer deposits FD001001001014 linked to IA001 Deposits
(Decrease) in consumer deposits	Consumer deposit IL001002 :Withdrawals

All payments received in respect of consumer deposits will be picked up utilising the consumer deposit fund source linked to the bank: deposits posting level. The payment of consumer

deposits will be picked up from item liability: consumer deposits: withdrawals posting levels, which represent the outflow of cash.

## 5.5 NERSA reporting

Municipalities are reminded to complete the D-Forms that the National Energy Regulator of South Africa (NERSA) requires. The National Treasury is currently looking into ways of how the *mSCOA* data strings can be used to populate the NERSA reports and will provide guidance in this regard during 2022.

## 5.6 Restructuring of the Long-Term Component of Trade Payables

In an effort to assist municipalities to get to a funded budget position, the National Treasury have requested municipalities to negotiate with their major trade creditors like Eskom, Water Boards and the Department of Water Affairs to restructure their outstanding trade creditors. Where the debt owed by a municipality was restructured, in terms of a debt repayment agreement, and the repayment period exceeds a period of 12 months, the debt will remain under *current liabilities trade payables* as per the version 6.6 of the *mSCOA* chart.

The restructuring of debt in the Statement of Financial Position to include the non-current portion through the reclassification of the debt to a *non-current liability of trade payables* under non-current liabilities has a major impact on the working capital requirement disclosure in the funding compliance assessment on Table A8 of the Schedule A and on the entire funding methodology of the National Treasury. The restructuring of debt also affects a number of liquidity measurement ratios such as the Current Ratio, Liquidity Ratio and Creditors to Cash Ratio.

Detailed analysis and careful consideration of the appropriate accounting treatment to ensure that future adjustments to the chart will not compromise the funding methodology of the National Treasury is required. Therefore, any changes required to the *mSCOA* Chart to accommodate the restructuring of the long-term component of trade payables will only be considered for inclusion in version 6.7 of the chart.

The restructuring of the non-current portion should not only impact on the Statement of Financial Position as it requires that municipalities include additional cost in the operation budget for the repayment of the non-current liability, including any finance charges that may be payable as per the repayment agreement. The restructuring of the trade payables without the inclusion of the interest and redemption payments of the non-current liability on the cash flow statement will significantly misstate the funding position of the municipality.

The Budget Funding Assessment Tool used by the National and provincial treasuries to assess the funding position of municipal budgets has been enhanced to include a *Restructuring of Trade Payables Module* to assess the full impact of the restructuring on both the Statement of Financial Position and the impact of interest charges and repayment of the non-current liability on the cash flow position of the municipality. Municipalities that have restructured their trade payables should:

- Indicate this to the respective National and provincial treasuries when submitting their tabled and adopted 2022/23 MTREF budget; and
- Submit the approved agreement with the supplier to the respective National and provincial treasuries with their budget documentation.

The necessary restructuring will then be taken into account in the funding assessment by the respective National and provincial treasuries prior to determining the funding position of the municipality.

## 5.7 mSCOA eLearning

A web-based eLearning course on mSCOA will be available on the National School of Government (NSG) website from April 2022. This is a self-paced course aimed at all government and municipal officials, especially new employees and interns to on-board them on mSCOA.

The course is structured as follows:

### *Module 1 – The fundamentals of mSCOA (for financial and non-financial officials)*

- An overview of the Local Government Budget and Financial Management Reform Agenda and mSCOA Legislative Framework;
- mSCOA implementation oversight (including the role of internal audit, risk management and councilors); and
- Understanding the mSCOA segments.

### *Module 2 – System and reporting requirements (for financial and non-financial officials)*

- An overview of the reporting requirements in a mSCOA environment;
- Key business processes that underpins mSCOA;
- Minimum system specifications required to comply with the mSCOA Regulations;
- Submission of documents and data strings to the National Treasury (i.e. registration process and upload process); and
- Period Control and how to transact and report in period 13, 14 and 15.

### *Module 3 – Budgeting and transacting on the mSCOA chart (for financial officials)*

An understanding of accounting principles and GRAP is required to complete this module.

Municipalities are reminded to budget for the course in their 2022/23 MTREF. For further information, contact the NSG on their website link: <https://www.thensg.gov.za>.

## 6. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.

Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment. Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

It should be noted that it is easier for consumers to pay for services if they are reliable and when the environment is well maintained.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2022/23** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

## 6.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2022/23 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the valuation roll to the billing system to the National Treasury on a quarterly basis.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>. If the municipality experience any challenge uploading the information a request for an alternative arrangement may be emailed to [linda.kruger@treasury.gov.za](mailto:linda.kruger@treasury.gov.za).

