

# **SOL PLAATJE MUNICIPALITY**

## **ANNUAL BUDGET (MARCH)**

**2023/24 – 2025/26**



**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

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## 1. Mayor's Speech

### **TABLING OF THE ANNUAL BUDGET FOR 2023/24 MTREF BY THE EXECUTIVE MAYOR ON MARCH 31, 2023.**

**HONOURABLE SPEAKER, CLLR NOMAZIZI MAPUTLE,  
WHIP OF COUNCIL, CLLR MARTIN WHITE,  
ESTEEMED MMC AND COUNCILLORS  
MUNICIPAL MANAGER, MR MATLALA AND THE EXECUTIVE MANAGEMENT TEAM,  
LEADERSHIP OF VARIOUS UNIONS  
MEMBERS OF THE PUBLIC PRESENT,  
MEMBERS OF THE MEDIA,  
LADIES AND GENTLEMEN.**

### **THE SPEECH OF THE EXECUTIVE MAYOR ON THE OCASSION OF THE TABLING OF THE BUDGET 2023/2024**

**DATE: 31 MARCH 2023**

**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**

The tabling of this draft budget comes just 6 days after Mayoral Strategic Planning that took place from 22 - 23/03/23. We emerge from these Strat Plan with clear five Objectives that seeks to address challenges that our Municipality faced with and on top of Objectives is Service Delivery. We need to deliver Quality service delivery to our people. Our communities need nothing else than service delivery. Furthermore, we also learned that Youth unemployment rate is 52% and this gives me a sleepless night. The budget i am tabling today seeks to address these issues including inequality and poverty.

Madam speaker, it is also important to mention that this draft budget comes just two days after Parliamentary oversight visit, where number of issues and concerns were raised. We'll work very hard to address those issues and give a report to Our National Assembly.

Ladies and Gentlemen, I am pleased to inform you that COGSTA announced that Sol Plaatje Local Municipality was moved from a Dysfunctional municipality to a Medium Risk Municipality. We are slowly, but surely moving towards the Right direction and Together, Collectively We Can.

It is an honour for me to table my second draft 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 three (3) years.

Drafting a budget is never an easy task. Budgets are a balancing act and more often than not it is regarded as a guideline only.

Government budgets are notoriously short cashed. Budgets also invariably fall short of meeting citizen expectations, fuelled by election undertakings.

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 three (3) 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 Mayoral Strategic Session 2023**

This draft budget I am tabling today, is well informed by the priorities identified to support our IDP strategic objectives during the Mayoral Strategic Planning Session held on the 22nd and 23rd of March 2023. The purpose of this strategic session was to ensure that our ward-based priorities identified by communities during our IDP review meetings are well planned for; for the implementation with resources been actively and equitably allocated to that action plans in terms of our draft budget.

This planning session clearly outlined our challenges that we face as a city;

1. Cash flow challenges
2. Service delivery challenges
3. Low collection rate and a need to implement credit control policy
4. Stagnant audit outcome at qualified opinion for the past five (5) years by Auditor General

5. High youth unemployment rate at 52% which necessitate tangible Investment drive into our Sol Plaatje Municipality Economy
6. Sustainable water supply and uninterrupted electricity supply community
7. Electricity energy mix, among other things deliberated upon during the strategic planning session

## **The Economic Outlook**

The Sol Plaatje Municipality is tertiary sector driven economy with this sector contributing about 85% to the Gross Value Added (GVA), and little is contributed by the primary sector and secondary sector at 5% and 10% in 2021 respectively. This is a clear indication that the City should start looking at investment drive to increase attraction of potential investors into the City especially looking at manufacturing and construction to lure growth and Employment. Drawing investors into the city, is no longer a choice but imperative intervention needed to slow and reverse the high rate of unemployment at 36,5% in 2022 and more shockingly the youth unemployment of 52,5% in 2021, the figure that has since increased by about 14,9% since in 2015.

President Cyril Ramaphosa in his State of the Nation Address (Sona) on 9 February 2023 and made it clear that with the challenges the country faces, it cannot be business as usual. The President stated that the energy crisis is an existential threat to our economy and social fabric while violent crime is taking its toll on every South African. In this regard, he focused on finding solutions for the following four key issues, i.e. (1) the load shedding crisis, (2) reducing unemployment, (3) poverty and the rising cost of living as well as (4) combating crime and corruption.

The rising cost of living are to be addressed by increasing social grants, targeted basic income support for the most vulnerable and by mitigating the impact of load shedding on food prices. To this effect the Sol Plaatje Municipality will also factor and implement social packages in a form of Free Basic Services to the amount of R55,5 million in order to assist our targeted 15 000 indigent household

The future is not bleak for the city when it comes to mega investment projects that will mitigate the unemployment rate in the City. In his State of The Province Address the Premier of the Northern Cape Dr Zamani Saul and constant with the Finance Minister Enoch Godongwana's 2023 Budget Speech announced that the Municipality will receive R1.9 billion (RBIG funds) to the Sol Plaatje Municipality to improve bulk water infrastructure and sanitation services. The Premier also highlighted that Sol Plaatje University's total spent on infrastructure development, since inception in 2013, amounts to R2.2 billion and of this R350 million was spent in 2022. These are mega projects the city needs to create employment and reduce levels of crime related to frustrations by youth due to lack of jobs and ability to provide for families.

We further welcome the initiative by National Government to provide a relief on ESKOM debt, we caution the Municipality to proceed with care in ensuring that all Current Eskom accounts would be paid in full, going forward.

## **Key budget issues**

Honourable councillors, unemployment keeps hiking, and youth unemployment has reached pandemic levels. In Sol Plaatje Municipality, the average household income (current

rand prices) is about R350 000. This compares well with a household income of between R250 000 and R300 000 for all households in South Africa (R286 738), the Northern Cape Province (R256 365) and the Frances Baard district (R295 848) respectively.

Concerning is the fact that the current average household income for 50% of all households is less than R100 000, and for 80% it is less than the average income of R350 000. In this regard, about 35% of households do not qualify for a free government subsidy as part of the Finance Linked Individual Subsidy Programme and fall in the RDP/BNG (or 'give-away') housing programme, and for about 50% it is not possible to qualify for a (commercial) home loan.

Honourable Speaker, I cite these problems specifically to demonstrate that the unemployment rate in the Sol Plaatje Municipality has reached a very worrisome levels and a lot MUST be done to attract real investment in the City, to grow the City and to create real employment.

The adoption of New Preferential Procurement Policy by this municipality in February 2023 which is set to deliberately align our procurement strategies to promote the local SMME's participation in the local economies and prioritise the designated groups per specific goals set out in the Reconstruction Development Policy document in 1994. Local SMMEs should participate in the R 2,69 billion expenditure budget we are tabling today.

Assets management is as critical, as service delivery depends on availability, condition, and an implementable asset replacement plan. The Council also adopted Movable Assets Disposal Policy to allow municipality to dispose assets which are no longer in good conditions and in use for service delivery, I encourage that we use all the proceeds from disposal of this assets directly into service delivery assets or their maintenance.

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. We encourage our communities to be part of public participation.

## **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 R8.8 billion over the next 3 years, generated from service charges in the amount of R5 billion, rates, in the amount of R2.1billion, unconditional grants of R912 million and other own revenue sources of R749 million.

To reach these revenue levels, tariffs are proposed to increase councillors. In this case, I must state that National Treasury estimate inflation for 2022/23 at 6.9% has given forecast for the next three years being:

For 2023/24 an estimate of 5.3%

For 2024/25, an estimate of 4.9%

And For 2025/26, an estimate of 4.7%

The Municipality has submitted a Cost of Supply Study to NERSA for consideration. An average Eskom price increase of 18.61% has been approved by NERSA applicable as from 1 April 2023. It is estimated that the municipal increase would thus be 19.38%. Hence, the Sol Plaatje Municipality estimate that the increase would be in the region of 16% for electricity tariffs per below NERSA formula.

Having said this Honourable Councillors, the above 16% increase in the electricity service is at this stage an estimate per NERSA formula and would be revised in accordance with NERSA Electricity Tariff increase benchmarks once published. It is therefore proposed that for purpose of draft budget's annual increase on electricity service the Municipality estimated conservatively at 15%. Furthermore, the Cost of Supply Study would detail how each category of customers would be affected by tariff increases.

The proposed tariffs for 2023/24 are as follows:

There would be about 0,3% decrease in the tariffs however the municipality has just concluded on its 2023 General Valuation Roll (GVR) which will be implemented from the 1st July 2023. It is estimated that properties with valuation increase of up to 10% would likely have an increase of about 9.7%.

## **Operational Expenditure Framework**

The operational expenditure projects a R 8.7 billion for the next three years against an R8.8 billion leaving a surplus of R114 million over the three years. The operational expenditure is mainly due to Inventory and bulk costs estimated at R3.56 billion, employee costs of R2.86 billion, R273 million for depreciation and asset impairment and other expenditure of R1.8 billion

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 non-critical vacancies to service delivery. The March 2023 Mayoral Strategic Planning session also explicitly outlined a need to focus on organisational redesign and focus limited resources the Municipality have to service delivery as a priority and revenue enhancement initiatives to turnaround low cash flow challenges and improve collection rate.

These are the initiatives that will reduce deficits and negative net cash from operations, and these controls will include

- Conduct meter audits to curb electricity theft.
- Procuring of smart, prepaid meters and water meters to improve billing accuracy.
- Strict measures procurement processes and reduction of uncompetitive bidding and deviations
- 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.

## **Capital Expenditure Framework**

The capital expenditure framework estimates R1.5 billion million from Capital Grants and R114.8 million from internally generated funds. The significant increase in the capital expenditure from capital grants is attributed to the BFI funding in the next three years.

The IDP Process will give more information on projects

## **2. Executive Summary**

### **Introduction**

The municipality has just completed its review of the IDP which began 1 July 2022 and end 30 June 2027 with a successful Mayoral Strategic Planning Sessions held a Kimberley's Horseshoe Motel on the 22nd and 23rd March 2023.

The Key Strategic Objectives of the IDP are now linked to the strategic priorities and supported by the budget allocations especially priorities relating to Service Delivery and Revenue Enhancement.

These Strategic Objectives to support Vision: "Towards a growing, cleaner city" which forms part of submission to Council for approval are

- a) Improved Service Delivery
- b) Good, Clean and Transparent Governance
- c) Establishment of a healthy Financial Management
- d) Economic growth through promoting SPM as an economic hub (where tourism, administration, logistics, mining, knowledge management, investment and a revitalized CBD find expression).
- e) Improved Institutional management

It is these strategic priorities that would see the municipality fully focusing on the programmes and projects in the year 2023/24 that would attempt to resolve the following strategic challenges:

1. Cash flow challenges.
2. Service delivery challenges.
3. Low collection rate and a need to implement credit control policy.
4. Stagnant audit outcome at qualified opinion for the past five (5) years by Auditor General.

5. High youth unemployment rate at 52% which necessitate tangible Investment drive into our Sol Plaatje Municipality Economy.
6. Sustainable water supply and uninterrupted electricity supply community.
7. Electricity energy mix, among other things deliberated upon during the strategic planning session.

Therefore, the Municipality have service delivery as a highest priority also highlight revenue enhancement initiatives to turnaround low cash flow challenges and improve collection rate. These are the initiatives that will reduce deficits and negative net cash from operations, and these controls will include

- Conduct meter audits to curb electricity theft.
- Procuring of smart, prepaid meters and water meters to improve billing accuracy.
- Improve Internal Controls within Revenue Management Value Chain (TID Roll Overs, 16 000 integrations, 6000 non-purchasing pre-paid meters, etc)
- Strict measures procurement processes and reduction of uncompetitive bidding and deviations
- Improved planning of budget implementation
- Grow revenue base and stimulate investments into the city

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 2023/2024 and outer years 2024/2025 and 2025/2026 Budget is premised on the following assumptions;

- The municipality has just concluded 2023 General Valuation Roll and residents are encouraged to lodge objections until end of March.
- 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 loss.

### **In Conclusion,**

Speaker, I would like to thank all our consumers who pay their municipal accounts on time to enable us to continue to deliver services to our communities on time.

I would like to thank the Acting CFO and his team for the work that has been put into this budget. The MM for his valued inputs, leadership and support.

The MMCs and the Councillors also need a special mention and I sincerely express my gratitude to them.

## 2. Council Resolution

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

Executive Mayor Cllr KJB Sonyoni

14 March 2023

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#### Purpose

Tabling of the Annual Budget of the Sol Plaatje Local Municipality for the financial year 2023/24 and indicative allocations for the two projected outer years 2024/25 and 2025/26, 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

Municipal Manager – Mr BS Matlala

Acting Chief Financial Officer – Mr K Samolapo

Budget Steering Committee

Executive Management Team

Mayoral Committee

## Contact Person

Mr K Samolapo

Acting Chief Financial Officer

Contact number: 053-830-6502

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

Mrs O Gopane (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 2023/24; and indicative allocations for the two projected outer years 2024/25 and 2025/26, 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;
  - 2.1 Budgeted Cash Flow: Section 5/Annexure 1 – Table A7;
  - 2.2 Cash backed reserves and accumulated surplus reconciliation: Section 5/Annexure 1 – Table A8;
  - 2.3 Asset Management: Section 5/Annexure 1 – Table A9; and
  - 2.4 Basic service delivery measurement: Section 5/Annexure 1 – 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 2023/24 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.

That Council resolves to authorise the Acting 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 has just completed its review of the IDP which began 1 July 2022 and end 30 June 2027 with a successful Mayoral Strategic Planning Sessions held a Kimberley's Horseshoe Motel on the 22<sup>nd</sup> and 23<sup>rd</sup> March 2023.

The Key Strategic Objectives of the IDP are now linked to the strategic priorities and supported by the budget allocations especially priorities relating to Service Delivery and Revenue Enhancement.

These Strategic Objectives to support Vision: "**Towards a growing, cleaner city**" which forms part of submission to Council for approval are

- a) Improved Service Delivery
- b) Good, Clean and Transparent Governance
- c) Establishment of a healthy Financial Management
- d) Economic growth through promoting SPM as an economic hub (where tourism, administration, logistics, mining, knowledge management, investment and a revitalized CBD find expression).
- e) Improved Institutional management

It is these strategic priorities that would see the municipality fully focusing on the programmes and projects in the year 2023/24 that would attempt to resolve the following strategic challenges:

1. Cash flow challenges
2. Service delivery challenges
3. Low collection rate and a need to implement credit control policy
4. Stagnant audit outcome at qualified opinion for the past five (5) years by Auditor General
5. High youth unemployment rate at 52% which necessitate tangible Investment drive into our Sol Plaatje Municipality Economy
6. Sustainable water supply and uninterrupted electricity supply community
7. Electricity energy mix, among other things deliberated upon during the strategic planning session

Therefore, the Municipality have service delivery as a highest priority also highlight revenue enhancement initiatives to turnaround low cash flow challenges and improve collection rate. These are the initiatives that will reduce deficits and negative net cash from operations, and these controls will include

- Conduct meter audits to curb electricity theft.
- Procuring of smart, prepaid meters and water meters to improve billing accuracy.
- Improve Internal Controls within Revenue Management Value Chain (TID Roll Overs, 16 000 integrations, 6000 non-purchasing pre-paid meters, etc)
- Strict measures procurement processes and reduction of uncompetitive bidding and deviations
- Improved planning of budget implementation
- Grow revenue base and stimulate investments into the city

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 2023/2024 and outer years 2024/2025 and 2025/2026 Budget is premised on the following assumptions;

- The municipality has just concluded 2023 General Valuation Roll and residents are encouraged to lodge objections until end of March
- 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
- The budget should focus on Service Delivery challenges and revenue enhancement as key priorities
- 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 66% and 72%, and this is not assisting the municipality to step out of the liquidity woes. The municipality needs an average of 90% 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 as part of credit control measures. 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 audited through physical verification and testing, 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, assets 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 are aimed at focusing on six (6 areas) as follows:

1. Reduction of water and electricity losses
2. Revenue enhancement and improved collections rates
3. Operational efficiencies in the engineering sector
4. Growth strategies and implementation
5. Productive and passionate employees
6. 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 123 as indicated below is a brief summary of the key focus areas for the 2023/24 municipal budget process. All recently issued circulars are included in the budget document for ease of reference.

### **Key focus areas for the 2023/24 budget process**

The local government conditional grants allocations Over the 2023/34 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 2023/2024 MTEF period. A total of R23.9 billion is added to the LGES over the MTEF to increase coverage of the provision of free basic services;

The Division of Revenue Bill was published on 10 February 2023, 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.

### **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. The municipality is at version 6.7 revision.

National Treasury also issued a circular on web-based audit action plan, this has fully been adopted and the 2023 plan is now captured on the system and reviewed weekly to establish progress and areas of intervention. This enable the established Clean Audit Action Plan committee established by the Municipal Manager on its weekly progress implementation monitoring.

### **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 second year of IDP implementation and Budget Cycle takes place under difficult conditions than ever before. The economy continues to show signs of constrains especially the when looking at the high unemployment rate 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 is evidenced from the very low collection rate of yearly average collection rate of 76.8% at the end of February 2023. This collection rate is lower than the norm of 95% as set out by National Treasury and far below the required collection rate of at least 85% in order to meet the monthly operational financial commitments.

The report aims to table the Operational Revenue, Operational Expenditure and Capital Expenditure Framework for the 2023/2026 MTREF covering a three-year period, with 2023/2024 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 2023/2024 MTREF.

Consolidated Overview of the 2023/24 MTREF	Adjustment Budget 2022/23 R'000	2023/24 Medium Term Revenue & Expenditure Framework			
		Budget Year 2023/24 R'000	Budget Year +1 2024/25 R'000	Budget Year +2 2025/26 R'000	Total over the MTREF R'000
		<b>Operational revenue and expenditure budget</b>			
Total Operating Revenue (excl Capital transfers)	2 495 977	2 719 604	2 932 962	3 164 843	8 817 409
Total Operating Expenditure	2 698 200	2 691 252	2 893 175	3 118 156	8 702 583
<b>Operating Surplus</b>	<b>(202 222)</b>	<b>28 351</b>	<b>39 787</b>	<b>46 687</b>	<b>114 826</b>
Capital transfers and contributions	133 188	214 233	604 187	692 646	1 511 066
Total Revenue (incl Capital transfers)	2 629 165	2 933 837	3 537 149	3 857 489	10 328 475
<b>Surplus (incl Capital transfers)</b>	<b>(69 034)</b>	<b>242 584</b>	<b>643 974</b>	<b>739 333</b>	<b>1 625 892</b>
<b>Capital expenditure budget</b>					
Capital transfers and contributions	133 188	214 233	604 187	692 646	1 511 066
Internally generated funds	55 705	35 240	49 096	35 500	119 836
<b>Total Capital expenditure</b>	<b>188 893</b>	<b>249 473</b>	<b>653 283</b>	<b>728 146</b>	<b>1 630 902</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. As indicated as a priority in the Mayoral Strategic Planning session, revenue enhancement initiatives would also be provided for in order to address the issue of cash flow challenges and low collection rate. Over the three years, R114 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 2023/24 MTREF Year on Year % increase and R-Value increase	2023/24 Medium Term Revenue & Expenditure Framework					
	Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
	2022/23 to 2023/24		2023/24 to 2024/25		2024/25 to 2025/26	
	%	R'000	%	R'000	%	R'000
<b>Base year Adjusted Budget 2023/24</b>						
Total Operating Revenue (excl Capital transfers)	9,0%	223 627	7,8%	213 358	7,9%	231 882
Total Operating Expenditure	-0,3%	(6 947)	7,5%	201 922	7,8%	224 982
Operating Surplus	-114,0%	230 574	40,3%	11 436	17,3%	6 900
Total Operating Revenue (incl Capital transfers)	11,6%	304 672	20,6%	603 312	9,1%	320 341
Surplus (incl Capital transfers)	-451,4%	311 619	165,5%	401 390	14,8%	95 359
Capital transfers and contributions	60,9%	81 045	182,0%	389 954	14,6%	88 459
Internally generated funds	-36,7%	(20 465)	39,3%	13 856	-27,7%	(13 596)
Total Capital expenditure	32,1%	60 580	161,9%	403 810	11,5%	74 863

There is no significant increase in overall revenue as the totals are increasing from R2,495 977 billion (Adjusted budget 2022/2023) to R2,719 604 billion (2023/24), constituting a 9% increase year on year when compared to Adjustment budget. The overall average increase over the MTREF is approximately 8,23%.

The operating expenditure is estimated at R2,691 billion in 2023/24. After having considered all the factors, the budget for 2023/24 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, revenue enhancement and cutting down on non-essential spending.

The total capital expenditure amounts to R249, 473 million. Over the MTREF the municipality projects to spend R1,5 billion for Riverton bulk water project and BFI. Capital grants and subsidies recognised are all conditional grants gazetted as per the Division of Revenue Bill 2023 and per Minister of Finance Budget Speech 2023.

#### 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

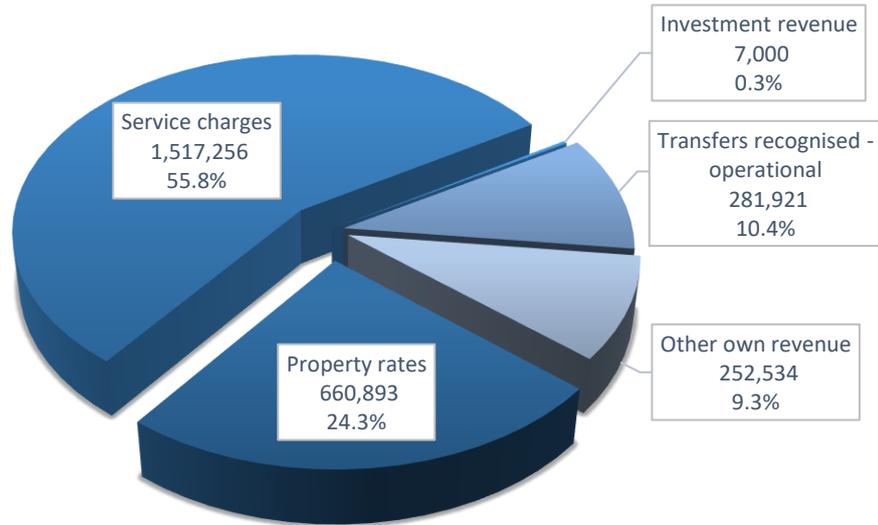
The municipality generates revenue from exchange and non-exchange transactions. Exchange transactions are instances where there is a transaction concluded at arms-length based on measured consumption as well as a result of existing service agreements. Revenue from non-exchange transactions is revenue 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 2023/24.

## Operational revenue: Budget Year 2023/24 R'000



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 2023/24 MTREF classified by revenue source.

NC091 Sol Plaatje - Table A4 Budgeted Financial Performance (revenue and expenditure)									
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>									
<b>Exchange Revenue</b>									
Service charges - Electricity	2	664 828	659 307	726 941	919 854	899 854	1 034 872	1 151 590	1 281 753
Service charges - Water	2	258 618	259 156	271 961	310 717	305 717	327 114	346 815	367 859
Service charges - Waste Water Management	2	73 119	78 186	81 934	81 700	93 500	89 858	95 380	100 732
Service charges - Waste Management	2	52 564	56 401	59 094	60 940	69 080	65 412	70 452	75 461
Sale of Goods and Rendering of Services		13 721	12 227	10 563	14 601	17 201	15 579	16 462	17 367
Interest earned from Receivables		145 492	105 983	131 160	156 500	156 500	168 880	160 953	158 048
Interest earned from Current and Non Current Assets		5 503	2 835	3 124	6 000	6 000	7 000	12 000	15 000
Rental from Fixed Assets		11 427	12 018	16 755	13 010	25 896	26 930	28 278	29 833
Licence and permits		910	1 136	1 077	1 200	1 200	1 200	1 260	1 329
Operational Revenue		4 387	5 128	3 954	3 544	3 544	3 134	3 333	3 514
<b>Non-Exchange Revenue</b>									
Property rates	2	555 073	571 075	599 898	627 646	610 074	660 893	706 943	746 365
Surcharges and Taxes									
Fines, penalties and forfeits		31 614	29 477	15 405	27 730	35 730	30 660	30 714	32 403
Licences or permits		4 953	5 247	7 455	5 650	5 650	6 150	6 480	6 836
Transfer and subsidies - Operational		214 815	260 426	235 986	258 117	266 031	281 921	302 302	328 343
<b>Total Revenue (excluding capital transfers and contri</b>		<b>2 037 442</b>	<b>2 064 336</b>	<b>2 178 297</b>	<b>2 487 209</b>	<b>2 495 977</b>	<b>2 719 604</b>	<b>2 932 962</b>	<b>3 164 843</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.

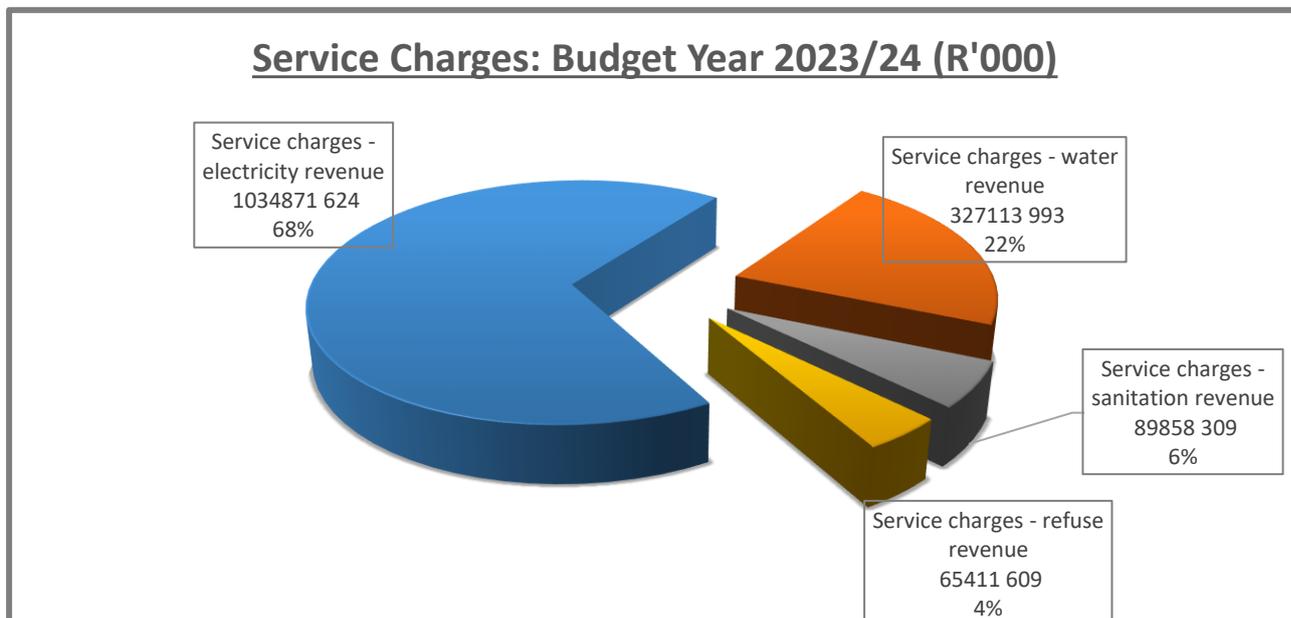
The table below indicated the weighted average per revenue source. It is clear that sale of electricity will be the major revenue source contributing just above 38%% of total revenue in 2023/2024. It is important to note that any non-collection or non-payment or non-billing for electricity has higher impact in as far as financial health of the municipality is concerned.

It is for this reason that all revenue protection and enhancement measures as identified at the Mayoral Strategic Planning session 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 especially from customers with exorbitant and long aged arrear debt balances.

NC091 Sol Plaatje - Table A4 Budgeted Financial Performance (revenue and expenditure)								
Description (R'000)	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	% Contribution	Budget Year 2023/24	% Contribution	Budget Year +1 2024/25	% Contribution	Budget Year +2 2025/26	% Contribution
Service charges - electricity revenue	899 854	66%	1 034 872	68%	1 151 590	69%	1 281 753	70%
Service charges - water revenue	305 717	22%	327 114	22%	346 815	21%	367 859	20%
Service charges - sanitation revenue	93 500	7%	89 858	6%	95 380	6%	100 732	6%
Service charges - refuse revenue	69 080	5%	65 412	4%	70 452	4%	75 461	4%
<b>Total</b>	<b>1 368 151</b>	<b>100%</b>	<b>1 517 256</b>	<b>100%</b>	<b>1 664 238</b>	<b>100%</b>	<b>1 825 805</b>	<b>100%</b>

Rates is as significant as it will contribute over 24% 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 10,37% 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 68% of all service charges combined, followed by water at 22%, 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. The municipality started consultations with the National Treasury for a possible tariff reforms on refuse collection and further research will be conducted during MTREF but a subsidised tariff for refuse collection for indigent and formalised areas will be taken into consideration.

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 2022/23		2023/24 Medium Term Revenue & Expenditure Framework								
	Adjusted Budget	% Contribution	Budget Year 2023/24	% Contribution	% Growth 2022/23 to 2023/24	Budget Year +1 2024/25	% Contribution	% Growth 2023/24 to 2024/25	Budget Year +2 2025/26	% Contribution	% Growth 2024/25 to 2025/26
<b>Revenue By Source</b>											
Property rates	610 074	24,44%	660 893	24,30%	8,33%	706 943	24,10%	6,97%	746 365	23,58%	5,58%
Service charges - electricity revenue	899 854	36,05%	1 034 872	38,05%	15,00%	1 151 590	39,26%	11,28%	1 281 753	40,50%	11,30%
Service charges - water revenue	305 717	12,25%	327 114	12,03%	7,00%	346 815	11,82%	6,02%	367 859	11,62%	6,07%
Service charges - sanitation revenue	93 500	3,75%	89 858	3,30%	-3,89%	95 380	3,25%	6,14%	100 732	3,18%	5,61%
Service charges - refuse revenue	69 080	2,77%	65 412	2,41%	-5,31%	70 452	2,40%	7,71%	75 461	2,38%	7,11%
Service charges - other											
Rental of facilities and equipment	25 896	1,04%	26 930	0,99%	3,99%	28 278	0,96%	5,00%	29 833	0,94%	5,50%
Interest earned - external investments	6 000	0,24%	7 000	0,26%	16,67%	12 000	0,41%	71,43%	15 000	0,47%	25,00%
Interest earned - outstanding debtors	156 500	6,27%	168 880	6,21%	7,91%	160 953	5,49%	-4,69%	158 048	4,99%	-1,80%
Dividends received											
Fines	35 730	1,43%	30 660	1,13%	-14,19%	30 714	1,05%	0,18%	32 403	1,02%	5,50%
Licences and permits	6 850	0,27%	7 350	0,27%	7,30%	7 740	0,26%	5,30%	8 165	0,26%	5,50%
Agency services											
Transfers recognised - operational	266 031	10,66%	281 921	10,37%	5,97%	302 302	10,31%	7,23%	328 343	10,37%	8,61%
Other revenue	20 745	0,83%	18 714	0,69%	-9,79%	19 795	0,67%	5,78%	20 881	0,66%	5,49%
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 495 977</b>	<b>100,00%</b>	<b>2 719 604</b>	<b>100,00%</b>	<b>8,96%</b>	<b>2 932 962</b>	<b>100,00%</b>	<b>7,85%</b>	<b>3 164 843</b>	<b>100,00%</b>	<b>7,91%</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, approved by Council and Submitted to NERSA. In terms of NERSA guidelines, cost of supply study must be used to guide tariff setting and a public participation must be done before NERSA actually approve Cost of Supply Study and tariff implementation. 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 2023.

National Treasury estimate inflation for 2022/23 at 6,9% and MTREF forecast for the next three years being:

Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Macro-economic performance and projections, 2020 - 2025</b>	<b>Actual</b>	<b>Estimate</b>	<b>Forecast</b>		
CPI Inflation	4,5%	6,9%	5,3%	4,9%	4,7%

An average Eskom price increase of 18.61% has been approved by NERSA applicable as from 1 April 2023. It is estimated that the municipal increase would thus be 19.38%. Hence, the Sol Plaatje Municipality estimate that the increase would be in the region of 16% for electricity tariffs per below NERSA formula.

<b>NERSA PRICE FORMULA</b>				
		<b>Rate</b>	<b>Portion</b>	<b>Impact</b>
Bulk	Eskom Mun	19.38%	74%	14.34%
Repairs and maintenance	CPI	6.90%	8.90%	0.61%
Salaries and wages	CPI	6.90%	3.80%	0.26%
Finance costs	National treasu	0.50%	2.10%	0.01%
Bad debt provision		6.90%	3.90%	0.27%
Charges from other mun departments		6.90%	1.80%	0.12%
Others	CPI	6.90%	5.50%	0.38%
<b>TOTAL</b>			<b>100%</b>	<b>16.00%</b>

It is therefore proposed that for purpose of draft budget's annual increase on electricity service the Municipality estimate conservatively at 15%. It must be emphasised that this 15% is an estimate as is in line with projected bulk electricity purchases by Municipality and will be revised to be in line with guidelines tariff setting benchmarks once approved by NERSA.

NC091 Sol Plaatje - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'								
Description	Audited Outcome	Audited Outcome	Audited Outcome	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	2019/20	2020/21	2021/22	Original Budget 2022/23	Adjusted Budget 2022/23	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand								
Electricity bulk purchases	515 937	540 953	551 452	682 000	682 000	785 000	901 600	1 016 103
% Increase		5%	2%	24%	0%	15%	15%	13%

The proposed tariff increases in the table below are averages for all services. The municipality attempted to reduce tariff increases to be as close to the projected CPI targets.

Revenue category	2022/23	2023/24	2024/25	2025/26
	Tariffs increases			
Property Rates	4,00%	5,30%	6,97%	5,58%
Electricity	4,50%	15,00%	11,28%	11,30%
Water	4,00%	5,30%	6,02%	6,07%
Waste water (Sanitation)	4,00%	4,90%	6,14%	5,61%
Waste management (Refuse removal)	4,00%	5,30%	7,71%	7,11%
<b>Average tariff increases/Municipal CPI</b>	<b>4,10%</b>	<b>9,68%</b>	<b>7,62%</b>	<b>7,13%</b>

As per MFMA Circular 123, 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	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Property rates (rate in the Rand)</b>	1								
Residential properties		Residential	0.0098	0.0104	0.0116	0.0112	0.0116	0.0124	0.0131
Residential properties - vacant land			-	-	-	0.0168	0.0168	0.0197	-
Formal/informal settlements									
Small holdings									
Farm properties - used		Agricultural farms	0.0024	0.0026	0.0029	0.0028	0.0029	0.0031	0.0033
Farm properties - not used		Agricultural business	0.0024	0.0026	0.0029	0.0028	0.0029	0.0031	0.0033
Industrial properties		Industrial	0.0312	0.0332	0.0372	0.0358	0.0348	0.0372	0.0393
Business and commercial properties		Business/Residential	0.0293	0.0311	0.0349	0.0335	0.0348	0.0372	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	0.0585	-	-	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>Property rates by usage</b>									
Business and commercial properties									
Industrial properties									
Mining properties									
Residential properties									
Agricultural properties									
Public benefit organisations									
Public service purpose properties									
Public service infrastructure properties									
Vacant land									
Sport Clubs and Fields (Blou only)									
Sectional Title Garages (Drakenstein only)									
<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/ fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/k)									
Water usage - life line tariff		Residential (7-20kl)	27	28	31	29	32	34	36
Water usage - Block 1 (c/kl)		Residential (21-40kl)	30	32	34	33	36	38	41
Water usage - Block 2 (c/kl)		Residential (41-60kl)	32	34	36	35	38	41	43
Water usage - Block 3 (c/kl)		Residential (more than 60kl)	34	36	39	37	41	43	46
Water usage - Block 4 (c/kl)		Residential (0-6kl)	6	7	7	7	8	8	9
Water usage - Block 5 (c/kl)		(fill in thresholds)							
Water usage - Block 6 (c/kl)		(fill in thresholds)							
<b>Other</b>	2								
<b>Waste water tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)		Basic charge	165	174	189	181	198	210	222
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/k)									
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)		(fill in structure)							
<b>Other</b>	2								
<b>Electricity tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)							82	88	94
Service point - vacant land (Rands/month)									
FBE		Indigents tariff - Block 1 (0-					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)	2	2	2	2	3	3	3
Meter - IBT Block 2 (c/kwh)		Block 2 (>350Kwh)	2	2	3	3	3	3	4
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	118	124	135	129	142	153	164
Basic charge/ fixed fee									
80l bin - once a week									
250l bin - once a week									

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

Indicated in the table below is the macro-economic forecasts as per MFMA Circular 122 issued by National Treasury.

Revenue category	2022/23	2023/24	2024/25	2025/26	2022/23	2023/24	2024/25	2025/26
	Tariffs increases				Total Budgeted revenue (R'000)			
Property Rates	4,00%	5,30%	6,97%	5,58%	–	–	–	–
Electricity	4,50%	15,00%	11,28%	11,30%	899 854	1 034 872	1 151 590	1 281 753
Water	4,00%	5,30%	6,02%	6,07%	305 717	327 114	346 815	367 859
Waste water (Sanitation)	4,00%	4,90%	6,14%	5,61%	93 500	89 858	95 380	100 732
Waste management (Refuse removal)	4,00%	5,30%	7,71%	7,11%	69 080	65 412	70 452	75 461
<b>Average tariff increases/Municipal CPI</b>	<b>4,10%</b>	<b>9,68%</b>	<b>7,62%</b>	<b>7,13%</b>	<b>1 368 151</b>	<b>1 517 256</b>	<b>1 664 238</b>	<b>1 825 805</b>

Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Macro-economic performance and projections, 2020 - 2025</b>	<b>Actual</b>	<b>Estimate</b>	<b>Forecast</b>		
CPI Inflation	4,5%	6,9%	5,3%	4,9%	4,7%

## 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 municipality concluded its GV for 2023 and was published in January 2023 for comments and objections. The GV 2023 which will guide the valuation roll for the next four-year period, and will be implemented as from 1 July 2023.

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:

NC091 Sol Plaatje - Table A1 Budget Summary				
Description	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
		Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25
<b>R thousands</b>				
<b>Financial Performance</b>				
Property rates	450 080	660 893	706 943	746 365

Property rates will amount to R660 983 million and is mainly influenced by the new General Valuation (GV) 2023 outcome, as well as the supplementary valuation roll during the 2023/2024 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. There will only about 0,3% in tariff increase and the revenue target would be derived from average increase in the GV. This is a deliberate attempt to ensure that residents only experience increases that are in line with increase in property values.

		PROPOSED	PROPOSED	PROPOSED
	PRESENT	TARIFFS	TARIFFS	TARIFFS
	TARIFFS	2023/07/01	2024/07/01	2025/07/01
	R	R	R	R
Residential Property	0.011626	0.011591	0.012399	0.013091
Vacant Residential Property	0.017439	0.017386	0.018598	0.019636
Industrial Property	0.037204	0.034773	0.037196	0.039272
Vacant Industrial	0.040692	0.040568	0.043396	0.045817
Business and Commercial Property	0.034878	0.034773	0.037196	0.039272
Vacant Business and Commercial Property	0.040692	0.040568	0.043396	0.045817
Agricultural Property	0.002907	0.002898	0.003100	0.003273
Mining Property	0.127888	0.069545	0.074393	0.078544
Public Service Property	0.052318	0.047523	0.050835	0.053672
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	0.011626	0.011591	0.012399	0.013091
Municipal property used for Municipal Purposes	0.000000	0.000000	0.000000	0.000000
Sports Grounds and facilities operated for gain	0.000000	0.000000	0.000000	0.000000
Average rates tariff	0.018054	0.016998	0.018183	0.019198
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, Rural Mining, Independent Schools, 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 220 000 in addition to criteria per the Policy. The proposed rebate for Rural Residential is 15%, bona fide Agricultural Property is 50%, Rural Commercial, Industrial properties is 75% and Rural mines is 50%, Creches and Guesthouses is 30% and independent schools 65% 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.

NC091 Sol Plaatje - Table A10 Basic service delivery measurement				
Description	2023/24 Medium Term Revenue & Expenditure Framework			
	Level of Service	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Budgeted No of Indigents		15 000	15 200	15 300
		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 households	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 households	12 000	12 900	13 868
Refuse (removed once a week) (Fixed Rate)	The service is fully subsidised	14 500	15 370	16 215
<b>Total cost of FBS provided (minimum social package)</b>		<b>55 500</b>	<b>58 970</b>	<b>62 471</b>

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 has not received the draft guidelines from NERSA which informed the tariff increases for 2023/24. The municipality has noted the minimum percentage increase of 15% to 16% increase on average for local authorities. CPI for 2022/23 is projected at 6,9% as per MFMA Circular 123 issued by National Treasury. The municipality also submitted a Cost of Supply Study to NERSA which proposes certain structural changes to some categories of users.

SOL PLAATJE TARIFF SCHEDULE		TARIFFS 2019/20	TARIFFS 2020/21	TARIFFS 2021/22	ACTUAL TARIFFS 2022/2023	COS TARIFFS 2022/2023	PROPOSED TARIFFS 2023/2024	2023/2024 Total change	
Seasc	Period	excl VAT	excl VAT	excl VAT	excl VAT	excl VAT	excl VAT	%	
<b>Indigents Tariff (Prepaid) 20 Amps</b>									
	Block 1 (0 - 50 kWh) (subsidised) R/kWh	1,4492	1,5394	1,7640	1,8434	1,8434	2,1291	15,50%	
	Block 2 (51 - 350 kWh) R/kWh	1,4492	1,5394	1,7640	1,8434	1,8434	2,1291	15,50%	
	Block 3 (> 351 kWh) R/kWh	2,0222	2,1480	2,4613	2,5721	2,5721	2,9707	15,50%	
<b>Domestic Tariff (Conventional and Prepaid) = 20 Amps</b>									
	Block 1 (0 - 350 kWh) R/kWh	1,4492	1,5394	1,7640	1,8434	1,8434	1,8958	2,84%	
	Block 2 (> 350 kWh) R/kWh	2,0222	2,1480	2,4613	2,5721	2,6413	2,6452	2,84%	
<b>Domestic Tariff (Conventional and Prepaid) &gt; 20 Amps</b>									
	Basic Charge (Rand per month)					173,52	66,80	New	
	Capacity charge (Rand/Amp/phase/month)					8,28	3,08	New	
	Block 1 (0 - 350 kWh) R/kWh	1,4492	1,5394	1,7640	1,8434	1,8300	2,1239	15,22%	
	Block 2 (> 350 kWh) R/kWh	2,0222	2,1480	2,4613	2,5721	1,8300	2,6850	4,39%	
<b>Public Benefit and Schools: Conventional and Prepayment</b>									
	Basic Charge (Rand per month)	270,00	286,79	328,63	343,42	159,02	325,66	-5,17%	
	Capacity charge (Rand/Amp/phase/month)					9,61	3,58	New	
	Winter (R/kWh)	1,9800	2,1032	2,4100	2,5185	2,1983	2,7855	10,61%	
	Summer (R/kWh)	1,9500	2,0713	2,3735	2,4803	1,9984	2,6792	New	
<b>Business Tariff: Small Power Users (Conventional and prepaid)</b>									
	Basic Charge (Rand per month)	270,00	286,79	328,63	343,42	194,00	339,12	-1,25%	
	Capacity charge (Rand/Amp/phase/month)					8,27	3,08	New	
	Block 1 (0 - 1200 kWh)	2,1900	2,3262	2,6657	2,7857	1,9539	2,8972	4,00%	
	Block 2 (> 1200 kWh)	2,4814	2,6357	3,0203	3,1562	1,9539	2,8972	-8,21%	
	Block 1 (0 - 1200 kWh)	2,1100	2,2412	2,5682	2,6838	1,7762	2,7504	2,48%	
	Block 2 (> 1200 kWh)	2,3632	2,5102	2,8764	3,0058	1,7762	2,7504	-8,50%	
<b>Time of Use - NPO, NGO, SCHOOLS: LV &lt;200 kVA</b>									
	Basic charge per month	1 200,00	1 274,64	1 460,61	1 526,34	517,97	1 374,70	-9,93%	
	Network Demand Charge R/kVA	125,97	133,81	144,51	151,01	153,35	175,32	16,10%	
	Network Access Charge R/kVA	42,70	45,36	48,99	51,19	72,36	67,28	31,42%	
	Energy Charges R/kWh	High Peak	3,0873	3,2793	3,7578	3,9269	5,1714	5,0147	27,70%
	Energy Charges R/kWh	Standard	1,3780	1,4637	1,6773	1,7528	1,9865	2,1144	20,63%
	Energy Charges R/kWh	Off-peak	1,0008	1,0630	1,2181	1,2729	1,3540	1,5014	17,95%
	Energy Charges R/kWh	Low Peak	1,5178	1,6122	1,8475	1,9306	2,0929	2,2924	18,74%
	Energy Charges R/kWh	Standard	1,1284	1,1986	1,3735	1,4353	1,6282	1,7320	20,67%
	Energy Charges R/kWh	Off-peak	0,9098	0,9664	1,1074	1,1572	1,2530	1,3735	18,69%
<b>Time of Use - NPO, NGO, SCHOOLS: LV ≥ 200 &lt; 500 kVA (exception 800 kVA)</b>									
	Basic charge per month	2 400,00	2 549,28	2 921,22	3 052,67	982,93	2 728,99	-10,60%	
	Network Demand Charge R/kVA	125,97	133,81	144,51	151,01	153,35	175,32	16,10%	
	Network Access Charge R/kVA	42,70	45,36	48,99	51,19	72,36	67,28	31,42%	
	Energy Charges R/kWh	High Peak	3,1176	3,3115	3,7946	3,9654	5,2000	5,0553	27,49%
	Energy Charges R/kWh	Standard	1,4056	1,4930	1,7108	1,7878	2,0151	2,1524	20,39%
	Energy Charges R/kWh	Off-peak	1,0008	1,0630	1,2181	1,2729	1,3826	1,5124	18,82%
	Energy Charges R/kWh	Low Peak	1,5937	1,6929	1,9399	2,0272	2,1215	2,3777	17,29%
	Energy Charges R/kWh	Standard	1,1623	1,2346	1,4147	1,4784	1,6568	1,7762	20,15%
	Energy Charges R/kWh	Off-peak	0,9280	0,9857	1,1295	1,1803	1,2816	1,4023	18,80%
<b>Time of Use - NPO, NGO, SCHOOLS: MV</b>									
	Basic charge per month	3 400,00	3 611,48	4 138,39	4 324,62	982,93	3 708,39	-14,25%	
	Network Demand Charge R/kVA	125,97	133,81	144,51	151,01	102,00	155,55	3,01%	
	Network Access Charge R/kVA	42,70	45,36	48,99	51,19	50,06	58,69	14,64%	
	Energy Charges R/kWh	High Peak	3,1479	3,3437	3,8316	4,0040	5,2000	5,0851	27,00%
	Energy Charges R/kWh	Standard	1,4882	1,5807	1,8114	1,8929	2,0151	2,2333	17,98%
	Energy Charges R/kWh	Off-peak	1,1109	1,1800	1,3521	1,4129	1,3826	1,6203	14,67%
	Energy Charges R/kWh	Low Peak	1,7151	1,8218	2,0876	2,1815	2,1215	2,4966	14,44%
	Energy Charges R/kWh	Standard	1,2412	1,3184	1,5108	1,5788	1,6568	1,8535	17,40%
	Energy Charges R/kWh	Off-peak	1,0100	1,0728	1,2293	1,2846	1,2816	1,4826	15,41%
<b>INDUSTRIAL AND BUSINESSES LV &lt;200 kVA</b>									
	Basic charge per month	1 600,00	1 699,52	1 947,48	2 035,12	517,97	1 766,46	-13,20%	
	Network Demand Charge R/kVA	148,51	157,75	170,37	178,04	153,35	196,13	10,16%	
	Network Access Charge R/kVA	50,34	53,47	57,74	60,34	50,06	65,73	8,94%	
	Energy Charges R/kWh	High Peak	4,2281	4,4911	5,1463	5,3779	5,1714	6,1319	14,02%
	Energy Charges R/kWh	Standard	1,4882	1,5807	1,8114	1,8929	1,9865	2,2223	17,40%
	Energy Charges R/kWh	Off-peak	1,2320	1,3086	1,4996	1,5671	1,3540	1,7279	10,26%
	Energy Charges R/kWh	Low Peak	1,7546	1,8637	2,1357	2,2318	2,0929	2,5243	13,10%
	Energy Charges R/kWh	Standard	1,1863	1,2600	1,4439	1,5089	1,6282	1,7887	18,54%
	Energy Charges R/kWh	Off-peak	1,1200	1,1897	1,3632	1,4245	1,2530	1,5793	10,86%
	Reactive Energy Charge R/kvarh	All	P&S			0,1951	0,1951	New	
<b>INDUSTRIAL AND BUSINESSES: LV ≥ 200 &lt; 500 kVA (exception 800 kVA)</b>									
	Basic charge per month	2 650,00	2 814,83	3 225,51	3 370,66	982,93	2 973,84	-11,77%	
	Network Demand Charge R/kVA	148,51	157,75	170,37	178,04	102,00	176,36	-0,94%	
	Network Access Charge R/kVA	50,34	53,47	57,74	60,34	50,06	65,73	8,94%	
	Energy Charges R/kWh	High Peak	4,2684	4,5339	5,1954	5,4292	5,2000	6,1825	13,87%
	Energy Charges R/kWh	Standard	1,4965	1,5896	1,8215	1,9035	2,0151	2,2415	17,76%
	Energy Charges R/kWh	Off-peak	1,4000	1,4871	1,7040	1,7807	1,3826	1,9034	6,89%
	Energy Charges R/kWh	Low Peak	1,6999	1,8056	2,0691	2,1622	2,1215	2,4817	14,77%
	Energy Charges R/kWh	Standard	1,1917	1,2659	1,5215	1,5900	1,6568	1,8621	17,12%
	Energy Charges R/kWh	Off-peak	1,2500	1,3278	1,4506	1,5159	1,2816	1,6606	9,55%
	Reactive Energy Charge R/kvarh	All	P&S			0,1951	0,1951	New	
<b>INDUSTRIAL AND BUSINESSES MV (Medium Voltage)</b>									
	Basic charge per month	3 680,00	3 908,90	4 479,20	4 680,76	2 065,07	4 399,24	-6,01%	
	Network Demand Charge R/kVA	148,51	157,75	170,37	178,04	93,29	173,00	-2,83%	
	Network Access Charge R/kVA	50,34	53,47	57,74	60,34	46,17	64,24	6,46%	
	Energy Charges R/kWh	High Peak	4,3892	4,6622	5,3424	5,5828	5,1003	6,2624	12,17%
	Energy Charges R/kWh	Standard	1,5402	1,6360	1,8747	1,9591	1,9154	2,2459	14,64%
	Energy Charges R/kWh	Off-peak	1,5120	1,6060	1,8404	1,9232	1,2829	1,9748	2,68%
	Energy Charges R/kWh	Low Peak	1,7246	1,8319	2,0992	2,1937	2,0218	2,4675	12,48%
	Energy Charges R/kWh	Standard	1,2302	1,3067	1,6432	1,7171	1,5571	1,9217	11,91%
	Energy Charges R/kWh	Off-peak	1,3500	1,4340	1,4973	1,5647	1,1819	1,6598	6,08%
	Reactive Energy Charge R/kvarh	All	P&S			0,1951	0,1951	New	
<b>Small Scale TOU tariff for SSEG customers.</b>									
	Basic charge per month - payable by the generator					175,51	202,72	New	
	Capacity Charge R/Amp/phase					8,72	9,74	New	
	Energy Charges R/kWh - payable to the generator	High Peak				6,4712	7,4742	New	
	Energy Charges R/kWh - payable to the generator	Standard				1,9602	2,2641	New	
	Energy Charges R/kWh - payable to the generator	Off-peak				1,0644	1,2294	New	
	Energy Charges R/kWh - payable to the generator	Low Peak				2,1110	2,4382	New	
	Energy Charges R/kWh - payable to the generator	Standard				1,4528	1,6780	New	
	Energy Charges R/kWh - payable to the generator	Off-peak				0,9214	1,0642	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	156,75	172,51	199,25	27,11%	
	Capacity Charge R/kVA			100,00	104,50				
	Energy Charges R/kWh - payable to the generator	High Peak	1,0403	1,1050	2,8999	3,1496	3,7864	4,4865	42,45%
	Energy Charges R/kWh - payable to the generator	Standard	0,3151	0,3347	0,9999	1,0860	1,1470	1,3590	25,14%
	Energy Charges R/kWh - payable to the generator	Off-peak	0,1711	0,1818	0,6012	0,6530	0,6228	0,7380	13,02%
	Energy Charges R/kWh - payable to the generator	Low Peak	0,3995	0,3606	1,4612	1,5870	1,2352	1,4635	-7,78%
	Energy Charges R/kWh - payable to the generator	Standard	0,2337	0,2482	0,9885	1,0736	0,8501	1,0072	-6,18%
	Energy Charges R/kWh - payable to the generator	Off-peak	0,1482	0,1574	0,4514	0,4903	0,5391	0,6388	30,29%
<b>Streetlights</b>									
	Basic charge light per month			0,0000		105,6693	40,6827	New	
	Energy Charges R/kWh			1,7074		1,8439	1,3147	-26,32%	
<b>Availability</b>									
	Fixed R/month			340,0086		355,3090	402,0144	17,25%	

During the previous years, 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>ELECTRICITY SERVICE</b>	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
<b>INCOME</b>					
SERVICE CHARGES	-919,853,944	-899,853,944	-1,151,590,413	-1,281,752,947	-1,377,890,245
INTEREST DIVIDENDS AND RENT ON LAND	-16,000,000	-17,380,000	-18,335,900	-19,344,375	-20,408,315
<b>Total Income</b>	<b>-935,853,944</b>	<b>-917,233,944</b>	<b>-1,169,926,313</b>	<b>-1,301,097,321</b>	<b>-1,398,298,560</b>
<b>EXPENDITURE</b>					
MS - SALARIES ALLOWANCES AND SERVICES BENEFITS	45,834,768	50,274,187	53,175,665	56,100,326	59,185,844
MS - SOCIAL CONTRIBUTIONS	9,705,464	10,865,258	11,493,624	12,125,774	12,792,691
CONTRACTED SERVICES	32,750,000	29,590,000	31,307,850	33,106,782	34,987,605
OPERATIONAL COST	2,726,004	2,760,189	2,924,676	3,095,114	3,283,055
INVENTORY	32,902,000	49,461,000	36,610,725	38,760,740	41,135,872
BULK PURCHASES	682,000,000	785,000,000	901,600,000	1,016,103,200	1,097,391,456
INTEREST DIVIDENDS AND RENT ON LAND	26,764,278	13,701,622	12,519,075	11,189,717	9,689,567
BAD DEBTS WRITTEN OFF	74,000,000	81,000,000	87,480,000	94,478,400	99,674,712
DEPRECIATION AND AMORTISATION	9,000,000	8,500,000	8,967,500	9,460,713	9,981,052
<b>Total Expenditure</b>	<b>915,682,514</b>	<b>1,031,152,256</b>	<b>1,146,079,115</b>	<b>1,274,420,765</b>	<b>1,368,121,854</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.

NC091 Sol Plaatje - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26

<b>Water tariffs</b>									
<b>Domestic</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 (7-20kl)	27	28	31	29	32	34	36
Water usage - Block 1 (c/k)		Residential (21-40kl)	30	32	34	33	36	38	41
Water usage - Block 2 (c/k)		Residential (41-60kl)	32	34	36	35	38	41	43
Water usage - Block 3 (c/k)		Residential (more than 60kl)	34	36	39	37	41	43	46
Water usage - Block 4 (c/k)		Residential (0-6kl)	6	7	7	7	8	8	9
Water usage - Block 5 (c/k)		(fill in thresholds)							
Water usage - Block 6 (c/k)		(fill in thresholds)							
<b>Other</b>	2								

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

<b>WATER</b>	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
<b>INCOME</b>					
SERVICE CHARGES	-310,717,008	-310,647,008	-346,815,499	-367,859,058	-391,011,550
INTEREST DIVIDENDS AND RENT ON LAND	-34,000,000	-37,000,000	-39,035,000	-41,181,925	-43,241,021
SALES OF GOODS AND RENDERING OF SERVICES	-450,000	-600,000	-633,000	-667,815	-701,206
<b>Total Income</b>	<b>-345,167,008</b>	<b>-348,247,008</b>	<b>-386,483,499</b>	<b>-409,708,798</b>	<b>-434,953,777</b>
<b>EXPENDITURE</b>					
MS - SALARIES ALLOWANCES AND SERVICES BENEFITS	44,211,928	48,130,166	50,902,723	53,835,294	56,527,059
MS - SOCIAL CONTRIBUTIONS	9,633,798	9,542,374	10,087,524	10,663,877	11,197,071
CONTRACTED SERVICES	20,000	2,020,000	2,141,100	2,269,461	2,382,934
OPERATIONAL COST	39,579,980	46,841,201	49,420,107	52,141,016	54,748,067
INVENTORY	37,589,000	44,114,000	46,693,845	49,424,861	51,900,653
BULK PURCHASES	120,000,000	122,400,000	129,132,000	136,234,260	143,045,973
INTEREST DIVIDENDS AND RENT ON LAND	9,834,068	3,552,503	3,242,409	2,894,975	2,502,893
BAD DEBTS WRITTEN OFF	53,000,000	56,000,000	57,000,000	59,000,000	61,000,000
DEPRECIATION AND AMORTISATION	8,600,000	9,200,000	9,706,000	10,239,830	10,751,822
<b>Total Expenditure</b>	<b>322,468,772</b>	<b>341,800,243</b>	<b>358,325,708</b>	<b>376,703,573</b>	<b>394,056,470</b>

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

NC091 Sol Plaatje - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26

<b>Waste water tariffs</b>									
<i>Domestic</i>									
Basic charge/ fixed fee (Rands/month)		Basic charge	165	174	189	181	198	210	222
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/k)									
Volumetric charge - Block 1 (c/k)		(fill in structure)							
Volumetric charge - Block 2 (c/k)		(fill in structure)							
Volumetric charge - Block 3 (c/k)		(fill in structure)							
Volumetric charge - Block 4 (c/k)		(fill in structure)							
<i>Other</i>	2								

<b>Waste management tariffs</b>									
<i>Domestic</i>									
Street cleaning charge		Basic charge	118	124	135	129	142	153	164
Basic charge/ fixed fee									
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>	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
<b>INCOME</b>					
SERVICE CHARGES	-81,699,899	-85,661,000	-95,379,818	-100,732,118	-106,380,367
INTEREST DIVIDENDS AND RENT ON LAND	-10,500,000	-11,500,000	-12,190,000	-12,860,450	-13,503,473
<b>Total Income</b>	<b>-92,199,899</b>	<b>-97,161,000</b>	<b>-107,569,818</b>	<b>-113,592,568</b>	<b>-119,883,840</b>
<b>EXPENDITURE</b>					
MUNICIPAL STAFF					
MS - SALARIES ALLOWANCES AND SERVICES BENEFITS	37,051,979	39,997,204	42,202,314	44,523,442	46,966,344
MS - SOCIAL CONTRIBUTIONS	7,720,861	7,800,787	8,230,816	8,683,511	9,160,002
CONTRACTED SERVICES	40,000	30,000	31,650	33,391	35,227
OPERATIONAL COST	2,355,095	2,492,296	2,629,640	2,774,050	2,925,856
INVENTORY	17,377,000	20,739,000	21,879,820	23,083,210	24,352,591
INTEREST DIVIDENDS AND RENT ON LAND	2,125,455	1,973,561	1,808,528	1,624,444	1,416,738
BAD DEBTS WRITTEN OFF	9,500,000	11,500,000	13,000,000	14,000,000	15,000,000
DEPRECIATION AND AMORTISATION	14,800,000	15,500,000	16,352,500	17,251,888	18,200,741
<b>Total Expenditure</b>	<b>90,970,390</b>	<b>100,032,848</b>	<b>106,135,269</b>	<b>111,973,935</b>	<b>118,057,500</b>

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

<b>REFUSE</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27</b>
<b>INCOME</b>					
SERVICE CHARGES	-60,940,471	-62,120,471	-70,452,189	-75,460,693	-79,953,828
INTEREST DIVIDENDS AND RENT ON LAND	-10,000,000	-11,000,000	-11,605,000	-12,243,275	-12,916,655
SALES OF GOODS AND RENDERING OF SERVICES	-10,000	-1,000	-1,060	-1,118	-1,180
<b>Total Income</b>	<b>-70,950,471</b>	<b>-73,121,471</b>	<b>-82,058,249</b>	<b>-87,705,086</b>	<b>-92,871,663</b>
<b>EXPENDITURE</b>					
<b>MUNICIPAL STAFF</b>					
MS - SALARIES ALLOWANCES AND SERVICES BENEFITS	35,150,320	37,987,803	40,265,078	42,479,657	44,816,038
MS - SOCIAL CONTRIBUTIONS	7,601,845	7,553,770	8,006,630	8,446,995	8,911,579
OPERATIONAL COST	1,793,307	2,240,035	2,374,256	2,511,581	2,642,572
INVENTORY	20,005,000	20,731,000	21,962,785	23,265,131	24,444,657
BAD DEBTS WRITTEN OFF	5,500,000	7,000,000	8,500,000	10,000,000	11,000,000
DEPRECIATION AND AMORTISATION	900,000	900,000	949,500	1,001,723	1,056,817
<b>Total Expenditure</b>	<b>70,950,471</b>	<b>76,412,609</b>	<b>82,058,249</b>	<b>87,705,086</b>	<b>92,871,663</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, processes 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 2023/24 MTREF. Grants and subsidies made comprises of Equitable share in the amount of R263, 135 million

for 2023/24, R286, 304 million for 2024/25 and R311, 723 million for 2025/26. Other minor grants and subsidies received are as per the table below:

Row Labels	Sum of Adjusted Budget 2022/23	Sum of Budget 2023/24	Sum of Budget 2024/25	Sum of Budget 2025/26
<b>117 - OPERATIONAL GRANTS</b>	<b>266,030,919.00</b>	<b>281,921,000.00</b>	<b>302,302,000.00</b>	<b>328,342,890.00</b>
DEPT OF TOURISM - EPWP	-			
EXPANDED PUBLIC WORKS GRANT (EPWP)	3,959,000.00	3,286,000.00	-	-
FRANCES BAARD DISTRICT MUNICIPALITY	-			
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)	5,500,000.00	5,500,000.00	5,500,000.00	5,500,000.00
LOCAL GOV FINANCIAL MANAGEMENT GRANT (FMG)	1,700,000.00	1,700,000.00	1,700,000.00	1,838,000.00
MUNICIPAL DISASTER RELIEF GRANT	-			
NATIONAL REVENUE FUND: EQUITABLE SHARE	239,158,000.00	263,135,000.00	286,304,000.00	311,723,000.00
NON-PROF: OTHER NON-PROFIT INSTITUTIONS\Libraries	9,413,919.00	8,300,000.00	8,798,000.00	9,281,890.00
INFRASTRUCTURE GRANT	6,300,000.00	-	-	-
<b>Grand Total</b>	<b>266,030,919.00</b>	<b>281,921,000.00</b>	<b>302,302,000.00</b>	<b>328,342,890.00</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 indigent policy has been reviewed and approved to increase the qualifying threshold from R3,750 to R4,500

### 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>											
<b>Rates and services charges:</b>											
Property rates		501.01	533.07	574.32	613.82	597.29	597.29	(3.0%)	595.48	637.17	672.21
Electricity: Basic levy		–	–	–	57.01	57.01	57.01	43.2%	81.63	90.44	98.58
Electricity: Consumption		2,094.95	1,934.95	2,217.25	2,232.44	2,317.04	2,317.04	15.4%	2,576.94	2,855.25	3,112.22
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		558.69	589.42	612.99	637.51	637.51	637.51	5.3%	671.30	712.05	754.91
Sanitation		129.32	136.43	141.89	147.56	147.56	147.56	4.9%	154.79	164.30	173.66
Refuse removal		92.32	97.39	101.29	105.34	105.34	105.34	5.3%	110.92	119.48	127.97
Other		–	–	–	181.20	181.20	181.20	–	200.43	218.62	–
<b>sub-total</b>		<b>3,376.29</b>	<b>3,291.26</b>	<b>3,647.74</b>	<b>3,974.88</b>	<b>4,042.95</b>	<b>4,042.95</b>	<b>10.5%</b>	<b>4,391.49</b>	<b>4,797.31</b>	<b>4,939.55</b>
VAT on Services		428.52	413.78	461.01	505.71	481.12	481.12	6.7%	539.34	591.23	640.10
<b>Total large household bill:</b>		<b>3,804.81</b>	<b>3,705.04</b>	<b>4,108.75</b>	<b>4,480.59</b>	<b>4,524.07</b>	<b>4,524.07</b>	<b>10.0%</b>	<b>4,930.83</b>	<b>5,388.54</b>	<b>5,579.65</b>
<b>% increase/-decrease</b>			<b>(2.6%)</b>	<b>10.9%</b>	<b>9.0%</b>	<b>1.0%</b>	<b>–</b>	<b>9.0%</b>	<b>9.3%</b>	<b>3.5%</b>	
<b>Monthly Account for Household - 'Affordable Range'</b>											
<b>Rates and services charges:</b>											
Property rates		354.73	377.43	406.64	434.60	422.90	422.90	(3.0%)	421.62	451.13	475.94
Electricity: Basic levy		–	–	–	–	–	–	(100.0%)	81.63	90.44	98.58
Electricity: Consumption		932.15	860.97	986.58	1,081.10	1,031.00	1,031.00	9.8%	1,187.04	1,315.24	1,433.61
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		440.79	465.03	483.63	502.98	502.98	502.98	5.3%	529.64	561.79	595.60
Sanitation		129.32	136.43	141.89	147.56	147.56	147.56	4.9%	154.79	164.30	173.66
Refuse removal		92.32	97.39	101.29	105.34	105.34	105.34	5.3%	110.92	119.48	127.97
Other		–	–	–	–	–	–	–	–	–	–
<b>sub-total</b>		<b>1,949.31</b>	<b>1,937.25</b>	<b>2,120.03</b>	<b>2,271.58</b>	<b>2,209.78</b>	<b>2,209.78</b>	<b>9.4%</b>	<b>2,485.64</b>	<b>2,702.38</b>	<b>2,905.36</b>
VAT on Services		236.09	234.00	257.01	276.77	268.03	268.03	11.9%	309.60	337.69	364.42
<b>Total small household bill:</b>		<b>2,185.40</b>	<b>2,171.25</b>	<b>2,377.04</b>	<b>2,548.35</b>	<b>2,477.81</b>	<b>2,477.81</b>	<b>9.7%</b>	<b>2,795.24</b>	<b>3,040.07</b>	<b>3,269.78</b>
<b>% increase/-decrease</b>			<b>(0.6%)</b>	<b>9.5%</b>	<b>7.2%</b>	<b>(2.8%)</b>	<b>–</b>	<b>12.8%</b>	<b>8.8%</b>	<b>7.6%</b>	
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>											
<b>Rates and services charges:</b>											
Property rates		208.45	221.79	238.95	255.38	255.38	255.38	(3.0%)	247.76	259.85	271.88
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		499.98	384.84	440.99	460.83	460.85	460.85	19.4%	550.05	583.44	618.56
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		293.31	309.44	321.82	334.69	334.69	334.69	5.3%	352.43	379.60	406.59
Sanitation		–	–	–	–	–	–	–	–	–	–
Refuse removal		–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
<b>sub-total</b>		<b>1,001.74</b>	<b>916.07</b>	<b>1,001.76</b>	<b>1,050.90</b>	<b>1,050.92</b>	<b>1,050.92</b>	<b>9.5%</b>	<b>1,150.24</b>	<b>1,222.89</b>	<b>1,297.03</b>
VAT on Services		102.12	104.15	114.42	122.46	119.33	119.33	10.5%	135.37	144.46	153.77
<b>Total small household bill:</b>		<b>1,103.86</b>	<b>1,020.22</b>	<b>1,116.18</b>	<b>1,173.36</b>	<b>1,170.25</b>	<b>1,170.25</b>	<b>9.6%</b>	<b>1,285.61</b>	<b>1,367.35</b>	<b>1,450.80</b>
<b>% increase/-decrease</b>			<b>(7.6%)</b>	<b>9.4%</b>	<b>5.1%</b>	<b>(0.3%)</b>	<b>–</b>	<b>9.9%</b>	<b>6.4%</b>	<b>6.1%</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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue - Functional</b>	1									
<b>Governance and administration</b>		1,005,240	1,020,773	1,098,135	1,126,167	1,113,195	1,113,195	1,271,802	1,720,774	1,871,179
Executive and council		431,480	419,084	480,231	470,256	453,970	453,970	580,455	983,159	1,092,721
Finance and administration		573,760	601,689	617,905	655,911	659,225	659,225	691,347	737,615	778,458
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		24,994	24,102	28,981	26,474	30,674	30,674	41,568	43,795	46,204
Community and social services		10,359	10,785	11,158	11,348	12,048	12,048	11,782	12,489	13,176
Sport and recreation		2,624	1,131	1,889	1,905	1,905	1,905	2,265	2,401	2,533
Public safety		675	150	720	340	340	340	750	795	839
Housing		10,884	11,967	12,192	12,801	12,801	12,801	26,701	28,036	29,578
Health		453	69	3,023	80	3,580	3,580	70	74	78
<b>Economic and environmental services</b>		22,283	17,700	28,997	16,015	37,465	37,465	16,520	16,846	17,774
Planning and development		3,920	7,783	15,823	5,525	26,975	26,975	5,595	5,898	6,223
Road transport		18,363	9,917	13,174	10,490	10,490	10,490	10,925	10,948	11,551
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		1,119,627	1,106,680	1,212,755	1,444,171	1,439,111	1,439,111	1,594,737	1,746,038	1,912,104
Energy sources		680,359	671,706	742,172	935,854	915,854	915,854	1,052,252	1,169,926	1,301,097
Water management		294,031	286,254	307,957	345,167	340,167	340,167	364,714	386,483	409,709
Waste water management		84,025	86,142	93,896	92,200	104,000	104,000	101,358	107,570	113,593
Waste management		61,211	62,577	68,729	70,950	79,090	79,090	76,413	82,058	87,705
<b>Other</b>	4	8,309	7,644	9,946	8,720	8,720	8,720	9,210	9,696	10,229
<b>Total Revenue - Functional</b>	2	2,180,452	2,176,898	2,378,815	2,621,547	2,629,165	2,629,165	2,933,837	3,537,149	3,857,489

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>Revenue by Vote</b>										
<b>Vote 01 - Executive &amp; Council</b>	1	-	-	-	-	-	-	-	-	-
01.1 - Councillor's Expenses		-	-	-	-	-	-	-	-	-
01.2 - Executive Mayor Admin		-	-	-	-	-	-	-	-	-
01.3 - Speakers Office Admin		-	-	-	-	-	-	-	-	-
<b>Vote 02 - Municipal And General</b>		431,480	419,084	480,231	470,256	453,970	453,970	580,455	983,159	1,092,721
02.1 - Municipal And General		431,480	417,436	480,231	469,456	453,170	453,170	579,655	982,279	1,091,788
02.2 - Mun : Insurance Fund - Short Term		-	1,648	-	800	800	800	800	800	933
02.3 - Mun : Workmen's Compensation Fund		-	-	-	-	-	-	-	-	-
<b>Vote 03 - Municipal Manager</b>		-	-	-	-	-	-	-	-	-
03.1 - Municipal Manager - Admin		-	-	-	-	-	-	-	-	-
03.2 - Internal Investigations		-	-	-	-	-	-	-	-	-
03.3 - Internal Audit		-	-	-	-	-	-	-	-	-
03.4 - Idp Unit		-	-	-	-	-	-	-	-	-
03.5 - Project Management Unit - Pmu		-	-	-	-	-	-	-	-	-
<b>Vote 04 - Corporate Services</b>		1,415	6,247	6,869	6,873	6,873	6,873	6,961	7,048	7,132
04.1 - Corporate Services - Admin		-	-	-	-	-	-	-	-	-
04.2 - Office Services And Archives		104	69	56	73	73	73	61	64	66
04.3 - H R - Management		-	-	-	-	-	-	-	-	-
04.4 - H R - Recruitment And Benefits		-	-	-	-	-	-	-	-	-
04.5 - H R - Training And Development		1,311	1,517	1,912	1,300	1,300	1,300	1,400	1,484	1,566
04.6 - H R - Local Authority Training		-	4,661	4,901	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		-	-	-	-	-	-	-	-	-
<b>Vote 05 - Community Services</b>		99,474	90,521	106,478	101,913	114,253	114,253	109,495	116,443	123,981
05.1 - Community Services - Admin		-	-	-	-	-	-	-	-	-
05.2 - Emergency Services		635	138	674	300	300	300	700	742	783
05.3 - Biodiversity And Landscape		-	-	-	-	-	-	-	-	-
05.4 - Libraries		8,023	7,891	8,427	7,963	8,663	8,663	8,462	8,970	9,463
05.5 - Road Traffic Regulations		18,055	9,202	12,210	10,190	10,190	10,190	10,625	10,631	11,216
05.6 - Vehicle Licensing And Testing		6,097	6,606	8,750	7,100	7,100	7,100	7,590	7,994	8,434
05.7 - Vehicle Licensing And Testing		-	-	-	-	-	-	-	-	-
05.8 - Community Parks		-	-	-	-	-	-	-	-	-
05.9 - Sport Grounds And Stadiums		147	96	423	140	140	140	450	477	503
05.10 - Community Halls And Facilities		811	200	370	485	485	485	420	445	470
05.11 - Swimming Pools		326	212	217	350	350	350	350	371	391
05.12 - Cemeteries		1,524	2,693	2,361	2,900	2,900	2,900	2,900	3,074	3,243
05.13 - Resorts And Camping Sites Inside Spm		879	143	405	365	365	365	445	472	498
05.14 - Resorts And Camping Sites Outside Spm		596	450	690	550	550	550	720	763	805
05.15 - Resort Transka		676	230	154	500	500	500	300	318	336
05.16 - Health - Admin		-	-	-	-	-	-	-	-	-
05.17 - Health - Clinics		-	-	-	-	-	-	-	-	-
05.18 - Health - Inspections		453	69	3,023	80	3,580	3,580	70	74	78
05.19 - Health - Commonage And Pound		39	13	46	40	40	40	50	53	56
05.20 - Refuse - Pollution Control/Collection		61,211	62,577	68,729	70,950	79,090	79,090	76,413	82,058	87,705
05.21 - Refuse - Landfill Sites		-	-	-	-	-	-	-	-	-
05.22 - Refuse - Maintenance		-	-	-	-	-	-	-	-	-
<b>Vote 06 - Financial Services</b>		571,568	594,906	610,429	648,238	651,552	651,552	683,585	729,727	770,440
06.1 - Financial Services Admin		-	-	-	-	-	-	-	-	-
06.2 - Financial Management Grant		-	1,700	1,650	1,700	1,700	1,700	1,700	1,700	1,838
06.3 - Asset And Risk		-	-	-	-	-	-	-	-	-
06.4 - Budget And Financial Reporting		-	-	-	-	-	-	-	-	-
06.5 - Budget And Financial Reporting		669	503	(59)	300	300	300	100	100	100
06.6 - Expenditure Creditors/Payroll		996	1,023	631	1,061	1,061	1,061	861	908	958
06.7 - Information Technology		-	-	-	-	-	-	-	-	-
06.8 - Billing Finance		555,550	571,099	599,943	627,676	610,104	610,104	660,923	706,973	746,395
06.9 - Property Rates And Valuations		-	-	-	-	-	-	-	-	-
06.10 - Real Estate & Property Management		-	-	4,331	-	12,886	12,886	-	-	-
06.11 - Debt Collection		14,352	20,581	3,933	17,501	25,501	25,501	20,001	20,046	21,148
06.12 - Supply Chain Management		-	-	-	-	-	-	-	-	-
<b>Vote 07 - Strategy Econ Development And Planning</b>		6,910	9,357	17,626	7,945	29,395	29,395	8,015	8,440	8,904
07.1 - Sedp Admin		-	-	-	-	-	-	-	-	-
07.2 - Tourism		121	82	93	120	120	120	120	127	134
07.3 - Properties Services		778	536	607	800	800	800	800	840	886
07.4 - Economic Development And Planning		1,032	3,587	14,973	810	19,660	19,660	830	879	927
07.5 - Town Planning		1,258	1,080	1,223	1,500	1,500	1,500	1,500	1,575	1,662
07.6 - Building Inspectorate		1,630	3,116	(373)	3,215	5,815	5,815	3,265	3,445	3,634
07.7 - Properties Maintenance		-	-	-	-	-	-	-	-	-
07.8 - Markets And Street Trading		2,091	956	1,104	1,500	1,500	1,500	1,500	1,575	1,662
07.9 - Urban Renewal Program		-	-	-	-	-	-	-	-	-
<b>Vote 08 - Infrastructure And Services</b>		1,069,606	1,056,784	1,157,181	1,386,322	1,373,122	1,373,122	1,545,325	1,692,332	1,854,312
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		307	715	964	300	300	300	300	317	335
08.8 - Housing - Admin		10,884	11,967	12,192	12,801	12,801	12,801	26,701	28,036	29,578
08.9 - Housing - Maintenance		-	-	-	-	-	-	-	-	-
08.10 - Sewerage - Retiulation		84,025	86,142	93,896	92,200	104,000	104,000	101,358	107,570	113,593
08.11 - Sewerage - Treatment		-	-	-	-	-	-	-	-	-
08.12 - Sewerage - Maintenance		-	-	-	-	-	-	-	-	-
08.13 - Water - Treatment		-	-	-	-	-	-	-	-	-
08.14 - Water - Distribution		294,031	286,254	307,957	345,167	340,167	340,167	364,714	386,483	409,709
08.15 - Water - Maintenance		-	-	-	-	-	-	-	-	-
08.16 - Electricity - Admin		680,359	671,706	742,172	935,854	915,854	915,854	1,052,252	1,169,926	1,301,097
08.17 - Electricity - Maintenance		-	-	-	-	-	-	-	-	-
08.18 - Electricity - Streetlights Maintenance		-	-	-	-	-	-	-	-	-
<b>Vote 09 -</b>		-	-	-	-	-	-	-	-	-
<b>Vote 10 -</b>		-	-	-	-	-	-	-	-	-
<b>Vote 11 -</b>		-	-	-	-	-	-	-	-	-
<b>Vote 12 -</b>		-	-	-	-	-	-	-	-	-
<b>Vote 13 -</b>		-	-	-	-	-	-	-	-	-
<b>Vote 14 -</b>		-	-	-	-	-	-	-	-	-
<b>Vote 15 - Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	2,180,452	2,176,898	2,378,815	2,621,547	2,629,165	2,629,165	2,933,837	3,537,149	3,857,489

## 6. Operating Expenditure Framework

The municipality's expenditure for the 2023/24 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 2023/24 MTREF.

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Expenditure</b>									
Employee related costs	2	652 922	726 219	772 777	849 403	849 970	881 637	963 475	1 016 709
Remuneration of councillors		30 367	30 260	30 737	34 547	34 547	35 559	37 337	39 390
Bulk purchases - electricity	2	515 937	540 953	551 452	682 000	682 000	785 000	901 600	1 016 103
Inventory consumed	8	48 468	53 848	101 321	236 627	266 272	305 900	271 555	285 224
Debt impairment	3	-	-	-	-	-	-	-	-
Depreciation and amortisation		69 409	63 881	70 060	81 050	81 050	86 650	91 153	96 166
Interest		30 582	36 467	64 720	38 960	117 360	19 495	17 872	16 050
Contracted services		38 346	40 651	38 163	46 437	54 181	48 113	50 948	57 799
Transfers and subsidies		2 733	2 528	2 546	4 460	4 460	4 560	4 570	4 679
Irrecoverable debts written off		232 991	344 346	267 518	297 000	397 000	317 500	336 730	356 180
Operational costs		100 987	102 187	110 302	134 643	135 719	145 639	153 369	161 738
Losses on disposal of Assets		41	-	-	-	-	-	-	-
Other Losses		529	467	76 681	60 000	75 640	61 200	64 566	68 117
<b>Total Expenditure</b>		<b>1 723 311</b>	<b>1 941 807</b>	<b>2 086 279</b>	<b>2 465 128</b>	<b>2 698 200</b>	<b>2 691 252</b>	<b>2 893 175</b>	<b>3 118 156</b>

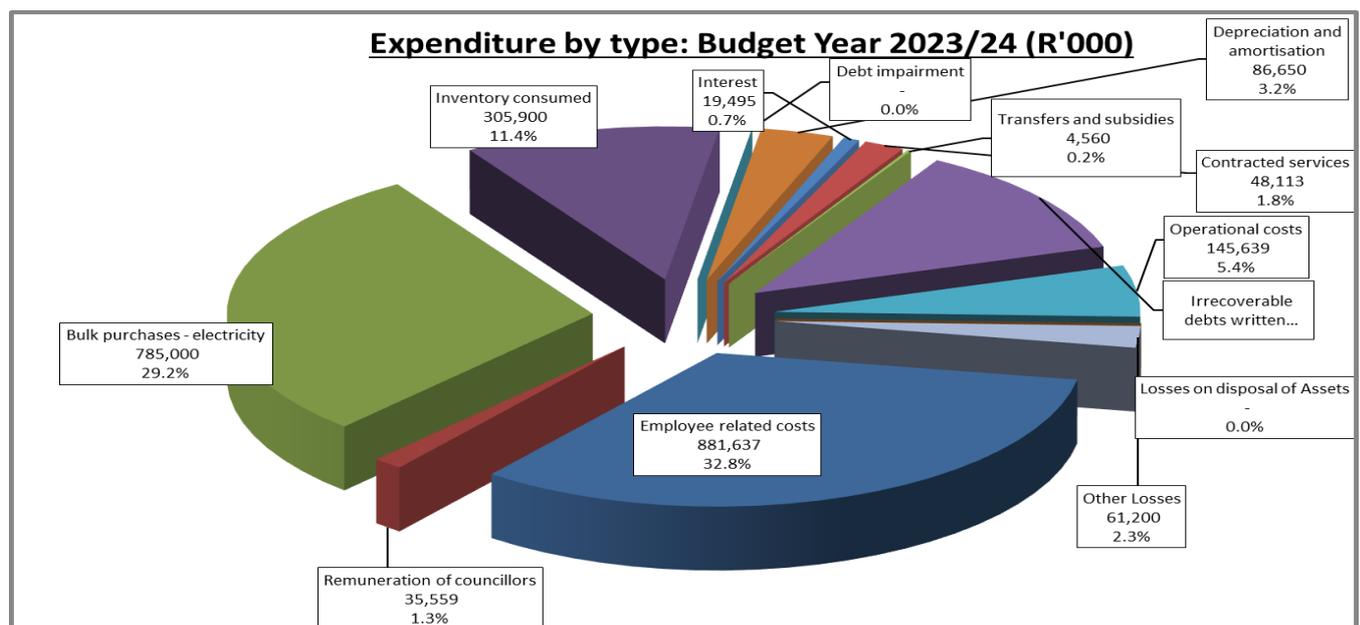
Indicated in the table below is the % contribution and growth year on year for each expenditure by type.

NC091 Sol Plaatje - Table A4 Budgeted Financial Performance (revenue and expenditure)														
Description	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework									
	Original Budget	% Contribution	Adjusted Budget	% Contribution	Budget Year 2023/24	% Contribution	% Growth 2022/23 to 2023/24	% Growth 2022/23 to 2023/24	Budget Year +1 2024/25	% Contribution	% Growth 2023/24 to 2024/25	Budget Year +2 2025/26	% Contribution	% Growth 2024/25 to 2025/26
R thousand							Original Budget	Adjusted Budget						
<b>Expenditure By Type</b>														
Employee related costs	849 403	34,5%	849 970	31,5%	881 637	32,8%	3,8%	3,7%	963 475	33,3%	9,3%	1 016 709	32,6%	5,5%
Remuneration of councillors	34 547	1,4%	34 547	1,3%	35 559	1,3%	2,9%	2,9%	37 337	1,3%	5,0%	39 390	1,3%	5,5%
Debt impairment	297 000	12,0%	397 000	14,7%	317 500	11,8%	6,9%	-20,0%	336 730	11,6%	6,1%	356 180	11,4%	5,8%
Depreciation & asset impairment	81 050	3,3%	81 050	3,0%	86 650	3,2%	6,9%	6,9%	91 153	3,2%	5,2%	96 166	3,1%	5,5%
Finance charges	38 960	1,6%	117 360	4,3%	19 495	0,7%	-50,0%	-83,4%	17 872	0,6%	-8,3%	16 050	0,5%	-10,2%
Bulk purchases - electricity	682 000	27,7%	682 000	25,3%	785 000	29,2%	15,1%	15,1%	901 600	31,2%	14,9%	1 016 103	32,6%	12,7%
Inventory consumed	236 627	9,6%	266 272	9,9%	305 900	11,4%	29,3%	14,9%	271 555	9,4%	-11,2%	285 224	9,1%	5,0%
Contracted services	46 437	1,9%	54 181	2,0%	48 113	1,8%	3,6%	-11,2%	50 948	1,8%	5,9%	57 799	1,9%	13,4%
Transfers and grants	4 460	0,2%	4 460	0,2%	4 560	0,2%	2,2%	2,2%	4 570	0,2%	0,2%	4 678	0,2%	2,4%
Other expenditure	134 643	5,5%	135 719	5,0%	145 639	5,4%	8,2%	7,3%	153 369	5,3%	5,3%	161 738	5,2%	5,5%
Loss on disposal of PPE	-	0,0%	-	0,0%	-	0,0%	#DIV/0!		-	0,0%	#DIV/0!	-	0,0%	#DIV/0!
Other Losses	60 000	2,4%	75 640	2,8%	61 200	2,3%		-19,1%	64 566	2,2%	5,5%	68 117	2,2%	5,5%
<b>Total Expenditure</b>	<b>2 465 128</b>	<b>100,0%</b>	<b>2 698 200</b>	<b>100,0%</b>	<b>2 691 252</b>	<b>100,0%</b>	<b>9,2%</b>	<b>-0,3%</b>	<b>2 893 175</b>	<b>100,0%</b>	<b>7,5%</b>	<b>3 118 156</b>	<b>100,0%</b>	<b>7,8%</b>

The total operating expenditure budget amounts to R2,691 billion for 2023/24 financial year. The budget increases by 9,2% when compared to 2022/23 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 2023/23MTREF.

The above table further indicates the ratio of each expenditure by type against overall expenditure budget. The Employee costs is 32.8% of the total operational budget, whilst Inventory consumed and Contracted services amounts to 11.4% and 1.8% respectively, and Bulk purchases with a weighting of 29.2% and Debt impairment with a weighting of 11.8%. Operational costs resorting under Other expenditure comprises 5.4% the budget.



Indicated in the pie chart above is the weighting per expenditure type for 2023/24 financial year:

The major operational expenditure budget allocations include:

### Employee related costs

Employee related costs amounting to R881, 637 million equates to 32.8% of the total operating budget. The 2023/24 cost of living increase was budgeted at 5.3%.

### 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)

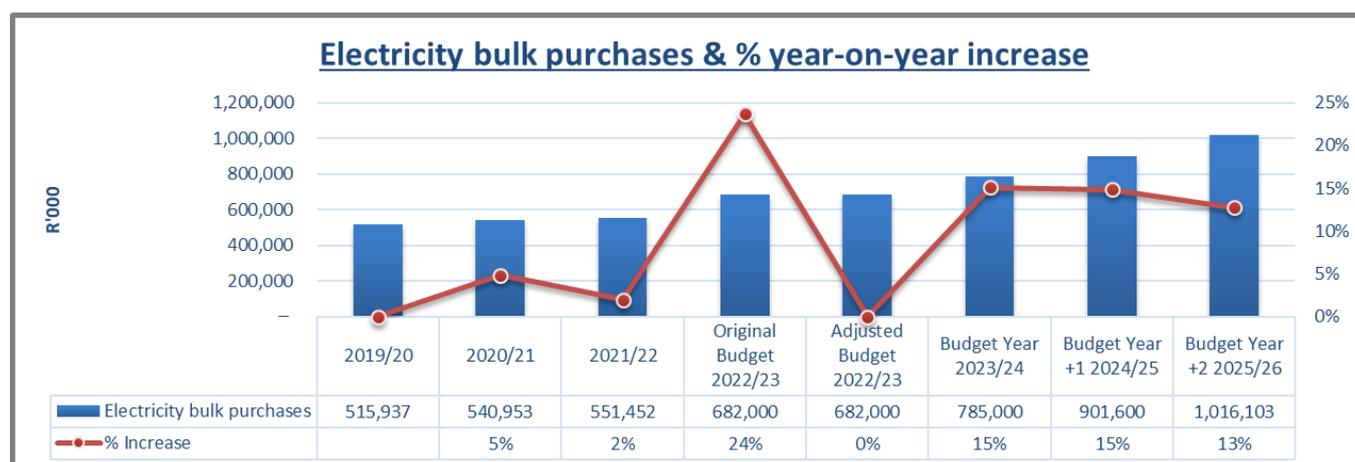
Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
				1.				2.
Rand per annum								
<b>Councillors</b>	3							
Speaker	4				1,000,877			1,000,877
Chief Whip								-
Executive Mayor				-	1,239,801			1,239,801
Deputy Executive Mayor								-
Executive Committee				-	9,411,488			9,411,488
Total for all other councillors				-	23,906,785			23,906,785
<b>Total Councillors</b>	8	-	-	-	35,558,951			35,558,951
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1,528,539	241,983	323,688			2,094,210
Chief Finance Officer			1,069,770	179,871	425,353			1,674,994
SM D01			1,483,488	234,388	329,846			2,047,722
SM D02			1,358,071	222,232	434,502			2,014,805
SM D03			1,499,223	261,817	392,745			2,153,785
SM D04			1,219,289	581,130	404,422			2,204,841

### Bulk purchases

Bulk purchases for this MTREF on refers to electricity with the total budget of 785 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 18,81% for bulk purchases, whilst the minimum allowed percentage increase on municipal tariffs is estimated at 15% Costs of bulk constitutes 29.2% 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 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	2019/20	2020/21	2021/22	Original Budget 2022/23	Adjusted Budget 2022/23	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Electricity bulk purchases	515 937	540 953	551 452	682 000	682 000	785 000	901 600	1 016 103
% Increase		5%	2%	24%	0%	15%	15%	13%



## Finance charges

Finance charges consist of repayment of interest on long term borrowing. The amount budgeted for 2023/24 is R19 495 million, equivalent to 0.7% of the total operating expenditure budget.

Description	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Interest	38,960	117,360	117,360	65,906	19,495	17,872	16,050

## Contracted services

Contracted services allocation is R48, 113 million.

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Contracted Services</b>											
Outsourced Services		5,076	4,023	6,891	5,617	32,441	32,441	10,664	8,383	8,948	13,400
Consultants and Professional Services		9,886	5,358	4,184	9,085	8,085	8,085	1,868	9,225	9,717	10,251
Contractors		23,385	31,270	27,088	31,735	13,655	13,655	7,199	30,505	32,283	34,147
<b>Total contracted services</b>		<b>38,346</b>	<b>40,651</b>	<b>38,163</b>	<b>46,437</b>	<b>54,181</b>	<b>54,181</b>	<b>19,731</b>	<b>48,113</b>	<b>50,948</b>	<b>57,799</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	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
<b>Contracted Services</b>											
Outsourced Services		5,076	4,023	6,891	5,617	32,441	32,441	10,664	8,383	8,948	13,400
Consultants and Professional Services		9,886	5,358	4,184	9,085	8,085	8,085	1,868	9,225	9,717	10,251
Contractors		23,385	31,270	27,088	31,735	13,655	13,655	7,199	30,505	32,283	34,147
<b>Total contracted services</b>		<b>38,346</b>	<b>40,651</b>	<b>38,163</b>	<b>46,437</b>	<b>54,181</b>	<b>54,181</b>	<b>19,731</b>	<b>48,113</b>	<b>50,948</b>	<b>57,799</b>

## 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	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
<b>Inventory Consumed</b>											
Inventory Consumed - Water		-	-	41,302	60,000	46,360	46,360	44,597	61,200	64,566	68,117
Inventory Consumed - Other		48,468	53,848	60,019	176,627	219,912	219,912	54,282	244,700	206,989	217,107
<b>Total Inventory Consumed &amp; Other Material</b>		<b>48,468</b>	<b>53,848</b>	<b>101,321</b>	<b>236,627</b>	<b>266,272</b>	<b>266,272</b>	<b>98,879</b>	<b>305,900</b>	<b>271,555</b>	<b>285,224</b>

Inventory consumed - Water, previously bulk purchases water is budgeted at R61, 200 million for the 2023/24 financial year. Inventory consumed – Other is budgeted at R244, 700 million for 2023/24.

## 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>EXPENDITURE OTHER ITEMS</b>		<b>287,242</b>	<b>306,905</b>	<b>343,490</b>	<b>362,107</b>	<b>399,374</b>	<b>399,374</b>	<b>421,558</b>	<b>413,595</b>	<b>436,808</b>
<u>Depreciation</u>	7	69,409	63,881	70,060	81,050	81,050	81,050	86,650	91,153	96,166
<u>Repairs and Maintenance by Asset Class</u>	3	<b>217,834</b>	<b>243,024</b>	<b>273,430</b>	<b>281,057</b>	<b>318,324</b>	<b>318,324</b>	<b>334,908</b>	<b>322,442</b>	<b>340,642</b>
<i>Roads Infrastructure</i>		46,057	47,389	46,030	51,355	53,481	53,481	71,980	59,741	62,423
<i>Storm water Infrastructure</i>		-	542	1,963	570	3,121	3,121	550	580	615
<i>Electrical Infrastructure</i>		52,173	57,938	60,972	67,247	68,146	68,146	85,857	75,255	79,611
<i>Water Supply Infrastructure</i>		37,718	44,102	60,085	49,386	68,771	68,771	56,220	59,594	63,169
<i>Sanitation Infrastructure</i>		20,370	24,371	30,149	31,725	40,025	40,025	35,718	37,684	39,759
<i>Solid Waste Infrastructure</i>		13,991	14,983	19,204	21,968	21,668	21,668	22,965	24,328	25,768
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>170,309</b>	<b>189,325</b>	<b>218,404</b>	<b>222,251</b>	<b>255,212</b>	<b>255,212</b>	<b>273,290</b>	<b>257,183</b>	<b>271,345</b>
Community Facilities		1,785	2,746	3,206	3,175	3,140	3,140	3,280	3,771	3,978
Sport and Recreation Facilities		533	443	470	710	623	623	710	491	518
<b>Community Assets</b>		<b>2,318</b>	<b>3,188</b>	<b>3,675</b>	<b>3,885</b>	<b>3,763</b>	<b>3,763</b>	<b>3,990</b>	<b>4,262</b>	<b>4,496</b>
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		6,357	6,991	7,195	7,899	8,399	8,399	9,776	10,362	10,978
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>6,357</b>	<b>6,991</b>	<b>7,195</b>	<b>7,899</b>	<b>8,399</b>	<b>8,399</b>	<b>9,776</b>	<b>10,362</b>	<b>10,978</b>
Operational Buildings		12,760	13,215	13,131	15,281	19,021	19,021	15,263	16,109	17,016
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>12,760</b>	<b>13,215</b>	<b>13,131</b>	<b>15,281</b>	<b>19,021</b>	<b>19,021</b>	<b>15,263</b>	<b>16,109</b>	<b>17,016</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>		1,051	1,183	1,139	1,723	1,962	1,962	1,664	1,760	1,857
<b>Machinery and Equipment</b>		21,657	24,900	26,087	24,597	23,935	23,935	25,592	27,126	28,990
<b>Transport Assets</b>		3,383	4,221	3,798	5,422	6,033	6,033	5,333	5,640	5,960
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>287,242</b>	<b>306,905</b>	<b>343,490</b>	<b>362,107</b>	<b>399,374</b>	<b>399,374</b>	<b>421,558</b>	<b>413,595</b>	<b>436,808</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.



## Expenditure per function classification and municipal vote

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

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	<b>1</b>									
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		545,801	640,979	616,540	712,851	833,781	833,781	743,143	775,085	819,488
Executive and council		318,151	400,365	374,197	428,654	544,754	544,754	442,301	461,567	488,553
Finance and administration		221,765	234,323	235,566	277,659	282,489	282,489	294,166	306,442	323,434
Internal audit		5,886	6,291	6,778	6,538	6,538	6,538	6,676	7,076	7,501
<b>Community and public safety</b>		163,275	166,029	176,753	181,961	187,491	187,491	195,332	220,666	232,392
Community and social services		38,327	40,133	42,959	43,119	43,819	43,819	49,529	55,679	58,285
Sport and recreation		48,493	47,702	53,032	53,283	53,913	53,913	56,350	66,155	69,794
Public safety		39,304	38,887	42,229	43,948	43,948	43,948	42,115	48,590	51,263
Housing		20,479	21,940	19,874	22,768	23,468	23,468	26,752	28,176	29,771
Health		16,672	17,367	18,659	18,842	22,342	22,342	20,586	22,066	23,279
<b>Economic and environmental services</b>		118,038	123,036	124,668	141,936	147,329	147,329	175,751	173,943	182,892
Planning and development		40,068	39,994	39,022	47,872	48,426	48,426	51,835	55,395	58,441
Road transport		77,332	82,378	84,946	93,326	98,165	98,165	123,016	117,594	123,444
Environmental protection		637	665	700	737	737	737	900	954	1,007
<b>Trading services</b>		1,088,683	1,214,239	1,277,222	1,402,477	1,503,701	1,503,701	1,551,892	1,695,229	1,853,579
Energy sources		698,314	749,833	786,085	915,683	979,283	979,283	1,031,152	1,146,079	1,274,421
Water management		265,093	314,140	326,816	322,469	352,072	352,072	341,800	358,326	376,704
Waste water management		69,878	91,753	92,343	93,375	101,396	101,396	102,527	108,766	114,750
Waste management		55,398	58,513	71,978	70,950	70,950	70,950	76,413	82,058	87,705
<b>Other</b>	<b>4</b>	<b>21,041</b>	<b>22,076</b>	<b>23,049</b>	<b>25,903</b>	<b>25,903</b>	<b>25,903</b>	<b>25,135</b>	<b>28,251</b>	<b>29,805</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>1,936,838</b>	<b>2,166,359</b>	<b>2,218,232</b>	<b>2,465,128</b>	<b>2,698,205</b>	<b>2,698,205</b>	<b>2,691,252</b>	<b>2,893,175</b>	<b>3,118,156</b>

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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>Expenditure by Vote to be appropriated</b>	<b>1</b>									
Vote 01 - Executive & Council		52,931	53,090	53,270	58,915	58,915	58,915	59,173	62,250	65,674
Vote 02 - Municipal And General		253,782	335,678	309,950	357,885	473,985	473,985	369,468	384,480	407,227
Vote 03 - Municipal Manager		21,336	22,272	20,618	23,528	23,998	23,998	26,161	28,059	29,638
Vote 04 - Corporate Services		64,204	63,012	64,274	74,419	74,419	74,419	88,959	80,556	84,683
Vote 05 - Community Services		250,522	259,526	286,713	297,675	302,505	302,505	312,712	351,783	371,809
Vote 06 - Financial Services		117,561	126,380	126,129	157,404	158,434	158,434	156,155	173,983	183,596
Vote 07 - Strategy Econ Development And Planning		52,401	53,419	54,596	61,468	65,352	65,352	63,287	67,477	71,188
Vote 08 - Infrastructure And Services		1,124,100	1,252,983	1,302,682	1,433,833	1,540,596	1,540,596	1,615,337	1,744,587	1,904,343
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>1,936,838</b>	<b>2,166,359</b>	<b>2,218,232</b>	<b>2,465,128</b>	<b>2,698,205</b>	<b>2,698,205</b>	<b>2,691,252</b>	<b>2,893,175</b>	<b>3,118,156</b>

## 7. Capital Expenditure Framework

The capital budget for 2023/24 is R249, 473 million funded as per the table below. Capital grants and donations make up 86% of the total funding sources, and internally generated funds contribute 14% to the total capital funding mix. The total projected grant receipts for the 2023/24 MTREF amount to R214, 233 million whilst internally generated funds amount to R35, 240 million.

Funding sources of capex	2023/24 Medium Term Revenue & Expenditure Framework				
	Current Year 2022/23	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Total Capex over MTREF
	R'000	R'000	R'000	R'000	R'000
Capital transfers	133,188	214,233	604,187	692,646	1,511,066
Borrowing		-	-	-	-
Internally generated funds	55,705	35,240	49,096	35,500	119,836
<b>Total Capex</b>	<b>188,893</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</b>	<b>1,630,902</b>
Year-on-year R-Value (Increase / Decrease) in Capital transfers	-	81,045	389,954	88,459	-
Year-on-year R-Value (Increase / Decrease) in Internally generated funds	-	(20,465)	13,856	(13,596)	-
Year-on-year R-Value (Increase / Decrease) in Capex	-	60,580	403,810	74,863	-
Year-on-year % (Increase / Decrease) in Capital transfers	-	61%	182%	15%	-
Year-on-year % (Increase / Decrease) in Internally generated funds	-	-37%	39%	-28%	-
Year-on-year % (Increase / Decrease) in Capex	-	32%	162%	11%	-
Weighting Capital transfers	71%	86%	92%	95%	93%
Weighting Borrowing	0%	0%	0%	0%	0%
Weighting Internally Generated Funds	29%	14%	8%	5%	7%
<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 *Integrated Development Plan (IDP) 2023/24* of the Sol Plaatje Municipality is the *first of four reviews* of the IDP 2022-2027 which documents the current five-year planning and implementation cycle. This five-year cycle of municipality-wide developmentally-oriented planning started in July 2022 and ends in June 2027. The relevant drafting process, led by the Municipality, considers a review of current planning and implementation to the extent that changing circumstances demand and in accordance with an assessment of municipal performance.

The review also included extensive public participation and engagement with various stakeholders and was completed in accordance with the adopted Process Plan. In this regard, ward councillors and ward committees played key roles in channelling inputs from communities to the municipal administration. Public engagements were held in November and December 2022 and the *IDP 2023/2024* is now made available for public comment. Another round of public meetings will be held in April or May 2023 to obtain the community's consent for the final version of the *IDP 2023/24*.

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 in August 2022 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 2023/24 financial year is the 5<sup>th</sup> generation of the IDP Cycle 2022 to 2027. As such, the IDP Review Process focused mainly on mid-term performance of the IDP targets set for 2022/23, and the key priorities as set out for 2023/24 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 2023/24 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. 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 2023/24 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 2022/23 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 2023. 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 2022. The tabled budget (data strings) will be uploaded onto GoMuni. 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 will be a separate annexure.

## 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 23/2024– 2025/2026 for the Sol Plaatje Municipality was tabled to Council on 31 March 2023. 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)

Interested parties, local community and stakeholders are invited and urged to submit representations, comments and inputs regarding the draft IDP and Draft budget 2023/2024 – 2025/2026 on or before 30 April 2023. Written submissions must be handed in at the Civic Centre (Budget Office), faxed to 053 8331005 / 053 8314658 or e-mailed to [ogopane@solplaatje.org.za](mailto:ogopane@solplaatje.org.za); [ccrouch@solplaatje.org.za](mailto:ccrouch@solplaatje.org.za), [ichisango@solplaatje.org.za](mailto:ichisango@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 Mr. K Samolapo e-mail [ksamolapo@solplaatje.org.za](mailto:ksamolapo@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 2023/24 budget cycle was approved in August 2022, in compliance with the MFMA. The table below provides an extract of the key deadlines relating to the budget process.

Steps in IDP Review Process	
Activity description in Process Plan <sup>1</sup>	Identified output
<b>August 2022</b>	
Approval of IDP and Budget Process Plan	Approved.
<b>September 2022 - ANALYSIS</b>	
Commencement of IDP analysis of institutional services and infrastructure provision, backlogs and priorities.	Compile Assessment Report (or Situational Analysis) including (1) priority issues, (2) gaps in IDP 2022-2027, (3) alignment with higher-order policy, and (4) engagement with stakeholders.
Councillor IDP induction.	Discuss (1) roles of IDP structures, (2) municipal development agenda and (3) municipal performance management.
<b>October 2022 - STRATEGIES</b>	
Liaise with provincial and national sector departments to align priorities and budgets.	Vertically align priorities, projects, and budgets between the three tiers of government.
1 <sup>st</sup> Strategic planning session of council.	<ul style="list-style-type: none"><li>Consider Assessment Report: including (1) to finalise priority issues, (2) review strategic objectives for service</li></ul>

<sup>1</sup> Only those activities critical to the IDP review process are listed.

<b>Steps in IDP Review Process</b>	
<b>Activity description in Process Plan<sup>1</sup></b>	<b>Identified output</b>
	<p>delivery and development and (4) align with higher-order policy.</p> <ul style="list-style-type: none"> <li>Review financial and non-financial performance, i.e. identify gaps between planned and actual performance.</li> <li>Determine financial position and assess financial/human resource capacity available for implementation.</li> </ul>
<b>November 2022 – STRATEGIES / PROJECTS</b>	
Public participation, i.e. meetings in 33 wards	Determine priority needs by ward
Budget discussions with each Directorate.	Consider IDP priority issues, ward priorities and complete draft budget.
<b>February 2023 – PROJECTS / INTEGRATION</b>	
Planning sessions with municipal structures.	Present draft IDP 2023/24 as first review with priorities linked to budget allocations.
Conduct annual performance assessments	Performance Assessment Reports.
Consider national and provincial budget allocations for inclusion.	Incorporate national and provincial budget allocations in municipal budget.
Ensure alignment between draft capital budget, IDP strategic objectives and KPIs.	Draft 3-year capital programme aligned to IDP key priority issues including ward priorities.
<b>March 2023</b>	
Draft operational budget submitted to EMC.	Draft 3-year operational budget aligned to IDP key priority issues.
Conduct mid-year (2022/23) performance assessments.	Performance Assessment Reports.
Present and discuss draft IDP 2023/24 and Budget 2023/24 with municipal stakeholders.	Obtain input and finalise draft IDP 2023/2024
Table draft IDP 2023/24 and Budget 2023/24 at Council.	Council approves draft IDP 2023/24 and Budget 2023/24 for public consultation purposes.
Make public the draft IDP 2023/24 and budget 23/24.	Draft IDP 2023/24 and Budget 2023/24 made public and submitted to relevant stakeholders for consultation purposes.
<b>April 2023</b>	
Conduct public hearings on the draft IDP 2023/24 and Budget 2023/24.	Consult and receive input from community and stakeholder groupings regarding the draft IDP 2023/24 and Budget 2023/24.
Conclude public hearings on the draft IDP 2023/24 and Budget 2023/24.	Include public input in draft IDP 2023/24 and Budget 2023/24.
Discuss adjusted draft IDP 2023/24 and Budget 2023/24.	Inform Mayoral Committee of public input and adjustments to draft IDP 2023/24 and Budget 2023/24.
National Treasury benchmarking exercise.	
<b>May 2023 - APPROVAL</b>	

Steps in IDP Review Process	
Activity description in Process Plan <sup>1</sup>	Identified output
Finalise IDP 2023/24 and Budget 2023/24 for submission to Council.	Finalise IDP 2023/24 and budget 2023/24 for submission to Council.
Present IDP 2023/24 and Budget 2023/24 to municipal structures.	Present IDP 2023/24 and Budget 2023/24 to municipal structures.
Council adopts IDP 2023/24 and Budget 2023/24.	
<b>June 2023</b>	
Notify public of approved IDP 2023/24 and budget 2023/24.	

## 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 specifies 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. 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 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	366,222	378,972	400,075	428,641	446,730	472,901	19,500	32,233	44,500
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	683,585	729,727	770,440	156,155	173,983	183,596	-	-	-
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	6,961	7,048	7,132	115,120	108,615	114,320	-	-	-
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	1,654,820	1,808,775	1,978,293	1,928,049	2,096,370	2,276,151	219,973	612,267	678,429
LOCAL ECONOMIC DEVELOPMENT	8,015	8,440	8,904	63,287	67,477	71,188	10,000	8,783	5,217
<b>Total</b>	<b>2,719,604</b>	<b>2,932,962</b>	<b>3,164,843</b>	<b>2,691,252</b>	<b>2,893,175</b>	<b>3,118,156</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</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 2023/24 financial year.