## 6.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act, 2000 which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular No. 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable a municipality to recover costs to fulfil its mandate. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>

It is also imperative that every municipality is utilising the *mSCOA* cost segment correctly.

### 6.3 Bulk Account Payments and Concessions

During 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also advised to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.**

In this regard municipalities are reminded to take note of the Constitutional Court decision in **Mazibuko and Others vs City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009)**. The Constitutional Court confirmed that a municipality has the right to disconnect the water service in the event of non-payment. In the case of registered indigent users, water may not be disconnected but can and should be restricted to the national policy limit of 6 kilolitres of water monthly.

### 6.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.



## 6.5 Smart Prepaid Meters Solution

The Inter-Ministerial Task Team (IMTT) of the 5<sup>th</sup> administration appointed a panel to investigate the electricity function to better understand what is causing the non-payment to Eskom. Cabinet subsequently endorsed the panel's recommendation that a smart prepaid solution for all municipalities must be explored. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract to standardise prepaid smart meter solutions for electricity that align to minimum and critical technical specifications for local government.

If your municipality or entity is currently in the process of procuring any smart meter solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal prepaid smart meter Terms of Reference (ToR); and
- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for any smart meter solution or similar system solution. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any smart meter solution or similar system solution or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) [Sadesh.Ramjathan@treasury.gov.za](mailto:Sadesh.Ramjathan@treasury.gov.za).

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

## 6.6 Critical Notice Affecting STS Meters

Municipalities are alerted that there is a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens. The remedy is to visit each meter and enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government.

If your municipality or entity is currently in the process of procuring for a solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters Terms of Reference (ToR); and
- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for this purpose or any related solution or similar. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any related solution or similar or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) [Sadesh.Ramjathan@treasury.gov.za](mailto:Sadesh.Ramjathan@treasury.gov.za).

In this regard, municipalities will have two options to choose from:

- Firstly, to pursue the route of auditing, re-calibrating and re-configuring services for standard transfer specification compliant prepayment meters; and
- Secondly, to replace the old meter with a new smart prepaid meter.

For both options, the municipality will have to budget accordingly as no additional funding will be available through the national fiscus.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

## **6.7 Completeness and credibility of revenue related information in the Budget**

The Municipal Budget and Reporting Regulations (MBRR) regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2022/23 MTREF.

## **6.8 Eskom Bulk Tariff increases**

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases. In their Multi-Year Price Determination (MYPD 5) application Eskom requested approval for municipal bulk tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA rejected this revenue application at the end of September 2021 and in October 2021 ESKOM filed an application in the High Court to review NERSA's decision. Following the deliberations, NERSA has approved a 9.6 per cent tariff increase for Eskom starting from April 2022 and this figure accounts for a 3.49 per cent increase in 2022/23.

## **6.9 Long Term Financial Strategies**

National Treasury is supporting municipalities to develop and implement long-term financial models and strategies. This reform seeks to develop more sustainable, and integrated infrastructure development programmes over the longer term, informed by strategic plans, and financed in the most effective and efficient manner.

Although some municipalities have long-term financial models (LTFM), they are not always integrated with municipal plans, or based on actual cash flow analysis and investment programmes, or able to consider alternative financial scenarios and outcomes in relation to the ability to borrow and the structuring of market transactions.

Municipalities need to develop LTFM that support decisions on investment selection and assesses the financial impact of policy choices, by forecasting future financial performance and the impact of infrastructure projects on borrowing capacity. The LTFM needs to inform the municipality's long-term financial strategy, which must articulate a sustainable, efficient

and effective borrowing strategy and practices for the municipality and provide a clear statement of intent for lenders and other stakeholders.

National Treasury has initiated this reform in the metropolitan municipalities and some of the Intermediate City municipalities and will continue with this reform in the next financial year. Based on the piloting of this reform, guidance will be provided to all municipalities to develop and implement LTFM's and strategies.

### 6.10 Water management

Reference is made to the 2011, Chapter 8 of the Local Government Budget and Expenditure Review (LGBER) which emphasizes the importance of water management.

It has been observed recently in various platforms where municipalities engage with treasuries and the sector departments that there is no uniformity in reporting water and electricity losses. These are material items and need to be disclosed in planning, budgeting, reporting and in the annual report and Annual Financial Statements in uniform ways in order to track performance. In order to ensure consistency of reporting, the following information must be provided:

Accounting for water sold, non-revenue water and water losses:

- System input volume (kl)
- Water Billings (sum of accounts issued) – volume in kl and rand value
- Free basic water allowance (not included in billings) - volume in kl and rand value
- Physical water losses (estimated): volume in kl and rand value
- Water revenue collected (Rand value)

Accounting for electricity sold and electricity losses:

- Electricity purchased and generated (Electricity input) (kWh)
- Electricity Billings (sum of accounts issued) (KWh and Rand value)
- Free basic electricity allowance (not included in billings) (KWh and Rand value)
- Technical losses (estimated) (KWh and Rand value)
- Electricity revenue collected (Rand value)

In addition, the norms articulated in MFMA Circular No. 71 should also be taken into consideration.

### 6.11 Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW)

Cabinet adopted the Medium-Term Strategic Framework (MTSF) for 2019-2024 wherein it amongst others, committed that government will reduce irregular expenditure by 75 per cent and fruitless and wasteful expenditure by 100 per cent by 2024. It is important to note that these targets are applicable to each sphere of government. To this end, the Minister of Finance approved the UIFW Reduction Strategy for municipalities which was issued through MFMA Circular No. 111 in November 2021. The latter strategy advocated for municipalities to develop UIFW reduction plans that is approved by the municipal council, with the aim being for municipalities to utilize their 2018/19 UIFW figures as contained in their audited annual financial statements for that financial year as a baseline to develop the reduction plans. Whilst progress has been slow in terms of municipalities developing and submitting these plans to the National Treasury, some municipalities has made strides in this regard.

National Treasury would like again to encourage municipalities to develop the UIFW reduction plans and have it approved by the municipal councils through a council resolution for submission to the National Treasury to the MFMA helpdesk at [mfma@treasury.gov.za](mailto:mfma@treasury.gov.za) for the attention of Mr. Wayne McComans on [wayne.mccomans@treasury.gov.za](mailto:wayne.mccomans@treasury.gov.za). Municipalities are also advised to report progress against these UIFW reduction plans as part of their monthly



section 71 reporting to enable the necessary monitoring and oversight by the National Treasury on the implementation of these plans.

Going forward the Treasuries will place increased attention and focus on the processing of UIFW by municipalities as required by section 32(2) of the MFMA read with MFMA Circular No. 68. The National Treasury regards this consistent non-compliance for failure to adequately process and investigate UIFW as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution.

## **7. Funding choices and management issues**

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2022/23 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

### **7.1 Employee related costs**

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2022/23 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2022 and 01 July 2023 an increase based on the projected average CPI percentages for 2022 and 2023. The forecasts of the Reserve Bank, in terms of the January 2022 and January 2023, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.

### **7.2 Remuneration of Councillors**

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of

Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councilor(s) concerned.

### **7.3 Equitable Share allocation**

As highlighted in Minister Enoch Godongwana's 2022 Budget Speech, municipalities must be mindful that the Equitable Share is meant to fund basic municipal services to the indigent. Municipalities must ensure that monies are used for the purpose they were allocated for.

## **8. Transfers to Municipalities**

The circular reiterates the requirements of the rollover and unspent conditional grants process in line with conditions outlined in the annual Division of Revenue Act. Municipalities are required to request for a rollover approval against any unspent conditional grants that were allocated through the annual Division of Revenue Act, therefore this section provides guidance to municipalities with regard to the preparation for the 2021/22 unspent conditional grants and roll-over process and should be referenced against previous annual budget circulars.

### **8.1 Criteria for the rollover of conditional grant funds**

In terms of Section 21 of the Division of Revenue Act, 2021 (Act No.9 of 2021) (DoRA) read in conjunction with the Division of Revenue Amendment Act, 2021 (Act No. 17 of 2021) (DoRAA), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2021/22 financial year reverts to the National Revenue Fund (NRF), unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and transferring national officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of section 21(2) of the 2021 DoRA, municipalities must include the following information with their submission to National Treasury:

- A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 21(2) of the 2021 DoRA;
- A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;
- The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
  - a) Proof that a contractor or service provider was appointed for delivery of the project before 31 March 2022; or
  - b) Proof of project tender and tender submissions published and finalised before 31 March 2022 with the appointment of contractor or service provider for delivery of the service before 30 June 2022 in cases where additional funding was allocated during the course of the final year of the project. Further, municipalities must note the letters issued by National Treasury dated 25 February and 03 March 2022 respectively regarding the Preferential Procurement Regulation, 2017;
  - c) Incorporation of the Appropriation Statement; and