NC091 Sol Plaatje - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>05 - Community Services</b>										
<b>Public Safety</b>										
<b>Licensing And Control Of Animals</b>										
Electricity (Kwh Per Household Per Month)	Kwh Per Household Per	50	50	50	50	50	50	50	50	50
Property Rates (R000 Value Threshold Adjustment)(Impermissible Values Per Refuse (Average Litres Per Week)	Rand Value	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Sanitation (Rand Per Household Per Month)	Rand Per Household Per	165	174	174	189	189	189	199	210	210
Water (Kilolitres Per Household Per Month)	Kilolitres Per Household Per	6	6	6	6	6	6	6	6	6
<b>Waste Management</b>										
<b>Solid Waste Disposal (Landfill Sites)</b>										
Removal	Households	11 509	11 980	11 980	15 000	15 000	15 000	15 200	15 300	15 300
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
<b>08 - Infrastructure And Services</b>										
<b>Energy Sources</b>										
<b>Electricity</b>										
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	11 509	11 980	11 980	15 000	15 000	15 000	15 200	15 300	15 300
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	-	-	-	-	-	-	-	-	-
<b>Waste Water Management</b>										
<b>Sewerage</b>										
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	11 509	11 980	11 980	15 000	15 000	15 000	15 200	15 300	15 300
Sanitation	Households	-	-	13 760	-	-	-	13 760	13 760	13 760
Informal Settlements (R000)	Rand Value	802 902	2791 970	6135 215	4300 000	4300 000	4300 000	9600 000	10340 000	11117 000
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
<b>Water Management</b>										
<b>Water Distribution</b>										
Water	Households	11 509	11 980	11 980	15 000	15 000	15 000	15 200	15 300	15 300
Water	Households	-	-	-	-	-	-	-	-	-
Informal Settlements (R000)	Rand Value	203 291	4437 234	4437 234	4700 000	4700 000	4700 000	5000 000	5200 000	5200 000
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 2023/24 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 2023/24year, 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 55,5 million for the 2023/24 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 R263, 135 million provided by National Government.

Description	2023/24 Medium Term Revenue & Expenditure Framework			
	Level of Service	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Budgeted No of Indigents		15 000	15 200	15 300
		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 households	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 households	12 000	12 900	13 868
Refuse (removed once a week) (Fixed Rate)	The service is fully subsidised	14 500	15 370	16 215
<b>Total cost of FBS provided (minimum social package)</b>		<b>55 500</b>	<b>58 970</b>	<b>62 471</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.

List of Budget related policies	Explanation numbers	Approved	Resolution Number	Reviewed
Policy Asset Management	1	28-May-14	C125/05/14	March 2023
Policy Cash Management & Investment	1 & 2	07-Apr-05	CR22	March 2023
Policy Customer Services Credit Control Debt Collection	1	31-May-18	C38/05/18	March 2023
Policy Indigent	1	28-May-14	C121/05/14	March 2023
Policy Internal Audit	1	17-Nov-05		March 2023
Policy Property Rates	1 & 2	27-May-15	C100/05/15	March 2023
Policy Risk Management	1	17-Nov-05	CR500	March 2023
Policy Supply Chain Management	1	04-Nov-14	C265/11/14	March 2023
Deviation Procedures	1			March 2023
Procedures for Variation Orders	1			March 2023
Tariff Policy on Property Rates	1 & 2	31-May-18	C38/05/18	March 2023
Tariff Policy on Electricity	1	31-May-18	C38/05/18	March 2023
Tariff Policy on Water	1	31-May-18	C38/05/18	March 2023
Tariff Policy on Sanitation	1	31-May-18	C38/05/18	March 2023
Tariff Policy on Refuse Removal/Solid Waste	1	31-May-18	C38/05/18	March 2023
Policy Debt Write-off	1	28-May-14	C125/05/14	March 2023
Policy Regarding Audit Committees	1	17-Nov-05	CR500	March 2023
Disposal of Moveable Assets Policy	1	27-May-15	C100/05/15	March 2023
Policy Borrowing	1	28-May-14	C125/05/14	March 2023
Policy Irregular, fruitless and wasteful expenditure	1	28-May-14	C125/05/14	March 2023
Budget Implementation and Management Policy (Budget policy)	1 & 2	27-May-15	C100/05/15	March 2023
Funding and Reserves policy	1	25-May-16	C148/05/16	March 2023
Policy Short and Long term borrowing	1	19-Apr-11	C150/11	March 2023
Financial Management and Revenue Enhancement Strategy policy	1	27-May-15	C100/05/15	March 2023
Policy related to long-term financial planning	1	27-May-15	C100/05/15	March 2023
Consumer Deposit Policy	1	31-May-17	C60/05/17	March 2023
Free Basic Services Policy	1	31-May-17	C60/05/17	March 2023
Sol Plaatje Materiality and Significance Framework	1	31-May-18	C38/05/18	March 2023
Contracts Policy	1 & 2	31-May-17	C60/05/17	March 2023
EFT Policy	1			March 2023
SSEG PV Policy	1	31-May-17	C60/05/17	March 2023
Bulk Infrastructure Contribution Policy	1	31-May-17	C60/05/17	March 2023
Water Restrictions Policy	1	31-May-17	C60/05/17	March 2023
Infrastructure investment and capital projects policy (included in Budget policy)	1	28-May-14	C125/05/14	March 2023

## 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 2021 to 2026:**

Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Macro-economic performance and projections, 2020 - 2025</b>	<b>Actual</b>	<b>Estimate</b>	<b>Forecast</b>		
CPI Inflation	4,5%	6,9%	5,3%	4,9%	4,7%

#### **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.

Summary of Revenues and Financing Activities	Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
	R'000	% Weighting	R'000	% Weighting	R'000	% Weighting
Own Generated Funds	2,437,683	82.10%	2,630,660	73.35%	2,836,500	72.86%
Transfer recognised - Operational	281,921	9.50%	302,302	8.43%	328,343	8.43%
Transfer recognised - Capital	214,233	7.22%	604,187	16.85%	692,646	17.79%
Borrowing	–	0.00%	–	0.00%	–	0.00%
Internally generated funds	35,240	1.19%	49,096	1.37%	35,500	0.91%
<b>Total Revenue and Financing</b>	<b>2,969,077</b>	<b>100.00%</b>	<b>3,586,245</b>	<b>100.00%</b>	<b>3,892,989</b>	<b>100.00%</b>
<b>Total Grants &amp; Subsidies</b>	<b>496,154</b>	<b>16.71%</b>	<b>906,489</b>	<b>25.28%</b>	<b>1,020,989</b>	<b>26.23%</b>

#### **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 2022/23 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 R180 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%. 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 5.5% for the fiscal year. 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	Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
	R'000	% Weighting	R'000	% Weighting	R'000	% Weighting
Own Generated Funds	2,437,683	82.10%	2,630,660	73.35%	2,836,500	72.86%
Transfer recognised - Operational	281,921	9.50%	302,302	8.43%	328,343	8.43%
Transfer recognised - Capital	214,233	7.22%	604,187	16.85%	692,646	17.79%
Borrowing	–	0.00%	–	0.00%	–	0.00%
Internally generated funds	35,240	1.19%	49,096	1.37%	35,500	0.91%
<b>Total Revenue and Financing</b>	<b>2,969,077</b>	<b>100.00%</b>	<b>3,586,245</b>	<b>100.00%</b>	<b>3,892,989</b>	<b>100.00%</b>
<b>Total Grants &amp; Subsidies</b>	<b>496,154</b>	<b>16.71%</b>	<b>906,489</b>	<b>25.28%</b>	<b>1,020,989</b>	<b>26.23%</b>

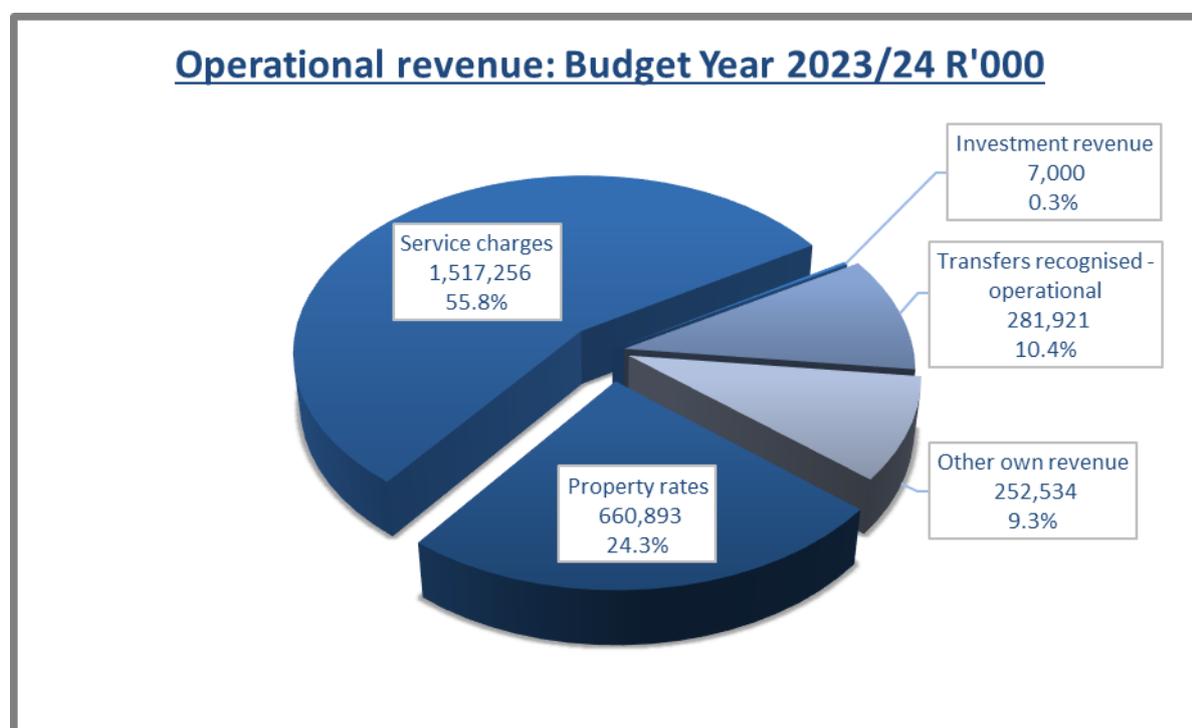
Indicated in the table above is a summary of the revenue and financing activities. For 2023/24 financial year Own generated funds constitutes 82.10% of the total funding requirement. Transfer recognised – Operational and Transfer recognised – capital contributes 9.50% and 7.22% to the total funding mix, respectively. Internally generated funds only contributes 1.19%, to the total financing activities. Totals grants and subsidies amounts to R496, 154 million for the 2023/24 financial year which combines relates to 16.71% contribution to the funding mix of the municipality.

## Medium-term outlook: operating revenue

NC091 Sol Plaatje - Table A1 Budget Summary							
Description	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	R thousands	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25
<b>Financial Performance</b>							
Property rates	627,646	610,074	610,074	450,080	660,893	706,943	746,365
Service charges	1,373,211	1,368,151	1,368,151	808,902	1,517,256	1,664,238	1,825,805
Investment revenue	6,000	6,000	6,000	2,820	7,000	12,000	15,000
Transfer and subsidies - Operational	258,117	266,031	266,031	238,403	281,921	302,302	328,343
Other own revenue	222,235	245,721	245,721	197,115	252,534	247,479	249,330
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,487,209</b>	<b>2,495,977</b>	<b>2,495,977</b>	<b>1,697,321</b>	<b>2,719,604</b>	<b>2,932,962</b>	<b>3,164,843</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 2023/24 financial year.



Revenue to be generated from property rates is R660, 893 million in the 2023/24 financial year and increases to R706, 943 million by 2024/25 which represents 24.3% 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.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R1,517,256 billion for the 2023/24 financial year and increasing to R1,664,238 billion by 2024/25. Services charges remains relatively constant at 55.8% of the total revenue base.

Operational grants and subsidies amount to R281, 921 million (2023/24), R302, 302 million (2024/25) and R328, 343 million (2025/26) 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 R7,000 million, R12,000 million and R15,000 million for the respective three financial years of the 2023/24 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.

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 proposed tariff increases for the 2023/24 MTREF on the main revenue categories are:

Revenue category	2022/23	2023/24	2024/25	2025/26	2022/23	2023/24	2024/25	2025/26	2023/24	2024/25	2025/26
	Tariffs increases				Total Budgeted revenue (R'000)				% Increase in Revenue		
Property Rates	4.00%	5.30%	6.97%	5.58%	-	-	-	-	#DIV/0!	#DIV/0!	#DIV/0!
Electricity	4.50%	15.00%	11.28%	11.30%	899,854	1,034,872	1,151,590	1,281,753	15.00%	11.28%	11.30%
Water	4.00%	5.30%	6.02%	6.07%	305,717	327,114	346,815	367,859	7.00%	6.02%	6.07%
Waste water (Sanitation)	4.00%	4.90%	6.14%	5.61%	93,500	89,858	95,380	100,732	-3.89%	6.14%	5.61%
Waste management (Refuse removal)	4.00%	5.30%	7.71%	7.11%	69,080	65,412	70,452	75,461	-5.31%	7.71%	7.11%
<b>Average tariff increases/Municipal CPI</b>	<b>4.10%</b>	<b>9.68%</b>	<b>7.62%</b>	<b>7.13%</b>	<b>1,368,151</b>	<b>1,517,256</b>	<b>1,664,238</b>	<b>1,825,805</b>	<b>10.90%</b>	<b>9.69%</b>	<b>9.71%</b>
<b>Fiscal year</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>						
<b>Macro-economic performance and projections, 2020 - 2025</b>	<b>Actual</b>	<b>Estimate</b>	<b>Forecast</b>								
CPI Inflation	4.5%	6.9%	5.3%	4.9%	4.7%						

## Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2023/24 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	2023/24 Medium Term Revenue & Expenditure Framework				
	Current Year 2022/23	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Total Capex over MTREF
	R'000	R'000	R'000	R'000	R'000
Capital transfers	133,188	214,233	604,187	692,646	1,511,066
Borrowing		-	-	-	-
Internally generated funds	55,705	35,240	49,096	35,500	119,836
<b>Total Capex</b>	<b>188,893</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</b>	<b>1,630,902</b>
Year-on-year R-Value (Increase / Decrease) in Capital transfers	-	81,045	389,954	88,459	-
Year-on-year R-Value (Increase / Decrease) in Internally generated funds	-	(20,465)	13,856	(13,596)	-
Year-on-year R-Value (Increase / Decrease) in Capex	-	60,580	403,810	74,863	-
Year-on-year % (Increase / Decrease) in Capital transfers	-	61%	182%	15%	-
Year-on-year % (Increase / Decrease) in Internally generated funds	-	-37%	39%	-28%	-
Year-on-year % (Increase / Decrease) in Capex	-	32%	162%	11%	-
Weighting Capital transfers	71%	86%	92%	95%	93%
Weighting Borrowing	0%	0%	0%	0%	0%
Weighting Internally Generated Funds	29%	14%	8%	5%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Sources of capital revenue for the 2023/24 financial year

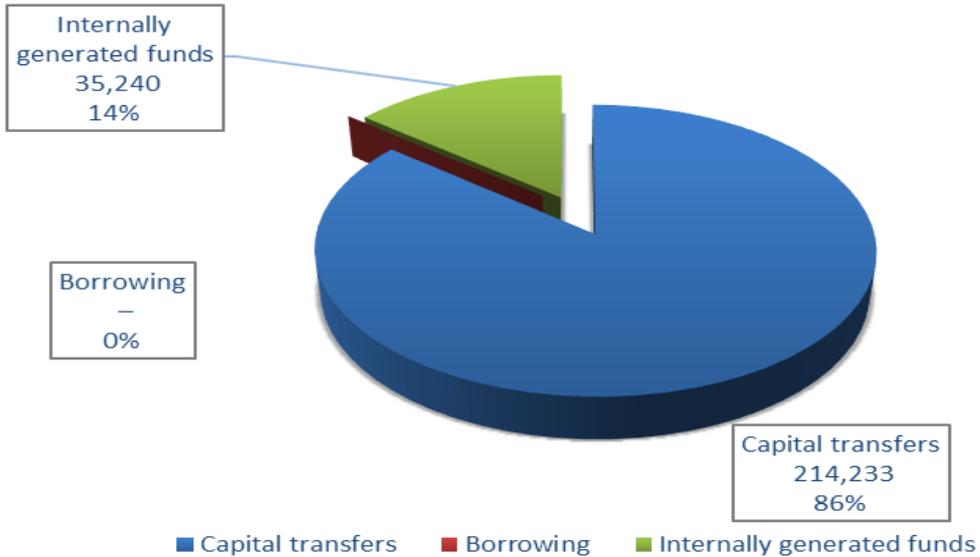
Capital grants and receipts equates to 86% of the total funding source which represents R214, 233 million for the 2023/24 financial year and increases to R604, 187 million for 2024/25.

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.

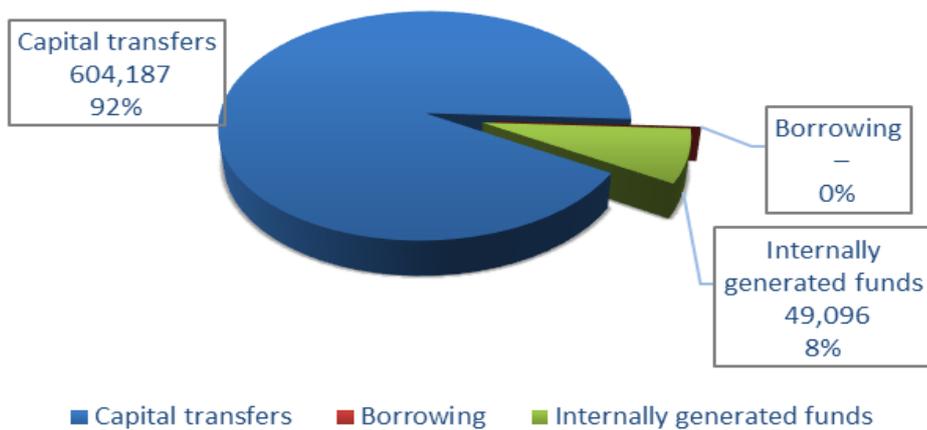
The municipality has not taken any new long-term borrowings in the current financial year. Due to the current financial crisis, no new long-term loans can be entered into for the foreseeable future. The municipality has always been very conservative when taking up new loans, and always gave due consideration 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 2023/24 financial year.

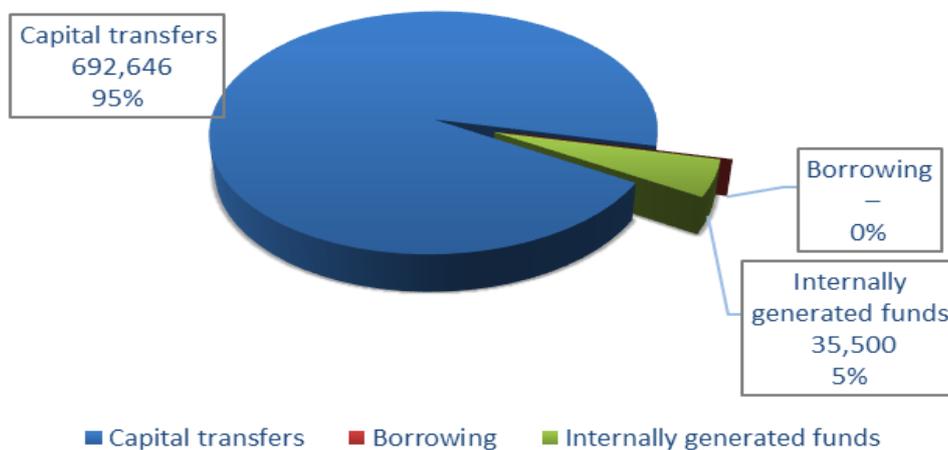
### Capex Funding sources: 2023/24 (R'000)



### Capex Funding sources: 2024/25 (R'000)



### Capex Funding sources: 2025/26 (R'000)



## MBRR Table A7 - Budget cash flow statement

NC091 Sol Plaatje - Table A7 Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		–	561,377	438,882	533,499	520,320	520,320	278,948	543,052	563,789	617,319
Service charges		–	1,857,261	1,146,393	1,093,079	1,084,284	1,084,284	689,818	1,354,795	1,546,569	1,737,035
Other revenue		–	(872,756)	288,367	403,395	483,433	483,433	623,701	(171,500)	(481,956)	(497,156)
Transfers and Subsidies - Operational	1	–	23,639	31,741	18,959	45,723	45,723	15,323	281,921	302,302	328,343
Transfers and Subsidies - Capital	1	–	33,560	100,630	134,338	114,338	114,338	78,608	214,233	604,187	692,646
Interest		–	3,829	–	6,000	6,000	6,000	–	7,000	12,000	15,000
Dividends		–	–	–	–	–	–	–	–	–	–
<b>Payments</b>											
Suppliers and employees		(6,869)	(1,553,798)	(2,590,285)	(2,039,050)	(2,094,877)	(2,094,877)	(2,348,863)	(2,499,448)	(2,730,205)	(2,684,166)
Finance charges		–	–	(1,039)	(38,960)	(117,360)	(117,360)	–	(19,495)	(17,872)	(16,050)
Transfers and Subsidies	1	–	–	–	(4,460)	(4,460)	(4,460)	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(6,869)</b>	<b>53,113</b>	<b>(585,312)</b>	<b>106,800</b>	<b>37,402</b>	<b>37,402</b>	<b>(662,465)</b>	<b>(289,441)</b>	<b>(201,186)</b>	<b>192,971</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	35,716	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
<b>Payments</b>											
Capital assets		–	(116,394)	(127,081)	(190,043)	(188,893)	(188,893)	(49,389)	(249,473)	(653,283)	(728,146)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>–</b>	<b>(116,394)</b>	<b>(127,081)</b>	<b>(154,327)</b>	<b>(188,893)</b>	<b>(188,893)</b>	<b>(49,389)</b>	<b>(249,473)</b>	<b>(653,283)</b>	<b>(728,146)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
<b>Payments</b>											
Repayment of borrowing		–	–	–	(9,390)	(9,390)	(9,390)	–	(13,351)	(14,787)	(16,687)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>(9,390)</b>	<b>(9,390)</b>	<b>(9,390)</b>	<b>–</b>	<b>(13,351)</b>	<b>(14,787)</b>	<b>(16,687)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(6,869)</b>	<b>(63,281)</b>	<b>(712,393)</b>	<b>(56,917)</b>	<b>(160,881)</b>	<b>(160,881)</b>	<b>(711,854)</b>	<b>(552,266)</b>	<b>(869,256)</b>	<b>(551,862)</b>
Cash/cash equivalents at the year begin:	2	73,916	96,534	43,007	172,922	172,922	172,922	–	187,382	(364,883)	(1,234,140)
Cash/cash equivalents at the year end:	2	67,047	33,253	(669,386)	116,006	12,041	12,041	(711,854)	(364,883)	(1,234,140)	(1,786,002)

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 below is the total operational grants for the 2023/24 MTREF. From 2022/23 to 2023/24, operational grants increase by 5.97%. The increase from 2023/24 to 2024/25 is 7.23%, 8.61% from 2024/25 to 2025/26. The total operational grants over the MTREF amounts to R281,921 million.

Operational Grants (R000)	Sum of Adjusted Budget 2022/23	Sum of Budget 2023/24	Sum of Budget 2024/25	Sum of Budget 2025/26	Year-on-Year Increase (Decrease) from 2022/23 to 2023/24	Year-on-Year Increase (Decrease) from 2023/24 to 2024/25	Year-on-Year Increase (Decrease) from 2024/25 to 2025/26
DEPT OF TOURISM - EPWP	-	-	-	-	0.00%	0.00%	0.00%
EXPANDED PUBLIC WORKS GRANT (EPWP)	3,959,000.00	3,286,000.00	-	-	-17.00%	0.00%	0.00%
FRANCES BAARD DISTRICT MUNICIPALITY	-	-	-	-	0.00%	0.00%	0.00%
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)	5,500,000.00	5,500,000.00	5,500,000.00	5,500,000.00	0.00%	0.00%	0.00%
LOCAL GOV FINANCIAL MANAGEMENT GRANT (FMG)	1,700,000.00	1,700,000.00	1,700,000.00	1,838,000.00	0.00%	0.00%	8.12%
MUNICIPAL DISASTER RELIEF GRANT	-	-	-	-	0.00%	0.00%	0.00%
NATIONAL REVENUE FUND: EQUITABLE SHARE	239,158,000.00	263,135,000.00	286,304,000.00	311,723,000.00	10.03%	8.80%	8.88%
NON-PROF: OTHER NON-PROFIT INSTITUTIONS\Libraries	9,413,919.00	8,300,000.00	8,798,000.00	9,281,890.00	-11.83%	6.00%	5.50%
INFRASTRUCTURE GRANT	6,300,000.00	-	-	-	0.00%	0.00%	0.00%
<b>Grand Total</b>	<b>266,030,919.00</b>	<b>281,921,000.00</b>	<b>302,302,000.00</b>	<b>328,342,890.00</b>	<b>5.97%</b>	<b>7.23%</b>	<b>8.61%</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 (R000)	Sum of Adjusted Budget 2022/23	Sum of Budget 2023/24	Sum of Budget 2024/25	Sum of Budget 2025/26	Year-on-Year Increase (Decrease) from 2022/23 to 2023/24	Year-on-Year Increase (Decrease) from 2023/24 to 2024/25	Year-on-Year Increase (Decrease) from 2024/25 to 2025/26
ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)	4,000,000.00	4,000,000.00	-	-	0.00%	0.00%	0.00%
EUROPEAN UNION	18,850,000.00	-	-	-	0.00%	0.00%	0.00%
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)	20,000,000.00	48,026,000.00	22,700,000.00	25,000,000.00	140.13%	-52.73%	10.13%
INTEGRATED URBAN DEVELOPMENT GRANT (IUDG)	70,390,000.00	74,207,000.00	61,783,000.00	64,251,000.00	5.42%	-16.74%	3.99%
NEIGHBOUR DEVELOPMENT PARTNERSHIP GRANT (NDPG)	-	2,000,000.00	9,137,000.00	10,000,000.00	0.00%	356.85%	9.45%
WATER SERV INFRASTRUCTURE GRANT (WSIG)	19,948,000.00	-	18,567,000.00	19,395,000.00	-100.00%	0.00%	4.46%
REGIONAL BULK INFRASTRUCTURE GRANT (RBIG)	-	86,000,000.00	492,000,000.00	574,000,000.00	0.00%	472.09%	16.67%
<b>Grand Total</b>	<b>133,188,000.00</b>	<b>214,233,000.00</b>	<b>604,187,000.00</b>	<b>692,646,000.00</b>	<b>60.85%</b>	<b>182.02%</b>	<b>14.64%</b>

Indicated in the table above is the total capital grants for the 2023/24 MTREF. From 2022/23 to 2023/24, capital grants increase by 60.85%, then the increase from 2023/24 to 2024/25 is 182.02% and 14.64% from 2024/25 to 2025/26. The total capital grants over the MTREF amounts to R214, 333 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 2023/24 MTREF.

Capital projects per funding source (R'000)	Sum of 2023/24	Sum of 2024/25	Sum of 2025/26
<b>CRR</b>	<b>35,240,000.00</b>	<b>49,096,000.00</b>	<b>35,500,000.00</b>
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500,000.00	4,500,000.00	4,500,000.00
ACQ-FLEET REPLACEMENT	5,000,000.00	10,596,000.00	20,000,000.00
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	3,000,000.00	3,000,000.00	3,000,000.00
BFI PROJECTS WATER INFRASTRUCTURE	18,740,000.00	25,000,000.00	-
CAPITAL SPARES-ACQ-PREPAID METERS	2,000,000.00	2,000,000.00	3,000,000.00
DSITRBUTION-ACQ-WAT METER REPLACEME	2,000,000.00	2,000,000.00	3,000,000.00
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	-	2,000,000.00	2,000,000.00
<b>EEDMS</b>	<b>4,000,000.00</b>	<b>-</b>	<b>-</b>
EEDSM PROJECTS	4,000,000.00	-	-
<b>INEP</b>	<b>48,026,000.00</b>	<b>22,700,000.00</b>	<b>25,000,000.00</b>
ELECTRIFICATION	48,026,000.00	22,700,000.00	25,000,000.00
<b>IUDG</b>	<b>74,207,000.00</b>	<b>61,783,000.00</b>	<b>64,251,000.00</b>
P-CIER RDS ROADS	20,000,000.00	20,000,000.00	20,000,000.00
PHDA PLANNING & SURVEYING	10,000,000.00	8,783,000.00	5,217,000.00
REFURBISHMENT OF HALLS	-	-	4,034,000.00
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	5,000,000.00	3,000,000.00	5,000,000.00
UPGRADE GRAVEL ROADS WARDS VARIOUS	20,000,000.00	20,000,000.00	20,000,000.00
WATER PIPES REFURB PROG VARIOUS WARDS	19,207,000.00	10,000,000.00	10,000,000.00
<b>NDPG</b>	<b>2,000,000.00</b>	<b>9,137,000.00</b>	<b>10,000,000.00</b>
LINING OF STORMWATER CHANNELS GALESHEWE	2,000,000.00	9,137,000.00	10,000,000.00
<b>RBIG</b>	<b>86,000,000.00</b>	<b>492,000,000.00</b>	<b>574,000,000.00</b>
BFI PROJECTS WATER INFRASTRUCTURE	86,000,000.00	492,000,000.00	574,000,000.00
<b>WSIG</b>	<b>-</b>	<b>18,567,000.00</b>	<b>19,395,000.00</b>
RECONSTRUCTION OF OLD SINK TOILETS PHASE 2	-	18,567,000.00	19,395,000.00
<b>Grand Total</b>	<b>249,473,000.00</b>	<b>653,283,000.00</b>	<b>728,146,000.00</b>

## 15. Allocations and grants made by the municipality

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<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>		374	270	200	2,000	2,000	2,000	177	2,000	2,000	2,000
<i>Non-Prof:Oth Institut/Gariep</i>		-	-	-	-	-	-	-	-	-	-
<i>Non-Prof:Oth Institut/Sport Council</i>		-	-	-	-	-	-	-	-	-	-
<i>Non-Prof:Other Institutions/Spca</i>		2,000	2,100	2,200	2,300	2,300	2,300	2,300	2,400	2,400	2,500
<b>Total Cash Transfers To Organisations</b>		2,374	2,370	2,400	4,300	4,300	4,300	2,477	4,400	4,400	4,500
<b>Cash Transfers to Groups of Individuals</b>											
<i>Hh Oth Trans: Housing - Individual Supp</i>		237	1	-	-	-	-	-	-	-	-
<i>Hh Ssp Soc Ass: Grant In Aid</i>		122	158	146	160	160	160	30	160	170	179
<b>Total Cash Transfers To Groups Of Individuals:</b>		359	159	146	160	160	160	30	160	170	179
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	6	2,733	2,528	2,546	4,460	4,460	4,460	2,507	4,560	4,570	4,679
<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	2,733	2,528	2,546	4,460	4,460	4,460	2,507	4,560	4,570	4,679

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 an 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 R160 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
	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	844	827	496	-	860	860	-	-	-		
Medical Aid Contributions	320	339	267	-	390	390	-	-	-		
Motor Vehicle Allowance											
Cellphone Allowance	2,874	2,862	2,845	3,243	3,283	3,283	2,938	3,085	3,254		
Housing Allowances	-	-	-	-	-	-	-	-	-		
Other benefits and allowances	26,329	26,231	27,129	31,305	30,015	30,015	32,621	34,252	36,136		
<b>Sub Total - Councillors</b>	<b>30,367</b>	<b>30,260</b>	<b>30,737</b>	<b>34,547</b>	<b>34,547</b>	<b>34,547</b>	<b>35,559</b>	<b>37,337</b>	<b>39,390</b>		
<b>% increase</b>		<b>(0.4%)</b>	<b>1.6%</b>	<b>12.4%</b>	<b>-</b>	<b>-</b>	<b>2.9%</b>	<b>5.0%</b>	<b>5.5%</b>		
<b>Senior Managers of the Municipality</b>											
Basic Salaries and Wages	8,465	9,434	8,265	8,853	8,846	8,846	8,158	8,621	9,095		
Pension and UIF Contributions	981	984	1,068	1,209	1,199	1,199	1,506	1,591	1,678		
Medical Aid Contributions	206	215	222	253	263	263	215	227	240		
Overtime											
Performance Bonus											
Motor Vehicle Allowance	2,244	2,042	1,849	1,939	1,939	1,939	1,985	2,098	2,213		
Cellphone Allowance	168	168	157	202	202	202	202	213	225		
Housing Allowances	36	36	26	42	49	49	26	27	29		
Other benefits and allowances	15	15	17	77	77	77	51	54	57		
Payments in lieu of leave											
Long service awards	45	56	67	65	65	65	46	49	52		
Post-retirement benefit obligations											
Entertainment											
Scarcity											
Acting and post related allowance											
In kind benefits											
<b>Sub Total - Senior Managers of Municipality</b>	<b>12,160</b>	<b>12,951</b>	<b>11,671</b>	<b>12,640</b>	<b>12,640</b>	<b>12,640</b>	<b>12,190</b>	<b>12,881</b>	<b>13,590</b>		
<b>% increase</b>		<b>6.5%</b>	<b>(9.9%)</b>	<b>8.3%</b>	<b>-</b>	<b>-</b>	<b>(3.6%)</b>	<b>5.7%</b>	<b>5.5%</b>		
<b>Other Municipal Staff</b>											
Basic Salaries and Wages	376,393	395,579	417,872	464,246	456,065	456,065	475,973	527,626	556,611		
Pension and UIF Contributions	61,779	63,864	64,301	77,509	76,354	76,354	76,150	84,513	89,230		
Medical Aid Contributions	48,569	48,766	49,309	58,279	59,294	59,294	59,955	63,464	67,005		
Overtime	45,344	41,303	52,688	39,796	42,368	42,368	47,280	49,985	52,786		
Performance Bonus	27,067	28,489	28,946	36,221	36,999	36,999	36,505	40,286	42,531		
Motor Vehicle Allowance	38,599	38,306	42,071	51,296	50,515	50,515	50,649	56,442	59,564		
Cellphone Allowance	1,335	1,296	1,401	1,415	1,646	1,646	2,054	1,545	1,631		
Housing Allowances	2,769	2,696	2,636	2,895	2,960	2,960	2,866	3,039	3,208		
Other benefits and allowances	27,793	28,148	30,433	28,018	32,450	32,450	35,093	36,361	38,396		
Payments in lieu of leave	909	29,135	10,507	15,000	15,000	15,000	15,000	15,750	16,616		
Long service awards	19,526	23,136	24,418	23,189	24,779	24,779	26,922	28,532	30,124		
Post-retirement benefit obligations	(9,322)	12,550	36,522	38,900	38,900	38,900	41,000	43,050	45,418		
Entertainment											
Scarcity											
Acting and post related allowance											
In kind benefits											
<b>Sub Total - Other Municipal Staff</b>	<b>640,762</b>	<b>713,268</b>	<b>761,106</b>	<b>836,763</b>	<b>837,330</b>	<b>837,330</b>	<b>869,447</b>	<b>950,594</b>	<b>1,003,120</b>		
<b>% increase</b>		<b>11.3%</b>	<b>6.7%</b>	<b>9.9%</b>	<b>0.1%</b>	<b>-</b>	<b>3.8%</b>	<b>9.3%</b>	<b>5.5%</b>		
<b>Total Parent Municipality</b>	<b>683,289</b>	<b>756,479</b>	<b>803,514</b>	<b>883,950</b>	<b>884,517</b>	<b>884,517</b>	<b>917,196</b>	<b>1,000,812</b>	<b>1,056,100</b>		
		<b>10.7%</b>	<b>6.2%</b>	<b>10.0%</b>	<b>0.1%</b>	<b>-</b>	<b>3.7%</b>	<b>9.1%</b>	<b>5.5%</b>		
<b>Board Members of Entities</b>											
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance											
Cellphone Allowance											
Housing Allowances											
Other benefits and allowances											
Board Fees											
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations											
Entertainment											
Scarcity											
Acting and post related allowance											
In kind benefits											
<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>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Senior Managers of Entities</b>											
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance											
Cellphone Allowance											
Housing Allowances											
Other benefits and allowances											
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations											
Entertainment											
Scarcity											
Acting and post related allowance											
In kind benefits											
<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>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Other Staff of Entities</b>											
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance											
Cellphone Allowance											
Housing Allowances											
Other benefits and allowances											
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations											
Entertainment											
Scarcity											
Acting and post related allowance											
In kind benefits											
<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>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total Municipal Entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>683,289</b>	<b>756,479</b>	<b>803,514</b>	<b>883,950</b>	<b>884,517</b>	<b>884,517</b>	<b>917,196</b>	<b>1,000,812</b>	<b>1,056,100</b>		
<b>% increase</b>		<b>10.7%</b>	<b>6.2%</b>	<b>10.0%</b>	<b>0.1%</b>	<b>-</b>	<b>3.7%</b>	<b>9.1%</b>	<b>5.5%</b>		
<b>TOTAL MANAGERS AND STAFF</b>	<b>652,922</b>	<b>726,219</b>	<b>772,777</b>	<b>849,403</b>	<b>849,970</b>	<b>849,970</b>	<b>881,637</b>	<b>963,475</b>	<b>1,016,709</b>		

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	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum	No.	1.					2.
<b>Councillors</b>	3						
Speaker	4			1,000,877			1,000,877
Chief Whip							-
Executive Mayor			-	1,239,801			1,239,801
Deputy Executive Mayor							-
Executive Committee			-	9,411,488			9,411,488
Total for all other councillors			-	23,906,785			23,906,785
<b>Total Councillors</b>	8	-	-	35,558,951			35,558,951
<b>Senior Managers of the Municipality</b>	5						
Municipal Manager (MM)		1,528,539	241,983	323,688			2,094,210
Chief Finance Officer		1,069,770	179,871	425,353			1,674,994
SM D01		1,483,488	234,388	329,846			2,047,722
SM D02		1,358,071	222,232	434,502			2,014,805
SM D03		1,499,223	261,817	392,745			2,153,785
SM D04		1,219,289	581,130	404,422			2,204,841
							-

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	2021/22			Current Year 2022/23			Budget Year 2023/24		
		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)		65	65	–	65	65	–	65	65	–
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	6	6	–	6	6	–	6	6	–
Other Managers	7	3	2	–	3	2	–	3	3	–
<b>Professionals</b>		201	80	1	198	79	1	198	155	19
<i>Finance</i>		17	17	–	13	13	1	13	10	3
<i>Spatial/town planning</i>		19	6	–	19	6	–	19	11	4
<i>Information Technology</i>		4	4	–	4	4	–	4	4	–
<i>Roads</i>		2	2	–	2	2	–	2	2	–
<i>Electricity</i>		13	7	–	13	7	–	13	5	3
<i>Water</i>		2	2	–	2	2	–	2	2	1
<i>Sanitation</i>		3	2	1	3	3	–	3	2	1
<i>Refuse</i>		–	–	–	–	–	–	–	–	–
<i>Other</i>		141	40	–	142	42	–	142	119	7
<b>Technicians</b>		274	177	11	275	185	10	275	226	22
<i>Finance</i>		10	10	–	10	10	–	10	6	3
<i>Spatial/town planning</i>		29	15	–	29	15	–	29	11	7
<i>Information Technology</i>		8	4	1	8	4	–	8	5	1
<i>Roads</i>		6	4	1	6	6	–	6	5	2
<i>Electricity</i>		150	98	3	150	98	2	150	137	–
<i>Water</i>		10	3	–	10	3	4	10	9	–
<i>Sanitation</i>		25	20	–	25	20	1	25	19	6
<i>Refuse</i>		1	–	–	1	–	–	1	1	–
<i>Other</i>		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>

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

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

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>																
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity		95,966	95,966	95,966	95,966	95,966	95,966	95,966	95,966	95,966	95,966	95,966	(20,753)	1,034,872	1,151,590	1,281,753
Service charges - Water		28,901	28,901	28,901	28,901	28,901	28,901	28,901	28,901	28,901	28,901	28,901	9,200	327,114	346,815	367,859
Service charges - Waste Water Management		7,948	7,948	7,948	7,948	7,948	7,948	7,948	7,948	7,948	7,948	7,948	2,427	89,858	95,380	100,732
Service charges - Waste Management		5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	830	65,412	70,452	75,461
Sale of Goods and Rendering of Services		1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	489	15,579	16,462	17,367
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		13,413	13,413	13,413	13,413	13,413	13,413	13,413	13,413	13,413	13,413	13,413	21,340	168,880	160,953	158,048
Interest earned from Current and Non Current Assets		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	(4,000)	7,000	12,000	15,000
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	1,009	26,930	28,278	29,833
Licence and permits		105	105	105	105	105	105	105	105	105	105	105	45	1,200	1,260	1,329
Operational Revenue		278	278	278	278	278	278	278	278	278	278	278	80	3,134	3,333	3,514
<b>Non-Exchange Revenue</b>																
Property rates		58,912	58,912	58,912	58,912	58,912	58,912	58,912	58,912	58,912	58,912	58,912	12,863	660,893	706,943	746,365
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,506	30,660	30,714	32,403
Licences or permits		540	540	540	540	540	540	540	540	540	540	540	210	6,150	6,480	6,836
Transfer and subsidies - Operational		25,192	25,192	25,192	25,192	25,192	25,192	25,192	25,192	25,192	25,192	25,192	4,811	281,921	302,302	328,343
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and cont)</b>		<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>31,056</b>	<b>2,719,604</b>	<b>2,932,962</b>	<b>3,164,843</b>
<b>Expenditure</b>																
Employee related costs		80,290	80,290	80,290	80,290	80,290	80,290	80,290	80,290	80,290	80,290	80,290	(1,552)	881,637	963,475	1,016,709
Remuneration of councillors		3,111	3,111	3,111	3,111	3,111	3,111	3,111	3,111	3,111	3,111	3,111	1,333	35,559	37,337	39,390
Bulk purchases - electricity		75,133	75,133	75,133	75,133	75,133	75,133	75,133	75,133	75,133	75,133	75,133	(41,467)	785,000	901,600	1,016,103
Inventory consumed		22,630	22,630	22,630	22,630	22,630	22,630	22,630	22,630	22,630	22,630	22,630	56,973	305,900	271,555	285,224
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		7,596	7,596	7,596	7,596	7,596	7,596	7,596	7,596	7,596	7,596	7,596	3,093	86,650	91,153	96,166
Interest		1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	3,112	19,495	17,872	16,050
Contracted services		4,246	4,246	4,246	4,246	4,246	4,246	4,246	4,246	4,246	4,246	4,246	1,411	48,113	50,948	57,799
Transfers and subsidies		381	381	381	381	381	381	381	381	381	381	381	371	4,560	4,570	4,679
Irrecoverable debts written off		28,061	28,061	28,061	28,061	28,061	28,061	28,061	28,061	28,061	28,061	28,061	8,831	317,500	336,730	356,180
Operational costs		12,781	12,781	12,781	12,781	12,781	12,781	12,781	12,781	12,781	12,781	12,781	5,046	145,639	153,369	161,738
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		5,381	5,381	5,381	5,381	5,381	5,381	5,381	5,381	5,381	5,381	5,381	2,014	61,200	64,566	68,117
<b>Total Expenditure</b>		<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>39,166</b>	<b>2,691,252</b>	<b>2,893,175</b>	<b>3,118,156</b>
<b>Surplus/(Deficit)</b>		<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>(8,110)</b>	<b>28,351</b>	<b>39,787</b>	<b>46,687</b>
Transfers and subsidies - capital (monetary allocations)		50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	(339,605)	214,233	604,187	692,646
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>(347,715)</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>(347,715)</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>(347,715)</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	1	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>(347,715)</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>

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

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue by Vote</b>																
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		81,930	81,930	81,930	81,930	81,930	81,930	81,930	81,930	81,930	81,930	(320,774)	580,455	983,159	1,092,721	
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 04 - Corporate Services		587	587	587	587	587	587	587	587	587	587	501	6,961	7,048	7,132	
Vote 05 - Community Services		9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	2,756	109,495	116,443	123,981	
Vote 06 - Financial Services		60,811	60,811	60,811	60,811	60,811	60,811	60,811	60,811	60,811	60,811	14,669	683,585	729,727	770,440	
Vote 07 - Strategy Econ Development And Planning		703	703	703	703	703	703	703	703	703	703	278	8,015	8,440	8,904	
Vote 08 - Infrastructure And Services		141,028	141,028	141,028	141,028	141,028	141,028	141,028	141,028	141,028	141,028	(5,979)	1,545,325	1,692,332	1,854,312	
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Revenue by Vote</b>		<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>(308,549)</b>	<b>2,933,837</b>	<b>3,537,149</b>	<b>3,857,489</b>	
<b>Expenditure by Vote to be appropriated</b>																
Vote 01 - Executive & Council		5,188	5,188	5,188	5,188	5,188	5,188	5,188	5,188	5,188	5,188	2,110	59,173	62,250	65,674	
Vote 02 - Municipal And General		32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040	17,028	369,468	384,480	407,227	
Vote 03 - Municipal Manager		2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	440	26,161	28,059	29,638	
Vote 04 - Corporate Services		6,713	6,713	6,713	6,713	6,713	6,713	6,713	6,713	6,713	6,713	15,115	88,959	80,556	84,683	
Vote 05 - Community Services		29,315	29,315	29,315	29,315	29,315	29,315	29,315	29,315	29,315	29,315	(9,758)	312,712	351,783	371,809	
Vote 06 - Financial Services		14,499	14,499	14,499	14,499	14,499	14,499	14,499	14,499	14,499	14,499	(3,331)	156,155	173,983	183,596	
Vote 07 - Strategy Econ Development And Planning		5,623	5,623	5,623	5,623	5,623	5,623	5,623	5,623	5,623	5,623	1,432	63,287	67,477	71,188	
Vote 08 - Infrastructure And Services		145,382	145,382	145,382	145,382	145,382	145,382	145,382	145,382	145,382	145,382	16,130	1,615,337	1,744,587	1,904,343	
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Expenditure by Vote</b>		<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>39,166</b>	<b>2,691,252</b>	<b>2,893,175</b>	<b>3,118,156</b>	
<b>Surplus/(Deficit) before assoc.</b>		<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>(347,715)</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>	
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>(347,715)</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>	

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

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue - Functional</b>																
<b>Governance and administration</b>		143,398	143,398	143,398	143,398	143,398	143,398	143,398	143,398	143,398	143,398	143,398	(305,574)	1,271,802	1,720,774	1,871,179
Executive and council		81,930	81,930	81,930	81,930	81,930	81,930	81,930	81,930	81,930	81,930	81,930	(320,774)	580,455	983,159	1,092,721
Finance and administration		61,468	61,468	61,468	61,468	61,468	61,468	61,468	61,468	61,468	61,468	61,468	15,200	691,347	737,615	778,458
Internal audit													-	-	-	-
<b>Community and public safety</b>		3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	1,423	41,568	43,795	46,204
Community and social services		1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	334	11,782	12,489	13,176
Sport and recreation		200	200	200	200	200	200	200	200	200	200	200	64	2,265	2,401	2,533
Public safety		66	66	66	66	66	66	66	66	66	66	66	21	750	795	839
Housing		2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	1,001	26,701	28,036	29,578
Health		6	6	6	6	6	6	6	6	6	6	6	2	70	74	78
<b>Economic and environmental services</b>		1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,078	16,520	16,846	17,774
Planning and development		492	492	492	492	492	492	492	492	492	492	492	188	5,595	5,898	6,223
Road transport		912	912	912	912	912	912	912	912	912	912	912	890	10,925	10,948	11,551
Environmental protection													-	-	-	-
<b>Trading services</b>		145,503	145,503	145,503	145,503	145,503	145,503	145,503	145,503	145,503	145,503	145,503	(5,798)	1,594,737	1,746,038	1,912,104
Energy sources		97,494	97,494	97,494	97,494	97,494	97,494	97,494	97,494	97,494	97,494	97,494	(20,181)	1,052,252	1,169,926	1,301,097
Water management		32,207	32,207	32,207	32,207	32,207	32,207	32,207	32,207	32,207	32,207	32,207	10,437	364,714	386,483	409,709
Waste water management		8,964	8,964	8,964	8,964	8,964	8,964	8,964	8,964	8,964	8,964	8,964	2,753	101,358	107,570	113,593
Waste management		6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	1,193	76,413	82,058	87,705
<b>Other</b>		808	808	808	808	808	808	808	808	808	808	808	322	9,210	9,696	10,229
<b>Total Revenue - Functional</b>		294,762	294,762	294,762	294,762	294,762	294,762	294,762	294,762	294,762	294,762	294,762	(308,549)	2,933,837	3,537,149	3,857,489
<b>Expenditure - Functional</b>																
<b>Governance and administration</b>		64,591	64,591	64,591	64,591	64,591	64,591	64,591	64,591	64,591	64,591	64,591	32,645	743,143	775,085	819,488
Executive and council		38,464	38,464	38,464	38,464	38,464	38,464	38,464	38,464	38,464	38,464	38,464	19,198	442,301	461,567	488,553
Finance and administration		25,537	25,537	25,537	25,537	25,537	25,537	25,537	25,537	25,537	25,537	25,537	13,258	294,166	306,442	323,434
Internal audit		590	590	590	590	590	590	590	590	590	590	590	189	6,676	7,076	7,501
<b>Community and public safety</b>		18,389	18,389	18,389	18,389	18,389	18,389	18,389	18,389	18,389	18,389	18,389	(6,948)	195,332	220,666	232,392
Community and social services		4,640	4,640	4,640	4,640	4,640	4,640	4,640	4,640	4,640	4,640	4,640	(1,510)	49,529	55,679	58,285
Sport and recreation		5,513	5,513	5,513	5,513	5,513	5,513	5,513	5,513	5,513	5,513	5,513	(4,293)	56,350	66,155	69,794
Public safety		4,049	4,049	4,049	4,049	4,049	4,049	4,049	4,049	4,049	4,049	4,049	(2,427)	42,115	48,590	51,263
Housing		2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	924	26,752	28,176	29,771
Health		1,839	1,839	1,839	1,839	1,839	1,839	1,839	1,839	1,839	1,839	1,839	359	20,586	22,066	23,279
<b>Economic and environmental services</b>		14,495	14,495	14,495	14,495	14,495	14,495	14,495	14,495	14,495	14,495	14,495	16,302	175,751	173,943	182,892
Planning and development		4,616	4,616	4,616	4,616	4,616	4,616	4,616	4,616	4,616	4,616	4,616	1,055	51,835	55,395	58,441
Road transport		9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	15,221	123,016	117,594	123,444
Environmental protection		80	80	80	80	80	80	80	80	80	80	80	25	900	954	1,007
<b>Trading services</b>		141,269	141,269	141,269	141,269	141,269	141,269	141,269	141,269	141,269	141,269	141,269	(2,070)	1,551,892	1,695,229	1,853,579
Energy sources		95,507	95,507	95,507	95,507	95,507	95,507	95,507	95,507	95,507	95,507	95,507	(19,421)	1,031,152	1,146,079	1,274,421
Water management		29,861	29,861	29,861	29,861	29,861	29,861	29,861	29,861	29,861	29,861	29,861	13,334	341,800	358,326	376,704
Waste water management		9,064	9,064	9,064	9,064	9,064	9,064	9,064	9,064	9,064	9,064	9,064	2,824	102,527	108,766	114,750
Waste management		6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	1,192	76,413	82,058	87,705
<b>Other</b>		2,354	2,354	2,354	2,354	2,354	2,354	2,354	2,354	2,354	2,354	2,354	(762)	25,135	28,251	29,805
<b>Total Expenditure - Functional</b>		241,099	241,099	241,099	241,099	241,099	241,099	241,099	241,099	241,099	241,099	241,099	39,166	2,691,252	2,893,175	3,118,156
<b>Surplus/(Deficit) before assoc.</b>		53,664	53,664	53,664	53,664	53,664	53,664	53,664	53,664	53,664	53,664	53,664	(347,715)	242,584	643,974	739,333
Intercompany/Parent subsidiary transactions													-	-	-	-
<b>Surplus/(Deficit)</b>	1	53,664	53,664	53,664	53,664	53,664	53,664	53,664	53,664	53,664	53,664	53,664	(347,715)	242,584	643,974	739,333

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

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	(10,672)	12,000	24,733	37,000
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,034
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		732	732	732	732	732	732	732	732	732	732	732	1,949	10,000	8,783	5,217
Vote 08 - Infrastructure And Services		48,797	48,797	48,797	48,797	48,797	48,797	48,797	48,797	48,797	48,797	48,797	(368,823)	167,947	585,567	643,395
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	51,590	51,590	51,590	51,590	51,590	51,590	51,590	51,590	51,590	51,590	51,590	(377,546)	189,947	619,083	689,646
<b>Single-year expenditure to be appropriated</b>																
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		625	625	625	625	625	625	625	625	625	625	625	625	7,500	7,500	7,500
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		2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	27,551	52,026	26,700	31,000
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	28,176	59,526	34,200	38,500
<b>Total Capital Expenditure</b>	2	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	(349,370)	249,473	653,283	728,146

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

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		2,686	2,686	2,686	2,686	2,686	2,686	2,686	2,686	2,686	2,686	2,686	(10,047)	19,500	32,233	44,500
Executive and council		2,686	2,686	2,686	2,686	2,686	2,686	2,686	2,686	2,686	2,686	2,686	(10,047)	19,500	32,233	44,500
Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,034
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,034
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		4,065	4,065	4,065	4,065	4,065	4,065	4,065	4,065	4,065	4,065	4,065	5,282	50,000	48,783	45,217
Planning and development		732	732	732	732	732	732	732	732	732	732	732	1,949	10,000	8,783	5,217
Road transport		3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000	40,000	40,000
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		47,689	47,689	47,689	47,689	47,689	47,689	47,689	47,689	47,689	47,689	47,689	(344,605)	179,973	572,267	634,395
Energy sources		2,058	2,058	2,058	2,058	2,058	2,058	2,058	2,058	2,058	2,058	2,058	31,384	54,026	24,700	28,000
Water management		44,083	44,083	44,083	44,083	44,083	44,083	44,083	44,083	44,083	44,083	44,083	(358,970)	125,947	529,000	587,000
Waste water management		1,547	1,547	1,547	1,547	1,547	1,547	1,547	1,547	1,547	1,547	1,547	(17,020)	-	18,567	19,395
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	(349,370)	249,473	653,283	728,146
<b>Funded by:</b>																
National Government		50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	(339,605)	214,233	604,187	692,646
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	(339,605)	214,233	604,187	692,646
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		4,091	4,091	4,091	4,091	4,091	4,091	4,091	4,091	4,091	4,091	4,091	(9,765)	35,240	49,096	35,500
<b>Total Capital Funding</b>		54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	(349,370)	249,473	653,283	728,146

NC091 Sol Plaatje - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>															
<b>Cash Receipts By Source</b>													1		
Property rates	46,982	46,982	46,982	46,982	46,982	46,982	46,982	46,982	46,982	46,982	46,982	26,246	543,052	563,789	617,319
Service charges - electricity revenue	91,621	91,621	91,621	91,621	91,621	91,621	91,621	91,621	91,621	91,621	91,621	(65,963)	941,869	1,099,453	1,253,729
Service charges - water revenue	24,566	24,566	24,566	24,566	24,566	24,566	24,566	24,566	24,566	24,566	24,566	7,820	278,047	294,793	312,680
Service charges - sanitation revenue	7,410	7,410	7,410	7,410	7,410	7,410	7,410	7,410	7,410	7,410	7,410	(2,227)	79,280	88,916	98,939
Service charges - refuse revenue	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	(2,523)	55,600	63,407	71,688
Rental of facilities and equipment	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	1,002	26,720	28,056	29,599
Interest earned - external investments	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	(4,000)	7,000	12,000	15,000
Interest earned - outstanding debtors												-			
Dividends received												-			
Fines, penalties and forfeits	2,677	2,677	2,677	2,677	2,677	2,677	2,677	2,677	2,677	2,677	2,677	2,627	32,076	32,126	33,812
Licences and permits	645	645	645	645	645	645	645	645	645	645	645	255	7,350	7,740	8,165
Agency services												-			
Transfers and Subsidies - Operational	25,192	25,192	25,192	25,192	25,192	25,192	25,192	25,192	25,192	25,192	25,192	4,811	281,921	302,302	328,343
Other revenue	(45,823)	(45,823)	(45,823)	(45,823)	(45,823)	(45,823)	(45,823)	(45,823)	(45,823)	(45,823)	(45,823)	266,409	(237,646)	(549,878)	(568,732)
<b>Cash Receipts by Source</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>234,457</b>	<b>2,015,268</b>	<b>1,942,704</b>	<b>2,200,541</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	(339,605)	214,233	604,187	692,646
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)												-			
Proceeds on Disposal of Fixed and Intangible Assets												-			
Short term loans												-			
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments												-			
<b>Total Cash Receipts by Source</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>(105,148)</b>	<b>2,229,501</b>	<b>2,546,891</b>	<b>2,893,187</b>
<b>Cash Payments by Type</b>															
Employee related costs	77,622	77,622	77,622	77,622	77,622	77,622	77,622	77,622	77,622	77,622	77,622	(4,294)	849,552	931,464	982,331
Remuneration of councillors												-			
Finance charges	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	3,112	19,495	17,872	16,050
Bulk purchases - electricity	83,467	83,467	83,467	83,467	83,467	83,467	83,467	83,467	83,467	83,467	83,467	(33,133)	885,000	1,001,600	1,026,103
Acquisitions - water & other inventory	17,711	17,711	17,711	17,711	17,711	17,711	17,711	17,711	17,711	17,711	17,711	10,979	205,802	212,534	136,234
Contracted services												-			
Transfers and subsidies - other municipalities												-			
Transfers and subsidies - other												-			
Other expenditure	48,353	48,353	48,353	48,353	48,353	48,353	48,353	48,353	48,353	48,353	48,353	22,837	554,722	580,234	535,125
<b>Cash Payments by Type</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>(500)</b>	<b>2,514,570</b>	<b>2,743,704</b>	<b>2,695,844</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	(349,370)	249,473	653,283	728,146
Repayment of borrowing	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	(203)	13,351	14,787	16,687
Other Cash Flows/Payments	364	364	364	364	364	364	364	364	364	364	364	364	4,373	4,373	4,373
<b>Total Cash Payments by Type</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>(349,708)</b>	<b>2,781,767</b>	<b>3,416,147</b>	<b>3,445,049</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>244,560</b>	<b>(552,266)</b>	<b>(869,256)</b>	<b>(551,862)</b>
Cash/cash equivalents at the month/year begin:	187,382	114,944	42,505	(29,934)	(102,373)	(174,811)	(247,250)	(319,689)	(392,128)	(464,566)	(537,005)	(609,444)	(609,444)	(364,883)	(1,234,140)
Cash/cash equivalents at the month/year end:	114,944	42,505	(29,934)	(102,373)	(174,811)	(247,250)	(319,689)	(392,128)	(464,566)	(537,005)	(609,444)	(364,883)	(364,883)	(1,234,140)	(1,786,002)

## 18. Capital expenditure details

Indicated in the chart below is the funding sources and capital expenditure for the 2023/24 MTREF. The total capital plan for the MTREF is R1,511, 066 billion.

Funding sources of capex	2023/24 Medium Term Revenue & Expenditure Framework				
	Current Year 2022/23	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Total Capex over MTREF
	R'000	R'000	R'000	R'000	R'000
Capital transfers	133,188	214,233	604,187	692,646	1,511,066
Borrowing		-	-	-	-
Internally generated funds	55,705	35,240	49,096	35,500	119,836
<b>Total Capex</b>	<b>188,893</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</b>	<b>1,630,902</b>
Year-on-year R-Value (Increase / Decrease) in Capital transfers	-	81,045	389,954	88,459	-
Year-on-year R-Value (Increase / Decrease) in Internally generated funds	-	(20,465)	13,856	(13,596)	-
Year-on-year R-Value (Increase / Decrease) in Capex	-	60,580	403,810	74,863	-
Year-on-year % (Increase / Decrease) in Capital transfers	-	61%	182%	15%	-
Year-on-year % (Increase / Decrease) in Internally generated funds	-	-37%	39%	-28%	-
Year-on-year % (Increase / Decrease) in Capex	-	32%	162%	11%	-
Weighting Capital transfers	71%	86%	92%	95%	93%
Weighting Borrowing	0%	0%	0%	0%	0%
Weighting Internally Generated Funds	29%	14%	8%	5%	7%
<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.

Below is a list of capital expenditure by project for 2023/24 to 2025/26:

NC091 Sol Plaatje - Supporting Table SA36 Detailed capital budget						2023/24 Medium Term Revenue & Expenditure Framework				
R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality:										
List of capital projects grouped by Function										
	Community Halls And Facilities	Refurbishment Of Halls	PC002002002003001001_00001	UPGRADING	An efficient; effective and development-oriented public service	-	-	-	-	4,034
	Corporate Wide Strategic Planning (ldps, Leds)	Craven Street Trade Centre	PC002002002002001018_00001	UPGRADING	An efficient; effective and development-oriented public service	4,348	8,300	-	-	-
	Corporate Wide Strategic Planning (ldps, Leds)	European Union Bear Project	PC002003007002006_00002	NEW	An efficient; effective and development-oriented public service	13,891	18,850	-	-	-
	Electricity	El lu C - Hv Subs/Acq/Center G1 Sbt	PC001001002001002_00003	UPGRADING	An efficient; competitive and responsive economic infrastructure network	-	7,000	-	-	-
	Electricity	Upgrade Hadison Park 66/11 Kv Substation	PC001001002001002_00005	UPGRADING	An efficient; competitive and responsive economic infrastructure network	1,317	-	-	-	-
	Electricity	El lu C - Lv Water/Acq/Elec Houses	PC001002001008_00005	NEW	An efficient; competitive and responsive economic infrastructure network	-	-	48,026	22,700	25,000
	Electricity	Electric Lerato Park Link Serv Network	PC001002001008_00013	NEW	An efficient; competitive and responsive economic infrastructure network	4,352	-	-	-	-
	Electricity	Electrification Golf Course	PC001002001008_00011	NEW	An efficient; competitive and responsive economic infrastructure network	4,531	-	-	-	-
	Electricity	Electrification Lerato Park	PC001002001008_00008	NEW	An efficient; competitive and responsive economic infrastructure network	2,739	13,000	-	-	-
	Electricity	Electrification Letabo Park	PC001002001008_00008	NEW	An efficient; competitive and responsive economic infrastructure network	17,398	-	-	-	-
	Electricity	Networks Acq - Electr Mathibe	PC001002001008_00001	NEW	An efficient; competitive and responsive economic infrastructure network	2,699	13,000	-	-	-
	Electricity	Networks Acq - Electr Soul City	PC001002001008_00007	NEW	An efficient; competitive and responsive economic infrastructure network	536	-	-	-	-
	Electricity	Instal Vsd's At Newton Reservoir	PC001001001001008_00004	RENEWAL	An efficient; competitive and responsive economic infrastructure network	-	-	-	-	-
	Electricity	Street Lights Replace 125w Mv With 36w L	PC001001001001008_00003	RENEWAL	An efficient; competitive and responsive economic infrastructure network	-	4,000	-	-	-
	Electricity	Capital Spares-Acq-Prepaid Meters	PC001001001001009_00001	RENEWAL	An efficient; competitive and responsive economic infrastructure network	976	2,000	2,000	2,000	3,000
	Electricity	Eedsm Projects	PC001001001001009_00002	RENEWAL	An efficient; competitive and responsive economic infrastructure network	-	-	4,000	-	-
	Finance	Cash Flow Accounts	PC001001001006002_00001	RENEWAL	An efficient; competitive and responsive economic infrastructure network	-	7,700	-	-	-
	Finance	Cash Flow Accounts	PC001001001007003_00001	RENEWAL	An efficient; competitive and responsive economic infrastructure network	-	3,000	-	-	-
	Finance	Roads Infra - lu C: Stormw Gow	PC001001002006001_00002	UPGRADING	An efficient; competitive and responsive economic infrastructure network	-	-	2,000	9,137	10,000
	Finance	Cash Flow Accounts	PC001002001008_00001	NEW	An efficient; competitive and responsive economic infrastructure network	-	(20,000)	-	-	-
	Finance	Cash Flow Accounts	PC001002001008_00008	NEW	An efficient; competitive and responsive economic infrastructure network	-	13,000	-	-	-
	Finance	Acq-Computer Equipment Replacement	PC002003004_00001	NEW	An efficient; effective and development-oriented public service	3,857	11,300	4,500	4,500	4,500
	Finance	Acq-Furniture And Office Equip Replacem	PC002003005_00001	NEW	An efficient; effective and development-oriented public service	184	2,000	3,000	3,000	3,000
	Finance	Cash Flow Accounts	PC002003007002006_00002	NEW	An efficient; effective and development-oriented public service	-	18,850	-	-	-
	Finance	P-Clin In Pr R-G Imp Prp	PC002003008001001_00001	NEW		2,457	5,000	5,000	5,000	7,000
	Finance	Acq-Fleet Replacement	PC002003010_00001	NEW		2,445	11,705	5,000	10,596	20,000
	Finance	Cash Flow Accounts	PC002003010_00001	NEW		-	(23,700)	-	-	-
	Finance	Cash Flow Accounts	PC001001001001008_00003	RENEWAL	An efficient; competitive and responsive economic infrastructure network	-	1,000	-	-	-
	Finance	Cash Flow Accounts	PC001001001001008_00004	RENEWAL	An efficient; competitive and responsive economic infrastructure network	-	(1,000)	-	-	-
	Finance	P-Clin Com F Fire/Ambul	PC002003002001005_00001	NEW	A comprehensive; responsive and sustainable social protection system	2,295	-	-	-	-
	Sewerage	Acq - Carters Glen Sewer Pump Station	PC001001001005001_00001	RENEWAL	An efficient; competitive and responsive economic infrastructure network	16,043	19,948	-	-	-
	Sewerage	Reconstruction Of Old Sink Toilets Phase	PC001001001005005_00002	RENEWAL	An efficient; competitive and responsive economic infrastructure network	-	-	-	18,567	19,395
	Sewerage	Reconstruction Old Sink Toilets Phase 1	PC001001001005005_00002	RENEWAL	An efficient; competitive and responsive economic infrastructure network	3,437	1,000	-	-	-
	Sewerage	Leratopark Sewer Upgrad Downstream Infra	PC001002005002_00003	NEW	An efficient; competitive and responsive economic infrastructure network	8,734	21,090	-	-	-
	Town Planning, Building Regulations And Enforcement And City Engineer	P-Cler Rds Roads	PC001001001006001_00001	RENEWAL	An efficient; competitive and responsive economic infrastructure network	11,256	15,000	20,000	20,000	20,000
	Town Planning, Building Regulations And Enforcement And City Engineer	Resealing Of Roads Fb Wm	PC001001001006001_00004	RENEWAL	An efficient; competitive and responsive economic infrastructure network	3,500	-	-	-	-
	Town Planning, Building Regulations And Enforcement And City Engineer	P-Cler Rds Road Structure R31	PC001001001006002_00001	RENEWAL	An efficient; competitive and responsive economic infrastructure network	-	7,700	-	-	-
	Town Planning, Building Regulations And Enforcement And City Engineer	P-Cler Swa Alternation/Thilageng	PC001001001007003_00001	RENEWAL	An efficient; competitive and responsive economic infrastructure network	-	3,000	-	-	-
	Town Planning, Building Regulations And Enforcement And City Engineer	Stormwat Proj-Sw Channel Galash ludg	PC001001002006001_00003	UPGRADING	An efficient; competitive and responsive economic infrastructure network	-	9,464	-	-	-
	Town Planning, Building Regulations And Enforcement And City Engineer	Upgrade Gravel Roads Wards Various	PC001001002006001_00004	UPGRADING	An efficient; competitive and responsive economic infrastructure network	9,998	12,000	20,000	20,000	20,000
	Town Planning, Building Regulations And Enforcement And City Engineer	Phds Planning & Surveying	PC002003008001001_00001	NEW		-	-	10,000	8,783	5,217
	Water Distribution	Water Pipes Refurb Prog Various Wards	PC001001001004007_00001	RENEWAL	An efficient; competitive and responsive economic infrastructure network	-	10,000	19,207	10,000	10,000
	Water Distribution	Distribution-Acq-Wat Meter Replacem	PC001001002004007_00001	UPGRADING	An efficient; competitive and responsive economic infrastructure network	624	2,000	2,000	2,000	3,000
	Water Distribution	Bf Projects Water Infrastructure	PC001002004006_00002	NEW	An efficient; competitive and responsive economic infrastructure network	-	-	104,740	517,000	574,000
	Water Distribution	Elevated Water Tanks Distribution	PC001002004007_00003	NEW	An efficient; competitive and responsive economic infrastructure network	-	1,000	-	-	-
	Parent Capital expenditure					127,081	187,743	248,473	653,283	728,146

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 2023/24 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 projects with a budget of R48 million
- BFI projects with a budget of R86 million
- Water pipes refurb prog various wards with a budget of R19.2 million
- Lining of Stormwater channels Galeshewe with a budget of R2 million

Provision is also made for Roads projects which have a combined budget of R40 million. Roads are provided with a budget of R20 million and the upgrade of gravel roads are allocated R20 million. An amount of R4 million is also set aside for the EEDSM Projects. PHDA Planning and Surveying receives funding to the tune of R10 million. Provision is also made in the budget of R5 million for the Fleet Replacement Program.

## Capital plan by Municipal Functional Classification and Municipal vote

Capital Expenditure per Functional classification						
Capital Expenditure - Function	2023/24 Medium Term Revenue & Expenditure Framework					
	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Weighting 2023/24	Weighting 2024/25	Weighting 2025/26
R Thousand						
Executive and council	19,500	32,233	44,500	8%	5%	6%
Planning and development	10,000	8,783	5,217	4%	1%	1%
Road transport	40,000	40,000	40,000	16%	6%	5%
Energy sources	54,026	24,700	28,000	22%	4%	4%
Water management	125,947	529,000	587,000	50%	81%	81%
Waste water management	-	18,567	19,395	0%	3%	3%
<b>Total</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Capital Expenditure per Municipal Vote						
Vote Description	2023/24 Medium Term Revenue & Expenditure Framework					
	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Weighting 2023/24	Weighting 2024/25	Weighting 2025/26
R Thousand						
Vote 01 - Executive & Council	-	-	-	0%	0%	0%
Vote 02 - Municipal And General	19,500	32,233	44,500	8%	5%	6%
Vote 03 - Municipal Manager	-	-	-	0%	0%	0%
Vote 04 - Corporate Services	-	-	-	0%	0%	0%
Vote 05 - Community Services	-	-	4,034	0%	0%	1%
Vote 06 - Financial Services	-	-	-	0%	0%	0%
Vote 07 - Strategy Econ Development And Planning	10,000	8,783	5,217	4%	1%	1%
Vote 08 - Infrastructure And Services	219,973	612,267	674,395	88%	94%	93%
<b>Total</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</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.

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

Description	Ref	Preceding Years	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Total Contract Value
		Total	Original Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Estimate							
<b>Parent Municipality:</b>														
<b>Revenue Obligation By Contract</b>	2													
<i>No Future Contracts Greater Than 5m</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenditure Obligation By Contract</b>	2													
<i>No Future Contracts Greater Than 5m</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Expenditure Obligation By Contract</b>	2													
<i>Upgrade Stormwater Galeshewe</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Lerato Park Link Water And Sewer</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Homevale Fire Station</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Parent Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<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 6.7 for 2023/24 on the financial system is in progress and the use of A-schedules aligned to version 6.7 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. We are in the process of appointing Interns. In the financial year 2022/23 one intern has been absorbed in the Budget and Treasury Office.
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 2023/24 MTREF on 31 March 2023.
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 2022 was submitted on 31 August 2022, as per the due date.
8. **Auditor-General Opinion 2021/2022**

<b>Audit report status</b>	Qualified Audit Opinion
<b>Audit Findings</b>	<b>145</b>
	<b>Basis for qualified opinion</b>
	Property, Plant and Equipment
	Investment Property
	Inventory
	Trade Receivables from exchange transactions
	Statutory Receivables from non-exchange transactions
	Revenue from exchange transactions
	Service charges
	<b>Emphasis of matter paragraphs</b>
	Restatement of corresponding figures
	Material losses – Electricity
	Material losses – Water

## 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, BS Matlala, 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: BS Matlala**

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

Signature: .....

A handwritten signature in black ink, appearing to read 'BS Matlala', is written over a horizontal dotted line.

**Date: 28/03/2023**

**CIRCULAR 42**  
**Funding of**  
**Budget**

**SOL PLAATJE MUNICIPALITY (NC091)**

<b>Part 1 - Budgeting for Financial Performance</b>				
<b>Description</b>	<b>Ref</b>	<b>Budget Year</b>	<b>Budget Year +1</b>	<b>Budget Year +2</b>
		<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Revenue by Source (Table 1)</b>				
Property rates	A	660,893	706,943	746,365
Service charges	A	1,517,256	1,664,238	1,825,805
Operational Revenue		0	0	0
Rental of facilities and equipment	B	26,930	28,278	29,833
Interest earned - external investments	D	7,000	12,000	15,000
Interest earned - outstanding debtors	D	168,880	160,953	158,048
Fines	B	30,660	30,714	32,403
Licenses and permits	B	7,350	7,740	8,165
Government grants & subsidies - ops		281,921	302,302	328,343
Government grants & subsidies - capital	E	214,233	604,187	692,646
Other income	B	18,714	19,795	20,881
<b>Total Revenue By Source</b>		<b>2,933,837</b>	<b>3,537,149</b>	<b>3,857,489</b>
Internal recoveries		32,254	37,454	42,954
Cross Subsidization		0	1,500	2,000
<b>Total</b>		<b>2,966,091</b>	<b>3,576,103</b>	<b>3,902,444</b>
<b>Operating Expenditure by Type (Table 6)</b>				
Employee related costs	C	881,637	963,475	1,016,709
Remuneration of Councilors		35,559	37,337	39,390
Contracted Services		48,113	50,948	57,799
Operational Cost		145,039	152,739	161,073
Other material and consumables		244,700	206,989	217,107
Bulk purchases - Electricity		785,000	901,600	1,016,103
Bulk purchases - Water		61,200	64,566	68,117
Losses		61,200	64,566	68,117
Interest external		20,095	18,502	16,715
Operating leases		0	0	0
Bad debts	F	317,500	336,730	356,180
Grants and subsidies paid		4,560	4,570	4,679
Depreciation		86,650	91,153	96,166
<b>Total Operating Expenditure By Type</b>		<b>2,691,252</b>	<b>2,893,175</b>	<b>3,118,156</b>
Internal Transfer		32,254	37,454	42,954
Cross Subsidization		0	1,500	2,000
<b>Total</b>		<b>2,723,507</b>	<b>2,932,129</b>	<b>3,163,110</b>
<b>Operating Surplus/(Deficit)</b>		<b>242,584</b>	<b>643,974</b>	<b>739,333</b>

**SOL PLAATJE MUNICIPALITY (NC091)**

Part 2 - Budgeting for Cash Flow				
Description	Ref	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		R'000	R'000	R'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Cash receipts from ratepayers, government and other	A,B	2,065,769	2,268,012	2,509,122
Cash receipts from government - operating		281,921	302,302	328,343
Cash receipts from government and other - capital		214,233	604,187	692,646
Interest received	D	49,220	52,238	54,512
<b>Payments</b>				
Cash paid to suppliers and employees	I	(2,217,343)	(2,380,319)	(2,516,980)
Finance charges		(20,095)	(18,502)	(16,715)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>373,706</b>	<b>827,919</b>	<b>1,050,928</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</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>Payments</b>				
Purchase of property, plant and equipment	G	(249,473)	(653,283)	(728,146)
(Increase)/decrease in current assets		0	0	0
Increase in non-current investments		0	0	0
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(249,473)</b>	<b>(653,283)</b>	<b>(728,146)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
New loans raised	G	0	0	0
Increase in consumer deposits		1,925	0	0
<b>Payments</b>				
Repayment of borrowing	G	(13,351)	0	0
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>(11,426)</b>	<b>0</b>	<b>0</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>112,807</b>	<b>174,636</b>	<b>322,782</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>71,387</b>	<b>184,193</b>	<b>358,829</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>184,193</b>	<b>358,829</b>	<b>681,611</b>

## SOL PLAATJE MUNICIPALITY (NC091)

Part 3 - Reconciliation of reserves and commitments backed by cash/investments				
Description	Ref	Budget Year	Budget Year +1	Budget Year +2
		2023/24	2024/25	2025/26
		R'000	R'000	R'000
Reserves to be backed by cash	H	126,308	123,022	123,022
Creditors unpaid at year end		736,521	541,990	574,914
<b>Total commitments</b>		<b>862,828</b>	<b>665,012</b>	<b>697,936</b>
Cash and cash equivalents at the end of the year		184,193	358,829	681,611
Long term investments		0	0	0
<b>Cash and investments available</b>		<b>184,193</b>	<b>358,829</b>	<b>681,611</b>

### Explanation notes/references

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 5.5%

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 R249,473m is funded by R214,233m grants, R0m donation, R0m from a loan and R35.24m 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

### **Is the municipality's budget appropriately funded - Yes**

-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

**SOL PLAATJE MUNICIPALITY (NC091)**  
**BUDGETED STATEMENT OF FINANCIAL POSITION**

	<u>30 June 2022</u>	<u>30 June 2023</u>	<u>30 June 2024</u>	<u>30 June 2025</u>	<u>30 June 2026</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>	2,211,640,152	2,325,907,843	3,091,954,131	3,273,586,555	3,656,847,679
Inventory	49,453,548	50,442,619	48,632,342	83,581,822	85,634,414
Trade Receivables from Exchange Transactions	1,419,201,117	1,589,505,251	534,950,351	438,427,563	302,534,788
Statutory Receivables from Non-Exchange Transactions	531,795,909	595,611,418	1,857,521,509	1,888,542,668	1,888,947,536
Trade Receivables from Non-Exchange Transactions	6,464,187	7,110,605	243,691,023	235,549,089	230,636,283
Cash and Cash Equivalents	190,782,806	71,386,752	184,193,581	358,829,655	681,611,253
Operating Lease Assets	-	0	0	0	0
Statutory Receivable from Exchange Transactions	13,942,586	11,851,198	222,965,325	268,655,758	467,483,405
		0			
<b>Non-Current Assets</b>	2,316,707,873	2,389,499,228	2,318,860,666	2,497,203,538	2,771,371,619
Property, Plant and Equipment	2,003,442,282	2,074,426,682	2,099,305,137	2,274,558,347	2,546,048,884
Heritage Assets	12,070,884	12,070,884	4,207,179	4,207,179	4,207,179
Intangible Assets	21,447,084	22,519,438	3,492,273	3,492,274	3,492,275
Investment Property	209,106,077	207,015,016	211,856,077	214,945,738	217,623,281
Trade Receivables from Exchange Transactions	52,270,916	54,361,753	0	0	0
Statutory Receivables from Non-Exchange Transactions	18,370,630	19,105,455	0	0	0
		0	0	0	0
		0	0	0	0
<b>Total Assets</b>	<b>4,528,348,025</b>	<b>4,715,407,071</b>	<b>5,410,814,797</b>	<b>5,770,790,093</b>	<b>6,428,219,298</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>	1,159,733,232	1,020,462,339	797,951,341	594,533,285	581,960,604
Consumer Deposits	42,977,290	47,275,019	49,200,000	49,200,000	49,200,000
Employee Benefits	85,856,189	98,734,617	112,672,262	108,144,380	62,648,092
Payables from Exchange Transactions	1,013,060,334	861,101,284	736,520,577	541,990,130	574,913,737
Unspent Conditional Grants and Receipts	1,725,515	0	3,286,000	0	0
VAT Payable from Exchange Transactions	-	0	-103,727,498	-104,801,225	-104,801,225
Bank Overdraft	-	0	0	0	0
Current Portion of Long-term Liabilities	16,113,905	13,351,420	0	0	0
<b>NON CURRENT LIABILITIES</b>	410,021,188	434,168,290	519,501,876	506,102,874	489,415,635
Long term liabilities	159,645,507	146,294,087	158,165,884	143,378,772	126,691,533
Retirement Benefit Liabilities	248,448,000	285,715,200	363,263,673	364,651,783	364,651,783
Non current provisions	1,927,681	2,159,003	-1,927,681	-1,927,681	-1,927,681
<b>Total Liabilities</b>	<b>1,569,754,419</b>	<b>1,454,630,629</b>	<b>1,317,453,217</b>	<b>1,100,636,159</b>	<b>1,071,376,239</b>
<b>Total Assets and Liabilities</b>	<b>2,958,593,606</b>	<b>3,260,776,442</b>	<b>4,093,361,580</b>	<b>4,670,153,934</b>	<b>5,356,843,059</b>
<b>NET ASSETS</b>	2,958,593,606	3,260,776,442	4,093,361,580	4,670,153,934	5,356,843,059
Accumulated surplus/deficit	2,958,593,606	3,260,776,442	4,093,361,580	4,670,153,934	5,356,843,059
<b>Total Net Assets</b>	<b>2,958,593,606</b>	<b>3,260,776,442</b>	<b>4,093,361,580</b>	<b>4,670,153,934</b>	<b>5,356,843,059</b>
<b>TOTAL NET ASSETS AND LIABILITIES</b>	<b>4,528,348,025</b>	<b>4,715,407,071</b>	<b>5,410,814,797</b>	<b>5,770,790,093</b>	<b>6,428,219,298</b>
	0	0	0	0	0

**SOL PLAATJE MUNICIPALITY (NC091)**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023**

	2023 R	2022 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Grants received	540,912,413	359,653,145
Sale of goods and services	1,509,348,729	1,355,010,967
Employee Costs	-849,403,022	-736,254,804
Supplier payments	-1,180,969,655	-681,186,047
Cash generated from/(utilized in) operations	19,888,466	297,223,261
Interest received	162,500,000	134,283,362
(Increase) / decrease in Interest Receivables	0	-104,158,002
Interest paid	-38,960,100	-72,909,233
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>143,428,365</b>	<b>254,439,388</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	-249,473,000	-189,193,143
Purchase of Intangible Assets	0	-14,875,002
Purchase of Investment Property	0	-2,457,000
Proceeds on Disposal of Property, Plant and Equipment	0	239,714
Donation of Property, Plant and Equipment	0	76,850,394
Increase / (decrease) in Capital Payables	0	39,842,218
Proceeds on Disposal of Investment Property	0	
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-249,473,000</b>	<b>-89,592,819</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New Finance leases	0	-2,323,731
New loans raised	0	0
(Loans repaid)	-13,351,420	-10,749,666
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-13,351,420</b>	<b>-13,073,397</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-119,396,054</b>	<b>151,773,172</b>
Cash and cash equivalents at the beginning of the year	190,782,806	39,009,634
Cash and cash equivalents at the end of the year	71,386,752	190,782,806

**SOL PLAATJE MUNICIPALITY (NC091)**  
**STATEMENT OF BUDGETED FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2023**

Budget 2022 R	Budget 2023 R		Expected 2023 R	Actual 2022 R
<b>REVENUE</b>				
<b>Revenue from Non-exchange Transactions</b>				
603,706,586	627,645,850	Property rates	19	627,645,850
34,725,000	27,730,000	Fines and Penalties		15,405,409
6,500,000	6,850,000	Licenses and permits		8,531,893
		Interest Earned - Outstanding Statutory receivables		56,451,582
		Availability service charges non-exchange transactions		5,859,926
366,538,607	540,912,413	Government grants and subsidies	21	359,653,145
-		Public contributions and donations		76,850,394
<b>Revenue from Exchange Transactions</b>				
1,291,383,494	1,373,211,322	Service charges	20	1,373,211,322
13,145,000	13,010,000	Rental of facilities and equipment		16,755,155
0	0	Income for agency services		-
9,000,000	6,000,000	Interest earned - external investments	25	3,123,724
157,200,000	156,500,000	Interest Earned - Outstanding Trade receivables	25	74,708,056
19,684,900	18,144,800	Other income	22	14,516,909
0		Gains on Inventory		-
0		Gains on disposal of property, plant and equipment		1,134,297
<b>2,501,883,587</b>	<b>2,770,004,386</b>	<b>Total Revenue</b>		<b>2,770,004,386</b>
<b>EXPENDITURE</b>				
841,587,858	849,403,022	Employee related costs	23	766,906,239
34,547,434	34,547,434	Remuneration of Councillors	24	30,736,976
79,150,000	81,050,000	Depreciation	50	70,060,080
275,000,000	297,000,000	Bad debts - Provision	15	267,518,489
64,060,569	38,960,100	Interest paid	25	72,909,233
647,000,000	682,000,000	Bulk purchases	26	639,688,887
41,242,000	46,437,000	Contracted services		38,162,914
4,850,000	4,460,000	Grants and subsidies paid	27	2,545,986
363,392,269	431,270,121	General expenses	28	343,577,109
70,760,000		Loss on Inventory		75,616,061
		Loss on disposal of Property, Plant and Equipment		-
		Foreign Exchange Loss		939,717
		Impairment of Property, Plant and Equipment		-
<b>2,421,590,130</b>	<b>2,465,127,676</b>	<b>Total Expenditure</b>		<b>2,308,661,689</b>
<b>80,293,457</b>	<b>304,876,710</b>	<b>SURPLUS/(DEFICIT)</b>		<b>64,156,842</b>
0	0	Share of surplus/(deficit) of associate accounted for under the equity method		0
<b>80,293,457</b>	<b>304,876,710</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>64,156,842</b>

**SOL PLAATJE MUNICIPALITY (NC091)**  
**BUDGETED STATEMENT OF CHANGES**  
**FOR THE YEAR ENDING 30 JUNE 2023**

	Capital Replacement Reserve  R	Self- Insurance Reserve  R	COID Reserve  R	Accumulated Surplus/ (Deficit)  R	Total  R
<b>2022</b>					
<b>Balance at 1 July 2021</b>	29,680,784	15,833,183	11,690,533	2,834,538,390	2,891,742,890
Correction of error				0	0
Change in accounting policy				0	0
<b>Restated balance</b>	29,680,784	15,833,183	11,690,533	2,834,538,390	2,891,742,890
Surplus/(deficit) for the year				64,156,842	64,156,842
Transfer to CRR	47,286,799			-47,286,799	0
Property, plant and equipment purchased	(14,262,583)			14,262,583	0
Capital grants used to purchase PPE					0
Donated/contributed PPE					0
Contribution to Insurance Reserve		(387,933)	286,124	101,809	0
Adjustments					0
Asset disposals					0
<b>Balance at 30 JUNE 2022</b>	62,705,000	15,445,250	11,976,657	2,865,772,825	2,955,899,733
<b>2023</b>					
Correction of error				0	0
Change in accounting policy				0	0
<b>Restated balance</b>	62,705,000	15,445,250	11,976,657	2,865,772,825	2,955,899,733
Surplus/(deficit) for the year				304,876,710	304,876,710
Transfer to CRR	40,000,000			-40,000,000	0
Property, plant and equipment purchased	(56,705,000)			56,705,000	0
Contribution to Insurance Reserve		200,000	200,000	-400,000	0
Asset disposals				0	0
<b>Balance at 30 JUNE 2023</b>	46,000,000	15,645,250	12,176,657	3,186,954,535	3,260,776,442

**CIRCULAR 71**  
**Financial Ratios**  
**and Norms**



**Annexure A Interpretation of results**

The green colour indicates that the result is within the norm and is acceptable
The red colour indicates that the result is not acceptable and corrective actions/plans should be put in place to improve the results
Data should be captured in the blue colour cell to calculate a ratio
In situations where the results are not within the acceptable norm, corrective actions/plans should be taken and advanced

**Template for Calculation of Uniform Financial Ratios and Norms**

NO	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS			INTERPRETATION	MUNICIPAL COMMENTS (#)
						R'000 2023/24	R'000 2024/25	R'000 2025/26		
<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) × 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	8%	18%	19%	Please refer to page 2 of MFMA Circular No.71	
					Taxation Expense	-	-	-		
					Total Capital Expenditure	249,473	653,283	728,146		
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) × 100	Statement of Financial Position, Notes to the AFS and AR	0%	PPE, Investment Property and Intangible Impairment	0%	0%	0%	Please refer to page 3 of MFMA Circular No. 71	
					PPE at carrying value	2,103,512	2,278,766	2,550,256		
					Investment at carrying value	211,856	214,946	217,623		
					Intangible Assets at carrying value	3,492	3,492	3,492		
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) × 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%	Total Repairs and Maintenance Expenditure	9%	8%	8%	Please refer to page 4 of MFMA Circular No. 71	The total amount used in this calculation is not including labour costs.
					PPE at carrying value	2,103,512	2,278,766	2,550,256		
					Investment Property at Carrying value	211,856	214,946	217,623		
3.1	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) × 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%	Total Repairs and Maintenance Expenditure including Labour Costs	17%	23%	24%	Please refer to page 4 of MFMA Circular No. 71	The total amount used in this calculation is not including labour costs.
					PPE at carrying value	2,103,512	1,535,620	1,577,221		
					Investment Property at Carrying value	211,856	202,754	204,782		
<b>B. Debtors Management</b>										
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue × 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	17%	85%	86%	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.
					Gross Debtors opening balance	1,899,942	3,715,932	4,075,542		
					Bad debts written Off	-	-	-		
					Billed Revenue	2,178,149	2,371,181	2,572,170		
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%	Consumer Debtors Bad debts written off	0%	0%	0%	Please refer to page 5 of MFMA Circular No. 71	
					Consumer Debtors Current bad debt Provision	1,614,720	1,951,450	2,307,630		
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days	Gross debtors	352 days	327 days	301 days	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.
					Bad debts Provision	1,614,720	1,951,450	2,307,630		
					Billed Revenue	2,178,149	2,371,181	2,572,170		
<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	1 Month	2 Month	3 Month	Please refer to page 7 of MFMA Circular No. 71	Debt recovery policy to be applied.
					Unspent Conditional Grants	3,286,000	-	-		
					Overdraft	-	-	-		
					Short Term Investments	184,194	358,830	681,611		
					Total Annual Operational Expenditure	2,237,437	2,398,821	2,533,695		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1	Current Assets	3.87	5.51	6.28	Please refer to page 7 of MFMA Circular No. 71	
					Current Liabilities	3,091,954	3,273,587	3,656,848		

**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 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		1%	1%	1%	Please refer to page 8 of MFMA Circular No. 71
					Interest Paid	20,095	18,502	16,715	
					Redemption	13,351	14,787	16,687	
					Total Operating Expenditure	2,691,252	2,893,175	3,118,156	
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%		6%	4%	4%	Please refer to page 9 of MFMA Circular No. 71
					Total Debt	158,166	143,379	126,692	
					Total Operating Revenue	2,933,837	3,537,149	3,857,489	
					Operational Conditional Grants	281,921	302,302	328,343	

**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%		20%	26%	36%	Please refer to page 9 of MFMA Circular No. 71
					Cash and cash Equivalents	-	-	-	
					Bank Overdraft	-	-	-	
					Short Term Investment	184,194	358,830	681,611	
					Long Term Investment				
					Unspent Grants	3,286	-	-	
					Net Assets	4,093,362	4,670,154	5,356,843	
Accumulated Surplus	3,186,955	3,314,433	3,447,010						

**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%		11%	21%	22%	Please refer to page 10 of MFMA Circular No. 71
					Total Operating Revenue	2,933,837	3,537,149	3,857,489	
					Depreciation - Revalued Portion (Only populate if depreciating line item in the Statement of Financial	86,650	91,153	96,166	
					Total Operating Expenditure	2,691,252	2,893,175	3,118,156	
					Taxation Expense				
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%		2%	2%	2%	Please refer to page 10 of MFMA Circular No. 71
					Total Electricity Revenue	1,052,252	1,169,926	1,301,097	
					Total Electricity Expenditure	1,031,152	1,146,079	1,274,421	
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%		6%	7%	8%	Please refer to page 11 of MFMA Circular No. 71
					Total Water Revenue	364,714	386,483	409,709	
					Total Water Expenditure	341,800	358,326	376,704	
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%		0%	0%	0%	Please refer to page 12 of MFMA Circular No. 71
					Total Refuse Revenue	76,413	82,058	87,705	
					Total Refuse Expenditure	76,413	82,058	87,705	
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 Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		1%	1%	1%	Please refer to page 12 of MFMA Circular No. 71
					Total Sanitation and Water Waste Revenue	101,358	107,570	113,593	
					Total Sanitation and Water Waste Expenditure	100,033	106,135	111,974	

**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%		20%	17%	15%	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%
					Number of units purchased and/or generated ('000)	542,008	552,856	553,347		
					Number of units sold ('000)	433,607	458,870	470,345		
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%		50%	40%	30%	Please refer to page 13 of MFMA Circular No. 71	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.
					Number of kilolitres purchased and/or purified ('000)	34,078	33,501	32,936		
					Number of kilolitres sold ('000)	17,039	20,100	23,056		



**MARCH  
2023/24  
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**

# BCX

## Municipal annual budget and MTREF & supporting tables

[Click for Instructions!](#)

[Accountability](#)

[Transparency](#)



**national**  
Department:  
National Treasury  
REPUBLIC OF SO

### 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: 2023/24

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

[MFMA Budget Circulars](#) [Click to view](#)

[MBRR Budget Formats Guide](#) [Click to view](#)

[Dummy Budget Guide](#) [Click to view](#)

[Funding Compliance Guide](#) [Click to view](#)

[MFMA Return Forms](#) [Click to view](#)

[SAT3D](#)

Organisational Structure Votes	Complete Votes & Sub-Votes	Select Org. Structure
Vote 01 - Executive & Council	Vote 01 Executive & Council	
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 Municipal And General	
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 Municipal Manager	
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 Itp Unit	03.4 - Itp Unit
Vote 14 -	03.5 Project Management Unit - Pmu	03.5 - Project Management Unit - Pmu
Vote 15 - Other	Vote 04 Corporate Services	
	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 Community Services	
	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 Cemeteries	05.12 - Cemeteries
	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 - Pollution Control/Collection	05.20 - Refuse - Pollution Control/Collection
	05.21 Refuse - Landfill Sites	05.21 - Refuse - Landfill Sites
	05.22 Refuse - Maintenance	05.22 - Refuse - Maintenance
	Vote 06 Financial Services	
	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 And Property Management	06.10 - Real Estate And Property Management
	06.11 Debt Collection	06.11 - Debt Collection
	06.12 Supply Chain Management	06.12 - Supply Chain Management
	Vote 07 Strategy Econ Development And Planning	
	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 Infrastructure And Services	
	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 - Refuse/Collection	08.10 - Sewerage - Refuse/Collection
	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 Other	

**NC091 Sol Plaatje - Contact Information**

**A. GENERAL INFORMATION**

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

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

**B. CONTACT INFORMATION**

**Postal address:**

P.O. Box	x5030
City / Town	Kimberley
Postal Code	8300

**Street address**

Building	Civic Centre
Street No. & Name	Sol Plaatje Drive
City / Town	Kimberley
Postal Code	8301

**General Contacts**

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	S.M Le Fleur
Telephone number	0538306489	Telephone number	0538306331
Cell number	0798932583	Cell number	0610115903
Fax number		Fax number	
E-mail address	Nmaphutla@solplaatje.org.za	E-mail address	sleffeur@solplaatje.org.za

<b>Mayor/Executive Mayor:</b>		<b>Secretary/PA to the Mayor/Executive Mayor:</b>	
ID Number		ID Number	
Title	Mr	Title	Mr
Name	Kagisho John Brendon Sonyoni	Name	Ben Johnson
Telephone number	0538306213	Telephone number	0538306269
Cell number	0788875102	Cell number	0791372266
Fax number		Fax number	
E-mail address	Ksonyoni@solplaatje.org.za	E-mail address	bjohnson@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	Mr	Title	Ms
Name	Bartholomew Serapelo Matlala	Name	J Bonokwane
Telephone number	0538306100	Telephone number	0538306471
Cell number	071 592 5089	Cell number	0727213953
Fax number	0538331005	Fax number	0538331005
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<b>Chief Financial Officer</b>		<b>Secretary/PA to the Chief Financial Officer</b>	
ID Number		ID Number	
Title	Mr	Title	Ms

Name	LK Samolapo (Acting)	Name	Mapule Mogakwe
Telephone number	0538306500	Telephone number	0538306502
Cell number	0835423335	Cell number	0717200682
Fax number	0538326571	Fax number	0538314658
E-mail address	<a href="mailto:ksamolapo@solplaatje.org.za">ksamolapo@solplaatje.org.za</a>	E-mail address	<a href="mailto:mmogakwe@solplaatje.org.za">mmogakwe@solplaatje.org.za</a>
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title	Mrs	Title	Mr
Name	BIANCA ERASMUS	Name	JAMES CHISANGO
Telephone number	0538306523	Telephone number	053 830 6522
Cell number	0825507414	Cell number	079 110 2034
Fax number		Fax number	
E-mail address	<a href="mailto:berasmus@solplaatje.org.za">berasmus@solplaatje.org.za</a>	E-mail address	<a href="mailto:jchisango@solplaatje.org.za">jchisango@solplaatje.org.za</a>
<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	0670506684
Fax number	0866812135	Fax number	0538314658
E-mail address	<a href="mailto:ccrouch@solplaatje.org.za">ccrouch@solplaatje.org.za</a>	E-mail address	<a href="mailto:cjenneke@solplaatje.org.za">cjenneke@solplaatje.org.za</a>
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title	Mr	Title	
Name	JJ WAGNER	Name	
Telephone number	0538306504	Telephone number	
Cell number	0828346330	Cell number	
Fax number		Fax number	
E-mail address	<a href="mailto:jwagner@solplaatje.org.za">jwagner@solplaatje.org.za</a>	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>	
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<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	

NC091 Sol Plaatje - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	555,073	571,075	599,898	627,646	610,074	610,074	450,080	660,893	706,943	746,365
Service charges	1,049,129	1,053,050	1,139,930	1,373,211	1,368,151	1,368,151	808,902	1,517,256	1,664,238	1,825,805
Investment revenue	5,503	2,835	3,124	6,000	6,000	6,000	2,820	7,000	12,000	15,000
Transfer and subsidies - Operational	214,815	260,426	235,986	258,117	266,031	266,031	238,403	281,921	302,302	328,343
Other own revenue	212,921	176,950	199,359	222,235	245,721	245,721	197,115	252,534	247,479	249,330
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,037,442</b>	<b>2,064,336</b>	<b>2,178,297</b>	<b>2,487,209</b>	<b>2,495,977</b>	<b>2,495,977</b>	<b>1,697,321</b>	<b>2,719,604</b>	<b>2,932,962</b>	<b>3,164,843</b>
Employee costs	652,922	726,219	772,777	849,403	849,970	849,970	587,037	881,637	963,475	1,016,709
Remuneration of councillors	30,367	30,260	30,737	34,547	34,547	34,547	24,070	35,559	37,337	39,390
Depreciation and amortisation	69,409	63,881	70,060	81,050	81,050	81,050	-	86,650	91,153	96,166
Finance charges	30,582	36,467	64,720	38,960	117,360	117,360	65,906	19,495	17,872	16,050
Inventory consumed and bulk purchases	564,405	594,801	652,773	918,627	948,272	948,272	507,748	1,090,900	1,173,155	1,301,328
Transfers and subsidies	2,733	2,528	2,546	4,460	4,460	4,460	2,507	4,560	4,570	4,679
Other expenditure	372,893	487,650	492,665	538,080	662,540	662,540	474,228	572,452	605,613	643,834
<b>Total Expenditure</b>	<b>1,723,311</b>	<b>1,941,807</b>	<b>2,086,279</b>	<b>2,465,128</b>	<b>2,698,200</b>	<b>2,698,200</b>	<b>1,661,496</b>	<b>2,691,252</b>	<b>2,893,175</b>	<b>3,118,156</b>
<b>Surplus/(Deficit)</b>	<b>314,131</b>	<b>122,529</b>	<b>92,018</b>	<b>22,081</b>	<b>(202,222)</b>	<b>(202,222)</b>	<b>35,825</b>	<b>28,351</b>	<b>39,787</b>	<b>46,687</b>
Transfers and subsidies - capital (monetary allocations)	143,011	112,562	123,667	134,338	133,188	133,188	37,122	214,233	604,187	692,646
Transfers and subsidies - capital (in-kind)	-	-	76,850	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>457,141</b>	<b>235,091</b>	<b>292,536</b>	<b>156,419</b>	<b>(69,034)</b>	<b>(69,034)</b>	<b>72,947</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>457,141</b>	<b>235,091</b>	<b>292,536</b>	<b>156,419</b>	<b>(69,034)</b>	<b>(69,034)</b>	<b>72,947</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>137,018</b>	<b>119,502</b>	<b>127,081</b>	<b>190,043</b>	<b>188,893</b>	<b>188,893</b>	<b>55,766</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</b>
Transfers recognised - capital	126,994	104,315	112,818	134,338	133,188	133,188	37,154	214,233	604,187	692,646
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	10,023	15,186	14,263	55,705	55,705	55,705	18,611	35,240	49,096	35,500
<b>Total sources of capital funds</b>	<b>137,018</b>	<b>119,502</b>	<b>127,081</b>	<b>190,043</b>	<b>188,893</b>	<b>188,893</b>	<b>55,766</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</b>
<b>Financial position</b>										
Total current assets	1,822,003	1,813,288	2,383,380	2,711,177	2,711,177	2,711,177	2,429,134	3,108,865	3,271,793	3,631,812
Total non current assets	2,031,717	2,095,790	2,245,857	2,052,265	2,051,115	2,051,115	2,301,623	2,604,050	3,186,203	3,535,234
Total current liabilities	550,472	671,382	1,139,609	1,052,980	1,052,980	1,052,980	1,202,917	975,514	775,382	742,139
Total non current liabilities	-	-	-	-	-	-	-	-	-	-
Community wealth/Equity	3,121,789	3,106,488	3,184,279	3,294,182	3,293,037	3,293,037	3,125,272	4,342,835	5,323,437	6,084,989
<b>Cash flows</b>										
Net cash from (used) operating	(6,869)	53,113	(585,312)	106,800	37,402	37,402	(662,465)	(289,441)	(201,186)	192,971
Net cash from (used) investing	-	(116,394)	(127,081)	(154,327)	(188,893)	(188,893)	(49,389)	(249,473)	(653,283)	(728,146)
Net cash from (used) financing	-	-	-	(9,390)	(9,390)	(9,390)	-	(13,351)	(14,787)	(16,687)
<b>Cash/cash equivalents at the year end</b>	<b>67,047</b>	<b>33,253</b>	<b>(669,386)</b>	<b>116,006</b>	<b>12,041</b>	<b>12,041</b>	<b>(711,854)</b>	<b>(364,883)</b>	<b>(1,234,140)</b>	<b>(1,786,002)</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	2,793,807	2,950,358	3,373,649	2,375,018	2,420,997	2,420,997	3,359,611	3,012,065	3,670,536	4,204,845
Application of cash and investments	409,287	222,363	569,452	196,146	200,958	200,958	511,485	223,456	100,500	29,815
<b>Balance - surplus (shortfall)</b>	<b>2,384,521</b>	<b>2,727,994</b>	<b>2,804,197</b>	<b>2,178,873</b>	<b>2,220,040</b>	<b>2,220,040</b>	<b>2,848,126</b>	<b>2,788,609</b>	<b>3,570,037</b>	<b>4,175,030</b>
<b>Asset management</b>										
Asset register summary (WDV)	2,032,530	2,097,228	2,245,857	1,826,505	1,825,355	1,825,355	2,320,861	2,499,204	2,773,372	-
Depreciation	69,409	63,881	70,060	81,050	81,050	81,050	86,650	91,153	96,166	-
Renewal and Upgrading of Existing Assets	86,471	67,836	60,963	81,248	91,948	91,948	69,207	81,704	89,429	-
Repairs and Maintenance	217,834	243,024	273,430	281,057	318,324	318,324	334,908	322,442	340,642	-
<b>Free services</b>										
Cost of Free Basic Services provided	19,404	34,278	54,699	63,500	63,500	63,500	70,100	74,510	78,788	-
Revenue cost of free services provided	101,509	105,967	90,455	103,870	103,870	103,870	104,310	110,906	117,887	-
<b>Households below minimum service level</b>										
Water:	6	6	6	6	6	6	6	6	6	-
Sanitation/sewerage:	5	5	5	5	5	5	5	5	5	-
Energy:	6	6	6	6	6	6	6	6	6	-
Refuse:	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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		<b>1,005,240</b>	<b>1,020,773</b>	<b>1,098,135</b>	<b>1,126,167</b>	<b>1,113,195</b>	<b>1,113,195</b>	<b>1,271,802</b>	<b>1,720,774</b>	<b>1,871,179</b>
Executive and council		431,480	419,084	480,231	470,256	453,970	453,970	580,455	983,159	1,092,721
Finance and administration		573,760	601,689	617,905	655,911	659,225	659,225	691,347	737,615	778,458
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>24,994</b>	<b>24,102</b>	<b>28,981</b>	<b>26,474</b>	<b>30,674</b>	<b>30,674</b>	<b>41,568</b>	<b>43,795</b>	<b>46,204</b>
Community and social services		10,359	10,785	11,158	11,348	12,048	12,048	11,782	12,489	13,176
Sport and recreation		2,624	1,131	1,889	1,905	1,905	1,905	2,265	2,401	2,533
Public safety		675	150	720	340	340	340	750	795	839
Housing		10,884	11,967	12,192	12,801	12,801	12,801	26,701	28,036	29,578
Health		453	69	3,023	80	3,580	3,580	70	74	78
<b>Economic and environmental services</b>		<b>22,283</b>	<b>17,700</b>	<b>28,997</b>	<b>16,015</b>	<b>37,465</b>	<b>37,465</b>	<b>16,520</b>	<b>16,846</b>	<b>17,774</b>
Planning and development		3,920	7,783	15,823	5,525	26,975	26,975	5,595	5,898	6,223
Road transport		18,363	9,917	13,174	10,490	10,490	10,490	10,925	10,948	11,551
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>1,119,627</b>	<b>1,106,680</b>	<b>1,212,755</b>	<b>1,444,171</b>	<b>1,439,111</b>	<b>1,439,111</b>	<b>1,594,737</b>	<b>1,746,038</b>	<b>1,912,104</b>
Energy sources		680,359	671,706	742,172	935,854	915,854	915,854	1,052,252	1,169,926	1,301,097
Water management		294,031	286,254	307,957	345,167	340,167	340,167	364,714	386,483	409,709
Waste water management		84,025	86,142	93,896	92,200	104,000	104,000	101,358	107,570	113,593
Waste management		61,211	62,577	68,729	70,950	79,090	79,090	76,413	82,058	87,705
<b>Other</b>	4	<b>8,309</b>	<b>7,644</b>	<b>9,946</b>	<b>8,720</b>	<b>8,720</b>	<b>8,720</b>	<b>9,210</b>	<b>9,696</b>	<b>10,229</b>
<b>Total Revenue - Functional</b>	2	<b>2,180,452</b>	<b>2,176,898</b>	<b>2,378,815</b>	<b>2,621,547</b>	<b>2,629,165</b>	<b>2,629,165</b>	<b>2,933,837</b>	<b>3,537,149</b>	<b>3,857,489</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>545,801</b>	<b>640,979</b>	<b>616,540</b>	<b>712,851</b>	<b>833,781</b>	<b>833,781</b>	<b>743,143</b>	<b>775,085</b>	<b>819,488</b>
Executive and council		318,151	400,365	374,197	428,654	544,754	544,754	442,301	461,567	488,553
Finance and administration		221,765	234,323	235,566	277,659	282,489	282,489	294,166	306,442	323,434
Internal audit		5,886	6,291	6,778	6,538	6,538	6,538	6,676	7,076	7,501
<b>Community and public safety</b>		<b>163,275</b>	<b>166,029</b>	<b>176,753</b>	<b>181,961</b>	<b>187,491</b>	<b>187,491</b>	<b>195,332</b>	<b>220,666</b>	<b>232,392</b>
Community and social services		38,327	40,133	42,959	43,119	43,819	43,819	49,529	55,679	58,285
Sport and recreation		48,493	47,702	53,032	53,283	53,913	53,913	56,350	66,155	69,794
Public safety		39,304	38,887	42,229	43,948	43,948	43,948	42,115	48,590	51,263
Housing		20,479	21,940	19,874	22,768	23,468	23,468	26,752	28,176	29,771
Health		16,672	17,367	18,659	18,842	22,342	22,342	20,586	22,066	23,279
<b>Economic and environmental services</b>		<b>118,038</b>	<b>123,036</b>	<b>124,668</b>	<b>141,936</b>	<b>147,329</b>	<b>147,329</b>	<b>175,751</b>	<b>173,943</b>	<b>182,892</b>
Planning and development		40,068	39,994	39,022	47,872	48,426	48,426	51,835	55,395	58,441
Road transport		77,332	82,378	84,946	93,326	98,165	98,165	123,016	117,594	123,444
Environmental protection		637	665	700	737	737	737	900	954	1,007
<b>Trading services</b>		<b>1,088,683</b>	<b>1,214,239</b>	<b>1,277,222</b>	<b>1,402,477</b>	<b>1,503,701</b>	<b>1,503,701</b>	<b>1,551,892</b>	<b>1,695,229</b>	<b>1,853,579</b>
Energy sources		698,314	749,833	786,085	915,683	979,283	979,283	1,031,152	1,146,079	1,274,421
Water management		265,093	314,140	326,816	322,469	352,072	352,072	341,800	358,326	376,704
Waste water management		69,878	91,753	92,343	93,375	101,396	101,396	102,527	108,766	114,750
Waste management		55,398	58,513	71,978	70,950	70,950	70,950	76,413	82,058	87,705
<b>Other</b>	4	<b>21,041</b>	<b>22,076</b>	<b>23,049</b>	<b>25,903</b>	<b>25,903</b>	<b>25,903</b>	<b>25,135</b>	<b>28,251</b>	<b>29,805</b>
<b>Total Expenditure - Functional</b>	3	<b>1,936,838</b>	<b>2,166,359</b>	<b>2,218,232</b>	<b>2,465,128</b>	<b>2,698,205</b>	<b>2,698,205</b>	<b>2,691,252</b>	<b>2,893,175</b>	<b>3,118,156</b>
<b>Surplus/(Deficit) for the year</b>		<b>243,615</b>	<b>10,539</b>	<b>160,582</b>	<b>156,419</b>	<b>(69,039)</b>	<b>(69,039)</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>

References

- Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
- Total Revenue by functional classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
- Total Expenditure by Functional Classification must reconcile to Total Operating Expenditure shown in Budgeted 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.