- d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2022 (attach cash flow projection for the applicable grant).
- A progress report (also in percentages) on the status of each project's implementation that includes an attached legible implementation plan);
  - The value of the committed project funding, and the conditional allocation from the funding source;
  - Reasons why the grants were not fully spent during the year of original allocation per the DoRA;
  - Rollover of rollovers will not be considered therefore municipalities must not include previous year's unspent conditional grants as rollover request;
  - An indication of the time-period within which the funds are to be spent if the roll-over is approved; and
  - Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy, this also includes acting appointments as a result of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2022, the application will not be considered.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

- Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2021 DoRA, including the municipal manager and Chief Financial Officer signing-off on the information sent to National Treasury;
- Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2022;
- Accurate disclosure of grant performance in the 2021/22 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
- Despite the fact that local government is required to comply to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relates to rollover processes and disclose conditional grant performance in the 2021/22 pre-audited Annual Financial Statements in order to verify grant expenditure; and
- Cash available in the bank (net position including short-term investments) as at 30 June 2022 is equivalent to the amount that is unspent as at the end of the financial year. If the amount that is requested for roll-over is not entirely cash backed, such a roll-over will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to roll-over:

- The entire 2021/22 allocation to the municipality, in cases whereby the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2021/22 allocation;
- Rollover request of the same grant for the third consecutive time;

- Funding for projects constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636). Projects linked to additional funding and disasters are exempted; and
- A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 May 2022.

## 8.2 Unspent conditional grant funds for 2021/22

The 2021/22 unspent conditional process will be managed in accordance with section 21 of DoRA, in order to ensure that the unspent conditional grants against the 2021/22 financial year return to the National Revenue Fund (NRF). In addition to the previous MFMA Circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their 30 June 2022 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconcile;
- Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2022. These amounts MUST exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately; and
- Step 3: If the receiving officer wants to motivate in terms of section 21(2) of the 2021 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2022.

***National Treasury will not consider any rollover requests that are incomplete or received after this deadline.***

- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 21 October 2022;
- Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2022. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund (NRF) by 18 November 2021; and
- Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund (NRF) by 18 November 2021, and for which a municipality has not requested a repayment arrangement, these funds will be offset against the municipality's 07 December 2022 equitable share allocation.

*Annexure to MFMA Circular No. 86 addresses all the issues pertaining to Appropriation Statement and reporting on approved roll-overs.*

## 8.3 Importance of section 16 of the Division of Revenue Act

The circular again reiterates the importance of compliance to section 16 of DoRA in relation to the allocation or transfer of funds by municipalities to other organs of state in order to implement projects on behalf of the municipalities.

Section 16 (3) of DoRA states that a receiving officer may not allocate any portion of a schedule 5 allocation to any other organ of state for the performance of a function, unless the receiving officer and the organ of the state agree on the obligation of both parties and a payment schedule, the receiving officer has notified the transferring officer, the relevant provincial treasury and National Treasury of the agreed payment schedule and:

- The allocation
  - i) Is approved in the budget for the receiving provincial department or municipality; or
  - ii) If not already approved;
    - aa) the receiving officer notifies the National Treasury that the purpose of the allocation is not to artificially inflate the expenditure estimates of the relevant municipality and indicates the reasons for the allocation; and
    - bb) the National Treasury approves the allocation; or
- The allocation is for the payment for goods or services procured in accordance with the procurement prescripts applicable to the relevant province or municipality and, if it is an advance payment, paragraph (a) (ii) applies with the necessary changes.

Further, section 16 (4) states that the receiving officer must submit a copy of the agreement envisaged in subsection (3) to the transferring officer and the National Treasury before payment is made.

This section requires municipalities to comply with section 16 (3) before any DoRA allocated funds that are allocated or transferred to any organ of state and the municipality should first seek approval from National Treasury. The allocation includes transfers made to any organ of state in order to perform a function using conditional grants allocated through the DoRA.

Note that National Treasury considers the following when assessing the request from the municipality for approval:

- If the municipality is benefitting and utilising from the five per cent from capital grants that may be utilized for Project Management Unit (PMU). In terms of the capital grant framework (i.e. MIG and the Integrated Urban Development Grant (IUDG) and three per cent for the Urban Settlements Development Grant (USDG) municipalities are allowed to utilise a certain per cent of the grant for PMU or capacity support in order to implement capital projects. Therefore, if municipalities are benefitting from this initiative the PMU should be capacitated enough to implement capital project;
- Municipalities that are benefitting from the added technical support from Municipal Infrastructure Support Agent (MISA) will not be granted approval because MISA would assist with providing support and develop technical capacity towards sustained accelerated municipal capacity and service delivery. This implies that the municipality would be capacitated and be in a better position to implement capital projects; and
- If the request does not comply to the grant conditions, framework and if the transfer artificially inflates the expenditure estimates.

The following information must be submitted to National Treasury before approval is granted to municipalities to transfer funds to other organs of the state:

- In consultation with the relevant transferring officer municipalities must submit their request to National Treasury for approval;
- Provide the time frames regarding the duration of this arrangement between the municipality and the organ of the state;
- Provide the Service Level Agreement (SLA) between the municipality and the organ of state in consultation with the relevant transferring officer;
- Provide the agreed payment schedule reflecting the disbursement of the funds;
- Must provide the reasons why such a decision has been taken by the municipality;
- If amongst the reasons for the request is related to capacity challenges the municipality must therefore prove beyond reasonable doubt that there are capacity challenges and the reasons thereof; and
- Upon approval the municipality must submit the approved budget that includes the allocation.



Note that once the allocation or transfer has been approved the payment for goods or services must be procured in accordance with or in compliance to the procurement prescripts applicable to the relevant municipality. If there is an agreement for an advancement, subsection (a) (ii) will apply in order to determine if the payment does not artificially inflate the expenditure estimates. Further, before funds are transferred, the transferring national officer and National Treasury must agree on the payment schedule.

Therefore, if any expenditure incurred which emanates from such an arrangement while there was non-compliance with section 16, grant conditions and framework, such expenditure will not be recognised by both National Treasury and relevant transferring officer and will be classified as unauthorised expenditure.

## 9. The Municipal Budget and Reporting Regulations

### 9.1 Schedule A - version to be used for the 2022/23 MTREF

National Treasury has released Version 6.6.1 of the Schedule A1 (the Excel Specimen) which is aligned to Version 6.6.1 of the *mSCOA* classification framework and must be used when compiling the 2022/23 MTREF budget.

All municipalities **must** prepare their 2022/23 MTREF budgets in their financial systems and produce the Schedule A1 directly from their financial system.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module in the financial system and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on A1 schedule version 6.6.1 is not allowed** in terms of the *mSCOA* Regulations.

National Treasury has protected the A1 schedule version 6.6 in order to ensure that the Schedule A1 generated directly from the financial system and not populated manually.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *mSCOA* chart version 6.6.1. The revised MBRR Schedules for the 2022/23 MTREF and its linkages to the financial and non-financial data string are available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

### 9.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjati Mashoeshoe	012-315 5553	<a href="mailto:Matjati.Mashoeshoe@treasury.gov.za">Matjati.Mashoeshoe@treasury.gov.za</a>
	Abigail Maila	012-395 6737	<a href="mailto:Abigail.Maila@Treasury.gov.za">Abigail.Maila@Treasury.gov.za</a>
	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Free State	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a>
	Cethekile Moshane	012-315 5079	<a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>

Gauteng	Matjati Mashoeshoe	012-315 5553	<a href="mailto:Matjati.Mashoeshoe@treasury.gov.za">Matjati.Mashoeshoe@treasury.gov.za</a>
Johannesburg and Tshwane	Abigail Maila	012-395 6737	<a href="mailto:Abigail.Maila@Treasury.gov.za">Abigail.Maila@Treasury.gov.za</a>
Ekurhuleni	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
eThekweni	Kevin Bell	012-315 5725	<a href="mailto:Kevin.Bell@treasury.gov.za">Kevin.Bell@treasury.gov.za</a>
	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a>
Limpopo	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
Mpumalanga	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
	Lesego Leqasa		<a href="mailto:Lesego.Leqasa@treasury.gov.za">Lesego.Leqasa@treasury.gov.za</a>
Northern Cape	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
	Phumelele Gulukunqu	012-315 5539	<a href="mailto:Phumelele.Gulukunqu@treasury.gov.za">Phumelele.Gulukunqu@treasury.gov.za</a>
North West	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Makgabo Mabotja	012-315 5156	<a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
Western Cape	Willem Voigt	012-315-5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
Cape Town	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
George	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Technical issues with Excel formats	Sephiri Tlhomeli	012-406 9064	<a href="mailto:lgdataqueries@treasury.gov.za">lgdataqueries@treasury.gov.za</a>

National and provincial treasuries will analyse the credibility of the data string submissions.