KOPI Sol Flight - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Current Year 2023					2023 Medium Term Revenue & Expenditure Forecast		
	2023 Actual	2023 Actual	2023 Actual	2023 Original Budget	2023 Adjusted Budget	2023 Full Year Forecast	2024 Budget	2025 Budget
<b>Revenue</b>								
<b>Revenue - Subtotal</b>								
Revenue from administration	1,082,240	1,082,240	1,082,240	1,082,240	1,082,240	1,082,240	1,082,240	1,082,240
Revenue from council	421,480	421,480	421,480	421,480	421,480	421,480	421,480	421,480
Mayor and Council	421,480	421,480	421,480	421,480	421,480	421,480	421,480	421,480
Municipal Manager - Town Secretary and Chief Executive	571,760	571,760	571,760	571,760	571,760	571,760	571,760	571,760
Administration and Corporate Support	134	134	134	134	134	134	134	134
Finance	671,586	671,586	671,586	671,586	671,586	671,586	671,586	671,586
Human Resources	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311
Information Technology	-	-	-	-	-	-	-	-
Legal Services	778	778	778	778	778	778	778	778
Marketing, Customer Relations, Publicity and Media Coordination	-	-	-	-	-	-	-	-
Property Services	-	-	-	-	-	-	-	-
Risk Management	-	-	-	-	-	-	-	-
Security Services	-	-	-	-	-	-	-	-
Supply Chain Management	-	-	-	-	-	-	-	-
Valuation Services	-	-	-	-	-	-	-	-
Internal audit	-	-	-	-	-	-	-	-
Governance Function	24,984	24,984	24,984	24,984	24,984	24,984	24,984	24,984
Community and public safety	93,339	93,339	93,339	93,339	93,339	93,339	93,339	93,339
Ageing Care	-	-	-	-	-	-	-	-
Animal Care and Welfare	-	-	-	-	-	-	-	-
Community, Social Partners and Charities	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324
Child Care Facilities	-	-	-	-	-	-	-	-
Community Health and Facilities	811	811	811	811	811	811	811	811
Consumer Protection	-	-	-	-	-	-	-	-
Cultural Matters	-	-	-	-	-	-	-	-
Disaster Management	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Indigenous and Customary Law	-	-	-	-	-	-	-	-
International Protection	-	-	-	-	-	-	-	-
Language Facility	-	-	-	-	-	-	-	-
Licenses and Approvals	8,023	8,023	8,023	8,023	8,023	8,023	8,023	8,023
Library Programmes	-	-	-	-	-	-	-	-
Marks and Art Galleries	-	-	-	-	-	-	-	-
Population Development	-	-	-	-	-	-	-	-
Physical Cultural Matters	-	-	-	-	-	-	-	-
Theatre	-	-	-	-	-	-	-	-
2023	2,054	2,054	2,054	2,054	2,054	2,054	2,054	2,054
Sport and recreation	-	-	-	-	-	-	-	-
Beaches, Racing, Gambling, Wagering	-	-	-	-	-	-	-	-
Community Clubs (Including Nominations)	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477
Recreational Facilities	167	167	167	167	167	167	167	167
Sports Grounds and Stadiums	-	-	-	-	-	-	-	-
Public safety	873	873	873	873	873	873	873	873
Child Welfare	-	-	-	-	-	-	-	-
Cleaning	-	-	-	-	-	-	-	-
Control of Public Nuisances	-	-	-	-	-	-	-	-
Fire Fighting and Prevention	33	33	33	33	33	33	33	33
Licensing and Control of Animals	33	33	33	33	33	33	33	33
Police Forces, Traffic and Street Parking Control	-	-	-	-	-	-	-	-
Plumbers	10,384	10,384	10,384	10,384	10,384	10,384	10,384	10,384
Health	10,384	10,384	10,384	10,384	10,384	10,384	10,384	10,384
Internal Settlements	-	-	-	-	-	-	-	-
Health Services	483	483	483	483	483	483	483	483
Laboratory Services	483	483	483	483	483	483	483	483
Health Control	-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable Diseases	-	-	-	-	-	-	-	-
Health Control	-	-	-	-	-	-	-	-
Chemical Safety	-	-	-	-	-	-	-	-
Revenue and environmental services	20,281	20,281	20,281	20,281	20,281	20,281	20,281	20,281
Planning and Environment	5,830	5,830	5,830	5,830	5,830	5,830	5,830	5,830
Corporate Risk Strategy Planning (CSP, LDD)	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032
General City Improvement Grants	-	-	-	-	-	-	-	-
Development Facilitation	-	-	-	-	-	-	-	-
Economic Development/Planning	-	-	-	-	-	-	-	-
Regional Planning and Development	2,388	2,388	2,388	2,388	2,388	2,388	2,388	2,388
Town Planning, Building Regulations and Enforcement, and City	-	-	-	-	-	-	-	-
Project Management Unit	-	-	-	-	-	-	-	-
Provisional Planning	-	-	-	-	-	-	-	-
Support for Local Municipalities	16,363	16,363	16,363	16,363	16,363	16,363	16,363	16,363
Road Transport	-	-	-	-	-	-	-	-
Public Transport	-	-	-	-	-	-	-	-
Road and Traffic Regulation	16,363	16,363	16,363	16,363	16,363	16,363	16,363	16,363
Roads	307	307	307	307	307	307	307	307
Taxi Ranks	-	-	-	-	-	-	-	-
Discretionary projects	-	-	-	-	-	-	-	-
Biodiversity and Landcare	-	-	-	-	-	-	-	-
Climate Protection	-	-	-	-	-	-	-	-
Indigenous Forests	-	-	-	-	-	-	-	-
Nature Conservation	-	-	-	-	-	-	-	-
Parkland Control	-	-	-	-	-	-	-	-
Soil Conservation	-	-	-	-	-	-	-	-
Trading services	1,178,822	1,178,822	1,178,822	1,178,822	1,178,822	1,178,822	1,178,822	1,178,822
Energy services	682,339	682,339	682,339	682,339	682,339	682,339	682,339	682,339
Electricity	682,339	682,339	682,339	682,339	682,339	682,339	682,339	682,339
Street Lighting and Signal Systems	-	-	-	-	-	-	-	-
Non-ferrous Energy	264,201	264,201	264,201	264,201	264,201	264,201	264,201	264,201
Water management	264,201	264,201	264,201	264,201	264,201	264,201	264,201	264,201
Water Treatment	-	-	-	-	-	-	-	-
Water Distribution	264,201	264,201	264,201	264,201	264,201	264,201	264,201	264,201
Water Storage	84,025	84,025	84,025	84,025	84,025	84,025	84,025	84,025
Water and wastewater	84,025	84,025	84,025	84,025	84,025	84,025	84,025	84,025
Public Tiers	-	-	-	-	-	-	-	-
Storm Water Management	-	-	-	-	-	-	-	-
Wastewater Treatment	-	-	-	-	-	-	-	-
Water management	84,025	84,025	84,025	84,025	84,025	84,025	84,025	84,025
Recycling	84,025	84,025	84,025	84,025	84,025	84,025	84,025	84,025
Solid Waste (Including Landfill Sites)	84,025	84,025	84,025	84,025	84,025	84,025	84,025	84,025
Solid Waste Removal	84,025	84,025	84,025	84,025	84,025	84,025	84,025	84,025
Street Cleaning	-	-	-	-	-	-	-	-
Other	5,389	5,389	5,389	5,389	5,389	5,389	5,389	5,389
Air Transport	-	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-	-
Licensing and Regulation	5,389	5,389	5,389	5,389	5,389	5,389	5,389	5,389
Marine	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-
2023	1,178,822	1,178,822	1,178,822	1,178,822	1,178,822	1,178,822	1,178,822	1,178,822
<b>Revenue - Forecast</b>								
Revenue from administration	1,082,240	1,082,240	1,082,240	1,082,240	1,082,240	1,082,240	1,082,240	1,082,240
Revenue from council	421,480	421,480	421,480	421,480	421,480	421,480	421,480	421,480
Mayor and Council	421,480	421,480	421,480	421,480	421,480	421,480	421,480	421,480
Municipal Manager - Town Secretary and Chief Executive	571,760	571,760	571,760	571,760	571,760	571,760	571,760	571,760
Administration and Corporate Support	134	134	134	134	134	134	134	134
Finance	671,586	671,586	671,586	671,586	671,586	671,586	671,586	671,586
Human Resources	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311
Information Technology	-	-	-	-	-	-	-	-
Legal Services	778	778	778	778	778	778	778	778
Marketing, Customer Relations, Publicity and Media Coordination	-	-	-	-	-	-	-	-
Property Services	-	-	-	-	-	-	-	-
Risk Management	-	-	-	-	-	-	-	-
Security Services	-	-	-	-	-	-	-	-
Supply Chain Management	-	-	-	-	-	-	-	-
Valuation Services	-	-	-	-	-	-	-	-
Internal audit	-	-	-	-	-	-	-	-
Governance Function	24,984	24,984	24,984	24,984	24,984	24,984	24,984	24,984
Community and public safety	93,339	93,339	93,339	93,339	93,339	93,339	93,339	93,339
Ageing Care	-	-	-	-	-	-	-	-
Animal Care and Welfare	-	-	-	-	-	-	-	-
Community, Social Partners and Charities	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324
Child Care Facilities	-	-	-	-	-	-	-	-
Community Health and Facilities	811	811	811	811	811	811	811	811
Consumer Protection	-	-	-	-	-	-	-	-
Cultural Matters	-	-	-	-	-	-	-	-
Disaster Management	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Indigenous and Customary Law	-	-	-	-	-	-	-	-
International Protection	-	-	-	-	-	-	-	-
Language Facility	-	-	-	-	-	-	-	-
Licenses and Approvals	8,023	8,023	8,023	8,023	8,023	8,023	8,023	8,023
Library Programmes	-	-	-	-	-	-	-	-
Marks and Art Galleries	-	-	-	-	-	-	-	-
Population Development	-	-	-	-	-	-	-	-
Physical Cultural Matters	-	-	-	-	-	-	-	-
Theatre	-	-	-	-	-	-	-	-
2023	2,054	2,054	2,054	2,054	2,054	2,054	2,054	2,054
Sport and recreation	-	-	-	-	-	-	-	-
Beaches, Racing, Gambling, Wagering	-	-	-	-	-	-	-	-

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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		431,480	419,084	480,231	470,256	453,970	453,970	580,455	983,159	1,092,721
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		1,415	6,247	6,869	6,873	6,873	6,873	6,961	7,048	7,132
Vote 05 - Community Services		99,474	90,521	106,478	101,913	114,253	114,253	109,495	116,443	123,981
Vote 06 - Financial Services		571,568	594,906	610,429	648,238	651,552	651,552	683,585	729,727	770,440
Vote 07 - Strategy Econ Development And Planning		6,910	9,357	17,626	7,945	29,395	29,395	8,015	8,440	8,904
Vote 08 - Infrastructure And Services		1,069,606	1,056,784	1,157,181	1,386,322	1,373,122	1,373,122	1,545,325	1,692,332	1,854,312
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>2,180,452</b>	<b>2,176,898</b>	<b>2,378,815</b>	<b>2,621,547</b>	<b>2,629,165</b>	<b>2,629,165</b>	<b>2,933,837</b>	<b>3,537,149</b>	<b>3,857,489</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 01 - Executive & Council		52,931	53,090	53,270	58,915	58,915	58,915	59,173	62,250	65,674
Vote 02 - Municipal And General		253,782	335,678	309,950	357,885	473,985	473,985	369,468	384,480	407,227
Vote 03 - Municipal Manager		21,336	22,272	20,618	23,528	23,998	23,998	26,161	28,059	29,638
Vote 04 - Corporate Services		64,204	63,012	64,274	74,419	74,419	74,419	88,959	80,556	84,683
Vote 05 - Community Services		250,522	259,526	286,713	297,675	302,505	302,505	312,712	351,783	371,809
Vote 06 - Financial Services		117,561	126,380	126,129	157,404	158,434	158,434	156,155	173,983	183,596
Vote 07 - Strategy Econ Development And Planning		52,401	53,419	54,596	61,468	65,352	65,352	63,287	67,477	71,188
Vote 08 - Infrastructure And Services		1,124,100	1,252,983	1,302,682	1,433,833	1,540,596	1,540,596	1,615,337	1,744,587	1,904,343
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>1,936,838</b>	<b>2,166,359</b>	<b>2,218,232</b>	<b>2,465,128</b>	<b>2,698,205</b>	<b>2,698,205</b>	<b>2,691,252</b>	<b>2,893,175</b>	<b>3,118,156</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>243,615</b>	<b>10,539</b>	<b>160,582</b>	<b>156,419</b>	<b>(69,039)</b>	<b>(69,039)</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue by Vote</b>	1									
<b>Vote 01 - Executive &amp; Council</b>										
01.1 - Councillor's Expenses										
01.2 - Executive Mayor Admin										
01.3 - Speakers Office Admin										
<b>Vote 02 - Municipal And General</b>		431,480	419,084	480,231	470,256	453,970	453,970	580,455	983,159	1,092,721
02.1 - Municipal And General		431,480	417,436	480,231	469,456	453,170	453,170	579,655	982,279	1,091,788
02.2 - Mun : Insurance Fund - Short Term			1,648		800	800	800	800	880	933
02.3 - Mun : Workmen's Compensation Fund										
<b>Vote 03 - Municipal Manager</b>										
03.1 - Municipal Manager - Admin										
03.2 - Internal Investigations										
03.3 - Internal Audit										
03.4 - Idp Unit										
03.5 - Project Management Unit - Pmu										
<b>Vote 04 - Corporate Services</b>		1,415	6,247	6,869	6,873	6,873	6,873	6,961	7,048	7,132
04.1 - Corporate Services - Admin										
04.2 - Office Services And Archives		104	69	56	73	73	73	61	64	66
04.3 - H R - Management										
04.4 - H R - Recruitment And Benefits										
04.5 - H R - Training And Development		1,311	1,517	1,912	1,300	1,300	1,300	1,400	1,484	1,566
04.6 - H R - Local Authority Training			4,661	4,901	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										
<b>Vote 05 - Community Services</b>		99,474	90,521	106,478	101,913	114,253	114,253	109,495	116,443	123,981
05.1 - Community Services - Admin										
05.2 - Emergency Services		635	138	674	300	300	300	700	742	783
05.3 - Biodiversity And Landscape										
05.4 - Libraries		8,023	7,891	8,427	7,963	8,663	8,663	8,462	8,970	9,463
05.5 - Road Traffic Regulations		18,055	9,202	12,210	10,190	10,190	10,190	10,625	10,631	11,216
05.6 - Vehicle Licensing And Testing		6,097	6,606	8,750	7,100	7,100	7,100	7,590	7,994	8,434
05.7 - Vehicle Licensing And Testing										
05.8 - Community Parks										
05.9 - Sport Grounds And Stadiums		147	96	423	140	140	140	450	477	503
05.10 - Community Halls And Facilities		811	200	370	485	485	485	420	445	470
05.11 - Swimming Pools		326	212	217	350	350	350	350	371	391
05.12 - Cemeteries		1,524	2,693	2,361	2,900	2,900	2,900	2,900	3,074	3,243
05.13 - Resorts And Camping Sites Inside Spm		879	143	405	365	365	365	445	472	498
05.14 - Resorts And Camping Sites Outside Spm		596	450	690	550	550	550	720	763	805
05.15 - Resort Transka		676	230	154	500	500	500	300	318	336
05.16 - Health - Admin										
05.17 - Health - Clinics										
05.18 - Health - Inspections		453	69	3,023	80	3,580	3,580	70	74	78
05.19 - Health - Commonage And Pound		39	13	46	40	40	40	50	53	56
05.20 - Refuse - Pollution Control/Collection		61,211	62,577	68,729	70,950	79,090	79,090	76,413	82,058	87,705
05.21 - Refuse - Landfill Sites										
05.22 - Refuse - Maintenance										
<b>Vote 06 - Financial Services</b>		571,568	594,906	610,429	648,238	651,552	651,552	683,585	729,727	770,440
06.1 - Financial Services Admin										
06.2 - Financial Management Grant			1,700	1,650	1,700	1,700	1,700	1,700	1,700	1,838
06.3 - Asset And Risk										
06.4 - Budget And Financial Reporting										
06.5 - Budget And Financial Reporting		669	503	(59)	300	300	300	100	100	100
06.6 - Expenditure Creditors/Payroll		996	1,023	631	1,061	1,061	1,061	861	908	958
06.7 - Information Technology										
06.8 - Billing Finance		555,550	571,099	599,943	627,676	610,104	610,104	660,923	706,973	746,395
06.9 - Property Rates And Valuations										
06.10 - Real Estate & Property Management				4,331		12,886	12,886			
06.11 - Debt Collection		14,352	20,581	3,933	17,501	25,501	25,501	20,001	20,046	21,148
06.12 - Supply Chain Management										
<b>Vote 07 - Strategy Econ Development And Planning</b>		6,910	9,357	17,626	7,945	29,395	29,395	8,015	8,440	8,904
07.1 - Sedp Admin										
07.2 - Tourism		121	82	93	120	120	120	120	127	134
07.3 - Properties Services		778	536	607	800	800	800	800	840	886
07.4 - Economic Development And Planning		1,032	3,587	14,973	810	19,660	19,660	830	879	927
07.5 - Town Planning		1,258	1,080	1,223	1,500	1,500	1,500	1,500	1,575	1,662
07.6 - Building Inspectorate		1,630	3,116	(373)	3,215	5,815	5,815	3,265	3,445	3,634
07.7 - Properties Maintenance										
07.8 - Markets And Street Trading		2,091	956	1,104	1,500	1,500	1,500	1,500	1,575	1,662
07.9 - Urban Renewal Program										
<b>Vote 08 - Infrastructure And Services</b>		1,069,606	1,056,784	1,157,181	1,386,322	1,373,122	1,373,122	1,545,325	1,692,332	1,854,312
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		307	715	964	300	300	300	300	317	335
08.8 - Housing - Admin		10,884	11,967	12,192	12,801	12,801	12,801	26,701	28,036	29,578
08.9 - Housing - Maintenance										
08.10 - Sewerage - Retention		84,025	86,142	93,896	92,200	104,000	104,000	101,358	107,570	113,593
08.11 - Sewerage - Treatment										
08.12 - Sewerage - Maintenance										
08.13 - Water - Treatment										
08.14 - Water - Distribution		294,031	286,254	307,957	345,167	340,167	340,167	364,714	386,483	409,709
08.15 - Water - Maintenance										
08.16 - Electricity - Admin		680,359	671,706	742,172	935,854	915,854	915,854	1,052,252	1,169,926	1,301,097
08.17 - Electricity - Maintenance										
08.18 - Electricity - Streetlights Maintenance										
<b>Vote 09 -</b>										
<b>Vote 10 -</b>										
<b>Vote 11 -</b>										
<b>Vote 12 -</b>										
<b>Vote 13 -</b>										
<b>Vote 14 -</b>										
<b>Vote 15 - Other</b>										
<b>Total Revenue by Vote</b>	2	2,180,452	2,176,898	2,378,815	2,621,547	2,629,165	2,629,165	2,933,837	3,537,149	3,857,489
<b>Expenditure by Vote</b>	1									
<b>Vote 01 - Executive &amp; Council</b>		52,931	53,090	53,270	58,915	58,915	58,915	59,173	62,250	65,674
01.1 - Councillor's Expenses		30,367	30,260	30,737	34,547	34,547	34,547	35,559	37,337	39,390
01.2 - Executive Mayor Admin		11,228	11,250	12,416	12,125	12,125	12,125	14,475	15,271	16,111
01.3 - Speakers Office Admin		11,336	11,580	10,118	12,242	12,242	12,242	9,139	9,642	10,172
<b>Vote 02 - Municipal And General</b>		253,782	335,678	309,950	357,885	473,985	473,985	369,468	384,480	407,227
02.1 - Municipal And General		246,401	340,045	309,848	357,085	472,885	472,885	368,668	383,600	406,294

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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
02.2 - Mun : Insurance Fund - Short Term		7,727	(3,056)	388	800	800	800	800	880	933
02.3 - Mun : Workmen's Compensation Fund		(346)	(1,311)	(286)	-	300	300	-	-	-
<b>Vote 03 - Municipal Manager</b>		<b>21,336</b>	<b>22,272</b>	<b>20,618</b>	<b>23,528</b>	<b>23,998</b>	<b>23,998</b>	<b>26,161</b>	<b>28,059</b>	<b>29,638</b>
03.1 - Municipal Manager - Admin		11,437	11,597	10,976	11,854	11,854	11,854	13,660	14,836	15,652
03.2 - Internal Investigations		1,256	1,248	1,248	1,355	1,355	1,355	1,419	1,497	1,579
03.3 - Internal Audit		5,886	6,291	6,778	6,538	6,538	6,538	6,676	7,076	7,501
03.4 - Idp Unit		575	848	841	1,932	2,402	2,402	2,357	2,487	2,624
03.5 - Project Management Unit - Pmu		2,182	2,287	774	1,849	1,849	1,849	2,050	2,163	2,282
<b>Vote 04 - Corporate Services</b>		<b>64,204</b>	<b>63,012</b>	<b>64,274</b>	<b>74,419</b>	<b>74,419</b>	<b>74,419</b>	<b>88,959</b>	<b>80,556</b>	<b>84,683</b>
04.1 - Corporate Services - Admin		9,173	10,195	8,900	10,321	10,321	10,321	9,611	10,186	10,746
04.2 - Office Services And Archives		7,919	7,347	6,241	8,150	8,150	8,150	6,937	8,455	8,920
04.3 - H R - Management		10,248	10,360	11,047	13,670	13,670	13,670	13,145	13,933	14,700
04.4 - H R - Recruitment And Benefits		1,828	1,878	2,048	2,375	2,375	2,375	2,663	2,822	2,978
04.5 - H R - Training And Development		2,449	1,734	2,302	3,685	3,685	3,685	18,403	4,106	4,331
04.6 - H R - Local Authority Training		4,694	4,672	4,920	5,500	5,500	5,500	5,500	5,500	5,500
04.7 - Publicity And Media Coordination		3,524	3,462	3,709	4,330	4,330	4,330	4,613	4,890	5,158
04.8 - Risk Management		2,235	2,323	2,481	2,609	2,609	2,609	2,733	2,897	3,057
04.9 - Security And Protection		22,135	21,040	22,626	23,779	23,779	23,779	25,353	27,766	29,293
<b>Vote 05 - Community Services</b>		<b>250,522</b>	<b>259,526</b>	<b>286,713</b>	<b>297,675</b>	<b>302,505</b>	<b>302,505</b>	<b>312,712</b>	<b>351,783</b>	<b>371,809</b>
05.1 - Community Services - Admin		3,900	4,013	3,226	3,664	3,664	3,664	5,623	5,961	6,289
05.2 - Emergency Services		37,958	37,451	40,933	42,361	42,361	42,361	40,458	46,835	49,411
05.3 - Biodiversity And Landscape		637	665	700	737	737	737	900	954	1,007
05.4 - Libraries		14,164	14,673	16,047	17,111	17,111	17,111	19,627	23,689	24,536
05.5 - Road Traffic Regulations		36,069	39,833	41,214	47,720	47,720	47,720	46,527	53,109	56,030
05.6 - Vehicle Licensing And Testing		11,722	12,413	12,715	15,412	15,412	15,412	14,670	17,210	18,157
05.7 - Vehicle Licensing And Testing		-	-	-	-	-	-	-	-	-
05.8 - Community Parks		22,867	22,531	25,777	25,538	25,538	25,538	26,712	32,700	34,498
05.9 - Sport Grounds And Stadiums		4,955	5,173	5,723	7,290	7,290	7,290	6,727	8,426	8,890
05.10 - Community Halls And Facilities		4,908	5,129	4,732	4,037	4,037	4,037	5,243	5,558	5,863
05.11 - Swimming Pools		4,771	4,599	4,916	5,634	5,634	5,634	5,161	6,476	6,833
05.12 - Cemeteries		19,254	20,331	22,180	21,971	21,971	21,971	24,658	26,432	27,885
05.13 - Resorts And Camping Sites Inside Spm		8,469	7,797	7,988	7,128	7,758	7,758	8,077	8,300	8,757
05.14 - Resorts And Camping Sites Outside Spm		4,911	5,130	5,769	5,012	5,012	5,012	5,864	6,216	6,558
05.15 - Resort Transka		2,521	2,472	2,859	2,681	2,681	2,681	3,808	4,037	4,259
05.16 - Health - Admin		2,989	3,245	3,356	3,517	3,517	3,517	3,458	3,910	4,125
05.17 - Health - Clinics		5,453	4,980	5,220	5,310	5,310	5,310	5,394	5,717	6,032
05.18 - Health - Inspections		8,230	9,142	10,083	10,015	13,515	13,515	11,734	12,439	13,123
05.19 - Health - Commonage And Pound		1,346	1,436	1,296	1,588	1,588	1,588	1,656	1,755	1,852
05.20 - Refuse - Pollution Control/Collection		40,826	42,986	52,079	48,363	48,663	48,663	52,797	57,045	61,215
05.21 - Refuse - Landfill Sites		3,353	1,815	2,625	4,931	4,631	4,631	4,533	4,786	5,049
05.22 - Refuse - Maintenance		11,220	13,713	17,274	17,657	17,657	17,657	19,082	20,227	21,441
<b>Vote 06 - Financial Services</b>		<b>117,561</b>	<b>126,380</b>	<b>126,129</b>	<b>157,404</b>	<b>158,434</b>	<b>158,434</b>	<b>156,155</b>	<b>173,983</b>	<b>183,596</b>
06.1 - Financial Services Admin		4,061	4,495	3,974	3,699	3,699	3,699	4,235	4,468	4,714
06.2 - Financial Management Grant		1,620	1,666	1,650	1,700	1,700	1,700	1,700	1,700	1,838
06.3 - Asset And Risk		5,960	6,386	7,044	8,403	8,403	8,403	6,809	9,280	9,790
06.4 - Budget And Financial Reporting		-	-	-	-	-	-	-	-	-
06.5 - Budget And Financial Reporting		10,388	10,530	12,834	20,540	20,540	20,540	18,586	22,647	23,892
06.6 - Expenditure Creditors/Payroll		8,024	8,251	8,624	11,751	11,751	11,751	11,408	12,739	13,440
06.7 - Information Technology		11,478	17,017	10,869	16,587	17,407	17,407	16,724	17,644	18,615
06.8 - Billing Finance		38,252	39,622	41,700	44,840	44,840	44,840	47,792	50,421	53,194
06.9 - Property Rates And Valuations		8,606	8,875	9,403	11,243	11,453	11,453	11,478	12,530	13,220
06.10 - Real Estate & Property Management		-	-	-	-	-	-	-	-	-
06.11 - Debt Collection		16,200	16,264	16,975	21,661	21,661	21,661	19,807	23,970	25,288
06.12 - Supply Chain Management		12,973	13,274	13,057	16,977	16,977	16,977	17,615	18,584	19,606
<b>Vote 07 - Strategy Econ Development And Planning</b>		<b>52,401</b>	<b>53,419</b>	<b>54,596</b>	<b>61,468</b>	<b>65,352</b>	<b>65,352</b>	<b>63,287</b>	<b>67,477</b>	<b>71,188</b>
07.1 - Sedp Admin		2,740	2,682	2,713	3,145	3,145	3,145	3,242	3,421	3,609
07.2 - Tourism		3,451	3,470	3,861	4,306	4,306	4,306	4,392	4,633	4,888
07.3 - Properties Services		2,476	2,668	2,800	2,964	2,964	2,964	3,111	3,282	3,463
07.4 - Economic Development And Planning		7,951	8,759	8,740	8,179	8,263	8,263	9,854	10,396	10,968
07.5 - Town Planning		12,625	12,487	12,647	14,604	14,604	14,604	14,443	15,947	16,823
07.6 - Building Inspectorate		2,424	1,996	2,096	4,557	4,557	4,557	4,629	4,884	5,153
07.7 - Properties Maintenance		11,879	12,232	11,965	14,074	17,874	17,874	13,977	14,746	15,557
07.8 - Markets And Street Trading		5,868	6,194	6,473	6,185	6,185	6,185	6,073	6,407	6,760
07.9 - Urban Renewal Program		2,986	2,932	3,302	3,454	3,454	3,454	3,564	3,761	3,967
<b>Vote 08 - Infrastructure And Services</b>		<b>1,124,100</b>	<b>1,252,983</b>	<b>1,302,682</b>	<b>1,433,833</b>	<b>1,540,596</b>	<b>1,540,596</b>	<b>1,615,337</b>	<b>1,744,587</b>	<b>1,904,343</b>
08.1 - Infrastructure Admin		2,712	3,109	3,034	3,297	3,297	3,297	4,087	4,311	4,548
08.2 - Ce - Water And Sanitation		5,873	4,893	4,875	6,856	6,856	6,856	7,607	8,025	8,467
08.3 - Public Toilets		1,889	4,888	2,153	2,405	2,405	2,405	2,494	2,631	2,776
08.4 - Mechanical Workshops		19,620	20,634	20,987	23,780	23,930	23,930	24,923	26,419	28,268
08.5 - Fleet		868	4,136	4,937	-	(150)	(150)	-	0	0
08.6 - Roads Planning And Design		3,268	3,370	4,299	6,931	6,911	6,911	7,329	7,732	8,157
08.7 - Road Construction And Maintenance		37,995	39,175	39,432	38,675	43,534	43,534	69,160	56,753	59,258
08.8 - Housing - Admin		14,941	15,983	13,495	16,012	16,212	16,212	18,125	19,031	20,077
08.9 - Housing - Maintenance		5,538	5,957	6,379	6,756	7,256	7,256	8,628	9,146	9,694
08.10 - Sewerage - Reticulation		4,744	17,749	10,524	13,023	13,023	13,023	14,854	16,272	17,168
08.11 - Sewerage - Treatment		39,493	38,268	40,339	41,522	41,552	41,552	43,561	45,957	48,485
08.12 - Sewerage - Maintenance		23,753	30,848	39,327	36,425	44,416	44,416	41,618	43,906	46,321
08.13 - Water - Treatment		51,961	61,956	68,946	67,836	76,236	76,236	80,168	84,074	88,176
08.14 - Water - Distribution		171,135	203,828	193,545	199,647	201,555	201,555	199,812	208,722	219,067
08.15 - Water - Maintenance		41,997	48,356	64,325	54,986	74,281	74,281	61,820	65,530	69,461
08.16 - Electricity - Admin		646,785	691,063	727,172	848,995	907,395	907,395	945,366	1,070,874	1,194,855
08.17 - Electricity - Maintenance		43,570	51,280	50,057	58,077	63,277	63,277	76,637	65,415	69,090
08.18 - Electricity - Streetlights Maintenance		7,959	7,490	8,856	8,610	8,610	8,610	9,150	9,791	10,476
<b>Vote 09 -</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Vote 10 -</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Vote 11 -</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Vote 12 -</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Vote 13 -</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Vote 14 -</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Vote 15 - Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure by Vote</b>	2	<b>1,936,838</b>	<b>2,166,359</b>	<b>2,218,232</b>	<b>2,465,128</b>	<b>2,698,205</b>	<b>2,698,205</b>	<b>2,691,252</b>	<b>2,893,175</b>	<b>3,118,156</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>243,615</b>	<b>10,539</b>	<b>160,582</b>	<b>156,419</b>	<b>(69,039)</b>	<b>(69,039)</b>	<b>242,584&lt;/</b>		

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	664,828	659,307	726,941	919,854	899,854	899,854	509,640	1,034,872	1,151,590	1,281,753
Service charges - Water	2	258,618	259,156	271,961	310,717	305,717	305,717	191,362	327,114	346,815	367,859
Service charges - Waste Water Management	2	73,119	78,186	81,934	81,700	93,500	93,500	62,089	89,858	95,380	100,732
Service charges - Waste Management	2	52,564	56,401	59,094	60,940	69,080	69,080	45,810	65,412	70,452	75,461
Sale of Goods and Rendering of Services		13,721	12,227	10,563	14,601	17,201	17,201	13,259	15,579	16,462	17,367
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		145,492	105,983	131,160	156,500	156,500	156,500	125,544	168,880	160,953	158,048
Interest earned from Current and Non Current Assets		5,503	2,835	3,124	6,000	6,000	6,000	2,820	7,000	12,000	15,000
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		11,427	12,018	16,755	13,010	25,896	25,896	17,114	26,930	28,278	29,833
Licence and permits		910	1,136	1,077	1,200	1,200	1,200	764	1,200	1,260	1,329
Operational Revenue		4,387	5,128	3,954	3,544	3,544	3,544	2,381	3,134	3,333	3,514
<b>Non-Exchange Revenue</b>											
Property rates	2	555,073	571,075	599,898	627,646	610,074	610,074	450,080	660,893	706,943	746,365
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		31,614	29,477	15,405	27,730	35,730	35,730	27,744	30,660	30,714	32,403
Licences or permits		4,953	5,247	7,455	5,650	5,650	5,650	5,928	6,150	6,480	6,836
Transfer and subsidies - Operational		214,815	260,426	235,986	258,117	266,031	266,031	238,403	281,921	302,302	328,343
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	5,860	-	-	-	1,657	-	-	-
Gains on disposal of Assets		416	5,727	1,134	-	-	-	2,634	-	-	-
Other Gains		2	9	5,996	-	-	-	90	-	-	-
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and contri</b>		<b>2,037,442</b>	<b>2,064,336</b>	<b>2,178,297</b>	<b>2,487,209</b>	<b>2,495,977</b>	<b>2,495,977</b>	<b>1,697,321</b>	<b>2,719,604</b>	<b>2,932,962</b>	<b>3,164,843</b>
<b>Expenditure</b>											
Employee related costs	2	652,922	726,219	772,777	849,403	849,970	849,970	587,037	881,637	963,475	1,016,709
Remuneration of councillors		30,367	30,260	30,737	34,547	34,547	34,547	24,070	35,559	37,337	39,390
Bulk purchases - electricity	2	515,937	540,953	551,452	682,000	682,000	682,000	408,868	785,000	901,600	1,016,103
Inventory consumed	8	48,468	53,848	101,321	236,627	266,272	266,272	98,879	305,900	271,555	285,224
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		69,409	63,881	70,060	81,050	81,050	81,050	-	86,650	91,153	96,166
Interest		30,582	36,467	64,720	38,960	117,360	117,360	65,906	19,495	17,872	16,050
Contracted services		38,346	40,651	38,163	46,437	54,181	54,181	19,731	48,113	50,948	57,799
Transfers and subsidies		2,733	2,528	2,546	4,460	4,460	4,460	2,507	4,560	4,570	4,679
Irrecoverable debts written off		232,991	344,346	267,518	297,000	397,000	397,000	297,754	317,500	336,730	356,180
Operational costs		100,987	102,187	110,302	134,643	135,719	135,719	108,332	145,639	153,369	161,738
Losses on disposal of Assets		41	-	-	-	-	-	-	-	-	-
Other Losses		529	467	76,681	60,000	75,640	75,640	48,410	61,200	64,566	68,117
<b>Total Expenditure</b>		<b>1,723,311</b>	<b>1,941,807</b>	<b>2,086,279</b>	<b>2,465,128</b>	<b>2,698,200</b>	<b>2,698,200</b>	<b>1,661,496</b>	<b>2,691,252</b>	<b>2,893,175</b>	<b>3,118,156</b>
<b>Surplus/(Deficit)</b>		<b>314,131</b>	<b>122,529</b>	<b>92,018</b>	<b>22,081</b>	<b>(202,222)</b>	<b>(202,222)</b>	<b>35,825</b>	<b>28,351</b>	<b>39,787</b>	<b>46,687</b>
Transfers and subsidies - capital (monetary)	6	143,011	112,562	123,667	134,338	133,188	133,188	37,122	214,233	604,187	692,646
Transfers and subsidies - capital (in-kind)	6	-	-	76,850	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>457,141</b>	<b>235,091</b>	<b>292,536</b>	<b>156,419</b>	<b>(69,034)</b>	<b>(69,034)</b>	<b>72,947</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>457,141</b>	<b>235,091</b>	<b>292,536</b>	<b>156,419</b>	<b>(69,034)</b>	<b>(69,034)</b>	<b>72,947</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>457,141</b>	<b>235,091</b>	<b>292,536</b>	<b>156,419</b>	<b>(69,034)</b>	<b>(69,034)</b>	<b>72,947</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>457,141</b>	<b>235,091</b>	<b>292,536</b>	<b>156,419</b>	<b>(69,034)</b>	<b>(69,034)</b>	<b>72,947</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		90,408	48,413	7,197	40,405	16,705	16,705	10,165	12,000	24,733	37,000
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	4,034
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	3,126	18,239	8,300	27,150	27,150	2,895	10,000	8,783	5,217
Vote 08 - Infrastructure And Services		18,392	64,887	88,488	79,038	99,738	99,738	37,604	167,947	585,567	643,395
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	<b>108,800</b>	<b>116,426</b>	<b>113,924</b>	<b>127,743</b>	<b>143,593</b>	<b>143,593</b>	<b>50,664</b>	<b>189,947</b>	<b>619,083</b>	<b>689,646</b>
<b>Single-year expenditure to be appropriated</b>	2										
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		3,887	1,763	4,041	13,300	13,300	13,300	16	7,500	7,500	7,500
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		24,330	1,312	9,116	49,000	32,000	32,000	5,085	52,026	26,700	31,000
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>28,218</b>	<b>3,075</b>	<b>13,157</b>	<b>62,300</b>	<b>45,300</b>	<b>45,300</b>	<b>5,101</b>	<b>59,526</b>	<b>34,200</b>	<b>38,500</b>
<b>Total Capital Expenditure - Vote</b>		<b>137,018</b>	<b>119,502</b>	<b>127,081</b>	<b>190,043</b>	<b>188,893</b>	<b>188,893</b>	<b>55,766</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>94,295</b>	<b>50,177</b>	<b>11,238</b>	<b>53,705</b>	<b>30,005</b>	<b>30,005</b>	<b>10,181</b>	<b>19,500</b>	<b>32,233</b>	<b>44,500</b>
Executive and council		94,295	50,177	11,238	53,705	30,005	30,005	10,181	19,500	32,233	44,500
Finance and administration		-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	<b>4,034</b>
Community and social services		-	-	-	-	-	-	-	-	-	4,034
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	<b>3,126</b>	<b>52,457</b>	<b>35,300</b>	<b>64,850</b>	<b>64,850</b>	<b>28,836</b>	<b>50,000</b>	<b>48,783</b>	<b>45,217</b>
Planning and development		-	3,126	18,239	8,300	27,150	27,150	2,895	10,000	8,783	5,217
Road transport		-	-	34,218	27,000	37,700	37,700	25,941	40,000	40,000	40,000
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>42,723</b>	<b>66,199</b>	<b>63,386</b>	<b>101,038</b>	<b>94,038</b>	<b>94,038</b>	<b>16,748</b>	<b>179,973</b>	<b>572,267</b>	<b>634,395</b>
Energy sources		12,108	16,469	34,548	46,000	39,000	39,000	11,272	54,026	24,700	28,000
Water management		7,058	1,312	624	13,000	13,000	13,000	-	125,947	529,000	587,000
Waste water management		23,556	48,418	28,214	42,038	42,038	42,038	5,476	-	18,567	19,395
Waste management		-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	<b>137,018</b>	<b>119,502</b>	<b>127,081</b>	<b>190,043</b>	<b>188,893</b>	<b>188,893</b>	<b>55,766</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</b>
<b>Funded by:</b>											
National Government		126,994	101,832	95,428	134,338	114,338	114,338	37,154	214,233	604,187	692,646
Provincial Government		-	-	3,500	-	-	-	-	-	-	-
District Municipality		-	2,483	13,891	-	18,850	18,850	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>126,994</b>	<b>104,315</b>	<b>112,818</b>	<b>134,338</b>	<b>133,188</b>	<b>133,188</b>	<b>37,154</b>	<b>214,233</b>	<b>604,187</b>	<b>692,646</b>
<b>Borrowing</b>	6										
Internally generated funds		10,023	15,186	14,263	55,705	55,705	55,705	18,611	35,240	49,096	35,500
<b>Total Capital Funding</b>	7	<b>137,018</b>	<b>119,502</b>	<b>127,081</b>	<b>190,043</b>	<b>188,893</b>	<b>188,893</b>	<b>55,766</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</b>

**References**

- 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).
- Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
- Capital expenditure by functional classification must reconcile to the appropriations by vote
- Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
- Total Capital Funding must balance with Total Capital Expenditure
- Include any capitalised interest (MFMA section 46) as part of relevant capital budget



NC091 Sol Plaatje - Table A6 Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents		96,534	43,008	197,591	(1,939)	64,040	64,040	121,923	183,206	357,842	680,624
Trade and other receivables from exchange transactions	1	888,666	1,041,589	1,172,616	581,555	581,555	581,555	1,181,281	502,944	406,499	270,107
Receivables from non-exchange transactions	1	800,779	708,602	851,850	1,905,935	1,839,956	1,839,956	920,465	2,172,289	2,234,578	2,234,005
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	35,583	39,323	49,454	49,454	49,454	49,454	78,049	27,461	4,218	(20,407)
VAT		198	(19,208)	111,744	176,909	176,909	176,909	127,395	222,965	268,656	467,483
Other current assets		243	(27)	126	(736)	(736)	(736)	20	-	-	-
<b>Total current assets</b>		<b>1,822,003</b>	<b>1,813,288</b>	<b>2,383,380</b>	<b>2,711,177</b>	<b>2,711,177</b>	<b>2,711,177</b>	<b>2,429,134</b>	<b>3,108,865</b>	<b>3,271,793</b>	<b>3,631,812</b>
<b>Non current assets</b>											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		208,530	207,620	#####	208,312	208,312	208,312	211,907	226,856	228,729	229,840
Property, plant and equipment	3	1,808,607	1,865,761	2,003,442	1,795,402	1,775,402	1,775,402	2,056,407	2,325,914	2,906,195	3,254,114
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		12,071	12,071	12,071	9,926	9,926	9,926	12,071	12,071	12,071	12,071
Intangible assets		2,508	10,339	21,238	2,908	21,758	21,758	21,238	3,492	3,492	3,492
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	35,716	35,716	35,716	-	35,716	35,716	35,716
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>2,031,717</b>	<b>2,095,790</b>	<b>2,245,857</b>	<b>2,052,265</b>	<b>2,051,115</b>	<b>2,051,115</b>	<b>2,301,623</b>	<b>2,604,050</b>	<b>3,186,203</b>	<b>3,535,234</b>
<b>TOTAL ASSETS</b>		<b>3,853,720</b>	<b>3,909,078</b>	<b>4,629,237</b>	<b>4,763,442</b>	<b>4,762,292</b>	<b>4,762,292</b>	<b>4,730,757</b>	<b>5,712,915</b>	<b>6,457,996</b>	<b>7,167,046</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-	-	-	-
Consumer deposits		36,793	39,774	43,176	49,224	49,224	49,224	44,926	49,391	49,391	49,391
Trade and other payables from exchange transactions	4	409,287	531,899	983,671	1,004,731	1,004,731	1,004,731	935,822	935,822	736,764	703,521
Trade and other payables from non-exchange transactions	5	27,126	6,273	1,726	-	-	-	87,877	-	-	-
Provision		-	-	-	-	-	-	(6,667)	-	-	-
VAT		77,266	93,436	111,037	(95,004)	(95,004)	(95,004)	140,958	(103,727)	(104,801)	(104,801)
Other current liabilities		-	-	-	94,029	94,029	94,029	-	94,029	94,029	94,029
<b>Total current liabilities</b>		<b>550,472</b>	<b>671,382</b>	<b>1,139,609</b>	<b>1,052,980</b>	<b>1,052,980</b>	<b>1,052,980</b>	<b>1,202,917</b>	<b>975,514</b>	<b>775,382</b>	<b>742,139</b>
<b>Non current liabilities</b>											
Financial liabilities	6	191,815	182,267	171,517	148,630	148,630	148,630	165,728	158,166	143,379	126,692
Provision	7	239,863	253,573	264,781	259,520	259,520	259,520	264,781	256,489	257,877	257,877
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-	-	-	-	-
<b>Total non current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>550,472</b>	<b>671,382</b>	<b>1,139,609</b>	<b>1,052,980</b>	<b>1,052,980</b>	<b>1,052,980</b>	<b>1,202,917</b>	<b>975,514</b>	<b>775,382</b>	<b>742,139</b>
<b>NET ASSETS</b>		<b>3,303,247</b>	<b>3,237,696</b>	<b>3,489,628</b>	<b>3,710,463</b>	<b>3,709,313</b>	<b>3,709,313</b>	<b>3,527,840</b>	<b>4,737,401</b>	<b>5,682,614</b>	<b>6,424,907</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	3,052,305	3,049,283	3,094,152	3,213,305	3,212,160	3,212,160	3,035,145	4,261,958	5,242,561	6,004,113
Reserves and funds	9	69,484	57,205	90,127	80,876	80,876	80,876	90,127	80,876	80,876	80,876
Other		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>3,121,789</b>	<b>3,106,488</b>	<b>3,184,279</b>	<b>3,294,182</b>	<b>3,293,037</b>	<b>3,293,037</b>	<b>3,125,272</b>	<b>4,342,835</b>	<b>5,323,437</b>	<b>6,084,989</b>

References

1. Detail breakdown in Table SA3 for Trade receivables from Exchange and Non-exchange transactions
2. Include completed low cost housing to be transferred to beneficiaries within 12 months detail provided in Table SA3
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements) detail in SA3
4. Detail breakdown in Table SA3.
5. Detail breakdown in Table SA3.

NC091 Sol Plaatje - Table A7 Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		–	561,377	438,882	533,499	520,320	520,320	278,948	543,052	563,789	617,319
Service charges		–	1,857,261	1,146,393	1,093,079	1,084,284	1,084,284	689,818	1,354,795	1,546,569	1,737,035
Other revenue		–	(872,756)	288,367	403,395	483,433	483,433	623,701	(171,500)	(481,956)	(497,156)
Transfers and Subsidies - Operational	1	–	23,639	31,741	18,959	45,723	45,723	15,323	281,921	302,302	328,343
Transfers and Subsidies - Capital	1	–	33,560	100,630	134,338	114,338	114,338	78,608	214,233	604,187	692,646
Interest		–	3,829	–	6,000	6,000	6,000	–	7,000	12,000	15,000
Dividends		–	–	–	–	–	–	–	–	–	–
<b>Payments</b>											
Suppliers and employees		(6,869)	(1,553,798)	(2,590,285)	(2,039,050)	(2,094,877)	(2,094,877)	(2,348,863)	(2,499,448)	(2,730,205)	(2,684,166)
Finance charges		–	–	(1,039)	(38,960)	(117,360)	(117,360)	–	(19,495)	(17,872)	(16,050)
Transfers and Subsidies	1	–	–	–	(4,460)	(4,460)	(4,460)	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(6,869)</b>	<b>53,113</b>	<b>(585,312)</b>	<b>106,800</b>	<b>37,402</b>	<b>37,402</b>	<b>(662,465)</b>	<b>(289,441)</b>	<b>(201,186)</b>	<b>192,971</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		–	–	–	35,716	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
<b>Payments</b>											
Capital assets		–	(116,394)	(127,081)	(190,043)	(188,893)	(188,893)	(49,389)	(249,473)	(653,283)	(728,146)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>–</b>	<b>(116,394)</b>	<b>(127,081)</b>	<b>(154,327)</b>	<b>(188,893)</b>	<b>(188,893)</b>	<b>(49,389)</b>	<b>(249,473)</b>	<b>(653,283)</b>	<b>(728,146)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
<b>Payments</b>											
Repayment of borrowing		–	–	–	(9,390)	(9,390)	(9,390)	–	(13,351)	(14,787)	(16,687)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>(9,390)</b>	<b>(9,390)</b>	<b>(9,390)</b>	<b>–</b>	<b>(13,351)</b>	<b>(14,787)</b>	<b>(16,687)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(6,869)</b>	<b>(63,281)</b>	<b>(712,393)</b>	<b>(56,917)</b>	<b>(160,881)</b>	<b>(160,881)</b>	<b>(711,854)</b>	<b>(552,266)</b>	<b>(869,256)</b>	<b>(551,862)</b>
Cash/cash equivalents at the year begin:	2	73,916	96,534	43,007	172,922	172,922	172,922	–	187,382	(364,883)	(1,234,140)
Cash/cash equivalents at the year end:	2	67,047	33,253	(669,386)	116,006	12,041	12,041	(711,854)	(364,883)	(1,234,140)	(1,786,002)

References

- Local/District municipalities to include transfers from/to District/Local Municipalities
- Cash equivalents includes investments with maturities of 3 months or less
- The MTREF is populated directly from SA30.

Total receipts	–	1,606,911	2,006,012	2,224,987	2,254,099	2,254,099	1,686,398	2,229,501	2,546,891	2,893,187
Total payments	(6,869)	(1,670,192)	(2,718,405)	(2,272,513)	(2,405,590)	(2,405,590)	(2,398,252)	(2,768,416)	(3,401,360)	(3,428,362)
	(6,869)	(63,281)	(712,393)	(47,527)	(151,491)	(151,491)	(711,854)	(538,914)	(854,469)	(535,175)
Borrowings & investments & c.deposits	–	–	–	–	–	–	–	–	–	–
Repayment of borrowing	–	–	–	(9,390)	(9,390)	(9,390)	–	(13,351)	(14,787)	(16,687)
	(6,869)	(63,281)	(712,393)	(56,917)	(160,881)	(160,881)	(711,854)	(552,266)	(869,256)	(551,862)
	–	0	–	–	–	–	–	–	–	–

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	67,047	33,253	(669,386)	116,006	12,041	12,041	(711,854)	(364,883)	(1,234,140)	(1,786,002)
Other current investments > 90 days		918,153	1,051,345	2,039,592	463,611	633,554	633,554	2,015,058	1,051,034	1,998,481	2,736,733
Investments - Property, plant and equipment	1	1,808,607	1,865,761	2,003,442	1,795,402	1,775,402	1,775,402	2,056,407	2,325,914	2,906,195	3,254,114
<b>Cash and investments available:</b>		<b>2,793,807</b>	<b>2,950,358</b>	<b>3,373,649</b>	<b>2,375,018</b>	<b>2,420,997</b>	<b>2,420,997</b>	<b>3,359,611</b>	<b>3,012,065</b>	<b>3,670,536</b>	<b>4,204,845</b>
<b>Application of cash and investments</b>											
Trade payables from Non-exchange transactions: Other		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	409,287	222,363	569,452	196,146	200,958	200,958	511,485	223,456	100,500	29,815
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>409,287</b>	<b>222,363</b>	<b>569,452</b>	<b>196,146</b>	<b>200,958</b>	<b>200,958</b>	<b>511,485</b>	<b>223,456</b>	<b>100,500</b>	<b>29,815</b>
<b>Surplus(shortfall)</b>		<b>2,384,521</b>	<b>2,727,994</b>	<b>2,804,197</b>	<b>2,178,873</b>	<b>2,220,040</b>	<b>2,220,040</b>	<b>2,848,126</b>	<b>2,788,609</b>	<b>3,570,037</b>	<b>4,175,030</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 - Total Reserves to be backed by cash/investments excl Valuation reserve

**Other working capital requirements**

Debtors	-	309,536	414,219	808,585	803,773	803,773	502,320	712,366	636,264	673,706
Creditors due	409,287	531,899	983,671	1,004,731	1,004,731	1,004,731	1,013,805	935,822	736,764	703,521
<b>Total</b>	<b>(409,287)</b>	<b>(222,363)</b>	<b>(569,452)</b>	<b>(196,146)</b>	<b>(200,958)</b>	<b>(200,958)</b>	<b>(511,485)</b>	<b>(223,456)</b>	<b>(100,500)</b>	<b>(29,815)</b>

**Debtors collection assumptions**

Balance outstanding - debtors	1,044,892	955,544	1,110,410	2,163,701	2,097,722	2,097,722	1,210,421	2,426,605	2,467,525	2,443,438
Estimate of debtors collection rate	0.0%	32.4%	37.3%	37.4%	38.3%	38.3%	41.5%	29.4%	25.8%	27.6%

**Long term investments committed**

Balance (Insert description; eg sinking fund)	-	-	-	-	-	-	-	-	-	-
Capital Replacement	-	-	-	-	-	-	-	-	-	-
Self-insurance	-	-	-	-	-	-	-	-	-	-
Coid	-	-	-	-	-	-	-	-	-	-

**Reserves to be backed by cash/investments**

Housing Development Fund	-	-	-	-	-	-	-	-	-	-
Capital replacement	43,753	29,681	62,705	23,577	23,577	23,577	62,705	23,577	23,577	23,577
Self-insurance	14,555	15,833	15,445	39,238	39,238	39,238	15,445	39,238	39,238	39,238
Compensation for Occupational Injuries and Diseases										
Employee Benefit										
Non-current Provisions										
Valuation										
Investment in associate account										
Capitalisation										
<b>Total</b>	<b>58,308</b>	<b>45,514</b>	<b>78,150</b>	<b>62,815</b>	<b>62,815</b>	<b>62,815</b>	<b>78,150</b>	<b>62,815</b>	<b>62,815</b>	<b>62,815</b>

NC091 Sol Plaatje - Table A9 Asset Management

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	50,547	51,665	66,118	108,795	96,945	96,945	180,266	571,579	638,717
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		12,108	16,469	32,255	33,000	26,000	26,000	48,026	22,700	25,000
<i>Water Supply Infrastructure</i>		7,058	1,312	-	1,000	1,000	1,000	104,740	517,000	574,000
<i>Sanitation Infrastructure</i>		16,823	21,320	8,734	21,090	21,090	21,090	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		35,989	39,101	40,989	55,090	48,090	48,090	152,766	539,700	599,000
Community Facilities		4,534	5,055	2,295	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		4,534	5,055	2,295	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		813	1,437	2,457	5,000	5,000	5,000	15,000	13,783	12,217
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		813	1,437	2,457	5,000	5,000	5,000	15,000	13,783	12,217
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	2,483	13,891	-	18,850	18,850	-	-	-
<b>Intangible Assets</b>		-	2,483	13,891	-	18,850	18,850	-	-	-
Computer Equipment		3,253	1,687	3,857	11,300	11,300	11,300	4,500	4,500	4,500
Furniture and Office Equipment		634	76	184	2,000	2,000	2,000	3,000	3,000	3,000
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		5,323	1,825	2,445	35,405	11,705	11,705	5,000	10,596	20,000
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	6,733	35,223	35,213	51,948	62,648	62,648	45,207	50,567	52,395
<i>Roads Infrastructure</i>		-	6,163	14,756	15,000	22,700	22,700	20,000	20,000	20,000
<i>Storm water Infrastructure</i>		-	1,963	-	-	3,000	3,000	-	-	-
<i>Electrical Infrastructure</i>		-	-	976	6,000	6,000	6,000	6,000	2,000	3,000
<i>Water Supply Infrastructure</i>		-	-	-	10,000	10,000	10,000	19,207	10,000	10,000
<i>Sanitation Infrastructure</i>		6,733	27,098	19,481	20,948	20,948	20,948	-	18,567	19,395
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		6,733	35,223	35,213	51,948	62,648	62,648	45,207	50,567	52,395
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

<b>Total Upgrading of Existing Assets</b>	6	79,738	32,613	25,750	29,300	29,300	29,300	24,000	31,137	37,034
<i>Roads Infrastructure</i>		79,738	31,971	19,462	12,000	12,000	12,000	22,000	29,137	30,000
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	1,317	7,000	7,000	7,000	-	-	-
<i>Water Supply Infrastructure</i>		-	-	624	2,000	2,000	2,000	2,000	2,000	3,000
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>79,738</b>	<b>31,971</b>	<b>21,403</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>24,000</b>	<b>31,137</b>	<b>33,000</b>
Community Facilities		-	643	4,348	8,300	8,300	8,300	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	<b>643</b>	<b>4,348</b>	<b>8,300</b>	<b>8,300</b>	<b>8,300</b>	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	4,034
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	<b>4,034</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	<b>137,018</b>	<b>119,502</b>	<b>127,081</b>	<b>190,043</b>	<b>188,893</b>	<b>188,893</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</b>
<i>Roads Infrastructure</i>		79,738	38,133	34,218	27,000	34,700	34,700	42,000	49,137	50,000
<i>Storm water Infrastructure</i>		-	1,963	-	-	3,000	3,000	-	-	-
<i>Electrical Infrastructure</i>		12,108	16,469	34,548	46,000	39,000	39,000	54,026	24,700	28,000
<i>Water Supply Infrastructure</i>		7,058	1,312	624	13,000	13,000	13,000	125,947	529,000	587,000
<i>Sanitation Infrastructure</i>		23,556	48,418	28,214	42,038	42,038	42,038	-	18,567	19,395
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>122,461</b>	<b>106,295</b>	<b>97,604</b>	<b>128,038</b>	<b>131,738</b>	<b>131,738</b>	<b>221,973</b>	<b>621,404</b>	<b>684,395</b>
Community Facilities		4,534	5,697	6,643	8,300	8,300	8,300	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>4,534</b>	<b>5,697</b>	<b>6,643</b>	<b>8,300</b>	<b>8,300</b>	<b>8,300</b>	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		813	1,437	2,457	5,000	5,000	5,000	15,000	13,783	12,217
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>813</b>	<b>1,437</b>	<b>2,457</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>15,000</b>	<b>13,783</b>	<b>12,217</b>
Operational Buildings		-	-	-	-	-	-	-	-	4,034
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	<b>4,034</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	2,483	13,891	-	18,850	18,850	-	-	-
<b>Intangible Assets</b>		-	<b>2,483</b>	<b>13,891</b>	-	<b>18,850</b>	<b>18,850</b>	-	-	-
Computer Equipment		3,253	1,687	3,857	11,300	11,300	11,300	4,500	4,500	4,500
Furniture and Office Equipment		634	76	184	2,000	2,000	2,000	3,000	3,000	3,000
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		5,323	1,825	2,445	35,405	11,705	11,705	5,000	10,596	20,000
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>137,018</b>	<b>119,502</b>	<b>127,081</b>	<b>190,043</b>	<b>188,893</b>	<b>188,893</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	2,032,530	2,097,228	2,245,857	1,826,505	1,825,355	1,825,355	2,320,861	2,499,204	2,773,372
<i>Roads Infrastructure</i>		475,549	499,618	519,954	169,419	177,119	177,119	520,478	336,194	144,482
<i>Storm water Infrastructure</i>		53,445	54,066	52,844	138,655	141,655	141,655	146,246	146,166	146,073
<i>Electrical Infrastructure</i>		273,592	281,120	309,366	352,343	345,343	345,343	368,381	323,994	312,208
<i>Water Supply Infrastructure</i>		284,983	279,524	278,114	459,639	459,639	459,639	564,379	970,610	1,443,514
<i>Sanitation Infrastructure</i>		407,873	444,110	460,353	131,802	131,802	131,802	89,764	108,331	109,159

Solid Waste Infrastructure		21,127	21,603	21,175	21,460	21,460	21,460	25,096	19,592	14,041
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
<b>Infrastructure</b>		<b>1,516,569</b>	<b>1,580,042</b>	<b>1,641,806</b>	<b>1,273,319</b>	<b>1,277,019</b>	<b>1,277,019</b>	<b>1,714,344</b>	<b>1,904,888</b>	<b>2,169,478</b>
Community Assets		160,502	158,119	222,417	194,891	194,891	194,891	206,427	183,110	186,508
Heritage Assets		12,071	12,071	12,071	9,926	9,926	9,926	12,071	12,071	12,071
Investment properties		209,344	209,057	209,106	208,312	208,312	208,312	226,856	228,729	229,840
Other Assets										
Biological or Cultivated Assets										
Intangible Assets		2,508	10,339	21,238	2,908	21,758	21,758	3,492	3,492	3,492
Computer Equipment		4,823	4,486	7,395	22,782	22,782	22,782	15,606	13,086	10,428
Furniture and Office Equipment		2,664	1,828	3,021	4,602	4,602	4,602	3,821	4,500	4,373
Machinery and Equipment		2,911	4,066	4,541	6,024	6,024	6,024	8,981	7,511	5,960
Transport Assets		25,653	22,581	28,452	47,810	24,110	24,110	33,452	46,007	55,411
Land		95,485	94,639	95,810	55,930	55,930	55,930	95,810	95,810	95,810
Zoo's, Marine and Non-biological Animals										
Living Resources										
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>2,032,530</b>	<b>2,097,228</b>	<b>2,245,857</b>	<b>1,826,505</b>	<b>1,825,355</b>	<b>1,825,355</b>	<b>2,320,861</b>	<b>2,499,204</b>	<b>2,773,372</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>287,242</b>	<b>306,905</b>	<b>343,490</b>	<b>362,107</b>	<b>399,374</b>	<b>399,374</b>	<b>421,558</b>	<b>413,595</b>	<b>436,808</b>
Depreciation	7	69,409	63,881	70,060	81,050	81,050	81,050	86,650	91,153	96,166
<b>Repairs and Maintenance by Asset Class</b>	<b>3</b>	<b>217,834</b>	<b>243,024</b>	<b>273,430</b>	<b>281,057</b>	<b>318,324</b>	<b>318,324</b>	<b>334,908</b>	<b>322,442</b>	<b>340,642</b>
Roads Infrastructure		46,057	47,389	46,030	51,355	53,481	53,481	71,980	59,741	62,423
Storm water Infrastructure			542	1,963	570	3,121	3,121	550	580	615
Electrical Infrastructure		52,173	57,938	60,972	67,247	68,146	68,146	85,857	75,255	79,611
Water Supply Infrastructure		37,718	44,102	60,085	49,386	68,771	68,771	56,220	59,594	63,169
Sanitation Infrastructure		20,370	24,371	30,149	31,725	40,025	40,025	35,718	37,684	39,759
Solid Waste Infrastructure		13,991	14,983	19,204	21,968	21,668	21,668	22,965	24,328	25,768
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
<b>Infrastructure</b>		<b>170,309</b>	<b>189,325</b>	<b>218,404</b>	<b>222,251</b>	<b>255,212</b>	<b>255,212</b>	<b>273,290</b>	<b>257,183</b>	<b>271,345</b>
Community Facilities		1,785	2,746	3,206	3,175	3,140	3,140	3,280	3,771	3,978
Sport and Recreation Facilities		533	443	470	710	623	623	710	491	518
<b>Community Assets</b>		<b>2,318</b>	<b>3,188</b>	<b>3,675</b>	<b>3,885</b>	<b>3,763</b>	<b>3,763</b>	<b>3,990</b>	<b>4,262</b>	<b>4,496</b>
Heritage Assets										
Revenue Generating		6,357	6,991	7,195	7,899	8,399	8,399	9,776	10,362	10,978
Non-revenue Generating										
<b>Investment properties</b>		<b>6,357</b>	<b>6,991</b>	<b>7,195</b>	<b>7,899</b>	<b>8,399</b>	<b>8,399</b>	<b>9,776</b>	<b>10,362</b>	<b>10,978</b>
Operational Buildings		12,760	13,215	13,131	15,281	19,021	19,021	15,263	16,109	17,016
Housing										
<b>Other Assets</b>		<b>12,760</b>	<b>13,215</b>	<b>13,131</b>	<b>15,281</b>	<b>19,021</b>	<b>19,021</b>	<b>15,263</b>	<b>16,109</b>	<b>17,016</b>
Biological or Cultivated Assets										
Servitudes										
Licences and Rights										
Intangible Assets										
Computer Equipment										
Furniture and Office Equipment		1,051	1,183	1,139	1,723	1,962	1,962	1,664	1,760	1,857
Machinery and Equipment		21,657	24,900	26,087	24,597	23,935	23,935	25,592	27,126	28,990
Transport Assets		3,383	4,221	3,798	5,422	6,033	6,033	5,333	5,640	5,960
Land										
Zoo's, Marine and Non-biological Animals										
Mature										
Immature										
Living Resources										
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>287,242</b>	<b>306,905</b>	<b>343,490</b>	<b>362,107</b>	<b>399,374</b>	<b>399,374</b>	<b>421,558</b>	<b>413,595</b>	<b>436,808</b>
<b>Renewal and upgrading of Existing Assets as % of total capex</b>		<b>63.1%</b>	<b>56.8%</b>	<b>48.0%</b>	<b>42.8%</b>	<b>48.7%</b>	<b>48.7%</b>	<b>27.7%</b>	<b>12.5%</b>	<b>12.3%</b>
<b>Renewal and upgrading of Existing Assets as % of deprecn R&amp;M as a % of PPE</b>		<b>124.6%</b>	<b>106.2%</b>	<b>87.0%</b>	<b>100.2%</b>	<b>113.4%</b>	<b>113.4%</b>	<b>79.9%</b>	<b>89.6%</b>	<b>93.0%</b>
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>		<b>12.0%</b>	<b>13.0%</b>	<b>13.6%</b>	<b>15.7%</b>	<b>17.9%</b>	<b>17.9%</b>	<b>16.3%</b>	<b>13.9%</b>	<b>11.7%</b>
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>		<b>15.0%</b>	<b>15.0%</b>	<b>15.0%</b>	<b>20.0%</b>	<b>22.0%</b>	<b>22.0%</b>	<b>17.0%</b>	<b>16.0%</b>	<b>16.0%</b>

**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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<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)		11,509	11,980	11,980	15,000	15,000	15,000	15,200	15,300	15,300
Sanitation (free minimum level service)		11,509	11,980	11,980	15,000	15,000	15,000	15,200	15,300	15,300
Electricity/other energy (50kwh per household per month)		11,509	11,980	11,980	15,000	15,000	15,000	15,200	15,300	15,300
Refuse (removed at least once a week)		11,509	11,980	11,980	15,000	15,000	15,000	15,200	15,300	15,300
<i>Informal Settlements</i>		-	-	14	-	-	-	14	14	14
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		5,824	4,366	4,246	8,000	8,000	8,000	8,000	8,440	8,904
Sanitation (free sanitation service to indigent households)		310	267	19,439	21,000	21,000	21,000	21,000	22,260	23,484
Electricity/other energy (50kwh per indigent household per month)		-	9,971	7,110	12,000	12,000	12,000	12,000	12,900	13,868
Refuse (removed once a week for indigent households)		12,263	12,445	13,331	13,500	13,500	13,500	14,500	15,370	16,215
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		1,006	7,229	10,572	9,000	9,000	9,000	14,600	15,540	16,317
<b>Total cost of FBS provided</b>	8	<b>19,404</b>	<b>34,278</b>	<b>54,699</b>	<b>63,500</b>	<b>63,500</b>	<b>63,500</b>	<b>70,100</b>	<b>74,510</b>	<b>78,788</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	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		165	174	174	189	189	189	199	210	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		28,084	28,229	31,974	34,470	34,470	34,470	35,010	36,936	38,967
Water (in excess of 6 kilolitres per indigent household per month)		16,626	18,786	15,277	20,500	20,500	20,500	20,500	21,628	22,817
Sanitation (in excess of free sanitation service to indigent households)		19,787	20,611	2,886	3,400	3,400	3,400	3,400	3,604	3,802
Electricity/other energy (in excess of 50 kwh per indigent household per month)		32,931	34,338	36,368	41,000	41,000	41,000	41,000	44,075	47,381
Refuse (in excess of one removal a week for indigent households)		4,082	4,004	3,951	4,500	4,500	4,500	4,400	4,664	4,921
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other	6									
<b>Total revenue cost of subsidised services provided</b>		<b>101,509</b>	<b>105,967</b>	<b>90,455</b>	<b>103,870</b>	<b>103,870</b>	<b>103,870</b>	<b>104,310</b>	<b>110,906</b>	<b>117,887</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 of free or subsidised services in excess to the National policy that are not funded from the Free Basic Services component of the Equitable Share

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>REVENUE ITEMS:</b>											
<b>Non-exchange revenue by source</b>											
<b>Exchange Revenue</b>											
Total Property Rates	6	583,157	599,305	631,872	662,116	644,544	644,544	456,297	695,903	743,878	785,332
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		28,084	28,229	31,974	34,470	34,470	34,470	6,217	35,010	36,936	38,967
<b>Net Property Rates</b>		<b>555,073</b>	<b>571,075</b>	<b>599,898</b>	<b>627,646</b>	<b>610,074</b>	<b>610,074</b>	<b>450,080</b>	<b>660,893</b>	<b>706,943</b>	<b>746,365</b>
<b>Exchange revenue service charges</b>											
<b>Service charges - Electricity</b>											
Total Service charges - Electricity	6	697,759	703,615	770,419	972,854	952,854	952,854	521,833	1,087,872	1,208,565	1,343,001
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		32,931	34,338	36,368	41,000	41,000	41,000	8,062	41,000	44,075	47,381
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	9,971	7,110	12,000	12,000	12,000	4,131	12,000	12,900	13,868
<b>Net Service charges - Electricity</b>		<b>664,828</b>	<b>659,307</b>	<b>726,941</b>	<b>919,854</b>	<b>899,854</b>	<b>899,854</b>	<b>509,640</b>	<b>1,034,872</b>	<b>1,151,590</b>	<b>1,281,753</b>
<b>Service charges - Water</b>											
Total Service charges - Water	6	281,068	282,308	291,483	339,217	334,217	334,217	198,716	355,614	376,883	399,580
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		16,626	18,786	15,277	20,500	20,500	20,500	4,444	20,500	21,628	22,817
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		5,824	4,366	4,246	8,000	8,000	8,000	2,910	8,000	8,440	8,904
<b>Net Service charges - Water</b>		<b>258,618</b>	<b>259,156</b>	<b>271,961</b>	<b>310,717</b>	<b>305,717</b>	<b>305,717</b>	<b>191,362</b>	<b>327,114</b>	<b>346,815</b>	<b>367,859</b>
<b>Service charges - Waste Water Management</b>											
Total Service charges - Waste Water Management		93,216	99,064	104,260	106,100	117,900	117,900	76,013	114,258	121,244	128,019
Less Revenue Foregone (in excess of free sanitation service to indigent households)		19,787	20,611	2,886	3,400	3,400	3,400	-	3,400	3,604	3,802
Less Cost of Free Basis Services (free sanitation service to indigent households)		310	267	19,439	21,000	21,000	21,000	13,924	21,000	22,260	23,484
<b>Net Service charges - Waste Water Management</b>		<b>73,119</b>	<b>78,186</b>	<b>81,934</b>	<b>81,700</b>	<b>93,500</b>	<b>93,500</b>	<b>62,089</b>	<b>89,858</b>	<b>95,380</b>	<b>100,732</b>
<b>Service charges - Waste Management</b>											
Total refuse removal revenue	6	68,909	72,850	76,377	78,940	87,080	87,080	56,103	84,312	90,486	96,597
Total landfill revenue		4,082	4,004	3,951	4,500	4,500	4,500	734	4,400	4,664	4,921
Less Revenue Foregone (in excess of one removal a week to indigent households)		12,263	12,445	13,331	13,500	13,500	13,500	9,559	14,500	15,370	16,215
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Waste Management</b>		<b>52,564</b>	<b>56,401</b>	<b>59,094</b>	<b>60,940</b>	<b>69,080</b>	<b>69,080</b>	<b>45,810</b>	<b>65,412</b>	<b>70,452</b>	<b>75,461</b>
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	384,859	405,014	426,137	473,099	464,910	464,910	329,915	484,132	536,248	565,706
Pension and UIF Contributions		62,760	64,848	65,369	78,718	77,554	77,554	50,908	77,656	86,104	90,908
Medical Aid Contributions		48,775	48,981	49,531	58,532	59,557	59,557	45,800	60,170	63,692	67,245
Overtime		45,344	41,303	52,688	39,796	42,368	42,368	48,244	47,280	49,985	52,786
Performance Bonus		27,067	28,489	28,946	36,221	36,999	36,999	25,561	36,505	40,286	42,531
Motor Vehicle Allowance		40,843	40,348	43,919	53,235	52,454	52,454	32,482	52,634	58,540	61,777
Cellphone Allowance		1,503	1,464	1,559	1,617	1,847	1,847	1,186	2,256	1,758	1,856
Housing Allowances		2,805	2,731	2,662	2,937	3,009	3,009	2,077	2,891	3,066	3,237
Other benefits and allowances		27,808	28,163	30,451	28,095	32,527	32,527	23,155	35,145	36,416	38,453
Payments in lieu of leave		909	29,135	10,507	15,000	15,000	15,000	7,753	15,000	15,750	16,616
Long service awards		19,571	23,192	24,485	23,254	24,844	24,844	19,957	26,968	28,581	30,176
Post-retirement benefit obligations	4	(9,322)	12,550	36,522	38,900	38,900	38,900	-	41,000	43,050	45,418
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	5	<b>652,922</b>	<b>726,219</b>	<b>772,777</b>	<b>849,403</b>	<b>849,970</b>	<b>849,970</b>	<b>587,037</b>	<b>881,637</b>	<b>963,475</b>	<b>1,016,709</b>
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Employee related costs</b>	1	<b>652,922</b>	<b>726,219</b>	<b>772,777</b>	<b>849,403</b>	<b>849,970</b>	<b>849,970</b>	<b>587,037</b>	<b>881,637</b>	<b>963,475</b>	<b>1,016,709</b>
<b>Depreciation and amortisation</b>											
Depreciation of Property, Plant & Equipment		64,786	59,843	66,287	76,550	76,550	76,550	-	82,150	86,428	91,182
Lease amortisation		4,215	4,038	3,773	4,500	4,500	4,500	-	4,500	4,725	4,985
Capital asset impairment		407	-	-	-	-	-	-	-	-	-
<b>Total Depreciation and amortisation</b>	1	<b>69,409</b>	<b>63,881</b>	<b>70,060</b>	<b>81,050</b>	<b>81,050</b>	<b>81,050</b>	<b>-</b>	<b>86,650</b>	<b>91,153</b>	<b>96,166</b>
<b>Bulk purchases - electricity</b>											
Electricity bulk purchases	1	515,937	540,953	551,452	682,000	682,000	682,000	408,868	785,000	901,600	1,016,103
<b>Total bulk purchases</b>	1	<b>515,937</b>	<b>540,953</b>	<b>551,452</b>	<b>682,000</b>	<b>682,000</b>	<b>682,000</b>	<b>408,868</b>	<b>785,000</b>	<b>901,600</b>	<b>1,016,103</b>
<b>Transfers and grants</b>											
Cash transfers and grants		2,733	2,528	2,546	4,460	4,460	4,460	2,507	4,560	4,570	4,679
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Total transfers and grants</b>	1	<b>2,733</b>	<b>2,528</b>	<b>2,546</b>	<b>4,460</b>	<b>4,460</b>	<b>4,460</b>	<b>2,507</b>	<b>4,560</b>	<b>4,570</b>	<b>4,679</b>

<b>Contracted Services</b>											
Outsourced Services		5,076	4,023	6,891	5,617	32,441	32,441	10,664	8,383	8,948	13,400
Consultants and Professional Services		9,886	5,358	4,184	9,085	8,085	8,085	1,868	9,225	9,717	10,251
Contractors		23,385	31,270	27,088	31,735	13,655	13,655	7,199	30,505	32,283	34,147
<b>Total contracted services</b>		<b>38,346</b>	<b>40,651</b>	<b>38,163</b>	<b>46,437</b>	<b>54,181</b>	<b>54,181</b>	<b>19,731</b>	<b>48,113</b>	<b>50,948</b>	<b>57,799</b>
<b>Operational Costs</b>											
Collection costs		53	-	-	-	-	-	(156)	-	-	-
Contributions to 'other' provisions		(179)	-	-	-	-	-	-	-	-	-
Audit fees		5,326	4,984	5,689	6,200	6,440	6,440	6,422	6,700	7,035	7,422
Other Operational Costs		95,787	97,203	104,614	128,443	129,279	129,279	102,067	138,939	146,334	154,316
<b>Total Operational Costs</b>	1	<b>100,987</b>	<b>102,187</b>	<b>110,302</b>	<b>134,643</b>	<b>135,719</b>	<b>135,719</b>	<b>108,332</b>	<b>145,639</b>	<b>153,369</b>	<b>161,738</b>
<b>Repairs and Maintenance by Expenditure Item</b>											
Employee related costs	8	109,285	116,745	130,190	139,321	139,321	139,321	107,940	147,619	155,702	164,932
Inventory Consumed (Project Maintenance)		103,942	117,421	137,459	133,609	159,626	159,626	118,414	175,842	154,535	162,709
Contracted Services		869	3,910	75	2,190	13,410	13,410	4,384	4,160	4,489	4,825
Other Expenditure		3,738	4,948	5,705	5,937	5,967	5,967	4,163	7,287	7,716	8,175
<b>Total Repairs and Maintenance Expenditure</b>	9	<b>217,834</b>	<b>243,024</b>	<b>273,430</b>	<b>281,057</b>	<b>318,324</b>	<b>318,324</b>	<b>234,901</b>	<b>334,908</b>	<b>322,442</b>	<b>340,642</b>
<b>Inventory Consumed</b>											
Inventory Consumed - Water		-	-	41,302	60,000	46,360	46,360	44,597	61,200	64,566	68,117
Inventory Consumed - Other		48,468	53,848	60,019	176,627	219,912	219,912	54,282	244,700	206,989	217,107
<b>Total Inventory Consumed &amp; Other Material</b>		<b>48,468</b>	<b>53,848</b>	<b>101,321</b>	<b>236,627</b>	<b>266,272</b>	<b>266,272</b>	<b>98,879</b>	<b>305,900</b>	<b>271,555</b>	<b>285,224</b>

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**References**

1. Must reconcile with 'Budgeted Financial Performance (Revenue and Expenditure)
2. Must reconcile to supporting documentation on staff salaries

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'

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.

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
<b>R thousand</b>																	
<b>Revenue</b>																	
<b>Exchange Revenue</b>																	
Service charges - Electricity									(1,034,872)								(1,034,872)
Service charges - Water									(327,114)								(327,114)
Service charges - Waste Water Management									(89,858)								(89,858)
Service charges - Waste Management					(1,461)	(65,412)		(7,005)	(600)								(65,412)
Sale of Goods and Rendering of Services						(6,513)											(6,513)
Agency services																	
Interest																	
Interest earned from Receivables			(92,000)			(11,000)			(65,880)								(168,880)
Interest earned from Current and Non Current Assets			(7,000)														(7,000)
Dividends																	
Rent on Land																	
Rental from Fixed Assets						(20)		(210)	(26,700)								(26,930)
Licence and permits						(1,200)											(1,200)
Operational Revenue			(801)			(240)	(992)	(800)	(301)								(3,134)
<b>Non-Exchange Revenue</b>																	
Property rates							(660,893)										(660,893)
Surcharges and Taxes																	
Fines, penalties and forfeits						(10,660)	(20,000)										(30,660)
Licences or permits						(6,150)											(6,150)
Transfer and subsidies - Operational			(266,421)		(5,500)	(8,300)	(1,700)										(281,921)
Interest																	
Fuel Levy																	
Operational Revenue																	
Gains on disposal of Assets																	
Other Gains																	
Discontinued Operations																	
<b>Total Revenue (excluding capital transfers and contributions)</b>			(366,222)		(6,961)	(109,495)	(683,585)	(8,015)	(1,545,325)								(2,719,604)
<b>Expenditure</b>																	
Employee related costs	18,458	67,250	21,030	66,523	261,613	135,247	54,797	256,718									881,637
Remuneration of councillors	35,559																35,559
Bulk purchases - electricity								785,000									785,000
Inventory consumed		176,097						129,803									305,900
Debt impairment																	
Depreciation and amortisation		52,550			900			33,200									86,650
Interest		267						19,228									19,495
Contracted services	100	8,100	4,163		380	1,360	300	33,710									48,113
Transfers and subsidies		4,400			160												4,560
Irrecoverable debts written off		162,000			7,000			148,500									317,500
Operational costs	4,770	51,325	830	4,790	8,131	17,148	1,760	56,885									145,639
Losses on disposal of Assets																	
Other Losses								61,200									61,200
<b>Total Expenditure</b>	<b>58,887</b>	<b>521,989</b>	<b>26,023</b>	<b>71,313</b>	<b>278,184</b>	<b>153,756</b>	<b>56,857</b>	<b>1,524,243</b>									<b>2,691,252</b>
<b>Surplus/(Deficit)</b>	<b>(58,887)</b>	<b>(888,211)</b>	<b>(26,023)</b>	<b>(78,274)</b>	<b>(387,679)</b>	<b>(837,341)</b>	<b>(64,872)</b>	<b>(3,069,568)</b>									<b>(5,410,856)</b>
Transfers and subsidies - capital (monetary allocations)		(214,233)															(214,233)
Transfers and subsidies - capital (in-kind)																	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(58,887)</b>	<b>(1,102,444)</b>	<b>(26,023)</b>	<b>(78,274)</b>	<b>(387,679)</b>	<b>(837,341)</b>	<b>(64,872)</b>	<b>(3,069,568)</b>									<b>(5,625,089)</b>

References

1. Departmental columns to be based on municipal organisation structure

NC91 Sol Plaeje - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2019/20			2020/21			2021/22			Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26					
<b>Résumé</b>																
<b>ASSETS</b>																
<b>Trade and other receivables from exchange transactions</b>																
Electricity		271,327	252,597	226,278	1,248,960	1,248,960	1,248,960	317,760	841,488	807,517	742,595					
Water		460,625	361,251	361,393	142,751	142,751	142,751	779,268	371,480	369,212	370,297					
Waste		107,877	132,028	162,232	247,669	247,669	247,669	187,600	176,044	174,400	166,601					
Waste Water		137,158	168,630	209,485	232,963	232,963	232,963	241,538	222,964	217,310	206,824					
Other trade receivables from exchange transactions		853,498	839,201	778,696	695,723	695,723	695,723	866,656	820,042	807,724	807,253					
Grants, Trade and other receivables from non-exchange transactions		1,626,176	1,791,287	2,157,876	2,557,657	2,557,657	2,557,657	2,302,669	2,581,987	2,488,162	2,353,669					
Less: Impairment for debt		(141,508)	(148,616)	(195,266)	(1,975,962)	(1,975,962)	(1,975,962)	(1,211,378)	(2,879,852)	(2,882,643)	(2,683,553)					
Impairment for Electricity		-	-	-	(29,750)	(29,750)	(29,750)	-	(16,964)	(17,812)	(18,703)					
Impairment for Water		-	-	-	(1,000,493)	(1,000,493)	(1,000,493)	-	(56,256)	(56,256)	(56,256)					
Impairment for Waste		-	-	-	(22,308)	(22,308)	(22,308)	-	(12,290)	(12,290)	(12,290)					
Impairment for Waste Water		-	-	-	(26,424)	(26,424)	(26,424)	-	(14,382)	(14,382)	(14,382)					
Impairment for other trade receivables from exchange transactions		(741,509)	(749,616)	(895,266)	(1,795,636)	(1,795,636)	(1,795,636)	(1,211,378)	(1,879,659)	(1,881,387)	(1,881,387)					
Total net Trade and other receivables from Exchange Transactions		886,666	1,041,589	1,172,616	381,355	381,355	381,355	1,181,281	502,944	496,499	276,197					
<b>Receivables from non-exchange transactions</b>																
Property rates		728,687	671,014	617,358	1,650,818	1,650,818	1,650,818	887,485	1,822,887	1,886,747	1,885,541					
Less: Impairment of Property rates		-	-	-	(8,000)	(8,000)	(8,000)	-	(665)	(750)	(740)					
Net Property rates		728,687	671,014	617,358	1,650,818	1,650,818	1,650,818	887,485	1,822,887	1,886,046	1,885,301					
Other receivables from non-exchange transactions		113,376	48,367	48,362	232,215	232,215	232,215	47,960	234,965	234,229	233,960					
Impairment for other receivables from non-exchange transactions		(81,486)	(31,268)	(34,862)	22,863	22,863	22,863	(16,809)	14,288	14,288	14,884					
Net other receivables from non-exchange transactions		31,890	17,099	13,500	255,078	255,078	255,078	31,151	249,253	248,517	248,744					
Total net Receivables from non-exchange transactions		860,779	786,602	851,858	1,905,896	1,905,896	1,905,896	920,465	2,172,289	2,234,578	2,234,005					
<b>Inventory</b>																
Water																
Opening Balance		2,238	2,282	2,063	2,248	2,248	2,248	2,248	2,248	2,248	2,248					
System Input Volume		46	(199)	116,943	120,000	122,000	122,000	107,858	122,400	126,132	136,234					
Water Treatment Works		-	-	-	-	-	-	-	-	-	-					
Bulk Purchases		46	(199)	116,943	120,000	122,000	122,000	107,858	122,400	126,132	136,234					
Net Input Volume		-	-	-	-	-	-	-	-	-	-					
Authorized Consumption		-	-	(41,382)	(60,000)	(66,360)	(66,360)	(44,587)	(81,200)	(84,566)	(88,117)					
Billed Authorized Consumption		-	-	(41,382)	(60,000)	(66,360)	(66,360)	(44,587)	(81,200)	(84,566)	(88,117)					
Billed Metered Consumption		-	-	(32,496)	(49,500)	(49,500)	(49,500)	(37,443)	(57,830)	(68,177)	(83,486)					
Free Basic Water		-	-	44,311	(8,000)	(8,000)	(8,000)	(8,178)	(6,965)	(6,442)	(6,934)					
Subsidised Water		-	-	(2,013)	(10,000)	-	-	(6,450)	-	-	-					
Revenue Water		-	-	(26,952)	(31,500)	(35,360)	(35,360)	(24,919)	(49,039)	(51,733)	(54,582)					
Billed Unmetered Consumption		-	-	(7,646)	(10,500)	(10,500)	(10,500)	(1,564)	(4,861)	(4,861)	(4,861)					
Free Basic Water		-	-	(7,646)	(10,500)	(10,500)	(10,500)	(1,564)	(4,861)	(4,861)	(4,861)					
Subsidised Water		-	-	-	-	-	-	-	-	-	-					
Revenue Water		-	-	-	-	-	-	-	-	-	-					
Unbilled Authorized Consumption		-	-	-	-	-	-	-	-	-	-					
Unbilled Metered Consumption		-	-	-	-	-	-	-	-	-	-					
Unbilled Unmetered Consumption		-	-	-	-	-	-	-	-	-	-					
Water Losses		-	-	(75,476)	(60,000)	(75,440)	(75,440)	(48,320)	(81,200)	(84,566)	(88,117)					
Apparent losses		-	-	-	(6,000)	(24,192)	(24,192)	(6,946)	(15,000)	(15,829)	(16,499)					
Unauthorized Consumption		-	-	-	-	-	-	-	-	-	-					
Customer Meter Inaccuracies		-	-	(5,000)	(24,192)	(24,192)	(6,946)	(15,000)	(15,829)	(16,695)	(16,695)					
Real losses		-	-	(75,476)	(54,000)	(51,448)	(51,448)	(41,374)	(66,200)	(68,741)	(71,422)					
Leakage in Transmission and Distribution Mains		-	-	(16,628)	(24,000)	(14,784)	(14,784)	(17,361)	(5,000)	(5,279)	(5,566)					
Leakage and Overflow at Storage Tanks/Reservoirs		-	-	(11,365)	(8,000)	(9,784)	(9,784)	(5,114)	(6,200)	(6,541)	(6,901)					
Leakage on Service Connections up to the point of Customer Meter		-	-	(16,028)	(12,000)	(12,966)	(12,966)	(9,279)	(10,000)	(10,550)	(11,130)					
Data Transfer and Management Errors		-	-	(2,055)	(12,000)	(14,784)	(14,784)	(6,830)	(25,000)	(26,376)	(27,828)					
Unrecoverable Annual Real Losses		-	-	(75,476)	(60,000)	(75,440)	(75,440)	(48,320)	(81,200)	(84,566)	(88,117)					
Non-revenue Water		2,282	2,083	2,248	2,248	2,248	2,248	17,189	2,248	2,248	2,248					
Closing Balance Water																
<b>Agricultural</b>																
Opening Balance																
Acquisitions																
Issues																
Adjustments																
Write-offs																
Closing balance - Agricultural																
<b>Consumables</b>																
Standard Rated																
Opening Balance		1,484	2,241	1,235	2,132	2,132	2,132	2,132	2,132	2,132	2,132					
Acquisitions		7,285	6,238	5,589	14,828	22,278	22,278	3,388	19,328	20,224	21,124					
Issues		(6,223)	(6,740)	(5,928)	(14,858)	(22,278)	(22,278)	(2,490)	(18,958)	(20,024)	(21,124)					
Adjustments		(31)	(500)	866	-	-	-	(31)	-	-	-					
Write-offs		(42)	(2)	(15)	-	-	-	-	-	-	-					
Closing balance - Consumables Standard Rated		2,241	1,233	2,132	2,132	2,132	2,132	2,196	2,132	2,132	2,132					
Zero Rated																
Opening Balance		472	186	480	801	801	801	801	801	801	801					
Acquisitions		11,341	10,508	15,250	14,466	17,032	17,032	15,303	16,502	17,476	18,503					
Issues		(11,581)	(10,192)	(14,876)	(14,466)	(17,032)	(17,032)	(16,186)	(16,502)	(17,476)	(18,503)					
Adjustments		-	-	-	-	-	-	-	-	-	-					
Write-offs		(77)	(21)	(52)	-	-	-	-	-	-	-					
Closing balance - Consumables Zero Rated		186	480	801	801	801	801	921	801	801	801					
<b>Finished Goods</b>																
Opening Balance																
Acquisitions																
Issues																
Adjustments																
Write-offs																
Closing balance - Finished Goods																
<b>Materials and Supplies</b>																
Opening Balance		28,181	24,233	28,865	39,050	39,050	39,050	39,050	39,050	17,857	(6,185)					
Acquisitions		26,790	41,355	49,409	147,305	179,605	179,605	49,124	187,248	146,247	152,855					
Issues		(20,652)	(26,915)	(29,214)	(147,305)	(179,605)	(179,605)	(26,607)	(205,241)	(196,485)	(177,492)					
Adjustments		43	49	58	-	-	-	31	-	-	-					
Write-offs		(60)	(57)	(67)	-	-	-	(78)	-	-	-					
Closing balance - Materials and Supplies		24,233	28,865	39,050	39,050	39										

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

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>R thousand</b>													
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				288,469	309,378	294,113	335,918	339,632	339,632	366,222	378,972	400,075	
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				571,568	594,906	610,429	648,238	651,552	651,552	683,585	729,727	770,440	
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION				1,415	6,247	6,869	6,873	6,873	6,873	6,961	7,048	7,132	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				1,169,080	1,147,305	1,263,660	1,488,235	1,487,375	1,487,375	1,654,820	1,808,775	1,978,293	
LOCAL ECONOMIC DEVELOPMENT	Marketing the municipality as premier destination for tourism and investment	A		6,910	6,501	3,226	7,945	10,545	10,545	8,015	8,440	8,904	
<b>Allocations to other priorities</b>			2										
<b>Total Revenue (excluding capital transfers and contributions)</b>				1	<b>2,037,442</b>	<b>2,064,336</b>	<b>2,178,297</b>	<b>2,487,209</b>	<b>2,495,977</b>	<b>2,495,977</b>	<b>2,719,604</b>	<b>2,932,962</b>	<b>3,164,843</b>

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	-	-	-	-	-	-	-	-	1,022,283	213,358	231,882
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**NC091 Sol Plaatje - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)**

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				306,714	388,768	363,220	416,801	532,901	532,901	428,641	446,730	472,901
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				117,561	126,380	126,129	157,404	158,434	158,434	156,155	173,983	183,596
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION				85,541	85,283	84,892	97,947	98,417	98,417	115,120	108,615	114,320
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				1,374,622	1,512,509	1,589,395	1,731,509	1,843,102	1,843,102	1,928,049	2,096,370	2,276,151
LOCAL ECONOMIC DEVELOPMENT	Marketing the municipality as premier destination for tourism and investment	A		52,401	53,419	54,596	61,468	65,352	65,352	63,287	67,477	71,188
<b>Allocations to other priorities</b>												
<b>Total Expenditure</b>				<b>1,936,838</b>	<b>2,166,359</b>	<b>2,218,232</b>	<b>2,465,128</b>	<b>2,698,205</b>	<b>2,698,205</b>	<b>2,691,252</b>	<b>2,893,175</b>	<b>3,118,156</b>

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 balance	213,526	224,552	131,954	(0)	5	5	-	-	0
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NC091 Sol Plaatje - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand												
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				94,295	50,177	11,238	53,705	30,005	30,005	19,500	32,233	44,500
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				-	-	-	-	-	-	-	-	-
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				42,723	66,199	97,604	128,038	131,738	131,738	219,973	612,267	678,429
LOCAL ECONOMIC DEVELOPMENT	Marketing the municipality as premier destination for tourism and investment	A		-	3,126	18,239	8,300	27,150	27,150	10,000	8,783	5,217
Allocations to other priorities			3									
<b>Total Capital Expenditure</b>			1	<b>137,018</b>	<b>119,502</b>	<b>127,081</b>	<b>190,043</b>	<b>188,893</b>	<b>188,893</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</b>

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

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**NC091 Sol Plaatje - Supporting Table SA7 Measureable performance objectives**

Description	Unit of measurement	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>05 - Community Services</b>										
<b>Public Safety</b>										
<b>Licensing And Control Of Animals</b>										
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
Property Rates (Tariff)	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	165	174	174	189	189	189	199	210	210
Water (Kilolitres Per Household Per Month)	Kilolitres Per Household Per	6	6	6	6	6	6	6	6	6
<b>Waste Management</b>										
<b>Solid Waste Disposal (Landfill Sites)</b>										
Formal Settlement Households - Refuse	Households	11 509	11 980	11 980	15 000	15 000	15 000	15 200	15 300	15 300
Informal Settlement Households - Refuse	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
Removed Less Frequently Than Once A	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
<b>08 - Infrastructure And Services</b>										
<b>Energy Sources</b>										
<b>Electricity</b>										
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
Formal Settlement Households Receiving	Households	11 509	11 980	11 980	15 000	15 000	15 000	15 200	15 300	15 300
Informal Settlement Households Receiving	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	-	-	-	-	-	-	-	-	-
<b>Waste Water Management</b>										
<b>Sewerage</b>										
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
Formal Settlement Households Receiving	Households	11 509	11 980	11 980	15 000	15 000	15 000	15 200	15 300	15 300
Informal Settlement Households Receiving	Households	-	-	13 760	-	-	-	13 760	13 760	13 760
Informal Settlements (R000)	Rand Value	802 902	2791 970	6135 215	4300 000	4300 000	4300 000	9600 000	10340 000	11117 000
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
<b>Water Management</b>										
<b>Water Distribution</b>										
Formal Settlement Households Receiving	Households	11 509	11 980	11 980	15 000	15 000	15 000	15 200	15 300	15 300
Informal Settlement Households Receiving	Households	-	-	-	-	-	-	-	-	-
Informal Settlements (R000)	Rand Value	203 291	4437 234	4437 234	4700 000	4700 000	4700 000	5000 000	5200 000	5200 000
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
Other Water Supply (At Least Min.Service	Households	-	-	-	-	-	-	-	-	-
Piped Water Inside Dwelling	Households	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	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
Using Public Tap (At Least Min.Service	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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Entity 1 - (name of entity)</b>										
<i>Insert measure/s description</i>										
<b>Entity 2 - (name of entity)</b>										
#REF!										
<b>Entity 3 - (name of entity)</b>										
#REF!										



NC091 Sol Plaatje - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Borrowing Management</b>											
Credit Rating					Baa1.za	1.6	1.6	1.6			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.8%	1.9%	3.1%	2.0%	4.7%	4.7%	4.0%	1.2%	1.1%	1.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.5%	1.8%	3.0%	1.9%	5.1%	5.1%	3.9%	1.2%	1.1%	1.0%
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>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	3.3	2.7	2.1	2.6	2.6	2.6	2.0	3.2	4.2	4.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.3	2.7	2.1	2.6	2.6	2.6	2.0	3.2	4.2	4.9
Liquidity Ratio	Monetary Assets/Current Liabilities	1.8	1.6	1.2	0.6	0.6	0.6	1.1	0.7	1.0	1.3
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	227.0%	137.8%	119.8%	115.8%	115.8%	117.8%	123.8%	125.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	227.0%	137.8%	117.2%	115.8%	115.8%	117.8%	123.8%	125.6%	127.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	51.3%	45.4%	56.1%	94.1%	91.1%	91.1%	78.8%	97.4%	93.3%	92.0%
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>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors to Cash and Investments		610.4%	1599.6%	-147.0%	864.4%	8327.5%	8327.5%	-142.4%	-256.5%	-59.7%	-39.4%
<b>Other Indicators</b>											
	Total Volume Losses (kW) technical	0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kW) non technical	93841831	127533451	14330222	96648459	96648459	96648459	0	73211208	49295547	48807472
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)	99,335	142,894	189,936	136,400	136,400	136,400	-	114,576	84,022	83,190
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	2642.0%	2969.0%	2000.0%	2000.0%	2000.0%	0.0%	1500.0%	1000.0%	900.0%
	Bulk Purchase										
	Water treatment works										
	Natural sources										
	Total Volume Losses (kℓ)	23,300	22,778	22,764	18,401	18,401	18,401	-	16,727	15,017	14,579
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)	66605225	69576202	75476261	60000000	60000000	60000000	0	56970000	53425200	51869126
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	6169.0%	6463.0%	5000.0%	5000.0%	5000.0%	0.0%	4500.0%	4000.0%	3700.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.0%	35.2%	35.5%	34.2%	34.1%	34.1%	34.6%	32.4%	32.8%	32.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	33.5%	36.6%	36.9%	35.5%	35.4%	35.4%		33.7%	34.1%	33.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	10.7%	11.8%	12.6%	11.3%	12.8%	12.8%		12.3%	11.0%	10.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4.9%	4.9%	6.2%	4.8%	7.9%	7.9%	3.9%	3.9%	3.7%	3.5%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	531.9	-	141.5	161.6	161.6	161.6	83.3	101.5	92.6	99.9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	78.7%	68.4%	88.1%	153.6%	149.2%	149.2%	136.9%	158.1%	149.2%	145.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.6	0.3	(5.2)	0.8	0.1	0.1	(7.2)	(2.3)	(6.9)	(9.3)

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	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population			201	243	248	255	-	0	255	255	255	0
Females aged 5 - 14			40	-	46	36	-	0	36	36	36	0
Males aged 5 - 14			40	-	47	36	-	0	36	36	36	0
Females aged 15 - 34			55	-	70	41	-	0	41	41	41	0
Males aged 15 - 34			50	-	65	44	-	0	44	44	44	0
Unemployment			28	28	79	90	-	0	90	90	90	0
<b>Monthly household income (no. of households)</b>												
No income	1, 12		4,393	79,310	7,032	44	-	44	44	44	44	44
R1 - R1 600			127,071	114,291	2,001	330	-	330	330	330	330	330
R1 601 - R3 200			32,171	9,682	3,215	1,650	-	1,650	1,650	1,650	1,650	1,650
R3 201 - R6 400			26,483	11,928	9,683	2,390	-	2,390	2,390	2,390	2,390	2,390
R6 401 - R12 800			12,879	10,923	11,291	5,090	-	5,090	5,090	5,090	5,090	5,090
R12 801 - R25 600			3,615	5,243	8,977	6,730	-	6,730	6,730	6,730	6,730	6,730
R25 601 - R51 200			1,078	2,056	7,235	6,220	-	6,220	6,220	6,220	6,220	6,220
R52 201 - R102 400			611	333	5,776	6,260	-	6,260	6,260	6,260	6,260	6,260
R102 401 - R204 800			310	242	3,506	5,860	-	5,860	5,860	5,860	5,860	5,860
R204 801 - R409 600			134	78	1,087	5,930	-	5,930	5,930	5,930	5,930	5,930
R409 601 - R819 200			-	-	268	6,420	-	6,420	6,420	6,420	6,420	6,420
> R819 200			-	-	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	-	0	255	255	255	0
Number of poor people in municipal area			81	74	33	40	-	0	40	40	40	0
Number of households in municipal area			50	52	60	63	-	0	63	63	63	0
Number of poor households in municipal area			-	-	9	9	-	0	9	9	9	0
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
<b>Total number of households</b>			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 province/s			-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector	5		-	-	-	-	-	-	-	-	-	-
<b>Total new housing dwellings</b>			-	-	440	2,550	-	2,550	2,550	2,550	2,550	2,550
<b>Economic</b>												
Inflation/inflation outlook (CPIX)	6					5.3%	0.0%	4.9%	6.9%	5.3%	4.9%	4.7%
Interest rate - borrowing						12.5%	0.0%	12.5%	12.5%	12.5%	12.5%	12.5%
Interest rate - investment						6.0%	0.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Remuneration increases						7.0%	0.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Consumption growth (electricity)						1.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Consumption growth (water)						1.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%
<b>Collection rates</b>												
Property tax/service charges	7					88.0%	0.0%	88.0%	88.0%	88.0%	88.0%	88.0%
Rental of facilities & equipment						100.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - external investments						100.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors						25.0%	0.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Revenue from agency services						100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Detail on the provision of municipal services for A10

Total municipal services	Ref.	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>Household service targets (000)</b>										
<b>Water:</b>										
		43,577	43,577	43,577	43,577	43,577	43,577	43,577	43,577	43,577
		22,582	22,582	22,582	22,582	22,582	22,582	22,582	22,582	22,582
8		-	-	-	-	-	-	-	-	-
10		-	-	-	-	-	-	-	-	-
		66,159	66,159	66,159	66,159	66,159	66,159	66,159	66,159	66,159
		5,272	5,272	5,272	5,272	5,272	5,272	5,272	5,272	5,272
9		160	160	160	160	160	160	160	160	160
10		349	349	349	349	349	349	349	349	349
		5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781
		71,940	71,940	71,940	71,940	71,940	71,940	71,940	71,940	71,940
<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	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	1,816
		Chemical toilet	22	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	1,235
		Other toilet provisions (> min.service level)	342	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	66,774
		Bucket toilet	4,352	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	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	5,164
		<b>Total number of households</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>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	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	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	66,261
		Electricity (< min.service level)	4,320	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	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	5,677
		<b>Total number of households</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>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	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	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	1,538
		Using communal refuse dump	1,605	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	3,373
		Other rubbish disposal	1,371	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	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	12,413
		<b>Total number of households</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>71,939</b>	<b>71,939</b>
Municipal in-house services			2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
		<b>Household service targets (000)</b>										
		<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	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	22,582
		Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-	-
		Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-	-
		<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	66,159
		Using public tap (< min.service level)	5,272	5,272	5,272	5,272	5,272	5,272	5,272	5,272	5,272	5,272
		Other water supply (< min.service level)	160	160	160	160	160	160	160	160	160	160
		No water supply	349	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	5,781
		<b>Total number of households</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>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	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	1,816
		Chemical toilet	22	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	1,235
		Other toilet provisions (> min.service level)	342	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	66,774
		Bucket toilet	4,352	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	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	5,164
		<b>Total number of households</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>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	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	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	66,261
		Electricity (< min.service level)	4,320	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	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	5,677
		<b>Total number of households</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>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	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	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	1,538
		Using communal refuse dump	1,605	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	3,373
		Other rubbish disposal	1,371	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	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	12,413
		<b>Total number of households</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>71,939</b>	<b>71,939</b>
Municipal entity services			2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	



Detail of Free Basic Services (FBS) provided		2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	Removed less frequently than once a week									
	Using communal refuse dump									
	Using own refuse dump									
	Other rubbish disposal									
	No rubbish disposal									
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
<b>Electricity</b>	Ref. <b>Location of households for each type of FBS</b>									
-	<b>Formal settlements - (50 kwh per indigent household per month Rands)</b>	-	9,970,540	7,110,331	12,000,000	12,000,000	12,000,000	12,000,000	12,900,000	13,867,500
	Number of HH receiving this type of FBS	11,509	11,980	11,980	15,000	15,000	15,000	15,200	15,300	15,300
	<b>Informal settlements (Rands)</b>	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	<b>Informal settlements targeted for upgrading (Rands)</b>	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	<b>Living in informal backyard rental agreement (Rands)</b>	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	<b>Other (Rands)</b>	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	<b>Total cost of FBS - Electricity for informal settlements</b>	-	-	-	-	-	-	-	-	-
<b>Water</b>	Ref. <b>Location of households for each type of FBS</b>									
-	<b>Formal settlements - (6 kilolitre per indigent household per month Rands)</b>	5,823,959	4,366,113	4,245,870	8,000,000	8,000,000	8,000,000	8,000,000	8,440,000	8,904,200
	Number of HH receiving this type of FBS	11,509	11,980	11,980	15,000	15,000	15,000	15,200	15,300	15,300
	<b>Informal settlements (Rands)</b>	203,291	4,437,234	4,437,234	4,700,000	4,700,000	4,700,000	5,000,000	5,200,000	5,200,000
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	<b>Informal settlements targeted for upgrading (Rands)</b>	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	<b>Living in informal backyard rental agreement (Rands)</b>	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	<b>Other (Rands)</b>	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	<b>Total cost of FBS - Water for informal settlements</b>	203,291	4,437,234	4,437,234	4,700,000	4,700,000	4,700,000	5,000,000	5,200,000	5,200,000
<b>Sanitation</b>	Ref. <b>Location of households for each type of FBS</b>									
-	<b>Formal settlements - (free sanitation service to indigent households)</b>	310,407	266,984	19,439,334	21,000,000	21,000,000	21,000,000	21,000,000	22,260,000	23,484,300
	Number of HH receiving this type of FBS	11,509	11,980	11,980	15,000	15,000	15,000	15,200	15,300	15,300
	<b>Informal settlements (Rands)</b>	802,902	2,791,970	6,135,215	4,300,000	4,300,000	4,300,000	9,600,000	10,340,000	11,117,000
	Number of HH receiving this type of FBS	-	-	13,760	-	-	-	13,760	13,760	13,760
	<b>Informal settlements targeted for upgrading (Rands)</b>	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	<b>Living in informal backyard rental agreement (Rands)</b>	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	<b>Other (Rands)</b>	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	<b>Total cost of FBS - Sanitation for informal settlements</b>	802,902	2,791,970	6,135,215	4,300,000	4,300,000	4,300,000	9,600,000	10,340,000	11,117,000
<b>Refuse Removal</b>	Ref. <b>Location of households for each type of FBS</b>									
-	<b>Formal settlements - (removed once a week to indigent households)</b>	12,263,393	12,444,943	13,331,455	13,500,000	13,500,000	13,500,000	14,500,000	15,370,000	16,215,350
	Number of HH receiving this type of FBS	11,509	11,980	11,980	15,000	15,000	15,000	15,200	15,300	15,300
	<b>Informal settlements (Rands)</b>	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	<b>Informal settlements targeted for upgrading (Rands)</b>	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	<b>Living in informal backyard rental agreement (Rands)</b>	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	<b>Other (Rands)</b>	-	-	-	-	-	-	-	-	-
	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	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	67,047	33,253	(669,386)	116,006	12,041	12,041	(711,854)	(364,883)	(1,234,140)	(1,786,002)
Cash + investments at the yr end less applications - R'000	18(1)b	2	2,384,521	2,727,994	2,804,197	2,178,873	2,220,040	2,220,040	2,848,126	2,788,609	3,570,037	4,175,030
Cash year end/monthly employee/supplier payments	18(1)b	3	0.6	0.3	(5.2)	0.8	0.1	0.1	(7.2)	(2.3)	(6.9)	(9.3)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	457,141	235,091	292,536	156,419	(69,034)	(69,034)	72,947	242,584	643,974	739,333
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(4.8%)	1.1%	9.0%	(7.1%)	(6.0%)	(42.4%)	4.1%	2.9%	2.5%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	32.4%	37.3%	37.4%	38.3%	38.3%	41.5%	29.4%	25.8%	27.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c,19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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/gazetted allocations	18(1)a	10								98.4%	99.0%	99.1%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	3.6%	15.7%	22.9%	(2.7%)	0.0%	(13.2%)	27.3%	(1.3%)	(5.2%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	12.0%	13.0%	13.6%	15.7%	17.9%	17.9%	16.3%	13.9%	11.7%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	4.9%	29.5%	27.7%	27.3%	33.2%	33.2%	0.0%	18.1%	7.7%	7.2%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
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 arrear 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 arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a		1.2%	7.1%	15.0%	(1.1%)	0.0%	(36.4%)	10.1%	8.9%	8.5%	
% incr Property Tax	18(1)a		2.9%	5.0%	4.6%	(2.8%)	0.0%	(26.2%)	8.3%	7.0%	5.6%	
% incr Service charges - Electricity	18(1)a		(0.8%)	10.3%	26.5%	(2.2%)	0.0%	(43.4%)	15.0%	11.3%	11.3%	
% incr Service charges - Water	18(1)a		0.2%	4.9%	14.3%	(1.6%)	0.0%	(37.4%)	7.0%	6.0%	6.1%	
% incr Service charges - Waste Water Management	18(1)a		6.9%	4.8%	(0.3%)	14.4%	0.0%	(33.6%)	(3.9%)	6.1%	5.6%	
% incr Service charges - Waste Management	18(1)a		7.3%	4.8%	3.1%	13.4%	0.0%	(33.7%)	(5.3%)	7.7%	7.1%	
% incr in Sale of Goods and Rendering of Services	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total billable revenue	18(1)a		1,604,202	1,624,125	1,739,828	2,000,857	1,978,226	1,978,226	1,258,982	2,178,149	2,371,181	2,572,170
Service charges	18(1)a		1,604,202	1,624,125	1,739,828	2,000,857	1,978,226	1,978,226	1,258,982	2,178,149	2,371,181	2,572,170
Property rates	18(1)a		555,073	571,075	599,898	627,646	610,074	610,074	450,080	660,893	706,943	746,365
Service charges - electricity revenue	18(1)a		664,828	659,307	726,941	919,854	899,854	899,854	509,640	1,034,872	1,151,590	1,281,753
Service charges - water revenue	18(1)a		258,618	259,156	271,961	310,717	305,717	305,717	191,362	327,114	346,815	367,859
Service charges - sanitation revenue	18(1)a		73,119	78,186	81,934	81,700	93,500	93,500	62,089	89,858	95,380	100,732
Service charges - refuse removal	18(1)a		52,564	56,401	59,094	60,940	69,080	69,080	45,810	65,412	70,452	75,461
Agency services	18(1)a		10,023	15,186	14,263	55,705	55,705	55,705	18,611	35,240	49,096	35,500
Capital expenditure excluding capital grant funding	18(1)a		-	1,545,883	1,873,641	2,029,973	2,088,038	2,088,038	1,592,466	1,726,347	1,628,402	1,857,198
Cash receipts from ratepayers	18(1)a		4,681,254	4,772,176	5,022,730	5,432,027	5,449,453	5,449,453	3,837,302	5,880,636	6,315,183	6,735,795
Ratepayer & Other revenue	18(1)a		N/A	60,746	274,275	498,741	(65,979)	-	(355,482)	609,203	(34,156)	(136,966)
Change in consumer debtors (current and non-current)	18(1)a		357,826	372,988	359,653	392,455	399,219	399,219	275,525	496,154	906,489	1,020,989
Operating and Capital Grant Revenue	20(1)(vi)		137,018	119,502	127,081	190,043	188,893	188,893	55,766	249,473	653,283	728,146
Capital expenditure - total	20(1)(vi)		6,733	35,223	35,213	51,948	62,648	62,648	45,207	50,567	52,395	52,395
Capital expenditure - renewal	20(1)(vi)											
<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%
CPI 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										281,921	302,302	328,343
DoRA capital grants total MFY										214,233	604,187	692,646
Provincial operating grants										8,300	8,798	9,282
Provincial capital grants										-	-	-
District Municipality grants										-	-	-
Total gazetted/advised national, provincial and district grants										504,454	915,287	1,030,271
Average annual collection rate (arrears inclusive)												

DoRA operating

Fmg										1,700	1,700	1,838
Isdg										5,500	5,500	5,500
Equitable Share										263,135	286,304	311,723
Epwp										3,286	-	-
										273,621	293,504	319,061

DoRA capital

Ndpg										2,000	9,137	10,000
Inep										48,026	22,700	25,000
Wsig										-	18,567	19,395
Eedsm										4,000	-	-
ludg										74,207	61,783	64,251
Rbig										86,000	492,000	574,000
										214,233	604,187	692,646

Trend

Change in consumer debtors (current and non-current)			N/A	60,746	274,275	498,741	(65,979)	-	(355,482)	609,203	(34,156)	(136,966)
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<b>Total Operating Revenue</b>			2,037,442	2,064,336	2,178,297	2,487,209	2,495,977	2,495,977	1,697,321	2,719,604	2,932,962	3,164,843
<b>Total Operating Expenditure</b>			1,723,311	1,941,807	2,086,279	2,465,128	2,698,200	2,698,200	1,661,496	2,691,252	2,893,175	3,118,156
<b>Operating Performance Surplus/(Deficit)</b>			314,131	122,529	92,018	22,081	(202,222)	(202,222)	35,825	28,351	39,787	46,687
<b>Cash and Cash Equivalents (30 June 2012)</b>										(364,883)		

<b>Revenue</b>												
% Increase in Total Operating Revenue			1.3%	5.5%	14.2%	0.4%	0.0%	(32.0%)	9.0%	7.8%	7.9%	
% Increase in Property Rates Revenue			2.9%	5.0%	4.6%	(2.8%)	0.0%	(26.2%)	46.8%	7.0%	5.6%	
% Increase in Electricity Revenue			(0.8%)	10.3%	26.5%	(2.2%)	0.0%	(43.4%)	15.0%	11.3%	11.3%	
% Increase in Property Rates & Services Charges			1.2%	7.1%	15.0%	(1.1%)	0.0%	(36.4%)	10.1%	8.9%	8.5%	

<b>Expenditure</b>												
% Increase in Total Operating Expenditure			12.7%	7.4%	18.2%	9.5%	0.0%	(38.4%)	(0.3%)	7.5%	7.8%	
% Increase in Employee Costs			11.2%	6.4%	9.9%	0.1%	0.0%	(30.9%)	3.7%	9.3%	5.5%	
% Increase in Electricity Bulk Purchases			4.8%	1.9%	23.7%	0.0%	0.0%	(40.0%)	15.1%	14.9%	12.7%	
Average Cost Per Budgeted Employee Position (Remuneration)				428368.5166	322231.7967					334460.2712		
Average Cost Per Councillor (Remuneration)				472876.5469	531498.9846					547060.7846		
R&M % of PPE			12.0%	13.0%	13.6%	15.7%	17.9%	17.9%	16.3%	13.9%	11.7%	
Asset Renewal and R&M as a % of PPE			15.0%	15.0%	20.0%	20.0%	22.0%	22.0%	17.0%	16.0%	16.0%	
Debt Impairment % of Total Billable Revenue			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

<b>Capital Revenue</b>												
Internally Funded & Other (R'000)			10,023	15,186	14,263	55,705	55,705	55,705	18,611	35,240	49,096	35,500
Borrowing (R'000)			-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)			126,994	104,315	112,818	134,338	133,188	133,188	37,154	214,233	604,187	692,646
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			92.7%	87.3%	88.8%	70.7%	70.5%	70.5%	66.6%	85.9%	92.5%	95.1%

<b>Capital Expenditure</b>												
Total Capital Programme (R'000)			137,018	119,502	127,081	190,043	188,893	188,893	55,766	249,473	653,283	728,146
Asset Renewal			86,471	67,836	60,963	81,248	91,948	91,948	69,207	81,704	89,429	-
Asset Renewal % of Total Capital Expenditure			63.1%	56.8%	48.0%	42.8%	48.7%	48.7%	124.1%	32.8%	13.7%	0.0%

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Valuation:</b>	1									
Date of valuation:		2019/01/01	2019/01/01	2019/01/01	2000/01/01					
Financial year valuation used		2019	2019	2019	0			0		
Municipal by-laws s6 in place? (Y/N)	2	Yes	No		Yes					
Municipal/assistant valuer appointed? (Y/N)		Yes	No		Yes					
Municipal partnership s38 used? (Y/N)		No								
No. of assistant valuers (FTE)	3	1	-	1	1	1	1	1	1	1
No. of data collectors (FTE)	3	6	-	6	6	6	6	6	6	6
No. of internal valuers (FTE)	3	2	-	2	2	2	2	2	2	2
No. of external valuers (FTE)	3	1	-	1	1	1	1	1	1	1
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)		Yes	No	No	Yes			No		
Implementation time of new valuation roll (mths)		-	-	-	12			48		
No. of properties	5	55,031	-	57,855	59,012	59,220	59,220	62,181	65,290	68,555
No. of sectional title values	5	1,165	-	1,180	1,204	1,241	1,241	1,303	1,368	1,437
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations		738	-	539	550	2,558	2,558	2,686	2,740	2,794
No. of valuation roll amendments		738	-	539	550	2,558	2,558	2,686	2,740	2,794
No. of objections by rate payers		591	-	3	4	-	-	800	5	3
No. of appeals by rate payers		39	-	1	-	-	-	20	1	1
No. of successful objections	8	171	-	-	-	-	-	320	2	1
No. of successful objections > 10%	8	127	-	8	-	-	-	100	1	1
Supplementary valuation		1	-	1	1	1	1	1	1	1
Public service infrastructure value (Rm)	5	129	-	129	131	129	129	132	134	137
Municipality owned property value (Rm)		1,113	-	1,230	1,254	1,273	1,273	1,337	1,404	1,474
<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	-	721	736	723	723	759	797	837
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
<b>Total valuation reductions:</b>		<b>699</b>	<b>-</b>	<b>721</b>	<b>736</b>	<b>723</b>	<b>723</b>	<b>759</b>	<b>797</b>	<b>837</b>
Total value used for rating (Rm)	5	34,757	-	35,252	35,957	35,385	35,385	37,154	39,012	40,962
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5	35,456	-	35,973	36,693	36,107	36,107	37,913	39,808	41,799
<b>Rating:</b>										
Residential rate used to determine rate for other categories? (Y/N)	5	No	No	No	Yes			Yes		
Differential rates used? (Y/N)		No	No	No	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)		No	No	No	No	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)		No	No	No	Yes			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	578,654	-	623,318	635,784	636,799	636,799	668,639	702,071	737,174
Rate revenue expected to collect (R'000)	6	462,923	-	560,986	572,205	573,119	573,119	601,775	631,864	663,457
Expected cash collection rate (%)	7	0.0%	0.0%	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)		2,678	-	3,033	3,093	2,594	2,594	2,724	2,860	3,003
Rebates, exemptions - bona fide farm. (R'000)		2,503	-	3,045	3,106	3,177	3,177	3,336	3,503	3,678
Rebates, exemptions - other (R'000)		14,462	-	17,161	17,505	17,859	17,859	18,751	19,689	20,673
Phase-in reductions/discounts (R'000)										
<b>Total rebates, exemptns, reductns, discs (R'000)</b>		<b>19,643</b>	<b>-</b>	<b>23,239</b>	<b>23,704</b>	<b>23,630</b>	<b>23,630</b>	<b>24,812</b>	<b>26,052</b>	<b>27,355</b>

**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	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
<b>Current Year 2022/23</b>												
<b>Valuation:</b>												
No. of properties		2,098	177	22	47,021	467	7,499	131	283	1,522	-	-
No. of sectional title property values		82	2	-	1,155	-	2	-	-	-	-	-
No. of unreasonably difficult properties s7(2)												
No. of supplementary valuations		136	3	1	932	-	1,452	-	3	30	-	-
Supplementary valuation (Rm)		298,252,000	16,200,000	1,700,000	177,051,000	1,200,000	78,867,000	-	3,000	15,955,000	-	-
No. of valuation roll amendments		136	3	1	932	1	1,452	-	3	30	-	-
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-
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 ( <b>select</b> )		4	4	4	4		4		4			
Frequency of valuation ( <b>select</b> )		4	4	4	4		4		4			
Method of valuation used ( <b>select</b> )		Market	Market	Market	Market		Market		Market			
Base of valuation ( <b>select</b> )		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			
Flat rate used? (Y/N)		No	No	No	No		No		No			
Is balance rated by uniform rate/variable rate?		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)		-	-	-	704	-	-	-	-	18	-	-
Valuation reductions-public worship (Rm)												
Valuation reductions-other (Rm)	2											
<b>Total valuation reductions:</b>												
Total value used for rating (Rm)	6	7,116	720	103	20,131	2,329	2,126	2,348	129	383	-	-
Total land value (Rm)	6											
Total value of improvements (Rm)	6											
Total market value (Rm)	6	<b>7,116</b>	<b>720</b>	<b>103</b>	<b>20,835</b>	<b>2,329</b>	<b>2,126</b>	<b>2,348</b>	<b>129</b>	<b>401</b>	<b>-</b>	<b>-</b>
<b>Rating:</b>												
Average rate	3	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R'000)		233,193	23,676	13,171	231,031	3,554	-	122,823	-	9,352	-	-
Rate revenue expected to collect (R'000)		209,873	21,308	11,854	207,928	3,198	-	110,541	-	8,416	-	-
Expected cash collection rate (%)	4	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	0.0%	0.0%
Special rating areas (R'000)												
Rebates, exemptions - indigent (R'000)												
Rebates, exemptions - pensioners (R'000)		-	-	-	2,594	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	3,177	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		5,775	-	-	8,604	3,158	-	-	-	322	-	-







NC091 Sol Plaatje - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Property rates (rate in the Rand)</b>	1								
Residential properties		Residential	0.0098	0.0104	0.0116	0.0112	0.0116	0.0124	0.0131
Residential properties - vacant land			-	-	-	0.0168	0.0188	0.0197	-
Formal/informal settlements									
Small holdings									
Farm properties - used		Agricultural farms	0.0024	0.0026	0.0029	0.0028	0.0029	0.0031	0.0033
Farm properties - not used		Agricultural business	0.0024	0.0026	0.0029	0.0028	0.0029	0.0031	0.0033
Industrial properties		Industrial	0.0312	0.0332	0.0372	0.0358	0.0348	0.0372	0.0393
Business and commercial properties		Business/Residential	0.0293	0.0311	0.0349	0.0335	0.0348	0.0372	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	0.0585	-	-	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>Property rates by usage</b>									
Business and commercial properties									
Industrial properties									
Mining properties									
Residential properties									
Agricultural properties									
Public benefit organisations									
Public service purpose properties									
Public service infrastructure properties									
Vacant land									
Sport Clubs and Fields (Bitou only)									
Sectional Title Garages (Drakenstein only)									
<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>									
<b>Water tariffs</b>									
<b>Domestic</b>									
Basic charge/fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/kl)									
Water usage - life line tariff		Residential (7-20kl)	27	28	31	29	32	34	36
Water usage - Block 1 (c/kl)		Residential (21-40kl)	30	32	34	33	36	38	41

Water usage - Block 2 (c/kl)	Residential (41-60kl)	32	34	36	35	38	41	43
Water usage - Block 3 (c/kl)	Residential (more than 60kl)	34	36	39	37	41	43	46
Water usage - Block 4 (c/kl)	Residential (0-6kl)	6	7	7	7	8	8	9
Water usage - Block 5 (c/kl)	(fill in thresholds)							
Water usage - Block 6 (c/kl)	(fill in thresholds)							
<b>Other</b>								
<b>Waste water tariffs</b>								
<b>Domestic</b>								
Basic charge/fixed fee (Rands/month)	Basic charge	165	174	189	181	198	210	222
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)	(fill in structure)							
<b>Other</b>								
<b>Electricity tariffs</b>								
<b>Domestic</b>								
Basic charge/fixed fee (Rands/month)		-	-	-	-	82	88	94
Service point - vacant land (Rands/month)								
FBE	Indigents tariff - Block 1 (0-	-	-	-	-	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)	2	2	2	2	3	3	3
Meter - IBT Block 2 (c/kwh)	Block 2 (>350Kwh)	2	2	3	3	3	3	4
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>								
<b>Waste management tariffs</b>								
<b>Domestic</b>								
Street cleaning charge	Basic charge	118	124	135	129	142	153	164
Basic charge/fixed fee								
80l bin - once a week								
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	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Exemptions, reductions and rebates (Rands)</b>									
<i>Residential Properties</i>		standard rebate	15,000	15,000	-	15,000	15,000	15,000	-
<b>Water tariffs</b>									
<i>Water Usage - Life Line Tariff</i>		Residential (0-6kl)	6	7	-	7	8	8	-
<i>Water Usage - Block 1 (C/Kl)</i>		Residential (7-20kl)	27	28	-	29	34	35	-
<i>Water Usage - Block 2 (C/Kl)</i>		Residential (21-40kl)	30	32	-	33	38	40	-
<i>Water Usage - Block 3 (C/Kl)</i>		Residential (41-60kl)	32	34	-	35	40	42	-
<i>Water Usage - Block 4 (C/Kl)</i>		Residential (more than 60kl)	34	36	-	37	43	45	-
<b>Waste water tariffs</b>									
<i>Basic Charge</i>		Basic charge	165	174	-	181	199	210	-
<b>Electricity tariffs</b>									
<i>Domestic Basic Charge</i>			-	-	-	-	-	-	-
<i>Meter - lbt Block 1 (C/Kwh)</i>		Block 1 (0-350 Kwh)	2	2	-	2	-	-	-
<i>Meter - lbt Block 2 (C/Kwh)</i>		Block 2 (>350Kwh)	2	2	-	3	-	-	-
<i>Meter - lbt Block 3 (C/Kwh)</i>			-	-	-	-	-	-	-
<i>Meter - lbt Block 4 (C/Kwh)</i>			-	-	-	-	-	-	-

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>											
<b>Rates and services charges:</b>											
Property rates		501.01	533.07	574.32	613.82	597.29	597.29	(3.0%)	595.48	637.17	672.21
Electricity: Basic levy		-	-	-	57.01	57.01	57.01	43.2%	81.63	90.44	98.58
Electricity: Consumption		2,094.95	1,934.95	2,217.25	2,232.44	2,317.04	2,317.04	15.4%	2,576.94	2,855.25	3,112.22
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		558.69	589.42	612.99	637.51	637.51	637.51	5.3%	671.30	712.05	754.91
Sanitation		129.32	136.43	141.89	147.56	147.56	147.56	4.9%	154.79	164.30	173.66
Refuse removal		92.32	97.39	101.29	105.34	105.34	105.34	5.3%	110.92	119.48	127.97
Other		-	-	-	181.20	181.20	181.20	-	200.43	218.62	-
<b>sub-total</b>		<b>3,376.29</b>	<b>3,291.26</b>	<b>3,647.74</b>	<b>3,974.88</b>	<b>4,042.95</b>	<b>4,042.95</b>	<b>10.5%</b>	<b>4,391.49</b>	<b>4,797.31</b>	<b>4,939.55</b>
VAT on Services		428.52	413.78	461.01	505.71	481.12	481.12	6.7%	539.34	591.23	640.10
<b>Total large household bill:</b>		<b>3,804.81</b>	<b>3,705.04</b>	<b>4,108.75</b>	<b>4,480.59</b>	<b>4,524.07</b>	<b>4,524.07</b>	<b>10.0%</b>	<b>4,930.83</b>	<b>5,388.54</b>	<b>5,579.65</b>
<b>% increase/-decrease</b>			<b>(2.6%)</b>	<b>10.9%</b>	<b>9.0%</b>	<b>1.0%</b>	<b>-</b>	<b>9.0%</b>	<b>9.3%</b>	<b>3.5%</b>	
<b>Monthly Account for Household - 'Affordable Range'</b>											
<b>Rates and services charges:</b>											
Property rates		354.73	377.43	406.64	434.60	422.90	422.90	(3.0%)	421.62	451.13	475.94
Electricity: Basic levy		-	-	-	-	-	-	(100.0%)	81.63	90.44	98.58
Electricity: Consumption		932.15	860.97	986.58	1,081.10	1,031.00	1,031.00	9.8%	1,187.04	1,315.24	1,433.61
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		440.79	465.03	483.63	502.98	502.98	502.98	5.3%	529.64	561.79	595.60
Sanitation		129.32	136.43	141.89	147.56	147.56	147.56	4.9%	154.79	164.30	173.66
Refuse removal		92.32	97.39	101.29	105.34	105.34	105.34	5.3%	110.92	119.48	127.97
Other		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>		<b>1,949.31</b>	<b>1,937.25</b>	<b>2,120.03</b>	<b>2,271.58</b>	<b>2,209.78</b>	<b>2,209.78</b>	<b>9.4%</b>	<b>2,485.64</b>	<b>2,702.38</b>	<b>2,905.36</b>
VAT on Services		236.09	234.00	257.01	276.77	268.03	268.03	11.9%	309.60	337.69	364.42
<b>Total small household bill:</b>		<b>2,185.40</b>	<b>2,171.25</b>	<b>2,377.04</b>	<b>2,548.35</b>	<b>2,477.81</b>	<b>2,477.81</b>	<b>9.7%</b>	<b>2,795.24</b>	<b>3,040.07</b>	<b>3,269.78</b>
<b>% increase/-decrease</b>			<b>(0.6%)</b>	<b>9.5%</b>	<b>7.2%</b>	<b>(2.8%)</b>	<b>-</b>	<b>12.8%</b>	<b>8.8%</b>	<b>7.6%</b>	
<b>Monthly Account for Household - 'Indigent'</b>											
<b>Household receiving free basic services</b>											
<b>Rates and services charges:</b>											
Property rates		208.45	221.79	238.95	255.38	255.38	255.38	(3.0%)	247.76	259.85	271.88
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		499.98	384.84	440.99	460.83	460.85	460.85	19.4%	550.05	583.44	618.56
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		293.31	309.44	321.82	334.69	334.69	334.69	5.3%	352.43	379.60	406.59
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>		<b>1,001.74</b>	<b>916.07</b>	<b>1,001.76</b>	<b>1,050.90</b>	<b>1,050.92</b>	<b>1,050.92</b>	<b>9.5%</b>	<b>1,150.24</b>	<b>1,222.89</b>	<b>1,297.03</b>
VAT on Services		102.12	104.15	114.42	122.46	119.33	119.33	10.5%	135.37	144.46	153.77
<b>Total small household bill:</b>		<b>1,103.86</b>	<b>1,020.22</b>	<b>1,116.18</b>	<b>1,173.36</b>	<b>1,170.25</b>	<b>1,170.25</b>	<b>9.6%</b>	<b>1,285.61</b>	<b>1,367.35</b>	<b>1,450.80</b>
<b>% increase/-decrease</b>			<b>(7.6%)</b>	<b>9.4%</b>	<b>5.1%</b>	<b>(0.3%)</b>	<b>-</b>	<b>9.9%</b>	<b>6.4%</b>	<b>6.1%</b>	

**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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>Parent municipality</b>										
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										
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
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										
<b>Entities sub-total</b>		-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>		-	-	-	-	-	-	-	-	-

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												
<b>Parent municipality</b>														
Standard Bank 048466271-073		6 months	Notice	Yes	Fixed	8.50%	0		07 May 2019	21,852	-	-	-	21,852
Nedbank 9002324052		6 months	Call a/c	Yes	Variable	5.25	0		06 June 2019	5,001	201	-	-	5,202
Absa Bank 20-7291-5615		6 months	Notice	Yes	Fixed	8.02%	0		06 June 2019	10,396	-	-	-	10,396
Investec Bank Jb 9778751		6 months	Notice	Yes	Fixed	7.95%	0		06 June 2019	28,090	-	-	-	28,090
Absa Bank 20-78146864		5 months	Fixed	Yes	Fixed	7.54%	0		26 June 2019	6,441	-	-	-	6,441
First Rand,Nedbank,S'Dard,Investec		12 months	Call a/c	Yes	Variable	6.30%	0		30 June 2020	116,426	-	-	-	116,426
<b>Municipality sub-total</b>										<b>188,207</b>		-	-	<b>188,408</b>
<b>Entities</b>														
N/A														-
														-
														-
														-
														-
<b>Entities sub-total</b>										-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	1									<b>188,207</b>		-	-	<b>188,408</b>

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**

Borrowing - Categorised by type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>Parent municipality</b>										
Annuity and Bullet Loans		191,815	182,267	171,517	148,630	148,630	148,630	158,166	143,379	126,692
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	191,815	182,267	171,517	148,630	148,630	148,630	158,166	143,379	126,692
<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	191,815	182,267	171,517	148,630	148,630	148,630	158,166	143,379	126,692
<b>Unspent Borrowing - Categorised by type</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)										
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	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)										
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 Unspent Borrowing</b>	1	-	-	-	-	-	-	-	-	-

References

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

check borrowing balance	191,815	182,267	171,517	148,630	148,630	148,630	158,166	143,379	126,692
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**NC091 Sol Plaatje - Supporting Table SA18 Transfers and grant receipts**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		199,286	245,173	223,255	250,317	250,317	250,317	273,621	293,504	319,061
Local Government Equitable Share		189,150	234,642	212,328	239,158	239,158	239,158	263,135	286,304	311,723
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant		3,608	4,170	3,362	3,959	3,959	3,959	3,286	-	-
Infrastructure Skills Development Grant		4,500	4,661	4,901	5,500	5,500	5,500	5,500	5,500	5,500
Local Government Financial Management Grant		1,700	1,700	1,650	1,700	1,700	1,700	1,700	1,700	1,838
Municipal Disaster Relief Grant		328	-	1,015	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		15,530	15,253	12,731	7,800	15,714	15,714	8,300	8,798	9,282
Capacity Building and Other Grants		7,800	8,207	8,561	7,800	9,414	9,414	8,300	8,798	9,282
Infrastructure Grant		7,730	7,046	4,170	-	6,300	6,300	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Higher Education SA (HESA)		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	214,815	260,426	235,986	258,117	266,031	266,031	281,921	302,302	328,343
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		143,011	109,706	105,767	134,338	114,338	114,338	214,233	604,187	692,646
Energy Efficiency and Demand Side Management Grant		-	-	-	4,000	4,000	4,000	4,000	-	-
Integrated National Electrification Programme Grant		11,842	17,206	35,458	40,000	20,000	20,000	48,026	22,700	25,000
Integrated Urban Development Grant		-	50,328	54,266	70,390	70,390	70,390	74,207	61,783	64,251
Municipal Infrastructure Grant		53,039	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		70,386	22,881	-	-	-	-	2,000	9,137	10,000
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	86,000	492,000	574,000
Water Services Infrastructure Grant		7,743	19,291	16,043	19,948	19,948	19,948	-	18,567	19,395
<b>Provincial Government:</b>		-	-	76,850	-	-	-	-	-	-
Infrastructure Grant		-	-	76,850	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	3,500	-	-	-	-	-	-
Specify (Add grant description)		-	-	3,500	-	-	-	-	-	-
<b>Other grant providers:</b>		-	2,856	14,400	-	18,850	18,850	-	-	-
European Union		-	2,856	14,400	-	18,850	18,850	-	-	-
<b>Total Capital Transfers and Grants</b>	5	143,011	112,562	200,517	134,338	133,188	133,188	214,233	604,187	692,646
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		357,826	372,988	436,504	392,455	399,219	399,219	496,154	906,489	1,020,989

- References**
- Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
  - Amounts actually RECEIVED; not revenue recognised (objective is to confirm grants transferred)
  - Replacement of RSC levies
  - Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality
  - Total transfers and grants must reconcile to Budgeted Cash Flows
  - 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>EXPENDITURE:</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		106,843	111,662	109,818	116,565	133,635	133,635	221,685	238,295	260,557
Local Government Equitable Share		96,007	101,154	99,625	105,406	121,846	121,846	211,199	231,095	253,219
Expanded Public Works Programme Integrated Grant		3,608	4,170	3,362	3,959	4,589	4,589	3,286	-	-
Infrastructure Skills Development Grant		4,694	4,672	4,920	5,500	5,500	5,500	5,500	5,500	5,500
Local Government Financial Management Grant		1,620	1,666	1,650	1,700	1,700	1,700	1,700	1,700	1,838
Municipal Disaster Relief Grant		916	-	261	-	-	-	-	-	-
<b>Provincial Government:</b>		9,226	8,881	8,275	7,800	11,354	11,354	8,300	8,798	9,282
Capacity Building and Other Grants		3,932	5,019	6,795	7,800	8,554	8,554	8,300	8,798	9,282
Infrastructure Grant		5,294	3,862	1,480	-	2,800	2,800	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		116,069	120,543	118,093	124,365	144,989	144,989	229,985	247,093	269,839
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		126,994	101,832	95,428	134,338	114,338	114,338	214,233	604,187	692,646
Energy Efficiency and Demand Side Management Grant		-	-	-	4,000	4,000	4,000	4,000	-	-
Integrated National Electrification Programme Grant		10,297	16,469	30,833	40,000	20,000	20,000	48,026	22,700	25,000
Integrated Urban Development Grant		-	46,175	48,552	70,390	70,390	70,390	74,207	61,783	64,251
Municipal Infrastructure Grant		48,758	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		61,206	19,896	-	-	-	-	2,000	9,137	10,000
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	86,000	492,000	574,000
Water Services Infrastructure Grant		6,733	19,291	16,043	19,948	19,948	19,948	-	18,567	19,395
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	3,500	-	-	-	-	-	-
Specify (Add grant description)		-	-	3,500	-	-	-	-	-	-
<b>Other grant providers:</b>		-	2,483	13,891	-	18,850	18,850	-	-	-
European Union		-	2,483	13,891	-	18,850	18,850	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		126,994	104,315	112,818	134,338	133,188	133,188	214,233	604,187	692,646
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		243,064	224,858	230,912	258,703	278,177	278,177	444,218	851,280	962,485

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		(1,892)	-	(280)	-	-	-	-	-	-
Current year receipts		(4,500)	(10,811)	(10,512)	(11,159)	(11,159)	(11,159)	(10,486)	(7,200)	(7,338)
<b>Conditions met - transferred to revenue</b>		<b>4,500</b>	<b>10,531</b>	<b>9,913</b>	<b>11,159</b>	<b>11,159</b>	<b>11,159</b>	<b>10,486</b>	<b>7,200</b>	<b>7,338</b>
Conditions still to be met - transferred to liabilities		(3,784)	(280)	(1,159)	-	-	-	-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	(962)	-	-	-	-	-	-
Current year receipts		-	(19,071)	(22,197)	(7,800)	(34,564)	(34,564)	(8,300)	(8,798)	(9,282)
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>18,109</b>	<b>22,331</b>	<b>7,800</b>	<b>34,564</b>	<b>34,564</b>	<b>8,300</b>	<b>8,798</b>	<b>9,282</b>
Conditions still to be met - transferred to liabilities		-	(962)	(1,572)	-	-	-	-	-	-
<b>Total operating transfers and grants revenue</b>		<b>4,500</b>	<b>28,640</b>	<b>32,243</b>	<b>18,959</b>	<b>45,723</b>	<b>45,723</b>	<b>18,786</b>	<b>15,998</b>	<b>16,620</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>(3,784)</b>	<b>(1,241)</b>	<b>(2,730)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		(5,009)	(27,126)	(5,032)	-	-	-	-	-	-
Current year receipts		(168,384)	(99,619)	(106,809)	(134,338)	(114,338)	(114,338)	(214,233)	(604,187)	(692,646)
<b>Conditions met - transferred to revenue</b>		<b>143,011</b>	<b>109,706</b>	<b>105,767</b>	<b>134,338</b>	<b>114,338</b>	<b>114,338</b>	<b>214,233</b>	<b>604,187</b>	<b>692,646</b>
Conditions still to be met - transferred to liabilities		(33,639)	(29,045)	(11,106)	-	-	-	-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants revenue</b>		<b>143,011</b>	<b>109,706</b>	<b>105,767</b>	<b>134,338</b>	<b>114,338</b>	<b>114,338</b>	<b>214,233</b>	<b>604,187</b>	<b>692,646</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>(33,639)</b>	<b>(29,045)</b>	<b>(11,106)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>147,511</b>	<b>138,347</b>	<b>138,011</b>	<b>153,297</b>	<b>160,061</b>	<b>160,061</b>	<b>233,019</b>	<b>620,185</b>	<b>709,266</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>(37,423)</b>	<b>(30,287)</b>	<b>(13,837)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

References

- 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
- CTBM = conditions to be met
- National Treasury database will require this reconciliation for each transfer/grant

Check opex	4,084	22,913	31,109	18,959	45,723	45,723	18,786	15,998	16,620
Check capex	16,016	5,391	(7,051)	-	(18,850)	(18,850)	-	-	-

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<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>		374	270	200	2,000	2,000	2,000	177	2,000	2,000	2,000
<i>Non-Prof:Oth Institut/Gariep</i>		-	-	-	-	-	-	-	-	-	-
<i>Non-Prof:Oth Institut/Sport Council</i>		-	-	-	-	-	-	-	-	-	-
<i>Non-Prof:Other Institutions/Spca</i>		2,000	2,100	2,200	2,300	2,300	2,300	2,300	2,400	2,400	2,500
<b>Total Cash Transfers To Organisations</b>		2,374	2,370	2,400	4,300	4,300	4,300	2,477	4,400	4,400	4,500
<b>Cash Transfers to Groups of Individuals</b>											
<i>Hh Oth Trans: Housing - Individual Supp</i>		237	1	-	-	-	-	-	-	-	-
<i>Hh Ssp Soc Ass: Grant In Aid</i>		122	158	146	160	160	160	30	160	170	179
<b>Total Cash Transfers To Groups Of Individuals:</b>		359	159	146	160	160	160	30	160	170	179
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	6	2,733	2,528	2,546	4,460	4,460	4,460	2,507	4,560	4,570	4,679
<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	2,733	2,528	2,546	4,460	4,460	4,460	2,507	4,560	4,570	4,679

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'



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									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
<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									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
<b>Sub Total - Other Staff of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>683,289</b>	<b>756,479</b>	<b>803,514</b>	<b>883,950</b>	<b>884,517</b>	<b>884,517</b>	<b>917,196</b>	<b>1,000,812</b>	<b>1,056,100</b>
<b>% increase</b>	4		<b>10.7%</b>	<b>6.2%</b>	<b>10.0%</b>	<b>0.1%</b>	-	<b>3.7%</b>	<b>9.1%</b>	<b>5.5%</b>
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>652,922</b>	<b>726,219</b>	<b>772,777</b>	<b>849,403</b>	<b>849,970</b>	<b>849,970</b>	<b>881,637</b>	<b>963,475</b>	<b>1,016,709</b>

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



**NC091 Sol Plaatje - Supporting Table SA24 Summary of personnel numbers**

Summary of Personnel Numbers	Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
		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)		65	65	–	65	65	–	65	65	–
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
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 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>																
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity		95,966	95,966	95,966	95,966	95,966	95,966	95,966	95,966	95,966	95,966	95,966	(20,753)	1,034,872	1,151,590	1,281,753
Service charges - Water		28,901	28,901	28,901	28,901	28,901	28,901	28,901	28,901	28,901	28,901	28,901	9,200	327,114	346,815	367,859
Service charges - Waste Water Management		7,948	7,948	7,948	7,948	7,948	7,948	7,948	7,948	7,948	7,948	7,948	2,427	89,858	95,380	100,732
Service charges - Waste Management		5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	830	65,412	70,452	75,461
Sale of Goods and Rendering of Services		1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	489	15,579	16,462	17,367
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		13,413	13,413	13,413	13,413	13,413	13,413	13,413	13,413	13,413	13,413	13,413	21,340	168,880	160,953	158,048
Interest earned from Current and Non Current Assets		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	(4,000)	7,000	12,000	15,000
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	1,009	26,930	28,278	29,833
Licence and permits		105	105	105	105	105	105	105	105	105	105	105	45	1,200	1,260	1,329
Operational Revenue		278	278	278	278	278	278	278	278	278	278	278	80	3,134	3,333	3,514
<b>Non-Exchange Revenue</b>																
Property rates		58,912	58,912	58,912	58,912	58,912	58,912	58,912	58,912	58,912	58,912	58,912	12,863	660,893	706,943	746,365
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,506	30,660	30,714	32,403
Licences or permits		540	540	540	540	540	540	540	540	540	540	540	210	6,150	6,480	6,836
Transfer and subsidies - Operational		25,192	25,192	25,192	25,192	25,192	25,192	25,192	25,192	25,192	25,192	25,192	4,811	281,921	302,302	328,343
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contri</b>		<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>244,413</b>	<b>31,056</b>	<b>2,719,604</b>	<b>2,932,962</b>	<b>3,164,843</b>
<b>Expenditure</b>																
Employee related costs		80,290	80,290	80,290	80,290	80,290	80,290	80,290	80,290	80,290	80,290	80,290	(1,552)	881,637	963,475	1,016,709
Remuneration of councillors		3,111	3,111	3,111	3,111	3,111	3,111	3,111	3,111	3,111	3,111	3,111	1,333	35,559	37,337	39,390
Bulk purchases - electricity		75,133	75,133	75,133	75,133	75,133	75,133	75,133	75,133	75,133	75,133	75,133	(41,467)	785,000	901,600	1,016,103
Inventory consumed		22,630	22,630	22,630	22,630	22,630	22,630	22,630	22,630	22,630	22,630	22,630	56,973	305,900	271,555	285,224
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		7,596	7,596	7,596	7,596	7,596	7,596	7,596	7,596	7,596	7,596	7,596	3,093	86,650	91,153	96,166
Interest		1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	3,112	19,495	17,872	16,050
Contracted services		4,246	4,246	4,246	4,246	4,246	4,246	4,246	4,246	4,246	4,246	4,246	1,411	48,113	50,948	57,799
Transfers and subsidies		381	381	381	381	381	381	381	381	381	381	381	371	4,560	4,570	4,679
Irrecoverable debts written off		28,061	28,061	28,061	28,061	28,061	28,061	28,061	28,061	28,061	28,061	28,061	8,831	317,500	336,730	356,180
Operational costs		12,781	12,781	12,781	12,781	12,781	12,781	12,781	12,781	12,781	12,781	12,781	5,046	145,639	153,369	161,738
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		5,381	5,381	5,381	5,381	5,381	5,381	5,381	5,381	5,381	5,381	5,381	2,014	61,200	64,566	68,117
<b>Total Expenditure</b>		<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>39,166</b>	<b>2,691,252</b>	<b>2,893,175</b>	<b>3,118,156</b>
<b>Surplus/(Deficit)</b>		<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>3,315</b>	<b>(8,110)</b>	<b>28,351</b>	<b>39,787</b>	<b>46,687</b>
Transfers and subsidies - capital (monetary allocations)		50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	(339,605)	214,233	604,187	692,646
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>(347,715)</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>(347,715)</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>(347,715)</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	1	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>(347,715)</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</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 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		81,930	81,930	81,930	81,930	81,930	81,930	81,930	81,930	81,930	81,930	81,930	(320,774)	580,455	983,159	1,092,721
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		587	587	587	587	587	587	587	587	587	587	587	501	6,961	7,048	7,132
Vote 05 - Community Services		9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	2,756	109,495	116,443	123,981
Vote 06 - Financial Services		60,811	60,811	60,811	60,811	60,811	60,811	60,811	60,811	60,811	60,811	60,811	14,669	683,585	729,727	770,440
Vote 07 - Strategy Econ Development And Planning		703	703	703	703	703	703	703	703	703	703	703	278	8,015	8,440	8,904
Vote 08 - Infrastructure And Services		141,028	141,028	141,028	141,028	141,028	141,028	141,028	141,028	141,028	141,028	141,028	(5,979)	1,545,325	1,692,332	1,854,312
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>(308,549)</b>	<b>2,933,837</b>	<b>3,537,149</b>	<b>3,857,489</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 01 - Executive & Council		5,188	5,188	5,188	5,188	5,188	5,188	5,188	5,188	5,188	5,188	5,188	2,110	59,173	62,250	65,674
Vote 02 - Municipal And General		32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040	17,028	369,468	384,480	407,227
Vote 03 - Municipal Manager		2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	440	26,161	28,059	29,638
Vote 04 - Corporate Services		6,713	6,713	6,713	6,713	6,713	6,713	6,713	6,713	6,713	6,713	6,713	15,115	88,959	80,556	84,683
Vote 05 - Community Services		29,315	29,315	29,315	29,315	29,315	29,315	29,315	29,315	29,315	29,315	29,315	(9,758)	312,712	351,783	371,809
Vote 06 - Financial Services		14,499	14,499	14,499	14,499	14,499	14,499	14,499	14,499	14,499	14,499	14,499	(3,331)	156,155	173,983	183,596
Vote 07 - Strategy Econ Development And Planning		5,623	5,623	5,623	5,623	5,623	5,623	5,623	5,623	5,623	5,623	5,623	1,432	63,287	67,477	71,188
Vote 08 - Infrastructure And Services		145,382	145,382	145,382	145,382	145,382	145,382	145,382	145,382	145,382	145,382	145,382	16,130	1,615,337	1,744,587	1,904,343
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>39,166</b>	<b>2,691,252</b>	<b>2,893,175</b>	<b>3,118,156</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>(347,715)</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>(347,715)</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</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 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>																
<b>Revenue - Functional</b>																
<i>Governance and administration</i>		143,398	143,398	143,398	143,398	143,398	143,398	143,398	143,398	143,398	143,398	143,398	(305,574)	1,271,802	1,720,774	1,871,179
Executive and council		81,930	81,930	81,930	81,930	81,930	81,930	81,930	81,930	81,930	81,930	81,930	(320,774)	580,455	983,159	1,092,721
Finance and administration		61,468	61,468	61,468	61,468	61,468	61,468	61,468	61,468	61,468	61,468	61,468	15,200	691,347	737,615	778,458
Internal audit													-	-	-	-
<i>Community and public safety</i>		3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	1,423	41,568	43,795	46,204
Community and social services		1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	334	11,782	12,489	13,176
Sport and recreation		200	200	200	200	200	200	200	200	200	200	200	64	2,265	2,401	2,533
Public safety		66	66	66	66	66	66	66	66	66	66	66	21	750	795	839
Housing		2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	1,001	26,701	28,036	29,578
Health		6	6	6	6	6	6	6	6	6	6	6	2	70	74	78
<i>Economic and environmental services</i>		1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,078	16,520	16,846	17,774
Planning and development		492	492	492	492	492	492	492	492	492	492	492	188	5,595	5,898	6,223
Road transport		912	912	912	912	912	912	912	912	912	912	912	890	10,925	10,948	11,551
Environmental protection													-	-	-	-
<i>Trading services</i>		145,503	145,503	145,503	145,503	145,503	145,503	145,503	145,503	145,503	145,503	145,503	(5,798)	1,594,737	1,746,038	1,912,104
Energy sources		97,494	97,494	97,494	97,494	97,494	97,494	97,494	97,494	97,494	97,494	97,494	(20,181)	1,052,252	1,169,926	1,301,097
Water management		32,207	32,207	32,207	32,207	32,207	32,207	32,207	32,207	32,207	32,207	32,207	10,437	364,714	386,483	409,709
Waste water management		8,964	8,964	8,964	8,964	8,964	8,964	8,964	8,964	8,964	8,964	8,964	2,753	101,358	107,570	113,593
Waste management		6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	1,193	76,413	82,058	87,705
<i>Other</i>		808	808	808	808	808	808	808	808	808	808	808	322	9,210	9,696	10,229
<b>Total Revenue - Functional</b>		<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>294,762</b>	<b>(308,549)</b>	<b>2,933,837</b>	<b>3,537,149</b>	<b>3,857,489</b>
<b>Expenditure - Functional</b>																
<i>Governance and administration</i>		64,591	64,591	64,591	64,591	64,591	64,591	64,591	64,591	64,591	64,591	64,591	32,645	743,143	775,085	819,488
Executive and council		38,464	38,464	38,464	38,464	38,464	38,464	38,464	38,464	38,464	38,464	38,464	19,198	442,301	461,567	488,553
Finance and administration		25,537	25,537	25,537	25,537	25,537	25,537	25,537	25,537	25,537	25,537	25,537	13,258	294,166	306,442	323,434
Internal audit		590	590	590	590	590	590	590	590	590	590	590	189	6,676	7,076	7,501
<i>Community and public safety</i>		18,389	18,389	18,389	18,389	18,389	18,389	18,389	18,389	18,389	18,389	18,389	(6,948)	195,332	220,666	232,392
Community and social services		4,640	4,640	4,640	4,640	4,640	4,640	4,640	4,640	4,640	4,640	4,640	(1,510)	49,529	55,679	58,285
Sport and recreation		5,513	5,513	5,513	5,513	5,513	5,513	5,513	5,513	5,513	5,513	5,513	(4,293)	56,350	66,155	69,794
Public safety		4,049	4,049	4,049	4,049	4,049	4,049	4,049	4,049	4,049	4,049	4,049	(2,427)	42,115	48,590	51,263
Housing		2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	924	26,752	28,176	29,771
Health		1,839	1,839	1,839	1,839	1,839	1,839	1,839	1,839	1,839	1,839	1,839	359	20,586	22,066	23,279
<i>Economic and environmental services</i>		14,495	14,495	14,495	14,495	14,495	14,495	14,495	14,495	14,495	14,495	14,495	16,302	175,751	173,943	182,892
Planning and development		4,616	4,616	4,616	4,616	4,616	4,616	4,616	4,616	4,616	4,616	4,616	1,055	51,835	55,395	58,441
Road transport		9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	15,221	123,016	117,594	123,444
Environmental protection		80	80	80	80	80	80	80	80	80	80	80	25	900	954	1,007
<i>Trading services</i>		141,269	141,269	141,269	141,269	141,269	141,269	141,269	141,269	141,269	141,269	141,269	(2,070)	1,551,892	1,695,229	1,853,579
Energy sources		95,507	95,507	95,507	95,507	95,507	95,507	95,507	95,507	95,507	95,507	95,507	(19,421)	1,031,152	1,146,079	1,274,421
Water management		29,861	29,861	29,861	29,861	29,861	29,861	29,861	29,861	29,861	29,861	29,861	13,334	341,800	358,326	376,704
Waste water management		9,064	9,064	9,064	9,064	9,064	9,064	9,064	9,064	9,064	9,064	9,064	2,824	102,527	108,766	114,750
Waste management		6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	1,192	76,413	82,058	87,705
<i>Other</i>		2,354	2,354	2,354	2,354	2,354	2,354	2,354	2,354	2,354	2,354	2,354	(762)	25,135	28,251	29,805
<b>Total Expenditure - Functional</b>		<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>241,099</b>	<b>39,166</b>	<b>2,691,252</b>	<b>2,893,175</b>	<b>3,118,156</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>(347,715)</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>
Intercompany/Parent subsidiary transactions													-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>53,664</b>	<b>(347,715)</b>	<b>242,584</b>	<b>643,974</b>	<b>739,333</b>

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 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>Multi-year expenditure to be appropriated</b>	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	(10,672)	12,000	24,733	37,000	
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,034	
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 07 - Strategy Econ Development And Planning		732	732	732	732	732	732	732	732	732	732	732	1,949	10,000	8,783	5,217	
Vote 08 - Infrastructure And Services		48,797	48,797	48,797	48,797	48,797	48,797	48,797	48,797	48,797	48,797	48,797	(368,823)	167,947	585,567	643,395	
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Capital multi-year expenditure sub-total</b>	2	<b>51,590</b>	<b>51,590</b>	<b>51,590</b>	<b>51,590</b>	<b>51,590</b>	<b>51,590</b>	<b>51,590</b>	<b>51,590</b>	<b>51,590</b>	<b>51,590</b>	<b>51,590</b>	<b>(377,546)</b>	<b>189,947</b>	<b>619,083</b>	<b>689,646</b>	
<b>Single-year expenditure to be appropriated</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 02 - Municipal And General		625	625	625	625	625	625	625	625	625	625	625	625	7,500	7,500	7,500	
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		2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	27,551	52,026	26,700	31,000	
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Capital single-year expenditure sub-total</b>	2	<b>2,850</b>	<b>2,850</b>	<b>2,850</b>	<b>2,850</b>	<b>2,850</b>	<b>2,850</b>	<b>2,850</b>	<b>2,850</b>	<b>2,850</b>	<b>2,850</b>	<b>2,850</b>	<b>28,176</b>	<b>59,526</b>	<b>34,200</b>	<b>38,500</b>	
<b>Total Capital Expenditure</b>	2	<b>54,440</b>	<b>54,440</b>	<b>54,440</b>	<b>54,440</b>	<b>54,440</b>	<b>54,440</b>	<b>54,440</b>	<b>54,440</b>	<b>54,440</b>	<b>54,440</b>	<b>54,440</b>	<b>(349,370)</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</b>	

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 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		2,686	2,686	2,686	2,686	2,686	2,686	2,686	2,686	2,686	2,686	2,686	(10,047)	19,500	32,233	44,500
Executive and council		2,686	2,686	2,686	2,686	2,686	2,686	2,686	2,686	2,686	2,686	2,686	(10,047)	19,500	32,233	44,500
Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,034
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,034
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		4,065	4,065	4,065	4,065	4,065	4,065	4,065	4,065	4,065	4,065	4,065	5,282	50,000	48,783	45,217
Planning and development		732	732	732	732	732	732	732	732	732	732	732	1,949	10,000	8,783	5,217
Road transport		3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000	40,000	40,000
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		47,689	47,689	47,689	47,689	47,689	47,689	47,689	47,689	47,689	47,689	47,689	(344,605)	179,973	572,267	634,395
Energy sources		2,058	2,058	2,058	2,058	2,058	2,058	2,058	2,058	2,058	2,058	2,058	31,384	54,026	24,700	28,000
Water management		44,083	44,083	44,083	44,083	44,083	44,083	44,083	44,083	44,083	44,083	44,083	(358,970)	125,947	529,000	587,000
Waste water management		1,547	1,547	1,547	1,547	1,547	1,547	1,547	1,547	1,547	1,547	1,547	(17,020)	-	18,567	19,395
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	(349,370)	249,473	653,283	728,146
<b>Funded by:</b>																
National Government		50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	(339,605)	214,233	604,187	692,646
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	(339,605)	214,233	604,187	692,646
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		4,091	4,091	4,091	4,091	4,091	4,091	4,091	4,091	4,091	4,091	4,091	(9,765)	35,240	49,096	35,500
<b>Total Capital Funding</b>		54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	(349,370)	249,473	653,283	728,146

**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 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>															
<b>Cash Receipts By Source</b>															
Property rates	46,982	46,982	46,982	46,982	46,982	46,982	46,982	46,982	46,982	46,982	46,982	26,246	543,052	563,789	617,319
Service charges - electricity revenue	91,621	91,621	91,621	91,621	91,621	91,621	91,621	91,621	91,621	91,621	91,621	(65,963)	941,869	1,099,453	1,253,729
Service charges - water revenue	24,566	24,566	24,566	24,566	24,566	24,566	24,566	24,566	24,566	24,566	24,566	7,820	278,047	294,793	312,680
Service charges - sanitation revenue	7,410	7,410	7,410	7,410	7,410	7,410	7,410	7,410	7,410	7,410	7,410	(2,227)	79,280	88,916	98,939
Service charges - refuse revenue	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	(2,523)	55,600	63,407	71,688
Rental of facilities and equipment	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	1,002	26,720	28,056	29,599
Interest earned - external investments	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	(4,000)	7,000	12,000	15,000
Interest earned - outstanding debtors												-			
Dividends received												-			
Fines, penalties and forfeits	2,677	2,677	2,677	2,677	2,677	2,677	2,677	2,677	2,677	2,677	2,677	2,627	32,076	32,126	33,812
Licences and permits	645	645	645	645	645	645	645	645	645	645	645	255	7,350	7,740	8,165
Agency services												-			
Transfers and Subsidies - Operational	25,192	25,192	25,192	25,192	25,192	25,192	25,192	25,192	25,192	25,192	25,192	4,811	281,921	302,302	328,343
Other revenue	(45,823)	(45,823)	(45,823)	(45,823)	(45,823)	(45,823)	(45,823)	(45,823)	(45,823)	(45,823)	(45,823)	266,409	(237,646)	(549,878)	(568,732)
<b>Cash Receipts by Source</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>161,892</b>	<b>234,457</b>	<b>2,015,268</b>	<b>1,942,704</b>	<b>2,200,541</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	50,349	(339,605)	214,233	604,187	692,646
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)												-			
Proceeds on Disposal of Fixed and Intangible Assets												-			
Short term loans												-			
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments												-			
<b>Total Cash Receipts by Source</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>212,241</b>	<b>(105,148)</b>	<b>2,229,501</b>	<b>2,546,891</b>	<b>2,893,187</b>
<b>Cash Payments by Type</b>															
Employee related costs	77,622	77,622	77,622	77,622	77,622	77,622	77,622	77,622	77,622	77,622	77,622	(4,294)	849,552	931,464	982,331
Remuneration of councillors												-			
Finance charges	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	3,112	19,495	17,872	16,050
Bulk purchases - electricity	83,467	83,467	83,467	83,467	83,467	83,467	83,467	83,467	83,467	83,467	83,467	(33,133)	885,000	1,001,600	1,026,103
Acquisitions - water & other inventory	17,711	17,711	17,711	17,711	17,711	17,711	17,711	17,711	17,711	17,711	17,711	10,979	205,802	212,534	136,234
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other municipalities												-			
Transfers and subsidies - other												-			
Other expenditure	48,353	48,353	48,353	48,353	48,353	48,353	48,353	48,353	48,353	48,353	48,353	22,837	554,722	580,234	535,125
<b>Cash Payments by Type</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>228,643</b>	<b>(500)</b>	<b>2,514,570</b>	<b>2,743,704</b>	<b>2,695,844</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	54,440	(349,370)	249,473	653,283	728,146
Repayment of borrowing	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	(203)	13,351	14,787	16,687
Other Cash Flows/Payments	364	364	364	364	364	364	364	364	364	364	364	364	4,373	4,373	4,373
<b>Total Cash Payments by Type</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>284,680</b>	<b>(349,708)</b>	<b>2,781,767</b>	<b>3,416,147</b>	<b>3,445,049</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>(72,439)</b>	<b>244,560</b>	<b>(552,266)</b>	<b>(869,256)</b>	<b>(551,862)</b>
Cash/cash equivalents at the month/year begin:	187,382	114,944	42,505	(29,934)	(102,373)	(174,811)	(247,250)	(319,689)	(392,128)	(464,566)	(537,005)	(609,444)	187,382	(364,883)	(1,234,140)
Cash/cash equivalents at the month/year end:	114,944	42,505	(29,934)	(102,373)	(174,811)	(247,250)	(319,689)	(392,128)	(464,566)	(537,005)	(609,444)	(364,883)	(364,883)	(1,234,140)	(1,786,002)

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 MTRF it is now directly linked to A7.



**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 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Total Contract Value
		Total	Original Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Estimate							
<b>R thousand</b>	1,3													
<b>Parent Municipality:</b>														
<b>Revenue Obligation By Contract</b>	2													
<i>No Future Contracts Greater Than 5m</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenditure Obligation By Contract</b>	2													
<i>No Future Contracts Greater Than 5m</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Expenditure Obligation By Contract</b>	2													
<i>Upgrade Stormwater Galeshewe</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Lerato Park Link Water And Sewer</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Homevale Fire Station</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Parent Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<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>		-	-	-	-	-	-	-	-	-	-	-	-	-

**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





Biological or Cultivated Assets										
<b>Intangible Assets</b>	-	2,483	13,891	-	18,850	18,850	-	-	-	
Servitudes										
Licences and Rights	-	2,483	13,891	-	18,850	18,850	-	-	-	
<i>Water Rights</i>										
<i>Effluent Licenses</i>										
<i>Solid Waste Licenses</i>										
<i>Computer Software and Applications</i>	-	-	-	-	-	-	-	-	-	
<i>Load Settlement Software Applications</i>										
<i>Unspecified</i>	-	2,483	13,891	-	18,850	18,850	-	-	-	
<b>Computer Equipment</b>	3,253	1,687	3,857	11,300	11,300	11,300	4,500	4,500	4,500	
Computer Equipment	3,253	1,687	3,857	11,300	11,300	11,300	4,500	4,500	4,500	
<b>Furniture and Office Equipment</b>	634	76	184	2,000	2,000	2,000	3,000	3,000	3,000	
Furniture and Office Equipment	634	76	184	2,000	2,000	2,000	3,000	3,000	3,000	
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-	
Machinery and Equipment										
<b>Transport Assets</b>	5,323	1,825	2,445	35,405	11,705	11,705	5,000	10,596	20,000	
Transport Assets	5,323	1,825	2,445	35,405	11,705	11,705	5,000	10,596	20,000	
<b>Land</b>	-	-	-	-	-	-	-	-	-	
Land										
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals										
<b>Living resources</b>	-	-	-	-	-	-	-	-	-	
Mature	-	-	-	-	-	-	-	-	-	
<i>Policing and Protection</i>										
<i>Zoological plants and animals</i>										
Immature	-	-	-	-	-	-	-	-	-	
<i>Policing and Protection</i>										
<i>Zoological plants and animals</i>										
<b>Total Capital Expenditure on new assets</b>	1	50,547	51,665	66,118	108,795	96,945	96,945	180,266	571,579	638,717

**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 exp

check balance	-	-	-	-	-	-	-	193,707,175	403,810,000	74,863,000
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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>	-	-	-	-	-	-	-	-	-	-
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
<b>Other assets</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>	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-	-
Computer Equipment										
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment										
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-	-
Transport Assets										
<b>Land</b>	-	-	-	-	-	-	-	-	-	-
Land										
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
<b>Living resources</b>	-	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Immature	-	-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
<b>Total Capital Expenditure on renewal of existing asse</b>	<b>1</b>	<b>6,733</b>	<b>35,223</b>	<b>35,213</b>	<b>51,948</b>	<b>62,648</b>	<b>62,648</b>	<b>45,207</b>	<b>50,567</b>	<b>52,395</b>
<b>Renewal of Existing Assets as % of total capex</b>		4.9%	29.5%	27.7%	27.3%	33.2%	33.2%	18.1%	7.7%	7.2%
<b>Renewal of Existing Assets as % of deprecn"</b>		9.7%	55.1%	50.3%	64.1%	77.3%	77.3%	52.2%	55.5%	54.5%

**References**

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

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		170,309	189,325	218,404	222,251	255,212	255,212	273,290	257,183	271,345
Roads Infrastructure		46,057	47,389	46,030	51,355	53,481	53,481	71,980	59,741	62,423
Roads		39,850	41,329	40,138	40,847	43,123	43,123	71,472	59,208	61,860
Road Structures										
Road Furniture		6,206	6,060	5,892	10,508	10,358	10,358	508	533	563
Capital Spares										
Storm water Infrastructure		-	542	1,963	570	3,121	3,121	550	580	615
Drainage Collection		-	542	1,963	570	3,121	3,121	550	580	615
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		52,173	57,938	60,972	67,247	68,146	68,146	85,857	75,255	79,611
Power Plants										
HV Substations		1,097	1,002	1,168	1,150	1,150	1,150	1,300	1,378	1,454
HV Switching Station		4,081	4,028	5,994	5,070	2,595	2,595	4,950	5,229	5,520
HV Transmission Conductors										
MV Substations		1,553	1,612	1,804	1,650	1,590	1,590	1,950	2,067	2,181
MV Switching Stations		4,793	4,697	5,041	5,490	7,490	7,490	5,680	6,021	6,352
MV Networks		1,576	2,741	2,027	2,700	2,150	2,150	2,400	2,544	2,684
LV Networks		14,307	15,607	16,993	17,650	15,874	15,874	33,500	19,695	20,915
Capital Spares		24,766	28,250	27,945	33,537	37,297	37,297	36,077	38,321	40,506
Water Supply Infrastructure		37,718	44,102	60,085	49,386	68,771	68,771	56,220	59,594	63,169
Dams and Weirs										
Boreholes										
Reservoirs		675	4,172	9,302	5,200	3,442	3,442	5,200	5,512	5,843
Pump Stations		66	18	2,546	1,000	144	144	1,000	1,060	1,124
Water Treatment Works		5,508	1,694	2,230	2,300	1,189	1,189	2,500	2,650	2,809
Bulk Mains		2,125	1,419	3,253	3,000	-	-	3,500	3,710	3,933
Distribution		23,882	31,122	39,693	33,351	62,026	62,026	39,440	41,807	44,315
Distribution Points										
PRV Stations										
Capital Spares		5,463	5,678	3,060	4,535	1,970	1,970	4,580	4,855	5,146
Sanitation Infrastructure		20,370	24,371	30,149	31,725	40,025	40,025	35,718	37,684	39,759
Pump Station		3,161	6,509	9,085	8,250	11,226	11,226	10,350	10,922	11,525
Reticulation		17,039	17,534	20,162	21,175	26,279	26,279	23,068	24,336	25,674
Waste Water Treatment Works		25	51	75	500	470	470	500	528	557
Outfall Sewers										
Toilet Facilities		144	276	828	1,800	2,050	2,050	1,800	1,899	2,003
Capital Spares										
Solid Waste Infrastructure		13,991	14,983	19,204	21,968	21,668	21,668	22,965	24,328	25,768
Landfill Sites		13,802	14,745	19,112	21,688	21,388	21,388	22,715	24,063	25,488
Waste Transfer Stations										
Waste Processing Facilities		189	238	91	280	280	280	250	265	280
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>2,318</b>	<b>3,188</b>	<b>3,675</b>	<b>3,885</b>	<b>3,763</b>	<b>3,763</b>	<b>3,990</b>	<b>4,262</b>	<b>4,496</b>

Community Facilities	1,785	2,746	3,206	3,175	3,140	3,140	3,280	3,771	3,978
Halls	110	1,016	104	130	130	130	130	138	145
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations	-	178	166	200	200	200	200	212	224
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries	12	17	91	20	270	270	50	53	56
Cemeteries/Crematoria	451	452	770	630	605	605	680	1,015	1,071
Police									
Parks	1,035	894	1,877	2,000	1,740	1,740	2,000	2,120	2,237
Public Open Space	176	188	198	195	195	195	220	233	246
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	533	443	470	710	623	623	710	491	518
Indoor Facilities	166	338	382	380	380	380	410	435	459
Outdoor Facilities	366	105	87	330	243	243	300	56	59
Capital Spares									
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
<b>Investment properties</b>	<b>6,357</b>	<b>6,991</b>	<b>7,195</b>	<b>7,899</b>	<b>8,399</b>	<b>8,399</b>	<b>9,776</b>	<b>10,362</b>	<b>10,978</b>
Revenue Generating	6,357	6,991	7,195	7,899	8,399	8,399	9,776	10,362	10,978
Improved Property	5,893	6,567	6,658	7,399	7,373	7,373	8,776	9,302	9,854
Unimproved Property	464	424	537	500	1,026	1,026	1,000	1,060	1,124
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
<b>Other assets</b>	<b>12,760</b>	<b>13,215</b>	<b>13,131</b>	<b>15,281</b>	<b>19,021</b>	<b>19,021</b>	<b>15,263</b>	<b>16,109</b>	<b>17,016</b>
Operational Buildings	12,760	13,215	13,131	15,281	19,021	19,021	15,263	16,109	17,016
Municipal Offices	11,834	12,138	11,942	14,081	17,781	17,781	13,963	14,731	15,541
Pay/Enquiry Points									
Building Plan Offices									
Workshops	926	1,078	1,189	1,200	1,240	1,240	1,300	1,378	1,474
Yards									
Stores									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	-	-	-	-	-	-	-	-	-
Staff Housing									
Social Housing									
Capital Spares									
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications									
Load Settlement Software Applications									
Unspecified									
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-
Computer Equipment									
<b>Furniture and Office Equipment</b>	<b>1,051</b>	<b>1,183</b>	<b>1,139</b>	<b>1,723</b>	<b>1,962</b>	<b>1,962</b>	<b>1,664</b>	<b>1,760</b>	<b>1,857</b>

Furniture and Office Equipment		1,051	1,183	1,139	1,723	1,962	1,962	1,664	1,760	1,857
<b>Machinery and Equipment</b>		21,657	24,900	26,087	24,597	23,935	23,935	25,592	27,126	28,990
Machinery and Equipment		21,657	24,900	26,087	24,597	23,935	23,935	25,592	27,126	28,990
<b>Transport Assets</b>		3,383	4,221	3,798	5,422	6,033	6,033	5,333	5,640	5,960
Transport Assets		3,383	4,221	3,798	5,422	6,033	6,033	5,333	5,640	5,960
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Living resources</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	1	<b>217,834</b>	<b>243,024</b>	<b>273,430</b>	<b>281,057</b>	<b>318,324</b>	<b>318,324</b>	<b>334,908</b>	<b>322,442</b>	<b>340,642</b>
<b>R&amp;M as a % of PPE</b>		12.0%	2013.3%	2265.2%	2831.6%	3207.0%	3207.0%	2774.5%	2671.2%	2822.0%
<b>R&amp;M as % Operating Expenditure</b>		12.6%	12.5%	13.1%	11.4%	11.8%	11.8%	20.2%	12.0%	11.8%

References

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

NC091 Sol Plaatje - Supporting Table SA34d Depreciation by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		40,906	41,711	41,792	55,500	55,500	55,500	55,700	58,656	61,882
Roads Infrastructure		12,591	14,064	14,181	21,500	21,500	21,500	20,000	21,000	22,155
Roads		-	-	-	-	-	-	-	-	-
Road Structures		12,591	14,064	14,181	21,500	21,500	21,500	20,000	21,000	22,155
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		1,346	1,342	1,366	1,600	1,600	1,600	1,600	1,680	1,772
Drainage Collection		1,346	1,342	1,366	1,600	1,600	1,600	1,600	1,680	1,772
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		7,614	7,354	7,151	9,000	9,000	9,000	8,500	8,968	9,461
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		7,614	7,354	7,151	9,000	9,000	9,000	8,500	8,968	9,461
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		7,136	6,771	7,040	8,600	8,600	8,600	9,200	9,706	10,240
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		7,136	6,771	7,040	8,600	8,600	8,600	9,200	9,706	10,240
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		12,219	12,181	12,055	14,800	14,800	14,800	15,500	16,353	17,252
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		12,219	12,181	12,055	14,800	14,800	14,800	15,500	16,353	17,252
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	900	950	1,002
Landfill Sites		-	-	-	-	-	-	900	950	1,002
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>		8,145	8,069	9,870	9,000	9,000	9,000	11,000	11,550	12,185

Community Facilities	8,145	8,069	9,870	9,000	9,000	9,000	11,000	11,550	12,185
Halls	-	-	-	-	-	-	-	-	-
Centres	8,145	8,069	9,870	9,000	9,000	9,000	11,000	11,550	12,185
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
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>	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
<b>Investment properties</b>	207	206	206	250	250	250	250	263	277
Revenue Generating	207	206	206	250	250	250	250	263	277
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	207	206	206	250	250	250	250	263	277
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
<b>Other assets</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>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
<b>Intangible Assets</b>	4,215	4,038	3,773	4,500	4,500	4,500	4,500	4,725	4,985
Servitudes									
Licences and Rights	4,215	4,038	3,773	4,500	4,500	4,500	4,500	4,725	4,985
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications	4,215	4,038	3,773	4,500	4,500	4,500	4,500	4,725	4,985
Load Settlement Software Applications									
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	2,001	2,024	2,152	2,300	2,300	2,300	2,400	2,520	2,659
Computer Equipment	2,001	2,024	2,152	2,300	2,300	2,300	2,400	2,520	2,659
<b>Furniture and Office Equipment</b>	1,043	912	1,936	1,200	1,200	1,200	2,200	2,310	2,437





Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls	-	643	4,348	8,300	8,300	8,300	-	-	-	
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property										
Unimproved Property										
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property										
Unimproved Property										
<b>Other assets</b>	-	-	-	-	-	-	-	-	-	4,034
Operational Buildings	-	-	-	-	-	-	-	-	-	4,034
Municipal Offices	-	-	-	-	-	-	-	-	-	4,034
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>	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets										
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	
Servitudes										
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-	
Computer Equipment										
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment										
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-	
Machinery and Equipment										
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-	
Transport Assets										
<b>Land</b>	-	-	-	-	-	-	-	-	-	
Land										
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals										
<b>Living resources</b>	-	-	-	-	-	-	-	-	-	
Mature	-	-	-	-	-	-	-	-	-	
Policing and Protection										
Zoological plants and animals										
Immature	-	-	-	-	-	-	-	-	-	
Policing and Protection										
Zoological plants and animals										
<b>Total Capital Expenditure on upgrading of existing assets</b>	1	79,738	32,613	25,750	29,300	29,300	29,300	24,000	31,137	37,034
<b>Upgrading of Existing Assets as % of total capex</b>		58.2%	27.3%	20.3%	15.4%	15.5%	15.5%	9.6%	4.8%	5.1%
<b>Upgrading of Existing Assets as % of deprecn"</b>		114.9%	51.1%	36.8%	36.2%	36.2%	36.2%	27.7%	34.2%	38.5%

**References**

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

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

Vote Description	Ref	2023/24 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 01 - Executive & Council		-	-	-	-	-	-	-
Vote 02 - Municipal And General		19,500	32,233	44,500	-	-	-	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	4,034	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		10,000	8,783	5,217	-	-	-	-
Vote 08 - Infrastructure And Services		219,973	612,267	674,395	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>249,473</b>	<b>653,283</b>	<b>728,146</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								
<i>List entity summary if applicable</i>								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Exchange Revenue		222,724	222,286	225,091				
Service charges - Electricity								
Service charges - Water		1,034,872	1,151,590	1,281,753				
Service charges - Waste Water Management		327,114	346,815	367,859				
Service charges - Waste Management		89,858	95,380	100,732				
Agency services								
<i>List other revenues sources if applicable</i>		1,193,857	1,650,625	1,806,593				
<i>List entity summary if applicable</i>								
<b>Total future revenue</b>		<b>2,868,425</b>	<b>3,466,697</b>	<b>3,782,029</b>	-	-	-	-
<b>Net Financial Implications</b>		<b>(2,618,952)</b>	<b>(2,813,414)</b>	<b>(3,053,883)</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												2023/24 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 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Parent municipality:</b>																
<i>List all capital projects grouped by Function</i>																
Community Halls And Facilities	Refurbishment Of Halls	2002002003001001_0	UPGRADING	ent; effective and development-oriented public	Governance		Operational Buildings	Municipal Offices	WHOLE OF THE MUNICIPALITY	0	0	-	-	-	-	4,034
Corporate Wide Strategic Planning (ldps)	Craven Street Trade Centre	2002002002001018_0	UPGRADING	ent; effective and development-oriented public	Inclusion and Access		Community Facilities	Stalls	WHOLE OF THE MUNICIPALITY	0	0	4,348	8,300	-	-	-
Corporate Wide Strategic Planning (ldps)	European Union Bear Project	02003007002006_00	NEW	ent; effective and development-oriented public	Growth		Licences And Rights	Unspecified	WHOLE OF THE MUNICIPALITY	0	0	13,891	18,850	-	-	-
Electricity	El lu C - Hv Subs:Acq/Carter GI Sbt	01001002001002_00	UPGRADING	competitive and responsive economic infrastruc	Inclusion and Access		Electrical Infrastructure	Hv Substations	WARD 26	0	0	-	7,000	-	-	-
Electricity	Upgrade Hadison Park 66/11 Kv Substation	01001002001002_00	UPGRADING	competitive and responsive economic infrastruc	Inclusion and Access		Electrical Infrastructure	Hv Substations	WARD 34	0	0	1,317	-	-	-	-
Electricity	El lu C - Lv Netw:Acq/Elec Houses	001002001008_000	NEW	competitive and responsive economic infrastruc	Growth		Electrical Infrastructure	Lv Networks	WHOLE OF THE MUNICIPALITY	0	0	-	-	48,026	22,700	25,000
Electricity	Electric Lerato Park Link Serv Network	001002001008_000	NEW	competitive and responsive economic infrastruc	Growth		Electrical Infrastructure	Lv Networks	WARD 28	0	0	4,352	-	-	-	-
Electricity	Electrification Golf Course	001002001008_000	NEW	competitive and responsive economic infrastruc	Growth		Electrical Infrastructure	Lv Networks	WARD 19	0	0	4,531	-	-	-	-
Electricity	Electrification Lerato Park	001002001008_000	NEW	competitive and responsive economic infrastruc	Growth		Electrical Infrastructure	Lv Networks	WARD 28	0	0	2,739	13,000	-	-	-
Electricity	Electrification Letabo Park	001002001008_000	NEW	competitive and responsive economic infrastruc	Growth		Electrical Infrastructure	Lv Networks	WARD 38	0	0	17,398	-	-	-	-
Electricity	Networks Acq - Electr Mathibe	001002001008_000	NEW	competitive and responsive economic infrastruc	Growth		Electrical Infrastructure	Lv Networks	WHOLE OF THE MUNICIPALITY	0	0	2,699	13,000	-	-	-
Electricity	Networks Acq - Electr Soul City	001002001008_000	NEW	competitive and responsive economic infrastruc	Growth		Electrical Infrastructure	Lv Networks	WHOLE OF THE MUNICIPALITY	0	0	536	-	-	-	-
Electricity	Install Vsd's At Newton Resevior	01001001001008_00	RENEWAL	competitive and responsive economic infrastruc	Inclusion and Access		Electrical Infrastructure	Lv Networks	WHOLE OF THE MUNICIPALITY	0	0	-	-	-	-	-
Electricity	Street Lights Replace 125w Mv With 36w L	01001001001008_00	RENEWAL	competitive and responsive economic infrastruc	Inclusion and Access		Electrical Infrastructure	Lv Networks	WHOLE OF THE MUNICIPALITY	0	0	-	4,000	-	-	-
Electricity	Capital Spares-Acq-Prepaid Meters	01001001001009_00	RENEWAL	competitive and responsive economic infrastruc	Inclusion and Access		Electrical Infrastructure	Capital Spares	WHOLE OF THE MUNICIPALITY	0	0	976	2,000	2,000	2,000	3,000
Electricity	Eedsm Projects	01001001001009_00	RENEWAL	competitive and responsive economic infrastruc	Inclusion and Access		Electrical Infrastructure	Capital Spares	WHOLE OF THE MUNICIPALITY	0	0	-	-	4,000	-	-
Finance	Cash Flow Accounts	01001001006002_00	RENEWAL	competitive and responsive economic infrastruc	Inclusion and Access		Roads Infrastructure	Road Structures	WHOLE OF THE MUNICIPALITY	0	0	-	7,700	-	-	-
Finance	Cash Flow Accounts	01001001007003_00	RENEWAL	competitive and responsive economic infrastruc	Inclusion and Access		Storm Water Infrastructure	Attenuation	WHOLE OF THE MUNICIPALITY	0	0	-	3,000	-	-	-
Finance	Roads Infra - lu C: Stormw Gsw	01001002006001_00	UPGRADING	competitive and responsive economic infrastruc	Inclusion and Access		Roads Infrastructure	Roads	WHOLE OF THE MUNICIPALITY	0	0	-	-	2,000	9,137	10,000
Finance	Cash Flow Accounts	001002001008_000	NEW	competitive and responsive economic infrastruc	Growth		Electrical Infrastructure	Lv Networks	WHOLE OF THE MUNICIPALITY	0	0	-	(20,000)	-	-	-
Finance	Cash Flow Accounts	001002001008_000	NEW	competitive and responsive economic infrastruc	Growth		Electrical Infrastructure	Lv Networks	WHOLE OF THE MUNICIPALITY	0	0	-	13,000	-	-	-
Finance	Acq-Computer Equipment Replacement	PC002003004_00001	NEW	ent; effective and development-oriented public	Growth		Computer Equipment	Computer Equipment	WHOLE OF THE MUNICIPALITY	0	0	3,857	11,300	4,500	4,500	4,500
Finance	Acq-Furniture And Office Equip Replacem	PC002003005_00001	NEW	ent; effective and development-oriented public	Growth		Furniture And Office Equipment	Furniture And Office Equipment	WHOLE OF THE MUNICIPALITY	0	0	184	2,000	3,000	3,000	3,000
Finance	Cash Flow Accounts	02003007002006_00	NEW	ent; effective and development-oriented public	Growth		Licences And Rights	Unspecified	WHOLE OF THE MUNICIPALITY	0	0	-	18,850	-	-	-
Finance	P-Cnin In Pr R-G Imp Prp	02003008001001_00	NEW		Growth		Revenue Generating	Improved Property	WHOLE OF THE MUNICIPALITY	0	0	2,457	5,000	5,000	5,000	7,000
Finance	Acq-Fleet Replacement	PC002003010_00001	NEW		Growth		Transport Assets	Transport Assets	WHOLE OF THE MUNICIPALITY	0	0	2,445	11,705	5,000	10,596	20,000
Finance	Cash Flow Accounts	PC002003010_00001	NEW		Growth		Transport Assets	Transport Assets	WHOLE OF THE MUNICIPALITY	0	0	-	(23,700)	-	-	-
Finance	Cash Flow Accounts	01001001001008_00	RENEWAL	competitive and responsive economic infrastruc	Inclusion and Access		Electrical Infrastructure	Lv Networks	WHOLE OF THE MUNICIPALITY	0	0	-	1,000	-	-	-
Finance	Cash Flow Accounts	01001001001008_00	RENEWAL	competitive and responsive economic infrastruc	Inclusion and Access		Electrical Infrastructure	Lv Networks	WHOLE OF THE MUNICIPALITY	0	0	-	(1,000)	-	-	-
Finance	P-Cnin Com F Fire/Ambul	02003002001005_00	NEW	nsive; responsive and sustainable social prote	Growth		Community Facilities	Fire/Ambulance Stations	WARD 3	0	0	2,295	-	-	-	-
Sewerage	Acq - Carters Glen Sewer Pump Station	01001001005001_00	RENEWAL	competitive and responsive economic infrastruc	Inclusion and Access		Sanitation Infrastructure	Pump Station	WHOLE OF THE MUNICIPALITY	0	0	16,043	19,948	-	-	-
Sewerage	Reconstruction Of Old Sink Toilets Phase	01001001005005_00	RENEWAL	competitive and responsive economic infrastruc	Inclusion and Access		Sanitation Infrastructure	Toilet Facilities	WHOLE OF THE MUNICIPALITY	0	0	-	-	-	18,567	19,395
Sewerage	Reconstruction Old Sink Toilets Phase 1	01001001005005_00	RENEWAL	competitive and responsive economic infrastruc	Inclusion and Access		Sanitation Infrastructure	Toilet Facilities	WARD 17	0	0	3,437	1,000	-	-	-
Sewerage	Leratopark Sewer Upgrad Downstream Infr	001002005002_000	NEW	competitive and responsive economic infrastruc	Growth		Sanitation Infrastructure	Reticulation	WARD 28	0	0	8,734	21,090	-	-	-
Town Planning, Building Regulations And	P-Cier Rds Roads	01001001006001_00	RENEWAL	competitive and responsive economic infrastruc	Inclusion and Access		Roads Infrastructure	Roads	WHOLE OF THE MUNICIPALITY	0	0	11,256	15,000	20,000	20,000	20,000
Town Planning, Building Regulations And	Resealing Of Roads Fb Wm	01001001006001_00	RENEWAL	competitive and responsive economic infrastruc	Inclusion and Access		Roads Infrastructure	Roads	WHOLE OF THE MUNICIPALITY	0	0	3,500	-	-	-	-
Town Planning, Building Regulations And	P-Cier Rds Road Structure/R31	01001001006002_00	RENEWAL	competitive and responsive economic infrastruc	Inclusion and Access		Roads Infrastructure	Road Structures	WHOLE OF THE MUNICIPALITY	0	0	-	7,700	-	-	-
Town Planning, Building Regulations And	P-Cier Swa Attenuation/Tilageng	01001001007003_00	RENEWAL	competitive and responsive economic infrastruc	Inclusion and Access		Storm Water Infrastructure	Attenuation	WARD 17	0	0	-	3,000	-	-	-
Town Planning, Building Regulations And	Stormwat Proj-Sw Channel Galash Iudg	01001002006001_00	UPGRADING	competitive and responsive economic infrastruc	Inclusion and Access		Roads Infrastructure	Roads	WHOLE OF THE MUNICIPALITY	0	0	9,464	-	-	-	-
Town Planning, Building Regulations And	Upgrade Gravel Roads Wards Various	01001002006001_00	UPGRADING	competitive and responsive economic infrastruc	Inclusion and Access		Roads Infrastructure	Roads	WHOLE OF THE MUNICIPALITY	0	0	9,998	12,000	20,000	20,000	20,000
Town Planning, Building Regulations And	Phda Planning & Surveying	02003008001001_00	NEW		Growth		Revenue Generating	Improved Property	WHOLE OF THE MUNICIPALITY	0	0	-	-	10,000	8,783	5,217
Water Distribution	Water Pipes Refurb Prog Various Wards	01001001004007_00	RENEWAL	competitive and responsive economic infrastruc	Inclusion and Access		Water Supply Infrastructure	Distribution	WHOLE OF THE MUNICIPALITY	0	0	-	10,000	19,207	10,000	10,000
Water Distribution	Dstrbution-Acq-Wat Meter Replaceme	01001002004007_00	UPGRADING	competitive and responsive economic infrastruc	Inclusion and Access		Water Supply Infrastructure	Distribution	WHOLE OF THE MUNICIPALITY	0	0	624	2,000	2,000	2,000	3,000
Water Distribution	Bfi Projects Water Infrastructure	001002004006_000	NEW	competitive and responsive economic infrastruc	Growth		Water Supply Infrastructure	Bulk Mains	WHOLE OF THE MUNICIPALITY	0	0	-	-	104,740	517,000	574,000
Water Distribution	Elevated Water Tanks Distribution	001002004007_000	NEW	competitive and responsive economic infrastruc	Growth		Water Supply Infrastructure	Distribution	WHOLE OF THE MUNICIPALITY	0	0	-	1,000	-	-	-
<b>Parent Capital expenditure</b>												<b>127,081</b>	<b>187,743</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</b>
<b>Entities:</b>																
<i>List all capital projects grouped by Entity</i>																
<b>Entity A</b>																
Water project A																
<b>Entity B</b>																
Electricity project B																
<b>Entity Capital expenditure</b>												-	-	-	-	-
<b>Total Capital expenditure</b>												<b>127,081</b>	<b>187,743</b>	<b>249,473</b>	<b>653,283</b>	<b>728,146</b>

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 MSCOA Project Longcode and seq No (sample PC001002006002\_00002)

check

- 1,150

-

-

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

R thousand	Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
														Original Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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.



**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 2023 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 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
Residential Property	0.011626	0.011591	0.012399	0.013091
Vacant Residential Property	0.017439	0.017386	0.018598	0.019636
Industrial Property	0.037204	0.034773	0.037196	0.039272
Vacant Industrial	0.040692	0.040568	0.043396	0.045817
Business and Commercial Property	0.034878	0.034773	0.037196	0.039272
Vacant Business and Commercial Property	0.040692	0.040568	0.043396	0.045817
Agricultural Property	0.002907	0.002898	0.003100	0.003273
Mining Property	0.127888	0.069545	0.074393	0.078544
Public Service Property	0.052318	0.047523	0.050835	0.053672
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	0.011626	0.011591	0.012399	0.013091
Municipal property used for Municipal Purposes	0.000000	0.000000	0.000000	0.000000
Sports Grounds and facilities operated for gain	0.000000	0.000000	0.000000	0.000000
Average rates tariff	0.018054	0.016998	0.018183	0.019198

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, Rural Mining, Independent Schools, 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 220 000 in addition to criteria per the Policy. The proposed rebate for Rural Residential is 15%, bona fide Agricultural Property is 50%, Rural Commercial, Industrial properties is 75% and Rural mines is 50%, Creches and Guesthouses is 30% and independent schools 65% 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 new 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).

1.1.8 Independent Schools will be reclassification as commercial as it no longer falls within the mandatory categories set out in Section 8 of the MPRA (Municipal Property Rates Act 6 of 2004)



	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
<b>1.2 MUNICIPAL SWIMMING POOLS &amp; SPORTS FIELDS (COMMUNITY &amp; SOCIAL DEVELOPMENT SERVICES)</b>				
<b>1.2.1 Karen Muir Swimming Pool</b>				
Admission fees - Children	15.00	16.00	17.00	18.00
Admission fees - Adults	20.00	21.00	22.00	23.00
Season tickets - Children	151.00	159.00	167.00	175.00
Season tickets - Adults	261.00	274.00	287.00	300.00
Hire of pool	2,200.00	2,310.00	2,423.00	2,535.00
Key / Loss / damage / breakage deposit	1,852.00	1,945.00	2,040.00	2,134.00
<b>1.2.2 Florianville Swimming Pool</b>				
Admission fees - Children	15.00	16.00	17.00	18.00
Admission fees - Adults	20.00	21.00	22.00	23.00
Season tickets - Children	128.00	134.00	141.00	148.00
Season tickets - Adults	209.00	219.00	230.00	241.00
Hire of pool	2,083.00	2,187.00	2,294.00	2,400.00
Key / Loss / damage / breakage deposit	1,852.00	1,945.00	2,040.00	2,134.00
<b>1.2.3 Roodepan Swimming Pool</b>				
Admission fees - Children	11.00	12.00	13.00	14.00
Admission fees - Adults	20.00	21.00	22.00	23.00
Season tickets - Children	116.00	122.00	128.00	134.00
Season tickets - Adults	186.00	195.00	205.00	214.00
Hire of pool	2,083.00	2,187.00	2,294.00	2,400.00
Key / Loss / damage / breakage deposit	1,852.00	1,945.00	2,040.00	2,134.00
<b>1.2.4 Galeshewe Swimming Pool</b>				
Admission fees - Children	11.00	12.00	13.00	14.00
Admission fees - Adults	20.00	21.00	22.00	23.00
Season tickets - Children	116.00	122.00	128.00	134.00
Season tickets - Adults	186.00	195.00	205.00	214.00
Hire of pool	2,083.00	2,187.00	2,294.00	2,400.00
Key / Loss / damage / breakage deposit	1,852.00	1,945.00	2,040.00	2,134.00
* Hire of pool for functions / commercial use (tariff applicable to all pools)	4,631.00	4,863.00	5,100.00	5,336.00
* Key / Loss / damage / breakage deposit	2,894.00	3,039.00	3,187.00	3,335.00
<b>1.2.5 De Beers Stadium</b>				
Hire of athletics track	1,551.00	1,629.00	1,708.00	1,787.00
Key / Loss / damage / breakage deposit	1,551.00	1,629.00	1,708.00	1,787.00
Apparatus per day	926.00	972.00	1,019.00	1,066.00
Key / Loss / damage / breakage deposit	1,274.00	1,338.00	1,403.00	1,468.00
Training sessions (Schools/Clubs) per season	214.00	225.00	236.00	247.00
Hire of sports field/preparation fee	834.00	876.00	919.00	962.00
Key / Loss / damage / breakage deposit	1,274.00	1,338.00	1,403.00	1,468.00
Preparation Fee	834.00	876.00	919.00	962.00
VIP Lounge	834.00	876.00	919.00	962.00
Lights :Fixed (plus hourly rate)	1,782.00	1,871.00	1,962.00	2,053.00
: Hourly rate	56.00	59.00	62.00	65.00
<b>HIRE OF STADIUM</b>				
Other than sport	2,894.00	3,039.00	3,187.00	3,335.00
Key / Loss / damage / breakage deposit	2,315.00	2,431.00	2,550.00	2,668.00
Music festivals/events /commercial use	26,623.00	27,954.00	29,318.00	30,675.00
Key / Loss / damage / breakage deposit	37,041.00	38,893.00	40,791.00	42,680.00
<b>HIRE OF HALL NO. 4</b>				
Indoor sport	186.00	195.00	205.00	214.00
Hire of cafeteria/bar	371.00	390.00	409.00	428.00
Key / Loss / damage / breakage deposit	1,274.00	1,338.00	1,403.00	1,468.00



	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
<b>PRACTICE SESSIONS FOR ATHLETICS</b>				
Season ticket for individuals	196.00	206.00	216.00	226.00
Individual per session	50.00	53.00	56.00	59.00
<b>GROUPS:</b>				
1 - 10 per session	87.00	91.00	95.00	99.00
11 - 20 per session	111.00	117.00	123.00	129.00
21 - 30 per session	141.00	148.00	155.00	162.00
31 - 40 per session	173.00	182.00	191.00	200.00
41 - 60 per session	203.00	213.00	223.00	233.00
61 and more per session	295.00	310.00	325.00	340.00
<b>1.2.6 Galeshewe Stadium</b>				
Sport per day	1,157.00	1,215.00	1,274.00	1,333.00
Hire of multipurpose courts and athletic track	900.00	900.00	944.00	988.00
Key / Loss / damage / breakage deposit	1,562.00	1,640.00	1,720.00	1,800.00
Other than sport	5,209.00	5,469.00	5,736.00	6,002.00
Key / Loss / damage / breakage deposit	2,315.00	2,431.00	2,550.00	2,668.00
Music festivals/events /commercial use	20,835.00	21,877.00	22,945.00	24,007.00
Key / Loss / damage / breakage deposit	35,883.00	37,677.00	39,516.00	41,346.00
Lights :Fixed (plus hourly rate)	3,588.00	3,767.00	3,951.00	4,134.00
: Hourly rate	104.00	109.00	114.00	119.00
<b>1.2.7 Galeshewe Arena</b>				
Hire of arena per day	452.00	475.00	498.00	521.00
Hire of hall per day	231.00	243.00	255.00	267.00
Key / Loss / damage / breakage deposit	753.00	791.00	830.00	868.00
Music festivals/events /commercial use	6,829.00	7,170.00	7,520.00	7,868.00
Key / Loss / damage / breakage deposit	13,890.00	14,585.00	15,297.00	16,005.00
Lights :Fixed (plus hourly rate)	58.00	61.00	64.00	67.00
: Hourly rate	17.00	18.00	19.00	20.00
<b>1.2.8 West-End Indoor Facility</b>				
<u>Competitive sport -</u>				
Prior occupation per day	840.00	874.00	917.00	959.00
Main Hall (per day)	1,975.00	2,054.00	2,154.00	2,254.00
Key / Loss / damage / breakage deposit	1,964.00	2,043.00	2,143.00	2,242.00
Small Hall (per day)	1,226.00	1,275.00	1,337.00	1,399.00
Key / Loss / damage / breakage deposit	1,226.00	1,275.00	1,337.00	1,399.00
<u>Training sessions -</u>				
Main Hall (per hour)	204.00	212.00	222.00	232.00
Key / Loss / damage / breakage deposit	307.00	319.00	335.00	351.00
Small Hall (per hour)	147.00	153.00	160.00	167.00
Key / Loss / damage / breakage deposit	269.00	280.00	294.00	308.00
<u>Other than sport -</u>				
Prior occupation per day	981.00	1,020.00	1,070.00	1,120.00
Main Hall	2,453.00	2,551.00	2,675.00	2,799.00
Key / Loss / damage / breakage deposit	2,453.00	2,551.00	2,675.00	2,799.00
Small Hall	1,374.00	1,429.00	1,499.00	1,568.00
Key / Loss / damage / breakage deposit	1,472.00	1,531.00	1,606.00	1,680.00
<u>Commercial use -</u>				
Prior occupation per day	1,007.00	1,047.00	1,098.00	1,149.00
Main Hall (per day)	5,520.00	5,741.00	6,021.00	6,300.00
Key / Loss / damage / breakage deposit	16,316.00	16,969.00	17,797.00	18,621.00
Small Hall (per day)	2,453.00	2,551.00	2,675.00	2,799.00
Key / Loss / damage / breakage deposit	2,453.00	2,551.00	2,675.00	2,799.00
Kitchen (per day)	700.00	728.00	764.00	799.00
Key / Loss / damage / breakage deposit	1,226.00	1,275.00	1,337.00	1,399.00

	PRESENT	PROPOSED	PROPOSED	PROPOSED
	TARIFFS	TARIFFS	TARIFFS	TARIFFS
	2023/07/01	2023/07/01	2024/07/01	2025/07/01
	R	R	R	R
Braai (per day)	736.00	765.00	802.00	839.00
Key / Loss / damage / breakage deposit	1,226.00	1,275.00	1,337.00	1,399.00
Conference room	736.00	765.00	802.00	839.00
Key / Loss / damage / breakage deposit	859.00	893.00	937.00	980.00

1.2.9

**West-End Club**Commercial use -

Prior occupation per day	1,080.00	1,123.00	1,178.00	1,233.00
Main Hall (per day)	5,275.00	5,486.00	5,754.00	6,020.00
Key / Loss / damage / breakage deposit	12,880.00	13,395.00	14,049.00	14,699.00

Competitive sport -

Prior occupation per day	920.00	957.00	1,004.00	1,050.00
Main Hall (per day)	1,226.00	1,275.00	1,337.00	1,399.00
Key / Loss / damage / breakage deposit	1,226.00	1,275.00	1,337.00	1,399.00

Training sessions -

Main Hall (per hour)	202.00	210.00	220.00	230.00
Key / Loss / damage / breakage deposit	331.00	344.00	361.00	378.00
Main Hall (other than specified)	2,760.00	2,870.00	3,010.00	3,149.00
Key / Loss / damage / breakage deposit	2,760.00	2,870.00	3,010.00	3,149.00
Kitchen	699.00	727.00	762.00	797.00
Key / Loss / damage / breakage deposit	1,226.00	1,275.00	1,337.00	1,399.00
Braai area	736.00	765.00	802.00	839.00
Key / Loss / damage / breakage deposit	1,226.00	1,275.00	1,337.00	1,399.00
Trog Bar	981.00	1,020.00	1,070.00	1,120.00
Key / Loss / damage / breakage deposit	1,226.00	1,275.00	1,337.00	1,399.00
Soccer Field	699.00	727.00	762.00	797.00
Key / Loss / damage / breakage deposit	981.00	1,020.00	1,070.00	1,120.00
Cricket field	699.00	727.00	762.00	797.00
Key / Loss / damage / breakage deposit	981.00	1,020.00	1,070.00	1,120.00
Air Conditioner	797.00	829.00	869.00	909.00
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 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 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 **Open Mine Caravan Park**

Caravans - (per Caravan)	160.00	160.00	168.00	176.00
- (per person)	80.00	83.00	87.00	91.00
Caravan Club				
Minimum of 20 Caravans - (per Caravan)	116.00	121.00	127.00	133.00
- (per person)	74.00	77.00	81.00	85.00
Pensioners - (per Caravan)	110.00	114.00	120.00	126.00
- (per person)	74.00	77.00	81.00	85.00
Tent (per site)	116.00	121.00	127.00	133.00
(per person)	92.00	96.00	101.00	106.00
Day Visitors:				
Car (per car)	92.00	96.00	101.00	106.00
(per person)	99.00	103.00	108.00	113.00
Bus (per bus)	454.00	472.00	495.00	518.00
(per person)	80.00	83.00	87.00	91.00

1.3 **BURIAL PLOT FEES (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)**

1.3.1 **West-End and Kenilworth Cemeteries**

Re-opening (casket)	1,169.00	1,216.00	1,275.00	1,334.00
Re-opening (adults)	952.00	990.00	1,038.00	1,086.00
Re-opening (babies)	757.00	787.00	825.00	863.00
Burial of ashes	252.00	262.00	275.00	288.00
Grave fees (adult)	1,605.00	1,669.00	1,750.00	1,831.00
Grave fees (children under 7)	1,226.00	1,275.00	1,337.00	1,399.00
Special graves (casket)	2,259.00	2,349.00	2,464.00	2,578.00
Wall of Remembrance (per niche)	2,373.00	2,468.00	2,588.00	2,708.00
Two burials per grave	3,439.00	3,577.00	3,752.00	3,926.00
Reserved graves	3,439.00	3,577.00	3,752.00	3,926.00
Monument erection fee - single graves	586.00	609.00	639.00	669.00
Monument erection fee - double graves	1,009.00	1,049.00	1,100.00	1,151.00
Sundry payment - Saturday funerals	1,204.00	1,252.00	1,313.00	1,374.00



	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
1.3.2	<b><u>Roodepan, Greenpoint and Galeshewe Cemeteries</u></b>			
	1,009.00	1,049.00	1,100.00	1,151.00
	768.00	799.00	838.00	877.00
	666.00	693.00	727.00	761.00
	252.00	262.00	275.00	288.00
	1,009.00	1,049.00	1,100.00	1,151.00
	447.00	465.00	488.00	511.00
	1,949.00	2,027.00	2,126.00	2,224.00
	424.00	441.00	463.00	484.00
	2,408.00	2,504.00	2,626.00	2,748.00
	2,453.00	2,551.00	2,675.00	2,799.00
	586.00	609.00	639.00	669.00
	1,009.00	1,049.00	1,100.00	1,151.00
	1,204.00	1,252.00	1,313.00	1,374.00
1.3.3	<b><u>Ritchie, Motswedimosa and Rietvale Cemeteries</u></b>			
	1,009.00	1,049.00	1,100.00	1,151.00
	768.00	799.00	838.00	877.00
	666.00	693.00	727.00	761.00
	252.00	262.00	275.00	288.00
	1,009.00	1,049.00	1,100.00	1,151.00
	447.00	465.00	488.00	511.00
	1,949.00	2,027.00	2,126.00	2,224.00
	424.00	441.00	463.00	484.00
	2,408.00	2,504.00	2,626.00	2,748.00
	2,453.00	2,551.00	2,675.00	2,799.00
	586.00	609.00	639.00	669.00
	1,009.00	1,049.00	1,100.00	1,151.00
	1,204.00	1,252.00	1,313.00	1,374.00
	<b><u>Phutanang Cemetery</u></b>			
	1,009.00	1,049.00	1,100.00	1,151.00
	768.00	799.00	838.00	877.00
	666.00	693.00	727.00	761.00
	252.00	262.00	275.00	288.00
	1,000.00	1,000.00	1,049.00	1,098.00
	447.00	465.00	488.00	511.00
	1,944.00	1,944.00	2,039.00	2,133.00
	424.00	441.00	463.00	484.00
	1,845.00	1,845.00	1,935.00	2,025.00
	2,389.00	2,389.00	2,506.00	2,622.00
	586.00	609.00	639.00	669.00
	1,009.00	1,049.00	1,100.00	1,151.00
	1,204.00	1,252.00	1,313.00	1,374.00
1.3.4	389.00	405.00	425.00	445.00
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)

1.4.1

**Riverton Pleasure Resort**

Chalets/Villas

Basic tariff per unit

as per quotation      as per quotation      as per quotation      as per quotation

Per bed available in the unit

155.00      161.00      169.00      177.00

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).

217.00      226.00      237.00      248.00

Rondavels

Basic tariff per unit

89.00      93.00      98.00      103.00

Per bed available in the unit

155.00      161.00      169.00      177.00

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

Upgraded Rondavels : Basic tariff per unit

128.00      133.00      139.00      145.00

Upgraded Rondavels : Per bed available in the unit

170.00      177.00      186.00      195.00

Caravan Park

Caravan (per day)

128.00      133.00      139.00      145.00

Per person (per day)

60.00      62.00      65.00      68.00

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

49.00      51.00      53.00      55.00

Day visitors (1 May - 31 August)

30.00      31.00      33.00      35.00

Cars

35.00      36.00      38.00      40.00

Season ticket (minimum 100 tickets)

50% discount      50% discount      50% discount      50% discount

Boats

92.00      96.00      101.00      106.00

Hall (for period of 24 hours)

650.00      676.00      709.00      742.00

Key / Loss / damage / breakage deposit

Chalets and Villas

607.00      631.00      662.00      693.00

Rondavels

607.00      631.00      662.00      693.00

Hall

607.00      631.00      662.00      693.00

Group reservations

6,806.00      7,078.00      7,423.00      7,767.00

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

Basic tariff per unit

155.00      161.00      169.00      177.00

Per bed available in the unit

139.00      145.00      152.00      159.00

Rondavels

Basic tariff per unit

89.00      93.00      98.00      103.00

Per bed available in the unit

46.00      48.00      50.00      52.00

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

(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)

42535.00      44,236.00      46,395.00      48,543.00

	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
<u>Key / Loss / damage / breakage deposit</u>				
Resort	21,875.00	22,750.00	23,860.00	24,965.00
Chalets	607.00	631.00	662.00	693.00
Rondavels	607.00	631.00	662.00	693.00
<u>Camping sites</u>				
Tent 6 persons(per day)	114.00	119.00	125.00	131.00
Per person (per day)	60.00	62.00	65.00	68.00
<u>Caravans</u>				
Per caravan (per day)	134.00	139.00	146.00	153.00
Per person (per day)	74.00	77.00	81.00	85.00
<u>Hall</u>				
24-hour period	1,458.00	1,516.00	1,590.00	1,664.00
Per person	43.00	45.00	47.00	49.00
Key / Loss / damage / breakage deposit	607.00	631.00	662.00	693.00
<u>Day visitors</u>				
Per person	49.00	51.00	53.00	55.00
Cars	36.00	37.00	39.00	41.00
<u>Group accommodation</u>				
Key / Loss / damage / breakage deposit	1,822.00	1,895.00	1,987.00	2,079.00
Per person per night (without bedding)	121.00	126.00	132.00	138.00
Per person per night (with bedding)	146.00	152.00	159.00	166.00
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 <b><u>Rekaofela and Transka Pleasure Resorts</u></b>				
<u>Chalets : Rekaofela</u>				
Basic tariff per unit	188.00	196.00	206.00	216.00
Per bed available in the unit	225.00	234.00	245.00	256.00
(Amount converted to the nearest multiple of 5).				
Key / Loss / damage / breakage deposit	607.00	631.00	662.00	693.00
<u>Chalets : Transka</u>				
Basic tariff per unit	155.00	161.00	169.00	177.00
Per bed available in the unit	155.00	161.00	169.00	177.00
Key / Loss / damage / breakage deposit	607.00	631.00	662.00	693.00
<u>Caravan Park :Transka</u>				
Caravan (per day)	139.00	145.00	152.00	159.00
Per person (per day)	74.00	77.00	81.00	85.00
<u>Group accommodation</u>				
Transka - per person per night (with bedding)	139.00	145.00	152.00	159.00
Key / Loss / damage / breakage deposit	1,822.00	1,895.00	1,987.00	2,079.00
Rekaofela - per person per night	164.00	171.00	179.00	187.00
Key / Loss / damage / breakage deposit	1,822.00	1,895.00	1,987.00	2,079.00

	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
Hall - (24-hour period) Kopano	1,276.00	1,327.00	1,392.00	1,456.00
- (48-hour period)	1,336.00	1,389.00	1,457.00	1,524.00
- (72-hour period)	1,398.00	1,454.00	1,525.00	1,596.00
- (96-hour period)	1,458.00	1,516.00	1,590.00	1,664.00
(More than 96 hours)	2,127.00	2,212.00	2,320.00	2,427.00
Key / Loss / damage / breakage deposit	1,822.00	1,895.00	1,987.00	2,079.00
<b><u>Training Centre - Mongano Hall</u></b>				
Per person per night	164.00	171.00	179.00	187.00
Key / Loss / damage / breakage deposit	1,822.00	1,895.00	1,987.00	2,079.00
Hall - (24-hour period)	2,734.00	2,843.00	2,982.00	3,120.00
- (48-hour period)	2,856.00	2,970.00	3,115.00	3,259.00
- (72-hour period)	3,038.00	3,160.00	3,314.00	3,467.00
- (96-hour period)	3,160.00	3,286.00	3,446.00	3,606.00
(More than 96 hours)	5,408.00	5,624.00	5,898.00	6,171.00
Key / Loss / damage / breakage deposit	1,822.00	1,895.00	1,987.00	2,079.00
Prior occupation	1,216.00	1,265.00	1,327.00	1,388.00
<b><u>Recreation Hall - Riverside Hall</u></b>				
Hall - (24-hour period)	6,806.00	7,078.00	7,423.00	7,767.00
- (48-hour period)	7,049.00	7,331.00	7,689.00	8,045.00
- (72-hour period)	7,170.00	7,457.00	7,821.00	8,183.00
- (96-hour period)	7,413.00	7,710.00	8,086.00	8,460.00
(More than 96 hours)	8,142.00	8,468.00	8,881.00	9,292.00
Prior occupation (per day)	693.00	721.00	756.00	791.00
Key / Loss / damage / breakage deposit	3,038.00	3,160.00	3,314.00	3,467.00
<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.	827.00	860.00	902.00	944.00
Daily conference tariff per person per day for less than 20 delegates,	972.00	1,011.00	1,060.00	1,109.00
<b>Breakfast</b>	62.00	64.00	67.00	70.00
	66.00	69.00	72.00	75.00
	80.00	83.00	87.00	91.00
	94.00	98.00	103.00	108.00
	107.00	111.00	116.00	121.00
	123.00	128.00	134.00	140.00
	164.00	171.00	179.00	187.00
<b>Lunch / Dinner</b>	80.00	83.00	87.00	91.00
	94.00	98.00	103.00	108.00
	101.00	105.00	110.00	115.00
	107.00	111.00	116.00	121.00
	101.00	105.00	110.00	115.00
	115.00	120.00	126.00	132.00
	121.00	126.00	132.00	138.00
	128.00	133.00	139.00	145.00
	134.00	139.00	146.00	153.00
	139.00	145.00	152.00	159.00
	147.00	153.00	160.00	167.00
	160.00	166.00	174.00	182.00
	170.00	177.00	186.00	195.00
	183.00	190.00	199.00	208.00
	214.00	223.00	234.00	245.00

	 PRESENT TARIFFS	PROPOSED	PROPOSED	PROPOSED
		TARIFFS	TARIFFS	TARIFFS
	R	2023/07/01 R	2024/07/01 R	2025/07/01 R
<b>Poeding</b>	36.00	37.00	39.00	41.00
	43.00	45.00	47.00	49.00
	55.00	57.00	60.00	63.00
<b><u>Additional meals</u></b>				
<b>Finger lunch per person</b>	60.00	62.00	65.00	68.00
	80.00	83.00	87.00	91.00
	87.00	90.00	94.00	98.00
	115.00	120.00	126.00	132.00
	134.00	139.00	146.00	153.00
<b>Spitbraai per person</b>	267.00	278.00	292.00	306.00
	309.00	321.00	337.00	353.00
	352.00	366.00	384.00	402.00
<b>Weddings per person</b>	287.00	298.00	313.00	327.00
	309.00	321.00	337.00	353.00
	367.00	382.00	401.00	420.00
	413.00	430.00	451.00	472.00
<b><u>Coffee/Tea &amp; Refreshments</u></b>				
Coffee/Tea (per person)	25.00	26.00	27.00	28.00
Coffee/Tea & refreshments (per person)	61.00	63.00	66.00	69.00
Coffee/Tea & muffens (per person)	53.00	55.00	58.00	61.00
Tableclothes (weddings) each	66.00	69.00	72.00	75.00
Crockery and cutlery (per day)	401.00	417.00	437.00	457.00
Overhead projector (per day)	79.00	82.00	86.00	90.00
Video machine (per day)	74.00	77.00	81.00	85.00
Television (per day)	49.00	51.00	53.00	55.00
Flip chart	49.00	51.00	53.00	55.00
Flip chart paper (per batch)	334.00	347.00	364.00	381.00
Cool room (24-hours)	133.00	138.00	145.00	152.00
Data Projector (per day)	267.00	278.00	292.00	306.00
<b><u>Printing charges and phone calls</u></b>				
Paper prints - A4	11.00	11.00	12.00	13.00
Paper prints - A3	17.00	18.00	19.00	20.00
Fax - A4	26.00	27.00	28.00	29.00
<b><u>Day Visitor Tariff</u></b>				
Per person (Transka)	26.00	27.00	28.00	29.00
Per person Seasonal (Transka) Easter/ December till 10th of January	73.00	76.00	80.00	84.00
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	35.00	36.00	38.00	40.00
Putt-Putt	24.00	25.00	26.00	27.00

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.

	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
<u>Hire of Lapas</u>				
Lapa A	459.00	477.00	500.00	523.00
Lapa B	459.00	477.00	500.00	523.00
Lapa C	516.00	537.00	563.00	589.00
Key / Loss / damage / breakage deposit	573.00	596.00	625.00	654.00

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)	516.00	537.00	563.00	589.00
1-Activity introduction (per person) - instruction, refreshments, equipment	573.00	596.00	625.00	654.00

Instructor's fees

Instructor's fees per day (with OAA Level 2 training)	516.00	537.00	563.00	589.00
Instructor's fees per day (with OAA Level 3 training)	573.00	596.00	625.00	654.00
Instructor's transport costs (per Km)	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, prohibitions from the Resort and no refunds on key deposits.
23. The management has the authority to determine whether any occupier's behaviour is acceptable to the Resort Manager.
24. Normal meal hours will be: 08:00 - 09:00; 13:00 - 14:00; 18:00 - 19:00. A levy of 10% will be charged on all meals taken outside the normal meal hours.
25. There will be no refund of the payment should the occupier cancel any time during their visit or should the person be prohibited from the resort.
26. All meals at weddings will be served not later than 20H00 and the kitchen will be closed at 22h30. A levy equal to the key deposit on the hall will be charged in the case of exceeding the prescribed hours.