### 9.3 Assessing the 2022/23 MTREF budget

National and provincial treasuries will assess the 2022/23 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

The **assessment period** of all municipal budget will therefore be from **01 April to 30 June 2022 for both the tabled and adopted budgets**. In this period, the National and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10<sup>th</sup> working day of July each year. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget without a credible funding plan, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be***

***immediately adopted by the Municipal Council, and the changes to the budget must be effected in the main adjustments budget to ensure compliance with Section 18 of the MFMA.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D Schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

## **10. Submitting budget documentation and A1 schedules for 2022/23 MTREF**

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2022**, the final date of submission of the electronic budget documents and corresponding mSCOA data strings is **Friday, 01 April 2022**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the mSCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats ***immediately*** after approval by the municipal council. Therefore, if the annual budget is tabled to council on **31 May 2022**, the final date of submission of the electronic budget documents and corresponding mSCOA data strings is **Wednesday, 01 June 2022**.

**Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in pdf format to the GoMuni Upload portal.**



### 10.1 Expected submissions for 2022/23 MTREF

The following information should be submitted for the 2022/23 MTREF:

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the A1 schedule must be submitted in the prescribed mSCOA data string in the format published with Version 6.6 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

### 10.2 GoMuni Upload Portal

The development work on the GoMuni Upload portal has been concluded and municipalities must submit all documents required for the 2022/23 MTREF in terms of legislation, as per the guidance provided in MFMA Circular No 112 dated 06 December 2021, via the GoMuni Upload Portal. The upload portal can be accessed on <https://lguploadportal.treasury.gov.za> from 01 April 2022.

All municipal officials that currently have access to the LG Upload portal will be granted access to the GoMuni Upload portal. New users will have to complete and submit a *Request for Access* to [lgdataqueries@treasury.gov.za](mailto:lgdataqueries@treasury.gov.za). The request form will be available on the GoMuni login page under new registrations.

### 10.3 Additional validation rules applicable to data string submissions

To ensure that credible data strings are submitted to the GoMuni Upload portal, additional validation rules will be introduced in the 2022/23 MTREF. The credibility and accuracy of the data strings must be verified by municipalities before submission on the GoMuni Upload. The additional validation rules will be implemented on the stage 1 validation. In other words, a data string that fails the validation will be rejected. The additional rules are as follows:

1. A balanced data string must be submitted. This means that the data strings that is submitted must always be in balance. All the transactions should be included for Revenue, Expenditure, Gains and Losses, Assets, Liabilities and Net Assets;
2. All secondary cost data strings may only be linked to Item: Expenditure: Default. All costing transactions must be linked to Item: Expenditure default as it refers to the reallocation of cost from one function to another or one operational project to another operational project. Where cost is capitalised the costing segment is not used;
3. Inventory for water must be linked to the Function: Water Management. Bulk purchases of Water must only be recorded against the Water management function; and
4. Opening balances must be linked to Project default and Fund: non funding. All opening balances that are not linked to Project default and Non funding will not be valid.

The new validation rules will come into effect from 01 July 2022.

## 10.4 Publication of municipal documents

Going forward, the following municipal documents will be published on the GoMuni/ Go Public portal:

- Integrated Development Plans;
- Budget Documentation;
- Service Delivery and Budget Implementation Plans;
- Annual Financial Statements;
- Annual Reports; and
- Audit Reports.

Municipal documents submitted to the National Treasury prior to 2022 will be available on the MFMA webpage and can be accessed via the MFMP Share Point Documents option on GoMuni/ Go Public.

GoMuni/ Go Public can be accessed on the following link: <https://lg.treasury.gov.za>

## 10.5 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

## Contact



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**Post** Private Bag X115, Pretoria 0001  
**Phone** 012 315 5009  
**Fax** 012 395 6553  
**Website** <http://www.treasury.gov.za/default.aspx>

**JH Hattingh**

**Chief Director: Local Government Budget Analysis**

**04 March 2022**

## **2.13 Municipal manager's quality certification**

### **Quality Certificate**

I, N Kesiamang, Acting Municipal Manager of Sol Plaatje Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Annual Budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

**Print Name: N Kesiamang**

**Acting Municipal Manager of Sol Plaatje Local Municipality (NC091)**

**Signature:** .....

**Date: 29/03/2021**