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

**PERSONNAL HEALTH****PATIENT INFORMATION FROM CLINICS**

Per enquiry per person

486.00

505.00

530.00

555.00

1.5

**HOUSING (SERVICES & INFRASTRUCTURE)**

That the rental on all Municipal Renting Schemes be increased as per National Housing Guidelines as per the following based on market related rentals:

**Impala Court**

1 Bedroom

1,720.00

1,789.00

1,876.00

1,963.00

2 Bedroom

2,179.00

2,266.00

2,377.00

2,487.00

**Hercules Court**

1 Bedroom

1,892.00

1,968.00

2,064.00

2,160.00

2 Bedroom

2,293.00

2,385.00

2,501.00

2,617.00

**Holland Court**

1 Bedroom

2,522.00

2,623.00

2,751.00

2,878.00

2 Bedroom

3,095.00

3,219.00

3,376.00

3,532.00

3 Bedroom

3,325.00

3,458.00

3,627.00

3,795.00

Bachelor

2,236.00

2,325.00

2,438.00

2,551.00

**Newton Court**

1 Bedroom

2,809.00

2,921.00

3,064.00

3,206.00

2 Bedroom

3,439.00

3,577.00

3,752.00

3,926.00

3 Bedroom

3,955.00

4,113.00

4,314.00

4,514.00

**Tiffany Court**

2 Bedroom

3,439.00

3,577.00

3,752.00

3,926.00

**Eugenie Court**

1 Bedroom

2,752.00

2,862.00

3,002.00

3,141.00

2 Bedroom

3,325.00

3,458.00

3,627.00

3,795.00

**Jonker Court**

1 Bedroom

2,293.00

2,385.00

2,501.00

2,617.00

2 Bedroom

2,752.00

2,862.00

3,002.00

3,141.00

**Eureka Court**

1 Bedroom

2,293.00

2,385.00

2,501.00

2,617.00

2 Bedroom

2,809.00

2,921.00

3,064.00

3,206.00

**Krisant Court**

1 Bedroom

2,179.00

2,266.00

2,377.00

2,487.00

2 Bedroom

2,809.00

2,921.00

3,064.00

3,206.00

**Roodepan Flats**

1 Bedroom

837.00

870.00

912.00

954.00

2 Bedroom

1,376.00

1,431.00

1,501.00

1,570.00

3 Bedroom

1,892.00

1,968.00

2,064.00

2,160.00

	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
<b>Flamingo Court</b>				
1 Bedroom	1,433.00	1,490.00	1,563.00	1,635.00
2 Bedroom	1,835.00	1,908.00	2,001.00	2,094.00
Bachelor	1,319.00	1,372.00	1,439.00	1,506.00
<b>Lerato Park Communal Residential Units (CRU)</b>				
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.				
<b>Carports</b>				
Carport with locking facility (per month)	127.00	132.00	138.00	144.00
Carport without locking facility (per month)	57.00	59.00	62.00	65.00
Key deposit	172.00	179.00	188.00	197.00
Administration fee	194.00	202.00	212.00	222.00
<b>By-pass houses</b>				
7 Villiers street	2,121.00	2,206.00	2,314.00	2,421.00
9 Villiers street	1,949.00	2,027.00	2,126.00	2,224.00
27a St Augustines road	2,121.00	2,206.00	2,314.00	2,421.00
28 St Augustines road	2,408.00	2,504.00	2,626.00	2,748.00
29 St Augustines road	1,892.00	1,968.00	2,064.00	2,160.00
20 Auction	2,121.00	2,206.00	2,314.00	2,421.00
4 Marriott	1,949.00	2,027.00	2,126.00	2,224.00
21 Diebel	2,579.00	2,682.00	2,813.00	2,943.00
13 Fuller	1,720.00	1,789.00	1,876.00	1,963.00
49 Jacobson	2,866.00	2,981.00	3,126.00	3,271.00
183 Barkly	1,204.00	1,252.00	1,313.00	1,374.00
185 Barkly	2,637.00	2,742.00	2,876.00	3,009.00
30 Meyer	3,898.00	4,054.00	4,252.00	4,449.00
West end Nursery house	2,121.00	2,206.00	2,314.00	2,421.00
Pioneer cemetery house	562.00	584.00	612.00	640.00
104a Waterworks street	2,408.00	2,504.00	2,626.00	2,748.00
Administration fee	172.00	179.00	188.00	197.00
<b>Santa centre</b>				
Rental units	83.00	86.00	90.00	94.00
<b>Dingaan family units</b>				
Bachelor	332.00	345.00	362.00	379.00
1 Bedroom	367.00	382.00	401.00	420.00
<b>Selling Scheme</b>				
Administration charges	114.00	119.00	125.00	131.00
Insurance	52.00	54.00	57.00	60.00
<b>Informal housing</b>				
Occupation fee	137.00	142.00	149.00	156.00
<b>MARK (STRATEGY, ECONOMIC DEVELOPMENT &amp; PLANNING SERVICES)</b>				
<b>Hire</b>				
Office (per m2) per month	35.00	36.00	38.00	40.00
<b>Cold rooms per month</b>				
Outsdie	3440.00	3,578.00	3,753.00	3,927.00
Inside	8599.00	9,114.94	9,560.00	10,003.00
<b>Outside buildings</b> (per m2) per month	43.00	45.00	47.00	49.00
Parking per month	74.00	77.00	81.00	85.00
Transaction fees per transaction	1.16	1.18	1.00	1.00
Ripening fees per pallet per day	23.00	24.00	25.00	26.00
Ripening fees per box per day	6.00	6.00	6.00	6.00
Hiring of the Lapa	1,458.00	1,516.00	1,590.00	1,664.00
<b>Small trollies per day</b>				
Trolley	7.00	7.00	7.00	7.00
Pallet jack	31.00	32.00	34.00	36.00
Storage (per m2) per month	12.00	12.00	13.00	14.00

1.6

Big trolleys ( plus refundable deposits of R10.00)



PRESENT  
TARIFFS

R  
13.00

PROPOSED  
TARIFFS  
2023/07/01

R  
13.00

PROPOSED  
TARIFFS  
2024/07/01

R  
14.00

PROPOSED  
TARIFFS  
2025/07/01

R  
15.00



	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
<b>1.7</b>				
<b><u>SIDEWALK AND ROAD TARIFFS (SERVICES &amp; INFRASTRUCTURE)</u></b>				
Lowered curbing per meter	278.00	289.00	303.00	317.00
Per safety pole on sidewalk	250.00	260.00	273.00	286.00
Tar patching work per m2 - area ÷ 30mm thickness installed	418.00	435.00	456.00	477.00
Application fee for upgrading of sidewalk per square meter	2.16	2.25	2.00	2.00
Application and advertisement for closure of road	6,077.00	6,320.00	6,628.00	6,935.00
Lowered kerbs inspections	98.00	102.00	107.00	112.00
Erf peg inspections (per inspection)	164.00	171.00	179.00	187.00
Wayleave applications: Once-off fee				
a) Application of a wayleave (to offset the cost of the documentation and inspection costs),	2,704.00	2,812.00	2,949.00	3,086.00
b) A non-refundable deposit per road crossing shall be apply.	2,163.00	2,250.00	2,360.00	2,469.00
c) Residential access without ingeneering drawings	1,500.00	1,500.00	1,573.00	1,646.00
d) Residential access with ingeneering drawings	1,800.00	1,800.00	1,888.00	1,975.00
e) Encroachment of sidewalk per m² per month	300.00	300.00	315.00	330.00
Recurring fee				
f) An additional cost per linear metre per annum, in lure of a rental fees of use of the municipal infrastructure.	2.16	2.25	2.00	2.00
g) Failure to comply with the stipulated request as per (f) above will result in a fixed cost per annum being applied.	216,320.00	224,973.00	235,952.00	246,877.00
<b>1.8</b>				
<b><u>URBAN PLANNING (STRATEGY, ECONOMIC DEVELOPMENT &amp; PLANNING SERVICES)</u></b>				
<b><u>Building Control Section</u></b>				
<b><u>Building Plan Inspection Fees</u></b>				
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 fllows:				
The minimum charge for any approval	816.00	849.00	890.00	931.00
Minor building work as defined in the definitions of the NBR	816.00	849.00	890.00	931.00
Swimming Pool	816.00	849.00	890.00	931.00
Boundary Wall - Plan Submission	816.00	849.00	890.00	931.00
Cellphone Mast - Plan Submission	1,135.00	1,180.00	1,238.00	1,295.00
Re-inspection of defective work (every inspection more than two)	770.00	801.00	840.00	879.00
Re-submission of lapsed plans	1,471.00	1,530.00	1,605.00	1,679.00
Alterations to drainage systems	669.00	696.00	730.00	764.00
For all new buildings per m2	21.00	22.00	23.00	24.00
For all as-built buildings, completed or under construction	100.00	104.00	109.00	114.00
For new buildings over 500m2 (per m2)	19.00	20.00	21.00	22.00
For all new buildings per m2 exceeding 1000m2	18.00	19.00	20.00	21.00
Per Government subsidized house	81.00	84.00	88.00	92.00
For additions to any existing building per m2	21.00	22.00	23.00	24.00
For additions over 500m2 (per m2)	19.00	20.00	21.00	22.00
For additions of buildings per m2 exceeding 1000m2	18.00	19.00	20.00	21.00
For business temporary structure/s per square meter	11.00	11.00	12.00	13.00
For any government building/s per square meter	21.00	22.00	23.00	24.00
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	1,227.00	1,276.00	1,338.00	1,400.00
Between 250 & 500m2 any existing building	1,392.00	1,448.00	1,519.00	1,589.00
Between 500 & 750m2 any existing building	2,370.00	2,465.00	2,585.00	2,705.00
Between 750 & 1000m2 any existing building	4,545.00	4,727.00	4,958.00	5,188.00
Between 1000 & 5000m2 any existing building	8,653.00	8,999.00	9,438.00	9,875.00
Between 5000 & 10000m2 any existing building	14,286.00	14,857.00	15,582.00	16,303.00
Private Contractors - Council supervision per house type (over and above inspection fees)	164.00	171.00	179.00	187.00
Postage of Plans less than weigh 1Kg	244.00	254.00	266.00	278.00
Postage of Plans less than weigh 2Kg	490.00	510.00	535.00	560.00
Postage of Plans less than weigh 5Kg	980.00	1,019.00	1,069.00	1,118.00
Postage of Plans less than weigh 7Kg	1,959.00	2,037.00	2,136.00	2,235.00
Postage of Plans exceeding weigh 7Kg	3,267.00	3,398.00	3,564.00	3,729.00



	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
<b>1.8.1.2 Building Control Penalty and Fine schedule for Law-Enforcement (New)</b>				
Demolition Permit	1,202.00	1,250.00	1,311.00	1,372.00
Temporary Occupancy	1,202.00	1,250.00	1,311.00	1,372.00
Section 7 (6) Approval	6,684.00	6,951.00	7,290.00	7,628.00
Accumulative daily fine CIB	164.00	171.00	179.00	187.00
Under construction illegal work per m2	100.00	104.00	109.00	114.00
Submission fee for completed illegal work per m2	100.00	104.00	109.00	114.00
Dumping building rubble exceed 30days per m3	328.00	341.00	358.00	375.00
Dumping building rubble exceed 60days per m3	491.00	511.00	536.00	561.00
Encroachment to council land (per day)	164.00	171.00	179.00	187.00
Failing to display building permit onsite	816.00	849.00	890.00	931.00
Aggressive FDBP (per day)	164.00	171.00	179.00	187.00
Structure as nuisance in terms of Section 10	164.00	171.00	179.00	187.00
Aggressive structure as nuisance	1,634.00	1,699.00	1,782.00	1,865.00
Unauthorised erected public tent 500-1000m2	816.00	849.00	890.00	931.00
Unauthorised erected public tent 1000-5000m2	1,634.00	1,699.00	1,782.00	1,865.00
Unauthorised erected public tent 2000-10000m2	3,267.00	3,398.00	3,564.00	3,729.00
Unauthorised erected public tent 10000-above	8,167.00	8,494.00	8,909.00	9,321.00
Unauthorised erected artist stage	2,450.00	2,548.00	2,672.00	2,796.00
Unauthorised demolishing of structure/s	8,167.00	8,494.00	8,909.00	9,321.00
Unauthorised occupying building/s	4,083.00	4,246.00	4,453.00	4,659.00
Amendment fee	816.00	849.00	890.00	931.00
Additional Occupancy per certificate	172.00	179.00	188.00	197.00
<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>	3,430.00	3,567.00	3,741.00	3,914.00
Rezoning	1,258.00	1,308.00	1,372.00	1,436.00
Consent use / Conditional uses	1,258.00	1,308.00	1,372.00	1,436.00
Phasing of Layout Plan	682.00	709.00	744.00	778.00
All departures included in applications submitted for council approval(basic fee included)	1,258.00	1,308.00	1,372.00	1,436.00
Consolidation	682.00	709.00	744.00	778.00
Subdivision:				
Basic subdivision fee	1,258.00	1,308.00	1,372.00	1,436.00
Thereafter:				
3-10 erven an additional payment (per erf)	136.00	141.00	148.00	155.00
11-50 erven an additional payment (per erf)	69.00	72.00	76.00	80.00
51 and above erven an additional payment (per erf)	15.00	16.00	17.00	18.00
Advertising deposit per application (Local Newspapers)	2,450.00	2,548.00	2,672.00	2,796.00
Removal, Suspension or Amendment of Title Deed	1,258.00	1,308.00	1,372.00	1,436.00
Advertising: Government Gazette	6,204.00	6,452.00	6,767.00	7,080.00
Advertising: Local Newspaper (two placements)	4,083.00	4,246.00	4,453.00	4,659.00
Amendment of condition of approval/layout plan of previous Council decision without the basic fee	1,258.00	1,308.00	1,372.00	1,436.00
Extension of Council approval without basic fee	1,258.00	1,308.00	1,372.00	1,436.00
Cancellation Fee	492.00	512.00	537.00	562.00
<b>Delegated Departures as per Zoning Scheme:</b>				
Delegated departures (coverage: Erven less than 600m² not exceeding 60%)	735.00	764.00	801.00	838.00
Delegated departures (second dwelling: max 75m²) (excluding electrical contribution fees)	735.00	764.00	801.00	838.00
Delegated departures (garages/carports: not exceeding 6m on Street Building Lines except title conditions for garages)	735.00	764.00	801.00	838.00
All departures excluding the above for Council approval	2,127.00	2,212.00	2,320.00	2,427.00



	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R	
<b>Home Businesses: Per application only (No basic fee)</b>					
Home business registration	899.00	935.00	981.00	1,026.00	
Home business registration (Galeshewe)	899.00	935.00	981.00	1,026.00	
<b>Other:</b>					
Information (without copy costs)	42.00	44.00	46.00	48.00	
Zoning Certificate	130.00	135.00	142.00	149.00	
CUP Reports/SDF/LUMS/IDP/GURP	1,471.00	1,530.00	1,605.00	1,679.00	
Building Plan research (without copy costs)	42.00	44.00	46.00	48.00	
Building statistics - Monthly	244.00	254.00	266.00	278.00	
- Annually	1,799.00	1,871.00	1,962.00	2,053.00	
Scanning of plans - any size	30.00	30.00	31.00	32.00	
<b>RESIDENTIAL BUSINESS BYLAW 2011</b>					
<b>OFFENCE</b>					
		<b>SECT</b>			
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)	2,430.00	2,527.00	2,650.00	2,773.00
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	1,216.00	1,265.00	1,327.00	1,388.00
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	1,216.00	1,265.00	1,327.00	1,388.00
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)	607.00	631.00	662.00	693.00
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	1,216.00	1,265.00	1,327.00	1,388.00
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	2,430.00	2,527.00	2,650.00	2,773.00
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	2,430.00	2,527.00	2,650.00	2,773.00
Any person who contravenes or fails to comply with this: Retails 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	2,430.00	2,527.00	2,650.00	2,773.00
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	2,430.00	2,527.00	2,650.00	2,773.00
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	1,216.00	1,265.00	1,327.00	1,388.00
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	2,430.00	2,527.00	2,650.00	2,773.00
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	2,430.00	2,527.00	2,650.00	2,773.00
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	1,216.00	1,265.00	1,327.00	1,388.00
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	1,216.00	1,265.00	1,327.00	1,388.00
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	1,216.00	1,265.00	1,327.00	1,388.00
Amendment of a land development application prior to approval in terms of Section 42 of SPLUMA		1,950.00	2,028.00	2,127.00	2,225.00
Registration of servitudes in terms of section 15		950.00	988.00	1,036.00	1,084.00

1.8.1.3

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)

	2,430.00	2,527.00	2,650.00	2,773.00	
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)	2,430.00	2,527.00	2,650.00	2,773.00
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)	1,822.00	1,895.00	1,987.00	2,079.00
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)	1,822.00	1,895.00	1,987.00	2,079.00
Any person who contravenes or fails to comply with this: No kitchen facility may be provided to guests in the lettable rooms;	2.3	1,822.00	1,895.00	1,987.00	2,079.00
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	1,822.00	1,895.00	1,987.00	2,079.00
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	1,216.00	1,265.00	1,327.00	1,388.00
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	1,216.00	1,265.00	1,327.00	1,388.00
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	1,822.00	1,895.00	1,987.00	2,079.00
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	1,822.00	1,895.00	1,987.00	2,079.00
(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;					
(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;					
(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

5 (a) – (g)



PRESENT  
TARIFFS  
R

PROPOSED  
TARIFFS  
2023/07/01  
R

PROPOSED  
TARIFFS  
2024/07/01  
R

PROPOSED  
TARIFFS  
2025/07/01  
R

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

2,430.00

2,527.00

2,650.00

2,773.00

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

2,430.00

2,527.00

2,650.00

2,773.00

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

2,430.00

2,527.00

2,650.00

2,773.00

Any person who contravenes or fails to comply with this: A license issued in terms of this section shall not be transferable.

2.4

1,216.00

1,265.00

1,327.00

1,388.00

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

607.00

631.00

662.00

693.00

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

607.00

631.00

662.00

693.00

(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;

607.00

631.00

662.00

693.00

(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

607.00

631.00

662.00

693.00

(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.

607.00

631.00

662.00

693.00

(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

1,216.00

1,265.00

1,327.00

1,388.00

(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

607.00

631.00

662.00

693.00

(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;

1,216.00

1,265.00

1,327.00

1,388.00

(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

607.00

631.00

662.00

693.00

(v) Each bowl of the double-compartment sink shall have a minimum depth of 225mm and minimum capacity of 55 litres

243.00

253.00

265.00

277.00

(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.

1,216.00

1,265.00

1,327.00

1,388.00

(vii) The floor of the kitchen shall be of concrete or other similar impervious material

607.00

631.00

662.00

693.00

(viii) Natural light and ventilation shall be provided in accordance with the municipality's building by-laws

972.00

1,011.00

1,060.00

1,109.00

(ix) Wall surfaces shall be tiled or smooth-plastered and oil-painted in light-coloured oil

1,216.00

1,265.00

1,327.00

1,388.00



	PRESENT TARIFFS	PROPOSED TARIFFS 2023/07/01	PROPOSED TARIFFS 2024/07/01	PROPOSED TARIFFS 2025/07/01
	R	R	R	R
(x) Ceilings shall be dust proof	607.00	631.00	662.00	693.00
(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;	972.00	1,011.00	1,060.00	1,109.00
(xii) All worktables shall be constructed of metal with a stainless steel top;	607.00	631.00	662.00	693.00
(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;	607.00	631.00	662.00	693.00
(xiv) Facilities for the storage of vegetables shall be provided;	607.00	631.00	662.00	693.00
(xv) There shall be provided suitable refrigeration facilities for the storage of perishable foodstuffs	1,216.00	1,265.00	1,327.00	1,388.00
(xvi) There shall be provided a sufficient number of metal bins with covers for the temporary storage of refuse pending disposal	1,216.00	1,265.00	1,327.00	1,388.00
<b>1.8.2 Advertising</b>				
Application fee	413.00	430.00	451.00	472.00
Directional sign board single once off	1,613.00	1,678.00	1,760.00	1,841.00
Directional sign board double once off	3,162.00	3,288.00	3,448.00	3,608.00
LED - Digital Billboard displayed on municipal property per month	2,426.00	2,523.00	2,646.00	2,769.00
Per banner	387.00	402.00	422.00	442.00
Per Illegal Boards	484.00	503.00	528.00	552.00
Per Illegal Boards Additional fee if not removed within 2 (two) weeks	322.00	335.00	351.00	367.00
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	1,613.00	1,678.00	1,760.00	1,841.00
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	8,066.00	8,389.00	8,798.00	9,205.00
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>1.8.3 Plan Printing Charges</b>				
<u>Paper prints:</u>				
Size A4	11.00	11.00	12.00	13.00
Size A3	12.00	12.00	13.00	14.00
Size A2	18.00	19.00	20.00	21.00
Size A1	67.00	70.00	73.00	76.00
Size A0	99.00	103.00	108.00	113.00
<u>Opaque Film Prints &amp; Transparent Prints</u>				
Size A4	26.00	27.00	28.00	29.00
Size A3	49.00	51.00	53.00	55.00
Size A2	129.00	134.00	141.00	148.00
Size A1	180.00	187.00	196.00	205.00
Size A0	278.00	289.00	303.00	317.00
<u>Plans plotted by REGIS System</u>				
Size A4	56.00	58.00	61.00	64.00
Size A3	76.00	79.00	83.00	87.00
Size A2	151.00	157.00	165.00	173.00
Size A1	224.00	233.00	244.00	255.00
Size A0	265.00	276.00	289.00	302.00

	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
<u>Paper prints: Color</u>				
Size A4	6.00	6.00	6.00	6.00
Size A3	4.00	4.00	4.00	4.00
Size A2	15.00	16.00	17.00	18.00
Size A1	73.00	76.00	80.00	84.00
Size A0	89.00	93.00	98.00	103.00
<u>Opaque Film Prints &amp; Transparent Prints Color</u>				
Size A4	30.00	31.00	33.00	35.00
Size A3	58.00	60.00	63.00	66.00
Size A2	159.00	165.00	173.00	181.00
Size A1	216.00	225.00	236.00	247.00
Size A0	326.00	339.00	356.00	372.00
<u>Plans plotted by REGIS System - Color</u>				
Size A4	61.00	63.00	66.00	69.00
Size A3	112.00	116.00	122.00	128.00
Size A2	188.00	196.00	206.00	216.00
Size A1	303.00	315.00	330.00	345.00
Size A0	321.00	334.00	350.00	366.00
<u>Other</u>				
Information (without copy cart)	32.00	33.00	35.00	37.00
CUP Reports/SDF/LUMS/IDP/GURP	156.00	162.00	170.00	178.00
Building Plan search fee (without copy cart)	1,629.00	1,694.00	1,777.00	1,859.00
Building Statistics - Monthly	156.00	162.00	170.00	178.00
- Annually	1,629.00	1,694.00	1,777.00	1,859.00
Building Occupancy Certificate	947.00	985.00	1,033.00	1,081.00
Temporary Occupancy	947.00	985.00	1,033.00	1,081.00
Hoarding on Municipal property per square meter	156.00	162.00	170.00	178.00
Compulsory (removal executed by Municipal) of Building rubble per m3 load	814.00	847.00	908.00	985.00
Penalty on illegal building structure/s, per day and to be attached to account	244.00	254.00	272.00	295.00
Penalty on illegal encroaching to adjacent erf/erven, per day and to be attached to account	244.00	254.00	272.00	295.00
Penalty on illegal usage of property other than as zoned, per day and to be attached to account	244.00	254.00	272.00	295.00
Penalty on illegal closing of adjacent neighbour access, per day and to be attached to account	244.00	254.00	272.00	295.00
Penalty on illegal closing for storm water flow allowance, per day and to be attached to account	244.00	254.00	272.00	295.00
Penalty on deviation from approved building plan/s, per day and to be attached to account	244.00	254.00	272.00	295.00
Penalty on illegal encroaching to municipality land or property, per day and to be attached to account	244.00	254.00	266.00	278.00
Unauthorised sewer connection	1,634.00	1,699.00	1,782.00	1,865.00
Unauthorised water connection	1,634.00	1,699.00	1,782.00	1,865.00
Unauthorised electrical connection	1,634.00	1,699.00	1,782.00	1,865.00
Commencing building work or statutory stages controlled without council authorisation	815.00	848.00	889.00	930.00
Unauthorised erection of structures for event	24,306.00	25,278.00	26,512.00	27,740.00
Any other application that is not mentioned above but linked to Sol Plaatje Land Use By-Law	1,000.00	1,040.00	1,091.00	1,142.00

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

55.00	57.00	60.00	63.00
135.00	140.00	147.00	154.00

	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
<b>* Monday - Friday</b>				
07:00 - 12:00 (per session)	393.00	409.00	429.00	449.00
12:00 - 17:00 (per session)	393.00	409.00	429.00	449.00
17:00 - 07:00 (per hour)	491.00	511.00	536.00	561.00
<b>* Saturdays</b>				
A basic fee is charged for 4 hours or part thereof	809.00	841.00	882.00	923.00
For every additional hour which the facility is used an additional tariff is payable	393.00	409.00	429.00	449.00
<b>* Sundays &amp; Public Holidays</b>				
A basic fee is charged for 4 hours or part thereof	859.00	893.00	937.00	980.00
For every additional hour which the facility is used an additional tariff is payable	405.00	421.00	442.00	462.00
<b>* All Dances</b>				
A basic fee is charged for 4 hours or part thereof	3,067.00	3,190.00	3,346.00	3,501.00
For every additional hour which the facility is used an additional tariff is payable	809.00	841.00	882.00	923.00
* Funerals - for 4 hours	736.00	765.00	802.00	839.00
For every additional hour	399.00	415.00	435.00	455.00
Preparation fee (per hour)	491.00	511.00	536.00	561.00
* Key / Loss / damage / breakage deposit	1,350.00	1,404.00	1,473.00	1,541.00
<b><u>TARIFFS FOR SOCIAL CENTRE, R C ELLIOTT HALL AND RITCHIE</u></b>				
<b><u>Development Sport</u></b>				
Training sessions (Monday - Thursday)				
07:45 - 16:30 (per hour)	55.00	57.00	60.00	63.00
Key / Loss / damage / breakage deposit	135.00	140.00	147.00	154.00
<b>* Monday - Friday</b>				
07:00 - 12:00 (per session)	393.00	409.00	429.00	449.00
12:00 - 17:00 (per session)	279.00	290.00	304.00	318.00
17:00 - 07:00 (per hour)	491.00	511.00	536.00	561.00
<b>* Saturdays</b>				
A basic fee charged for 4 hours or part thereof	797.00	829.00	869.00	909.00
For every additional hour which the facility is used an additional tariff is payable	405.00	421.00	442.00	462.00
<b>* Sundays &amp; Public Holidays</b>				
A basic fee is charged for 4 hours or part thereof	859.00	893.00	937.00	980.00
For every additional hour which the facility is used an additional tariff is payable	405.00	421.00	442.00	462.00
<b>* All Dances</b>				
A basic fee is charged for 4 hours or part thereof	3,067.00	3,190.00	3,346.00	3,501.00
For every additional hour which the facility is used an additional tariff is payable	809.00	841.00	882.00	923.00
* Funerals - for 4 hours	736.00	765.00	802.00	839.00
For every additional hour	399.00	415.00	435.00	455.00
Preparation fee (per hour)	491.00	511.00	536.00	561.00
* Key / Loss / damage / breakage deposit	1,350.00	1,404.00	1,473.00	1,541.00

1.9.2



PRESENT  
TARIFFS  
R

PROPOSED  
TARIFFS  
2023/07/01  
R

PROPOSED  
TARIFFS  
2024/07/01  
R

PROPOSED  
TARIFFS  
2025/07/01  
R

1.9.3

**TARIFFS FOR FLORIANVILLE HALL**

Development Sport

Training sessions (Monday - Thursday)  
07:45 - 16:30 (per hour)  
Key / Loss / damage / breakage deposit

55.00	57.00	60.00	63.00
135.00	140.00	147.00	154.00

\* Monday - Friday

07:00 - 12:00 (per session)  
12:00 - 17:00 (per session)  
17:00 - 07:00 (per hour)

393.00	409.00	429.00	449.00
393.00	409.00	429.00	449.00
491.00	511.00	536.00	561.00

\* 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

799.00	831.00	872.00	912.00
405.00	421.00	442.00	462.00

\* 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

859.00	893.00	937.00	980.00
851.00	885.00	928.00	971.00

\* 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

3,067.00	3,190.00	3,346.00	3,501.00
809.00	841.00	882.00	923.00

\* Funerals - for 4 hours

For every additional hour  
Preparation fee (per hour)

736.00	765.00	802.00	839.00
399.00	415.00	435.00	455.00
491.00	511.00	536.00	561.00

\* Key / Loss / damage / breakage deposit

1,350.00	1,404.00	1,473.00	1,541.00
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1.9.4

**GARDNER WILLIAMS HALL, GREENPOINT HALL  
AND GALESHEWE CENTRE (BATHO BANTU HALL)**

Development Sport

Training sessions (Monday - Thursday)  
07:45 - 16:30 (per hour)  
Key / Loss / damage / breakage deposit

55.00	57.00	60.00	63.00
135.00	140.00	147.00	154.00

\* Monday - Friday

07:00 - 12:00 (per session)  
12:00 - 17:00 (per session)  
17:00 - 07:00 (per hour)

264.00	275.00	288.00	301.00
264.00	275.00	288.00	301.00
264.00	275.00	288.00	301.00

\* 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

736.00	765.00	802.00	839.00
368.00	383.00	402.00	421.00

\* 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

760.00	790.00	829.00	867.00
405.00	421.00	442.00	462.00
1,350.00	1,404.00	1,473.00	1,541.00

\* 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

3,067.00	3,190.00	3,346.00	3,501.00
809.00	841.00	882.00	923.00



	PRESENT TARIFFS	PROPOSED TARIFFS 2023/07/01	PROPOSED TARIFFS 2024/07/01	PROPOSED TARIFFS 2025/07/01
	R	R	R	R
* Funerals - for 4 hours	736.00	765.00	802.00	839.00
For every additional hour	399.00	415.00	435.00	455.00
Preparation fee (per hour)	491.00	511.00	536.00	561.00
* Key / Loss / damage / breakage deposit	1,350.00	1,404.00	1,473.00	1,541.00

1.9.5

**CITY HALL**

\* Monday - Friday

07:00 - 12:00 (per session)	1,179.00	1,226.00	1,286.00	1,346.00
12:00 - 17:00 (per session)	1,179.00	1,226.00	1,286.00	1,346.00
17:00 - 07:00 (per hour)	710.00	738.00	774.00	810.00

\* Saturdays

A basic fee charged for 4 hours or part thereof	1,840.00	1,914.00	2,007.00	2,100.00
For every additional hour which the facility is used an additional tariff is payable	491.00	511.00	536.00	561.00

\* Sundays & Public Holidays

A basic fee is charged for 4 hours or part thereof	2,024.00	2,105.00	2,208.00	2,310.00
For every additional hour which the facility is used an additional tariff is payable	710.00	738.00	774.00	810.00
* Key / Loss / damage / breakage deposit	1,472.00	1,531.00	1,606.00	1,680.00

\*\* All Dances

A basic fee is charged for 4 hours or part thereof	3,067.00	3,190.00	3,346.00	3,501.00
For every additional hour which the facility is used an additional tariff is payable	846.00	880.00	923.00	966.00
** Key / Loss / damage / breakage deposit	1,840.00	1,914.00	2,007.00	2,100.00

\*\*\* Supper Room

07:00 - 12:00 (per session)	920.00	957.00	1,004.00	1,050.00
12:00 - 17:00 (per session)	920.00	957.00	1,004.00	1,050.00
17:00 - 07:00 (per hour)	676.00	703.00	737.00	771.00

*** Funerals - for 4 hours	1,840.00	1,914.00	2,007.00	2,100.00
For every additional hour	399.00	415.00	435.00	455.00

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

Preparation fee (per hour) applicable to all activities	540.00	562.00	603.00	654.00
Aircon \ 8 hour session	1,226.00	1,275.00	1,367.00	1,483.00

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	687.00	714.00	749.00	784.00
* Maximum	2,076.00	2,159.00	2,264.00	2,369.00
Administration costs for the leasing of land/property (with each renewal of contract)	687.00	714.00	749.00	784.00
Advertising for alienation or leasing of land	917.00	954.00	1,001.00	1,047.00



1.9.7	PRESENT TARIFFS	R	PROPOSED	PROPOSED	PROPOSED
			TARIFFS	TARIFFS	TARIFFS
			2023/07/01	2024/07/01	2025/07/01
			R	R	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	1,190.00		1,240.00	1,301.00	1,361.00
Three or four Officers per event	2,340.00		2,430.00	2,549.00	2,667.00
More than four Officers per event	2,900.00		3,020.00	3,167.00	3,314.00
<b><u>Sunday and Public Holidays</u></b>					
Per Officer per hour or part thereof	1,120.00		1,165.00	1,222.00	1,279.00
<b><u>ESCORT OF ABNORMAL LOADS</u></b>					
<b><u>Monday to Saturday</u></b>					
Per Officer per hour or part thereof	700.00		730.00	766.00	801.00
<b><u>Sunday and Public Holidays</u></b>					
Per Officer per hour or part thereof	2,270.00		2,360.00	2,475.00	2,590.00
<b><u>RENTAL OF ROAD SIGNS</u></b>					
Renting of temporary Road Signs -	390.00		410.00	430.00	450.00
Deposit per sign	230.00		240.00	252.00	264.00
<b><u>HIRE OF PARKING BAY</u></b>					
Hiring of a Parking Bay per Parking Bay per Day	260.00		270.00	283.00	296.00
<b><u>SEARCH FEES</u></b>					
Service of Summonses for other Local Authorities (per Summons executed)	125.00		130.00	136.00	142.00
Accident Report	105.00		110.00	115.00	120.00
<b><u>WEIGHBRIDGE</u></b>					
0 - 3500 kg	150.00		160.00	168.00	176.00
3500 - 9000 kg	270.00		280.00	294.00	308.00
9000 - 16000 kg	410.00		430.00	451.00	472.00
Above 16000 kg	680.00		710.00	745.00	779.00
			-		
1.9.8					
<b><u>LIBRARY</u></b>					
Videos, Fiksie en Nie-fiksie / DVD	10.00		10.00	10.00	10.00
Damaged barcode	5.00		5.00	5.00	5.00
Postal tariffs : reminders	10.00		10.00	10.00	10.00
Fines : per week	3.50		4.00	4.00	4.00
: per month	14.00		15.00	16.00	17.00
Maximum fine per item	48.00		50.00	52.00	54.00
Reservation fee	6.00		6.00	6.00	6.00
Admin fee : Phone calls	18.00		19.00	20.00	21.00
Admin fee : Cell phone calls	22.00		23.00	24.00	25.00
Book record covers	15.00		16.00	17.00	18.00
Duplicate computer membership card	48.00		50.00	52.00	54.00
Photocopy charges - A4	1.00		1.00	1.00	1.00
- A3	1.50		2.00	2.00	2.00
Colour Printing -A4		New	4.00	4.00	4.00
-A3		New	8.00	8.00	8.00
Internet Black and White Printing -A4		New	2.00	2.00	2.00
-A3		New	4.00	4.00	4.00
Country members (per annum)	185.00		190.00	199.00	208.00
Visitors - deposit	200.00		200.00	210.00	220.00
- fee	175.00		180.00	189.00	198.00

	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
<u>Laminates:</u>				
A4	10.00	10.00	10.00	10.00
A3	18.00	19.00	20.00	21.00
85mm x 60	5.00	5.00	5.00	5.00
A5	6.00	6.00	6.00	6.00
Inter library loans	105.00	109.00	114.00	119.00
Books rebinding	95.00	100.00	105.00	110.00
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)	35.00	36.00	38.00	40.00
<u>Fax facility:</u>				
Local per page	8.00	8.00	8.00	8.00
National per page	15.00	16.00	17.00	18.00
International per page	40.00	42.00	44.00	46.00
Faxes received per page	5.00	5.00	5.00	5.00
Fax to mail (all 086 numbers) per page	14.00	15.00	16.00	17.00
<b><u>MAIN- AND GALESHEWE LIBRARIES</u></b>				
<u>Non-profitable Organisations and Cultural Activities</u>				
Per session	200.00	210.00	220.00	230.00
Kitchen facilities	75.00	80.00	84.00	88.00
Key / Loss / damage / breakage deposit	550.00	600.00	629.00	658.00
<u>Commercial Institutions and Political Parties</u>				
Per session	465.00	490.00	514.00	538.00
Kitchen facilities	75.00	80.00	84.00	88.00
Key / Loss / damage / breakage deposit	550.00	580.00	608.00	636.00
Audio visual material (per item)	95.00	100.00	105.00	110.00
Data Projector (Main Library only) per session	365.00	380.00	399.00	417.00
<b><u>HALL RENTALS</u></b>				
<b><u>SONNY LEON/ BEACONSFIELD/JUDY SCOTT LIBRARY</u></b>				
<u>Non-profitable organisations and Cultural Activities</u>				
Per session	120.00	125.00	131.00	137.00
Kitchen facilities	75.00	80.00	84.00	88.00
Key / Loss / damage / breakage deposit	550.00	580.00	608.00	636.00
<u>Commercial Institutions and Political Parties</u>				
Per session	295.00	320.00	336.00	352.00
Kitchen facilities	75.00	80.00	84.00	88.00
Key / Loss / damage / breakage deposit	550.00	580.00	608.00	636.00
Audio visual material (per item)	95.00	100.00	105.00	110.00
<b><u>AFRICANA LIBRARY</u></b>				
<u>Research fees</u>				
* National	1,020.00	1,060.00	1,120.00	1,160.00
* International	1,300.00	1,350.00	1,420.00	1,480.00
<b>* Pro rata fees will be levied for partially research request</b>				
<b>1.9.9 <u>EMERGENCY SERVICES</u></b>				
<b><u>Km Turnout fees</u></b>				
(Calculated per vehicle per Km traveled from turnout to the incident to return to the Fire Station)				
* Fire fighting vehicle	50.00	52.00	55.00	58.00
* Assistance vehicle	10.00	10.00	11.00	12.00
<b><u>Turnout fees for the fire fighting vehicles, portable pumps and assistance vehicles</u></b>				
(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	2,371.00	2,466.00	2,586.00	2,706.00
Portable pump	1,186.00	1,233.00	1,293.00	1,353.00
Assistance vehicle	1,186.00	1,233.00	1,293.00	1,353.00
Hazmat Pumps	2,371.00	2,466.00	2,586.00	2,706.00

1.9.9

	PRESENT <u>TARIFFS</u> R	PROPOSED TARIFFS <u>2023/07/01</u> R	PROPOSED TARIFFS <u>2024/07/01</u> R	PROPOSED TARIFFS <u>2025/07/01</u> R
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**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	1,186.00	1,233.00	1,293.00	1,353.00
Portable pump	593.00	617.00	647.00	677.00
Assistance vehicle	593.00	617.00	647.00	677.00
Hazmat Pumps	186.00	193.00	202.00	211.00

**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	643.00	669.00	702.00	735.00
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**Specialized equipment**

(Calculated per unit used)

Chemical extinguisher	492.00	512.00	537.00	562.00
CO <sup>2</sup> extinguisher	492.00	512.00	537.00	562.00
Breathing apparatus	341.00	355.00	372.00	389.00
Refill of SCBA/SCUBA cylinder : per cylinder	38.00	40.00	42.00	44.00
* Jaws of Life rescue equipment - per incident / use	1,020.00	1,061.00	1,113.00	1,165.00
* Rollgliss rescue equipment - per incident / use	1,020.00	1,061.00	1,113.00	1,165.00
* Medical equipment (consumables) - per patient	492.00	512.00	537.00	562.00
* Pneumatic Equipment - per incident / use	1,020.00	1,061.00	1,113.00	1,165.00
* Chemical suites - per suit per incident	Replacement cost+20%	Replacement cost+20%	Replacement cost+20%	Replacement
* Hazmat equipment (consumables) - per incident / use	Replacement cost+20%	Replacement cost+20%	Replacement cost+20%	Replacement

**Fire extinguishing material**

(Calculated per unit state or part thereof)

Water - municipal tariff per Kl				
CO <sup>2</sup> - purchase tariff per Kg	Tarrif +20%	Tarrif +20%	Tarrif +20%	Tarrif +20%
Dry chemical powder - purchase tariff per Kg	Tarrif +20%	Tarrif +20%	Tarrif +20%	Tarrif +20%
Foam - purchase tariff per liter	Tarrif +20%	Tarrif +20%	Tarrif +20%	Tarrif +20%



	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
<b><u>Inspection fees</u></b>				
(Calculated per inspection or plan approved)				
Fire prevention inspection per project	593.00	617.00	647.00	677.00
Site inspection per project	New	617.00	647.00	677.00
<b><u>Building plans per project:</u></b>				
For all new buildings per m2	New	22.00	23.00	24.00
For all as-built buildings, completed or under construction	New	104.00	109.00	114.00
For new buildings over 500m2 (per m2)	New	20.00	21.00	22.00
For all new buildings per m2 exceeding 1000m2	New	19.00	20.00	21.00
For additions to any existing building per m2	New	22.00	23.00	24.00
For additions over 500m2 (per m2)	New	20.00	21.00	22.00
For additions of buildings per m2 exceeding 1000m2	New	19.00	20.00	21.00
Inspection of flammable liquids, solids and gasses installations:				
* 1 liter - 2000 liter	687.00	714.00	749.00	784.00
* 2001 liter - 5000 liter	889.00	925.00	970.00	1,015.00
* 5001 liter - 50000 liter	1,085.00	1,128.00	1,183.00	1,238.00
* 50001 litre and more	1,283.00	1,334.00	1,399.00	1,464.00
*Tankers - irrespective the size and inspected at the Emergency Services - per registration certificate	655.00	681.00	714.00	747.00
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)	264.00	275.00	288.00	301.00
<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)	10.00	10.00	10.00	10.00
Single trip (Children - Primary School) (Return Trip 2x single)	10.00	10.00	10.00	10.00
<b><u>Regional Tourism Centre</u></b>				
Kiosk:				
Minimum tender price/month - 12 month period	1,433.00	1,490.00	1,563.00	1,635.00
Cubicles:				
Minimum tender price/month - 12 month period	1,032.00	1,073.00	1,125.00	1,177.00
Exhibition space per m² per day	20.00	21.00	22.00	23.00
Hawkers shelter per day	36.00	37.00	39.00	41.00
<b><u>Informal Trade facilities</u></b>				
Informal trade permits with storage facilities	404.00	420.00	440.00	460.00
Informal trade permits without storage facilities	193.00	201.00	211.00	221.00
Fruits and Vegetable Structures	263.00	274.00	287.00	300.00
Pension Pay Points ( Card Carrying Pensioners)	77.00	80.00	84.00	88.00
Caravans within CBD	511.00	531.00	557.00	583.00
Caravans outside CBD	256.00	266.00	279.00	292.00
Informal car wash operations (under 36sq metres )	New	400.00	420.00	439.00
Trading from shipping containers	New	600.00	629.00	658.00
1.9.11	<b><u>POUND SERVICES</u></b>			
<b><u>Impounding:</u></b>				
Horses, donkey's, cattle and pigs (each, once off payment)	184.00	191.00	200.00	209.00
Sheep and goat (each, once off payment)	74.00	77.00	81.00	85.00
<b><u>Maintenance</u></b>				
Horses, donkey's, cattle and pigs (each per day)	74.00	77.00	81.00	85.00
Sheep and goat (each per day)	37.00	38.00	40.00	42.00
<b><u>G.W.K rent tariff</u></b>				
Large stock unit	74.00	77.00	81.00	85.00
Small stock unit	45.00	47.00	49.00	51.00

 PRESENT  
TARIFFS  
R

PROPOSED  
TARIFFS  
2023/07/01  
R

PROPOSED  
TARIFFS  
2024/07/01  
R

PROPOSED  
TARIFFS  
2025/07/01  
R

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  
2023/07/01  
R

PROPOSED  
TARIFFS  
2024/07/01  
R

PROPOSED  
TARIFFS  
2025/07/01  
R

1.10 **LABORATORY TARIFFS (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)**

Chemical Analysis

Digester samples	686.00	713.00	748.00	783.00
Waste activated sludge	194.00	202.00	212.00	222.00
Sludge volume index	99.00	103.00	108.00	113.00
Nitrates	156.00	162.00	170.00	178.00
Potassium	187.00	194.00	203.00	212.00
Sulfates	187.00	194.00	203.00	212.00
Phosphate	187.00	194.00	203.00	212.00
Fluoride	187.00	194.00	203.00	212.00
Total solids	187.00	194.00	203.00	212.00
Free Residual Chlorine	99.00	103.00	108.00	113.00
Magnesium	213.00	222.00	233.00	244.00
COD	170.00	177.00	186.00	195.00
TKN = Total Kjeldahl Nitrogen	213.00	222.00	233.00	244.00
NH-3/Ammonia	213.00	222.00	233.00	244.00
Zinc	213.00	222.00	233.00	244.00
Iron	213.00	222.00	233.00	244.00
Manganese	213.00	222.00	233.00	244.00
Plate Count	194.00	202.00	212.00	222.00
Suspended solids	194.00	202.00	212.00	222.00
Hardness	194.00	202.00	212.00	222.00
Alkalinity	194.00	202.00	212.00	222.00
Total Chloride	194.00	202.00	212.00	222.00
Aluminium	194.00	202.00	212.00	222.00
PH	85.00	88.00	92.00	96.00
Conductivity	85.00	88.00	92.00	96.00
Turbidity	85.00	88.00	92.00	96.00
Dissolved Oxygen	85.00	88.00	92.00	96.00

Packets

Water Bacteriological E. coli and coli	393.00	409.00	429.00	449.00
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1.11 **MISCELLANEOUS (FINANCIAL SERVICES)**

1.11.1 Furnishing of information

(a) Search of any account	103.00	107.00	112.00	117.00
(b) For the inspection of any Deed document or diagram or any details relating thereto	103.00	107.00	112.00	117.00
(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)	103.00	107.00	112.00	117.00
(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).	229.00	238.00	250.00	262.00

**NB. ABOVE - In respect of (a)(b) and (d) for every hour or portion thereof**

1.11.2 Water - Reconnection fees	1,146.00	1,192.00	1,250.00	1,308.00
Water - Disconnection fees	1,146.00	1,192.00	1,250.00	1,308.00
Water - Temporary consumption (Funerals, etc.)	229.00	238.00	250.00	262.00
1.11.3 Special meter reading	229.00	238.00	250.00	262.00
1.11.4 Meter test - Electricity	687.00	714.00	749.00	784.00
Electricity - Temporary consumption (Funerals, etc.)	344.00	358.00	375.00	392.00
1.11.5 Electricity - Non-payment penalty:				
* For Conventional meters	746.00	776.00	814.00	852.00
* For Prepaid meters	459.00	477.00	500.00	523.00



	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
1.11.6	Electricity - Reconnection fees (Controller Wire)	803.00	835.00	876.00
	Tampering administration fee	1,949.00	2,027.00	2,126.00
	Tamper disconnection fee	3,726.00	3,875.00	4,064.00
	Tamper reconnection fee	3,726.00	3,875.00	4,064.00
1.11.7	<u>Informal Housing - Erven with pails</u>			
	Bulk refuse	34.00	35.00	37.00
	Pails	See sanitation	See sanitation	See sanitation
	High Mast	32.00	33.00	35.00
	Gravel road	30.00	31.00	33.00
	Stand pipe	34.00	35.00	37.00
1.11.8	<u>Informal Housing - Sewered Erven</u>			
	Bulk refuse	34.00	35.00	37.00
	Sewerage	See sanitation	See sanitation	See sanitation
	High Mast	32.00	33.00	35.00
	Gravel road	30.00	31.00	33.00
	Stand pipe	34.00	35.00	37.00
1.11.9	Electricity availability	287.00	298.00	313.00
1.11.10	Water availability	287.00	298.00	313.00
1.11.11	Fixed electricity (limited supply - 2Amps)	287.00	298.00	313.00
1.11.12	<u>Deposits - Electricity and Water Supply</u>			
	<u>Flats:</u>			
	1-Bedroom	1,489.00	1,578.00	1,655.00
	2-Bedroom	1,786.00	1,893.00	1,985.00
	3-Bedroom	2,263.00	2,399.00	2,516.00
	<u>Townhouses:</u>			
	2-Bedroom	1,786.00	1,893.00	1,985.00
	3-Bedroom	2,263.00	2,399.00	2,516.00
	<u>Domestic Houses:</u>			
	2-Bedroom	1,786.00	1,893.00	1,985.00
	3-Bedroom	2,263.00	2,399.00	2,516.00
	More than 3-bedrooms	3,216.00	3,409.00	3,575.00
	Builders water deposit	3,095.00	3,219.00	3,376.00
	<u>Business/Industries:</u>			
	Small power users	3,216.00	3,409.00	3,575.00
	Large power users	7,741.00	8,205.00	8,605.00
	<u>Rural consumers</u>			
	Informal housing	90.00	95.00	100.00
	<u>Businesses/Industries:</u>			
	Bulk water supply	7,741.00	8,205.00	8,605.00
	Indigents - Water deposit	83.00	88.00	92.00
1.11.13	Valuation Roll (CD or Disk)	5,445.00	5,663.00	5,939.00
1.11.14	Address List (CD or Disk)	5,445.00	5,663.00	5,939.00



	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
1.11.15	<u>Penalty for an unmetered</u> (official)			
	Water connection	13,758.00	14,308.00	15,006.00
	Thereafter a daily penalty until meter is installed (per day)	1,490.00	1,550.00	1,701.00
	Consumption per house	7,453.00	7,751.00	8,129.00
1.11.16	Electricity and water availability for Business/Industries/State.	287.00	298.00	313.00
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	401.00	417.00	437.00
1.11.18	A basic tariff for services which are impractical to be metered as per the Tariff Policy	172.00	179.00	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	10,034.00	10,565.80
	25	20	10,429.00	10,981.74
	40	32	20,597.00	21,688.64
	50	40	24,241.00	25,525.77
	80	50	39,548.00	41,644.04
			Additional costs	Additional costs
	100	75	46,129.00	48,573.84
			Additional costs	Additional costs
	150	100	54,672.00	57,569.62
			Additional costs	Additional costs
	250	150	54,672.00	57,569.62
			Additional costs	Additional costs
	300	150	54,672.00	57,569.62
			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.	1,475.00	1,553.18	1,646.68
1.12.2	<u>Testing of Water Meters</u>			
	Tariff per meter tested	1,499.00	1,578.45	1,673.47
1.12.3	<u>Exposure of Services</u>			
	Tariff per service exposure	744.00	783.43	830.59
1.12.4	<u>Water</u> (Normal tariff structure)			
	Schools, Sports fields and Parks	22.03	23.20	24.60
	Charities/Churches	22.03	23.20	24.60
	Business - Commercial	37.40	39.39	41.76
	Business - Industrial	30.56	32.18	34.12
	Indigents (0 - 6 Kl)	7.19	7.57	8.03
	Residential (0 - 6 Kl)	7.19	7.57	8.03
	Residential (7 - 20 Kl)	30.55	32.17	34.10
	Residential (21 - 40 Kl)	34.38	36.20	38.38
	Residential (41 - 60 Kl)	36.37	38.29	40.60
	Residential (more than 60 Kl)	38.85	40.91	43.38



PRESENT  
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PROPOSED  
TARIFFS  
2025/07/01  
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Flats (0 - 6 KI)	7.19	7.57	8.03	8.51
Flats (7 - 20 KI)	30.56	32.18	34.12	36.19
Flats (21 - 40 KI)	34.38	36.20	38.38	40.71
Flats (more than 40 KI)	38.85	40.91	43.38	46.01
Prepaid water per KI Households	18.49	19.47	20.64	21.89
Builders Water	43.02	45.30	48.03	50.94
Rural consumers: as above plus	4.00%	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)	7.19	7.57	8.03	8.51
Residential (7 - 20 KI)	32.09	33.79	35.82	38.00
Residential (21 - 40 KI)	37.83	39.83	42.23	44.79
Residential (41 - 60 KI)	41.82	44.04	46.69	49.52
Residential (more than 60 KI)	46.62	49.10	52.05	55.21
Flats (0 - 6 KI)	7.19	7.57	8.03	8.51
Flats (7 - 20 KI)	32.09	33.79	35.82	38.00
Flats (21 - 40 KI)	37.83	39.83	42.23	44.79
Flats (more than 40 KI)	46.62	49.10	52.05	55.21
Schools,sport, parks	25.33	26.67	28.28	30.00
Churches	25.33	26.67	28.28	30.00
Builders water	49.47	52.09	55.22	58.58
Industries	43.02	45.30	48.03	50.94
Commercial	35.13	37.00	39.22	41.60

**level 2 - 40% saving**

Residential/Indigents (0 - 6 KI)	7.19	7.57	8.03	8.51
Residential (7 - 20 KI)	33.61	35.39	37.52	39.79
Residential (21 - 40 KI)	41.27	43.46	46.08	48.87
Residential (41 - 60 KI)	45.45	47.86	50.74	53.82
Residential (more than 60 KI)	54.40	57.28	60.73	64.41
Flats (0 - 6 KI)	7.54	7.94	8.42	8.93
Flats (7 - 20 KI)	36.66	38.61	40.93	43.41
Flats (21 - 40 KI)	41.27	43.46	46.08	48.87
Flats (more than 40 KI)	54.40	57.28	60.73	64.41
Schools,sport, parks	26.43	27.83	29.50	31.29
Churches	26.43	27.83	29.50	31.29
Builders water	51.61	54.35	57.62	61.12
Industries	44.88	47.26	50.10	53.14
Commercial	36.66	38.61	40.93	43.41



**PRESENT  
TARIFFS**

**PROPOSED  
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TARIFFS  
2025/07/01**

**level 3 - 70% saving**

	R	R	R	R
Residential/Indigents (0 - 6 Kl)	7.91	8.33	8.83	9.36
Residential (7 - 20 Kl)	36.66	38.61	40.93	43.41
Residential (21 - 40 Kl)	42.98	45.26	47.99	50.90
Residential (41 - 60 Kl)	47.28	49.78	52.78	55.98
Residential (more than 60 Kl)	58.29	61.38	65.07	69.02
Flats (0 - 6 Kl)	7.91	8.33	8.83	9.36
Flats (7 - 20 Kl)	36.66	38.61	40.93	43.41
Flats (21 - 40 Kl)	44.71	47.08	49.91	52.94
Flats (more than 40 Kl)	58.29	61.38	65.07	69.02
Schools,sport, parks	28.63	30.15	31.96	33.90
Churches	28.63	30.15	31.96	33.90
Builders water	55.91	58.88	62.42	66.21
Industries	48.62	51.20	54.28	57.58
Commercial	39.72	41.83	44.34	47.04

**level 4 - survival**

Residential/Indigents (0 - 6 Kl)	7.91	8.33	8.83	9.36
Residential (7 - 20 Kl)	45.84	48.27	51.17	54.28
Residential (21 - 40 Kl)	51.59	54.32	57.59	61.09
Residential (41 - 60 Kl)	65.45	68.92	73.07	77.51
Residential (more than 60 Kl)	69.95	73.66	78.09	82.83
Flats (0 - 6 Kl)	7.91	8.33	8.83	9.36
Flats (7 - 20 Kl)	45.84	48.27	51.17	54.28
Flats (21 - 40 Kl)	61.90	65.18	69.11	73.30
Flats (more than 40 Kl)	69.95	73.66	78.09	82.83
Schools,sport, parks	39.65	41.75	44.27	46.96
Churches	39.65	41.75	44.27	46.96
Builders water	77.42	81.53	86.43	91.68
Industries	67.32	70.89	75.16	79.72
Commercial	55.00	57.92	61.40	65.13

**level 5 - emergency**

Residential/Indigents (0 - 6 Kl)	7.91	8.33	8.83	9.36
Residential (7 - 20 Kl)	61.11	64.34	68.22	72.36
Residential (21 - 40 Kl)	68.78	72.43	76.79	81.45
Residential (41 - 60 Kl)	72.73	76.59	81.20	86.13
Residential (more than 60 Kl)	77.72	81.84	86.77	92.03
Flats (0 - 6 Kl)	7.91	8.33	8.83	9.36
Flats (7 - 20 Kl)	61.11	64.34	68.22	72.36
Flats (21 - 40 Kl)	68.78	72.43	76.79	81.45
Flats (more than 40 Kl)	77.72	81.84	86.77	92.03
Schools,sport, parks	44.06	46.39	49.19	52.17
Churches	44.06	46.39	49.19	52.17
Builders water	86.03	90.59	96.04	101.87
Industries	74.81	78.77	83.52	88.59
Commercial	61.11	64.34	68.22	72.36

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 1000m<sup>2</sup>.

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 0,8m<sup>3</sup> per week per month 792.53 834.53 898.88 962.79

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 1,6m<sup>3</sup> per one removal per week per month 792.53 834.53 898.88 962.79

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 6m<sup>3</sup> per one removal per week the tariff for each removal shall be 2,974.88 3,132.55 3,374.07 3,613.96

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

(d) Where the owner or occupier hires a 1,54m<sup>3</sup> bulk container from the City Council - that hire shall be 6,0m<sup>3</sup> container hire 483.06 508.66 547.88 586.83  
696.28 733.18 789.71 845.86

(e) Where special garden refuse is removed the tariff per per m<sup>2</sup> applicable shall be 77.18 81.27 87.54 93.76

(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. 792.53 834.53 898.88 962.79

(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 400.57 421.80 454.32 486.62

1.13.2 Residential

Payable by the owner for one regular removal of refuse per week - the tariff shall be 134.60 141.74 152.66 163.52

1.13.3 Non -Residential

Payable by the owner for one regular removal of refuse per week- -the tariff shall be 792.53 834.54 898.88 962.79

1.13.4 Flats

Tariff only applicable to Municipal flats 67.30 70.87 76.33 81.76

1.13.5 Availability charge

A basic monthly charge - Residential 67.30 70.87 76.33 81.76

- Non - Residential 400.57 421.80 454.32 486.62

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 188.55 197.79 209.94 221.71

Basic monthly charge (two sanitary convenience) 188.55 197.79 209.94 221.71

Additional monthly charge (each additional connection, excluding private dwellings) 113.15 118.69 125.98 133.05

Flats and semi-detached dwellings:

Basic monthly charge (first living unit) 188.55 197.79 209.93 221.71

Additional monthly charge (each additional unit) 113.15 118.69 125.98 133.05

Hotel, Boarding Houses, Lodging Houses and Hostels



	PRESENT TARIFFS	PROPOSED TARIFFS 2023/07/01	PROPOSED TARIFFS 2024/07/01	PROPOSED TARIFFS 2025/07/01
	R	R	R	R
Basic monthly charge (two sanitary conveniences)	188.55	197.79	209.93	221.71
Additional monthly charge (each additional connection)	113.15	118.69	125.98	133.05
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	165.61	173.72	184.39	194.74
<b>1.14.2</b>				
<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)	313.42	328.78	348.97	368.54
Additional charge (per 1KI or part thereof)	51.73	54.26	57.59	60.82
Vacuum tanker transport charge (per call)	258.63	271.30	287.96	304.11
B. Within 10km of CBD				
(After hours, Monday - Friday & Saturdays)				
Basic charge (first 5KI)	490.74	514.78	546.39	577.04
Additional charge (per 1KI or part thereof)	84.05	87.41	92.23	97.53
Vacuum tanker transport charge (per call)	362.07	376.55	397.30	420.14
C. Within 10km of CBD				
(Sundays and Public Holidays)				
Basic charge (first 5KI)	645.59	677.23	718.81	759.13
Additional charge (per 1KI or part thereof)	100.22	105.13	111.59	117.85
Vacuum tanker transport charge (per call)	509.16	534.11	566.91	598.71
D. Further than 10km from CBD				
(Per km further)				
As above (A to C) plus km charge				
Any tanker/km	58.44	61.30	65.07	68.72
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)	147.26	154.48	163.96	173.16
Additional monthly charge (each additional pail removal, five times per fortnight)	80.82	84.78	89.99	95.03
Occasional hire of bucket (per day per bucket)	40.41	42.39	44.99	47.52
Removal of night-soil from building premises and contractor's sites (surcharge not applicable)				
Basic monthly charge (one pail, three times a week)	1,015.66	1,065.43	1,130.84	1,194.28
Basic monthly charge (one pail, six times a week)	1,506.32	1,580.13	1,677.15	1,771.24
<b>1.14.3</b>				
<u>Blockages and Portable Toilets</u>				
<u>Internal sewer blockages:</u>				
Basic charge (Monday - Friday between 08:00 - 16:00)	622.32	652.81	692.90	731.77
Basic charge after hours (Monday - Saturdays)	759.70	796.93	845.86	893.31
Basic charge (Sundays and Public holidays)	1,131.48	1,186.92	1,259.80	1,330.47
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	282.86	296.72	314.94	332.61
Transport charge (per vehicle)	606.15	635.85	674.89	712.75
<u>Sewer Connections:</u>				
Sewer connection (100mm)	3,515.66	3,687.93	3,914.37	4,133.96
Sewer connection (150mm)	4,081.40	4,281.39	4,544.27	4,799.20
Public convenience (Craven Street)				
Shower plus usage of towel (per person)	16.28	17.08	18.13	19.14



	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
1.14.4	<b><u>Purified effluent tariffs</u></b>			
	Basic Charge (Use in Excess of 1 Megalitre - 1000kl per billing cycle of approximately 30 days)	73,827.52	77,445.07	82,200.20
	Plus per Kl	0.2088	0.2190	0.2325
	Basic Charge (Use LESS than 1 Megalitre per billing cycle of approximately 30 days)	-	-	-
	Plus per Kl	0.6974	0.7316	0.7765
1.15	<b><u>INCENTIVE/DISCOUNT EARLY PAYMENT</u></b>			
	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%
1.16	<b><u>ELECTRICITY (SERVICES &amp; INFRASTRUCTURE)</u></b>			
1.16.1	<b><u>TARIFFS FOR SERVICE CONNECTIONS</u></b>			
	<b><u>SCALE 4 - STREET LIGHTS</u></b>			
	Cost of an additional street light	As per quote	As per quote	As per quote
	Cost to move a street light	As per quote	As per quote	As per quote
	Replacement of a damaged street light pole:			
	* 6m single cantilever	32,672.00	34,900.00	37,776.00
	* 9m single cantilever	51,926.00	55,467.00	60,037.00
	* 9m double cantilever	52,581.00	56,167.00	60,795.00
	* 12m single cantilever	55,741.00	59,543.00	64,449.00
	<b><u>SINGLE PHASE DIS- &amp; RECONNECTION FEE WHEREBY AN ELECTRICIAN IS INVOLVED</u></b>			
	Disconnection fee for an O/H supply system	3,576.00	3,820.00	4,135.00
	Disconnection fee for an U/G supply system	8,613.00	9,200.00	9,958.00
	Reconnection fee for an P/H supply system	3,634.00	3,882.00	4,202.00
	Reconnection fee for an U/G supply system	476.00	508.00	550.00
	<b><u>3-PHASE DIS- &amp; RECONNECTION FEE WHEREBY AN ELECTRICIAN IS INVOLVED</u></b>			
	Disconnection fee for an O/H supply system	5,097.00	5,445.00	5,894.00
	Disconnection fee for an U/G supply system	8,876.00	9,481.00	10,262.00
	Reconnection fee for an O/H supply system	7,032.00	7,512.00	8,131.00
	Reconnection fee for an U/G supply system	8,876.00	9,481.00	10,262.00
	<b><u>CALL OUT TO CONSUMER</u></b>			
	Call out to a fault on consumer's installation	721.00	770.00	833.00
1.16.2	<b><u>COSTS OF NEW SERVICE CONNECTIONS</u></b>			
	<b><u>60-AMP STANDARD SINGLE PHASE</u></b>			
	Airdac connection from O/H supply system with prepayment meter & ready board	25,825.00	27,586.00	29,859.00
	Airdac connection from O/H supply system with prepayment meter only	22,674.00	24,220.00	26,216.00
	Cable connection from U/G supply system with prepayment meter	36,019.00	38,475.00	41,645.00
	Cable connection from U/G supply system with conventional meter	31,940.00	34,118.00	36,929.00
	<b><u>60AMP STANDARD 3-PHASE</u></b>			
	Airdac connection from O/H supply system with prepayment meter & ready board	31,416.00	33,559.00	36,324.00
	Airdac connection from P/H supply system with prepayment meter only	28,265.00	30,193.00	32,681.00
	Cable connection from U/G supply system with prepayment meter	39,107.00	41,774.00	45,216.00
	Cable connection from U/G supply system with conventional meter	46,799.00	49,991.00	54,110.00
	<b><u>ALTERATIONS TO SERVICE CONNECTIONS</u></b>			
	Alterations on existing single phase connection	As per quote	As per quote	As per quote
	Alterations on existing 3-phase connection	As per quote	As per quote	As per quote
1.16.3	<b><u>UPGRADING OF SERVICES</u></b>			
	<b><u>UPGRADING OF AN EXISTING SINGLE PHASE SERVICE CONNECTION ON CONDITION OF CONNECTION ON CONDITION OF</u></b>			
	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
	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

	PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R
As per quote and stipulated conditions				
As per quote and stipulated conditions				
As per quote				
Bin price + VAT				
12,560.00	13,417.00	14,523.00	15,529.00	

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  
 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  
 Supply above 100A (single & 3-phase)  
 Replacement of conventional meter with prepayment meter (Meter only)  
 Replacement of conventional meter with prepayment meter (Meter and labour)  
**NB. MAXIMUM OF TWO PREPAYMENT METERS DOMESTIC ERF, EXCEPT WHEN 3-PHASE**

**CABLES AND VARIOUS**

Installation of public address system	6,737.00	7,196.00	7,789.00	8,329.00
Meter test	1,362.00	1,455.00	1,575.00	1,684.00
Special meter reading	442.00	472.00	511.00	546.00

1.16.4 **ELECTRICITY TARIFFS (POWER USERS)**

**(Subject to the approval of the NERSA)**

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.

A. The customer groupings are as follows:

Domestic Consumers: Defined as residential use.

Indigent Consumers: Defined as consumers registered as indigent with the Municipality and who consume for residential purposes.

Public Benefit Activity Consumers: Defined as churches, schools, halls, old age homes and other charitable and non profit organisations.

Small Power Consumers: Defined as all other consumers not on the Time of Use Billing Structure and not defined as "Domestic" or "Public Benefit Activities".

Time of Use Consumers: Defined as all consumers who have installed TOU capable metering to SPM's standards. Such metering to be installed at their own costs.

TARIFF DESCRIPTION	APPROVED TARIFFS 2022/23		PROPOSED TARIFFS 2023/24		PROPOSED TARIFFS 2024/07/01	PROPOSED TARIFFS 2025/07/01
	excl VAT	incl VAT	excl VAT	incl VAT		
<b>Domestic Tariff (Conventional and Prepaid)</b>						
Block 1 (0 - 350 Kwh)	1.8434	2.1199	-	-	-	-
Block 2 (> 350 Kwh)	2.5721	2.9579	-	-	-	-
<b>Domestic Tariff (Conventional and Prepaid) = 20 Amps</b>						
Block 1 (0 - 350 Kwh)		New	1.8958	2.1802	2.3598	2.5234
Block 2 (> 350 Kwh)		New	2.6452	3.0420	3.2926	3.5208
<b>Indigents Tariff (Prepaid)</b>						
Block 1 (0 - 50 Kwh) (subsidised)	1.8434	2.1199	-	-	-	-
Block 2 (51 - 350 Kwh)	1.8434	2.1199	-	-	-	-
Block 3 (> 351 Kwh)	2.5721	2.9579	-	-	-	-
<b>Indigents Tariff (Prepaid) = 20 Amps</b>						
Block 1 (0 - 50 Kwh) (subsidised)		New	2.1991	2.5290	2.7374	2.9271
Block 2 (51 - 350 Kwh)		New	2.1991	2.5290	2.7374	2.9271
Block 3 (> 351 Kwh)		New	3.0684	3.5287	3.8194	4.0841
<b>Domestic Tariff (Conventional and Prepaid) &gt; 20 Amps</b>						
Basic charge (Rand per month)		New	70.98	81.63	88.35	94.48
Capacity charge (Rand/Amp/phase/month)		New	3.27	3.76	4.07	4.35
Block 1 (0 - 350 Kwh)		New	2.2002	2.5302	2.7387	2.9285
Block 2 (> 350 Kwh)		New	2.7798	3.1968	3.4602	3.7000
<b>Business Tariff</b>						
<b>Commercial (Conventional and Prepaid)</b>						
Basic Charge per month	343.41	394.92	352.48	405.35	438.75	469.16
Capacity charge per Kwhr		New	3.27	3.76	4.07	4.35
<b>Summer</b>						
Block 1 (0 - 1200 Kwh)	2.6838	3.0863	2.8470	3.2741	3.5438	3.7894



		PRESENT TARIFFS	PROPOSED TARIFFS 2023/07/01	PROPOSED TARIFFS 2024/07/01	PROPOSED TARIFFS 2025/07/01
	R	R	R	R	R
<b>High Demand Season: (June - August) Winter</b>					
Peak (MV)	New	5.1951	5.9744	6.4667	6.9148
Standard (MV)	New	2.2846	2.6273	2.8438	3.0409
Off-peak (MV)	New	1.6583	1.9070	2.0642	2.2072
<b>TOU: NPO, NGO, SCHOOLS: LV&lt; 200 KVA</b>					
Basic charge per month ( LV<200 )	New	1,425.79	1,639.66	1,774.77	1,897.76
Network Access Charge R/kVA	New	70.32	80.87	87.53	93.60
Network Demand Charge R/kVA	New	182.83	210.25	227.58	243.35
<b>Energy Charges R/Kwh</b>					
<b>Low Demand Season: (September - May) Summer</b>					
Peak ( LV < 200 )	New	2.3447	2.6964	2.9186	3.1208
Standard ( LV < 200)	New	1.7711	2.0368	2.2046	2.3574
Off-peak ( LV < 200)	New	1.4048	1.6155	1.7486	1.8698
<b>High Demand Season: (June - August) Winter</b>					
Peak ( LV < 200)	New	5.1227	5.8911	6.3765	6.8184
Standard ( LV < 200)	New	2.1621	2.4864	2.6913	2.8778
Off-peak ( LV < 200)	New	1.5359	1.7663	1.9118	2.0443
<b>TOU: NPO, NGO, SCHOOLS : LV &gt; 200 &lt; 500 KVA (Exception 800 KVA)</b>					
Basic charge per month	New	2,829.91	3,254.40	3,522.56	3,766.67
Network Access Charge R/kVA	New	70.32	80.87	87.53	93.60
Network Demand Charge R/kVA	New	182.83	210.25	227.58	243.35
<b>Energy Charges R/Kwh</b>					
<b>Low Demand Season: (September - May) Summer</b>					
Peak ( LV>20<500 )	New	2.4326	2.7975	3.0280	3.2378
Standard ( LV>20<500)	New	1.8164	2.0889	2.2610	2.4177
Off-peak ( LV>20<500)	New	1.4343	1.6494	1.7854	1.9091
<b>High Demand Season: (June - August) Winter</b>					
Peak ( LV>20<500)	New	5.1644	5.9391	6.4284	6.8739
Standard ( LV>20<500)	New	2.2010	2.5312	2.7397	2.9296
Off-peak ( LV>20<500)	New	1.5470	1.7791	1.9256	2.0591
<b>1.16.4.4.2 INDUSTRIAL AND BUSINESSES</b>					
<b>Large Power Users TOU &lt;75 KVA</b>					
Basic charge per month <75 KVA		2,035.11	2,340.37	-	-
Network Access Charge R/kVA		60.33	69.38	-	-
Network Demand Charge R/kVA		178.03	204.73	-	-
<b>Energy Charges R/Kwh</b>					
<b>Low Demand Season: (September - May) Summer</b>					
Peak (<75 KVA)		2.2318	2.5665	-	-
Standard (<75 KVA)		1.5089	1.7352	-	-
Off-peak (<75 KVA)		1.4245	1.6382	-	-
<b>High Demand Season: (June - August) Winter</b>					
Peak (<75 KVA)		5.3779	6.1846	-	-
Standard (<75 KVA)		1.8929	2.1768	-	-
Off-peak (<75 KVA)		1.5671	1.8022	-	-
<b>Large Power Users TOU 75 KVA &lt; 100 KVA</b>					
Basic charge per month (>75<100 KVA)		3,370.65	3,876.25	-	-
Network Access Charge R/kVA		60.33	69.38	-	-
Network Demand Charge R/kVA		178.03	204.73	-	-
<b>Energy Charges R/Kwh</b>					
<b>Low Demand Season: (September - May) Summer</b>					
Peak (75<100 KVA)		2.1622	2.4865	-	-
Standard (75<100 KVA)		1.5900	1.8285	-	-
Off-peak (75<100 KVA)		1.5159	1.7433	-	-
<b>High Demand Season: (June - August) Winter</b>					
Peak (75<100 KVA)		5.4292	6.2436	-	-

		PRESENT TARIFFS		PROPOSED TARIFFS 2023/07/01		PROPOSED TARIFFS 2024/07/01		PROPOSED TARIFFS 2025/07/01
		R		R		R		R
Standard (75<100 KVA)	1.9035	2.1890	-	-	-	-	-	-
Off-peak (75<100 KVA)	1.7807	2.0478	-	-	-	-	-	-
<b>Large Power Users TOU &gt;100 KVA</b>								
Basic charge per month (>100)	4,680.76	5,382.87	-	-	-	-	-	-
Network Access Charge R/kVA	60.33	69.38	-	-	-	-	-	-
Network Demand Charge R/kVA	178.03	204.73	-	-	-	-	-	-
<b>Energy Charges R/Kwh</b>								
<b>Low Demand Season: (September - May) Summer</b>								
Peak (>100 KVA)	2.1937	2.5228	-	-	-	-	-	-
Standard (>100 KVA)	1.7171	1.9747	-	-	-	-	-	-
Off-peak (>100 KVA)	1.5647	1.7994	-	-	-	-	-	-
<b>High Demand Season: (June - August) Winter</b>								
Peak (>100 KVA)	5.5828	6.4202	-	-	-	-	-	-
Standard (>100 KVA)	1.9591	2.2530	-	-	-	-	-	-
Off-peak (>100 KVA)	1.9232	2.2117	-	-	-	-	-	-
<b>INDUSTRIAL AND BUSINESSES TOU: MV</b>								
Basic charge per month (MV)		New 4,567.40		5,252.51		5,685.32		6,079.31
Network Access Charge R/kVA		New 66.88		76.91		83.25		89.02
Network Demand Charge R/kVA		New 179.76		206.72		223.76		239.26
								-
								-
								-
<b>Energy Charges R/Kwh</b>								
<b>Low Demand Season: (September - May) Summer</b>								
Peak (MV)		New 2,5519		2,9347		3,1765		3,3966
Standard (MV)		New 1,9933		2,2923		2,4812		2,6531
Off-peak (MV)		New 1,7269		1,9859		2,1496		2,2985
<b>High Demand Season: (June - August) Winter</b>								
Peak (MV)		New 6,4377		7,4034		8,0134		8,5687
Standard (MV)		New 2,3242		2,6728		2,8931		3,0936
Off-peak (MV)		New 2,0511		2,3588		2,5531		2,7301
Reactive Energy Charge (P&S)		New 0.1951		0.2244		0.2429		0.2597
<b>INDUSTRIAL AND BUSINESSES TOU: LV&lt; 200 KVA</b>								
Basic charge per month ( LV<200 )		New 1,830.43		2,104.99		2,278.45		2,436.34
Network Access Charge R/kVA		New 68.46		78.73		85.22		91.12
Network Demand Charge R/kVA		New 204.32		234.97		254.33		271.95
<b>Energy Charges R/Kwh</b>								
<b>Low Demand Season: (September - May) Summer</b>								
Peak ( LV < 200 )		New 2,5842		2,9718		3,2167		3,4396
Standard ( LV < 200)		New 1,8296		2,1040		2,2774		2,4352
Off-peak ( LV < 200)		New 1,6174		1,8600		2,0133		2,1528
<b>High Demand Season: (June - August) Winter</b>								
Peak ( LV < 200)		New 6,2767		7,2182		7,8130		8,3544
Standard ( LV < 200)		New 2,2736		2,6146		2,8301		3,0262
Off-peak ( LV < 200)		New 1,7699		2,0354		2,2031		2,3558
Reactive Energy Charge (P&S)		New 0.1951		0.2244		0.2429		0.2597
<b>INDUSTRIAL AND BUSINESSES TOU : LV &gt; 200 &lt; 500 KVA (Exception 800 KVA)</b>								
Basic charge per month		New 3,082.80		3,545.22		3,837.35		4,103.27
Network Access Charge R/kVA		New 68.46		78.73		85.22		91.12
Network Demand Charge R/kVA		New 183.32		210.82		228.1894		244.0029
<b>Energy Charges R/Kwh</b>								
<b>Low Demand Season: (September - May) Summer</b>								
Peak ( LV>20<500 )		New 2,5399		2,9209		3,1616		3,3807
Standard ( LV>20<500)		New 1,9051		2,1909		2,3714		2,5357
Off-peak ( LV>20<500)		New 1,7011		1,9563		2,1175		2,2642
<b>High Demand Season: (June - August) Winter</b>								
Peak ( LV>20<500)		New 6,3286		7,2779		7,8776		8,4235
Standard ( LV>20<500)		New 2,2930		2,6370		2,8542		3,0520
Off-peak ( LV>20<500)		New 1,9508		2,2434		2,4283		2,5966



		PRESENT TARIFFS R	PROPOSED TARIFFS 2023/07/01 R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R	
Reactive Energy Charge (P&S)		New	0.1951	0.2244	0.2429	0.2597
<b><u>Small Scale Embedded Generation TOU</u></b>						
Basic charge per month - payable by the generator		New	215.39	247.70	268.11	286.69
Capacity charge R/kVa		New	9.23	10.61	11.49	12.29
<b><u>Low Demand Season: (September - May)</u></b>						
Peak		New	2.5905	2.9791	3.2246	3.4480
Standard		New	1.7828	2.0502	2.2192	2.3729
Off-peak		New	1.1307	1.3003	1.4075	1.5050
<b><u>High Demand Season: (June - August)</u></b>						
Peak		New	7.9412	9.1324	9.8849	10.5699
Standard		New	2.4055	2.7663	2.9943	3.2018
Off-peak		New	1.3062	1.5021	1.6259	1.7386
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	156.75	180.26	211.70	243.46	263.52	281.78
Capacity charge R/kVa	23.22	26.70	0.00	0.00	0.00	0.00
Energy Charges R/Kwh - payable to the generator						
<b><u>Low Demand Season: (September - May)</u></b>						
Peak	2.2318	2.5666	1.4760	1.6974	1.8373	1.9646
Standard	1.5089	1.7352	1.0158	1.1682	1.2644	1.3521
Off-peak	1.4245	1.6382	0.6442	0.7408	0.8019	0.8574
<b><u>High Demand Season: (June - August)</u></b>						
Peak	5.3779	6.1846	4.5247	5.2034	5.6322	6.0225
Standard	1.8929	2.1768	1.3706	1.5762	1.7061	1.8243
Off-peak	1.5671	1.8022	0.7442	0.8558	0.9264	0.9905
1.16.4.6	<b><u>Streetlights</u></b>					
Energy charge/kWh	1.7074	1.9635	1.3579	1.5616	1.6903	1.8074
Basic Charge light per month		New	41.66	47.91	51.86	55.45
1.16.4.7	<b><u>Vacant Land/Availability</u></b>					
Basic charge (R/month)	340.00	391.00	434.86	500.09	541.30	578.81

 PRESENT  
TARIFFS  
R

PROPOSED  
TARIFFS  
2023/07/01  
R

PROPOSED  
TARIFFS  
2024/07/01  
R

PROPOSED  
TARIFFS  
2025/07/01  
R

**SECTION 3:**

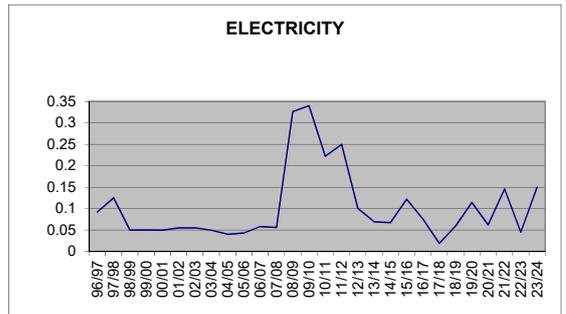
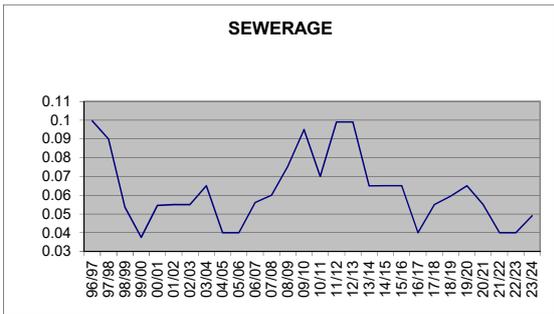
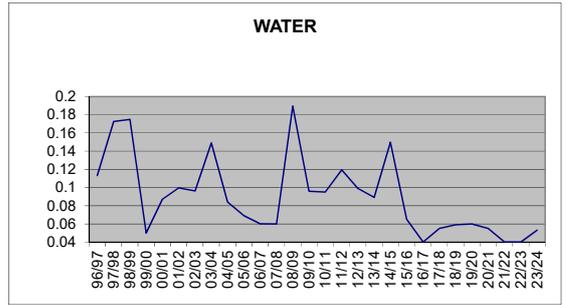
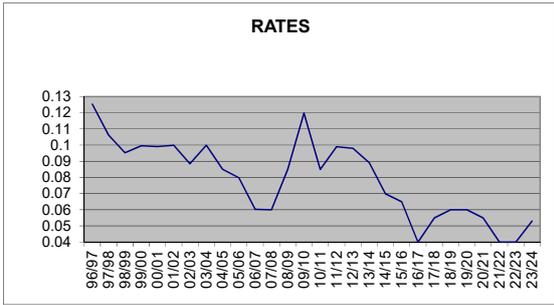
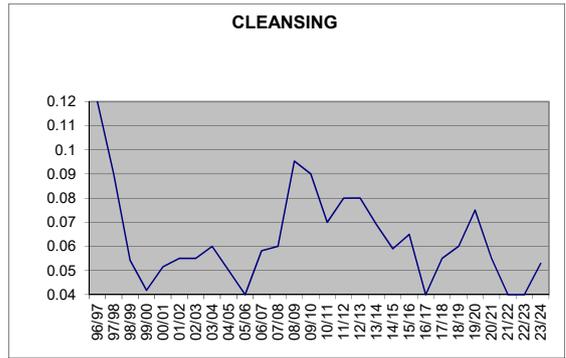
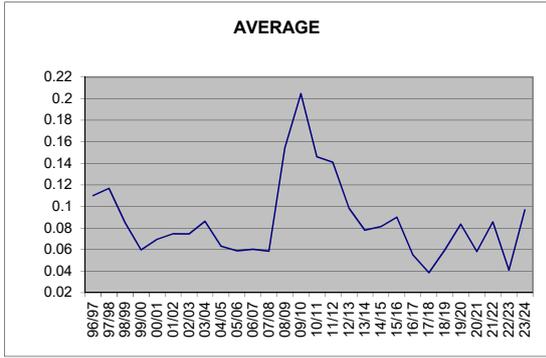
**HISTORY OF  
TARIFFS**

**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	25/26
<b>RATES</b>	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%	5.30%	6.97%	5.58%
<b>SEWERAGE</b>	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%	4.90%	6.14%	5.61%
<b>CLEANSING</b>	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%	5.30%	7.71%	7.11%
<b>WATER</b>	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%	4.00%	5.30%	6.02%	6.07%
<b>ELECTRICITY</b>	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%	4.50%	15.00%	11.28%	11.30%
<b>AVERAGE</b>	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%	4.10%	9.68%	7.62%	7.13%

**SOL PLAATJE MUNICIPALITY**



# **SECTION 4:**

# **INTEGRATED DEVELOPMENT PLAN OVERVIEW**



# Sol Plaatje Municipality

## Integrated Development Plan

2022-2027

(First review)

**This document:**

***(Draft) Integrated Development Plan 2023/2024***

**as first review of the**

**5<sup>th</sup> Generation**

**Integrated Development Plan 2022 – 2027**

**Council approved for public participation:**

**March 2023**

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## FOREWORD BY THE MAYOR

### FOREWORD BY MAYOR

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A foreword by the Executive Mayor will be included in the final *Integrated Development Plan 2023/2024* to be considered for approval by the Sol Plaatje Municipality in May 2023.

## ACKNOWLEDGEMENT FROM THE MUNICIPAL MANAGER

### ACKNOWLEDGEMENT FROM THE MUNICIPAL MANAGER

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The Integrated Development Plan 2023/24 (IDP) of the Sol Plaatje Municipality must be strategic, respond to the extent that changing circumstances demand, and track progress in municipal service delivery. These imperatives have, in very trying circumstances, been achieved throughout this IDP review process, which was the *first of four reviews* in the current 5-year cycle. I believe that as municipal administration, we are geared to continue this path and improve where necessary.

With this IDP, we place emphasis on *doing the basics right* but also to move from a service delivery perspective to a development planning perspective. In this regard, the municipality's strategic agenda is informed by prioritised ward-based needs and the development context within which the Sol Plaatje Municipality operates. This approach, however, requires a better understanding of the elements that shaped our current realities and the financial, economic and social consequences of decision making by Government. Hence, we did a thorough analysis of the internal and external factors that impact on the operations of the Sol Plaatje Municipality.

The most fundamental imperative for a credible IDP is the extent to which it incorporates achievable and measurable outcomes. Therefore, in determining the feasibility of a project, the Municipality first and foremost considered whether adequate human capital and financial resources are available for implementation. In this regard, we are prioritising a review of the municipal organogram and long-term financial plan.

We also adopted, *for the first time*, an approach to quantitatively assess and report on the local development context and municipal performance. We did this to ensure appropriate responses to the needs of our communities and to measure service delivery outcomes and whether we achieve our strategic objectives. Thus, we will continue to measure qualitative outcomes in quantified terms using appropriate indicators. In this regard, the successful implementation of the *IDP 2023/24* requires exceptional leadership, a competent workforce and a combination of good governance, dedication, and professionalism.

*I am proud to present to Council for approval, the draft IDP 2023/24 as first review (of four) prepared as part of the five-year planning and implementation cycle which started in July 2022 and ends in June 2027.* If approved, this draft IDP will be publicised for public comment and, if required, amended accordingly with another round of community engagements to follow in April or May 2023. The final IDP will be adopted by Council by end May 2023. Thereafter, the IDP will be presented to relevant government departments to seek their support by making known our service delivery challenges, needs and developmental strategies.

I, once again, wish to thank each community member who participated in the planning process to date. Please do continue to participate in the process by, for example, also contacting your ward councillor. I would also like to thank each municipal official that contributed to the consultation processes and in preparing this document. This is to also remind ourselves that integrated development planning never ends and demands total commitment from all municipal officials all the time.

**Mr BS Matlala**

**MUNICIPAL MANAGER**

# EXECUTIVE SUMMARY

## EXECUTIVE SUMMARY: IDP 2023/24

This document represents the *Integrated Development Plan (IDP) 2023/24* of the Sol Plaatje Municipality. It is the *first of four reviews* of the IDP 2022-2027 which documents the current five-year planning and implementation cycle. This five-year cycle of municipality-wide developmentally-oriented planning started in July 2022 and ends in June 2027.

The relevant drafting process, led by the Municipality, considers a review of current planning and implementation to the extent that changing circumstances demand (see **Chapter 2**) and in accordance with an assessment of municipal performance (see **Chapter 8**). The review also included extensive public participation and engagement with various stakeholders and was completed in accordance with the adopted Process Plan. In this regard, ward councillors and ward committees played key roles in channelling inputs from communities to the municipal administration. Public engagements were held in November and December 2022 and the *IDP 2023/2024* is now made available for public comment. Another round of public meetings will be held in April or May 2023 to obtain the community's consent for the final version of the *IDP 2023/24*.

The focus throughout the review (process) was to better understand the context within which the IDP is prepared and to identify and prioritise the needs of communities as part of an integrated approach to service delivery (see **Chapters 3 and 4**). The 'municipality-wide' development context is characterised by mainly the following aspects, informing our understanding of the environment within which government operates:

- The Sol Plaatje municipal area is one of the 'pearls' of the Northern Cape sub-regions, characterised by a mix of unique and quality assets as attributes of growth and development. A key challenge is to conserve and enhance these assets in a changing setting.
- Segregation along socio-economic class lines in the form of a race-based urban spatial configuration.
- Severe, structural poverty. About half of all households in the municipal area have an annual average household income less than R100 000.
- Degradation of environmental, heritage and agricultural assets.
- Ageing municipal infrastructure and sub-standard quality of services, e.g. the condition of roads. Please note that National Government has allocated a substantial grant to improve water and sanitation services.
- Increased population densities mostly in neighbourhoods with sub-standard quality of services. Worryingly, there is still about 18% of all households living in backyard dwellings and/or informal structures, which may lead to overcrowding also considering the above-average household size of 4.2 persons.
- Past insufficient new supply of housing by government resulting in a deficit of 'give-away' houses (for the indigent), subsidised housing as well as affordably-priced housing.
- A tertiary sector dominated economy with contributions to the Northern Cape economy decreasing over time. An economy in decline with expected future sectoral economic growth limited to the tertiary sector.
- Very little (or no) building activity of new residential and new non-residential space since 2018 apart from additions and alterations to existing buildings. This impacted negatively on the rand-value contribution of the construction sector to the *secondary sector* economy which was R448 million in 2021 compared to R503 million in 2015.

## EXECUTIVE SUMMARY

- Lack of addressing the climate vulnerability of the urban areas through adopting and implementing specific adaptation measures.
- Declining revenue collection opportunities, challenges with revenue collection as well as limited own funds.
- Preference is given to investing public-sector funds in social infrastructure rather than economic infrastructure or both.
- Lack of tracking, monitoring and reporting on change over time; put differently, to measure qualitative (developmental) outcomes in quantified terms.

In response to these realities, most of the infrastructure-related projects in the budget address delivery and management issues related to roads and water provision. Thus, infrastructure spend on these two services received the highest priority, with other infrastructure maintenance neglected and spending on asset maintenance being below the norm set by National Treasury. This, together with several other risks, poses a threat to the ability and quality of service delivery by the Sol Plaatje Municipality. These identified risks and mitigating actions have been grouped in the following categories: backlog and ageing infrastructure, deteriorating socio-economic conditions, sustained municipal financial viability, environmental sustainability, and municipal transformation.

The 2023/24 budget of the Municipality amounts to R2,933,836,794 as total revenue, including capital transfers and contributions, and R2,691,252,374 as total expenditure. Financial viability is still constrained by consumer priorities in terms of account payments and limited revenue-raising capacity. Capital transfers and contributions amount to R214,233,000 and are an indication of the Municipality's dependency on grant funding (about 7.3% of total revenue).

## EXECUTIVE SUMMARY

### MUNICIPALITY AT A GLANCE

Total municipal area		3 145 km <sup>2</sup> (about 5% within urban edge)		Demographics (in 2022)					
				Population	275 614	Households	65 194	Average household size	4.2
<b>Household income (in 2022 and current rand prices)</b>									
Gini Coefficient (in 2021)		0.676 (relative income inequality)		Average household income for 50% of households		(below) R100 000			
Average household income		R350 000		Average household income for 80% of households		(below) R350 000			
<b>Access to basic services by households in 2022 (as a percentage)</b>									
Piped water inside dwelling or yard	90%	Flush or chemical toilet	93%	Electricity (including generator)	91%	Refuse removal by local authority at least once a week	75%		
<b>Economy: Contribution by sector to Gross Value Added (GVA) in 2021</b>									
Sector		Contribution (Rands)		Contribution (as a percentage of total GVA)					
Primary sector		1 563		5%					
Secondary sector		2 722		10%					
Tertiary sector		24 424		85%					
<b>Economy: Largest economic subsectors by contribution to GVA in 2021</b>									
Subsector		Contribution (R millions current prices)		Contribution (as a percentage of total GVA)		% change (2015 to 2021)			
Finance, insurance, real estate and business services		8 024		28%		34%			
Community, social and personal services		6 067		21%		37%			
Wholesale and retail trade, catering and accommodation		3 614		13%		30%			
Transport, storage and communication		3 604		13%		2%			
<b>Building Activity (using statistics for buildings completed)</b>									
An annual average of 38 <i>new residential units</i> was erected over the period 2015 to 2021									
Annual average for <i>new non-residential units</i> erected between 2015 and 2021 was 1 unit per year, with zero units added since 2018									
Additions and alterations created limited residential and non-residential space									
<b>Employment in 2022 (2015 numbers in brackets)</b>				<b>Youth Employment in 2021 (2015 numbers in brackets)</b>					
Working age population: 15-64		180 477 (160 724)		Working age population (Youth 15-34)		90 364 (86 888)			
Employed - formal		55 743 (51 801)		Employed (15-34)		21 601 (28 374)			
Employed - informal		12 249 (19 443)		Unemployed (15-34)		23 881 (17 060)			
Unemployment rate (%)		36.3% (25,6%)		Youth unemployment rate (%)		52.5% (37,6%)			
<b>Safety and security – actual number of crimes in 2021 (2020 numbers in brackets)</b>									
Murders		Driving under the influence		Drug-related crime		Property-related crimes		Contact-related crimes	
69 (61)		126 (112)		195 (268)		2 490 (3120)		1 044 (949)	

## EXECUTIVE SUMMARY

Source: Quantec

### STATEMENT OF VISION

#### VISION

*“Towards a Cleaner Growing City “*

#### MISSION

The mission of the Sol Plaatje Municipality is to:

*Reclaim the city that sparkles*

*Build public confidence and trust*

*Provide economic infrastructure to foster private-sector investment*

*Deliver sustainable uninterrupted services to all residents*

Municipal Strategic Objectives	Municipal Key Performance Areas	National Key Performance Areas	Medium Term Strategic Framework: Seven Apex Priorities
Economic growth through promoting Sol Plaatje Municipality as an economic hub	Local Economic Development and Spatial Transformation	Local Economic Development	Priority 2: Economic transformation and job creation
Improved service delivery	Access to Basic Services and Infrastructure Development	Basic Service Delivery and Infrastructure Development	Priority 4: Consolidating the social wage through reliable and quality basic services
Good, clean and transparent governance and public participation	Good Governance and Public Participation	Good Governance and Public Participation	Priority 1: A capable, ethical and developmental state Priority 5: Spatial integration, human settlements and local government
Establishment of healthy financial management	Sound Financial Management	Municipal Financial Viability and Management	Priority 6: Social cohesion and safe communities
Improved institutional management	Institutional Development and Capacity Building	Institutional Development and Municipal Transformation	
-	-	-	Priority 3: Education, skills and health Priority 7: A better Africa and world

## CHAPTER 1: INTRODUCTION

This chapter introduces the reader to the concept of integrated development planning and explains the legislative and policy context within which the Sol Plaatje Municipality prepares the Integrated Development Plan. Please see *IDP 2022-2027* for more detailed explanations of the relevant legislation and policy directives applicable in the municipal area.

### 1.1 INTEGRATED DEVELOPMENT PLANNING

The process of integrated development planning was introduced through the Municipal Systems Act, 2000 (Act 32 of 2000) (MSA) to facilitate and guide municipality-wide developmentally-orientated planning led by local government. The process and all elements related thereto, are documented in an Integrated Development Plan (IDP) as the strategic plan to guide, in particular, municipal operations coupled to a five-year planning and implementation period. The plan is adopted by a municipal council, reviewed annually, and linked to the council's term of office. The Act states that provincial monitoring and support of the process is relevant.

The IDP must also consolidate the municipality-wide operations by other tiers of government performed within the same time horizon. *By implication, the IDP is a portrayal of all government strategies and plans within the geographic jurisdiction of a local municipality.* The underlying philosophy of this planning initiative is for local government to achieve its own objectives and to contribute, together with the other tiers of government, to the progressive realisation of certain constitutional rights.

### 1.2 PURPOSE OF THE INTEGRATED DEVELOPMENT PLAN

Section 25 of the MSA requires a municipality to adopt an IDP as the single, inclusive and strategic plan for development in the municipality (read municipal area). *The Act defines the status of an IDP as the foremost plan which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality (again, read municipal area).*

This document represents the *Integrated Development Plan (IDP) 2023/24* of the Sol Plaatje Municipality. It is the *first of four reviews* of the IDP 2022-2027 which documents the current five-year planning and implementation cycle. This five-year cycle of municipality-wide developmentally-oriented planning started in July 2022 and ends in June 2027.

An annual review of planning and implementation is required (1) to the extent that changing circumstances so demand and (2) in accordance with an assessment of municipal performance. This *first review* considers the implementation of the IDP 2022-2027 and is documented as the *IDP 2023/2024*. The following are the key elements of preparing an IDP and of the annual review — a process led by the Municipality:

- Analysis of development trends and institutional realities to better understand the context within which the IDP is prepared.
- Collaboration and work sessions between councillors and officials of all tiers of government.

# CHAPTER 1

- Stakeholder involvement, and community consultation and reporting on the planning and implementation of prioritised needs.
- Formulating strategies and making changes to planning and implementation based on (1) changed circumstances (2) municipal performance in achieving IDP targets and strategic objectives, and (3) changes to relevant government policy directives.
- Statements on financial viability and management with reference to the medium-term expenditure framework.

*This IDP does not represent a complete overhaul of what has been planned and implemented as a result of the adopted IDP 2022-2027. The purpose of this municipality-driven IDP 2023/24 can thus be summarised as follows:*

## **Municipal commitments**

- Ensuring compliance with relevant legislation and policy.
- Planning to ensure effective allocation and optimum use of resources.
- Assessing and reporting on implementation and if required, implementing corrective actions and measures.
- Ensuring alignment within the municipal operational system between the IDP, budget, SDBIP and performance management.

## **Commitment of National and Provincial Government**

- Creating a platform for inter-governmental cooperation regarding municipality-wide planning and implementation.

## **1.3 STRUCTURE OF THIS IDP DOCUMENT (IDP 2023/24)**

As mentioned, this document represents the *first of four reviews* of the IDP 2022-2027 with the review process resulting in certain changes thereto. These changes are explained in the table below.

Structure of IDP Document		
Chapter	Chapters in IDP 2022-2027	Changes made in the IDP 2023/24 (as first review)
	Description of chapters	Description of chapters
1	Introduction	Introduction and Overview: Explaining the concept of integrated development planning and the legislative and policy context.
2	Municipal profile	Profile of the municipal area
3	Spatial development context	Institutional analysis of the municipality
4	Governance and community needs	Governance and Public Participation: Explaining the governance structures and provide feedback on the public participation process and community needs by ward
5	Strategic direction	Strategic Agenda: An explanation of the strategic agenda that guides municipal operations
6	IDP implementation	IDP implementation: Action plans for the 2023/24 financial year PLUS projects by other tiers of government and the private sector
7	-	Municipal financial planning: Providing an overview of municipal financial viability and management as well as capital and operational expenditure

# CHAPTER 1

Structure of IDP Document		
Chapter	Chapters in IDP 2022-2027	Changes made in the IDP 2023/24 (as first review)
	Description of chapters	Description of chapters
8	-	Municipal institutional development and transformation

Table 1: Structure of IDP Document

The rationale for changing the structure of the IDP 2022-2027 is to facilitate a sequential approach to integrated development planning. In this regard, the local context within which government performs integrated development planning is explained in the first four chapters. Thereafter, a vision statement is presented as a municipal vision, objectives and strategies linked to similar statements by other tiers of government. In this regard, the first step – see **Chapter 5** – is to formulate a shared vision and mission with associated municipal strategic objectives. These serve as directives to guide municipal operations within a framework of key performance areas and key performance indicators. **Chapter 5** also includes reference to elements of an integrated approach to development, for example, municipal sector plans.

The second step – see **Chapter 6** – is to prepare municipal action plans linked to the vision statement and to the strategies/projects of other tiers of government. **Chapter 7** provides an overview of municipal financial viability and management as well as capital and operational expenditure. Finally, institutional development and transformation are discussed based on various performance measurement instruments, for example, the Service Delivery and Budget Implementation Plan (SDBIP) and the Municipality's Performance Management System Framework. Please note that **Annexure 1** contains maps of each ward, with **Annexure 2** as the municipal scorecard required by National Treasury to address the interface between the IDP and the SDBIP.<sup>1</sup>

## 1.4 IDP STRUCTURES

The process of integrated development planning includes the establishment and functioning of the following committees to ensure stakeholder consultation and inter-governmental cooperation.

### 1.4.1 IDP Budget and Steering Committee

An IDP and Budget Steering Committee exists to oversee the process of integrated development planning by assisting the Executive Mayor in discharging his/her responsibilities as set out in section 53 of the MSA. The committee comprises the following members: (1) Executive Mayor, (2) Chairpersons of the Finance Portfolio Committee and the IDP, Budget and Performance Management Committee, (3) Municipal Manager, (4) Chief Financial Officer, (5) Executive Directors, (6) Project Management Unit Manager, (7) BTO Manager and the (8) IDP Manager.

### 1.4.2 IDP Representative Forum

<sup>1</sup> This scorecard will be completed and included in the final IDP 2023/24 to be presented to Council in May 2023.

## CHAPTER 1

The IDP Representative Forum also plays an important role in the process of integrated development planning. This committee, chaired by the mayor serves as link between the municipality and all other stakeholders through formal engagements and by providing relevant information and feedback.

### 1.4.3 Ward Committees

In brief, ward committees function as the link between the municipality and communities by ward. These committees exist to identify and prioritise needs, oversee implementation and to create awareness of the process. See table below for a description of each of the 33 ward and §4.5 for prioritised needs by ward.

Description of Wards	
Wards	Suburbs
1	Roodepan, Sunset Manor
2	Roodepan
3	Homevale, Homelite
4	Homestead, Vergenoeg Ext 3, Vergenoeg Ext 4, Vergenoeg Ext 9
5	Thusanong, Redirile, Vergenoeg Ext 2
6	Vergenoeg Ext 2, Vergenoeg Ext 9, Vergenoeg Ext 10, Boikhutsong
7	Vergenoeg, Vergenoeg Ext 1, Vergenoeg Ext 2, Ubuntu
8	Donkerhoek, Kirstenhof, Riviera, Verwoerd Park
9	Retswelele, Ipopeng
10	Tshwaragona, Vergenoeg Ext 5, Vergenoeg Ext 6, Vergenoeg Ext 7
11	Vergenoeg Ext 6, Vergenoeg Ext 8, Agisanang
12	Galeshewe Ext 2, Galeshewe Ext 3, Vergenoeg Ext 6, KwaNobantu, Galeshewe Proper, China Square
13	Galeshewe Ext 1, Galeshewe Proper, Galeshewe Ext 6, China Square
14	Homestead, North view, Colville, Gemdene, Floors, Square Hill Park, Utility, Ashburnham, Moghul Park
15	Phutanang, Phomolong, Ipeleng
16	Promise Land, Lindelani, Snake Park, Tsweleng
17	Ipeleng, Tlhageng, John Mampe, Kutlwanong, Kagiso
18	Verwoerd Park, Kirstenhof, Greater No. 2, Galeshewe Ext 7
19	Latlhi Mabilo, Galeshewe Ext 5, Galeshewe Ext 4, Galeshewe Ext 3
20	Verwoerd Park, Diamant Park, West End, Kestelhof, New Park, Albertynshof, Kimberley Central, Kimberley Mine, Cecil Sussman, Kimberley North, Utility, Square Hill Park
21	De Beers, Moghul Park, De Beers Mine, Herlear, Cassandra, Ernestville, Beaconsfield, Memorial Road area
22	South Ridge, Fabricia, Green Point
23	El Toro Park, Royldene, Monument Heights, New Pak, Labram, Kimberley Central, Hadison Park, Memorial Road area
24	Carters Glen, Rhodesdene, Hadison Park, Heuwelsig, Kestelhof
25	Diamond Park, Diskobolos, Beaconsfield, Klisserville, Memorial Road area, De Beers Mine
26	Hillcrest, Rietvale, Ritchie, Ikageng, Motswedimosa

## CHAPTER 1

Description of Wards	
Wards	Suburbs
27	Platfontein, Rietvale
28	De Beers Mine, Kenilworth, Kimindustria, Colville, Floors, Beaconsfield, Greenside
29	Roodepan, Ivory Park, Langley & Riverton
30	Lerato Park, Kamfersdam, Roodepan, Jacksonville
31	Soul City, Kutlwanong, Riviera
32	Platfontein, Phutanang
33	Diamant Park, Thambo Square, West End, Gemdene, China Square

Table 2: Description of Wards

### 1.5 MUNICIPAL POWERS AND FUNCTIONS

The powers and functions performed by local government are defined primarily in Section 156 and 229 of the Constitution. The functions listed in the table below are ascribed to Category-B municipalities.

Municipal Functions			
Municipal function	Municipal function Yes / No	Staff allocated	
Constitution Schedule 4, Part B functions:		Yes	No
Air pollution	No		
Building regulations	Yes		
Childcare facilities	No		
Electricity and gas reticulation	Yes		
Firefighting services	Yes		
Local tourism	Yes		
Municipal airports	Yes		
Municipal planning	Yes		
Municipal health services	No		
Municipal public transport	No		
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No		
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No		
Storm water management systems in built-up areas	Yes		
Trading regulations	Yes		
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	Yes		

## CHAPTER 1

Municipal Functions			
Municipal function	Municipal function Yes / No	Staff allocated	
<b>Constitution Schedule 5, Part B functions:</b>			
Beaches and amusement facilities	No		
Billboards and the display of advertisements in public places	No		
Cemeteries, funeral parlours and crematoria	Yes		
Cleansing	Yes		
Control of public nuisances	No		
Control of undertakings that sell liquor to the public	No		
Facilities for the accommodation, care and burial of animals	No		
Fencing and fences	Yes		
Licensing of dogs	yes		
Licensing and control of undertakings that sell food to the public	yes		
Local amenities	No		
Local sport facilities	Yes		
Markets	No		
Municipal abattoirs	No		
Municipal parks and recreation	Yes		
Municipal roads	Yes		
Noise pollution	No		
Pounds	No		
Public places	Yes		
Refuse removal, refuse dumps and solid waste disposal	Yes		
Street trading	Yes		
Street lighting	Yes		
Traffic and parking	Yes		

Table 3: Municipal Functions

The functions performed by the Sol Plaatje Municipality that are not listed in Schedule B are the following: (1) provision of primary health care, (2) the operation and maintenance of Rekaofela and Transka Resorts and (3) operation of libraries. These functions are funded through grant funding received the respective provincial departments, but unfortunately, this funding stream is no longer available and own funds are used.

### 1.6 LEGISLATIVE AND POLICY CONTEXT

## CHAPTER 1

The next section describes, in brief, the legislative and policy context within which the Sol Plaatje Municipality prepares this first review as the IDP 2023/2024. Please see the IDP 2022-2027 for detailed explanations of all relevant legislation and policy directives, including sector plans, applicable to operations in the municipal area.

Local government operates and delivers services to communities within a governance framework applicable across government. A key governance imperative is that all plans should be aligned in content, coordinated in process, integrated in output, transformative in outcomes and consistent in the monitoring and evaluation thereof. *The drafting and implementation of the IDP is but one component of this suite of plans.* These plans also include national, provincial and district plans, the most important of which is described below. Please note that implementation by national and provincial government is presented in the State of the Nation Address and the State of the Province Address respectively (see **§1.6.5** and **§1.6.7**), as well as municipal sector plans that consider the relevant legislative and policy context (see **§5.4**).

### NATIONAL

#### 1.6.1 National Development Plan 2030

The National Development Plan (NDP) was adopted in 2012 as the programme through which South Africa can advance inclusive socio-economic transformation through development planning. Eliminating poverty and reducing inequality were set as objectives with the following targets:

- Reduce the proportion of households with a monthly income below R419 per person (in 2009 prices) from 39 percent to zero.
- Reduce inequality; the national Gini coefficient should fall from 0.69 to 0.6. (*The Gini Coefficient for South Africa was 0.69 in 2010, 0.68 in 2015, and 0.67 in 2021, i.e a decreasing income gap*).

#### 1.6.2 Medium Term Strategic Framework 2019-2024

This Medium-Term Strategic Framework 2019-2024 is a culmination of the move government has taken towards integrated national planning and monitoring. It serves as a five-year building block towards achieving the NDP Vision 2030 and to address, in particular, the triple challenges of poverty, inequality and unemployment. Government also identified growth and investment as issues to be addressed and created intermediate 2024 targets for these issues. Government also acknowledged the negative impact of the COVID-19 pandemic.

Medium Term Expenditure Framework: Intermediate 2024 targets (national)		
Issue	Target for 2024	Target for 2030
Poverty (food poverty)	20%	0%
Poverty (lower bound)	28%	0%
Inequality (Gini coefficient)	0,66	0,60
Unemployment (formal rate)	20%-24%	6%
Growth (GDP growth)	2%-3%	5,4%
Investment (% of GDP)	23%	30%

Table 4: *Medium Term Expenditure Framework: Intermediate 2024 Targets (National)*

### 1.6.3 Back To Basics

The 'Back to Basics' programme was introduced in 2014 to improve the functioning of municipalities by addressing the basics of service delivery and to serve communities better, i.e. to put people first. A municipality submits monthly and quarterly monitoring reports to the national Department of Cooperative Governance and Traditional Affairs (COGTA) based on the implementation of the approach. Please note that the strategic objectives of the Sol Plaatje Municipality are in line with the expectations of the programme.

### 1.6.4 District Development Model

The District Development Model (DDM) was announced in the 2019 State of the Nation Address. This intergovernmental relations mechanism was created to facilitate joint planning and implementation by all three tiers of government. The rationale for the initiative is twofold: (1) to address the lack of coherence in planning and implementation that has made monitoring and oversight of government programmes difficult and (2) to ensure the effective implementation of government's seven priorities. The DDM of the Frances Baard district has been included in the list of investments/projects by other tiers of Government within the municipal area.

### 1.6.5 State of the Nation Address (SONA)<sup>2</sup>

President Cyril Ramaphosa delivered the State of the Nation Address (Sona) on 9 February 2023 and made it clear that with the challenges the country faces, it cannot be business as usual. The President stated that the energy crisis is an existential threat to our economy and social fabric while violent crime is taking its toll on every South African. In this regard, he focussed on finding solutions for the following four key issues, i.e. (1) the load shedding crisis, (2) reducing unemployment, (3) poverty and the rising cost of living as well as (4) combating crime and corruption<sup>3</sup>.

In solving the energy crisis, a National State of Disaster has been declared, while poverty and unemployment will be addressed through several programmes e.g. Social Employment Fund and the National Youth Service, ensuring that young people were introduced to the world of work. The Social Employment Fund is recruiting 50,000 participants in its next phase to undertake work for the common good, and the revitalised National Youth Service will create a further 36,000 opportunities through non-profit and community-based organisations.

The rising cost of living are to be addressed by increasing social grants, targeted basic income support for the most vulnerable and by mitigating the impact of load shedding on food prices. Around 7.8 million people currently receives the Social Relief of Distress Grant. The government is, to combat crime, considering more funding for the police service, ensuring the safety of whistleblowers, and partnering with the private sector in responding to emergency calls to the 10111 call centre. In response to the State

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<sup>2</sup><https://www.cgcsa.co.za/summary-of-the-state-of-the-nation-address-by-president-ramaphosa-10-february-2022/>.

<sup>3</sup> Four key takeaways from Ramaphosa's State of the Nation Address, Daily Maverick, viewed on 10 February 2023.

Capture Commission and in line with the framework for the professionalisation of the public service, integrity assessments would become a mandatory requirement for recruitment to the public service and entry exams would be introduced.

Concerning the Sol Plaatje Municipality, the following matters were discussed in the Sona as relevant to municipal operations:

- To restore energy security by, for example, proceeding and introducing tax incentives with the roll-out of rooftop solar.
- To accelerate energy projects and limit regulatory requirements while maintaining rigorous environmental protections, procurement principles and technical standards.
- Stimulate the emergence of new sectors in the economy, such as major green hydrogen and renewable energy. The Northern Cape has already attracted well over R100 billion in investments in renewable energy projects.
- Concluding a comprehensive social compact that would join all social partners in a common programme to rebuild our economy and enable higher growth. This would include actions to, for example, develop master plans in sectors of the economy such as automotives, clothing and textiles, poultry, sugar, agriculture and global business services.
- Invest in major infrastructure projects to ensure water security.
- Adding pace to the infrastructure build programme through the work of the Infrastructure Fund and Infrastructure South Africa, which has been established to support strategic infrastructure projects.
- Strengthening the bounce-back loan scheme administered by banks and other financial institutions, and guaranteed by government, to assist small and medium enterprises and businesses in the informal sector.
- Expanding the Employment Tax Incentive to address the challenge of youth unemployment by encouraging businesses to hire more young people in large numbers.
- Licencing the PostBank to create a state bank that will provide financial services to SMMEs, youth- and women-owned businesses and underserved communities.
- Providing R800 million through the National Skills Fund to develop skills in the digital and technology sector through an innovative model that links payment for training to employment outcomes.
- Unlocking massive value for poor households by expediting the provision of title deeds for subsidised houses and finalising the transfer of 14,000 hectares of state land for housing.
- Implementing a number of interventions to address failures at local government level and improve basic service delivery. These include enhancing the capacity of public representatives and officials, maintaining and upgrading local infrastructure, and invoking the powers of national government to intervene where municipalities fail to meet their responsibilities.
- Fight gender-based violence and femicide by strengthening the National Strategic Plan by, for example, affording greater protection to survivors of gender-based violence and ensuring that perpetrators are no longer able to use legislative loopholes to evade prosecution. A key aspect of the National Strategic Plan is the economic empowerment of women.

### 1.6.6 National Government Budget Speech 2020<sup>4</sup>

The Finance Minister's 2023-24 Budget Speech on 22 February 2023 is according to commentators, as good as we could have hoped for, given current economic conditions. Eradicating poverty, inequality and unemployment were (again) identified as priorities, and a growing economy was identified as key to achieving these objectives. The Budget acknowledges that the pursuit of higher growth remained anchored on three pillars:

- Ensuring a stable macroeconomic framework to create a conducive environment for savings, investment and growth.
- Implementing growth-enhancing reforms in key sectors, particularly in energy and transport.
- Strengthening the capacity of the state to deliver quality public services, invest in infrastructure and fight crime and corruption.

Good news was the overall growth of South Africa's economy by an estimated 2.5% in 2022, and the fiscal consolidation strategy restraining growth in consumption expenditure bringing the fiscal deficit down. However, the medium-term economic growth outlook has deteriorated with real GDP growth projected to average 1.4% from 2023 to 2025, compared with 1.6% estimated in October 2022.

The growth-enhancing reforms in the energy sector include two tax measures to encourage businesses and individuals to invest in renewable energy and increase electricity generation, i.e. possible changes to local electricity demand and supply. Municipal operations will also be impacted by increased spending on community development (R230 billion in 2022/2023) including (1) municipal equitable share, (2) human settlements, water and electrification programmes, (3) public transport and (4) other human settlements and municipal infrastructure. The function of community development is the fastest growing function averaging 8% annually over the medium term, mainly due to the additional funds for local government equitable share and for infrastructure.

The Integrated Urban Development Framework (IUDF) is the response by government to present-day urbanisation trends and is a product of the NDP. It is regarded as Government's policy position to guide the future growth and management of urban areas by addressing the increasing numbers of the urban population through proper planning and providing the necessary infrastructure to support this growth. The IUDF's overall outcome – spatial transformation – marks a New Deal for South African cities and towns, by steering urban growth towards a sustainable growth model of *compact, connected* and *coordinated* cities and towns. The word 'retrofitting' is also used and explained as a directed alteration of the built environment with the aim of improving efficiencies. To achieve this transformative vision, the IUDF sets four strategic goals:

1. Spatial integration: To forge new spatial forms in settlement, transport, social and economic areas,
2. Inclusion and access: To ensure people have access to social and economic services, opportunities and choices,
3. Growth: To harness urban dynamism for inclusive, sustainable economic growth and development, and
4. Governance: To enhance the capacity of the state and its citizens to work together to achieve spatial and social integration.

### NORTHERN CAPE PROVINCE

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<sup>4</sup> Source: <https://www.moneyweb.co.za/financial-advisor-views/budget-speech-review-2022/>.

### 1.6.7 State of the Province Address 2023 (SOPA)<sup>5</sup>

The Premier of the Northern Cape stated in the State of the Province Address (SOPA) 2023 that the provincial government identified the following five priority service areas for 2023:

- Energy security, climate change and a just transition.
- Fighting poverty, unemployment and inequality, infrastructure.
- Fighting crime and corruption.
- Skills development.
- Localisation and investment.

The Premier also reflected on goals set in the previous SOPA such as the modernisation programme and addressing unemployment. The former programme included the (1) broadband strategy which is set to be in full swing from April 2023, the (2) SA Connect project to provide internet services to clinics in schools, and the (3) e-learning support strategy. Digital Call Centres for EMS was also established in Upington and Kimberley with a dramatic increase in the number of calls received from an average of 3000 to 10 000 calls per month. Regarding unemployment, the Premier indicated that the number of persons unemployed decreased while the unemployment rate also decreased by 4.3% to the lowest provincial unemployment figures in 14 years.

Furthermore, the Provincial Government will interface, facilitate and coordinate the extension of Youth Service Centres across the province, as well as youth social cohesion initiatives, youth economic empowerment and youth health initiatives with all relevant sector departments and the private sector. Another key intervention is the ability of all Provincial Departments to pay correct invoices within 30 days, except for the Department of Health which has managed to reduce the waiting time from 92 days to 46 days.

The Premier also indicated that the provincial economy grew by 2.0% in 2022 despite the challenges of load shedding and with the transportation system. In this regard, it was stated that infrastructure investment is the backbone of a thriving economy with focus being placed on the building of schools, health facilities, roads, housing, energy, water and sanitation. To this effect, the province will be investing R 15 million in the establishment of a tyre granulator facility in Kimberley to be launched in May this year.

The development of a green hydrogen corridor stretching along the west coast is another key focus and forms part of a national Green Hydrogen Programme. This programme includes nine projects with four located in the Northern Cape, viz. the Prieska Power Reserve, Ubuntu Green Energy Hydrogen Project, Upilanga Solar and Green H2 Park and Boegoebaai Green Hydrogen Development Programme.

Road infrastructure was addressed by stating the aim to increase access to affordable and reliable transport infrastructure despite a lack of a sufficient budget to service provincial roads. The Provincial Government, through the Operation Vala Zonke, fixed 23 000m<sup>2</sup> of potholes by using internal road maintenance teams and outsourcing some of the work. The government will also

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<sup>5</sup> State of the Province Address (SOPA) by the Premier of the Northern Cape.

continue with the Contractor Development programme as part of developing small contractors to compete in the bigger market, such as the Northern Cape Construction Company.

Regarding the development of smaller towns, the Provincial Government introduced the Township and Rural Economy Grant and concluded various social compacts in the area of skills development, SMME support and Corporate Social Investment to benefit especially mining towns.

Bulk infrastructure projects that will focus on addressing bulk water and sanitation challenges is ongoing at various municipalities. For example, is putting in place a turnaround strategy for Kimberley and R500 000 000 was made available to address disconcerting and urgent infrastructure challenges in the city. National Treasury has now allocated R1.9 billion (RBIG funds) to the Sol Plaatje Municipality to improve water and sanitation services. In Kimberley, the Sol Plaatje University's total spent on infrastructure development, since inception in 2013, amounts to R2.2 billion and of this R350 million was spent in 2022.

As part of the national Just Energy Transition Investment Plan, a Northern Cape Green Hydrogen Strategy and a renewable energy strategy were adopted.

The Premier also elaborated on interventions related to (1) addressing natural disasters that occurred, (2) piloting of skills development zones, (3) providing access to Early Childhood Development programmes, (4) COVID-19-related vaccination programmes, (5) purchasing and replacing ageing patient transport vehicles including ambulances, (6) medical services to People Living with HIV, (7) food security programmes and assisting households that experience hunger, (8) addressing Gender Based Violence and Femicide, (9) and cooperative governance through completion of the District One Plans for five districts.

### **1.6.8 Northern Cape Provincial Growth and Development Strategy**

The Northern Cape Growth and Development Strategy identify the following primary development objectives to be achieved province-wide:

- Promoting the growth, diversification and transformation of the provincial economy.
- Poverty reduction through social development.

### **1.6.9 Northern Cape Spatial Development Framework, 2018<sup>6</sup>**

The provincial Spatial Development Framework (PSDF) includes the vision of sustainable urban and rural spatial development based on a modern space economy supported by an integrated national and provincial infrastructure network and the responsible use of natural resources providing sustainable livelihoods for all.

It is stated that the PSDF, as a spatial land use directive, strives to eradicate poverty and inequality and protect environmental integrity through applying sustainability principles to land use management. A finding in the study is that poverty is concentrated in larger urban areas while limited growth and job creation result in higher poverty rates and more informal settlements.

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<sup>6</sup> Northern Cape, Draft Spatial Development Framework, September 2018.

Four development/growth scenarios are (qualitatively) defined and mapped. The Sol Plaatje municipal area *is* demarcated or identified as a development growth point, (2) emerging corridor, (3) core development focus area, and (4) an administrative zone. The proposed municipal growth and development path (or the how, when, where and what type) is built around a diversification and maintenance strategy promoting specific development initiatives. We comment that these initiatives are all in line with the strategic objectives of the Sol Plaatje Municipality.

### **FRANCES BAARD DISTRICT**

#### **1.6.10 Frances Baard District Growth and Development Strategy**

The Frances Baard District Growth and Development Strategy aims to achieve growth and development within the district by setting the following three strategies:

- Providing basic services in all municipal areas in the district through joint programmes by all tiers of government.
- Strengthening human capital through education and training.
- Create a new economy by establishing partnerships, nurturing networks, and building interconnected regions that can compete globally for jobs and services.

#### **1.6.11 District IDP Framework**

The District IDP Framework is being prepared by the Frances Baard District Municipality. However, it is stated that the preparation of the Sol Plaatje Municipality's IDP 2023/24 is aligned to the district-wide planning process.

CHAPTER 2: PROFILE OF THE MUNICIPAL AREA

This chapter includes a detailed analysis of spatial, social, environmental and economic elements that shaped the pattern of development in the municipal area. *We used 2022 Quantec data unless otherwise indicated.*

The purpose of profiling the municipal area is threefold: (a) to serve as reference framework for integrated development planning, (b) to better understand and report on the urban and rural context, and (c) to track, measure and consider change over time. The work done includes a situational analysis which informed our understanding of the environment within which government operates.

2.1 GEOGRAPHIC CONTEXT

The Sol Plaatje municipal area is one of the ‘pearls’ of the Northern Cape sub-regions, characterised by a mix of unique and high-quality assets. A key challenge is to conserve and enhance these assets in a changing setting. The land extent of the Sol Plaatje municipal area is about 3145 km<sup>2</sup> and includes the urban areas of Kimberley, Ritchie and some villages as well as rural farmland. Kimberley is the administrative centre of the Frances Baard District Municipality and the seat of the Northern Cape Provincial Administration. The municipal area is bordered by the Dikgatlong and Magareng Municipalities to the north, the Siyancuma Municipality and Pixley ka Seme District Municipality on the southern and western sides, and the Free State Province to the east (see map below).

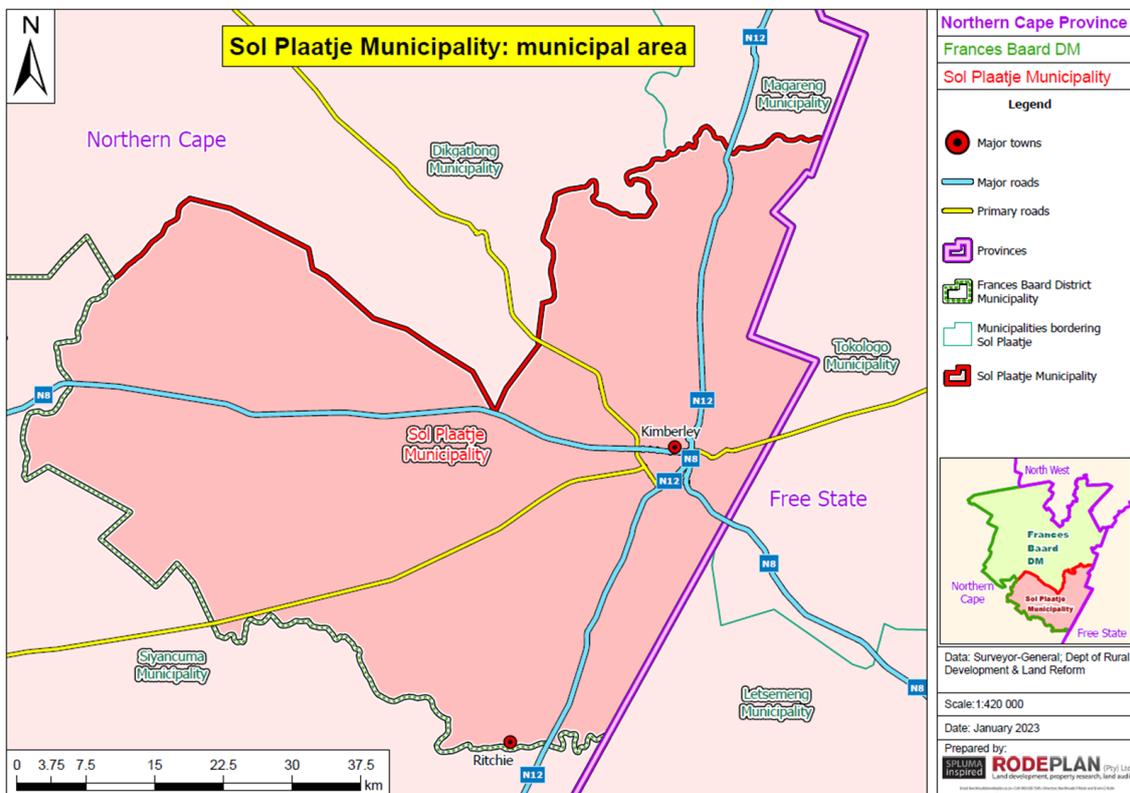


Figure 1: Municipal Area

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The municipal area has a very strategic location in terms of the road and rail national transport corridor with several higher-order roads (including the N12 and N8) criss-crossing the area and converging at Kimberley (see **Map 2**). See maps below for the location of the municipal area in the provincial and district context.

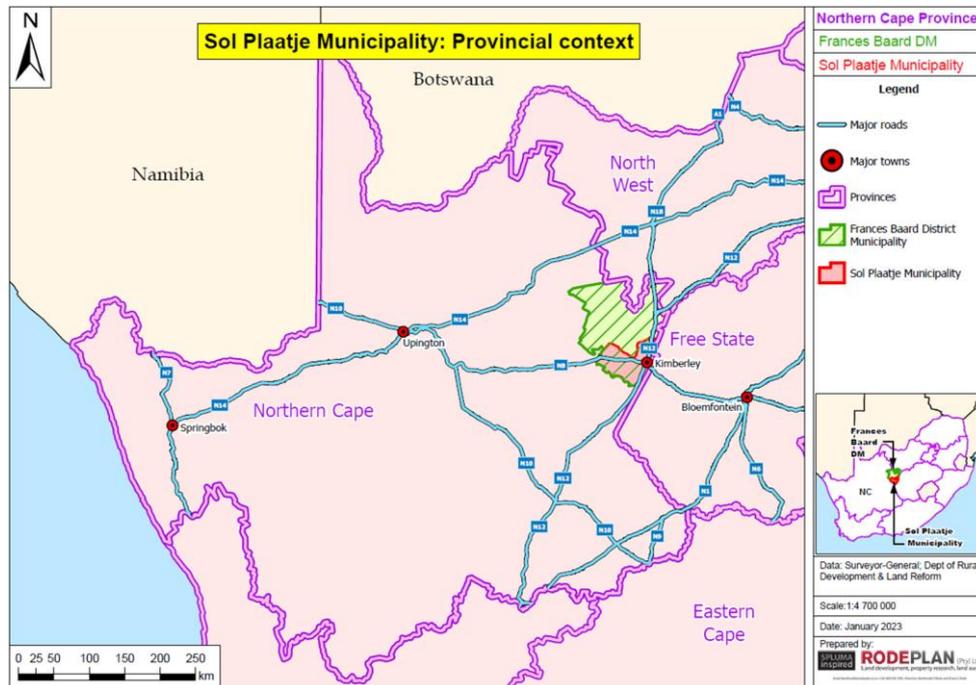


Figure 2: Provincial Context

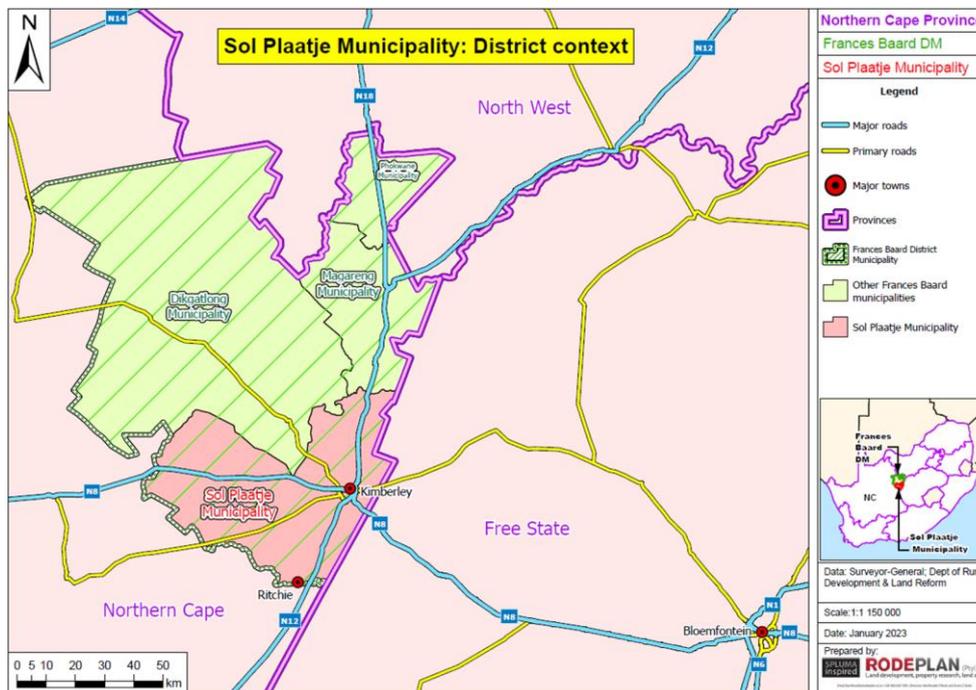


Figure 3: District Context

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### Ward Delineation

The Sol Plaatje Municipality consists of 33 wards of which most have an urban population (see map below).

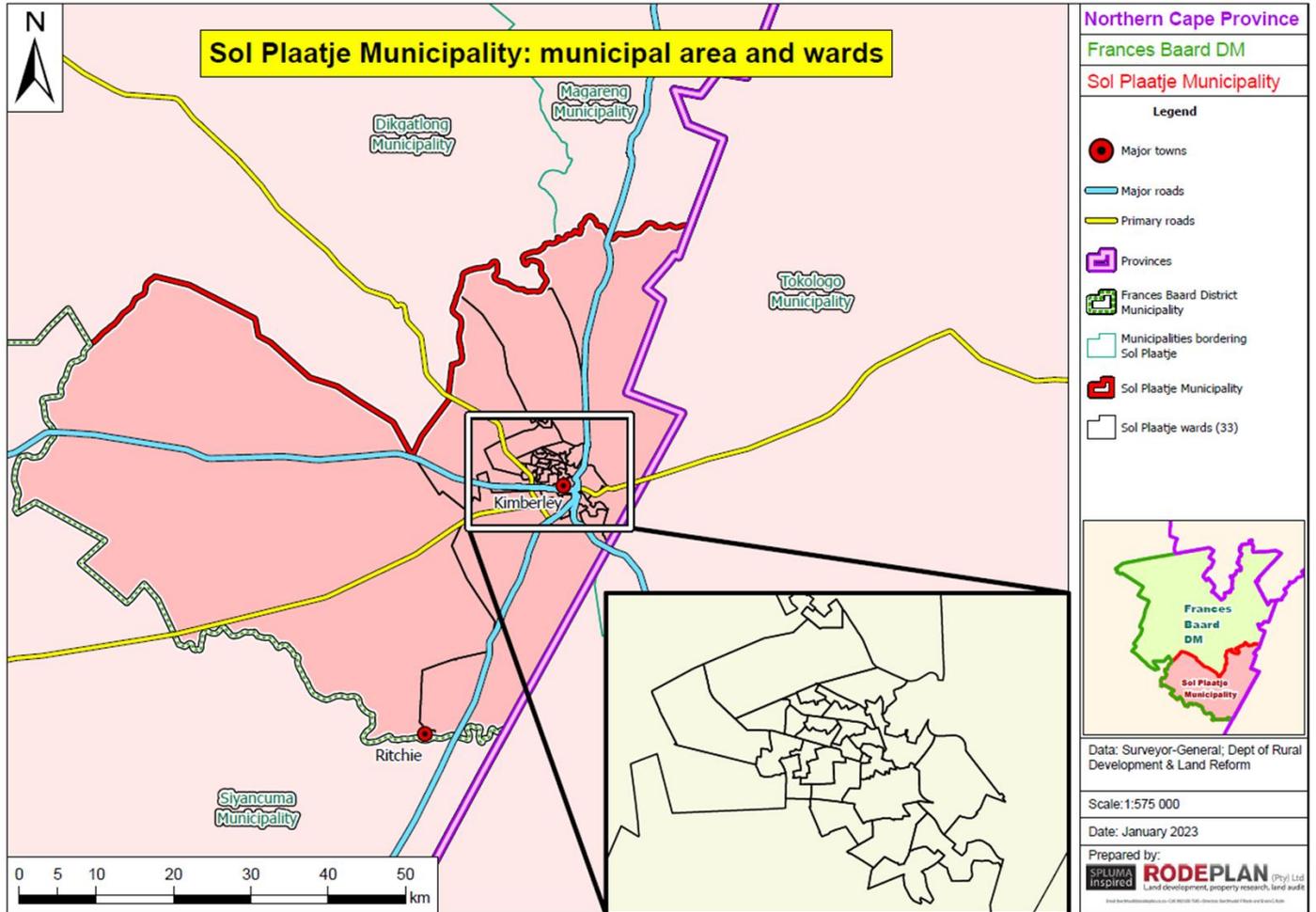


Figure 4: Ward Delineation

## 2.2 POPULATION

The table below includes the size of the population and the number of households in the municipal area in 2015, 2020 and 2022 respectively. It is estimated that 275 614 persons currently resides in the Sol Plaatje municipal area.

Population of Sol Plaatje Municipality			
Indicator	2015	2020	2022 <sup>7</sup>
Number of people	248 680	262 049	275 614
Percentage increase/decrease over a 5-year and a 7-year period respectively		5,3%	11%

<sup>7</sup> Population total projected for Sol Plaatje Municipality.

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Number of households	60 543	63 552	65 194
People per household (approximate)	4.1	4.1	4.2

Table 5: Population of Sol Plaatje Municipality

The Northern Cape Province experienced population growth of 9% between 2015 (1 206 798 persons) and 2022 (1 315 512 persons).<sup>8</sup> About 20% of the number of people living in the province in 2020 lived in the Sol Plaatje Municipality. This share increased to almost 21% in 2022 if the projected population totals are considered, i.e. significantly more people live in the municipal area as a result of in-migration and organic population growth. Note that the primary driver of migration is the perception of employment, attracting hopeful jobseekers to nodes with higher economic activity, who then generally do not find a job. The population growth rate in Sol Plaatje Municipality for the 2015–2022 period was 11%, with a marginally lower increase (7,7%) in the number of households over the same period. This increase in the number of households is coupled with an increase in people per household in recent years, i.e. more people live together as a single household. Interestingly, in 2022, only 1,4% or 896 of all households lived in non-urban areas which also represents a 12% increase since 2015.

### Population by Race Grouping

Population by Race Grouping								
Indicator	Black-African		Coloured		White		Asian	
	2015	2022	2015	2022	2015	2022	2015	2022
Population size	159 941	185 839	68 296	70 825	17 319	15 888	3125	3062
Proportional share of total population (rounded)	64%	67%	27%	26%	7%	6%	1%	1%

Table 6: Population by Race Grouping

The Black-African population grouping comprised 64% of the Municipality's population in 2015, increasing to 67% in 2022. The percentage share of the Coloured and White population groupings decreased over this period while the share of the Asian grouping remained the same. Hence, there are structural changes occurring in the demographic structure of Sol Plaatje Municipality. Urban planning and management should cater not only for increased numbers, but also for changes in the composition of the population, with specific reference to the Black-African grouping. Together, the Black-African and Coloured groupings comprise 93% of the total population in 2022. In 2010, the share of these groupings of the total population was 90%.

### Population by Age Grouping

Population by Age Grouping		
Indicator	2015	2022
Age grouping: 0-14	73 408	76 404
Proportional share of total population (rounded)	30%	28%
Age grouping: 15-64	160 724	180 477

<sup>8</sup> The 2022 population total for the Northern Cape Province is projected.

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Population by Age Grouping		
Indicator	2015	2022
Proportional share of total population (rounded)	65%	65%
Dependency ratio	35%	34%

Table 7: Population by Age Grouping

Comparing the number of persons in the age group 0-14 and the proportional share of the total population in 2015 and 2022, there was an increase in numbers but a slight decrease in proportional share. For the 15-64 age group (or working age population), the numbers increased but the proportional share of the total population remained 65%. The dependency ratio, which is an indicator of the potential dependency burden of children and elderly on those who are of an economically productive age, was 35% in 2015 and 34% in 2022 (the lower, the better).

### 2.3 HOUSEHOLD INCOME

The *Gini Coefficient* for the Sol Plaatje Municipality (and for South Africa) in 2021 was stubbornly high at 0,676 (current income per capita). A Gini Coefficient of 1 represents perfect income inequality and perfect equality has a value of 0. Thus, relative income inequality exists in the municipal area with the general long-term trend from 2010 (0,681) until 2019 (0,671) being positive but a worsening situation in 2020 (0,679) with a slight recovery in 2021. Interestingly, the Frances Baard district and the Northern Cape Province have lower income inequality measurements for 2021, i.e. 0,651 and 0,643 respectively. These measurements are also slightly better than in 2020.

In Sol Plaatje Municipality, the average household income (current rand prices) is about R350 000.<sup>9</sup> This compares well with a household income of between R250 000 and R300 000 for all households in South Africa (R286 738), the Northern Cape Province (R256 365) and the Frances Baard district (R295 848) respectively. The household income in Sol Plaatje has increased by 36% over the 7-year period since 2015 (R259 607), but not surprisingly, in 2020 the income decreased from the previous year due to the impact of the COVID-19 pandemic. However, in 2021 and 2022 there were year-on-year increases of 8% and 6% respectively.

Considering household income and expenditure by using 2015 prices, current income and expenditure reflect pre-2015 levels (see table below).

Household Income and Expenditure	
Indicator	Comparing income/expenditure over the 2015–2022 period by using 2015-prices
Current income	The amount available to households increased since 2015 but decreased in 2020 and again in 2022 (a significant decrease) after a slight increase in 2021. Current income is at pre-2015 levels.
Disposable income (Current income less taxes on income and wealth)	The amount available to households had the same trajectory as 'current income' but with disposable income now at pre-2010 levels.

<sup>9</sup> Household income is all receipts by all members of a household, in cash and in kind, in exchange for employment, or in return for capital investment, or receipts *obtained* from other sources such as pension.

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Household Income and Expenditure	
Indicator	Comparing income/expenditure over the 2015–2022 period by using 2015-prices
Durable goods (e.g. furniture, computers, recreational goods)	Purchase of durable goods increased since 2015 but in 2020 and 2022 the spending decreased to pre-2012 levels.
Semi-durable goods (e.g. clothing)	Purchase of semi-durable goods increased steadily up to 2019 but in 2020 and in 2022 the spending decreased significantly to about 2013 and 2011 levels respectively.
Non-durable goods (e.g. food, beverages, tobacco)	Purchase of non-durable goods increased since 2015 but in 2020 and 2022 the spending decreased to 2015 and 2004 levels respectively.
Services (e.g. rent, transport, medical)	Spending on 'services' increased since 2015 but in 2020 the spending decreased slightly and in 2022 decreased significantly to pre-2010 levels

Table 8: Household Income and Expenditure

Concerning is the fact that the current average household income for 50% of all households is less than R100 000, and for 80% it is less than the average income of R350 000. In this regard, about 35% of households do not qualify for a free government subsidy as part of the Finance Linked Individual Subsidy Programme and fall in the RDP/BNG (or 'give-away') housing programme, and for about 50% it is not possible to qualify for a (commercial) home loan. Also of concern is the erosion of the municipal tax base and whether people can pay for services impacting on the Municipality's self-generated revenue.

It is reported that a stagnant or declining national economy has had a negative impact on the incomes of South African cities and that the country has yet to bounce back to pre-2020 levels post the Covid lockdowns, and that climate change and the continuing energy crisis will affect the metros.<sup>10</sup>

## 2.4 HEALTH

### Health care facilities

In 2019, there were 57 health facilities in the municipal area which is fewer than in 2016 (60). The health care facilities in the municipal area are indicated in the table below.

Health Care Facilities (in 2019)	
Indicator	Number
Provincial Tertiary Hospitals	1
Specialised Psychiatric Hospitals	1
Specialised TB Hospitals	1
Other Hospitals	2
Private Hospital	2
Community Health Centre	1
Clinics	13

<sup>10</sup> Poor municipal management erodes willingness to pay for... (dailymaverick.co.za), viewed on 23.11.2022.

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Health Care Facilities (in 2019)	
Indicator	Number
Satellite Clinic	1
Other Primary Health Care Centres	7
EHS Provincial Service	1
Mobile Service	2
Non-medical site	4
Other Health Facilities	31
Correctional Centre	1
EMS Station	3
General Practitioner	4
Nurse Practitioner	19
Pharmacy	1
Pharmacy/Clinic	4
Private Clinic	1

Table 9: Health Care Facilities (in 2019)

### Persons with AIDS / HIV

The 2022 estimation is that 27 155 persons (all genders) or 10% of the total population in Sol Plaatje Municipality are HIV positive. Most of these persons (23 982) are between the ages of 20 and 54. It is estimated that there will be 265 AIDS-related deaths (all genders) in 2022 which is fewer than the number of similar deaths in previous years.

## 2.5 SAFETY AND SECURITY

The table below provides a summary of the crime statistics in the Sol Plaatje Municipality in 2019 and 2021 respectively.<sup>11</sup> The crime situation can be described as volatile due to the number of certain crimes committed in 2021 being higher than the year before and others lower than in 2019.

Interestingly, the percentage share of any specific crime committed in the Sol Plaatje Municipality in 2021 of the totals of that specific crime committed in the province in the same year varies significantly. For example, 69 of the 343 murders in the province were committed in Sol Plaatje. However, only 5% of stock theft in the province occurred in the Sol Plaatje Municipality due to stock theft being a crime committed mostly in rural areas.

Safety and Security: Sol Plaatje Municipality		
Indicator	2020	2021
Murder	61	69

<sup>11</sup> Statistics for 2022 were not analysed although statistics for the first two quarters in 2022 were available.

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Safety and Security: Sol Plaatje Municipality		
Indicator	2020	2021
Sexual Offences	339	323
Common assault	1 283	1 436
Common robbery	559	434
Carjacking	6	5
Contact-related crimes	949	1 044
Property-related crimes	3 120	2 490
Stock theft	54	48
Drug-related crime	268	195
Driving under the influence of alcohol or drugs	112	126
Kidnapping	20	23

Table 10: Safety and Security: Sol Plaatje Municipality

### 2.6 EDUCATION

In 2022, 29,4% of the population in the Sol Plaatje municipal area have either matric or higher education, while 8,9% have no schooling. There has been an improvement in the number of persons with matric, and as a proportional share of the total population since 2015 (see table below). The biggest success, however, is the number of functionally illiterate persons as a share of the total population, which for each of the last 7 years was below 29% (79 537 persons in 2022), while the functional literacy rate increased from 60,4% in 2015 to 61,9 % in 2022.

Education		
Indicator	2015	2022 <sup>12</sup>
Number of persons with Grade 12/Matric	49 072	58 057
Proportional share of total population (rounded)	20%	21%
Number of functionally illiterate persons	70 918	79 537

Table 11: Education

### 2.7 ACCESS TO SERVICES AND HOUSING

The table below indicates that about 81% of all households in the Sol Plaatje Municipality live in formal housing (brick or concrete block structures). This percentage of households increased by 1% between 2015 and 2022, while the proportion of households occupying backyard and/or informal structures decreased by 1% to about 18% over the 7-year period.

<sup>12</sup> Projected number for the Sol Plaatje Municipality.

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There has also been an improvement in the delivery of services between 2015 and 2022. Piped water, electricity and a flush or chemical toilet are available to more than 90% of households. However, only 75% of households — down from 81% in 2015 — have refuse removal at least once a week (see table below). The number of households with a pit latrine or bucket system has decreased substantially since 2015.

Access to Services and Housing (number of households)				
Indicator	2015	% of HHs	2022	% of HHs
<b>Dwelling</b>				
House/ brick structure/ Flat/ Cluster/ Semi-detached	48 653	80%	53 019	81%
Backyard dwelling (House/ Flat/ Room/ Informal dwelling/ Shack)	3 428	6%	3 645	6%
Informal dwelling/ Shack (not in backyard)	7 649	13%	7 954	12%
<b>Electricity</b>				
Electricity (including generator)	53 084	88%	59 555	91%
<b>Refuse / Solid Waste</b>				
Refuse removed by local authority at least once a week	48 752	81%	49 256	75%
<b>Sewage</b>				
Flush or chemical toilet	53 354	88%	60 429	93%
Pit latrine/ bucket system	4 028	7%	2 942	5%
<b>Water</b>				
Piped water inside dwelling or yard	53 591	89%	57 995	90%
Public/ communal/ neighbour's tap	6 703	11%	6 964	10%

Table 12: Access to Services and Housing

### 2.8 GRANT DEPENDENCY

The number of social grants allocated in the Northern Cape Province in 2021 represents 497 773 cases. The number of grants allocated by type was as follow:

- Social Relief of Distress: 16
- Adult and Old-age Grants: 157 503
- Children's Grants: 340 254

Considering that the current average household income for 50% of all households in Sol Plaatje is less than R100 000, it is estimated that the bulk of this population segment rely on grants as major source of income. Please note that the statistics for Sol Plaatje Municipality were not available.

### 2.9 ECONOMIC OVERVIEW

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The economy in the Sol Plaatje Municipality contributed 24% of the 2021 Gross Value Added (GVA) in the Northern Cape Province – down from 27% in 2015 and 28% in 2010. In comparison, the //Khara Hais Municipality (Upington) contributed 8% of the 2021 GVA in the Northern Cape Province, also down from a 9% contribution in 2015.

The percentage share contribution by the *tertiary sector* in 2021 to the total GVA generated in the Sol Plaatje municipal area was 85% or R24 424 million compared to 87% or R13 697 million in 2010 and 86% or R19 004 in 2015. The *primary sector* contributed about 5% or R1 563 million in 2021 (an increased contribution by one per cent from the 2010 and 2015 levels) and the *secondary sector* 10% or R2 722 million (also an increased contribution by one per cent from the 2010 and 2015 levels). In comparison, the 2021 percentage share by sector to the GVA generated in the //Khara Hais Municipality (Upington) was 71% by the *tertiary sector*, 16% by the *secondary sector* and the *primary sector* contributed 11%.

The table below provides a summary by subsector of the Municipality's GVA in 2010 (combined contribution by all sectors was R15 779 million), 2015 (R22 071 million) and 2021 (R28 709 million). Also included are percentage growth rates by subsector for the 5-year increment between 2010 and 2015 and the 6-year increment between 2015 and 2021.

Economy of Sol Plaatje Municipality: Gross value added at basic prices (R millions current prices)					
Industry	2010	2015	% change (2010 to 2015)	2021	% change (2015 to 2021)
<b>Primary sector</b>	<b>628</b>	<b>897</b>	<b>43%</b>	<b>1 563</b>	<b>74%</b>
Agriculture, forestry and fishing	174	250	44%	369	48%
Mining (and quarrying)	454	647	43%	1 194	85%
<b>Secondary sector</b>	<b>1 453</b>	<b>2 170</b>	<b>49%</b>	<b>2 722</b>	<b>25%</b>
Manufacturing	688	874	27%	1 081	24%
Electricity, gas and water	391	793	103%	1 193	50%
Construction	373	503	35%	448	-11%
<b>Tertiary sector</b>	<b>13 697</b>	<b>19 004</b>	<b>39%</b>	<b>24 424</b>	<b>29%</b>
Wholesale and retail trade, catering and accommodation	2 075	2 776	34%	3 614	30%
Transport, storage and communication	2 612	3 544	36%	3 604	2%
Finance, insurance, real estate and business services	4 511	5 977	32%	8 024	34%
General government	1 443	2 272	57%	3 113	37%
Community, social and personal services	3 054	4 434	45%	6 067	37%

Table 13: Economy of Sol Plaatje Municipality: GVA

The percentage growth rates for the 6-year period between 2015 and 2021 of all subsectors in the secondary and tertiary economic sectors, except the financials subsector, were substantially lower than the preceding 5-year period. This reflects an economy in decline when considering that the combined share of the *secondary* and *tertiary sectors* is more than 95% of the economy. Notably, the financials subsector is by far the largest subsector in the *tertiary sector* – almost a third in 2021 and up from 31% in 2015. Also notable is the decline in the contribution of the construction sector to the *secondary sector* economy,

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which was significantly less in rand value in 2021 (R448 million) than in 2015 (R503 million). The *primary sector* experienced exceptional growth between 2015 and 2021, with the contribution by the mining subsector almost doubling in rand value, but still the sector contributed only around 5% to the Municipality's GVA in 2021.

A **Location Quotient** is a measure of a comparative advantage for a specific economic area. It indicates that a relatively more (or less) competitive production function for a product or service exists in a specific local economy compared to the aggregate economy. The next paragraph considered the *Location Quotient* for the Sol Plaatje Municipality relative to the Frances Baard district, Northern Cape Province and South Africa for the primary, secondary and tertiary sectors.

Sol Plaatje Municipality has a *comparative disadvantage* in the primary sector compared to the district (0,6), Northern Cape (0,2) and South Africa (0,6). The comparison with the country has improved from the previous year while the other two remained the same during the previous decade. At the secondary level, Sol Plaatje also has a *comparative disadvantage* relative to the district (0,9) and South Africa (0,5) with an equal competitive production function in this sector if compared to the Northern Cape Province. An assessment of the tertiary sector suggests that Sol Plaatje has a *comparative advantage* when compared to Frances Baard district, Northern Cape Province and South Africa.

A **Tress analysis** determines the level of diversification or concentration of the economy for a geographical area. A Tress Index of zero represents a totally diversified economy, while an Index of closer to 100 indicates a more concentrated or vulnerable economy to exogenous variables, such as adverse climatic conditions, commodity price fluctuations, etc. The 10 Industry Tress Index (in 2021) for the Sol Plaatje economy hovers around 52, which suggests an economy that is neither diversified nor concentrated but has diversification among certain economic sectors and concentration among others. The inclusion of additional subsectors to represent either 22 or 50 industries (78 and 79 respectively), results in rather different outcomes, whereby the local economy is concentrated and vulnerable and/or susceptible to exogenous factors. The district's Tress Index of around 46 as measured by 10 industries suggests that in the district economy there is slight diversification among certain economic sectors. Over the 22 and 50 industries, largely the same pattern applies as in the local economy.

### 2.10 EMPLOYMENT

In the Sol Plaatje Municipality, 55 743 (or 30,8%) of the working age population was formally employed in 2022, compared to 51 801 (or 32,2%) in 2015 and 52 621 (or 31%) in 2020, i.e. a constant percentage decrease in formal employment since 2015 (see **Table 14**). Similarly, but more severe was the decrease in the number of informally employed, leading to a growth rate of -37% for the same 7-year period. The current unemployment rate (percentage) is estimated at 36,3% (or 35 468 persons) which is significantly higher than in 2015 when the rate was 25,6% (or 24 537 persons). The table below includes the employment status of the working-age population in the Sol Plaatje Municipality for 2015, 2020 and 2022.

Employment/Unemployment			
Indicator	2015	2020	2022
Working age population: 15-64	160 724	169 266	180 477
Proportional share of total population (rounded)	65%	65%	65%

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Employment/Unemployment			
Indicator	2015	2020	2022
Labour force participation rate (%)	59.6%	55.5%	60.6%
Employed - formal	51 801	52 621	55 743
Employed - informal	19 443	13 717	12 249
Unemployment rate (%)	25.6%	29.4%	36.3%

Table 14: Employment Status of the Working-age Population

The unemployment rate of the youth (persons aged between 15 and 34) in 2021 was a massive 52,2%, which is a drastic increase from 37,6% in 2015 (see **Table 15**). In this regard, the number of employed persons in the same age grouping in 2021 (21 601) was significantly fewer than in 2015 when 28 374 persons were employed, and as can be expected, the number of unemployed persons has increased almost every year since 2015.

Youth Employment/Unemployment		
Indicator	2015	2021
Working age population: 15-64	160 724	170 645
Working age population: Youth 15-34	86 888	90 364
Employed (15-34)	28 374	21 601
Unemployed (15-34)	17 060	23 881
Not economically active (15-34)	38 495	43 925
Unemployment rate (%)	37.6%	52.5%

Table 15: Youth Employment/Unemployment

### 2.11 BUILDING ACTIVITY

Please note that statistics on building plans passed do not represent actual building activity in the Sol Plaatje Municipality, hence, buildings completed are used.

The square metreage of *new residential building space* completed in the municipal area over the period 2015 to 2021 averaged around 6 036m<sup>2</sup> per annum. As illustration of the variance between the two sets of data, the square metreage for building plans passed was 21 871m<sup>2</sup> per annum over the same period. No *new residential building space or units erected* were registered as completed in 2020 although several plans (330 in total) were passed during 2020. An annual average of 38 *new residential units* was erected over this period, with substantial building activity occurring in 2016 (69 units) and in 2019 (60 units) when compared to the other years measured as part of this 7-year period. Given this very low annual average of *new residential units*, it is unlikely that large-scale developments of low-cost housing have occurred since 2015.

Very concerning is the annual average for *new non-residential units* erected between 2015 and 2021, which is 1 unit per year, with zero units added since 2018. Hence, the square metreage of *new non-residential building space* completed in the municipal area over the same period averaged only 2 777m<sup>2</sup> per annum. Also, understandably, zero *new non-residential space* has been added

since 2018, with the bulk of new space added in 2017 (18 378m<sup>2</sup>). The 18 378m<sup>2</sup> was made up of (1) office and banking space (250m<sup>2</sup>), (2) shopping space (1306m<sup>2</sup>), (3) industrial and warehouse space (374m<sup>2</sup>) and (4) schools, nursery schools, crèches and hospitals (16 448m<sup>2</sup>).

In addition to the very low building activity of new space, statistics indicate that limited residential and non-residential space were created through additions and alterations between 2015 and 2019 and in 2021. This situation is further explained by the relative low numbers of SPLUMA applications processed by the Municipality since 2016, i.e. an annual average of only 43 applications.

### 2.12 INVESTMENT TYPOLOGY

The Provincial Spatial Development Framework (PSDF) categorises the Sol Plaatje Municipality as having low social needs and high development potential. In addition, the PSDF identifies Kimberley as the only high-order regional economic centre and growth area in the Northern Cape, lending the municipal area to targeted and prioritised (public and private) investment in economic infrastructure.

The following initiatives to bolster development in the municipal area have been identified in the PSDF:

- Strengthen development corridors to Vryburg, Upington (N8 corridor through Groblershoop) and De Aar.
- Protect and expand the municipal tax base.
- Develop priority investment areas and liaise with the business community.
- Expand the nodal hierarchy and urban property markets.
- Diversify the local economy by focusing on forward and backward linkages.
- Consider investor sentiment in decision making to drive up business confidence.
- Ensure effective municipal management and service delivery excellence.
- Uphold public sector commitment, for example maintain and expand existing public infrastructure and amenities.

### 2.13 CLIMATE CHANGE

Climate change poses a systemic challenge to the sustainability, growth and development of urban areas and cannot be addressed separately from other socio-economic factors. Urban resilience is most successful when all levels of government have shared goals and mechanisms for vertical and horizontal integration to address disaster risk, sustainable development, environment protection and climate action.<sup>13</sup>

It is projected that there will be a general drying trend in the western part of the country over the period 2030–2045, including the Sol Plaatje municipal area (see map below). There is some agreement that areas where either increasing or decreasing rainfall volumes are expected, rainfall will be focused into a shorter timeframe. Some areas are exhibiting a shifting in the rainfall onset and cessation timing and the rain season is decreasing in length. While it is generally expected that there will be a decrease in the

<sup>13</sup> Urban resilience is identified as a cross-cutting issue in the Integrated Urban Development Framework.

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number of rainfall days each year, it's highly likely that there will be an increase in precipitation intensity and the occurrence of more extreme events when it does rain. Urban resilience is seen as a disaster-risk reduction and mitigation intervention in the planning and management of urban areas. Exposure to hazards such as floods, earthquakes, fires, infectious diseases, industrial accidents, etc. in urban areas is increasing as a result of high concentrations of people, buildings and infrastructure.

Prevailing socio-economic conditions and the use and development of (urban and rural) land are key determinants of climate vulnerability. In this regard, the Municipality must respond to climate change by adopting and implementing specific adaptation options, i.e. avoid vulnerability to climate-change impacts or adjust the (urban) environment to minimise vulnerability. The avoidance-driven strategy entails the choice of location for different land uses (and people) as the *adaptive mechanism*. This approach relies on preventing development from compromising the capacity of ecological infrastructure to absorb the negative impacts of climate change. The other primary *adaptive mechanism* (minimisation strategy) is to optimise design (e.g. of neighbourhoods) to lower sensitivity to climate change impacts. It is also necessary that progressive planning and risk assessment be done to minimize the effects of climate change.

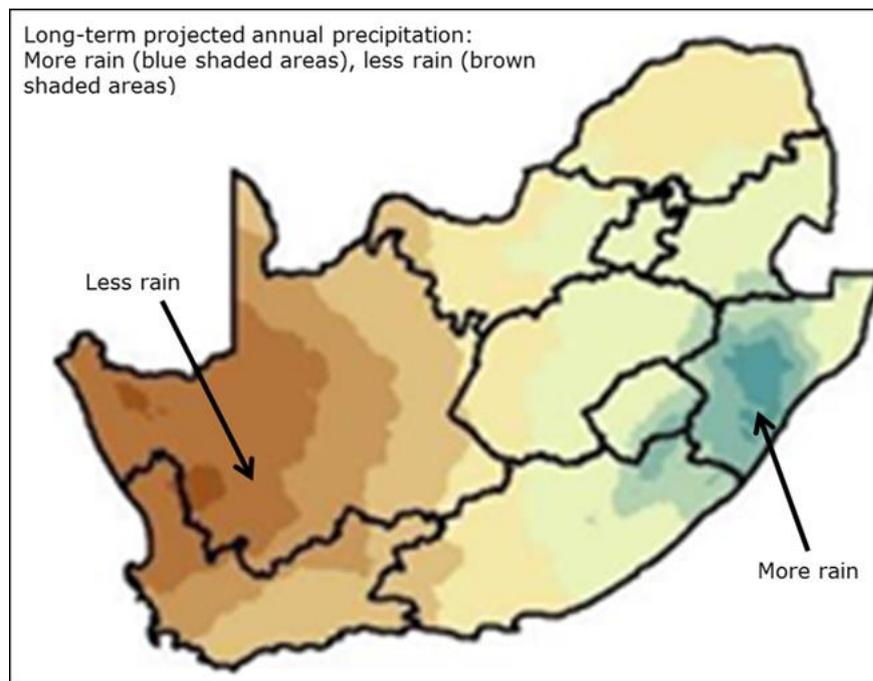


Figure 5: Climate Change

### 2.14 BIODIVERSITY

The municipal area is situated in the Savanna biome as the Eastern Kalahari Bushveld with Kimberley Thornveld and Vaalbos Rocky Schrubland the dominant vegetation. This type of vegetation is characterised by landscapes consisting of flat to slightly undulating plains with some smaller outcrops and occasional surface intrusions of dolerites and andesitic lavas. The Municipality falls within the catchment areas of the Vaal and Upper Orange rivers with the Vaal River flowing through the northern part of the municipal area with the Riet and Modder rivers to the south. There are numerous dams and wetlands across the jurisdiction area with

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significant wetlands in the Vaal River catchment area. The map below illustrates the Critical Biodiversity Areas as well as other areas of ecological significance within the municipal area.

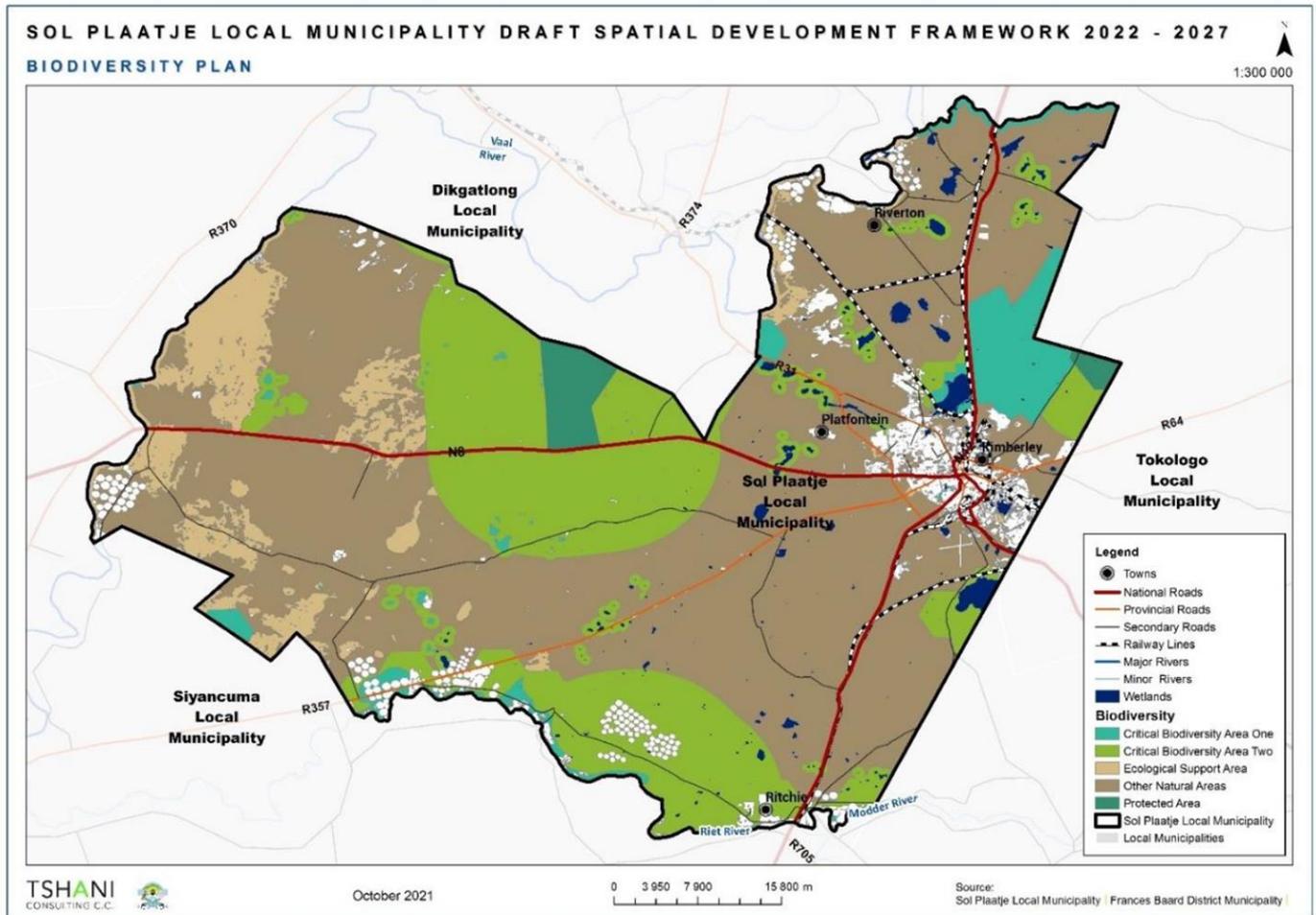


Figure 6: Biodiversity

The Sol Plaatje municipal area receives about 400 - 450 mm of rain on average per year. Rainfall is minimal from May to September, with most rainfall occurring from November to April, peaking between January and March. Temperatures in summer peak during December and January at a daily average of 33°C to 37°C, with an average of 17°C to 20°C for June. During July, night temperatures are on average -4°C to 2°C, with frosts common during winter.

### 2.15 RENEWABLE ENERGY DEVELOPMENT ZONE

Renewable Energy Development Zones (REDZ) are the preferred areas in the country for large-scale renewable energy development and the roll-out of supporting transmission and distribution infrastructure.<sup>14</sup> The REDZs were 'demarcated' based

<sup>14</sup> Strategic Environmental Assessment for wind and solar photovoltaic in South Africa, 2105 as published in Government Gazette No.41445, 16 February 2018.

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on high level integrated spatial analysis of the best available environmental, technical and social data. Eight zones were gazetted in 2018 as areas where certain procedural arrangements apply to renewable energy developments within these areas. Also in 2018, the (then) national Department of Environmental Affairs commissioned a Phase 2 Strategic Environmental Assessment for identifying more renewable energy development zones adding to the identified 8 (eight) areas. Part of the Sol Plaatje municipal area falls in the Kimberley REDZ that was one of the initial eight preferred areas. In this regard, parts of the municipal area lend itself to the land use of renewable energy generation, transmission and distribution with several approved and operational renewable energy facilities in the northern part of the municipal area. It is however, stated that suitable wind and solar PV development is also promoted outside the REDZ and any proposed development must be considered on its own merit.

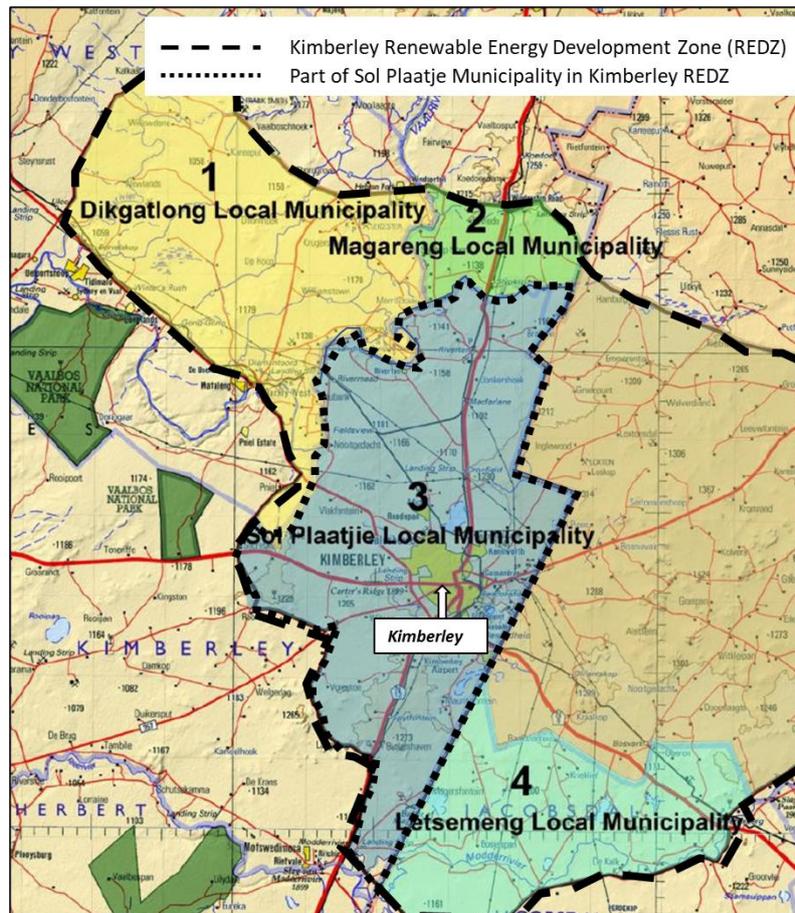


Figure 7: Renewable energy development zone

## CHAPTER 3: INSTITUTIONAL ANALYSIS OF THE MUNICIPALITY

This chapter provides a synopsis of the institutional profile of the municipality and baseline information on its capacity to deliver mandatory services as local government.<sup>15</sup> Please see IDP 2022-2027 for additional information regarding the current state of municipal infrastructure.

### 3.1 DEPARTMENTAL FUNCTIONING

The Sol Plaatje Municipality comprises five (5) directorates with the offices of the Municipal Manager and the Executive Mayor in the Directorate Corporate Services. The next section focusses on customer satisfaction, human resources, and the performance of each directorate.

#### 3.1.1 Customer Satisfaction

The municipality has established various methods to receive and respond to community queries related to municipal services. A total of 31 108 calls were officially logged during the 2020/21 financial year with the calls per services shown in the table below. More than 80% of queries were related to electricity and water services.

Customer Calls per Service		
Service	No of calls	Weighting per Service
Community & Social Development	2	0.006%
Properties and Structures	6	0.028%
Electricity Distribution	8 890	28.66%
Metering & testing (Traffic lights & geysers)	181	0.58%
Potable water	6 282	20.25%
Prepaid metering	2 766	8.91%
Roads & potholes	656	2.11%
Stores Call-out (fuel, material, tyre bay, mechanical workshop, fitter and turner)	555	1.78%
Storm water	23	0.10%
Wastewater	11 657	37.58%
<b>Grand Total</b>	<b>31 018</b>	<b>100%</b>

Table 16: Customer Calls per Service

<sup>15</sup> Most of the information obtained from the 2020/2021 (Draft) Annual Report.

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### 3.1.2 Human Resources

The table below shows the number of employees and vacancies by directorate in 2020/2021. Notably, more than a third of approved posts in the Directorate Infrastructure and Services (38%) and the Directorate Community Services (36%) were vacant.

Number of Employees by Directorate					
Description	2019/20	2020/21			
	Employees	Approved Posts	Employees	Vacancies	Vacancies (%)
Office of the Municipal Manager	21	29	23	6	20.7%
<b>Infrastructure and Services</b>					
Executive Director's Office	12	13	12	1	33.3%
Water & Sanitation	234	326	239	87	26.7%
Electricity Services	200	225	196	29	12.9%
Sustainable Energy and Climate Change Unit	0	2	0	2	100%
Housing	57	77	56	21	27.3%
Roads & Storm Water	113	161	114	47	29.2%
Average number (percentage) of vacancies (rounded)					38%
<b>Strategy, Economic Development and Planning (SEDP)</b>					
SEDP	125	179	132	47	26.3%
<b>Community Services</b>					
Clinics	20	98	21	77	78.6%
Emergency Services	81	140	80	60	42.9%
Environmental Health <sup>16</sup>	17	35	18	17	48.6%
Library Services	49	66	49	17	25.8%
Motor Vehicle Licensing & Registration	30	48	25	23	47.9%
Parks & Recreation	262	319	263	56	17.6%
Social Development HIV/Aids	3	3	3	0	0%
Traffic Law Enforcement	89	105	88	17	16.2%
Waste Management	172	349	175	174	49.9%
Average number (percentage) of vacancies (rounded)					36%
<b>Corporate Services</b>					
Corporate Services	166	220	166	54	24.5%
<b>Financial Services</b>					
Finance	218	247	217	30	12.1%
ICT	16	20	16	4	20%

<sup>16</sup> Qualified Environmental Health Practitioners are appointed to assist with the workload.

Number of Employees by Directorate					
Description	2019/20	2020/21			
	Employees	Approved Posts	Employees	Vacancies	Vacancies (%)
Supply Chain Management	33	39	34	5	12.8%
Average number (percentage) of vacancies (rounded)					15
<b>Total</b>	<b>1 918</b>	<b>2 701</b>	<b>1 927</b>	<b>772</b>	<b>28.7%</b>

*Table 17: Number of Employees by Directorate*

The Municipality also invests in the capacitation of its employees and councillors regarding knowledge and skills. In this regard, the following table provides a summary of the number of beneficiaries that received training.

Summary of Training Opportunities for Municipal Officials	
Description	2020/21
Total number of beneficiaries	413
Black beneficiaries as % of total beneficiaries	91.77%
Total number of woman beneficiaries	142
Women beneficiaries as % of total beneficiaries	34.38%

*Table 18: Summary of Training Opportunities for Municipal Officials*

The Sol Plaatje Municipality has most of the required human resource policies and plans in place. However, two of the biggest challenges remains the review of the organogram and the recruitment and retention of skilled technical staff in order to meet the resource requirements of the municipality.

### 3.1.3 Reporting on overall performance by directorate

The Municipality received a qualified audit opinion for 2020/21 meaning the financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated. The overall performance by directorate is reported in the table below.

Reporting on Overall Performance by Directorate	
Description	2020/21
<b>Infrastructure and Services</b>	
Water	The Municipality is making inroads in the maintenance and upgrading of the water network. In this regard, the percentage of households with piped water inside dwelling or yard are increasing year on year. However, key concerns are ageing infrastructure and water losses through leakages and water provided but unaccounted for.
Sanitation	The key objectives are the upgrading of the Homevale WWTW by 15ML, upgrading of the Gogga outfall sewer line from Galeshewe to Homevale WWTW, the Lerato Park link sanitation project and the construction of the Carters Ridge sewer pump station. Critical work includes maintenance projects to extend the operational life of the existing infrastructure.
Electricity Services	This directorate focusses on electrification (i.e. installing 11kV/400V/230V electrical network and infrastructure) and bulk upgrades of substations (66/11kV) to cater for expansion and growth within the electrical network. The Municipality has electrified 1,743 houses in townships and 750 in suburban areas between 2019 and 2021.

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Reporting on Overall Performance by Directorate	
Description	2020/21
Sustainable Energy and Climate Change Unit	Sustainable Energy and Climate Change Unit is not functional. All SSEG applications are being processed by the Electrical Directorate. Biodiversity: The Biodiversity Section works with different stakeholders to ensure the environment and the natural resources are protected by raising awareness and through educational campaigns using social media, radio, flyers, banners, and pamphlets.
Housing	The Municipality targeted to construct 500 BNG houses (Breaking New Ground) with a total of 133 houses build under difficult conditions due to the COVID-19 pandemic
Roads & Storm Water	The Municipality is making inroads in the maintenance and upgrading of roads and the storm water system.
Free basic services	The challenge is to determine the number of eligible households for free basic services based on a (surprisingly high) R3750 monthly income per household (R4500 in 2023/2024 – see <b>Table 34</b> ). The number of indigent households is estimated to be 11 784 (in March 2023) with the persons per household expected to be higher than the national norm.
Strategy, Economic Development and Planning (SEDP)	
SEDP	Strategy and Planning: The implementation of the Integrated Urban Development Framework (IUDF) programme and the Urban Renewal Programme (URP) led to the municipality receiving an IUDF grant. Key performance indicators regarding the URP in the SDBIP were achieved. A tender template for municipal owned land was approved while lease income improved significantly. Economic Development: About 158 jobs, including the Expanded Public Works Programme and Inner-City Revitalisation, were created as part of local economic development. Job opportunities are 'created' through the issuing of informal trading permits.
Community Services	
Clinics	A total of 170 226 patients were seen during 2020/2021 with this number decreasing due to patient hesitancy because of the COVID-19 pandemic. Other services rendered are childcare, reproductive health, maternal- and mental health, prevention of mother-to-child transmission, oral health, dispensing, communicable diseases, anti-retroviral therapy, and health education.
Emergency Services	The Sol Plaatje Municipal Disaster Management Advisory Forum and the Fire Protection Association are functional, and the Homevale Satellite Fire Station was completed. Also, the personnel were part of an international evaluation of the Kimberley Airport Emergency plan through the simulation of a full-scale air disaster.
Environmental Health	The COVID-19 pandemic increased the workload of this section and with personnel shortage the following functions were prioritised: (1) ensuring food safety, (2) water quality monitoring and (3) compliance (of, in particular, tuckshops) due to complaints and/or transgressions. An Service Level Agreement between the Municipality and the Frances Baard District Municipality is in place.
Library Services	The COVID-19 pandemic impacted negatively on both the opening hours and circulation statistics for all libraries. In addition, insufficient revenue because of the closures further restricted operations at all libraries as did cable theft at some libraries. However, the online service to library users continued.
Motor Vehicle Licensing & Registration	The directorate has been able to achieve the set performance objectives with limited resource availability. This achievement is largely due to the filling of critical vacancies and the improvement of staff morale to due to innovative team building exercises.
Parks & Recreation	All sport and recreational facilities, except cemeteries, were closed during the COVID-19 pandemic. This resulted in the loss of revenue and increased theft and vandalism leading to costly upgrades of security at most venues, including the appointment of controllers/security on a contractual basis. The section also manages the repair of infrastructure that was vandalised. The Municipality also created recreational infrastructure funded by national government as part of national incentive schemes.
Social Development HIV/Aids	Prevention and treatment programmes, counselling and testing is conducted with the assistance of non-governmental organisations. However, obtaining accurate statistics remains a challenge. All targets were met for the 2020/21 period.

Reporting on Overall Performance by Directorate	
Description	2020/21
Traffic Law Enforcement	The COVID-19 pandemic and certain vacancies impacted negatively on the work of this section as well as training of personnel.
Waste Management	The Integrated Waste Management Plan is approved with the filling of vacant posts, ageing infrastructure and vehicle and equipment shortages the key challenges. Cleaning programmes were launched but a lack of funds hindered the reach of these programmes. A weekly refuse collection service and effective commercial collection service are provided. Some newly developed residential areas are serviced through communal waste collections.
<b>Corporate Services</b>	
Corporate Services	The Municipality is meeting its objectives with sound policy and strategy implementation that are continually monitored with timeously corrective measures where required.
Human Resources	The Municipality has managed to achieve an improving targeted ratio (33.52% in 2021) of employee costs against total expenditure.
<b>Financial Services</b>	
Finance	The municipality renders trading- and rates-related services. Trading services are provided through a cost recovery tariff structure with cross subsidisation and contributions to the rates funded services in line with the municipality's budget policy. The major revenue source is service charges, with sale of electricity being the largest contributor, followed by revenue from rates and taxes. The major cost drivers are bulk purchases and employee costs. Close monitoring of these cost drivers is done to ensure that over-spending does not occur. The municipality faces major challenges with cash flow being the most critical. In this regard, cost containment measures and strategies are implemented to collect outstanding debt. The Municipality receives the following grant funding: (1) Integrated Urban Development Grant, (2) Water Services Infrastructure Grant, and the (3) Neighbourhood Development Partnership Grant. Outstanding debtors point to a worrying trend and debt collection measures need to be put in place along with the implementation of the Credit Control and Debt Collection Policy. Also worryingly, the number of creditors has also increased.
ICT	The ICT section performed admirably during the COVID-19 pandemic despite personnel shortages with 47% more incident and service requests attended to during 2019/20, and several upgrades to ICT related infrastructure, e.g. to the Geographic Information System.
Supply Chain Management	A priority of the Supply Chain Management unit is to promote Section 4 of the PPPF Regulation. In 2020/2021, an amount of R219,256,210 was paid to suppliers of which R156,403,450 was paid to local SMMEs according to BBBEE guidelines. This reflects 72% of procurement and exceeds the set target of 60%. Other priorities include working towards a clean audit report and meeting the target of less than 4% annual stock losses.
Asset Management	Repair and Maintenance: The 2020/21 financial year was characterised by underspending partly because of the downscaling of operations during the COVID-19 national lockdown. Such spending can be improved with adequate maintenance plans in place, but the lack thereof impact negatively on service delivery and the availability of funds for routine and planned maintenance. This also leads to crises management which is exacerbated by ageing infrastructure. This urgently needs to be addressed to ensure the surety and sustainability of services.

*Table 19: Reporting on Overall Performance by Directorate*

### 3.2 SWOT ANALYSIS (DIRECTORATES)

The following *Institutional SWOT analysis* relates to the Sol Plaatje Municipality and was discussed and completed at the strategic session in March 2023.<sup>17</sup>

<sup>17</sup> SWOT: Strengths, Weaknesses, Opportunities and Threats.

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Description	Assessment of Impact <sup>18</sup>
<b>STENGHTS</b>	
Personnel adequately skilled with further training opportunities available.	
Capable, competent professionals and technical teams at management level, across directorates.	
Policies and bylaws are in place, albeit some need review.	
Professionals registered with relevant Councils, e.g. SACPLAN, HPCSA.	
Skilled GIS team with advanced knowledge of mapping and spatial data analysis	
Experienced technical team with a track record of effectively managing IT infrastructure and services	
Finance section has good and effective system for budgeting, forecasting and cashflow management	
<b>WEAKNESSES</b>	
Bad audit outcomes.	
Revenue-raising opportunities and sustainability of revenue generation undermined by external and internal factors.	
Revenue loss due to significant water and electricity losses.	
Ageing bulk infrastructure with inadequate capacity and high maintenance cost.	
Deterioration of quality of water and rising tariffs.	
Inadequate and ineffective security measures in place to curb theft and vandalism of municipal infrastructure. Lack of surveillance and security to curb theft of stock items in the yard, e.g. cables and transformers.	
Filling of vacant Section 56 posts.	
Dire financial situation. Inadequate funds to address all priority needs.	
Inter-directorate disconnects.	
Lack of bylaw enforcement.	
Lack of internal sector plans: Maintenance Plans, Fleet Replacement Plan, Plant and Equipment Maintenance Plan, etc	
Poor state of service delivery infrastructure, attributed to lack of focused and aligned investment and resources allocation.	
Dwindling staff compliment which is not aligned to current and future demands, and there is no career pathing nor succession planning in place.	
Very poor Operation & Maintenance practice and approaches (reactive than proactive). Even the reactive approach is poorly applied, while dealing with old infrastructure. Poor use of technology in Operation & Maintenance and management systems.	
Undocumented standard procedures leading to non-conformance with policies.	
Limited ability to implement new technologies and services due to outdated infrastructure and equipment.	
Manual reporting due lack of electronic system in place which might lead to mistakes.	
<b>THREATS</b>	
Insufficient bulk infrastructure to accommodate the expansion plan of the Sol Plaatje University.	
Heightened risk of service delivery collapse, due to poor condition of service delivery infrastructure.	

<sup>18</sup> The possible impact of each factor has been assessed as strengths (green), weaknesses (red), opportunities (orange), and threats (black).

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Description	Assessment of Impact <sup>18</sup>
High levels of incidents related to Occupational Health & Safety non-compliance and poor maintenance of infrastructure and equipment.	
Deterioration of level and quality of services delivered, leading to litigations, community protests and eroded municipality reputation.	
Loss of professional and competent technical staff, due to internal instability and external competition.	
<b>OPPORTUNITIES</b>	
Improvement of service delivery infrastructure, through collaboration with sector departments, SOE's and potential investors.	
Review of organogram for alignment of functions.	
Upskilling and recruitment of competent staff at supervisory and operational levels.	
Formalisation of working relationships between Sol Plaatje Municipality's infrastructure directorate and district and provincial infrastructure related departments.	
Introduction of technology in Operation & Maintenance and infrastructure management systems.	
Application of dynamic funding models for infrastructure developments.	
Public-private partnership for resorts.	
Contribution to revenue enhancement, through local employment and investment in infrastructure development.	
Restoring consumer and community confidence towards Sol Plaatje Municipality.	

### 3.3 SERVICE DELIVERY BACKLOGS

One of the main focus areas of the Sol Plaatje Municipality is to upgrade bulk infrastructure capacity complementing basic service delivery and to expedite human settlement programmes. These programmes are ongoing with significant achievements. However, the increase in the number and extent of informal areas remain major challenges and outpaces the funding availed to eradicate service delivery backlogs. The table below indicates that there has been an improvement in the delivery of services between 2015 and 2022. Piped water, electricity and a flush or chemical toilet are available to more than 90% of households. However, only 75% of households — down from 81% in 2015 — have refuse removal at least once a week (see table below). The number of households with a pit latrine or bucket system has decreased substantially since 2015.<sup>19</sup>

Access to Services (number of households)				
Indicator	2015	% of HHs	2022	% of HHs
<b>Electricity</b>				
Electricity (including generator)	53 084	88%	59 555	91%
<b>Refuse / solid waste</b>				
Refuse removed by local authority at least once a week	48 752	81%	49 256	75%

<sup>19</sup> Eradicating the bucket and chemical sanitation systems were prioritised at the Mayoral Strategic Planning Session on 22 and 23 March 2023.

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Access to Services (number of households)				
Indicator	2015	% of HHs	2022	% of HHs
<b>Sewage</b>				
Flush or chemical toilet	53 354	88%	60 429	93%
Pit latrine/ bucket system	4028	7%	2942	5%
<b>Water</b>				
Piped water inside dwelling or yard	53 591	89%	57 995	90%
Public/ communal/ neighbour's tap	6 703	11%	6 964	10%

Table 20: Access to Services

The 2020/21 backlog by service are as follow:

- **Electricity:** This backlog stands at 5 602. The relevant directorate currently electrifies on average 1 350 houses per financial year.
- **Water:** The water backlog is 223 houses. The relevant directorate installed JoJo tanks and standpipes in informal settlements to meet the minimum access standards. The Jojo tanks are filled on a daily basis by hired water tankers.
- **Sanitation:** This backlog stands at 814 houses with 375 chemical toilets placed in informal settlements.
- **Roads and stormwater:** The backlog in upgrading gravel roads is 202.7 km and 260.7 km regarding periodic maintenance. Approximately 5.65 km of new stormwater infrastructure is needed for Galeshewe and upgrading of the Tlhageng Dam to a concrete structure is required.

### Housing backlog

The table below indicates that, in 2022, about 18% of all households live in backyard and/or informal structures. The 2020/2021 housing backlog was estimated to be 12 000 units, but this number would be closer to 22 000 units when considering backyard dwellers and those who have given up applying for housing.

Access to Housing (number of households)				
Indicator	2015	% of HHs	2022	% of HHs
<b>Dwelling</b>				
House/ brick structure/ Flat/ Cluster/ Semi-detached	48 653	80%	53 019	81%
Backyard dwelling (House/ Flat/ Room/ Informal dwelling/ Shack)	3428	6%	3645	6%
Informal dwelling/ Shack (not in backyard)	7649	13%	7954	12%

Table 21: Access to Housing

In the 2019/20 financial year, the Municipality targeted to construct 500 Breaking New Ground (BNG) houses in Diamond Park with COGTA responsible to construct 300 of these houses, while only was 100 units due to the impact of the COVID-19 pandemic. Regarding municipal rental stock, the situation is dire with the demand for rental units exceeding the available 936 units and a high default on payment. The challenge of payment is addressed through implementing better revenue collection strategies. The

implementation of the National Upgrading Support Programme (NUSP) brought about the upgrading of 5416 sites in 17 of the 29 informal settlements. In addition, the Neighbourhood Development Partnership Grant contributed to the upgrading of stormwater infrastructure in Galeshewe Phase 2 (Priority 2a Project) with the construction of 0,560 km of box culverts and 8,27km of the pipe culverts.

### 3.4 SERVICE DELIVERY CHALLENGES

The Sol Plaatje Municipality faces numerous challenges in achieving its strategic objective of 'Improved Service Delivery' coupled to the key performance areas of access to basic services and infrastructure development. The next section includes an analysis of service delivery challenges. The main challenges that impact negatively on the provision, maintenance and upgrading of infrastructure are (1) water and electricity losses, (2) lack of funds, (3) vandalism, (4) ageing municipal infrastructure and municipal vehicle fleet, (5), lack of plans for the (underground) infrastructure network, and (6) the need for reliable data.

**Electricity:** Electrification remains a challenge due to unplanned growth of informal settlements on (previously) vacant land. Please note that standard infrastructure and services can only be provided in formal township establishments. Other challenges are (1) vandalism and copper theft, (2) electrical supply interruptions and (3) possible fatalities to municipal employees or members of the public. These issues hamper effective maintenance and management of electrical infrastructure and lengthen response times to faults and complains.

**Roads and stormwater:** All residents have access to roads, but most streets, especially tarred roads, have sub-standard surface quality and stormwater infrastructure. This is due to insufficient maintenance over decades which caused an inability to do preventative maintenance but relying on reactive maintenance, e.g. the patching of potholes. The main challenge is a lack of funds for repairs. Stormwater management remains a challenge especially in low-lying areas and where developments have limited stormwater infrastructure. Maintenance, e.g. cleaning of storm water canals and unblocking of catch pits, is problematic due to a shortage of personnel and machinery. The upgrading, maintenance and repair of roads and storm water systems were identified as the ward-based need with the highest priority as a percentage share (21%) of all ward-based needs which is more than double the share of any other identified need (see **Graph 2**).

**Water:** Shortage of personnel, ageing infrastructure, the inability to manage maintenance crews, water losses, high water consumption (including the volume of unbilled water consumption) and demand that exceeds supply are all threats to reliable water supply.

**Sanitation:** Increased demand for wastewater services due to the mushrooming of informal settlements coupled with deficiencies in the reticulation and sewer collector system are risks that have to be addressed. In this regard, the construction of the Homevale WWTW allows for sufficient sanitation bulk services while the Municipality addresses sanitation in informal areas.

**Waste Management:** A weekly refuse collection service and commercial collection service are provided with 75% of households — down from 81% in 2015 — receiving refuse removal at least once a week. Some newly developed residential areas are serviced

through communal waste collections. Key challenges are the filling of vacant posts, shortage and breakdown of vehicles, the ageing of relevant infrastructure as well as littering and illegal dumping.

**Housing:** The lack of funds and invasions on municipal-owned land have been identified as the key challenges leading to insufficient new supply of housing by government in the municipal area. Also, current (spatial) planning does not provide sufficient guidance in urban land development, i.e. planning does not consider 'ideal' land-uses at 'ideal' locations coupled to a preferred growth and development path and/or preferred growth areas. Hence, municipal engineers are faced with a 'dilemma' of not having sufficient information when planning the provision of service infrastructure. In addition, the provision of serviced land is restricted by insufficient bulk infrastructure, e.g. in South Ridge developable land is available but not the required bulk infrastructure.<sup>20</sup>

**Building control:** The efficiency of this function was impacted during the COVID-19 pandemic (and thereafter) due to a shortage of personnel, a moratorium on appointments and the workload (due to mainly the number of 'new' tuckshops).

**Fresh Market Produce:** The three major challenges are ageing infrastructure, lack of security and vandalism.

### 3.5 SERVICE DELIVERY IMPERATIVES

The Sol Plaatje Municipality must consider the following imperatives to achieve the strategic objective of Improved Service Delivery (also see **Table 28**):

- Ensure maximum participation, i.e. community engagement, cross-departmental, inter-governmental, in decision-making and implementation.
- Obtain additional funds to provide bulk service infrastructure and ensure efficient allocation of municipal resources.
- Coordinate private-and public-sector infrastructure spend.
- Consider cost-effective methods and *innovations* in delivering services (e.g. inclusionary housing, development incentives, and development charges payable by the private sector to cover the capital costs of external services and infrastructure).
- Ensure a workforce capable of delivering the required services.
- Replace ageing infrastructure and vehicle fleet.
- Provide security at all venues and at critical infrastructure to curb theft and vandalism.
- Steer appropriate land use and expected land development, i.e. to optimise the use of existing infrastructure capacity.
- Ensure proper and adaptive management when implementing strategies and plans.
- Draft and approve the following *issue-specific service delivery plans*:
  - Road Maintenance Plan
  - Stormwater Management Plan
  - Water Services Development Plan

<sup>20</sup> Developable land means the land has a realistic potential of acquiring development rights.

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- Sanitation Development Plan
- Integrated Transport Plan (in place)
- Water Master Plan (in place)
- Sewer Master Plan (in place)
- Electivity Master Plan (in place)
- Integrated Waste Management Plan (in place).

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### CHAPTER 4: GOVERNANCE AND PUBLIC PARTICIPATION

This chapter provides feedback on the public participation process, explains governance structures, and provide a list of prioritised community needs by ward.

#### 4.1 IDP PROCESS PLAN FOR FIRST REVIEW

The IDP Process Plan for Sol Plaatje Municipality was approved in August 2022. The Process Plan details the steps in preparing the IDP and municipal budget and includes public meetings scheduled for November/December 2022 and April 2023. The table below represents a high-level summary of the approved *2022/23 IDP (Review) and 2023/24 Budget Process Plan* and references the five phases of integrated development planning.

Steps in IDP Review Process	
Activity description in Process Plan <sup>21</sup>	Identified output
<b>August 2022</b>	
Approval of IDP and Budget Process Plan	Approved.
<b>September 2022 - ANALYSIS</b>	
Commencement of IDP analysis of institutional services and infrastructure provision, backlogs and priorities.	Compile Assessment Report (or Situational Analysis) including (1) priority issues, (2) gaps in IDP 2022-2027, (3) alignment with higher-order policy, and (4) engagement with stakeholders.
Councillor IDP induction.	Discuss (1) roles of IDP structures, (2) municipal development agenda and (3) municipal performance management.
<b>October 2022 - STRATEGIES</b>	
Liaise with provincial and national sector departments to align priorities and budgets.	Vertically align priorities, projects, and budgets between the three tiers of government.
1 <sup>st</sup> Strategic planning session of council.	<ul style="list-style-type: none"> <li>Consider Assessment Report: including (1) to finalise priority issues, (2) review strategic objectives for service delivery and development and (4) align with higher-order policy.</li> <li>Review financial and non-financial performance, i.e. identify gaps between planned and actual performance.</li> <li>Determine financial position and assess financial/human resource capacity available for implementation.</li> </ul>
<b>November 2022 – STRATEGIES / PROJECTS</b>	
Public participation, i.e. meetings in 33 wards	Determine priority needs by ward
Budget discussions with each Directorate.	Consider IDP priority issues, ward priorities and complete draft budget.

<sup>21</sup> Only those activities critical to the IDP review process are listed.

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Steps in IDP Review Process	
Activity description in Process Plan <sup>21</sup>	Identified output
<b>February 2023 – PROJECTS / INTEGRATION</b>	
Planning sessions with municipal structures.	Present draft IDP 2023/24 as first review with priorities linked to budget allocations.
Conduct annual performance assessments	Performance Assessment Reports.
Consider national and provincial budget allocations for inclusion.	Incorporate national and provincial budget allocations in municipal budget.
Ensure alignment between draft capital budget, IDP strategic objectives and KPIs.	Draft 3-year capital programme aligned to IDP key priority issues including ward priorities.
<b>March 2023</b>	
Draft operational budget submitted to EMC.	Draft 3-year operational budget aligned to IDP key priority issues.
Conduct mid-year (2022/23) performance assessments.	Performance Assessment Reports.
Present and discuss draft IDP 2023/24 and Budget 2023/24 with municipal stakeholders.	Obtain input and finalise draft IDP 2023/2024
Table draft IDP 2023/24 and Budget 2023/24 at Council.	Council approves draft IDP 2023/24 and Budget 2023/24 for public consultation purposes.
Make public the draft IDP 2023/24 and budget 23/24.	Daft IDP 2023/24 and Budget 2023/24 made public and submitted to relevant stakeholders for consultation purposes.
<b>April 2023</b>	
Conduct public hearings on the draft IDP 2023/24 and Budget 2023/24.	Consult and receive input from community and stakeholder groupings regarding the draft IDP 2023/24 and Budget 2023/24.
Conclude public hearings on the draft IDP 2023/24 and Budget 2023/24.	Include public input in draft IDP 2023/24 and Budget 2023/24.
Discuss adjusted draft IDP 2023/24 and Budget 2023/24.	Inform Mayoral Committee of public input and adjustments to draft IDP 2023/24 and Budget 2023/24.
National Treasury benchmarking exercise.	
<b>May 2023 - APPROVAL</b>	
Finalise IDP 2023/24 and Budget 2023/24 for submission to Council.	Finalise IDP 2023/24 and budget 2023/24 for submission to Council.
Present IDP 2023/24 and Budget 2023/24 to municipal structures.	Present IDP 2023/24 and Budget 2023/24 to municipal structures.
Council adopts IDP 2023/24 and Budget 2023/24.	
<b>June 2023</b>	

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Steps in IDP Review Process	
Activity description in Process Plan <sup>21</sup>	Identified output
Notify public of approved IDP 2023/24 and budget 2023/24.	

Table 22: Steps in IDP Review Process

### 4.2 POLITICAL GOVERNANCE

The Council of the Sol Plaatje Municipality performs legislative and executive functions of which the executive functions have been delegated to the Executive Mayor and the Mayoral Committee. Its primary role is to publicly debate issues as policy makers with councillors expected to be actively involved in community work and the various social programmes in the municipal area.

Political Governance	
Description	Number
Total number of councillors	64
Ward councillors	48
Proportional councillors	16
Councillors by political party	ANC: 32/ DA: 14/ EFF: 6/ VF+: 3/ GOOD: 2/ PA: 3/ ACDP: 1/ SPSDF: 1

Table 23: Political Governance

### 4.3 EXECUTIVE STRUCTURE

The Municipal Manager is the head of the administration and the Accounting Officer. He/she has extensive statutory and delegated powers and duties and is, amongst others, responsible for the following:

- Formation and development of an economical, effective, efficient and accountable administration.
- Ensuring that the municipal “machine” operates efficiently with the necessary controls and organisational structure in place that can perform the required tasks.
- Fulfil a leadership role in the administration.
- Implementation of the municipality’s IDP and the monitoring of progress with implementation of the plan.
- Financial responsibilities as accounting officer as determined by the MFMA.
- Participation by the local community in the affairs of the Municipality.
- Advising the political structures and political office-bearers and see to the execution of all decisions.
- Ensuring a system whereby community satisfaction with municipal services can be assessed.

The table below represents the Executive Management Team (EMT):

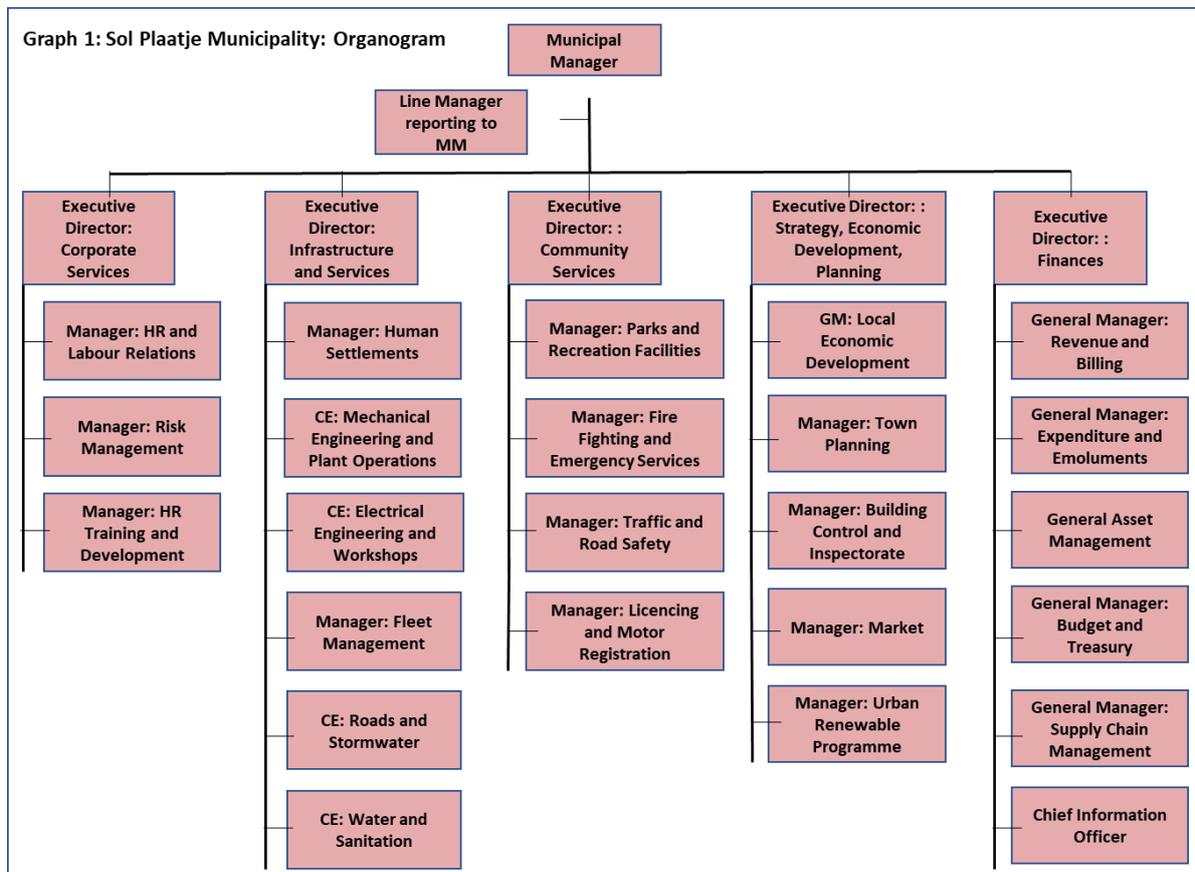
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Executive Structure		
Name of official	Position	Performance agreement signed
		Yes / no
Mr. Bartholomew Matlala	Municipal Manager	Yes
Ms. Nomonde Kesiamang	Executive Director: Strategy, Economic Development and Planning	Yes
Vacant	Executive Director: Corporate Services	n/a
Mr. Kgosiebonya Bogacwi	Executive Director: Community and Social Development Services	Yes
Mr. Kenneth Samolapo	(Acting) Chief Financial Officer	No
Mr Phetole Sithole	(Acting) Executive Director: Infrastructure and Services	No

Table 24: Executive Structure

### 4.4 ADMINISTRATIVE STRUCTURE

The following graph shows the organogram of the Sol Plaatje Municipality comprising five (5) directorates with the offices of the Municipal Manager and the Executive Mayor in the Directorate Corporate Services.



Graph 1: Organogram

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The graph above indicates that each directorate provides specialised services to either a municipal directorate (i.e. internal) or to the public. The Directorate Corporate Services provides support services to all directorates while the Finance Directorate, which operates with seven (7) divisions, is responsible for the implementation and compliance with legislation that regulates income and expenditure of local government. The services rendered by the other three directorates are focussed on the public, by implication, shaping the growth and development path of the municipal area 'towards a cleaner growing city'. The performance of each directorate was discussed in §3.1.3, suffice to say that the Municipality performs admirably in trying circumstances.

### 4.5 WARD-BASED NEEDS AND PRIORITIES

The following table lists the five prioritised needs of each of the 33 wards. These, except for Wards 17, 21, 23, 28- 30 and 32, are the ward-based needs identified and prioritised by the relevant communities during the public participation process in November 2022 and which concluded in March 2023. Please note that all wards will be afforded the opportunity to verify/review these needs in April 2023.

Prioritised Needs per Ward	
Ward	Prioritised need
1	<ol style="list-style-type: none"> <li>1. Additional cemetery for Roodepan</li> <li>2. Lerato park toilets and water</li> <li>3. Provision and maintenance of recreational facilities (community hall &amp; sports grounds)</li> <li>4. Pump station to be upgraded.</li> <li>5. Provide and upgrade houses in White City</li> <li>6. Paving of roads required.</li> <li>7. Maintenance of the flats.</li> </ol>
2	<ol style="list-style-type: none"> <li>1. Upgrade pump stations in White City and Eagle Street.</li> <li>2. Provide additional land for cemetery.</li> <li>3. Pave the following streets: Finch, Weaver, Seeduif, and Parakiet and reseal white city &amp; Erwe streets</li> <li>4. Upgrade Sonny Leon library and build community hall</li> <li>5. Upgrade Korhaan sports field and Albatros Park &amp; a new park in White City.</li> </ol>
3	<ol style="list-style-type: none"> <li>1. Existing houses to be rebuild and shacks in Home Valley.</li> <li>2. Provide new houses (replace homevalley shacks).</li> <li>3. Paving of roads required.</li> <li>4. Build community clinic.</li> <li>5. Provide satellite police station.</li> <li>6. Library to be renovated and restored.</li> </ol>
4	<ol style="list-style-type: none"> <li>1. Provision of housing</li> <li>2. Pave the following streets: Zenzele, Otto, Ramorwa, Peme, Itumeleng, Magashula and Schularo.</li> <li>3. Provide water and sanitation at informal settlements.</li> <li>4. Complete renovations at old age home.</li> <li>5. Provide parks for recreation in Mphela and Thole Streets.</li> </ol>
5	<ol style="list-style-type: none"> <li>1. Provide high-mast lighting in Hutse Segodi.</li> <li>2. Build storm water channels in Mathibe and Makapane streets.</li> <li>3. Pave Jerry Ma Street.</li> <li>4. Improve and upgrade sanitation network.</li> <li>5. Upgrade Percival Jas Park.</li> </ol>
6	<ol style="list-style-type: none"> <li>1. Pave roads and fix potholes (including a speedhump in Goitsewang street).</li> <li>2. Provide high-mast lighting.</li> <li>3. Upgrade and repair sanitation and stormwater drainage network.</li> <li>4. Build a community hall and other recreational facilities.</li> <li>5. Maintenance of the clinic (solar lighting and security to avoid theft and break-ins)</li> </ol>
7	<ol style="list-style-type: none"> <li>1. Build a sports complex.</li> <li>2. Provide service centre at Masiza Flak.</li> </ol>

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Prioritised Needs per Ward	
Ward	Prioritised need
	<ol style="list-style-type: none"> <li>3. Provide bulk infrastructure at Riemvasmaak.</li> <li>4. Provide new houses.</li> <li>5. Paving of roads required.</li> </ol>
8	<ol style="list-style-type: none"> <li>1. Jojo tanks for clean drinking water</li> <li>2. Paving of roads required.</li> <li>3. Formalise informal settlements , provide houses and toilets.</li> <li>4. Provide street lights.</li> <li>5. Provide sports facilities, clinic and library.</li> </ol>
9	<ol style="list-style-type: none"> <li>1. Replace ageing infrastructure (e.g, water pipes).</li> <li>2. Fix streetlights and provide high-mast lighting.</li> <li>3. Provide houses for the middle-income grouping and prioritise ward residents.</li> <li>4. Fix drainage and storm water system.</li> <li>5. Fix potholes and provide speed bumps.</li> <li>6. Provide soccer and cricket facilities and Kitsong Centre.</li> </ol>
10	<ol style="list-style-type: none"> <li>1. Building of a school.</li> <li>2. Upgrade the library.</li> <li>3. Paving of roads and upgrading of storm water systems in Phetole, Moretele and Nkgare Streets.</li> <li>4. Refurbishment of RC Elliot Hall</li> <li>5. Provide sanitation.</li> <li>6. Formalisation of the informal settlements and relocation of settlers</li> <li>7. Provide fencing at clinic.</li> </ol>
11	<ol style="list-style-type: none"> <li>1. Provision of adequate housing and Renovate houses at Katimamolilo by removing asbestos roofs.</li> <li>2. Provide sanitation (eradication of bucket and shanti toilets)</li> <li>3. Provide high-mast streetlights.</li> <li>4. Fixing of roads required.</li> <li>5. Provide parks for recreation with security.</li> <li>6. Build School</li> </ol>
12	<ol style="list-style-type: none"> <li>1. Renovate houses by removing asbestos roofs.</li> <li>2. Paving of Jabula, Tshabalala and John Daka</li> <li>3. Fix drainage and storm water system.</li> <li>4. Build new toilets at Tyala Drive.</li> <li>5. Install high-mast street lighting.</li> <li>6. Build a greenhouse.</li> </ol>
13	<ol style="list-style-type: none"> <li>1. Build toilets in informal settlement.</li> <li>2. Paving of internal streets.</li> <li>3. Provide streetlights.</li> <li>4. Provide electrification of informal settlements.</li> <li>5. Provide infrastructure.</li> </ol>
14	<ol style="list-style-type: none"> <li>1. Fixing of roads and storm water system required.</li> <li>2. Provide sanitation infrastructure (upgrade of sewage line and informal settlements).</li> <li>3. Provide water infrastructure.</li> <li>4. Provide recreation facilities.</li> </ol>
15	<ol style="list-style-type: none"> <li>1. Provide toilets.</li> <li>2. Resolve recurring sewer and storm water blockages.</li> <li>3. Provide streetlights and high-mast lighting and maintenance of existing.</li> <li>4. Completion of paving project &amp; fixing of roads and bridges (Peter Mokaba requires handrails)</li> <li>5. Formalisation of informal settlements</li> </ol>
16	<ol style="list-style-type: none"> <li>1. Paving of access roads in Promise Land.</li> <li>2. Provide high-mast lighting in Snake Park.</li> <li>3. Do repairs and maintenance at Gogga Pump station.</li> <li>4. Provide water and outside toilets in Snake Park Phases 1, 2 and 3.</li> <li>5. Pave all roads in Tswelelang.</li> <li>6. Provide electricity to 62 shacks.</li> <li>7. Upgrade retention pond at R31.</li> <li>8. Paving of Transiskemp and relocation of temporary site to permanent settlement.</li> </ol>

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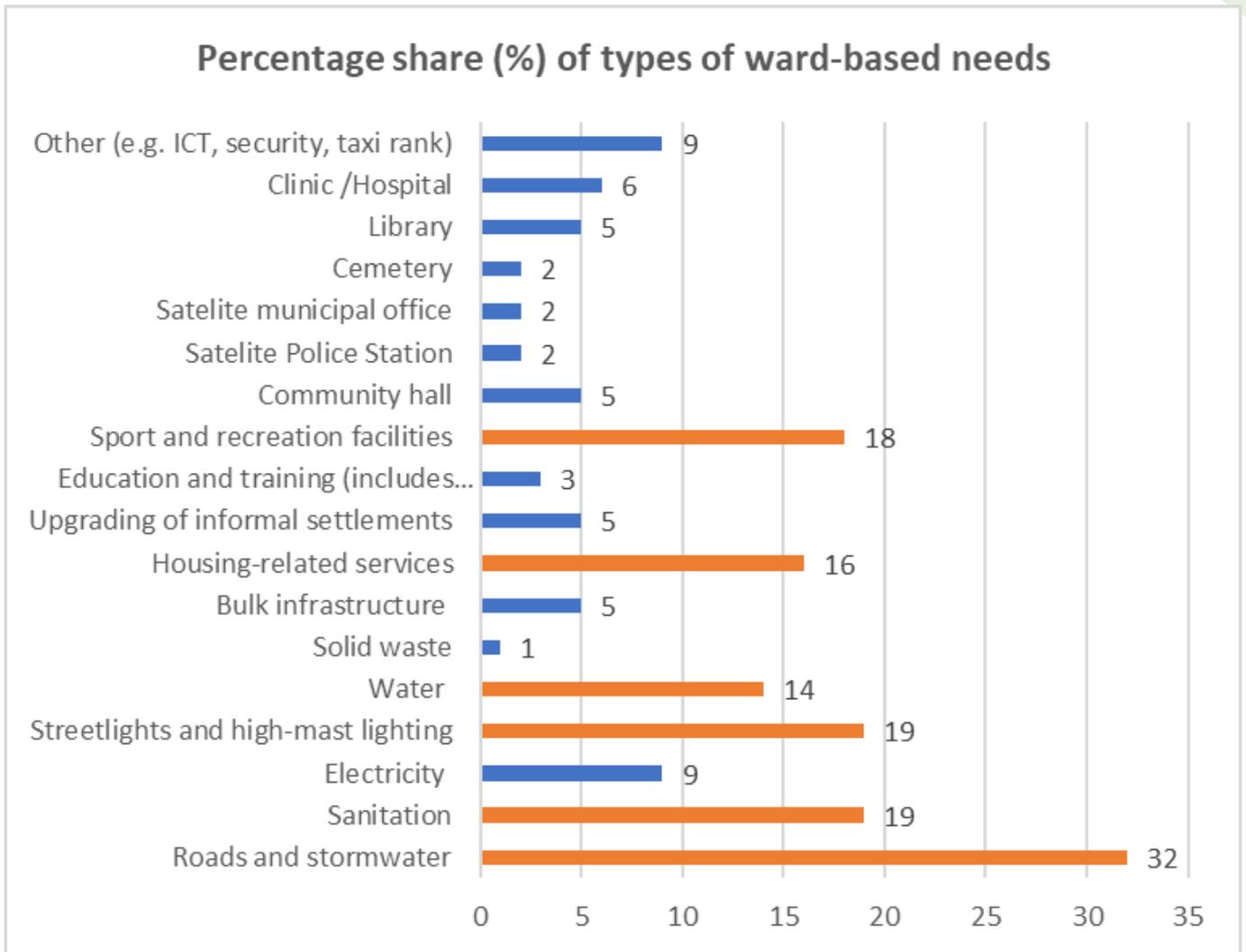
Prioritised Needs per Ward	
Ward	Prioritised need
17	<ol style="list-style-type: none"> <li>1. Fixing of roads required.</li> <li>2. Provide storm water drainage systems.</li> <li>3. Provide sports field and facilities.</li> <li>4. Build toilets at Kind Shenare shacks.</li> </ol>
18	<ol style="list-style-type: none"> <li>1. Upgrade storm water and sanitation infrastructure.</li> <li>2. Relocation of informal settlements from Rhythm City and Kirstenhof to Fransfarm.</li> <li>3. Renovate dilapidated houses.</li> <li>4. Provide high-mast streetlights.</li> </ol>
19	<ol style="list-style-type: none"> <li>1. Provide toilets in Saka.</li> <li>2. Provide high-mast lighting in Royal and Nyambane streets.</li> <li>3. Provide housing in Kammarkies.</li> <li>4. Renovate houses by removing asbestos roofs and replacing with corrugated iron sheets in Mokgedi Street, Malunga Street, Modiakgotla Street and Moshoeshoe Street.</li> <li>5. Upgrade of the sewer main line in Moshoeshoe Street.</li> </ol>
20	<ol style="list-style-type: none"> <li>1. Do maintenance of infrastructure.</li> <li>2. Fixing of potholes required.</li> <li>3. Ensure a clean city.</li> <li>4. Fixing of leaking water pipes required.</li> <li>5. Resolve problems with sewerage.</li> </ol>
21	<ol style="list-style-type: none"> <li>1. Provide clinic for community.</li> <li>2. Provide swimming pool for community.</li> <li>3. Paving of roads required.</li> <li>4. Provide speed bumps.</li> <li>5. Build new houses for De Beers.</li> </ol>
22	<ol style="list-style-type: none"> <li>1. Ensure proper storm water drainage system in place.</li> <li>2. Fixing of roads required.</li> <li>3. Provide taxi rank and parking.</li> <li>4. Improve power station and electricity grid.</li> <li>5. Provide recreational facilities.</li> </ol>
23	<ol style="list-style-type: none"> <li>1. Provide quality water and roads.</li> <li>2. Complete an infrastructure impact assessment.</li> <li>3. Upgrade the electricity substation.</li> <li>4. Provide public open spaces and maintain existing open spaces.</li> </ol>
24	<ol style="list-style-type: none"> <li>1. Ensure maintenance of water network.</li> <li>2. Fixing of roads required, e.g potholes, road markings.</li> <li>3. Repair and do maintenance on streetlights.</li> <li>4. Upgrade capacity of electricity network.</li> <li>5. Provide public open spaces and maintain existing open spaces.</li> </ol>
25	<ol style="list-style-type: none"> <li>1. Upgrade and refurbish municipal residential flats.</li> <li>2. Fix roads and storm water networks.</li> <li>3. Replace water meters and pipes.</li> <li>4. Upgrading and maintaining parks</li> </ol>
26	<ol style="list-style-type: none"> <li>1. Formalise informal settlements through surveying erven.</li> <li>2. Provide high-mast lighting.</li> <li>3. Maintenance of roads</li> <li>4. Upgrade sports stadium and parks.</li> <li>5. Complete electrification of Ronalds Vlei.</li> <li>6. Provision of housing</li> </ol>
27	<ol style="list-style-type: none"> <li>1. Surveying of Riemvasmaak , Rietvale</li> <li>2. Operation of the satellite municipal office</li> <li>3. Upgrade of community hall</li> <li>4. Provision of recreational facilities (Swimming pool)</li> <li>5. Build community clinic</li> <li>6. Provide satellite police station.</li> </ol>
28	<ol style="list-style-type: none"> <li>1. Paving of roads required.</li> </ol>

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Prioritised Needs per Ward	
Ward	Prioritised need
	<ol style="list-style-type: none"> <li>2. Provide electricity, water and sanitation services.</li> <li>3. Provide sport and recreation facilities.</li> </ol>
29	<ol style="list-style-type: none"> <li>1. Paving of streets in Ivory Park and Gregory Park required.</li> <li>2. Ensure effective water and sanitation services in Lethabo Park</li> <li>3. Complete registration of houses in Riverton.</li> <li>4. Provide high-mast lighting in Harmony Park.</li> </ol>
30	<ol style="list-style-type: none"> <li>1. Formalise informal settlements (Jacksonville) through surveying erven.</li> <li>2. Paving of roads in Jacksonville required.</li> <li>3. Upgrade main entrance to Lerato Park</li> <li>4. Provide high-mast lighting in Lerato Park.</li> <li>5. Provide a one-stop service delivery centre.</li> <li>6. Build a community hall.</li> </ol>
31	<ol style="list-style-type: none"> <li>1. Build a combined school (ECD – high school).</li> <li>2. Installation of electricity and sanitation required.</li> <li>3. Paving and fixing of roads required from Soul City to Kutloanong.</li> <li>4. Refurbishment of a community hall</li> <li>5. Build a library.</li> </ol>
32	<ol style="list-style-type: none"> <li>1. Paving of the following streets required: Gerald Sekoto, Frank Chikawe, Ellen Khuzwayo.</li> <li>2. Electrify Platfontein houses.</li> <li>3. Upgrade Platfontein toilets and Phutanang sink toilets to flush toilets.</li> <li>4. Build recreation hall in Phutanang.</li> <li>5. Provide satellite municipal office in Platfontein, e.g. to pay municipal accounts.</li> </ol>
33	<ol style="list-style-type: none"> <li>1. Fomalisation of the informal settlements</li> <li>2. Provide water, electricity and sanitation for informal settlements.</li> <li>3. Provide streetlights.</li> <li>4. Rebuild asbestos houses in Chris Hani Park.</li> <li>5. Provision of roads</li> <li>6. Refurbishment of the Mayibuye precinct</li> <li>7. Clean illegal dumping area next to Sinothando.</li> </ol>

*Table 25: Prioritised Needs per Ward*

In sum, **Graph 2** indicates the percentage share of the types of needs identified. Please note that the information does not distinguish between the action/service required to address the identified need, i.e. new build, repair and/or maintenance. Roads and storm water (32%) are the priority need, with (1) sport and recreation, (2) housing, (3) water, (4) streetlights and high-mast lighting, and (5) sanitation, as identified needs with a share each of between 10% and 20% (see **Graph 2**). Together, these needs comprise the bulk (over 68%) of identified needs.



Graph 2: Percentage Share of the Types of Needs

**CHAPTER 5: STRATEGIC AGENDA**

**This chapter includes the municipality’s *statement of vision*, risk measures and a summary of certain sector plans.**

**5.1 INTRODUCTION**

The first steps in preparing the municipality’s *statement of vision* were to (1) complete a PESTLE analysis,<sup>22</sup> (2) to draft a shared vision and mission with associated strategic objectives and actions, and (3) to confirm alignment with national objectives. These (national and local) objectives serve as directives to guide municipal operations within a framework of key performance areas and key performance indicators. The next step was to prepare municipal action plans including key performance indicators and targets to measure performance over a five-year period (see **Chapter 6**).

**5.2 PESTLE ANALYSIS**

The following PESTLE analysis was discussed at the Mayoral Strategic Planning Session in March 2023. Please note that a category of ‘spatial’ has been added to the analysis to include those factors that impact spatial transformation within the municipal area.

PESTLE Analysis	
Description	Assessment of Impact <sup>23</sup>
<b>Political</b>	
No outright majority for any political party.	
Preference is given to investing public-sector funds in social infrastructure rather than economic infrastructure or both	
Interference of political leaders in municipal administration.	
Misappropriation of national grant funding allocated to a specific project.	
Sitting and attendance of governance committees (e.g. SPELUM and wards committees).	
Provide one-stop-shop regarding government services in Kimberley.	
Synergy between National and Provincial goals and objectives	
<b>Economic</b>	
An economy in decline with expected future sectoral economic growth limited to the tertiary sector, i.e. narrow-based economy.	
High unemployment rate (and specifically, youth unemployment) leading to high grant dependency and inability to pay municipal accounts.	
High levels of poverty, i.e. growth in the number of indigent households.	

<sup>22</sup> Political, economic, sociological, technological, legal and environmental analysis of external and internal factors that impacts on the operations of the Sol Plaatje Municipality.

<sup>23</sup> The possible impact of each factor has been assessed as critical (red), moderate (orange) and favourable (green).

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PESTLE Analysis	
Description	Assessment of Impact <sup>23</sup>
Roads are in a bad condition with potholes to be eradicated.	
Businesses relocating from Kimberley (e.g. Coke and Sasko) while the city is not the preferred investment location, e.g. Curro build a school in Kathu rather than in Kimberley.	
In migration of hopeful low-skilled jobseekers to nodes with higher economic activity.	
Very little (or no) building activity of new residential and new non-residential space since 2018.	
Scarcity of municipal-owned land causes a hemmed-in city relying on private-sector initiatives to develop land.	
A local economy that is concentrated and vulnerable and/or susceptible to exogenous factors	
High property rates, municipal taxes and tariffs	
Lack of innovation.	
Lack of manufacturing industries. Deindustrialisation of industrial areas to storage depots, i.e. limited manufacturing.	
Lack of safety and security implementation, especially at National Key Points facilities.	
Narrow economic base and stagnation.	
Undefined alternative economies post-mining.	
Limited economic opportunities available in municipal area.	
Not enough economic opportunities created as spin-offs from the establishment of the Sol Plaatje University, for example, (1) University building own student accommodation rather than encouraging private-sector initiatives, (2) only about 5% students are local residents, and (3) campus part of heritage precinct that should be strengthened.	
Decentralisation of businesses out of central business district leading to, for example, a job-housing mismatch, resulting in excessive commuting to job opportunities.	
Foreigners capturing economic opportunities (tuckshops).	
Limited funding available for SMMEs.	
Red tape hinders the unlocking of progressive economic opportunities.	
Increased office vacancy rate and non-used buildings.	
Position Kimberley as the provincial hub of bulk mining consumables	
Emerging industries do not attract associated industries that will be sustainable.	
Job opportunities created through the Expanded Public Works Programme.	
The possibility of renewable energy generation for own use through public private partnerships.	
Municipal Planning Tribunal and other committees deciding on land development are functional.	
Government Administration Hub	
Tourism attraction	
Leisure & conferencing facilities at Riverton & Langley	
Packaging, logistic hub around airport	
Position SPM as an Agricultural Hub as part of Agric. Belt (Douglas, Barkly West, Free State)	
Packaging of all heritage Resources - Tourism	
Availability of parastatal and private buildings, e.g. De Beers, for future developments.	
Upskilling of Local SMME's	

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PESTLE Analysis	
Description	Assessment of Impact <sup>23</sup>
Investment opportunities	
Private sector leverage - skills empowerment.	
Demand for student accommodation within the urban edge.	
<b>Sociological</b>	
Early school dropout of learners.	
Minimal housing provision for middle income.	
Youthful population	
Sufficient health services available but used by entire province with impact on capacity. Specialised services only available in Bloemfontein.	
Availability of community facilities	
<b>Technological</b>	
Reliability of customer information and data.	
Risk of information technology.	
Lack of technology at the libraries.	
Limited cascading of information to external stakeholders (e.g. ward committees).	
No debate about ICT airspace, i.e. cloud technology storage.	
Sol Plaatje University is the first university that offers Information and Communication Technology (ICT) degree; data analysis	
Sol Plaatje University Research and Development to provide empirical data to aid service delivery	
Sol Plaatje University as a strategic growth point	
<b>Environmental</b>	
Degradation of environmental, heritage and agricultural assets.	
Low rainfall and extreme climate conditions.	
Loss, transformation and degradation of natural habitat: exploitation of natural resources (e.g. overgrazing, collection of wood), invasion of alien species.	
Contamination of groundwater, stressed water catchments (e.g. lack of water for irrigation), poor soil potential, outbreak of diseases.	
Environmental pollution, and compliance directives from enforcement authorities.	
Lack of protection for flamingos.	
<b>Spatial</b>	
Segregation along socio-economic class lines in the form of a race-based urban spatial configuration.	
Past insufficient new supply of housing by government.	
Increased population densities mostly in neighbourhoods with sub-standard quality of services and urban environment.	
Land invasions.	
Execution of revisionary clause- acquiring of land back.	

PESTLE Analysis	
Description	Assessment of Impact <sup>23</sup>
Lack of cross border projects with adjoining municipalities.	
Potential to become a Smart City.	
More than half of all Informal settlements (22 in total) have been formalised.	
Strategic location of Kimberley regarding national road network.	
Pockets of strategic land within the urban edge.	
Existing Restructuring Zones for social housing.	
Regional connectivity.	
Compact city.	
Uncoordinated alienation of land.	
Clear identified development corridors through the Spatial Development Framework i.e. land available for New Entry Economy.	

Table 26: PESTLE Analysis

### 5.3 STATEMENT OF VISION

A vision statement is presented as a municipal vision, objectives and strategies that must be aligned to similar statements by other tiers of government.

#### **VISION OF SOL PLAATJE MUNICIPALITY**

***“Towards a Cleaner Growing City “***

#### **MISSION OF SOL PLAATJE MUNICIPALITY**

***The mission of the Sol Plaatje Municipality is to:***

***Reclaim the city that sparkles.***

***Build public confidence and trust.***

***Provide economic infrastructure to foster private-sector investment.***

***Deliver sustainable uninterrupted services to all residents.***

### 5.3.1 Strategic Objectives

The table below includes the FIVE strategic objectives of the Sol Plaatje Municipality together with linkages to key directives of the other tiers of government.<sup>24</sup> In this regard, these objectives serve as directives to guide municipal operations within a framework of key performance areas and key performance indicators. Also provided in the table are the seven apex priorities as identified in the Medium-Term Strategic Framework 2019-2024.

<i>Municipal Strategic Objectives</i>	<i>Municipal Key Performance Areas</i>	<i>National Key Performance Areas</i>	<i>Medium Term Strategic Framework: Seven Apex Priorities</i>
<b>Economic growth through promoting Sol Plaatje Municipality as an economic hub</b>	Local Economic Development and Spatial Transformation	Local Economic Development	Priority 2: Economic transformation and job creation
<b>Improved service delivery</b>	Access to Basic Services and Infrastructure Development	Basic Service Delivery and Infrastructure Development	Priority 4: Consolidating the social wage through reliable and quality basic services
<b>Good, clean and transparent governance and public participation</b>	Good Governance and Public Participation	Good Governance and Public Participation	Priority 1: A capable, ethical and developmental state Priority 5: Spatial integration, human settlements and local government
<b>Establishment of healthy financial management</b>	Sound Financial Management	Municipal Financial Viability and Management	
<b>Improved institutional management</b>	Institutional Development and Capacity Building	Institutional Development and Municipal Transformation	
–	–	–	Priority 3: Education, skills and health Priority 7: A better Africa and world

*Table 27: Alignment of Strategic Objectives*

Municipal strategic objectives must be aligned with the higher-order policy directives and associated outcomes (see table below). Various municipal action plans which is based on prioritised needs and available resources have been developed in support of this approach to implementation (see **Chapter 6** for action plans).

<sup>24</sup> The strategic objectives were considered and adopted at the Mayoral Strategic Planning Session held on 22 and 23 March 2023.

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<b>Alignment of Municipal Strategic Objectives</b>	
<b>Strategic Objective 1</b>	<b>Economic growth through promoting Sol Plaatje Municipality as an economic hub</b>
<b>National KPA</b>	Local Economic Development
<b>Provincial Strategic Goal</b>	Create opportunities for economic growth and jobs
<b>Municipal focus area(s)</b>	Knowledge economy, Tourism and Services sectors, Logistics, Inner-city revitalisation, Mining sector, Townplanning
<b>Municipal actions</b>	<ul style="list-style-type: none"> <li>Draft Economic Development Strategy</li> <li>Identify and promote tourism opportunities</li> <li>Ensure SMME support and development; revitalise SMME's development opportunities</li> <li>Provide and maintain economic infrastructure</li> <li>Strengthen the knowledge economy</li> <li>Investigate opportunities in SPM becoming a logistics hub</li> <li>Implement an anti-red-tape approach</li> <li>Position SPM as an event hosting centre</li> <li>Provide incentives and do marketing – be investment friendly</li> <li>Investigate opportunities in partnerships regarding renewable energy generation and the township economy</li> <li>Clean-up, revitalise and modernise CBD – make it safe and address illegal occupants of buildings</li> </ul>
<b>Outcomes</b>	A local economy that delivers on food security, job creation, education and skills development.
<b>Strategic Objective 2</b>	<b>Improved service delivery</b>
<b>National KPA</b>	Basic service delivery and infrastructure development
<b>Provincial Strategic Goal</b>	Enable a resilient, sustainable, quality and inclusive living environment
<b>Municipal focus area(s)</b>	<ul style="list-style-type: none"> <li>Infrastructure maintenance and operational plans</li> <li>Quality and standard of municipal service delivery</li> <li>Affordability of municipal service</li> <li>Service delivery being timeous</li> <li>Ensure a clean and green city</li> </ul>
<b>Municipal actions</b>	<ul style="list-style-type: none"> <li>Maintenance of all municipal infrastructure and effective delivery of services related to water, sanitation, electricity and refuse removal</li> <li>Eradication of bucket and chemical sanitation systems</li> <li>Upgrading and maintenance of road infrastructure</li> <li>Upgrade water and electricity infrastructure (replace 8000 pre-paid water meters)</li> <li>Effective delivery of (social) housing &amp; (serviced) land</li> <li>Safeguarding of municipal assets</li> <li>Restrict vandalism of municipal infrastructure</li> <li>Improved response to service delivery complaints</li> <li>Fix water leaks and potholes</li> <li>Create schedule to clean chemical toilets</li> <li>Work towards formalising all informal settlements</li> </ul>
<b>Outcome</b>	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner.

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<b>Alignment of Municipal Strategic Objectives</b>	
<b>Strategic Objective 3</b>	<b>Good, clean and transparent governance and public participation</b>
<b>National KPA</b>	Good governance and public participation
<b>Provincial Strategic Goals</b>	Embed good governance and integrated service delivery through partnerships and spatial alignment
<b>Municipal focus area(s)</b>	<ul style="list-style-type: none"> <li>Developmental municipality through leading and learning</li> <li>Build public confidence and trust</li> <li>User-friendly institution</li> <li>Quality and timeous communication</li> <li>Ensure cooperative governance</li> </ul>
<b>Municipal actions</b>	<ul style="list-style-type: none"> <li>Do what you have said you will do</li> <li>Implement Batho Pele principles</li> <li>Ensure, compliance, transparency, oversight and accountability</li> <li>Effective performance management</li> <li>Proper public participation with improved communication and information distribution</li> <li>Update and enforce policies and standards</li> <li>Rebranding and image change of SPM</li> </ul>
<b>Outcome</b>	Good governance systems are maintained to support proper communication.
<b>Strategic Objective 4</b>	<b>Establishment of healthy financial management</b>
<b>National KPA</b>	Municipal financial viability and management
<b>Provincial Strategic Goal</b>	Embed good governance and integrated service delivery through partnerships and spatial alignment
<b>Municipal focus area(s)</b>	<ul style="list-style-type: none"> <li>Clean audit report</li> <li>Revenue management and collection</li> </ul>
<b>Municipal actions</b>	<ul style="list-style-type: none"> <li>Strengthening internal financial controls and build capacity</li> <li>Ensure financial sustainability and accountability</li> <li>Adhere to Supply Chain Management processes and credit controls</li> <li>Refine strategies for debt collection and raising of revenue</li> <li>SPM to set fair and transparent tariffs (implement zero based budgeting)</li> <li>Ensure alignment and auditing of meters and billing</li> <li>Work towards 95% collection rate and ensure payment based on correct account</li> </ul>
<b>Outcomes</b>	The municipality has a system in place to track spending in terms of budget allocations, is financially viable to deliver services to the community, and receives a clean audit.
<b>Strategic Objective 5</b>	<b>Improved institutional management</b>
<b>National KPA</b>	Institutional development and municipal transformation
<b>Provincial Strategic Goal</b>	Embed good governance and integrated service delivery through partnerships and spatial alignment
<b>Municipal focus area(s)</b>	<ul style="list-style-type: none"> <li>Becoming an Ideal Municipality where every worker is treated with respect and dignity</li> <li>Quality working environment</li> <li>Work ethic and professionalisation programme</li> <li>Inter-departmental communication and workstreams</li> </ul>
<b>Municipal actions</b>	<ul style="list-style-type: none"> <li>Accountability for under performance and ill-discipline</li> <li>Ownership of service delivery outcomes</li> </ul>

Alignment of Municipal Strategic Objectives	
	Address nepotism and favouritism in the workplace Implement consequence management correctly and consistently Document and distribute standard operation procedures for each directorate Promote good work ethics Change existing organisational culture Conduct work discipline and ethics training Provide all workers with relevant information Ensure the wellness of workers Ensure proper performance management Ensure a vibrant and effective Human Resource Directorate Ensure teamwork amongst officials Control interference of labour forums
<b>Outcome</b>	The municipality is structured to deliver the required services through skilled personnel and by using appropriate mechanisms and supporting administrative systems with regular monitoring of performance.

*Table 28: Alignment of Municipal Strategic Objectives*

### 5.4 MUNICIPAL SECTOR PLANS<sup>25</sup>

#### 5.4.1 Spatial Development Framework, 2018 - 2023

The Spatial Development Framework (SDF) represents the primary policy directive to transform the spatial structure of Kimberley. A spatial structure that was created by *apartheid* spatial planning which was based on segregation by class and race. The SDF references various pieces of legislation and policies through which a remedial approach is advocated to transform the urban space by taking raced-based segregation out of the equation. However, this approach (and the SDF) does not address the underlying economic and social drivers of spatial segregation. In this regard, the SDF is formulated from a qualitative perspective and does not consider the financial, economic and social consequences of implementing spatial proposals (see §3.5.7 in SDF and below).

The SDF developed a single spatial growth scenario stating that the western portion of the municipal area has potential for densification because it has large pockets of (municipality-owned) vacant land within the existing built-up area. This conceptual scenario is limited in application due to (local) economic growth/decline not considered at all, whereas, as we know, economic growth drives the likely demand for built space or developable land. The 20-year planning horizon of the SDF in contrast to the five-year IDP cycle, further complicates the tracking and monitoring of spatial transformation over time.

The SDF references two key dimensions of spatial transformation, namely (1) a series of integrated and well-connected economic corridors and nodes and (2) mixed-use/mixed-income sustainable human settlements of varying densities. Interestingly, the SDF

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<sup>25</sup> In this section the municipality's response to gender-based violence and femicide in the municipal area is addressed as well as the Spatial Development Framework and Disaster Management Plan as core components of the IDP. In addition, the discussions regarding the other listed sector plans were copied from the municipal SDF.

acknowledges but does not articulate the role of the economy and the market in determining the demand for developable land (see §5.1.2.2 and §5.1.2.3 in SDF). The SDF does however identify the Sol Plaatje University as a catalyst for the knowledge economy. In strengthening the planning concepts of corridor development and densification, the SDF identifies the campus as a precinct with a mix of student accommodation, middle-class apartments as well as retail facilities with densification possible in New Park, Labram, Memorial Road Area and Albertynshof. The SDF also list the following types of development areas:

- Spatial transformation zones in Kimindustria, Casandra, South Ridge, Fabricia, Phomolong, and Herlear.
- Functional areas with the following five (5) sub areas: (1) Urban Mixed-use Concentration subfunction with Carters Glen as the priority area for development, (2) Urban Commercial Concentration subfunction with the University precinct as the priority area for development, (3) Urban Industrial Concentration subfunction, (4) Urban Residential Expansion subfunction, and (5) Urban Priority Housing Development Areas (Department of Human Settlements),
- Urban Restructuring Zones as 13 preferred areas for social housing.
- Densification areas along corridors and at Kimberley Airport.

In this context, the IDP 2022-2027 includes a section outlining the strategic spatial direction of which a summary is provided in the following paragraphs. It is stated that spatial governance and local economic development programmes determine the transformation of the spatial landscape to be achieved through the following interventions:

- Provide subsidised housing in areas with economic opportunities.
- Improve intergovernmental relations to accelerate the delivery of houses.
- Create inclusive and sustainable settlements/ neighbourhoods.
- Grow the economy and involve the informal sector and SMME's.
- Address service delivery backlogs.

In addition, the IDP 2022-2027 includes six (6) catalytic projects to change the growth and development trajectory in the municipal area:

- Caters Glen Precinct.
- The Big Hole Tourism Precinct.
- Adventure Precinct.
- Riverton Leisure and Conferencing Precinct.
- Heritage Precinct.
- Kamfersdam Precinct.

### **5.4.2 Disaster Management Plan, 2004**

The available document representing the municipality's Disaster Management Plan is dated July 2004. It is proposed to review the document in line with the prevailing circumstances and management requirements. In this regard, the 2004 plan does refer to the Disaster Management Act, 2002 (No 57 of 2002) which includes the following objectives aimed at implementing appropriate disaster risk reduction strategies:

- The compilation of a Disaster Management Framework (DMF).
- The execution of comprehensive disaster hazard, vulnerability and risk assessment.
- The compilation of disaster management plans.
- Establishment of a Disaster Management Centre.

### 5.4.3 Municipal approach to Gender Based Violence and Femicide

The Sol Plaatje Municipality acknowledges the role of local government as set out in the National Strategic Plan (NSP) on Gender-Based Violence and Femicide (GBVF).<sup>26</sup> In this regard, the Municipality will play a decisive role to ensure accountability and delivery on policy and programmes to address the concerns about gender-based violence and femicide in the municipal area.

The NSP proposes six (6) pillars as central to bringing about specific changes to GBVF (see table below). These changes include the strengthening of accountability and a multi-sectoral response, facilitating healing at all levels, making spaces safe and choices real, and rebuilding the social fabric. The pillars are also designed to include five-year outcomes as measurable indicators (see table below).

Pillar	Five-year Outcome
Pillar 1: Accountability, Coordination and Leadership	<ul style="list-style-type: none"> <li>• Bold leadership, strengthened accountability across government and society that responds to GBVF strategically with clear messaging and adequate technical and financial resources.</li> <li>• Strengthened multi-sectoral coordination and collaboration across different tiers of government and sections of society based on relationships of trust that give effect to the pillars of the NSP.</li> </ul>
Pillar 2: Prevention and Rebuilding Social Cohesion	<ul style="list-style-type: none"> <li>• Strengthened delivery capacity in South Africa to roll out evidence-based prevention programmes.</li> <li>• Changed behaviour and social norms within key groups as a result of the rollout of evidence-based prevention interventions.</li> <li>• Shifts away from toxic masculinities towards embracing positive alternative approaches for expressing masculinities and other sexual and gender identities, within specific communities/groups.</li> <li>• Optimally harnessed VAC programmes that have an impact on GBV eradication.</li> <li>• Increased cross fertilisation and integration of prevention interventions on violence against LGBTQIA+ persons with broader GBVF prevention and violence prevention interventions.</li> <li>• Strengthened programming that addresses the restoration of human dignity, build caring communities and responds to historic and collective trauma.</li> <li>• Public spaces are made safe and violent free for all, particularly women and children.</li> </ul>
Pillar 3: Justice, Safety and Protection	<ul style="list-style-type: none"> <li>• All GBV survivors are able to access efficient and sensitive criminal justice that is quick, accessible, responsive and gender inclusive.</li> <li>• Strengthened capacity within the criminal justice system to address all impunity, effectively respond to femicide and facilitate justice for GBV survivors.</li> <li>• Amended legislation related to GBV areas that build on legislative reforms initiated under the Emergency Response Action Plan.</li> </ul>
Pillar 4: Response,	<ul style="list-style-type: none"> <li>• Strengthened existing response, care and support services by the state and civil society in ways that are victim-centred and survivor-focused to facilitate recovery and healing.</li> </ul>

<sup>26</sup> Republic of South Africa, National Strategic Plan on Gender-Based Violence and Femicide.

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Pillar	Five-year Outcome
Care, Support and Healing	<ul style="list-style-type: none"> <li>• Secondary victimisation is eliminated through addressing specific individual and systemic factors that drive it.</li> <li>• Victims feel supported by the system to access the necessary psychosocial, material and other support required to assist them with their healing.</li> <li>• Strengthened community and institutional responses to provide integrated care and support to GBVF survivors and their families that takes into account linkages between substance abuse and HIV and AIDS.</li> </ul>
Pillar 5: Economic Power	<ul style="list-style-type: none"> <li>• Accelerated initiatives that address women’s unequal economic and social position, through access to government and private sector procurement, employment, housing, access to land, financial resources and income other generating initiatives.</li> <li>• Safe workplaces that are free of violence against women and LGBTQIA+ persons, including but not limited to sexual harassment.</li> <li>• Demonstrated commitment through policy interventions, by the South African state, private sector and other key stakeholders to eliminate the impact of economic drivers of GBV.</li> <li>• Strengthened child maintenance and related support systems to address the economic vulnerability of women.</li> </ul>
Pillar 6: Research and Information Management	<ul style="list-style-type: none"> <li>• Improved understanding of the extent and nature of GBVF, broadly and in relation to specific groups and forms in South Africa.</li> <li>• Adoption of GBV policies and programming interventions that are informed by existing evidence-based research.</li> <li>• GBVF related information across different government management information systems, is readily used to address systemic challenges and facilitate effective solutions and responses.</li> </ul>

*Table 29: NSP Central Pillars for Gender Based Violence and Femicide*

The next section includes some of the identified activities through which local government can partake in the roll out of relevant programmes in the municipal area.

### **Pillar 1**

- Put mechanisms and processes in place to hold state and societal leadership accountable for taking a firm stand against GBV.
- Development of a partnership model, funding and resourcing plan to respond to the crisis by locating the response in locally based structures, activism and agency within communities.
- Hold private and public sector accountable for the development and roll out of sexual harassment policies and workplace strategies.
- Integration of NSP priorities in all relevant departmental and municipal plans and frameworks.
- Adoption of zero tolerance to policies on cyber violence and sensitive reporting of GBVF.
- Strengthen leadership within and across government and non-government sectors to strengthen the national response to GBVF.
- Roll out of a national response to GBVF through provincial and local structures with optimal institutional arrangements and resources across government, private sector, media, NGOs, CSOs religious and cultural institutions with a specific focus on prevention and psychosocial support.
- Establish feedback mechanisms to support the multi-sectoral approach to dealing with GBVF.

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- Mobilisation through common interest groups for policy advocacy and grassroots sensitisation on GBVF to enhance women's ability to access, protect and promote their rights.

### **Pillar 2**

- Train and support community capacity to deliver GBVF prevention interventions.
- Adapt and roll out school based GBV prevention programmes.
- Implement evidence-based behaviour change interventions with targeted communities.
- Commission studies to better understand how to intervene in the development of toxic masculinities in South Africa.
- Integrate GBV prevention into various programmes.
- Make public spaces violent free for women and children.
- Facilitate community interventions that promote social connectedness and healing.

### **Pillar 3**

- Humanising service delivery and address unequal and inequitable spread of victim services.
- Provide funding to survivors of GBVF to meet specific needs such as legal aid costs.

### **Pillar 4**

- Strengthening of the local level coordination to address current fragmentation and build cooperative relationships of trust between government stakeholders, civil society organisations and communities in responding to GBVF.
- Establishment of local level rapid response teams in every municipality with clear protocols for week day, weekend, after hours' services (to consider danger and rural allowance), and protocols for child protection (all departments) to amplify the response to the needs of victims.

### **Pillar 5**

- Develop, implement, support and monitor programmes for equitable job creation, representation and ownership by women.
- Public private partnerships are established to facilitate economic opportunities for women leaving abusive relationships.
- Put shelters and interim housing in place.
- Put policy mechanisms in place to address range of gender related inequalities in the economy.
- Workplace interventions for GBV support developed and rolled out in public and private sector.
- Develop sexual harassment policies in workplaces across the public and private sectors.
- Ensure the implementation of the Employment Equity Act to eliminate gender and race wage disparity.
- Public employment opportunities with a specific focus on youth and women and persons with disabilities.
- Broaden ownership for women, youth and SMME.
- Support and encourage the role of women, persons with disabilities and LGBTQIA+ persons as leaders in all sectors of society.

### **Pillar 6**

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- Establish partnerships between research institutions, government, academia, NGOs, activists and communities that facilitate and enhance complementarities in their roles and responsibilities within research processes.

This IDP review included the consideration of those activates that can provide maximum gains through municipal intervention, such as advocacy via ward committees and other public platforms. In this regard, the Municipality will place emphasis on addressing socio-economic issues that pose a threat to the safety of the community and the well-being of GBVF victims. The development of a Sexual Harassment Policy and elimination of gender and race wage disparity through job reservation in municipal projects, will be prioritised.

### 5.4.4 Other sector plans

Discussion of Sector Plans	
Integrated Waste Management Plan – reviewed 2018	<p>The aim of the Integrated Waste Management Plan is to guide the effective management of waste within the municipal area with the following focus areas:</p> <ul style="list-style-type: none"> <li>• Review waste collection system and management of waste disposal sites.</li> <li>• Compliance with relevant legislation.</li> <li>• Encouraging community participation through mobilization, education and awareness programmes.</li> <li>• Facilitation of effective waste minimization projects through recycling, avoidance, reduction and proper disposal with the focus on entrepreneurship development.</li> <li>• Eradicate illegal dumping and littering on municipal, public and private property.</li> </ul>
Local Economic Development Strategy, 2009	<p>The 2009 Local Economic Development Strategy investigates options and opportunities in broadening the economic base to create employment opportunities and other spin-off effects benefitting the local economy.</p>
Housing Sector Plan, 2014	<p>The drafting of the Integrated Human Settlements Plan, 2014 was guided by the following principles:</p> <ul style="list-style-type: none"> <li>• Housing to be closer to employment opportunities.</li> <li>• Provide access to well-located land for the urban poor.</li> <li>• Ensure and provide a mix of housing typologies.</li> <li>• Prioritise housing for the indigent and affordable housing.</li> <li>• Promote integrated planning, e.g. transport and land-use planning.</li> <li>• Promote racial, social, economic and physical integration of urban space.</li> <li>• Develop a system of inter-connected nodes and dense, mixed-use settlements.</li> <li>• Promote establishment of social and economic viable commitments.</li> <li>• Facilitate the active involvement of relevant stakeholders.</li> </ul> <p>The Plan uses Census 2011 data to reference the rate of occupation of the different types of housing as well as housing backlogs. In this regard, the recentness of the data is questioned and not repeated here.</p>
Environmental Management Plan (EMP)	<p>The EMP aims to integrate environmental concerns in the development of municipal strategies and projects to ensure environmental sustainability.</p>
Urban Network Strategy	<p>The Urban Network Strategy targets spatial transformation of the Kimberley Central Business District and the Galeshewe hub by applying Transport Orientated Development principles such as strengthening linkages, higher densities and mixed land use precincts.</p>

Table 30: Discussion of Sector Plans

## 5.5 INTEGRATED APPROACH TO SERVICE DELIVERY

Two of the key outcomes of the Mayoral Strategic Planning Session held on 22 and 23 March 2023 were an integrated but changed approach to service delivery and the consolidation of municipal operations within a strategic framework. This strategic framework was informed by (1) analysing trends of the local development context, municipal finances, and municipal performance, (2)

## CHAPTER 5

considering higher-order policy directives (e.g. SONA), and (3) developing strategic objectives with associated actions. Please note that the existing vision and mission were confirmed at the planning session.

The next step is to formalise these outcomes in municipal action plans that will be implemented by the municipality during the 2023/24 financial year but monitored over a five-year period.

### CHAPTER 6: IDP IMPLEMENTATION

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#### 6.1 INTRODUCTION

This chapter describes the various action plans that will be implemented by the municipality during the 2023/24 financial year but monitored over a five-year period. These actions are also aligned to the top-layer SDBIP. This chapter also includes projects — known to the writers of this report — to be implemented within the municipal area by the sector departments from the other two tiers of government and by the private sector.

#### 6.2 MUNICIPAL ACTION PLANS

In the table below, the municipal actions are listed by strategic objective and are linked to key performance indicators and targets to measure performance over a five-year period. These indicators are mostly “inside of the control” of the Sol Plaatje Municipality, i.e. data is accessible.<sup>27</sup> Please note that these actions represent the collective and not individual projects, and also include performance targets regarding the five (5) community needs with the highest priority, i.e (1) roads and stormwater, (2) housing-related services, (3) sanitation, (4) streetlights and high-mast lighting, and (5) sport and recreation facilities (see **§4.5**).

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<sup>27</sup> See National Treasury, Appendix D – Guidance note for outcome indicator planning & reporting for MFMA Circular No. 88.

## CHAPTER 6

### 6.2.1 Strategic Objective 1: Economic growth through promoting Sol Plaatje Municipality as an economic hub

<b>Strategic Objective 1</b>												
<b>Economic growth through promoting Sol Plaatje Municipality as an economic hub</b>												
<b>National KPA: Local Economic Development</b>												
Directorate	mSCOA Function / sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	tbc	Create job opportunities through EPWP by 30 June 2024	Number of job opportunities created by 30 June 2024	All	-	553	181	160	140	72
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	tbc	Draft Economic Development Strategy and complete Investment Promotion Strategy by 30 June 2024	Economic Development Strategy and Investment Promotion Strategy completed by 30 June 2024	All	1	1	1	-	-	-
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	tbc	To process 80% category 1 land-use applications received until 30 April 2023 through MPT by 30 June 2024	% of category 1 land use applications processed	All	80%	80%	-	-	-	80%
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	tbc	Number of processed building plans received before 1 July 2023.	Number of building plans processed	All	200	200	-	-	-	200
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	tbc	Ensuring a response time of 11 weeks for building plans submissions received in the current financial year for buildings / architectural buildings less than 500m2 (number of plans received / divided by number of weeks to process	Average response time in weeks to process building plans	All	11 weeks	11 weeks	11 weeks	11 weeks	11 weeks	11 weeks
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	tbc	Ensuring a response time of 11 weeks for building plans submissions received in the current financial year for buildings / architectural buildings greater than 500m2	Average response time in weeks to process building plans	All	11 weeks	11 weeks	11 weeks	11 weeks	11 weeks	11 weeks

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<b>Strategic Objective 1</b>												
<b>Economic growth through promoting Sol Plaatje Municipality as an economic hub</b>												
<b>National KPA: Local Economic Development</b>												
Directorate	mSCOA Function / sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
				(number of plans received / divided by number of weeks to process)								
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.		Number of SMMEs supported through the implementation of the business incubation developmental programme	Number of smmes supported	All	10	10	3	2	2	3
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.		Capital expenditure framework	Approved CEF	-	0	1	-	-	-	1
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.		Number of erven planned and surveyed	Number of erven planned and surveyed	-	1400	4000	1000	1000	1000	1000

*Table 31: Strategic Objective 1: Economic Growth through promoting Sol Plaatje Municipality as an economic hub*

### 6.2.2 Strategic Objective 2: Improved Service Delivery

<b>Strategic Objective 2</b>												
<b>Improved Service Delivery</b>												
<b>National KPA: Basic Service Delivery and Infrastructure Development</b>												
Directorate	mSCOA Function – Sub function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Finances	Water Management / Water Distribution	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Number of residential properties which are billed for water or have pre-paid meters that is connected to the municipal water	Number of residential properties which are billed for water or have pre-paid meters by 30 June 2024	All	46 685	46 685	46 685	46 685	46 685	46 685

## CHAPTER 6

### Strategic Objective 2 Improved Service Delivery

#### National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target					
								22/23	23/24	24/25	25/26	26/27	
				infrastructure network by 30 June 2024									
Finances	Electricity / Electricity	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Number of residential properties which are billed for electricity or have pre-paid meters by 30 June 2024 (excluding Eskom areas)	Number of residential properties which are billed for electricity or have pre-paid meters by 30 June 2024 (Excluding Eskom areas)	All							
Finances	Wastewater Management / Sewerage	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Number of residential properties connected to the municipal wastewater sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage by 30 June 2024	Number of residential properties which are billed for sewerage by 30 June 2024	All	50844	50844	50844	50844	50844	50844	50844
Finances	Waste Management / Solid waste	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Number of residential properties which are billed for refuse removal by 30 June 2024	Number of residential properties which are billed for sewerage by 30 June 2024	All	50844	50844	50844	50844	50844	50844	50844
Finances	Finance and Administration / Budget and Treasury Office	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2024 (Total actual amount spent on capital projects/Total amount budgeted for capital projects)X100	% of Capital budget spent by 30 June 2024 {Actual amount spent on capital projects /Total amount budgeted for capital projects}X100}	All	100%	90%	90%	90%	90%	90%	90%
Finances	Finance and Administration / Budget and Treasury Office	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	The percentage of the total municipal operational budget spent by 30 June 2024 ((Actual amount spent on total operational budget/Total operational budget)X100)	% of the total municipal operational budget spent by 30 June 2024	All	100%	90%	90%	90%	90%	90%	90%

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### Strategic Objective 2 Improved Service Delivery

#### National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Community Services	Community and Social Services / Libraries and Archives	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	95% spent of the library operational conditional grant by 30 June 2024 {(Actual expenditure divided by the total grant received) x 100}	% of the library operational conditional grant spent by 30 June 2024 {(Actual expenditure divided by the total grant received) x 100}	All	95%	95%	95%	95%	95%	95%
Community Services	Community and Social Services / Libraries and Archives	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		Number of reading outreach programmes conducted at all libraries	Number of outreach programmes held	All	60	60	15	15	15	15
Infrastructure and Services	Electricity / Electricity	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Limit unaccounted for electricity to less than 15% by 30 June 2024 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased} Ã- 100}	% unaccounted for electricity by 30 June 2024	All	15%	15%	15%	15%	15%	15%
Infrastructure and Services	Electricity / Electricity	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		Number of households in Lerato Park connected to the electricity network	Number of households connected to the electricity network	-	1000	-	-	500	500	-
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Implementation of water projects as per the annual project plans <b>(BFI projects)</b>	Percentage completion as per annual project plans	-	0	100%	100%	100%	100%	100%
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Installation of bulk water meters and pressure management	Percentage completion as per project plan	-	0	100%	-	-	-	-

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### Strategic Objective 2 Improved Service Delivery

#### National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Limit unaccounted for water (Non-Revenue Water) to less than 40% by 30 June 2024 {(Number of Kilotres Water Purified - Number of kilolitres Water Sold) / Number of kilolitre’s Water Purified Å-100}	% unaccounted for water (Non-Revenue Water) by 30 June 2024	All	64%	40%	40%	40%	40%	40%
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	99% water quality level achieved as per SANS 241 by 30 June 2024	% water quality level achieved as per SANS 241 criteria by 30 June 2024	All	90%	95%	98%	99%	99%	99%
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	80% waste water effluent quality level achieved as per National Effluent Quality Standards, by 30 June 2024	% waste water effluent quality level achieved as per National Effluent Quality Standards, by 30 June 2024	All	56%	65%	75%	80%	80%	80%
Infrastructure and Services	Roads	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>highest prioritised need (21%)</b>	tbc	90% spent of the budget to upgrade <b>roads and stormwater</b> by 30 June 2024 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)}	Percentage of budget spent by 30 June 2024	All	100%	90%	90%	90%	90%	90%
Infrastructure and Services	Roads	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>highest prioritised need (21%)</b>	tbc	Number of square metres of roads to be patched	Square metres of road to be patched	All	100 000 m2	150 000 m2	37,5 000	37,5 000	37,5 000	37,5 000
Infrastructure and Services	Roads	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver		Distance of kilometres of residential roads upgraded from gravel to a paved surface	Number of kilometres paved	-	4km	5km	1,25km	1,25	1,25km	1,25km

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### Strategic Objective 2 Improved Service Delivery

#### National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
		such services in a sustainable manner – <b>highest prioritised need (21%)</b>										
Infrastructure and Services	Roads & storm	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>highest prioritised need (21%)</b>		Distance of kilometres of stormwater channels lined	Distance of kilometres of stormwater channels lined	-	0	2.5km			1.25km	1.25km
Infrastructure and Services	Wastewater Management / Sewerage	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	90% spent of the budget to provide <b>sanitation</b> by 30 June 2024 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)}	Percentage of budget spent by 30 June 2024	All	100%	90%	90%	90%	90%	90%
Infrastructure and Services	Electricity / Electricity	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	90% spent of the budget to provide <b>streetlights and high-mast lighting</b> by 30 June 2024 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)}	Percentage of budget spent by 30 June 2024	All	100%	90%	90%	90%	90%	90%
Infrastructure and Services	Fleet	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	100% procurement of identified fleet as per the fleet replacement plan (number of vehicles delivered out of the number of vehicles identified for purchase x100)	Percentage of identified fleet delivered		100%	-	-	-	-	100%
Community and social development	Sport and recreation	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	90% spent of the budget to provide <b>sport and recreation facilities</b> by 30 June 2024 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)}	Percentage of budget spent by 30 June 2024	All	100%	90%	90%	90%	90%	90%

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### Strategic Objective 2 Improved Service Delivery

#### National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Infrastructure and Services	Wastewater Management / Sewerage	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Upgrade water and electricity infrastructure (replace 8000 water meters)	Number of pre-paid water meters replaced by 30 June 2024	All	8000	-	8000	-	-	-
Infrastructure and Services	Wastewater Management / Sewerage	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Upgrade water and electricity infrastructure (replace 8000 prepaid electricity meters)	Number of pre-paid water meters replaced by 30 June 2024	All	8000	-	8000	-	-	-
Infrastructure and Services	-	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Safeguarding of municipal assets to restrict vandalism of municipal infrastructure	Percentage of municipal assets provided with security	All	100%	90%	90%	90%	90%	90%
Community and social development	Cemeteries	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	% Maintenance of cemeteries as per the annual maintenance plan	% Maintenance	All	100%	25%	25%	25%	25%	25%
Community and social development	Sport and recreation	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	% Maintenance of municipal community halls as per the annual maintenance plan	% Maintenance	All	100%	25%	25%	25%	25%	25%
Community and social development	Sport and recreation	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	% Maintenance of municipal stadiums pools as per the annual maintenance plan	% Maintenance	All	100%	<b>25%</b>	25%	25%	25%	25%

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### Strategic Objective 2 Improved Service Delivery

#### National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Community and social development	Sport and recreation	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	% Maintenance of municipal community swimming pools as per the annual maintenance plan	% Maintenance	All	100%	100%	100%	100%	100%	100%
Community and social development	Sport and recreation	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	% Maintenance of usable community parks as per the annual maintenance plan	% Maintenance	All	100%	100%	100%	100%	100%	100%
Community and social development	Health and safety	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	Plan and conduct roadblocks	Number of roadblocks conducted	-	6	8	8	8	8	8
Community and social development	Health and safety	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	Plan and conduct stop and check points to improve road safety	Number of stop and checkpoints conducted	-	-	36	36	36	36	36
Community and social development	Health and safety	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	Conduct quarterly awareness for HIV, STI and TB	Number of awareness campaigns conducted	-	4	4	4	4	4	4
Community and social development	Health and safety	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver	tbc	Conduct monthly inspections of food premises	Number of inspections	-	1800	1800	1800	1800	1800	1800

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<b>Strategic Objective 2</b>												
<b>Improved Service Delivery</b>												
<b>National KPA: Basic Service Delivery and Infrastructure Development</b>												
Directorate	mSCOA Function – Sub function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
		such services in a sustainable manner – <b>prioritised need (10%)</b>										
Community and social development	Health and safety	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>		Conduct monthly inspections to ensure compliance to legislation	Number of inspections	-	1800	1200	1200	1200	1200	1200

Table 32: Strategic Objective 2: Improved Service Delivery

### 6.2.3 Strategic Objective 3: Good, clean and transparent Governance and Public participation

<b>Strategic Objective 3</b>												
<b>Good, clean and transparent governance and public participation</b>												
<b>National KPA: Good Governance and Public Participation</b>												
Directorate	mSCOA Function / Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Corporate Services	Finance and Administration / Administrative and Corporate Support	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	Compile the final Annual Report for 2022/23 and submit to council by 31 March 2024	Final Annual Report for 2022/23 submitted to council by 31 March 2024	All	1	1	1	1	1	1
Corporate Services	Finance and Administration / Risk management	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	Develop a Risk Based Audit Plan and submit to the audit committee for consideration by 30 June 2024	Risk Based Audit Plan developed and submitted to the audit committee by 30 June 2024	All	1	1	1	1	1	1

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### Strategic Objective 3 Good, clean and transparent governance and public participation

#### National KPA: Good Governance and Public Participation

Directorate	mSCOA Function / Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Corporate Services	Finance and Administration / Risk management	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	Report quarterly on the progress of risk mitigation to the MM and EMT	Quarterly reports on strategic risk register	All	1	4	4	4	4	4
Corporate Services	Finance and Administration / Risk management/ internal audit	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	Number of audits conducted as per the internal audit plan	Number of internal audits conducted	All	1	20	20	20	20	20
Corporate Services	Finance and Administration / Risk management/ internal audit	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	Develop and Submit an audit action plan to the MM to address matters raised by the auditor general within 30days after the end of the audit	Developed and submitted audit action plan	All	1	1	1	1	1	1
Corporate Services	Planning and Development / Corporate Wide Strategic Planning	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	Compile the final IDP and submit to council by 31 May annually	Final IDP submitted to Council by 31 May 2024	All	1	1	1	1	1	1
Corporate Services	Finance and Administration / Administrative and Corporate Support	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	Submit the oversight report for 2022/23 on the Annual Report to council by 31 March annually	Oversight Report for 2022/23 submitted to council by 31 March 2024	All	1	1	1	1	1	1
Corporate Services	Finance and Administration / Administrative and Corporate Support	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	Investigate the possibility to update all municipal policies and standards	Investigation report	All	1	1	-	-	-	1
Corporate Services	Finance and Administration / Administrative	Good governance systems are maintained in order to support proper communication and a healthy	tbc	To disseminate on a monthly basis the electronic municipal newsletter through social media platforms	Monthly distribution	All	0	12	3	3	3	3

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<b>Strategic Objective 3</b>												
<b>Good, clean and transparent governance and public participation</b>												
<b>National KPA: Good Governance and Public Participation</b>												
Directorate	mSCOA Function / Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
	and Corporate Support	administration working towards a clean audit										
Corporate Services	Finance and Administration / Administrative and Corporate Support	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	To respond to all media enquiries and issue media statements within 24hrs after an occurrence	Response times after an event has occurred	All	24hrs	24hrs	24hrs	24hrs	24hrs	24hrs

*Table 33: Strategic Objective 3: Good, clean and transparent Governance and Public Participation*

### 6.2.4 Strategic Objective 4: Establishment of healthy financial management

<b>Strategic Objective 4</b>												
<b>Establishment of healthy financial management</b>												
<b>National KPA: Municipal Financial Viability and Management</b>												
Directorate	mSCOA Function / Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Finances	Finance and Administration / Finance	The municipality is financially viable to deliver services to the community	tbc	Provide free basic water to indigent households earning less than R4 500 by 30 June 2024	Number of households receiving free basic water by 30 June 2024	All	11657	11 800	11 800	11 800	11 800	11 800
Finances	Finance and Administration / Finance	The municipality is financially viable to deliver services to the community	tbc	Provide free basic electricity to indigent households earning less than R4 500 by 30 June 2024	Number of households receiving free basic electricity by 30 June 2024	All	11657	11 800	11 800	11 800	11 800	11 800
Finances	Finance and Administration / Finance	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	Provide free basic sanitation to indigent households earning less than R4 500 by 30 June 2024	Number of households receiving free basic sanitation by 30 June 2024	All	11657	11 800	11 800	11 800	11 800	11 800
Finances	Finance and Administration / Finance	The municipality has a system in place to track spending in terms of budget	tbc	Provide free basic refuse removal to indigent households	Number of households receiving free basic refuse removal by 30 June 2024	All	11657	11 800	11 800	11 800	11 800	11 800

## CHAPTER 6

### Strategic Objective 4 Establishment of healthy financial management

#### National KPA: Municipal Financial Viability and Management

Directorate	mSCOA Function /Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
		allocations and is financially viable to deliver services to the community		earning less than R4 500 by 30 June 2024								
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	Financial viability measured in terms of the municipality's ability to meet its service debt obligations by 30 June 2024 {Debt to Revenue (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant}	% Debt coverage by 30 June 2024	All						
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	Maintain the debt coverage ratio of 2:1 against net assets of the municipality by 30 June 2023 Current Assets / Current Liabilities	Debt coverage ratio	All	2:1	2:1	2:1	2:1	2:1	2:1
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	"Reduce net debtor days to 300 days by 30 June ((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue) × 365	Net debtor days	All	300	250	250	250	250	250
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services by 30 June {Net Service debtors to revenue - (Total outstanding service debtors minus provision for bad debt)/ (revenue received for services) x100}	% outstanding service debtors by 30 June 2024	All	28,2%	14%	14%	14%	14%	14%
Finances	Finance and Administration /	The municipality has a system in place to track spending in terms of budget	tbc	Financial viability measured in terms of the available cash to	Cost coverage ratio by 30 June 2024	All	0.91	1	1	1	1	1

## CHAPTER 6

### Strategic Objective 4 Establishment of healthy financial management

#### National KPA: Municipal Financial Viability and Management

Directorate	mSCOA Function /Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
	Budget and Treasury Office	allocations and is financially viable to deliver services to the community		cover fixed operating expenditure (Cost coverage ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)								
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	To improve the SCM turnaround time to 12 weeks for annual contracts from closing date to date of award by 30 June (Number of tenders received divided by number of weeks awarded.	Average time in weeks to award tender	All	12 weeks	12 weeks	12 weeks	12 weeks	12 weeks	12 weeks
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	To improve the SCM turnaround time to 6 weeks for annual contracts from closing date to date of award by 30 June (Number of tenders received divided by number of weeks awarded.	Average time in weeks to award tender	-	-	6 weeks	6 weeks	6 weeks	6 weeks	6 weeks
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	Implement the demand management plan and 100% adherence to timeframes	Indicators developed for measuring SCM performance	All	1	-	1	-	-	-
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	95% collection rate and ensure payment based on correct account (receipts/ billingx100)	95% collection rate achieved	All	85%	95%	85%	85%	85%	85%

## CHAPTER 6

### Strategic Objective 4 Establishment of healthy financial management

#### National KPA: Municipal Financial Viability and Management

Directorate	mSCOA Function /Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	Perform an annual cost analysis for each trading services for the new budget by 31 march	Cost analysis reports	All	4	4	4	4	4	4
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	75% reduction of irregular expenditure by 30 June	% of UFW expenditure reported against total budget (capex and opex)	All	-	25%	25%	25%	25%	25%
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	100% elimination of Fruitless & wasteful expenditure by 30 June	% of Fruitless and wasteful expenditure after condonement against total operational expenditure x100	All	-	0%	0%	0%	0%	0%
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	100% Elimination of Unauthorised expenditure by 30 June	% of Unauthorised expenditure after condonement against total operational expenditure x100	All	-	0%	0%	0%	0%	0%
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	% Submission of financial and non financial mSCOA reports on the GoMUNI webbased application by the set deadlines provided by National Treasury. (All reports to be uploaded within 10 working days after the month-end)	% of reports loaded on the GoMuni application	All	-	100%	100%	100%	100%	100%

Table 34: Strategic Objective 4: Establishment of healthy financial management

### 6.2.5 Strategic Objective 5: Improved Institutional Management

## CHAPTER 6

### Strategic Objective 5 Improved Institutional Management

#### National KPA: Institutional Development and Municipal Transformation

Directorate	mSCOA Function / Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Corporate Services	Finance and Administration / Human Resources	The municipality is internally transformed to deliver the services required at an acceptable level with the support administrative systems and skilled staff whose performance is regularly monitored.	tbc	Percentage of people from employment equity target groups appointed in the three highest levels of management during the 2023/24 financial year in compliance with the municipality's approved employment equity plan	% of people that will be appointed in the three highest levels of management in compliance with a municipality's approved employment equity plan	All	66%	66%	66%	66%	66%	66%
Corporate Services	Finance and Administration / Human Resources	The municipality is internally transformed to deliver the services required at an acceptable level with the support administrative systems and skilled staff whose performance is regularly monitored.	tbc	Ensure that the actual spending on employee related costs does not exceed 33% of the total expenditure (employee related costs and councillors remuneration/total operating expenditure)x100	Employee cost as a percentage of total operating cost	All	33%	33%	33%	33%	33%	33%
Corporate Services	Finance and Administration / Human Resources	The municipality is internally transformed to deliver the services required at an acceptable level with the support administrative systems and skilled staff whose performance is regularly monitored.	tbc	Percentage of municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2024 ((Total Actual Training Expenditure/ Total personnel Budget)x100)	(Total expenditure on training/total personnel budget)/100	All	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Corporate Services	Finance and Administration / Human Resources	The municipality is internally transformed to deliver the services required at an acceptable level with the support administrative systems and skilled staff whose performance is regularly monitored.	tbc	Limit vacancy rate to 20% of funded post by 30 June 2024 {(Number of funded posts vacant divided by budgeted funded posts)x100}	(Number of funded posts vacant divided by budgeted funded posts)x100	All	0%	20%	20%	20%	20%	20%
Corporate Services	Finance and Administration / Human Resources	The municipality is internally transformed to deliver the services required at an acceptable level with the support administrative systems and skilled staff whose performance is regularly monitored.	tbc	Review the Workplace Skills Plan and submit plan to the LGSETA by 30 April 2024	Workplace Skills Plan submitted to LGSETA by 30 April 2024	All	1	1	1	1	1	1

## CHAPTER 6

### Strategic Objective 5 Improved Institutional Management

National KPA: Institutional Development and Municipal Transformation

Directorate	mSCOA Function / Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Corporate Services	Finance and Administration / Human Resources	The municipality is internally transformed to deliver the services required at an acceptable level with the support administrative systems and skilled staff whose performance is regularly monitored.	tbc	Review organogram to be aligned with strategy and comply with R890 by 30 June 2024	Organogram reviewed by 30 June 2024	All	1	-	1	-	-	-
Corporate Services	Finance and Administration / Human Resources	The municipality is internally transformed to deliver the services required at an acceptable level with the support administrative systems and skilled staff whose performance is regularly monitored.	tbc	Document and distribute standard operation procedures to every municipal directorate by 30 June 2024	Standard Operating Procedures documented and provided to municipal directorates by 30 June 2024	All	1	-	1	-	-	-

Table 35: Strategic Objective 5: Improved Institutional Management

## CHAPTER 6

### 6.3 MUNICIPAL RISK MANAGEMENT

Risk Management is one of management's core responsibilities according to section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of a municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis and (preferably) before such risks can impact negatively on the service delivery capacity of the Sol Plaatje Municipality. The following risks have been identified with actions to mitigate these risks being considered.

Risk Management		
Risk description	Risk background	Action/controls
<b>Backlog and ageing infrastructure</b>	<ul style="list-style-type: none"> <li>• Growing population and demand for municipal services.</li> <li>• Highest population densities are in lower-income neighbourhoods with sub-standard quality of services.</li> <li>• Limited upgrading and maintenance of infrastructure due to a lack of funds.</li> <li>• High water and electricity losses.</li> </ul>	<ul style="list-style-type: none"> <li>• Densification of urban areas.</li> <li>• Timeous spending of funds.</li> <li>• Seek alternative sources of funding.</li> <li>• Implement fleet management policy.</li> <li>• Efficient staff and equipment utilisation.</li> </ul>
<b>Deteriorating socio-economic conditions</b>	<ul style="list-style-type: none"> <li>• High rate of unemployment, poverty and social grant dependence.</li> <li>• Housing backlogs, overcrowding and increase of informal dwellings.</li> <li>• Disparate levels of services/opportunities in urban areas.</li> <li>• Decline in economic growth and business environment in CBD</li> <li>• Immobility of communities and access to information.</li> <li>• Limited building activity, i.e. construction of residential and non-residential buildings.</li> <li>• Theft and vandalism of infrastructure in the entire municipal area.</li> </ul>	<ul style="list-style-type: none"> <li>• Support to SMMEs/private sector.</li> <li>• Implementation of supply chain as local economic lever.</li> <li>• Provide training programmes for youth and unemployed.</li> <li>• Seek alternative sources of funding.</li> <li>• Provide well-located serviced erven.</li> <li>• Budget allocations must be based on prioritised needs.</li> <li>• Utilising national government poverty alleviation programmes.</li> <li>• Revitalise CBD through focussed inner-city upgrading programmes.</li> </ul>
<b>Sustained municipal financial viability<sup>28</sup></b>	<ul style="list-style-type: none"> <li>• Fluctuating grant allocations to Sol Plaatje Municipality.</li> <li>• Changing patterns in revenue. Sustainability of revenue generation due to reduced electricity demand.</li> <li>• Ability to meet short- and long-term obligations.</li> <li>• Increasing levels of compliance for Municipality.</li> <li>• Low collection rate that is not improving.</li> <li>• Non-payment culture of municipal services.</li> <li>• Under-funded mandates such as resorts, health and libraries.</li> <li>• Inability to improve qualified audit outcome since 2017/18.</li> <li>• Over expenditure on capex performance.</li> <li>• Total borrowing to Operating Revenue is 7.9%</li> <li>• Current assets/current liabilities ratio: 1.9</li> <li>• Solvency ratio (total assets/total liabilities) 2.75</li> </ul>	<ul style="list-style-type: none"> <li>• Align priority projects and associated budgets to strategic objectives.</li> <li>• Prepare and approve a long-term financial plan.</li> <li>• Regular performance monitoring and evaluations (performance management system).</li> <li>• Dedicated revenue and debt collection.</li> <li>• Capital budget investment must be between 10-20% of the total budget.</li> <li>• Capital expenditure must not be less than 85%.</li> <li>• Effective reporting on municipal finances.</li> <li>• Ringfence conditional grants money and refrain from using conditional grants on operations.</li> <li>• Improve collection rates on outstanding debt.</li> <li>• Personnel budget must be limited to 25 and 40%.</li> <li>• Make affordable repayment arrangements with creditors.</li> </ul>

<sup>28</sup> Some of the information obtained from a presentation by National Treasury at the Mayoral Strategic Planning Session on 22 and 23 March 2023.

## CHAPTER 6

Risk Management		
Risk description	Risk background	Action/controls
	<ul style="list-style-type: none"> <li>Liquidity ratio (cash + investments/current liabilities) 0.16</li> </ul>	<ul style="list-style-type: none"> <li>Develop a budget funding plan where budget is unfunded and closely monitor the plan.</li> </ul>
<b>Environmental sustainability</b>	<ul style="list-style-type: none"> <li>Degradation of environmental and agricultural assets.</li> <li>Decreasing water resources and contamination of groundwater.</li> <li>Extreme climate conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Address climate vulnerability through adopting and implementing adaptation measures.</li> <li>Implement Water Master Plan together with bwater demand management and conservation.</li> </ul>
<b>Municipal transformation</b>	<ul style="list-style-type: none"> <li>Resignation of skilled officials.</li> <li>Turnover of personnel.</li> <li>Limited number of professionals worsened by recruitment of unqualified officials.</li> </ul>	<ul style="list-style-type: none"> <li>Train and recruit local people.</li> <li>Appropriate HR policies in place.</li> </ul>

Table 36: Risk Management

### 6.4 INVESTMENT/PROJECTS OF OTHER TIERS OF GOVERNMENT AND THE PRIVATE SECTOR

To be completed.

**CHAPTER 7: MUNICIPAL FINANCIAL PLANNING**

This chapter provides an overview of the financial viability of the municipality. It also includes multi-year budgets with a 3-year commitment and a strategy for municipal revenue generation.

**7.1 FINANCIAL VIABILITY**

An important consideration for investors in relocating to or investing in an area, would be the ability of the local authority to adequately provide services. In addition, the following aspects of (local municipal) governance would also determine investor sentiment: (a) financial discipline, (b) affordable tariffs, (c) compliance with statutory requirements, (d) timely preparation and production of financial statements, (e) adherence to generally accepted accounting practices and (f) unqualified audit reports.

**7.1.1 Revenue Raising Strategies**

The municipality will strive to increase its revenue by implementing the following strategies:

- Strategy 1:** Implement a credit control and debt management policy.
- Strategy 2:** Facilitate economic growth to provide opportunities for increased household income enabling households to pay for services.
- Strategy 3:** Ensure that information regarding indigent households is correct.
- Strategy 4:** Install pre-paid meters to secure payment by users.
- Strategy 5:** Ensure effective property rates revenue generation.
- Strategy 6:** Audit own property investment opportunities to generate revenue.

**7.1.2 Expenditure Management Strategies**

The municipality will strive to curb its expenditure by implementing the following strategies:

- Strategy 1:** Reduce expenditure on non-core functions.
- Strategy 2:** Limit operating and capital expenditure to essential items.
- Strategy 3:** Investigate and limit water and electricity losses.
- Strategy 4:** Limit employee related expenditure.
- Strategy 5:** Reduce interest and redemption expenditure by using borrowing as a last resort.
- Strategy 6:** Identify biggest expenditure loss leaders and address gaps.

## 7.2 FINANCIAL MANAGEMENT

### 7.2.1 Total Revenue

The projected total revenue amounts to about R2,719,603,794 (excluding capital transfers and contributions). The major revenue items are as follows:

Major Revenue Item					
Revenue Source	2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2025/26 (R'000)	2026/27 (R'000)
Property rates	627 645	660 893	706 942	746 365	-
Service Charges	1 373 211	1 517 255	1 664 237	1 825 804	-
Operational grants	258 117	281 921	302 302	328 342	-
Other own revenue	18 144	18 713	19 794	20 881	-
<b>Total revenue</b>	<b>903 906</b>	<b>961 527</b>	<b>1 029 038</b>	<b>1 095 588</b>	<b>-</b>

*Table 37: Major Revenue Item*

### 7.2.2 Property rates

Total projected property rates amount to R660,893,479 including the average proposed rate increases of 5.3% plus implementation of the supplementary valuation roll.

### 7.2.3 Service charges

Services charges relating to electricity, water, sanitation and refuse removal constitutes 51.72% of the total revenue (excluding capital transfers) of the Municipality.

### 7.2.4 Revenue by source

The different proposed tariff increases in water, sanitation and refuse revenue ranges from 4.9% to 5.3%. Electricity tariff is fixed at 15% increase.

### 7.2.5 Expenditure by type

Total expenditure excluding capital expenditure amounts to R2,691,252,374.

Major Expenditure Item					
Expenditure Item	2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2025/26 (R'000)	2026/27 (R'000)
Employee Related Cost	849 403	881 637	963 474	1 016 709	-
Councillor remuneration	34 547	35 558	37 336	39 390	-
Depreciation	81 050	86 650	91 153	96 166	-
Finance Charges	38 960	20 094	18 501	16 714	-
Bulk purchases	682 000	785 000	901 600	1 016 103	-

## CHAPTER 7

Major Expenditure Item					
Expenditure Item	2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2025/26 (R'000)	2026/27 (R'000)
Transfer and grants	4 460	4 560	4 569	4 678	-
Debt impairment	297 000	317 500	336 730	356 179	-
Contracted services	46 437	48 113	50 947	57 798	-
Other expenditure	162 464	145 038	152 739	161 073	-
<b>Total expenditure</b>	<b>2 196 321</b>	<b>2 324 150</b>	<b>2 557 049</b>	<b>731 998</b>	<b>-</b>

Table 38: Major Expenditure Item

### 7.2.6 Employee related costs

Employee related cost increased from R883,950,455 (2022/23) to a projected expenditure of almost R917,196,218 for the 2023/24 financial year. This represents about 34.08% of the total operating expenditure.

## 7.3 CAPITAL AND OPERATIONAL BUDGET ESTIMATES

### 7.3.1 Capital Budget (summary)

The next table indicates the capital budget as per funding source:

Medium Term Capital Budget					
Capital expenditure by KPA	2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2025/26 (R'000)	2026/27 (R'000)
Local Economic Development	8 300	0	0	0	-
Basic Service Delivery and Infrastructure Development	180 593	249 473	653 283	728 146	-
Municipal Institutional Development and Transformation	0	0	0	0	-
Municipal Financial Viability and Management	0	0	0	0	-
Good Governance and Public Participation	0	0	0	0	-
<b>Total Capital Expenditure - Functional</b>					
Government (national)	134 338	214 233	604 187	692 646	-
Borrowing	0	0	0	0	-
Internally generated funds	55 705	35 240	49 096	35 500	-

Table 39: Medium Term Capital Budget

### 7.3.2 Operational Budget (summary)

## CHAPTER 7

See §7.5.

### 7.4 FUNDED PROJECTS (CAPITAL) BY MUNICIPAL STRATEGIC OBJECTIVE

Capital expenditure by KPA and Municipal Strategic Objective <sup>29</sup>	Budget Year 1 (R000)	Budget Year 2 (R000)	Budget Year 3 (R000)	Budget Year 4 (R000)	Budget Year 5 (R000)
<b><u>Municipal Strategic Objective 2:</u></b>	241 973	627 216	701 261		
Improved Service Delivery					
Township establishment (various wards)	5000	-	-	-	-
PHDA planning & surveying	10 000	-	-	-	-
ACQ – fleet replacement	5000	-	-	-	-
Lining of stormwater channels - Galeshewe	2000	-	-	-	-
P-CIER RDS roads	20 000	-	-	-	-
Upgrade gravel roads (various wards)	20 000	-	-	-	-
Distribution ACQ – water meter replacement	2000	-	-	-	-
BFI projects – water infrastructure					
<ul style="list-style-type: none"> <li>• Fencing and access control at the old and new water treatment plants: R6 304 373</li> <li>• Upgrading and replacement of existing transformer and pump station repairs: R25 596 197</li> <li>• Upgrade of the old chlorine dosing station and replacement of sand filters (old Riverton treatment plant): R40 662 890</li> <li>• Upgrade of the old chlorine dosing station and replacement of sand filters (New Riverton treatment plant): R16 294 435</li> <li>• Installation of bulk water meters and pressure management: R11 559 031</li> </ul>	104 740	-	-	-	-
Newton reservoir leak repair (BFI project not confirmed for 2023/24 )	12 066 611				
Water pipes refurbishment (various wards)	19 207	-	-	-	-
Electrification	48 026	-	-	-	-
EEDSM projects	4000	-	-	-	-
Capital spares ACQ – pre-paid meters	2000	-	-	-	-
<b><u>Municipal Strategic Objective3:</u></b>	7500	26 067	26 895	-	-
Good, clean and transparent Governance and Public Participation					
ACQ-furniture and office equipment replacement	3000	-	-	-	-
ACQ-computer equipment replacement	4500	-	-	-	-
<b>Total Capital Expenditure</b>	249 473	653 283	728 146	-	-

<sup>29</sup> NC091 Sol Plaatje - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

## CHAPTER 7

Table 40: Capital Expenditure by Strategic Objective

### 7.5 OPERATIONAL EXPENDITURE BY MUNICIPAL STRATEGIC OBJECTIVE

Operational expenditure by Municipal Strategic Objective <sup>30</sup>	Goal	Budget Year 1 (R000)	Budget Year 2 (R000)	Budget Year 3 (R000)	Budget Year 4 (R000)	Budget Year 5 (R000)
<b>Municipal Strategic Objective 1:</b> Economic growth through promoting Sol Plaatje Municipality as an economic hub	To ensure effective spatial planning and development in order to establish a competitive economic position	32 169	34 648	36 553		
	Marketing the municipality as premier destination for tourism and investment	7 503	7 915	8 351		
	To capacitate SMME's and local entrepreneurs	3 564	3 761	3 967		
	To position the market as a productive and profitable section of the municipality.	6 073	6 407	6 760		
<b>Municipal Strategic Objective 2:</b> Improved Service Delivery	To ensure sustainable delivery of community services (personal including environmental health, emergency and traffic services) to all residents of SPM.	177 201	200 643	211 222		
	To address the poor condition of the roads in the Sol Plaatje area	61 489	49 484	52 415		
	To ensure the availability of critical service delivery tools at all times (fleet management)	24 923	26 419	28 268		
	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	99 764	89 951	95 122		
	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	1 010 065	1 140 041	1 268 156		
	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	282 361	297 254	313 602		
	To ensure management of the quality of the drinking water and wastewater through compliance with the applicable legislation	123 729	130 031	136 660		
	Development of suitably located and affordable housing (shelter) and decent human settlements	26 752	28 176	29 771		
	To build equitable, cohesive, sustainable and caring communities with improved access to work and social amenities, including sports and recreational facilities (community development and optimal access/inclusion).	61 593	71 713	75 657		

<sup>30</sup> NC091 Sol Plaatje - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

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Operational expenditure by Municipal Strategic Objective <sup>30</sup>	Goal	Budget Year 1 (R000)	Budget Year 2 (R000)	Budget Year 3 (R000)	Budget Year 4 (R000)	Budget Year 5 (R000)
<b><u>Municipal Strategic Objective 3:</u></b> Good, clean and transparent Governance and Public Participation	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	24 487	26 307	27 789		
	To promote community participation and communication	6 971	7 377	7 782		
	To facilitate and promote Inter-governmental relations programmes and projects on a continuous basis.	59 173	62 250	65 674		
<b><u>Municipal Strategic Objective 4:</u></b> Establishment of healthy financial management	Enhance revenue through leveraging alternate sources of funding and identifying new revenue streams	19 807	23 970	25 288		
	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	137 148	150 893	159 241		
<b><u>Municipal Strategic Objective 5:</u></b> Improved Institutional Management	To enable effective training and skills development through various initiatives, and partnering with the private sector	23 903	9 606	9 831		
	To improve effective human resource development to staff and Councillors	25 418	26 942	28 423		
	To ensure continuous maintenance and replacement of furniture, office and computer equipment	25 353	27 766	29 293		
	To provide a basis for sustainable municipal performance improvement	390 605	407 056	430 215		
<b>Total Expenditure (Operational)</b>		<b>2 630 052</b>	<b>2 828 609</b>	<b>3 050 039</b>		

*Table 41: Operational Expenditure by Municipal Strategic Objective*

### CHAPTER 8: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

This chapter provides an overview of the institutional development of the Municipality and must be read together with the analysis provided in Chapter 3.

#### 8.1 INTRODUCTION

Performance Management is prescribed by chapter of the Municipal System Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7 (1) of the afore mentioned regulation states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance, planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players”. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

Performance management (also) fulfils the implementation, management, monitoring and evaluation of the Integrated Development Plan. The performance of an organisation is integrally linked to that of its staff. It is therefore vitally important for any organisation to periodically review its own performance as well as that of its employees.

#### 8.2 HUMAN RESOURCES

Chapter 3 includes reference to the number of employees and vacancies by directorate as well as municipal investment in the capacitation of its employees and councillors (see §3.1.2). It is stated that the Sol Plaatje Municipality has most of the required human resource policies and plans in place. However, one of the biggest challenges remains the recruitment and retention of skilled technical staff in order to meet the resource requirements of the municipality.

The municipality implements a performance management system for all its senior managers. This involves each manager to develop a scorecard which is based on the balanced scorecard model, and the signing of performance agreements by senior managers (Section 57 employees). Middle management is now also included in the system, i.e. performance plans and agreements drafted for staff which form part of middle management (also see §8.5 below).

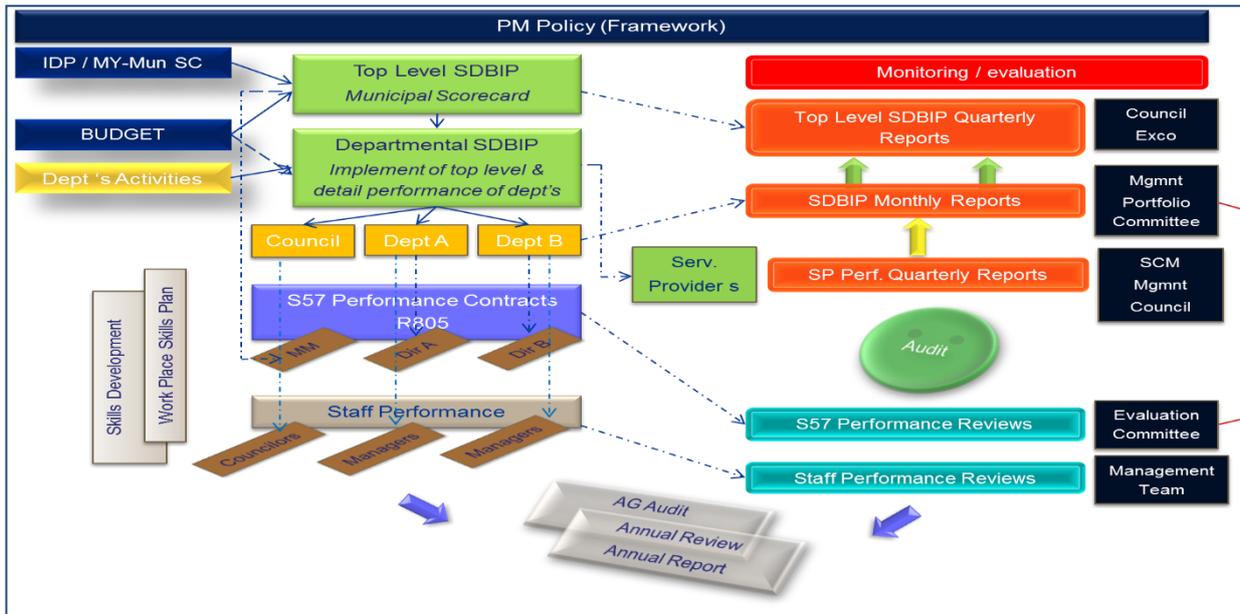
#### 8.3 INFORMATION AND COMMUNICATION TECHNOLOGY

The Sol Plaatje Municipality uses information and communication technology (ICT) in most municipal systems (e.g. GIS), however, such technology also needs to be introduced into Operation & Maintenance and infrastructure management systems. It is a high priority to ensure cooperation between the Municipality and the Sol Plaatje University in the transfer of skills and knowledge in ICT. Please note that the Sol Plaatje University is the first university that offers an Information and Communication Technology (ICT) degree, with cooperation in this field.

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### 8.4 MUNICIPAL PERFORMANCE MANAGEMENT SYSTEM

A Performance Management (PM) System is intended to provide a comprehensive step by step planning system that helps a municipality to manage the process of performance planning and measurement effectively. The PM system serves as primary mechanism to monitor, review and improve the implementation of the municipality IDP and the budget. A performance policy



framework provides for performance implementation monitoring and evaluation at organisational and individual levels. A Performance Management Framework is reflected in the diagram below:

Graph 3: Performance Management System

### 8.5 ORGANISATIONAL PERFORMANCE

The organisation performance of a municipality is evaluated by means of a top-layer service delivery budget implementation plan (SDBIP) for the organisational level and a SDBIP for directorate and departmental levels. The top-layer SDBIP set our consolidated service delivery targets and provides and overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities (see municipal action plans in **Chapter 6**).

The departmental SDBIP captures the performance of each directorate which (also) reflects on the strategic priorities of the municipality. The SDBIP provides the detail of each outcome for which the senior management is responsible, in other words, a comprehensive picture of the performance of each directorate/sub-directorate.

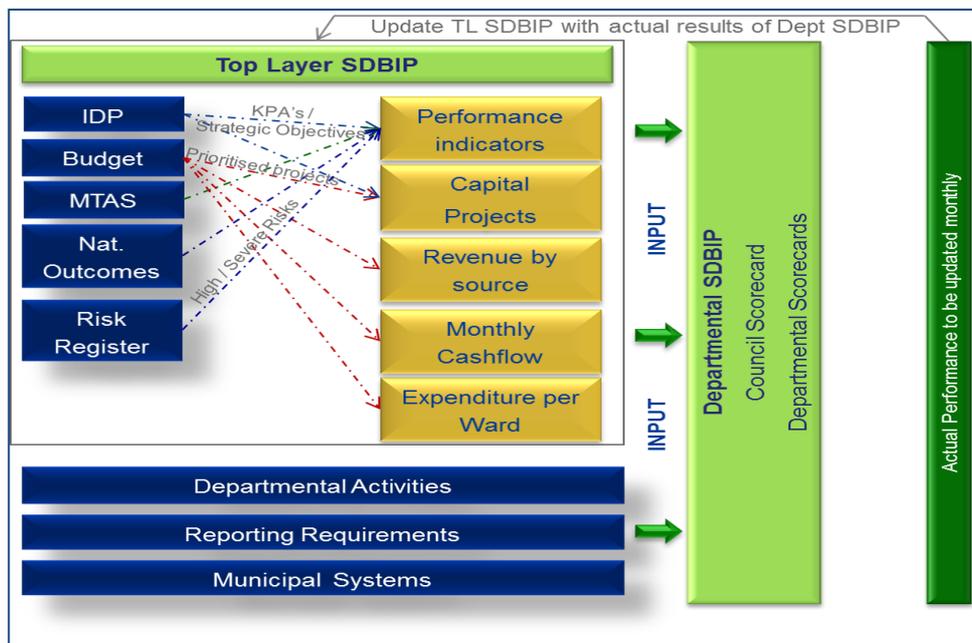
**Municipal performance** is measured in terms of the following:

- **Five-Year Municipal Scorecard** which forms part of the IDP and includes expected outcomes over a 5-year period. The outcome indicators are appropriate metrics to annually track and measure the impact of municipal operations with determinations of outcome 'performance' linked to medium-term target-setting. The Scorecard uses baseline data for

## CHAPTER 8

the most recent year for which data is available and targets set for the outer year of the MTREF 3-year period and a 5-year period. The Annual Report includes reporting on for the last year for which data is available.

- **Top-layer Service Delivery Budget Implementation Plan (SDBIP).** The top-layer SDBIP is a one-year plan and measures the implementation of the approved budget by using output indicators.<sup>31</sup> These indicators speak to “products or services” directly produced or delivered within the control of the municipality and documented in the SDBIP. Targets are measured annually based on quarterly projections by using baseline data for the preceding year, and reported on quarterly, mid-year and annually. The top-layer SDBIP is Included in the annual performance agreements of the municipal manager and senior managers.
- **Departmental SDBIP.** The departmental SDBIP is a one-year operational plan which measures performance at a directorate/departmental level. Indicators included in this plan measures budget performance, service standards, activities required towards achievement of the strategy, performance of managers at a directorate level, and is monitored and reported monthly.



Graph 4: Organisational performance

**Individual performance** is measured as follows:

### Municipal Manager and senior managers

The performance of the Municipal Manager and senior managers is regulated in terms of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (Regulation 805,

<sup>31</sup> Output indicators are used to measure municipal performance that speaks to “products or services” directly produced or delivered within the control of the municipality and documented in the SDBIP.

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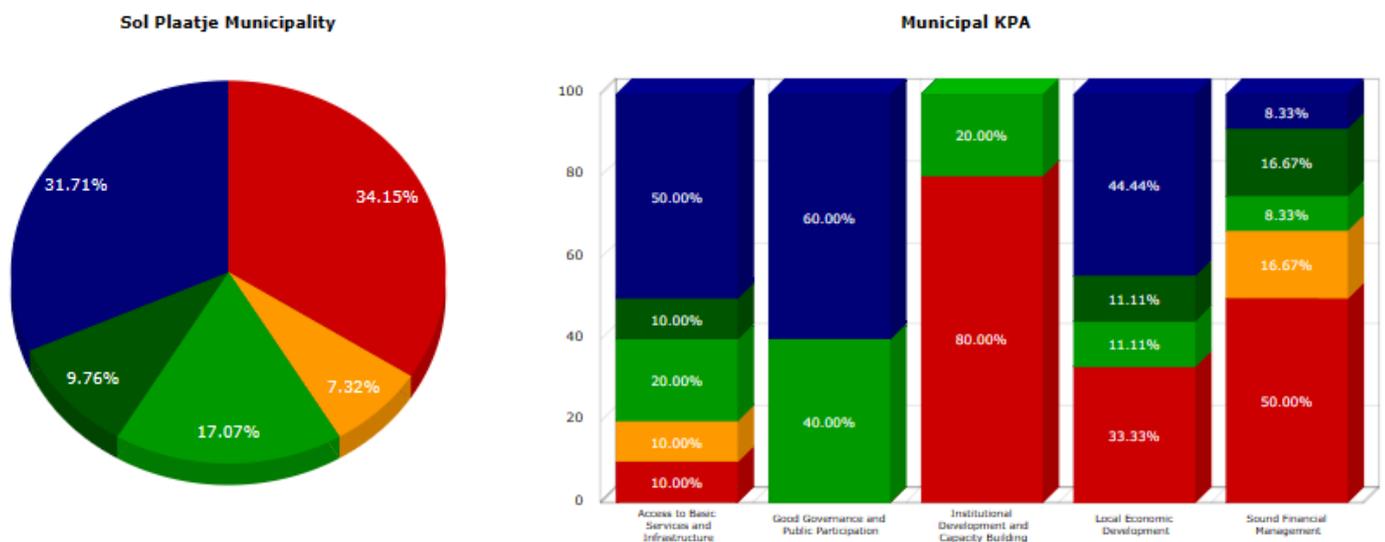
2006). In terms of the aforementioned regulation performance agreements are concluded and measured annually and mid-year and are linked to the top-layer SDBIP.

### All staff (excluding senior managers)

The Minister of Cooperative Governance and Traditional Affairs promulgated the Local Government: Municipal Staff Regulations (Regulation 890) and Guidelines (891) which is effective since 1 July 2022. In terms of the aforementioned regulations performance agreements that include an operational plan, core competencies and skills development plans, must be concluded by 30 July 2022 with all staff, and performance must be measured and evaluated mid-year (end January) and annually by end August. The municipality is in the process of taking the necessary actions to ensure compliance with Regulation 890.

### Municipal performance measured

The graph below shows the municipality's performance as in the Top-Layer SDBIP (mid-year report) for 2022/2023. The following colour coding was used: red – targets not met; orange – targets almost met; light green – targets met; dark green – targets well met; blue – targets extremely well met.



## 8.6 PERFORMANCE REPORTING

Performance is reported on a regular basis, and it includes the evaluation of performance, the identification of poor performance and corrective actions to improve performance (also see table below).

### Quarterly Reports

Reports on the performance in terms of the Top Level SDBIP are generated from the system and submitted to Council. This report is published on the municipal website on a quarterly basis.

### Mid-Year Assessment

## CHAPTER 8

The performance of the first six months of the financial year should be assessed and reported on in terms of Section 72 of the MFMA. This assessment must include the measurement of performance, the identification of corrective actions and recommendations for the adjustment of KPI's, if necessary. The format of the report must comply with the section 72 requirements. This report is submitted to the mayor by 25 January who submits it to Council for approval before 31 January of each year and published on the municipal website.

### Annual Assessment

The performance of the financial year should be assessed at year-end in terms of section 46 of the MSA. The performance in terms of the annual targets set will be documented in the Annual Performance Report and the report will be finalized and submitted to the Office of the Auditor General by 30 August annually. This report will be included in the Annual Report of the municipality. The Annual Report is submitted to Council for approval before 31 January of each year and published for comment on the municipal website.

### Municipal Scorecard<sup>32</sup>

One of the key issues the reform of the MFMA Circular No. 88 has sought to address is the IDP and SDBIP interface, particularly as it relates to how outcome and output indicators are reflected. The SDBIP is concerned with performance information that speaks to “products or services” directly produced or delivered within the control of the municipality, otherwise known as outputs. Whereas the resourcing allocation derived from the prioritisation and strategic direction set out in the IDP should inform the setting of targets for outcome indicators. Hence, the IDP should be concerned primarily with the outcomes and set targets in relation to these over the medium term” (also see municipal action plans in Chapter 6). The completed municipal scorecard will be attached as **Annexure 2** to the final IDP to be considered by Council in May 2023.

Report	Frequency	To whom	Content	Comments
Departmental SDBIP	Quarterly	Municipal Manager, Directors and Portfolio Committees	Actual results achieved against department SDBIP KPI's	NB: Reasons for non-performance and corrective measures
Top Layer SDBIP (Could serve as sec 52 report as well)	Quarterly (Sec 52 within 30 days after end of quarter)	Municipal Manager, Directors and Council	Actual results achieved against Top Layer SDBIP KPI's	NB: Reasons for non-performance and corrective measures
Internal Audit reports on performance results	Quarterly	Council and Performance Audit Committee	Audit outcomes from auditing actual results captured/ indicated/ reported on	Outcomes to be used to rectify KPI's and actuals

<sup>32</sup> Appendix D – Guidance note for outcome indicator planning & reporting for MFMA Circular No. 88, National Treasury.

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Report	Frequency	To whom	Content	Comments
MFMA Sec 52 report	Quarterly (within 30 days after end of quarter)	Municipal Manager, Directors and Council (Copy to PT and NT)	Actual results achieved against Top Layer SDBIP KPI's	NB: Reasons for non-performance and corrective measures
MFMA Sec 72 report	25 January	Executive Mayor (Submit to next Council meeting after 25 January and copy to PT and NT)	Consists of 2 parts PM: Actual results achieved against Top Layer SDBIP KPI' Finance: As prescribed by NT	Use results/outcome to motivate adjustments budget
MSA Sec 46 report	31 August	AGSA, Council	Consist of chapters 3 & 4 of the AR	Must form part of AR
Annual report	Draft: 31 January to Council Final: 31 March to Council with oversight report	AGSA, Council, Audit Committee, Oversight Committee (Copy to PT and NT)	As prescribed	NB: If full draft is submitted earlier to Council, remember that final must be submitted within 2 months after draft has been submitted

*Table 42: Reporting intervals*

### 8.7 ADHERENCE TO CIRCULAR 88 (MFMA)

This municipal scorecard will be completed and included in the final IDP 2023/24 to be presented to Council in May 2023.

## LIST OF ACRONYMS

<b>COGTA</b>	Department of Cooperative Governance and Traditional Affairs
<b>DOE</b>	Department of Energy
<b>DSD</b>	Department of Social Development
<b>DMF</b>	Disaster Management Framework
<b>DWS</b>	Department of Water and Sanitation
<b>EMT</b>	Executive Management Team
<b>EPWP</b>	Expanded Public Work Programme
<b>EPIP</b>	Environmental Protection Infrastructure Programme
<b>GBV</b>	Gender Based Violence
<b>GBVF</b>	Gender Based Violence and Femicide
<b>GVA</b>	Gross Value Added
<b>HIV/AIDS</b>	Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome
<b>IDP</b>	Integrated Development Plan
<b>IEM</b>	Integrated Environmental Management
<b>IGR</b>	Intergovernmental Relations
<b>INEP</b>	Integrated National Electrification Programme
<b>ICT</b>	Information and Communication Technology
<b>LGBTQIA+</b>	Gay, Lesbian, Bisexual, Transgender, Queer, Intersex, and Asexual people collectively
<b>FBDM</b>	Frances Baard District Municipality
<b>NGO</b>	Non-governmental Organisation
<b>NUSP</b>	National Upgrading Support Programme
<b>MIG</b>	Municipal Infrastructure Grant
<b>MFMA</b>	Municipal Financial Management Act
<b>MTREF</b>	Medium-Term Revenue and Expenditure Framework
<b>PESTLE</b>	Political, Economic, Sociological, Technological, Legal and Environmental
<b>PM</b>	Performance Management
<b>PSDF</b>	Provincial Spatial Development Framework
<b>RBIG</b>	Regional Bulk Infrastructure Grant

## REFERENCES

<b>BDP/BNG</b>	Reconstruction and Development Programme/Breaking New Ground
<b>REDZ</b>	Renewable Energy Development Zone
<b>SASSA</b>	South African Social Security Agency
<b>SCM</b>	Supply Chain Management
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework
<b>SMME</b>	Small Medium Micro Enterprise
<b>SPELUM</b>	Spatial Planning and Land Use Management
<b>SPM</b>	Sol Plaatje Municipality
<b>WESSA</b>	Wildlife and Environment Society of South Africa
<b>WSIG</b>	Water Services Infrastructure Grant
<b>WWTW</b>	Wastewater Treatment Works

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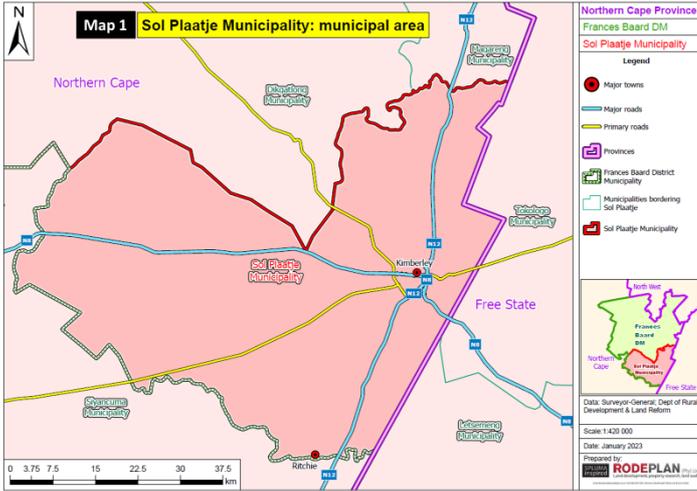
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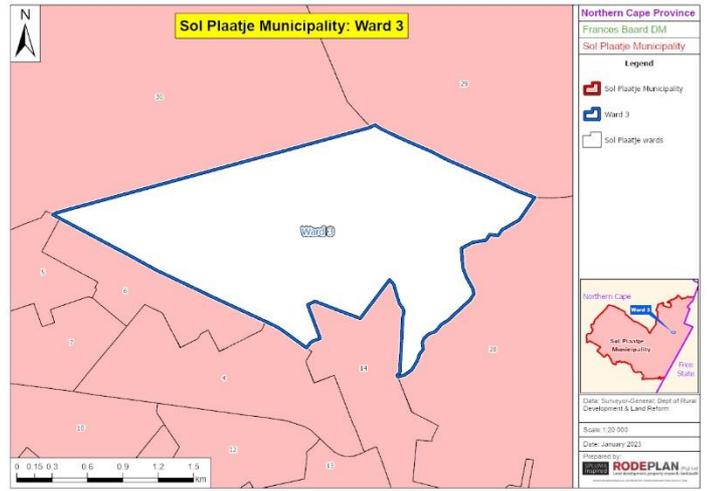
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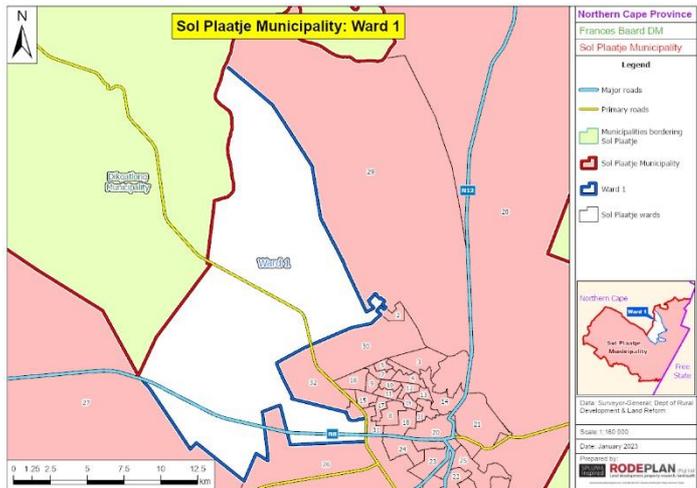
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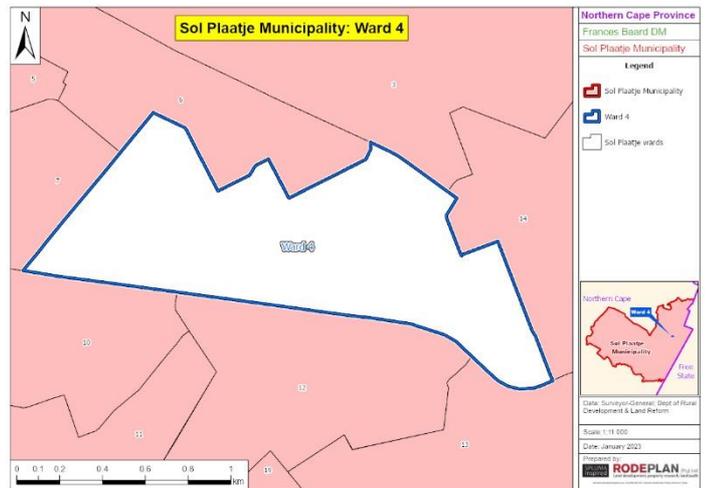
Municipal Area Map



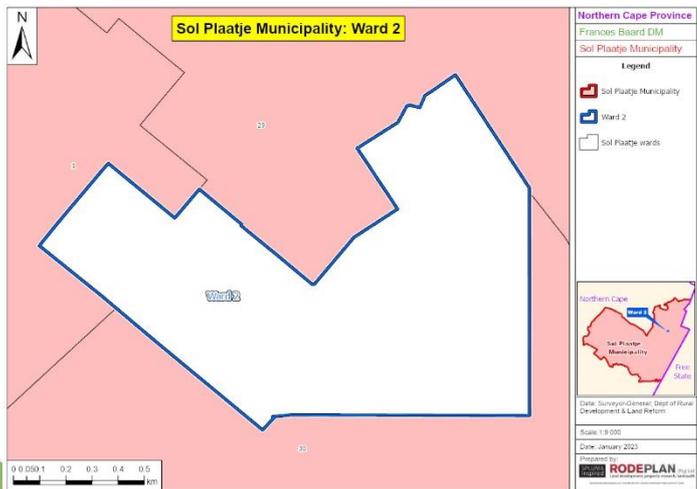
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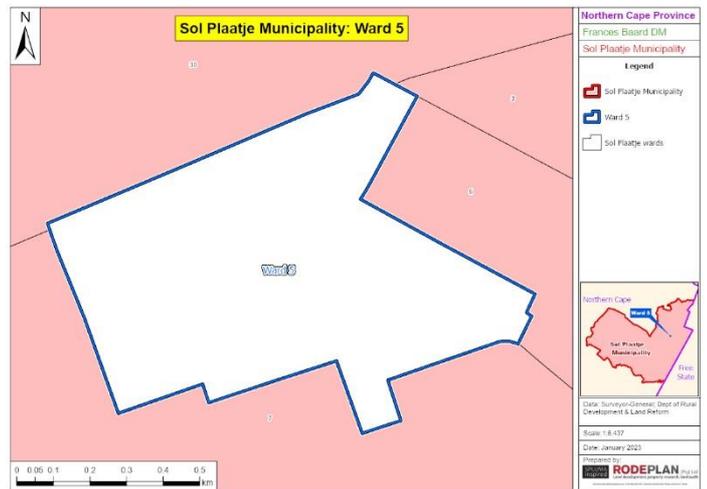
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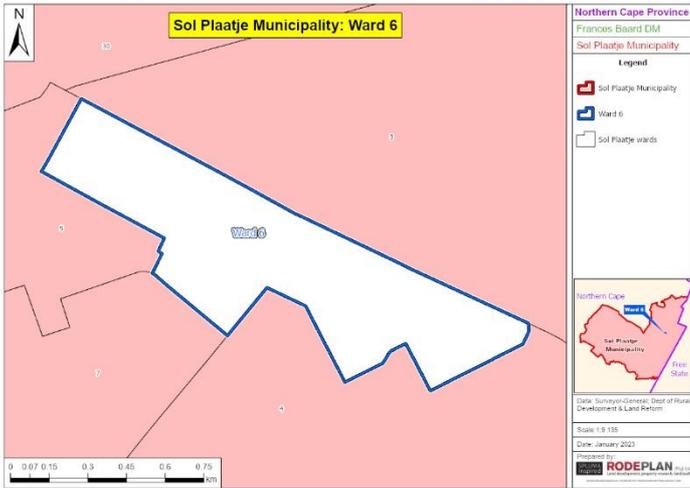


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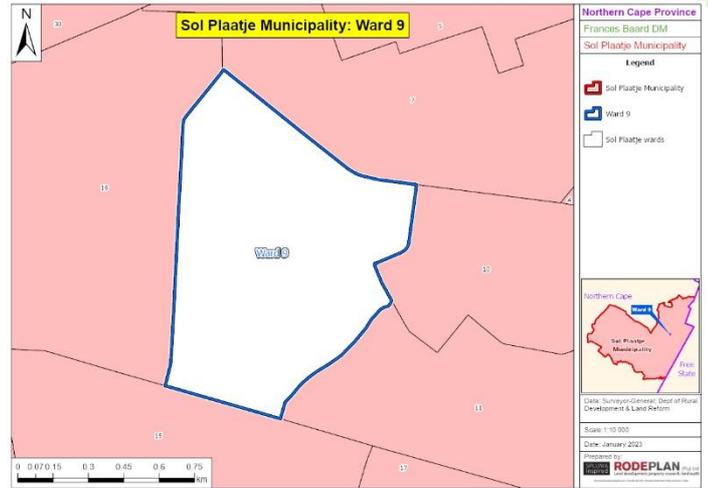


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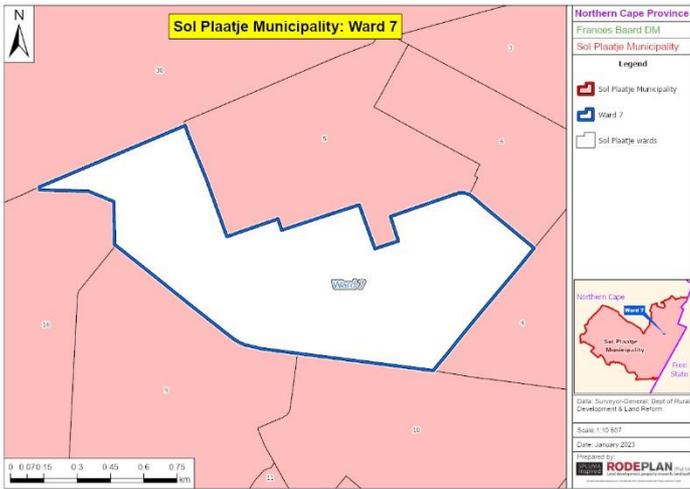
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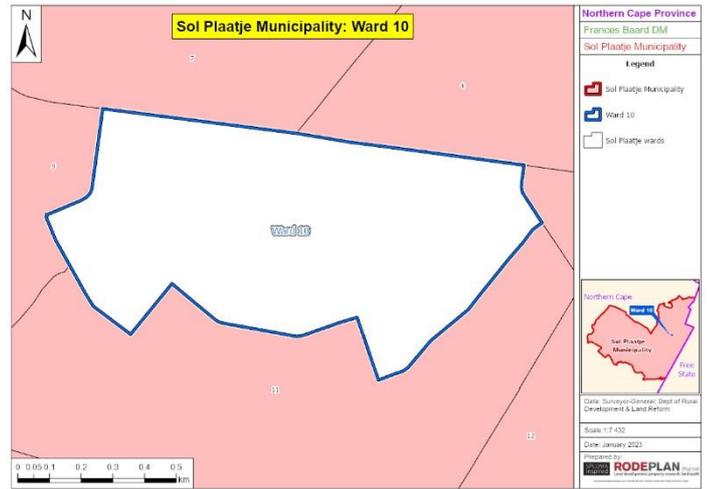
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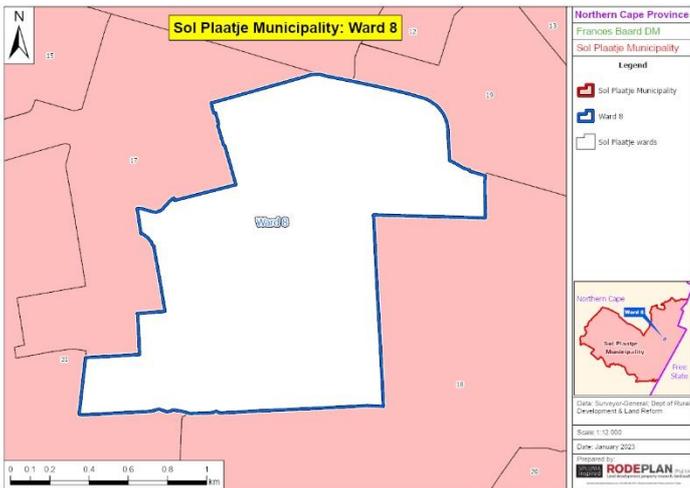
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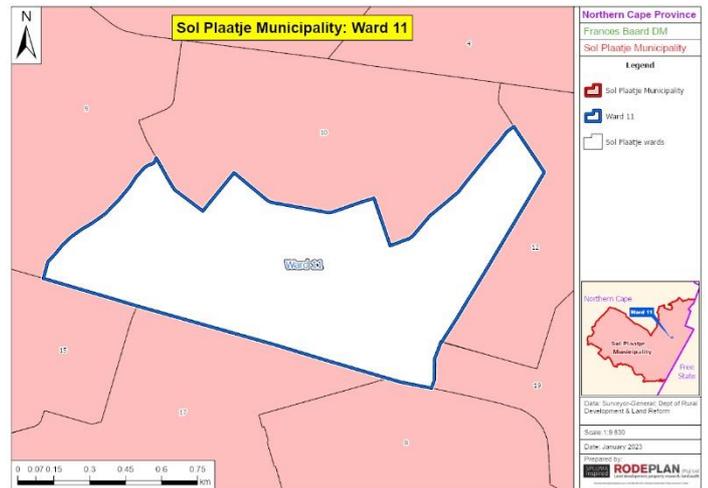
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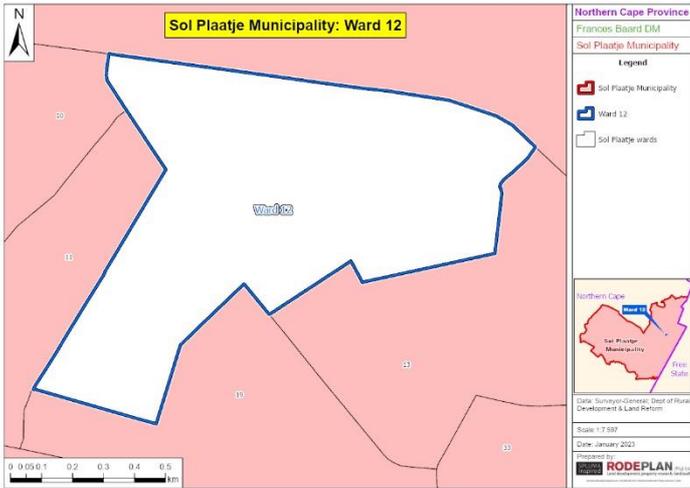


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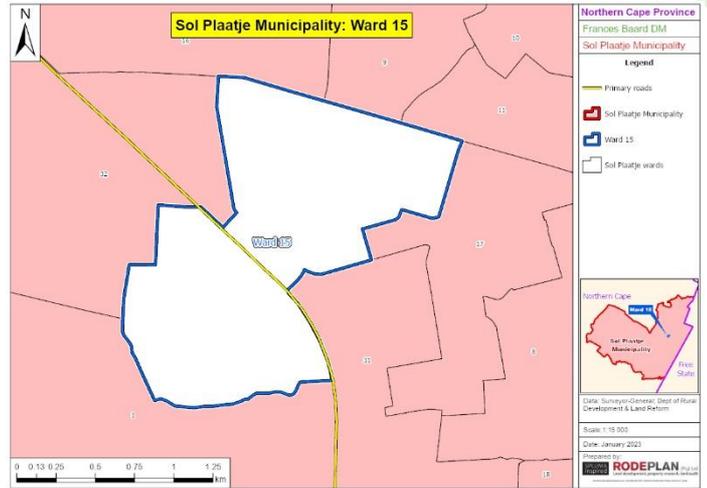


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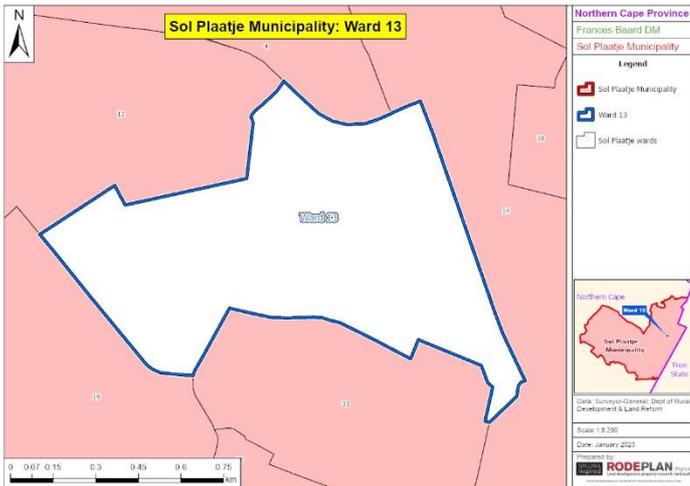
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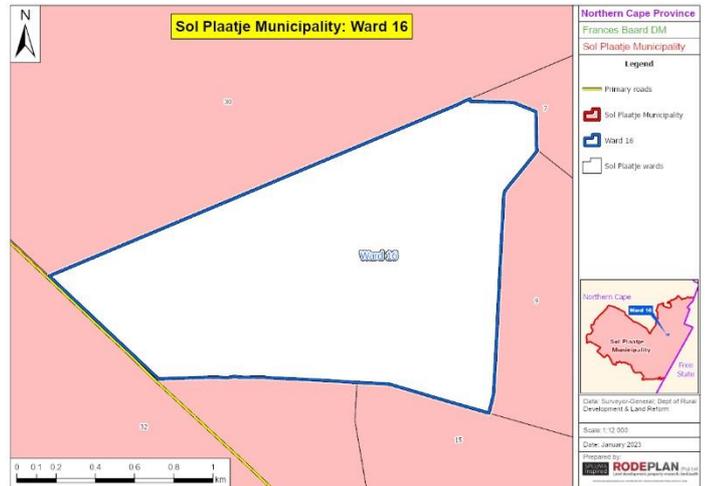
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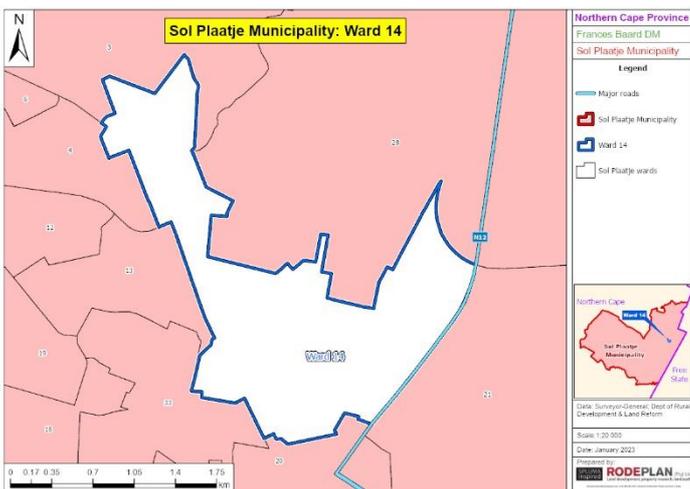
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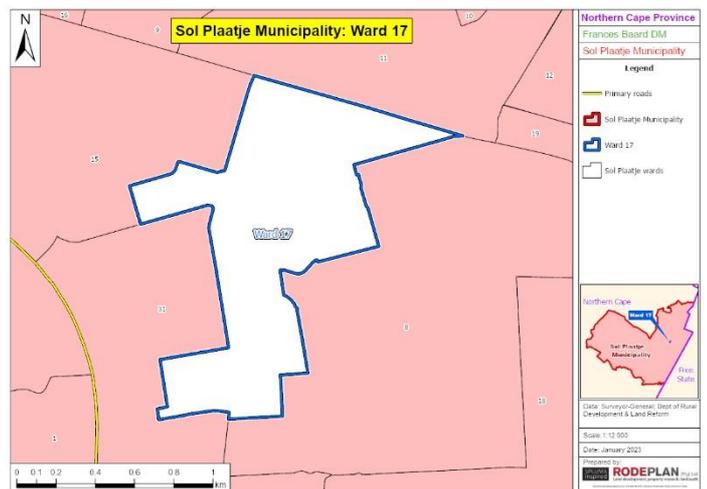
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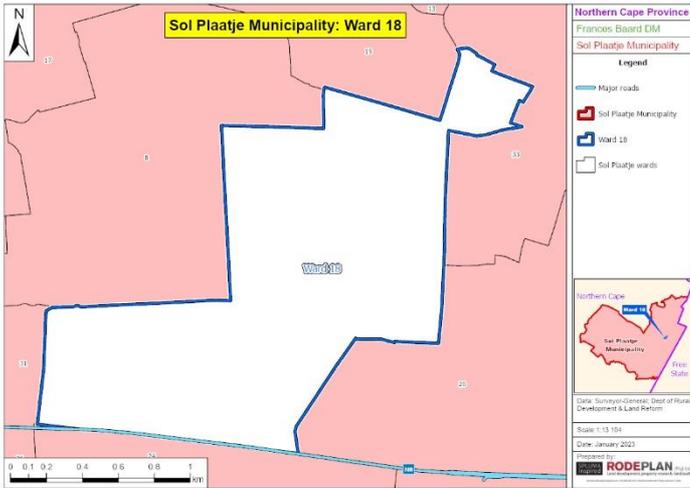


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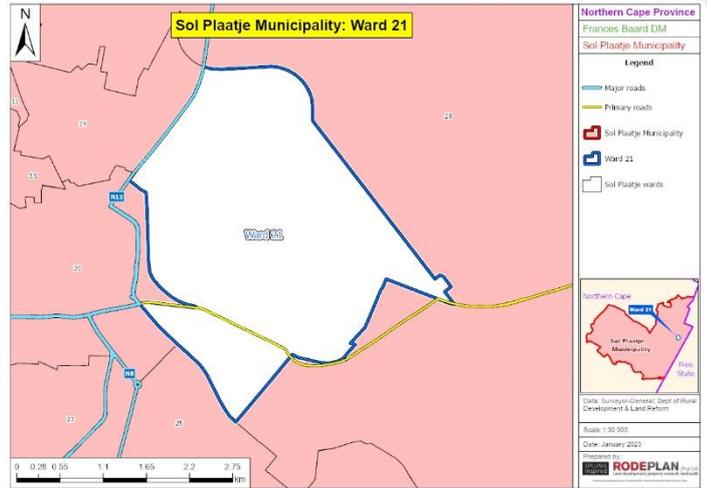


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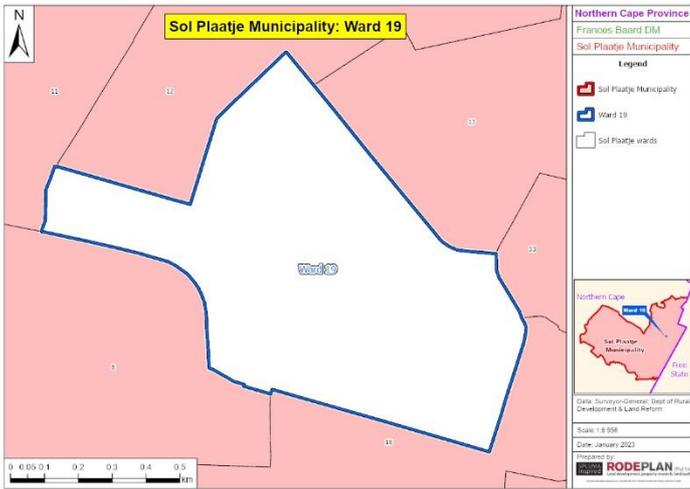
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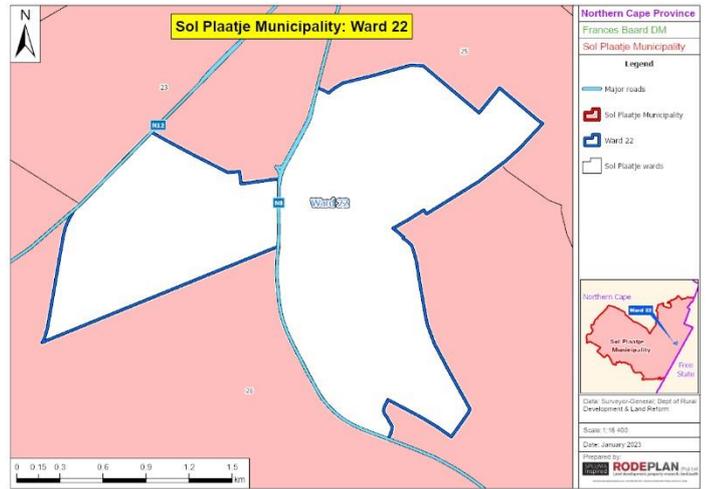
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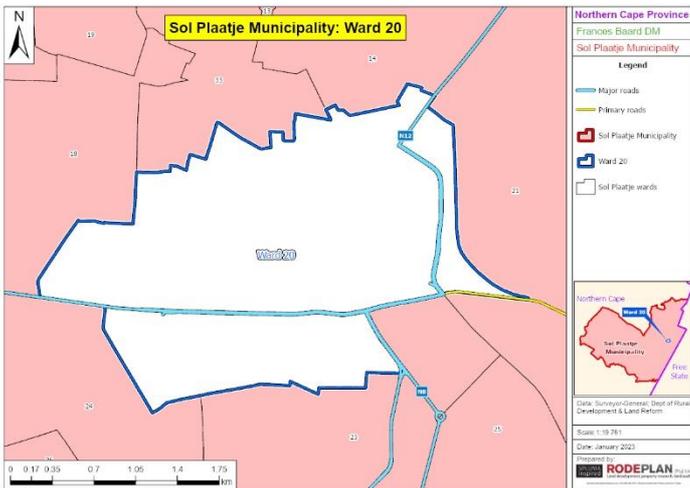
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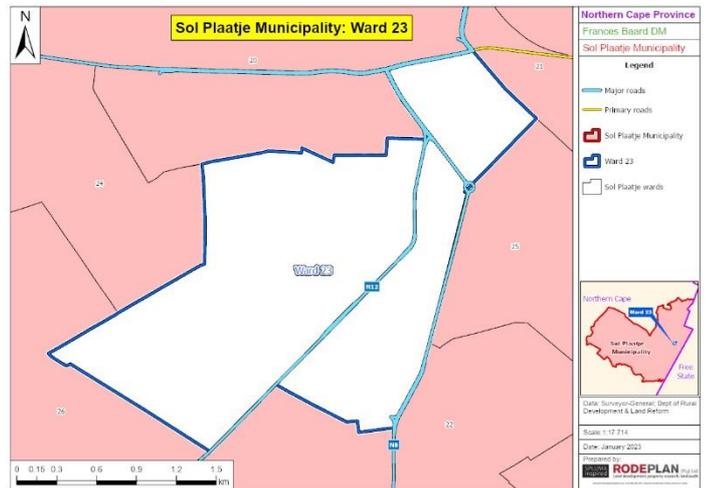
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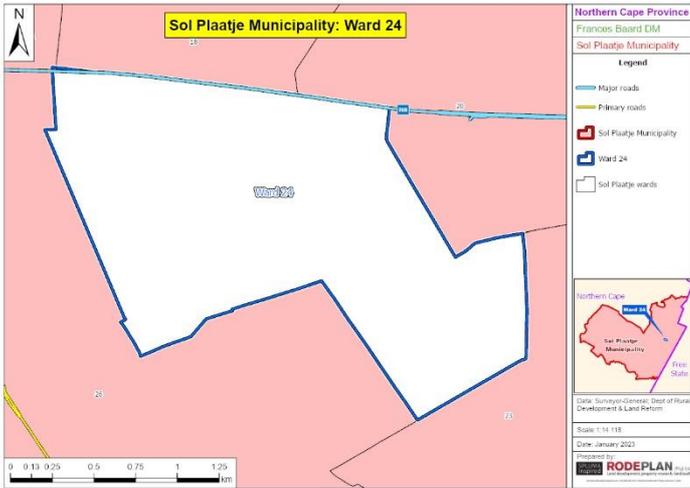


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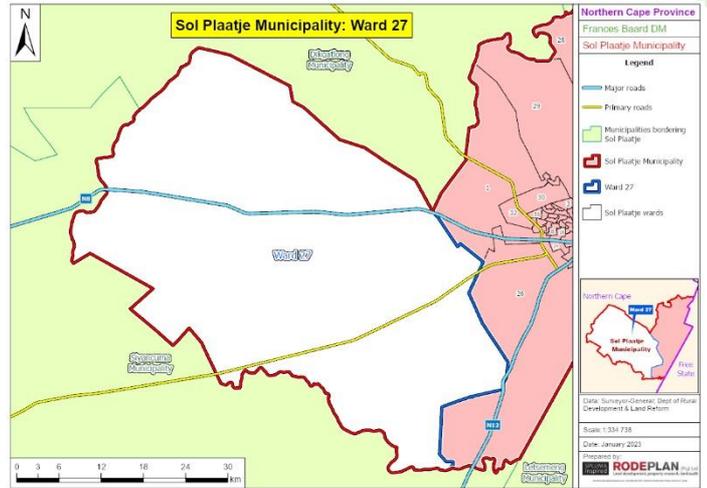


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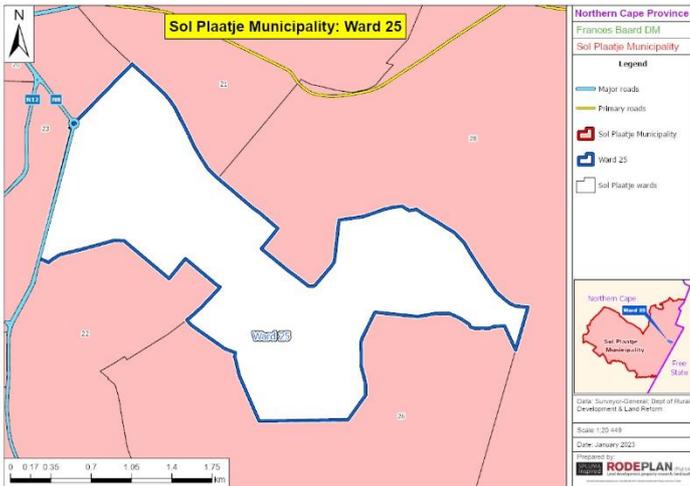
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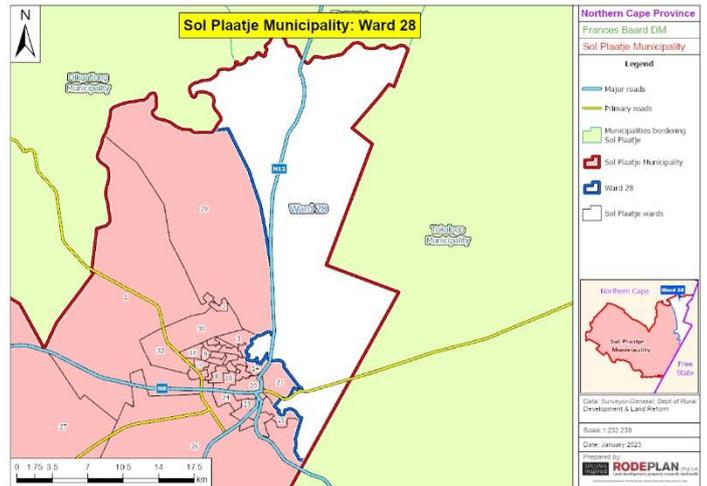
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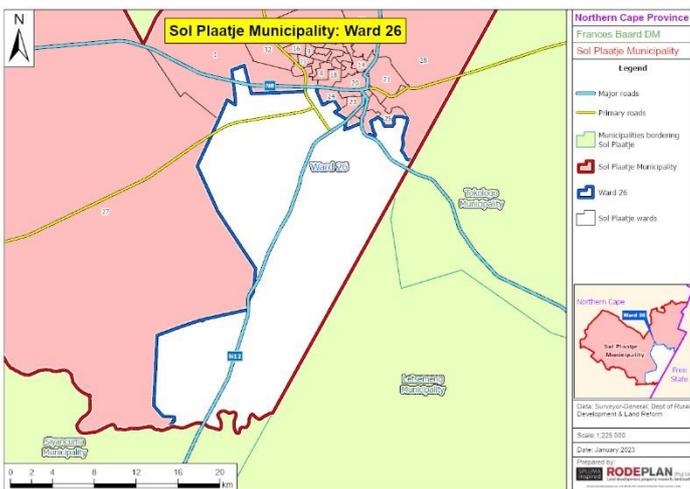
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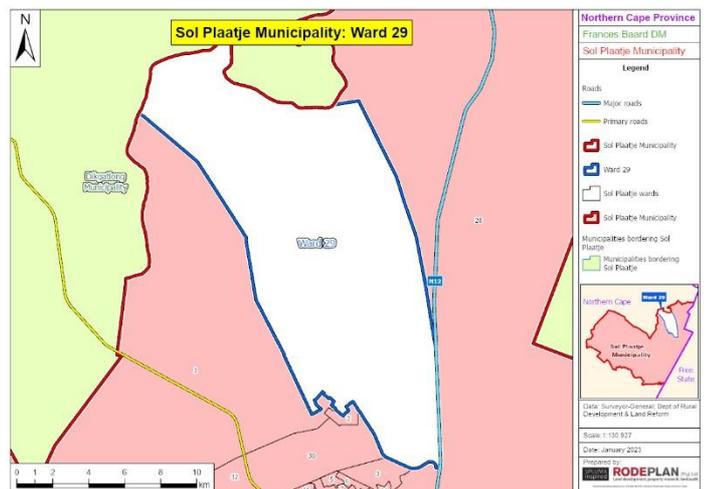
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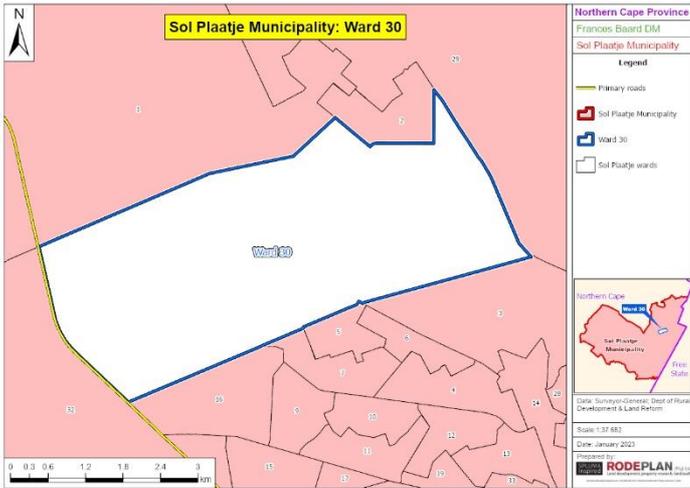


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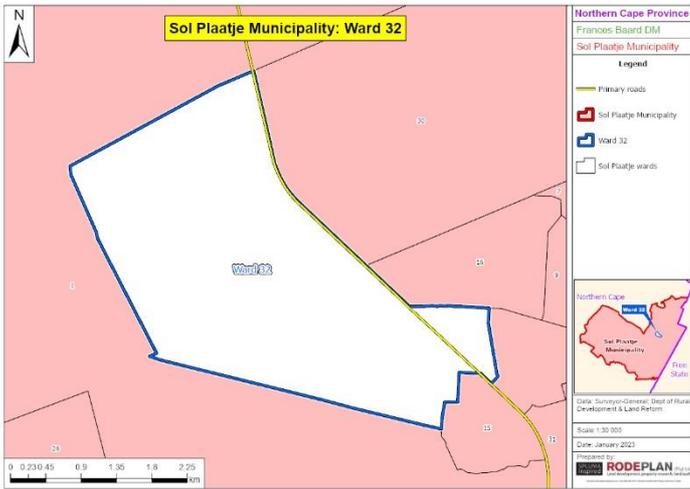


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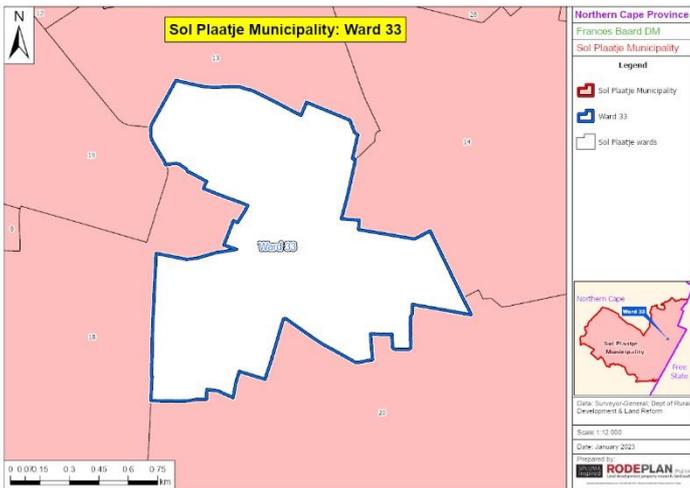
# ANNEXURE 1



Ward 31



Ward 32



Ward 33

## ANNEXURE 2

### ANNEXURE 2 MUNICIPAL SCORECARD

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## ANNEXURE 2

## ANNEXURE 2

## ANNEXURE 2

# **SECTION 5:**

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



# Sol Plaatje Local Municipality: Service Delivery and Budget Implementation Plan (2023/24)

## DRAFT SDBIP FY 2023/2024



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## 1. INTRODUCTION

### 1.1 Legislative Framework

The Municipal Finance Management Act (MFMA) No. 56 of 2003 requires that municipalities prepare a Service Delivery and Budget Implementation Plan (SDBIP) as an implementation and management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their Integrated Development Plan.

Section 1 of the Municipal Finance Management Act (MFMA) No. 56 of 2003 defines the "service delivery and budget implementation plan" as the detailed plan approved by the mayor of the municipality in terms of Section 53 (1) (c) (ii) for implementing the municipality's delivery of municipal services and its annual budget and which must include the following:-

- a) Projections of each month of-
  - (i) revenue to be collected, by source; and
  - (ii) operational and capital expenditure, by vote;
- b) Service delivery targets and performance indicators for each quarter; and
- c) Any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of section 54(1)(c).

In terms of Section 53 (i)(c)(ii) of the MFMA, the SDBIP must be approved by the Mayor of a municipality within 28 days of the approval of the budget.

MFMA Circular 13 further addresses the minimum requirements of the SDBIP in detail.

### 1.2 Overview

This SDBIP is the second to be prepared for the IDP covering the next five years (2023 – 2027). The Sol Plaatje Municipality has prepared its 2022/23 SDBIP in line with the above. The SDBIP will serve as a "contract" between the administration, council and the community to deliver on the services outlined in the SDBIP and to manage the finances of the Municipality in a transparent and accountable manner. Not only will the SDBIP serve as an appropriate monitoring tool in the execution of the Municipality's budget to achieve key strategic priorities as set by the Integrated Development Plan (IDP), but will also serve as an essential part of the annual performance contracts for the Municipal Manager and Managers reporting directly to the Municipal Manager and provide a foundation for the overall annual and quarterly organisational performance for the 2023/24 financial year.

The SDBIP includes the following indicators:

- The revenue and expenditure projections per Vote per month.

- Revenue projections by source.
- Capital projects at a ward level and monthly capital cash flow.
- Consolidated service delivery targets and performance indicators per Municipal KPA and IDP Objective.

The SDBIP will therefore also empower the Executive Mayor, Council and other role-players to undertake their appropriate oversight and monitoring roles. The SDBIP will also afford the Executive Mayor (Mayoral Committee), Council Committees and the Municipal Manager the ability to measure in-year progress on the implementation of the IDP Objectives and the Budget.

### 1.3 Components of the SDBIP

The SDBIP is a layered plan and starts with a Multi-year Performance Plan as part of the IDP which is directly linked to the IDP Objectives. The 2023/24 SDBIP will be informed by the Multi-year Municipal Performance Plan which serves as the “top layer” of the SDBIP and contains the consolidated service delivery targets and in-year deadlines. This is illustrated by the diagramme below:

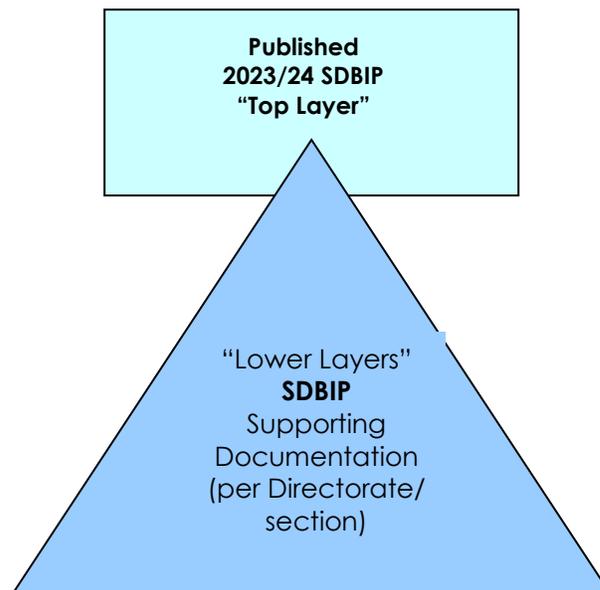


Figure 1: SDBIP Components

Once the “top layer” SDBIP is set, senior management will develop the “lower layers” of detail supporting the SDBIP. These are the actual activities linked to resources (financial, equipment and human) to actually achieve the consolidated service delivery targets within the approved budget amounts on time.

The detail of the departmental SDBIP's will be used by senior managers to hold middle level and lower level managers accountable to contribute to the municipal targets.

The following components forms part of the "top layer" SDBIP:

- o **Monthly Projections of Revenue to be collected by Source**

One of the most important and basic priorities for any municipality is to collect all its revenue as budgeted for – the failure to collect all such revenue will undermine the ability of the municipality to deliver on services.

While these projections would be most useful as cash flow projections, it is also critical to understand the relationship between revenue billed and the amount actually collected in the context of tariff, credit control and indigent policies and any other relevant policies. Comprehensive, coherent revenue policies that take into account appropriate service delivery levels, standards, ability to pay and collection efforts will ensure realistic revenue projections.

Projections for revenue by source should also include performance measures in relation to collection rates (amounts collected/amounts billed) to enable monitoring of the effectiveness of credit control policies and procedures.

- o **Monthly Projections of Expenditure and Revenue for each Vote**

These projections relate to cash paid and should reconcile to the cash flow statement adopted as part of the budget documentation.

The SDBIP show monthly projections of revenue by vote in addition to revenue by source. This is done to review the budget projections against actual revenue and expenditure by vote in order to gain a more complete picture than provided by reviewing expenditure only.

- o **Monthly Projections of Consolidated Service Delivery Targets and Performance Indicators for each Vote**

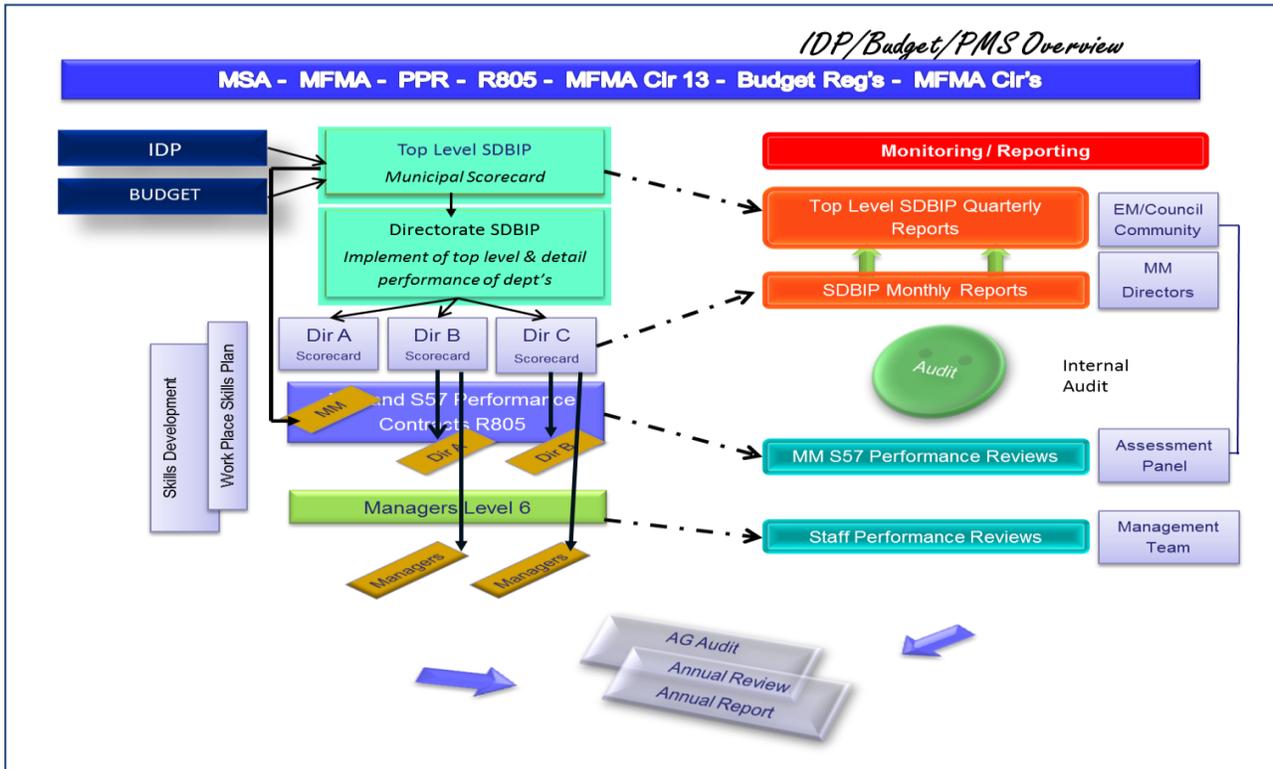
While the first two components indicate projections of budgeted amounts for revenue and expenditure, this component requires non-financial measurable key performance indicators and service delivery targets (including reduction of backlogs). The focus here is on outputs and outcomes, and not so much on inputs or internal management objectives.

- o **Detailed Capital Works Plan broken down by Ward over Three years**

Information detailing infrastructure projects per ward containing project description and anticipated capital costs over the three-year period.

### 1.4 SDBIP Link to Strategic Issues in the IDP

The Municipality endeavours to have a seamless link between IDP, as the strategic plan, the SDBIP, which operationalises the IDP and the Budget and the performance agreements of top and middle management – as well as to all levels of staff. This is illustrated in the diagram below:



In reviewing the strategic objectives of the 5-year IDP in relation to both the present contextual issues relating to development in SPM and the latest national and provincial strategies and plans it was found that the current strategic focus of the IDP remains sound and correct and that focus for this MTREF should be on implementation.

Sol Plaatje Municipality must concentrate on an action-oriented development programme that will see the fruition of the present strategic objectives.

It should also be emphasised that the implementation of this development programme is also dependent on creating the correct preconditions for delivery; including institutional alignment, securing financial resources and creating optimal stakeholder configurations.

### “ TOWARDS A CLEANER GROWING CITY’

The Municipality has amended its vision for the 5<sup>th</sup> Generation IDP cycle 2022- 2027, the newly crafted vision was a joint effort of our political principles and Executive Management Team ( EMT). The new vision locates the challenges that the Municipality is facing but gives effect to the corrective measures that seeks to respond to service delivery and craft a development trajectory. The importance of the Service Delivery Budget Implementation Plan (SDBIP) sacrosanct in monitoring the 5<sup>th</sup> Gen IDP throughout its life- cycle by linking performance management.

A critical reflection was done in assessing the impact of the 4<sup>th</sup> Generation IDP and it hinged main on provision social infrastructure. Taking into consideration the current liquidity ratio of 0,5% this prompted the 5<sup>th</sup> Gen IDP to take a different approach of accelerating provision of economic infrastructure to leverage private sector investment. To achieve this anticipated growth its important for SPM also to improve on the efficiency of its services, the sustainability of its finances and the effectiveness of its administration.

Sol Plaatje is a pilot for the “new deal” - the Integrated Urban Development Framework, this is a unique opportunity for the municipality and the residents of Sol Plaatje. In the course of making the “Back to Basics” programme of local government a reality, a new vision “Towards a cleaner growing city” is presented in this IDP.

The new vision of the 5<sup>th</sup> Generation seeks to place the Municipality on a development trajectory and strengthen governance within the Municipality.

- Cleaner city that sparkles
- Provision incentive mix to attract and leverage on private investment
- Cleaner provision uninterrupted sustainable infrastructure
- Institutionalise Safety Strategies to the IDP to respond to crime and grimme.
- City where there is security- jobs, tenure and facilitates creation of jobs
- Strengthen collaborative integrative planning and resource mobilisation.
- City that invests in public participation, is connected with the people

The goal . To achieve this, the following strategic objectives will guide the city towards the future:

**Spatial Transformation:**

To transform the spatial structure of the City towards an equitable, inclusive, efficient and compact form consisting of a series of integrated and well connected economic corridors, nodes and attractive mixed-use/mixed-income sustainable human settlements of varying densities.

**Inclusive Growth:**

To establish a competitive economic position that attracts diverse investments, increases economic growth and creates targeted number of jobs.

**Service Provision:**

To plan for, install, maintain and operate infrastructure, and provide services more efficiently and on a sustainable basis that adequately supports:

- o transformed spatial structure
- o economic growth objectives
- o universal access to basic services,
- o differentiated service requirements of households and human settlements and economic activity

**Governance:**

To enhance the capacity of the state and its citizens to work together to achieve spatial and social integration.

To lead, direct and manage spatial growth of the City robustly, enhance revenue generation and improve operational efficiency.

**2. THE 5 YEAR IDP ACTION PLAN RESOURCED****2.1 Budgeting and IDP Process**

The IDP process plan seeks to ensure that co-ordination of activities are done within the timeframes as prescribed in the Municipal Finance Management Act as well as Municipal Systems Act. It aims at coordinating, integrate and align the strategic processes of the municipality which include the review of sector plans, review of policies, the IDP, Budget Spatial Development Framework (SDF) and the Performance Management System (PMS). The process plan incorporates all municipal planning, budgeting, performance management, public engagement processes and also include the following:

- programme specifying the time frames for the different planning activities
- Appropriate mechanisms, processes and procedures for consultation and participation local communities, organs of state, and any other stakeholder's in the IDP process
- An indication of the organizational arrangements for the IDP process
- Policy and legislative requirements in respect of Integrated Development Planning
- Mechanisms and procedures for vertical and horizontal alignment

In order to ensure certain minimum quality standards of the IDP process, and proper coordination between and within spheres of government, the preparation of the IDP

Process Plan and the drafting of the annual budget of municipalities have been regulated in both the Municipal Systems Act (Act 32 of 2000) and the Municipal Finance Management Act (Act 56 of 2003).

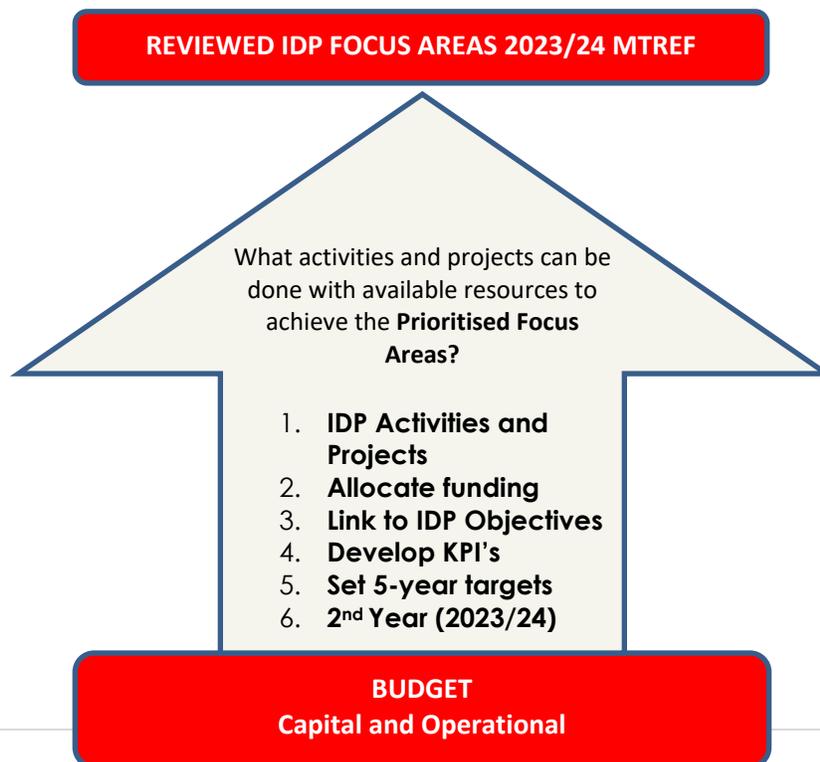
The budgeting process is preceded by the preparation of the IDP review.

This is the second review of the IDP in place for 2022/23 to 2026/27. As such it should be emphasised that it is not a new IDP, but rather an analysis of the status quo and an assessment of the relevance of the priorities as identified initially, during the compilation of the IDP as a five-year plan. New challenges and demands need to be understood and incorporated into the reviewed document where appropriate. Funding options for the operational and capital budget also need to be reviewed.

The budgeting and IDP process plan was prepared in July 2022 for the review of the IDP 23/24 financial year.

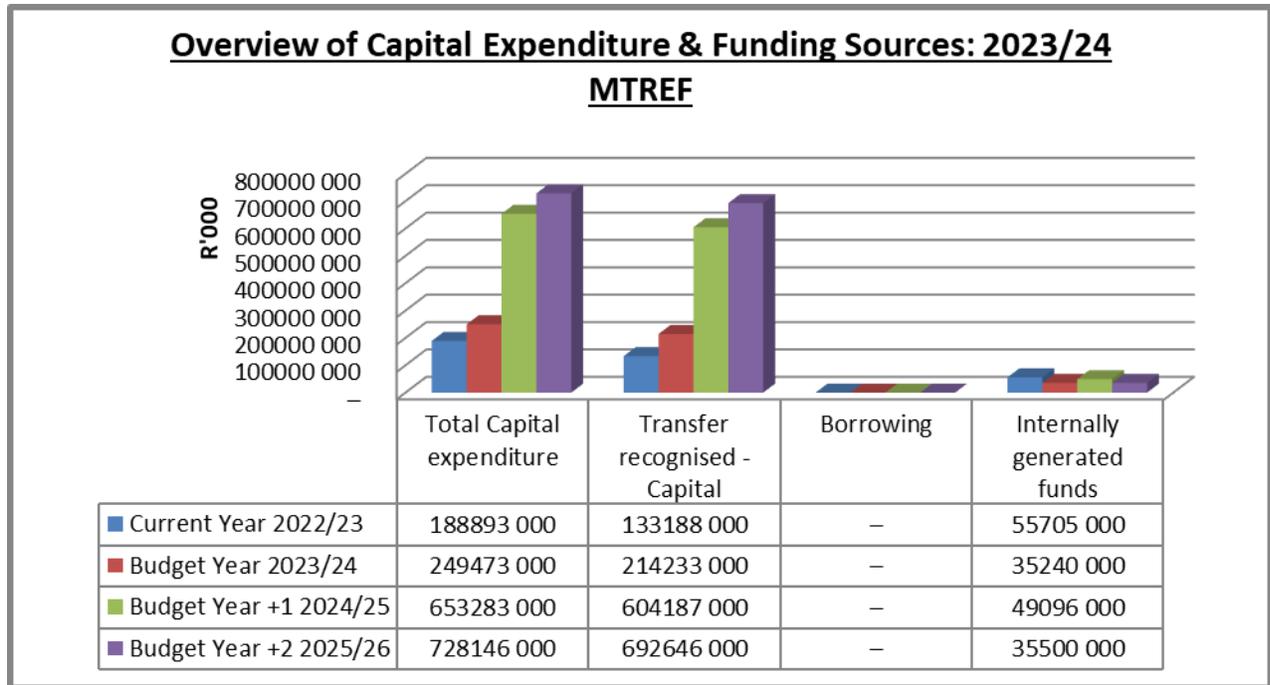
A ward public participation process was held from 14 November to 1 December 2022 for the sourcing of ward priorities. This was followed by a Mayoral Strategic Planning Session held on 22-23 March 2023.

Programs, projects and activities have been identified to address the key focus areas discussed above and have been resourced with the available financial resources from own confirmed funding and gazetted funding from National and Provincial Government. This process is diagrammatically indicated below:



## 2.2 The 2023/24 MTREF Funding Plan

The Chart below indicate the funding plan to fund the IDP Priorities for the 2023/24 MTREF.



### 2.2.1 Funding the Operational Budget

The municipality raises its revenue mainly through the sale of municipal services being water and electricity, refuse removal and sanitation. The most significant non exchange revenue source is property rates.

The municipal services are billed monthly based on consumption and approved tariffs. A consolidated bill is then sent out to the customer. The municipality levies rates on land and development within its jurisdiction. Rates are payable annually by no later than 30 September each year or monthly as the municipal account falls due.

The Table below indicates the operational funding from the various sources and the expenditure by type for the 2023/24 MTREF.



**Table 1: Revenue by Source for the 2023/24 MTREF**

Description (R thousand)	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework								
	Adjusted Budget	% Contribution	Budget Year 2023/24	% Contribution	% Growth 2022/23 to 2023/24	Budget Year +1 2024/25	% Contribution	% Growth 2023/24 to 2024/25	Budget Year +2 2025/26	% Contribution	% Growth 2024/25 to 2025/26
<b>Revenue By Source</b>											
Property rates	610 074	24,44%	660 893	24,30%	8,33%	706 943	24,10%	6,97%	746 365	23,58%	5,58%
Service charges - electricity revenue	899 854	36,05%	1 034 872	38,05%	15,00%	1 151 590	39,26%	11,28%	1 281 753	40,50%	11,30%
Service charges - water revenue	305 717	12,25%	327 114	12,03%	7,00%	346 815	11,82%	6,02%	367 859	11,62%	6,07%
Service charges - sanitation revenue	93 500	3,75%	89 858	3,30%	-3,89%	95 380	3,25%	6,14%	100 732	3,18%	5,61%
Service charges - refuse revenue	69 080	2,77%	65 412	2,41%	-5,31%	70 452	2,40%	7,71%	75 461	2,38%	7,11%
Service charges - other											
Rental of facilities and equipment	25 896	1,04%	26 930	0,99%	3,99%	28 278	0,96%	5,00%	29 833	0,94%	5,50%
Interest earned - external investments	6 000	0,24%	7 000	0,26%	16,67%	12 000	0,41%	71,43%	15 000	0,47%	25,00%
Interest earned - outstanding debtors	156 500	6,27%	168 880	6,21%	7,91%	160 953	5,49%	-4,69%	158 048	4,99%	-1,80%
Dividends received											
Fines	35 730	1,43%	30 660	1,13%	-14,19%	30 714	1,05%	0,18%	32 403	1,02%	5,50%
Licences and permits	6 850	0,27%	7 350	0,27%	7,30%	7 740	0,26%	5,30%	8 165	0,26%	5,50%
Agency services											
Transfers recognised - operational	266 031	10,66%	281 921	10,37%	5,97%	302 302	10,31%	7,23%	328 343	10,37%	8,61%
Other revenue	20 745	0,83%	18 714	0,69%	-9,79%	19 795	0,67%	5,78%	20 881	0,66%	5,49%
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 495 977</b>	<b>100,00%</b>	<b>2 719 604</b>	<b>100,00%</b>	<b>8,96%</b>	<b>2 932 962</b>	<b>100,00%</b>	<b>7,85%</b>	<b>3 164 843</b>	<b>100,00%</b>	<b>7,91%</b>



### 2.2.2 Funding the Capital Budget

The Municipality's Capital Budget can only be funded from the following three sources, namely:

- o **Own revenue (Capital Replacement Reserve)**

In accordance with Sec 18 of the MFMA only revenue surpluses from the previous financial year that are cash backed and not committed for any spending in the following year, can contribute to the capital budget (CRR). After adjustments, it is projected that a total of R35 240 000 is available for the 2023/24 financial year.

Vote Description	Ref	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1						
Internally generated funds		55 705	55 705	55 705	35 240	49 096	35 500
<b>Total Capital Funding</b>	<b>7</b>	<b>190 043</b>	<b>188 893</b>	<b>188 893</b>	<b>249 473</b>	<b>653 283</b>	<b>728 146</b>

- o **Conditional Grants**

Funding is availed from National and Provincial government for service delivery projects with prescribed conditions attached to it, which inter alia means that the funding cannot be used for any other purpose, except for the approved projects as pertained in the business plan submitted.

The following grants as per table below were gazetted:

Row Labels	Sum of Adjusted Budget 2022/23	Sum of Budget 2023/24	Sum of Budget 2024/25	Sum of Budget 2025/26
<b>117 - OPERATIONAL GRANTS</b>	<b>266 030 919,00</b>	<b>281 921 000,00</b>	<b>302 302 000,00</b>	<b>328 342 890,00</b>
DEPT OF TOURISM - EPWP	-	-	-	-
EXPANDED PUBLIC WORKS GRANT (EPWP)	3 959 000,00	3 286 000,00	-	-
FRANCES BAARD DISTRICT MUNICIPALITY	-	-	-	-
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)	5 500 000,00	5 500 000,00	5 500 000,00	5 500 000,00
LOCAL GOV FINANCIAL MANAGEMENT GRANT (FMG)	1 700 000,00	1 700 000,00	1 700 000,00	1 838 000,00
MUNICIPAL DISASTER RELIEF GRANT	-	-	-	-
NATIONAL REVENUE FUND: EQUITABLE SHARE	239 158 000,00	263 135 000,00	286 304 000,00	311 723 000,00
NON-PROF: OTHER NON-PROFIT INSTITUTIONS\Libraries	9 413 919,00	8 300 000,00	8 798 000,00	9 281 890,00
INFRASTRUCTURE GRANT	6 300 000,00	-	-	-
<b>125 - CAPITAL GRANTS</b>	<b>133 188 000,00</b>	<b>214 233 000,00</b>	<b>604 187 000,00</b>	<b>692 646 000,00</b>
ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)	4 000 000,00	4 000 000,00	-	-
EUROPEAN UNION	18 850 000,00	-	-	-
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)	20 000 000,00	48 026 000,00	22 700 000,00	25 000 000,00
INTEGRATED URBAN DEVELOPMENT GRANT (IUDG)	70 390 000,00	74 207 000,00	61 783 000,00	64 251 000,00
NEIGHBOUR DEVELOPMENT PARTNERSHIP GRANT (NDPG)	-	2 000 000,00	9 137 000,00	10 000 000,00
WATER SERV INFRASTRUCTURE GRANT (WSIG)	19 948 000,00	-	18 567 000,00	19 395 000,00
REGIONAL BULK INFRASTRUCTURE GRANT (RBIG)	-	86 000 000,00	492 000 000,00	574 000 000,00
<b>Grand Total</b>	<b>399 218 919,00</b>	<b>496 154 000,00</b>	<b>906 489 000,00</b>	<b>1 020 988 890,00</b>

Indicated in the table below is the grant linked to each project:

PROJECT DISCRIBTION	WARD / DESIGNATED AREA	GRANT	23/24	24/25	25/26
Township Establishment	Depending Funding Allocated	CRR	-	R 2 000 000,00	R 2 000 000,00
Township Establishment	Depending Funding Allocated	IUDG	R 10 000 000,00	R 8 783 000,00	R 5 217 000,00
PHDA Planning and Surveying	Ward 24	IUDG			
Refurbishment of Halls	Not funded for	IUDG	-	-	R 4 034 000,00
ACQ-Fleet Replacement	Yearly tender process	CRR	R 5 000 000,00	R 10 596 000,00	R 20 000 000,00
ACO - Furniture and Office Equip	Yearly tender process	CRR	R 3 000 000,00	R 3 000 000,00	R 3 000 000,00
ACQ - Computer Equipment	Yearly tender process				
Lining of Stormwater Channels	Galeshewe - Snake Park	NDPG	R 2 000 000,00	R 9 137 000,00	R 10 000 000,00
P-CIER Recealing of Roads	Cronin, Kekewich, Constantia	IUDG	R 20 000 000,00	R 20 000 000,00	R 20 000 000,00
	Shamier and Bultfontein Road				
Upgrading of Gravel Roads	Ward 5, 8, 16, 18, 19, 22, 26 27, 30, 32, 33	IUDG	R 20 000 000,00	R 20 000 000,00	R 20 000 000,00
Distribution of Water meters	Throughout Kimberley	CRR	R 2 000 000,00	R 2 000 000,00	R 3 000 000,00
BFI Project - Water Infrastructure	5 year project	CRR	R 18 740 000,00	R 25 000 000,00	-
BFI Project - Water Infrastructure	5 year project	RBIG	R 86 000 000,00	R 492 000 000,00	R 574 000 000,00
Water pipes refurbishment program	Dalham, Broadway, Conrad, Reservoir road	IUDG	R 19 207 000,00	R 10 000 000,00	R 10 000 000,00
Electrification	Lerato Park 1000	INEP	R 48 026 000,00	R 22 700 000,00	R 25 000 000,00
Reconstruction of Old Zink Toilets	Not funded for	WGIG	-	R 18 567 000,00	R 19 395 000,00
EEDSM PROJECTS	Replace 125W with 36W LED	EEDMS	R 4 000 000,00	-	-
Capital Spares - ACQ -Prepaid Meters	Throughout Kimberley	CRR	R 2 000 000,00	R 2 000 000,00	R 3 000 000,00
Str lights Replace 125W with 36W LED	See EEDSM Projects	EEDMS	-	-	-
ACQ - Carters Glen pump station	Ward 24	WSIG	-	-	-

As indicated in the above table, the largest projects for 2023/24 would include:

- The project relating to Fleet Replacement in the amount of R35 405 million funding through own funding (CRR).
- The electrification of 1 650 households in Lerato Park (Phases 7 & 8) funded through INEP in the amount of R33 million.
- The completion for the installation of electrical and mechanical components in Lerato Park Sewer Pump Station funded through IUDG in the amount of R21 090 million.
- The project for 60% completion of the construction phase for the Carters Ridge Sewer Pump Station building with all electrical and electrical equipment in the amount of R19 948 million funded through WSIG.
- The Patching and Resealing of 100 000 square metres of roads in Sol Plaatje area in the amount of R15 million funded through IUDG.

o **Long term borrowings**

It is not anticipated at this stage that the Municipality will take up any new long term loans for this IDP Cycle.

Table 2 below depicts the funding sources for capital for the 2023/24 MTREF.

**Table 2: Capital Funding Sources for the 2023/24 MTREF**

Vote Description	Ref	2023/24 Medium Term Revenue & Expenditure Framework		
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1			
<b>Funded by:</b>				
National Government		214 233	604 187	692 646
Provincial Government				
District Municipality		-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-
<b>Transfers recognised - capital</b>	4	<b>214 233</b>	<b>604 187</b>	<b>692 646</b>
<b>Borrowing</b>	6			
<b>Internally generated funds</b>		35 240	49 096	35 500
<b>Total Capital Funding</b>	7	<b>249 473</b>	<b>653 283</b>	<b>728 146</b>

### **2.2.3 The 5 Year Key Performance Indicators and Targets**

A Multi-Year Municipal Performance Plan setting the necessary annual KPI's and targets for each IDP Objective aligned to the key focus areas for the 2023/24 MTREF has been prepared considering the available resources and possible financial risks as discussed above (sections 2.1.1 and 2.2.2).

This Multi-year Municipal Performance Plan (attached as Annexure 1) is aligned to the Municipal Development Strategy as well as the other spheres of government's priorities. In this manner Sol Plaatje ensures that when it actually implement projects and complete operational activities that it will contribute to the overall priorities set for the development of South Africa, and not only for its local area.



### 3. THE 2023/24 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

#### 3.1 The 2023/24 MTREF Budget

Table below indicates the alignment of the revenue budget with the Strategic Objectives of the IDP for the 2023/24 MTREF period.

**Table 3: Revenue Budget aligned to IDP Strategic Objectives**

Strategic Objective	Goal	Goal Code	Ref	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
				Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>R thousand</b>										
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				335 918	339 632	339 632	366 222	378 972	400 075	
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				648 238	651 552	651 552	683 585	729 727	770 440	
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION				6 873	6 873	6 873	6 961	7 048	7 132	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				1 488 235	1 487 375	1 487 375	1 654 820	1 808 775	1 978 293	
LOCAL ECONOMIC DEVELOPMENT	Marketing the municipality as premier destination for tourism and investment	A		7 945	10 545	10 545	8 015	8 440	8 904	
<b>Allocations to other priorities</b>			2							
<b>Total Revenue (excluding capital transfers and contributions)</b>				1	2 487 209	2 495 977	2 495 977	2 719 604	2 932 962	3 164 843

The municipality's expenditure for the 2023/24 budget and MTREF is informed by the following:

- 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 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.

The Tables below indicate the Municipality's monthly financial targets for the 2023/24 financial year.

**Table 4: Monthly Revenue Targets per Source for the 2023/24 Financial Year**

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

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity		95 966	95 966	95 966	95 966	95 966	95 966	95 966	95 966	95 966	95 966	95 966	(20 753)	1 034 872	1 151 590	1 281 753
Service charges - Water		28 901	28 901	28 901	28 901	28 901	28 901	28 901	28 901	28 901	28 901	28 901	9 200	327 114	346 815	367 859
Service charges - Waste Water Management		7 948	7 948	7 948	7 948	7 948	7 948	7 948	7 948	7 948	7 948	7 948	2 427	89 858	95 380	100 732
Service charges - Waste Management		5 871	5 871	5 871	5 871	5 871	5 871	5 871	5 871	5 871	5 871	5 871	830	65 412	70 452	75 461
Sale of Goods and Rendering of Services		1 372	1 372	1 372	1 372	1 372	1 372	1 372	1 372	1 372	1 372	1 372	489	15 579	16 462	17 367
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		13 413	13 413	13 413	13 413	13 413	13 413	13 413	13 413	13 413	13 413	13 413	21 340	168 880	160 953	158 048
Interest earned from Current and Non Current As		1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	(4 000)	7 000	12 000	15 000
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		2 356	2 356	2 356	2 356	2 356	2 356	2 356	2 356	2 356	2 356	2 356	1 009	26 930	28 278	29 833
Licence and permits		105	105	105	105	105	105	105	105	105	105	105	45	1 200	1 260	1 329
Operational Revenue		278	278	278	278	278	278	278	278	278	278	278	80	3 134	3 333	3 514
<b>Non-Exchange Revenue</b>																
Property rates		58 912	58 912	58 912	58 912	58 912	58 912	58 912	58 912	58 912	58 912	58 912	12 863	660 893	706 943	746 365
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2 559	2 559	2 559	2 559	2 559	2 559	2 559	2 559	2 559	2 559	2 559	2 506	30 660	30 714	32 403
Licences or permits		540	540	540	540	540	540	540	540	540	540	540	210	6 150	6 480	6 836
Transfer and subsidies - Operational		25 192	25 192	25 192	25 192	25 192	25 192	25 192	25 192	25 192	25 192	25 192	4 811	281 921	302 302	328 343
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and</b>		<b>244 413</b>	<b>244 413</b>	<b>244 413</b>	<b>244 413</b>	<b>244 413</b>	<b>244 413</b>	<b>244 413</b>	<b>244 413</b>	<b>244 413</b>	<b>244 413</b>	<b>244 413</b>	<b>31 056</b>	<b>2 719 604</b>	<b>2 932 962</b>	<b>3 164 843</b>

**Table 5: Monthly Expenditure Targets per Type**

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Expenditure</b>																
Employee related costs	80 290	80 290	80 290	80 290	80 290	80 290	80 290	80 290	80 290	80 290	80 290	(1 552)	881 637	963 475	1 016 709	
Remuneration of councillors	3 111	3 111	3 111	3 111	3 111	3 111	3 111	3 111	3 111	3 111	3 111	1 333	35 559	37 337	39 390	
Bulk purchases - electricity	75 133	75 133	75 133	75 133	75 133	75 133	75 133	75 133	75 133	75 133	75 133	(41 467)	785 000	901 600	1 016 103	
Inventory consumed	22 630	22 630	22 630	22 630	22 630	22 630	22 630	22 630	22 630	22 630	22 630	56 973	305 900	271 555	285 224	
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation and amortisation	7 596	7 596	7 596	7 596	7 596	7 596	7 596	7 596	7 596	7 596	7 596	3 093	86 650	91 153	96 166	
Interest	1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	3 112	19 495	17 872	16 050	
Contracted services	4 246	4 246	4 246	4 246	4 246	4 246	4 246	4 246	4 246	4 246	4 246	1 411	48 113	50 948	57 799	
Transfers and subsidies	381	381	381	381	381	381	381	381	381	381	381	371	4 560	4 570	4 679	
Irrecoverable debts written off	28 061	28 061	28 061	28 061	28 061	28 061	28 061	28 061	28 061	28 061	28 061	8 831	317 500	336 730	356 180	
Operational costs	12 781	12 781	12 781	12 781	12 781	12 781	12 781	12 781	12 781	12 781	12 781	5 046	145 639	153 369	161 738	
Losses on disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Losses	5 381	5 381	5 381	5 381	5 381	5 381	5 381	5 381	5 381	5 381	5 381	2 014	61 200	64 566	68 117	
<b>Total Expenditure</b>	<b>241 099</b>	<b>241 099</b>	<b>241 099</b>	<b>241 099</b>	<b>241 099</b>	<b>241 099</b>	<b>241 099</b>	<b>241 099</b>	<b>241 099</b>	<b>241 099</b>	<b>241 099</b>	<b>39 166</b>	<b>2 691 252</b>	<b>2 893 175</b>	<b>3 118 156</b>	

**Table 6: Capital Budget Funding Sources for 2023/24**

	Amount	Weighting
National Government	214 233	85.87%
Provincial Government	-	-
Internally Generated Funds	35 240	14.13%
District Municipality	-	-
<b>TOTAL</b>	<b>249 473</b>	<b>100%</b>

Table 7 below indicates the capital contribution to the IDP Objectives for the 2023/24 MTREF.

**Table 7: Capital Contribution to the IDP Objectives**

Strategic Objective	Goal	Goal Code	Ref	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>									
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				53 705	30 005	30 005	19 500	32 233	44 500
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				-	-	-	-	-	-
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				128 038	131 738	131 738	219 973	612 267	678 429
LOCAL ECONOMIC DEVELOPMENT	Marketing the municipality as premier destination for tourism and investment	A		8 300	27 150	27 150	10 000	8 783	5 217
<b>Allocations to other priorities</b>			3						
<b>Total Capital Expenditure</b>			1	<b>190 043</b>	<b>188 893</b>	<b>188 893</b>	<b>249 473</b>	<b>653 283</b>	<b>728 146</b>

**Table 8: Monthly Capital Expenditure per Municipal Vote: 2023/24**

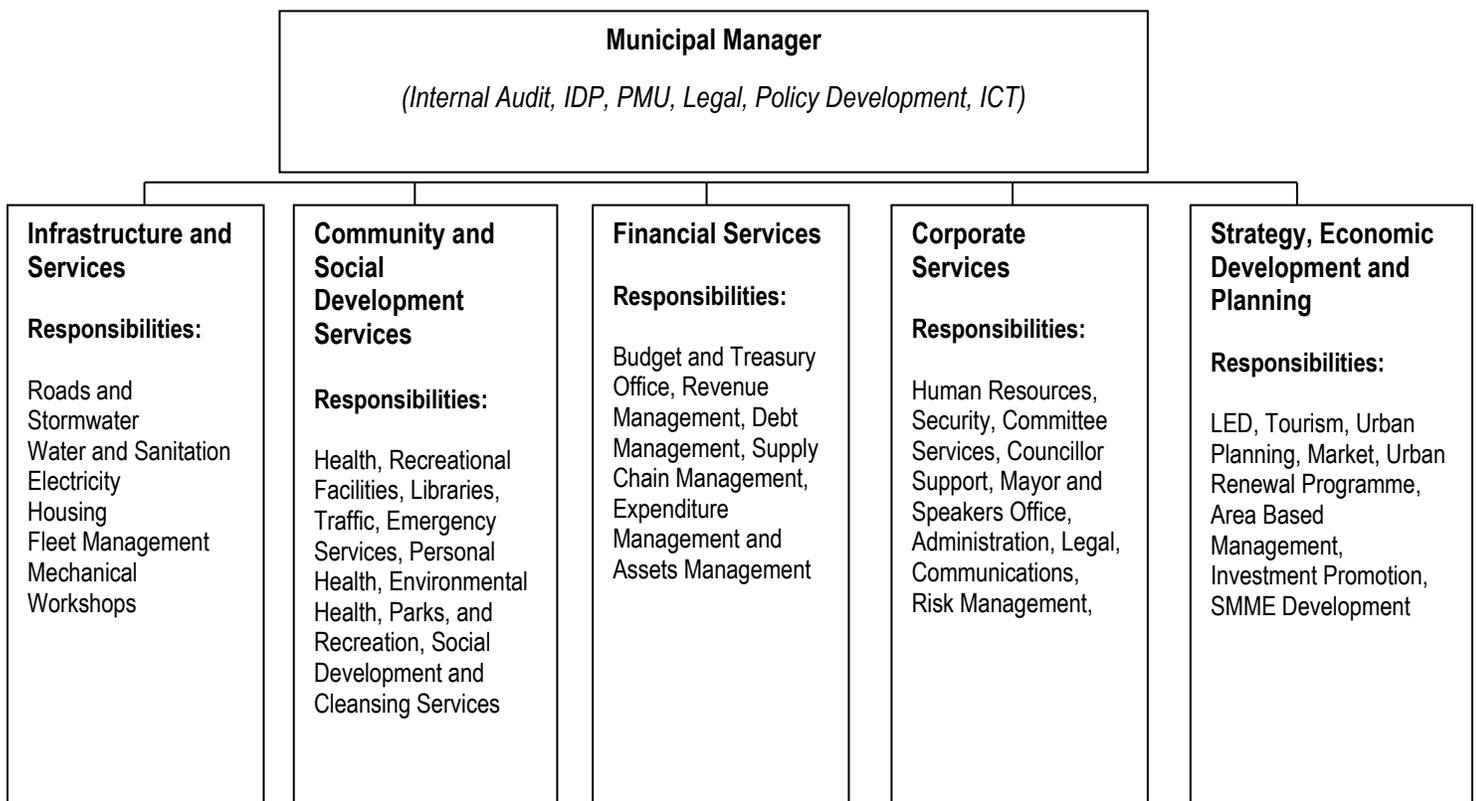
Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		2 061	2 061	2 061	2 061	2 061	2 061	2 061	2 061	2 061	2 061	2 061	(10 672)	12 000	24 733	37 000
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	4 034
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		732	732	732	732	732	732	732	732	732	732	732	1 949	10 000	8 783	5 217
Vote 08 - Infrastructure And Services		48 797	48 797	48 797	48 797	48 797	48 797	48 797	48 797	48 797	48 797	48 797	(368 823)	167 947	585 567	643 395
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	51 590	51 590	51 590	51 590	51 590	51 590	51 590	51 590	51 590	51 590	51 590	(377 546)	189 947	619 083	689 646
<b>Single-year expenditure to be appropriated</b>																
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		625	625	625	625	625	625	625	625	625	625	625	625	7 500	7 500	7 500
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		2 225	2 225	2 225	2 225	2 225	2 225	2 225	2 225	2 225	2 225	2 225	27 551	52 026	26 700	31 000
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	2 850	2 850	2 850	2 850	2 850	2 850	2 850	2 850	2 850	2 850	2 850	28 176	59 526	34 200	38 500
<b>Total Capital Expenditure</b>	2	54 440	54 440	54 440	54 440	54 440	54 440	54 440	54 440	54 440	54 440	54 440	(349 370)	249 473	653 283	728 146

### 3.2 CONSOLIDATED SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS

The Service Delivery Targets and Performance Indicators per National and Municipal Key Performance Areas (KPA's) are discussed below.

#### 3.2.1 Macro Structure

The Key Performance Indicators identified for the 2023/24 Financial Year are per Municipal Vote (Directorate). It assigns the responsibility of each Directorate for its specific KPI and target - see diagramme below and Annexure 1 (Service Delivery Targets and Performance Indicators for 2023/24). These KPI's and Targets again inform the Performance Contract for the Municipal Manager and Managers accountable to the Municipal Manager as well as middle managers up to job level 6 (See Diagramme below).



#### 3.2.2 Service Delivery Targets and Performance Indicators per Key Performance Area for 2023/24

Annexure 1 represents the key indicators at an organisational level for the remainder of this IDP Cycle. The indicators are also aligned with the national and provincial performance indicators and the overall strategic agenda of the municipality as well as LGTAS Focus Areas to ensure alignment with the IDP and Budget. It also informs the SDBIP for 2023/24.

# ANNEXURE 1

## SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS PER KEY PERFORMANCE AREA

2023/2024

## Strategic Objective 1: Economic growth through promoting Sol Plaatje Municipality as an economic hub

Strategic Objective 1												
Economic growth through promoting Sol Plaatje Municipality as an economic hub												
National KPA: Local Economic Development												
Directorate	mSCOA Function / sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								Annual Target	Q1	Q2	Q3	Q4
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	tbc	Create job opportunities through EPWP by 30 June 2024	Number of job opportunities created by 30 June 2024	All	-	<b>553</b>	181	160	140	72
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	tbc	Draft Economic Development Strategy and complete Investment Promotion Strategy by 30 June 2024	Economic Development Strategy and Investment Promotion Strategy completed by 30 June 2024	All	1	<b>2</b>	-	-	-	2
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	tbc	To process 80% category 1 land-use applications received until 30 April 2023 through MPT by 30 June 2024	% of category 1 land use applications processed	All	80%	<b>80%</b>	-	-	-	80%
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	tbc	Number of processed building plans received before 1 July 2023.	Number of building plans processed	All	200	<b>200</b>	-	-	-	200
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	tbc	Ensuring a response time of 11 weeks for building plans submissions received in the current financial year for buildings / architectural buildings less than 500m2 (number of plans received / divided by number of weeks to process	Average response time in weeks to process building plans	All	11 weeks	<b>11 weeks</b>	11 weeks	11 weeks	11 weeks	11 weeks
Strategy, Economic Development,	Planning and Development / Economic	A local economy that delivers on food security, job creation, education and skills development.	tbc	Ensuring a response time of 11 weeks for building plans submissions received in the	Average response time in weeks to process building plans	All	11 weeks	<b>11 weeks</b>	11 weeks	11 weeks	11 weeks	11 weeks

## Strategic Objective 1

### Economic growth through promoting Sol Plaatje Municipality as an economic hub

#### National KPA: Local Economic Development

Directorate	mSCOA Function / sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								Annual Target	Q1	Q2	Q3	Q4
Planning	Development/Planning			current financial year for buildings / architectural buildings greater than 500m2 (number of plans received / divided by number of weeks to process								
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.		Number of SMMEs supported through the implementation of the business incubation developmental programme	Number of smmes supported	All	10	<b>10</b>	3	2	2	3
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.		Capital expenditure framework	Approved CEF	-	0	<b>1</b>	-	-	-	1
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.		Number of erven planned and surveyed	Number of erven planned and surveyed	-	1400	<b>4000</b>	1000	1000	1000	1000

## Strategic Objective 2: Improved Service Delivery

Strategic Objective 2 Improved Service Delivery												
National KPA: Basic Service Delivery and Infrastructure Development												
Directorate	mSCOA Function – Sub function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								Annual Target	Q1	Q2	Q3	Q4
Finances	Water Management / Water Distribution	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Number of residential properties which are billed for water or have pre-paid meters that is connected to the municipal water infrastructure network by 30 June 2024	Number of residential properties which are billed for water or have pre-paid meters by 30 June 2024	All	46 685	<b>46 685</b>	46 685	46 685	46 685	46 685
Finances	Electricity / Electricity	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Number of residential properties which are billed for electricity or have pre-paid meters by 30 June 2024 (excluding Eskom areas)	Number of residential properties which are billed for electricity or have pre-paid meters by 30 June 2024 (Excluding Eskom areas)	All	-	-	-	-	-	-
Finances	Wastewater Management / Sewerage	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Number of residential properties connected to the municipal wastewater sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage by 30 June 2024	Number of residential properties which are billed for sewerage by 30 June 2024	All	50844	50844	50844	50844	50844	50844
Finances	Waste Management / Solid waste	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Number of residential properties which are billed for refuse removal by 30 June 2024	Number of residential properties which are billed for refuse by 30 June 2024	All	50844	50844	50844	50844	50844	50844
Finances	Finance and Administration / Budget and Treasury Office	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2024 (Total actual amount spent on capital projects/Total amount	% of Capital budget spent by 30 June 2024 {Actual amount spent on capital projects /Total amount	All	100%	<b>85%</b>	90%	90%	90%	90%

**Strategic Objective 2**  
**Improved Service Delivery**

**National KPA: Basic Service Delivery and Infrastructure Development**

Directorate	mSCOA Function – Sub function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target					
								Annual Target	Q1	Q2	Q3	Q4	
				budgeted for capital projects)X100	budgeted for capital projects)X100}								
Finances	Finance and Administration / Budget and Treasury Office	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	The percentage of the total municipal operational budget spent by 30 June 2024 {(Actual amount spent on total operational budget/Total operational budget)X100}	% of the total municipal operational budget spent by 30 June 2024	All	90%	<b>92%</b>	92%	92%	92%	92%	92%
Community Services	Community and Social Services / Libraries and Archives	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	95% spent of the library operational conditional grant by 30 June 2024 {(Actual expenditure divided by the total grant received) x 100}	% of the library operational conditional grant spent by 30 June 2024 {(Actual expenditure divided by the total grant received) x 100}	All	100%	<b>25%</b>	25%	25%	25%	25%	25%
Community Services	Community and Social Services / Libraries and Archives	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		Number of reading outreach programmes conducted at all libraries	Number of outreach programmes held	All	60	<b>60</b>	15	15	15	15	15
Infrastructure and Services	Electricity / Electricity	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Limit unaccounted for electricity to less than 15% by 30 June 2024 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) Ã- 100}	% unaccounted for electricity by 30 June 2024	All	16%	16%	16%	16%	16%	16%	16%
Infrastructure and Services	Electricity / Electricity	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		Number of households in Lerato Park connected to the electricity network	Number of households connected to the electricity network	-	1000	-	-	500	500	-	-

## Strategic Objective 2 Improved Service Delivery

### National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								Annual Target	Q1	Q2	Q3	Q4
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Fencing and access control at the old and new water treatment plant <b>(BFI)</b>	Percentage completion as per project plan	-	0	<b>100%</b>	10%	45%	70%	100%
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Upgrading and replacement of existing transformer and pump station repairs <b>(BFI)</b>	Percentage completion as per project plan	-	0	<b>100%</b>	15%	30%	50%	100%
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Upgrade of the old chlorine dozing station and replacement of sand filters (old Riverton treatment plant) <b>(BFI)</b>	Percentage completion as per project plan	-	0	<b>100%</b>	25%	55%	70%	100%
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Upgrade of the old chlorine dozing station and replacement of sand filters (New Riverton treatment plant) <b>(BFI)</b>	Percentage completion as per project plan	-	0	<b>100%</b>	25%	55%	70%	100%
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Newton reservoir leak repair <b>(BFI)</b> (project not confirmed for implementation in 2023/24)	Percentage completion as per project plan	-	0	<b>100%</b>	-	-	-	100%
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Installation of bulk water meters and pressure management	Percentage completion as per project plan	-	0	<b>100%</b>	25%	50%	75%	100%
Infrastructure	Water	All communities have access to basic	tbc	Limit unaccounted for water	% unaccounted for	All	64%	<b>40%</b>	40%	40%	40%	40%

**Strategic Objective 2**  
**Improved Service Delivery**

**National KPA: Basic Service Delivery and Infrastructure Development**

Directorate	mSCOA Function – Sub function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								Annual Target	Q1	Q2	Q3	Q4
and Services	Management/ Water Distribution	services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		(Non-Revenue Water) to less than 40% by 30 June 2024 {(Number of Kilolitres Water Purified - Number of kilolitres Water Sold) / Number of kilolitre’s Water Purified ÷ 100}	water (Non-Revenue Water) by 30 June 2024							
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	99% water quality level achieved as per SANS 241 by 30 June 2024	% water quality level achieved as per SANS 241 criteria by 30 June 2024	All	90%	<b>95%</b>	98%	99%	99%	99%
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	80% waste water effluent quality level achieved as per National Effluent Quality Standards, by 30 June 2024	% waste water effluent quality level achieved as per National Effluent Quality Standards, by 30 June 2024	All	56%	<b>65%</b>	75%	80%	80%	80%
Infrastructure and Services	Roads	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>highest prioritised need (21%)</b>	tbc	90% spent of the budget to upgrade <b>roads and stormwater</b> by 30 June 2024 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)	Percentage of budget spent by 30 June 2024	All	100%	<b>90%</b>	90%	90%	90%	90%
Infrastructure and Services	Roads	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>highest prioritised need (21%)</b>	tbc	Number of square metres of roads to be patched	Square metres of road to be patched	All	100 000 m2	<b>150 000 m2</b>	37,5 000	37,5 000	37,5 000	37,5 000
Infrastructure and Services	Roads	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver		Distance of kilometres of residential roads upgraded from gravel to a paved surface	Number of kilometres paved	-	4km	<b>5km</b>	1,25km	1,25	1,25km	1,25km

## Strategic Objective 2 Improved Service Delivery

### National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								Annual Target	Q1	Q2	Q3	Q4
		such services in a sustainable manner – <b>highest prioritised need (21%)</b>										
Infrastructure and Services	Roads & storm	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>highest prioritised need (21%)</b>		Distance of kilometres of stormwater channels lined	Distance of kilometres of stormwater channels lined	-	0	<b>2.5km</b>			1.25km	1.25km
Infrastructure and Services	Wastewater Management / Sewerage	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	90% spent of the budget to provide <b>sanitation</b> by 30 June 2024 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)}	Percentage of budget spent by 30 June 2024	All	100%	<b>90%</b>	90%	90%	90%	90%
Infrastructure and Services	Electricity / Electricity	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	90% spent of the budget to provide <b>streetlights and high-mast lighting</b> by 30 June 2024 {(Actual capital expenditure on the project divided by the total approved capital budget for the project)}	Percentage of budget spent by 30 June 2024	All	100%	<b>90%</b>	90%	90%	90%	90%
Infrastructure and Services	Fleet	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	100% procurement of identified fleet as per the fleet replacement plan (number of vehicles delivered out of the number of vehicles identified for purchase x100)	Percentage of identified fleet delivered		100%	-	-	-	-	100%
Community and social development	Sport and recreation	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner –	tbc	90% spent of the budget to provide <b>sport and recreation facilities</b> by 30 June 2024 {(Actual capital expenditure on the project divided by the total approved	Percentage of budget spent by 30 June 2024	All	100%	90%	90%	90%	90%	90%

## Strategic Objective 2 Improved Service Delivery

### National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target					
								Annual Target	Q1	Q2	Q3	Q4	
		<b>prioritised need (10%)</b>		capital budget for the project)									
Infrastructure and Services	Wastewater Management / Sewerage	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Upgrade water and electricity infrastructure (replace 8000 water meters)	Number of pre-paid water meters replaced by 30 June 2024	All	8000	-	8000	-	-	-	-
Infrastructure and Services	Wastewater Management / Sewerage	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Upgrade water and electricity infrastructure (replace 8000 prepaid electricity meters)	Number of pre-paid water meters replaced by 30 June 2024	All	8000	-	8000	-	-	-	-
Infrastructure and Services	-	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner	tbc	Safeguarding of municipal assets to restrict vandalism of municipal infrastructure	Percentage of municipal assets provided with security	All	100%	90%	90%	90%	90%	90%	90%
Community and social development	Cemeteries	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	% Maintenance of cemeteries as per the annual maintenance plan	% Maintenance	All	100%	25%	25%	25%	25%	25%	25%
Community and social development	Sport and recreation	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	% Maintenance of municipal community halls as per the annual maintenance plan	% Maintenance	All	100%	<b>100%</b>	25%	25%	25%	25%	25%

## Strategic Objective 2 Improved Service Delivery

### National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								Annual Target	Q1	Q2	Q3	Q4
Community and social development	Sport and recreation	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	% Maintenance of municipal stadiums pools as per the annual maintenance plan	% Maintenance	All	100%	100%	25%	25%	25%	25%
Community and social development	Sport and recreation	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	% Maintenance of municipal community swimming pools as per the annual maintenance plan	% Maintenance	All	100%	100%	25%	25%	25%	25%
Community and social development	Sport and recreation	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>	tbc	% Maintenance of usable community parks as per the annual maintenance plan	% Maintenance	All	100%	100%	25%	25%	25%	25%
Community and social development	Health and safety	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>		Plan and conduct roadblocks	Number of roadblocks conducted	-	6	8	2	2	2	2
Community and social development	Health and safety	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>		Plan and conduct stop and check points to improve road safety	Number of stop and checkpoints conducted	-	-	36	9	9	9	9
Community and social	Health and safety	All communities have access to basic services delivered at an acceptable and		Conduct quarterly awareness for HIV, STI and TB	Number of awareness campaigns conducted	-	4	4	1	1	1	1

**Strategic Objective 2**  
**Improved Service Delivery**

**National KPA: Basic Service Delivery and Infrastructure Development**

Directorate	mSCOA Function – Sub function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								Annual Target	Q1	Q2	Q3	Q4
development		agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>										
Community and social development	Health and safety	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>		Conduct monthly inspections of food premises	Number of inspections	-	1800	<b>1800</b>	450	450	450	450
Community and social development	Health and safety	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner – <b>prioritised need (10%)</b>		Conduct monthly inspections to ensure compliance to legislation	Number of inspections	-	1800	<b>1200</b>	300	300	300	300

### Strategic Objective 3: Good, clean and transparent Governance and Public participation

Strategic Objective 3													
Good, clean and transparent governance and public participation													
National KPA: Good Governance and Public Participation													
Directorate	mSCOA Function / Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target					
								Annual Target	Q1	Q2	Q3	Q4	
Corporate Services	Finance and Administration / Administrative and Corporate Support	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	Compile the final Annual Report for 2022/23 and submit to council by 31 March 2024	Final Annual Report for 2022/23 submitted to council by 31 March 2024	All	1	1	-	-	1	-	
Corporate Services	Finance and Administration / Risk management	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	Develop a Risk Based Audit Plan and submit to the audit committee for consideration by 30 June 2024	Risk Based Audit Plan developed and submitted to the audit committee by 30 June 2024	All	1	1	-	-	-	1	
Corporate Services	Finance and Administration / Risk management	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	Report quarterly on the progress of risk mitigation to the MM and EMT	Quarterly reports on strategic risk register	All	1	4	1	1	1	1	
Corporate Services	Finance and Administration / Risk management/ internal audit	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	Number of audits conducted as per the internal audit plan	Number of internal audits conducted	All	1	20	3	2	7	8	
Corporate Services	Finance and Administration / Risk management/ internal audit	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	Develop and Submit an audit action plan to the MM to address matters raised by the auditor general within 30days after the end of the audit	Developed and submitted audit action plan	All	1	1	-	1	-	-	
Corporate Services	Planning and Development / Corporate Wide Strategic	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	Compile the final IDP and submit to council by 31 May 2024	Final IDP submitted to Council by 31 May 2024	All	1	1	-	-	-	1	

### Strategic Objective 3

## Good, clean and transparent governance and public participation

### National KPA: Good Governance and Public Participation

Directorate	mSCOA Function / Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								Annual Target	Q1	Q2	Q3	Q4
	Planning											
Corporate Services	Finance and Administration / Administrative and Corporate Support	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	Submit the oversight report for 2022/23 on the Annual Report to council by 31 March 2024	Oversight Report for 2022/23 submitted to council by 31 March 2024	All	1	1	-	-	1	-
Corporate Services	Finance and Administration / Administrative and Corporate Support	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	Investigate the possibility to update all municipal policies and standards	Investigation report	All	1	1	-	-	-	1
Corporate Services	Finance and Administration / Administrative and Corporate Support	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	To disseminate on a monthly basis the electronic municipal newsletter through social media platforms	Monthly distribution	All	0	12	3	3	3	3
Corporate Services	Finance and Administration / Administrative and Corporate Support	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	tbc	To respond to all media enquiries and issue media statements within 24hrs after an occurrence	Response times after an event has occurred	All	24hrs	24hrs	24hrs	24hrs	24hrs	24hrs

## Strategic Objective 4: Establishment of healthy financial management

Strategic Objective 4 Establishment of healthy financial management													
National KPA: Municipal Financial Viability and Management													
Directorate	mSCOA Function /Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target					
								Annual Target	Q1	Q2	Q3	Q4	
Finances	Finance and Administration / Finance	The municipality is financially viable to deliver services to the community	tbc	Provide free basic water to indigent households earning less than R4 500 by 30 June 2024	Number of households receiving free basic water by 30 June 2024	All	11657	11 800	11 800	11 800	11 800	11 800	11 800
Finances	Finance and Administration / Finance	The municipality is financially viable to deliver services to the community	tbc	Provide free basic electricity to indigent households earning less than R4 500 by 30 June 2024	Number of households receiving free basic electricity by 30 June 2024	All	11657	11 800	11 800	11 800	11 800	11 800	11 800
Finances	Finance and Administration / Finance	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	Provide free basic sanitation to indigent households earning less than R4 500 by 30 June 2024	Number of households receiving free basic sanitation by 30 June 2024	All	11657	11 800	11 800	11 800	11 800	11 800	11 800
Finances	Finance and Administration / Finance	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	Provide free basic refuse removal to indigent households earning less than R4 500 by 30 June 2024	Number of households receiving free basic refuse removal by 30 June 2024	All	11657	11 800	11 800	11 800	11 800	11 800	11 800
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	Maintain the debt coverage ratio of 2:1 against net assets of the municipality by 30 June 2023 Current Assets / Current Liabilities	Debt coverage ratio	All	2:1	2:1	2:1	2:1	2:1	2:1	2:1
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	"Reduce net debtor days to 300 days by 30 June 2023 ((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Net debtor days	All	300	250	250	250	250	250	250

**Strategic Objective 4**  
**Establishment of healthy financial management**

National KPA: Municipal Financial Viability and Management

Directorate	mSCOA Function /Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								Annual Target	Q1	Q2	Q3	Q4
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services by 30 June 2024 {Net Service debtors to revenue - (Total outstanding service debtors minus provision for bad debt)/ (revenue received for services) x100}	% outstanding service debtors by 30 June 2024	All	28,2%	14%	14%	14%	14%	14%
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2024 {Cost coverage ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)}	Cost coverage ratio by 30 June 2024	All	0.91	1	1	1	1	1
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	To improve the SCM turnaround time to 12 weeks for annual contracts from closing date to date of award by 30 June 2024 (Number of tenders received divided by number of weeks awarded.	Average time in weeks to award tender	All	12 weeks	<b>12 weeks</b>	12 weeks	12 weeks	12 weeks	12 weeks
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to	tbc	To improve the SCM turnaround time to 6 weeks for annual contracts from closing date to	Average time in weeks to award tender	-	-	<b>6 weeks</b>	6 weeks	6 weeks	6 weeks	6 weeks

**Strategic Objective 4**  
**Establishment of healthy financial management**

National KPA: Municipal Financial Viability and Management

Directorate	mSCOA Function /Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target					
								Annual Target	Q1	Q2	Q3	Q4	
	Treasury Office	deliver services to the community		date of award by 30 june 2024 (Number of tenders received divided by number of weeks awarded.									
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	Implement the demand management plan and 100% adherence to timeframes	Indicators developed for measuring SCM performance	All	1	-	1	-	-	-	-
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	95% collection rate and ensure payment based on correct account (receipts/ billingx100)	95% collection rate achieved	All	85%	-	85%	85%	85%	85%	85%
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	Perform an annual cost analysis for each trading services for the new budget by 31 march	Cost analysis reports	All	4	4	4	4	4	4	4
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	75% reduction of irregular expenditure by 30 June 2024	% of UFW expenditure reported against total budget (capex and opex)	All	-	25%	-	-	-	-	25%
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	100% elimination of Fruitless & wasteful expenditure by 30 June 2024	% of Fruitless and wasteful expenditure after condonement against total operational expenditure x100	All	-	0%	-	-	-	-	0%
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	100% Elimination of Unauthorised expenditure by 30 June 2024	% of Unauthorised expenditure after condonement against total	All		0%	-	-	-	-	0%

### Strategic Objective 4

#### Establishment of healthy financial management

##### National KPA: Municipal Financial Viability and Management

Directorate	mSCOA Function /Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								Annual Target	Q1	Q2	Q3	Q4
					operational expenditure x100							
Finances	Finance and Administration / Budget and Treasury Office	The municipality has a system in place to track spending in terms of budget allocations and is financially viable to deliver services to the community	tbc	% Submission of financial and non financial mSCOA reports on the GoMUNI webbased application by the set deadlines provided by National Treasury. (All reports to be uploaded within 10 working days after the month-end)	% of reports loaded on the GoMuni application	All	-	100%	100%	100%	100%	100%

## Strategic Objective 5: Improved Institutional Management

Strategic Objective 5 Improved Institutional Management													
National KPA: Institutional Development and Municipal Transformation													
Directorate	mSCOA Function / Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target					
								Annual target	Q1	Q2	Q3	Q4	
Corporate Services	Finance and Administration / Human Resources	The municipality is internally transformed to deliver the services required at an acceptable level with the support administrative systems and skilled staff whose performance is regularly monitored.	tbc	Percentage of people from employment equity target groups appointed in the three highest levels of management during the 2023/24 financial year in compliance with the municipality's approved employment equity plan	% of people that will be appointed in the three highest levels of management in compliance with a municipality's approved employment equity plan	All	66%	<b>66%</b>	66%	66%	66%	66%	66%
Corporate Services	Finance and Administration / Human Resources	The municipality is internally transformed to deliver the services required at an acceptable level with the support administrative systems and skilled staff whose performance is regularly monitored.	tbc	Ensure that the actual spending on employee related costs does not exceed 33% of the total expenditure (employee related costs and councillors remuneration/total operating expenditurex100	Employee cost as a percentage of total operating cost	All	33%	-	-	-	-	-	33%
Corporate Services	Finance and Administration / Human Resources	The municipality is internally transformed to deliver the services required at an acceptable level with the support administrative systems and skilled staff whose performance is regularly monitored.	tbc	Percentage of municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2024 ((Total Actual Training Expenditure/ Total personnel Budget)x100))	(Total expenditure on training/total personnel budget)/100	All	0.01%	<b>0.01%</b>	0.01%	0.01%	0.01%	0.01%	0.01%
Corporate Services	Finance and Administration / Human Resources	The municipality is internally transformed to deliver the services required at an acceptable level with the support administrative systems and skilled staff whose performance is regularly monitored.	tbc	Limit vacancy rate to 20% of funded post by 30 June 2024 {(Number of funded posts vacant divided by budgeted funded posts)x100}	(Number of funded posts vacant divided by budgeted funded posts)x100	All	0%	<b>20%</b>	20%	20%	20%	20%	20%
Corporate Services	Finance and Administration /	The municipality is internally transformed to deliver the services	tbc	Review the Workplace Skills Plan and submit plan to the LGSETA	Workplace Skills Plan submitted to LGSETA by 30	All	1	<b>1</b>	1	1	1	1	1

**Strategic Objective 5**  
**Improved Institutional Management**

**National KPA: Institutional Development and Municipal Transformation**

Directorate	mSCOA Function / Sub-function	Outcome	SDBIP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								Annual target	Q1	Q2	Q3	Q4
	Human Resources	required at an acceptable level with the support administrative systems and skilled staff whose performance is regularly monitored.		by 30 April 2024	April 2024							
Corporate Services	Finance and Administration / Human Resources	The municipality is internally transformed to deliver the services required at an acceptable level with the support administrative systems and skilled staff whose performance is regularly monitored.	tbc	Review organogram to be aligned with strategy and comply with R890 by 30 June 2024	Organogram reviewed by 30 June 2024	All	1	-	1	-	-	-
Corporate Services	Finance and Administration / Human Resources	The municipality is internally transformed to deliver the services required at an acceptable level with the support administrative systems and skilled staff whose performance is regularly monitored.	tbc	Document and distribute standard operation procedures to every municipal directorate by 30 June 2024	Standard Operating Procedures documented and provided to municipal directorates by 30 June 2024	All	1	-	1	-	-	-

**SECTION 6:**

**BUDGET  
RELATED  
POLICIES  
OVERVIEW  
AND  
AMENDMENTS**

# **SOL PLAATJE LOCAL MUNICIPALITY**



## **CASH MANAGEMENT AND INVESTMENT POLICY**

**For adoption with the tabled Budget: 2022/23 MTREF**

**Date:**

**Council Resolution:**

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## **1. Legal compliance**

The Minister, acting with the concurrence of the cabinet member responsible for local government, may prescribe a framework within which municipalities must conduct their cash management and investments, and invest money not immediately required.

A municipality must establish an appropriate and effective cash management and investment policy in accordance with any framework that may be prescribed.

The municipality shall at all times manage its banking arrangements and investments and conduct its cash management and investment policy in compliance with the provisions of and any further prescriptions made by the Minister of Finance in terms of the Municipal Finance Management Act No. 56 of 2003 and the Municipal Investment Regulations (MIR).

In this policy, unless the context indicated otherwise, a word or expression to which a meaning has been assigned in the MFMA, has the same meaning as in the Act.

## **2. Objective of the policy**

The primary aim is to ensure the preservation and safety of investments. The need for investment diversification and the liquidity needs of the municipality.

The council of the municipality is the trustee of the public revenues, which it collects, and it therefore has an obligation to the community to ensure that the municipality's cash resources are managed effectively and efficiently. The council has a responsibility to invest these public revenues knowledgeably and judiciously, and must be able to account fully to the community in regard to such investments.

The cash management and investment policy of the municipality is therefore aimed at gaining the optimal return on investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes. The effectiveness of the cash management and investment policy is dependent on the accuracy of the municipality's cash management programme, which must identify the amounts surplus to the municipality's needs, as well as the time when and period for which such revenues are surplus and available to be invested.

## **3. Effective cash management**

### **3.1 Cash Collection**

All monies due to the municipality must be collected and paid into the municipality's primary bank account, as soon as possible, either on or before the due date or immediately after the due date. All cash receipts must be reconciled and banked on a daily basis. Receipts or allocations received via Electronic Funds Transfers must be investigated, reconciled and allocated timeously.

The accounting officer of a municipality must administer all the municipality's bank accounts, including a bank account referred to in section 12 or 48(2)(d) of the MFMA; is accountable to the municipal council for the municipality's bank accounts; and must enforce compliance with sections 7, 8 and 11 of the MFMA.

The accounting officer may delegate the duties referred to in subsection (1) (c) to the municipality's Chief financial officer only.

The unremitting support of and commitment to the municipality's credit control policy, both by the council and the municipality's officials, is an integral part of proper cash collections, and by approving the present policy the council pledges itself to such support and commitment.

The accounting officer of the municipality is responsible for the management of the revenue of the municipality.

The accounting officer, must, among other things, take all reasonable steps to ensure that all money received is promptly deposited in accordance with the requirements of the present Act into the municipality's primary and other bank accounts.

The accounting officer must also ensure that all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled on at least a weekly basis.

The accounting officer must take all reasonable steps to ensure that any funds collected by the municipality on behalf of another organ of state are transferred to that organ of state at least on a weekly basis, and that such funds are not used for purposes of the municipality.

### **3.2 Payments to Creditors**

The Chief Financial Officer shall ensure as per section 65(2)(e) of the MFMA, that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure. This rule shall be departed from only where there are financial incentives for the municipality to effect earlier payment, and any such departure shall be approved by the Chief Financial Officer before any payment is made.

In the case of small, micro and medium enterprises, where such a policy may cause financial hardship to the contractor, payment may be effected at the conclusion of the month during which the service is rendered or within fourteen days of the date of such service being rendered, whichever is the later. Any such early payment shall be approved by the Chief Financial Officer before any payment is made.

Notwithstanding the foregoing policy directives, the Chief Financial Officer shall make full use of any extended terms of payment offered by suppliers and not settle any accounts earlier than such extended due date, except if the Chief Financial Officer determines that there are financial incentives for the municipality to do so.

The accounting officer of the municipality is responsible for the management of the expenditure of the municipality and must take all reasonable steps to ensure, among other things, that payments made by the municipality are made direct to the person to whom they are due.

The accounting officer must further ensure that the municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework.

### **3.3 Cash Management Programme**

The Chief Financial Officer shall prepare an annual estimate of the municipality's cash flows divided into calendar months, and shall update this estimate on a daily basis. The estimate shall indicate when and for what periods and amounts surplus revenues may be invested, when and for what amounts investments will have to be liquidated, and when, if applicable either long-term or short-term debt must be incurred. Executive Directors shall in this regard furnish the Chief Financial Officer with all such information as is required, timeously and in the format indicated.

The Chief Financial Officer shall report to the finance committee on a monthly basis and/or to a council meeting when required. Such a report shall indicate any movements in respect of the municipality's investments, together with appropriate details of the investments concerned.

## **4. Investment ethics**

The Chief Financial Officer shall be responsible for investing the surplus revenues of the municipality, and shall manage such investments in consultation with the Accounting officer and in compliance with any policy directives formulated by the council and prescriptions made by the Minister of Finance.

Investments by the municipality:

- (a) Must be made with such judgment and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise in the management of that person's own affairs
- (b) May not be made for speculation and exposing the municipality to undue risk but must be a genuine investment, and
- (c) Must in the first instance be made with primary regard being to the probable safety of the investment, in the second instance to the liquidity needs of the municipality and lastly to the probable income derived from the investment.

## **5. Investment principles**

### **5.1 Portfolio diversification and limiting exposure**

Where large sums of money are available for investment, the Chief Financial Officer shall ensure that the municipality takes all reasonable and prudent steps consistent with its cash management and investment policy and according to the standard of care prescribed in regulation 5 of the MIR to diversify its investment portfolio across institutions, types of investment and investment maturities in order to limit the risk exposure of the municipality. The municipality shall ensure that as far as practically possible that twenty five percent or more of its investments is not held by one financial institution, however this threshold excludes the current account of the municipality.

### **5.2 Credit requirements and risk and return**

Although the objective of the Chief Financial Officer in making investments on behalf of the municipality shall always be to obtain the best interest rate on offer, this consideration must be tempered by the degree of risk involved in regard to both the financial institution and the investment instrument concerned. No investment shall be made with an institution where the degree of risk is perceived to be higher than the average risk associated with investment institutions.

The municipality must take all reasonable and prudent steps consistent with its cash management and investment policy and according to the standard of care set out in regulation 5 of the MIR, to ensure that it places its investments with credit-worthy institutions. Therefore, the municipality must regularly monitor its investment portfolio; and when appropriate liquidate an investment that no longer has the minimum acceptable credit rating as specified in its cash management and investment policy. Prescribe notice periods as per the investment schedule must be adhered to, to avoid the municipality incurring unnecessary fees/penalties that could have been avoided if reasonable care has been exercised.

### **5.3 Miscellaneous provisions**

The responsibility and risk arising from any investment transaction vests in the municipality. All investments made by the municipality must be in the name of the municipality. The municipality may not borrow money for the purpose of investment.

## **6. Payment of Commission**

No fee, commission or other reward may be paid to a councillor or official of a municipality or to a spouse or close family member of such councillor or official in respect of any investment made or referred by a municipality.

If an investee pays any fee, commission or other reward to an investment manager in respect of any investment made by a municipality, both the investee and the investment manager must declare such payment to the council of the municipality by way of a certificate disclosing full details of the payment

## 7. Reporting requirements

The accounting officer of a municipality or municipal entity must within 10 working days of the end of each month, as part of the section 71 report required by the Act, submit to the mayor of the municipality a report describing in accordance with generally recognised accounting practice the investment portfolio of the municipality as at the end of the month. Supporting table SC (5) of the monthly C-schedule will be utilized for this purpose as per the Municipal Budget and Reporting Regulations (MBRR)

The report must set out at least -

- The market value of each investment as at the beginning of the reporting period;
- any changes to the investment portfolio during the reporting period;
- the market value of each investment as at the end of the reporting period; and
- fully accrued interest and yield for the reporting period.

In terms of S13(4) of the MFMA, a bank, insurance company or other financial institution which at the end of a financial year holds, or at any time during a financial year held, an investment for a municipality, must, within 30 days after the end of that financial year, notify the Auditor-General, in writing, of that investment, including the opening and closing balances of that investment in that financial year; and promptly disclose information regarding the investment when so requested by the National Treasury or the Auditor-General.

## 8. Permitted investments

A municipality may invest funds only in any of the following investment types:

- (a) securities issued by the national government;
- (b) listed corporate bonds with an investment grade rating from a nationally or internationally recognised credit rating agency;
- (c) deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);
- (d) deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, 1984 (Act No. 45 of 1984);
- (e) deposits with the Corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984);
- (f) banker's acceptance certificates or negotiable certificates of deposit of banks registered in terms of the Banks Act, 1990;
- (g) guaranteed endowment policies with the intention of establishing a sinking fund;
- (h) repurchase agreements with banks registered in terms of the Banks Act, 1990;
- (i) municipal bonds issued by a municipality; and
- (j) any other investment type as the Minister may identify by regulation in terms of section 168 of the Act, in consultation with the Financial Services Board.

## 9. Procedures for the invitation and selection of competitive offers

In accordance of section 110(1)(d) of the MFMA, before making any investments, the Chief Financial Officer, shall obtain quotations from at least three or more credit-worthy financial institutions.

Given the volatility of the money market, the Chief Financial Officer shall, whenever necessary, request quotations telephonically, and shall record in an appropriate register the name of the institution, the name of the person contacted, and the relevant terms and rates offered by such institution, as well as any other information which may be relevant (for example, whether the interest is payable monthly or only on maturity, and so forth).

Once the best investment terms have been identified, written confirmation of the telephonic quotation must be immediately obtained (by facsimile, email or any other expedient means).

Any monies paid over to the investing institution in terms of the agreed, shall be paid over only to such institution itself and not to any agent or third party. Once the investment has been made, the Chief Financial Officer shall ensure that the municipality receives a properly documented receipt or certificate for such investment, issued by the institution concerned in the name of the municipality.

## **10. Restriction on Tenure of Investments**

No investment with a tenure exceeding twelve months shall be made without the approval of the executive mayor or the executive committee, as the case may be.

## **11. Control over investments**

The Chief Financial Officer shall ensure that proper records are kept of all investments made by the municipality. Such records shall indicate the date on which the investment is made, the institution with which the monies are invested, the amount of the investment, the interest rate applicable, and the maturity date. If the investment is liquidated at a date other than the maturity date, such date shall be indicated.

All movements in investment accounts must be reflected in the general ledger of the municipality.

The Chief Financial Officer shall ensure that all interest and capital properly due to the municipality are timeously received, and shall take appropriate steps or cause such appropriate steps to be taken if interest or capital is not fully or timeously received.

The Chief Financial Officer shall ensure that all investment documents and certificates are properly secured in a fireproof safe with segregated control over the access to such safe, or are otherwise lodged for safekeeping with the municipality's bankers or attorneys.

## **12. Investments denominated in foreign currencies**

Investments denominated in foreign currencies are prohibited and the municipality may make an investment only if the investment is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

### **13. Banking arrangements**

The Accounting officer is responsible for the management of the municipality's bank accounts, but may delegate this function to the Chief Financial Officer. The Chief Financial Officer is authorised at all times to release funds and any other documentation associated with the management of such accounts. The Accounting officer, in consultation with the Chief Financial Officer, is authorised to appoint two or more additional signatories or releasers in respect of such accounts, and to amend such appointments from time to time. The list of new signatories or releasers shall be approved by the Council as and when the case may be.

Unless there are compelling reasons to do otherwise, all the municipality's bank accounts shall be maintained with the same banking institution to ensure pooling of balances for purposes of determining the best interest payable to the municipality.

### **14. Raising of short-term and long-term debt**

The Accounting officer is responsible for the raising of debt, but may delegate this function to the Chief Financial Officer, who shall then manage this responsibility in consultation with the accounting officer. All debt shall be raised in strict compliance with the requirements of the Municipal Finance Management Act 2003, and only with the prior approval of the council.

#### **14.1 Conditions applicable to both short and long-term debt**

Conditions applying to both short-term and long-term debt as per section 47 of the MFMA, the municipality may incur debt only if the debt is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency; and section 48(3) of the Act has been complied with, if security is to be provided by the municipality.

#### **14.2 Short-term debt**

As per section 45(1) of the MFMA, short-term debt may be incurred, only when necessary to bridge shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

The council may approve a short-term debt transaction individually, or may approve an agreement with a lender for a short-term credit facility to be accessed as and when required, including a line of credit or bank overdraft facility, provided that the credit limit must be specified in the resolution of the council; the terms of the agreement, including the credit limit, may be changed only by a resolution of the council; and if the council approves a credit facility limited to emergency use, the accounting officer must notify the council in writing as soon as practicable of the amount, duration and cost of any debt incurred in terms of such a credit facility, as well as the options available for repaying such debt.

The municipality must pay off short-term debt within the financial year in which it is incurred, and may not renew or refinance short-term debt, whether its own debt or that of any municipal entity, where such renewal or refinancing will have the effect of extending the short-term debt into a new financial year.

### **14.3 Long-term debt**

A municipality may incur long-term debt only in accordance with and subject to any applicable provisions of the MFMA, and only for the purpose of capital expenditure on property, plant or equipment of the approved annual budget or adjustments budget, to be used for the purpose of achieving the objects of local government as set out in Section 152 of the Constitution; or refinancing existing long-term debt subject to the requirements of Section 46(5).

## **15. Interest on investments**

The interest accrued on all the municipality's investments shall, in compliance with the requirements of Generally Recognised Accounting Practice, be recorded in the first instance in the municipality's primary bank account and recognised as Interest Earned - External Investments in the Statement of Financial Performance as Revenue from exchange transactions.

## **16. Opening of bank accounts**

Every municipality must open and maintain at least one bank account. This bank account must be in the name of the municipality, and all monies received by the municipality must be paid into this bank account promptly and in accordance with any requirements that may be prescribed.

A municipality may not open a bank account:

- otherwise than in the name of the municipality;
- abroad; or
- with an institution not registered as a bank in terms of the Banks Act 1990.

Money may be withdrawn from the municipality's bank account only in accordance with the requirements of Section 11 of the MFMA.

## **17. Primary bank account**

Every municipality must have a primary bank account, and if the municipality has only one bank account that account is its primary bank account. If the municipality has more than one bank account, it must designate one of those bank accounts as its primary bank account.

The following must be paid into the municipality's primary account:

- all allocations to the municipality;
- all income received by the municipality on its investments;
- all income received by the municipality in connection with its interest in any municipal entity;
- all money collected by a municipal entity or other external mechanism on behalf of the municipality, and;
- any other monies as may be prescribed.

The accounting officer of the municipality must submit to the national treasury, the provincial treasury and the Auditor-General, in writing, the name of the bank where the primary bank account of the municipality is held, and the type and number of the account. If the municipality wants to change its primary bank account, it may do so only after the accounting officer has informed the national treasury and the Auditor-General, in writing, at least 30 days before effecting such change.

## **18. Submission of bank account details**

The accounting officer of the municipality must submit to the national treasury, relevant provincial treasury and to the Auditor-General, in writing, within 90 days after the municipality has opened a new bank account, the name of the bank where the account has been opened, and the type and number of the account; and annually, before the start of each financial year, the name of each bank where the municipality holds a bank account, and the type and number of each account.

## **19. Control of municipal bank accounts**

The accounting officer of the municipality must administer the entire municipality's bank accounts, is accountable to the municipal council for the municipality's bank accounts, and must enforce compliance with Sections 7, 8 and 11 of the MFMA. The accounting officer may delegate the duties referred to above only to the municipality's Chief Financial Officer.

## **20. Withdrawals from municipal bank accounts**

Only the accounting officer or the Chief Financial Officer of the municipality (where this power has been appropriately delegated), or any other senior financial official of the municipality acting on the written authority of the Accounting officer, may withdraw money or authorise the withdrawal of money from any of the municipality's bank accounts. Such withdrawals may be made only to:

- defray expenditure appropriated in terms of an approved budget;
- defray expenditure authorised in terms of Section 26(4) (this Section deals with situations in which the budget was not timeously approved, and the province has been compelled to intervene);
- defray unforeseeable and unavoidable expenditure authorised in terms of Section 29(1);
- in the case of a bank account opened in terms of Section 12, make payments from the account in accordance with Section 12(4);
- pay over to a person or organ of state money received by the municipality on behalf of such person or organ of state, including money collected by the municipality on behalf of such person or organ of state by agreement, or any insurance or other payments received by the municipality for such person or organ of state;
- refund money incorrectly paid into a bank account;
- refund guarantees, sureties and security deposits;
- make investments for cash management purposes in accordance with Section 13;
- defray increased expenditure in terms of Section 31; or
- for such other purposes as may be prescribed.

(Note that Section 11(1) of the MFMA, does not expressly provide for the withdrawal of monies to pay creditors, where the relevant obligations arose in terms of the previous budget; to repay loans; or to repay consumer deposits).

Any authorisation to a senior financial official to withdraw money or to authorise the withdrawal of money from a bank account must be in accordance with the framework as may be prescribed. The accounting officer may not authorise any official other than the Chief Financial Officer to withdraw money or to authorise the withdrawal of money from the municipality's primary bank account if the municipality has a primary bank account which is separate from its other bank accounts.

## **21. Relief, charitable, trust or other funds**

No political structure or office bearer of the municipality may set up a relief, charitable, trust or other fund of whatever description, except in the name of the municipality. Only the municipal manager may be the accounting officer of any such fund.

A municipality may open a separate bank account in the name of the municipality for the purpose of such relief, charitable, trust or other fund. Money received by the municipality for the purpose of such fund must be paid into the bank account of the municipality, or if a separate bank account has been opened for such fund, into that account.

Money in a separate account opened for such fund may be withdrawn from the account without appropriation in terms of the approved budget, but only by or on the written authority of the accounting officer, acting in accordance with decisions of the council, and for the purposes for which, and subject to any conditions on which, the fund was established or the money in the fund was donated.

## **22. Contents of annual budgets and supporting documents**

As per section 17(1)(a) of the MFMA, an annual budget of a municipality must be a schedule in the prescribed format as per the MBRR and must be accompanied by the following documents:

A projection of cash flows for the budget year by revenue source, broken down per month, and particulars of the municipality's investments.

## **23. Publication of annual budgets**

As per section 22(a) of the MFMA, the accounting officer must make public, immediately after a draft annual budget is tabled, the budget itself and all the prescribed supporting documents, and invite comments from the local community in connection with such budget and documents.

## **24. National and provincial allocations to municipalities**

In order to provide predictability and certainty about the sources and levels of intergovernmental funding for municipalities, the accounting officer of a national or provincial department and the accounting authority of a national or provincial public entity responsible for the transfer of any proposed allocations to a municipality, must by no later than 20 January of each year notify the national treasury or the relevant provincial treasury as may be appropriate, of all proposed allocations and the projected amounts of those allocations to be transferred to each municipality during each of the next 3 financial years.

The Minister or the MEC responsible for finance in the province must, when tabling the national annual budget in the national assembly or the provincial annual budget in the provincial legislature, make public particulars of any allocations due to each municipality in terms of that budget, including the amount to be transferred to the municipality during each of the next 3 financial years.

## **25. Promotion of co-operative government by municipalities**

In order to enable municipalities to include allocations from other municipalities in their budgets and to plan effectively for the spending of such allocations, the accounting officer of every municipality responsible for the transfer of any allocation to another municipality, must, by no later than 120 days before the start of its budget year, notify the receiving municipality of the projected amount of any allocation proposed to be transferred to that municipality during each of the next 3 financial years.

## **26. Stores administration**

The Chief Financial Officer shall be responsible for the proper administration of all stores. If sub-stores are established under the control of any executive director, such executive director shall be similarly responsible for the proper administration of such sub-store, and in doing so shall comply with the any legislative requirement and policies as determined from time to time by the Chief

Financial Officer. No sub-store may be established without the prior written consent of the Chief Financial Officer. All users must submit authorised requisitions in the prescribed format as determined from time to time by the Chief Financial Officer prior to the issue of any such goods or store items.

## **27. Contract management**

Within such general buying and related procedures as the Chief Financial Officer shall from time to time determine, and further within the confines of any relevant legislation and of such rules and procedures as may be determined by the executive mayor or the finance committee, as the case may be:

- all buying contracts shall be administered by the Chief Financial Officer, and all payments relating to such contracts shall be authorised by the Chief Financial Officer or the executive director or a departmental head designated by him or her; and
- all other contracts, including building, engineering and other civil contracts shall be administered by the executive director or a departmental head designated by him or her, and all payments relating to such contracts shall be authorised by such an executive director in accordance with the provisions of Section 28 below. The executive director (or a departmental head) concerned shall ensure that all payment certificates in regard to contracts are properly examined and are correct in all respects - before being submitted to the Chief Financial Officer for payment.

## **28. Payments**

All payments, other than petty cash disbursements, shall be made through the municipality's primary bank account. Petty cash reimbursements or replenishments must be made through the municipality's primary bank account.

The Chief Financial Officer shall release funds on this account, and shall, in consultation with the accounting officer and with due regard to the council's policy on banking and investments, determine the rules and procedures relating to the releasing of funds, and from time to time jointly with the accounting officer decide on appropriate signatories or releasers.

All requests for payments of whatever nature shall be submitted on payment vouchers, the format of which shall be determined by the Chief Financial Officer. Such vouchers shall be authorised in terms of such rules and procedures as are determined from time to time by the Chief Financial Officer.

The sourcing of quotations be centralised to Supply chain management. All users must submit authorised requisitions in the prescribed format as determined from time to time by the Chief Financial Officer for procurement of goods and services from external service providers. One quotation may be attached to such authorised requisitions, as necessary to ensure that Demand management obtain additional quotations for the correct goods and services. Orders must be issued to the successful service provider prior to goods being delivered or services being rendered.

The maximum amount and nature of petty disbursements, where not covered by the general buying procedures, shall be in line with the municipality's Supply chain management policy. No cash float shall be operated without the authority of the Chief Financial Officer, who may prescribe such procedures relevant to the management of such float as are considered necessary.

The Executive Director: Corporate service shall be responsible for the determination of all salaries and remuneration benefits to employees as prescribed by the Basic conditions of employment act and applicable collective agreement, whilst the Chief Financial Officer shall be responsible for making payments in accordance with the instructions so received from Human Resources and loaded onto the current Payroll system being utilised by the municipality. Councillor's allowances shall be determined and paid in accordance with the Upper Limits Gazette on the remuneration of public office bearers and municipal councillors. Payments shall be made upon approval for the implementation of the upper limits gazette by the MEC for Local Government in the province.

## **29. Revenue and cash collection**

Every Executive Director responsible for revenue collection, shall be responsible for the collection of all moneys falling within the ambit and area of his or her designated functions.

The Chief Financial Officer shall ensure that all revenues are properly accounted for.

The collection of all arrear revenues and the control of arrear accounts shall be co-ordinated by the Chief Financial Officer in terms of any policies determined by the council. If it is clear that any revenues are not recovered or likely to be recovered after the necessary steps have been taken, the Chief Financial Officer shall report the matter adequately and timeously to the finance committee.

The Chief Financial Officer shall ensure that adequate provision is maintained to cover the writing off of irrecoverable revenues, having due regard to the council's policy on rates and tariffs.

## **30. Scope of application**

This policy is applicable to Sol Plaatje Local Municipality and all its officials and councillors

## **31. Approval**

The cash management and investment policy has been approved by Council.

# SOL PLAATJE LOCAL MUNICIPALITY



## CONTRACTS PERFORMANCE MANAGEMENT POLICY

*Final Reviewed Version of March 2023*

**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	07 June 2022	C74/ 07/22
Reviewed and Amended	27 February 2023	

<b>CONTRACT PERFORMANCE MANAGEMENT POLICY- 2023/24</b>				
<b>Item No.</b>	<b>Original Author(s)</b>	<b>Policy status</b>	<b>Council Resolution No</b>	<b>Date of Approval</b>
1	Machelani Shirindza	4 <sup>th</sup> Review		
2	Name of Speaker <b>Ms. Nomazizi Maputle</b>	4 <sup>th</sup> Review		
3	Name of Accounting Officer (MM)	Signature	Date	
4	<b>Mr. SB Matlala</b>			

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## A. ACRONYMS AND DEFINITIONS

In this Policy, unless the context indicates otherwise:

<b>Accounting Officer</b>	means the Municipal Manager 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>AMU</b>	Asset Management Unit of the Municipality
<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 of the Municipality
<b>CIDB</b>	Construction Industry Development Board
<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>Contingencies</b>	a percentage of concept budget allowed for unforeseeable programmatic and design changes which occur over the course of the execution.
<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>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>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 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>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>Council</b>	Means the Council of the Sol Plaatje Local Municipality.
<b>CSD</b>	Central Supplier Database
<b>Delegation (in relation to a duty)</b>	Includes an instruction or request to perform or to assist in performing the duty.
<b>Executive Director</b>	Means a senior manager of the Municipality appointed in terms of section 56 of the Municipal Systems Act Delegation (in relation to a 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>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>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>MBD</b>	Means the Municipal Bid Documents
<b>MFMA</b>	Means the 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>Municipality</b>	means the Sol Plaatje Local Municipality;
<b>NT</b>	National Treasury established by section 5 of the Public Finance Management Act.
<b>Official (In relation to the Municipality)</b>	means: <ul style="list-style-type: none"> <li>• an employee of the Municipality.</li> <li>• a person seconded to the municipality to work as a member of the staff of the municipality; or</li> <li>• a person contracted by the municipality to work as a member of the staff of the municipality otherwise than as an employee.</li> </ul>
<b>PID</b>	Project Initiation Documents
<b>PIP</b>	Project Implementation Plan
<b>PMU</b>	Project Management Unit
<b>Price Escalation</b>	Means 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 Acquisition, Implementation, Monitoring and Handover/Commissioning of the project. A project may be funded from more than one source as per the approved budget.
<b>PSC</b>	Means Project Steering Committee
<b>SCC</b>	means the Special Conditions of Contract
<b>SCM</b>	Supply Chain Management
<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>SDA</b>	Service Delivery Agreement
<b>SDBIP</b>	means Service Delivery Budget Implementation Plan
<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
<b>SLA</b>	Service Level Agreement
<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>Structures Act</b>	Local Government: Municipal Structures Act, 2000 (Act No. 117 of 1996)
<b>Users</b>	all officials as set out in the organogram of the Sol Plaatje Municipality involved with contracts.
<b>VAT</b>	Value Added Tax

## 1. INTRODUCTION

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 quality 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:

- (a) Goods and services outside of specification.
- (b) Cost overruns.
- (c) Poor suppliers, buyer or other stakeholder relations;
- (d) Negative public perception, and
- (e) 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 Municipality.

## 2. 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 equitable, transparent, competitive and cost effective”.
- (b) This is consistent with section 112(1) of the MFMA, which provides that “the Supply Chain Management Policy of the Municipality must be fair, equitable, transparent, competitive, cost effective and comply with a prescribed regulatory framework...”
- (c) The Supply Chain Management Policy (SCM) ensures effective and efficient control of contracts procured through the SCM processes, thus ensuring that:
  - (i) Proper recording and enforcement of contracts throughout the contract life cycle (specifications regarding contract reviews);
  - (ii) Support is provided 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) Assistance is provided to officials in understanding their legal and managerial responsibilities with regards to contract management;
  - (vi) The optimization of the efficient use of resources and the financial sustainability of the Municipality, resulting in lower cost drivers, and
  - (vii) The continuous development of effective Management Information Systems, resulting in strategic support and risk prevention

- (d) 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.

### **3. LEGISLATIVE AND POLICY FRAMEWORK**

- The Constitution of the Republic of South Africa, 1996
- Municipal Finance Management Act (Act No. 56 of 2003)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations 2017 (No. Reg 40553, 20 January 2017)
- Local Government: Municipal Systems Act (Act No. 32 of 2000)
- Local Government: Municipal Structures Act (Act No. 117 of 1996)
- Municipal Supply Chain Management Regulations, ( No. 27636, Notice 868 of 2005 as amended)
- Supply Chain Management Policy of the Sol Plaatje Municipality

### **4. STATUTORY AND REGULATORY FRAMEWORK FOR MANAGING CONTRACTS**

#### **4.1 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 33 and 116 of the MFMA (Act No. 56 of 2003).
  - (iii) Municipal Supply Chain Management Regulations (No. 27636, Notice 868 of 2005)
  - (iv) Supply Chain Management Policy of the Municipality
  - (v) Any other applicable legislation pertaining to the acquisition of goods and services and contract management.
- 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.

#### **4.2 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.

#### **4.3 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.

#### **4.4 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.

#### **4.5 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;
  - (iii) The termination of the contract or agreement in the case of breach or non- or underperformance.
  - (iv) The termination of the contract or agreement in the case of breach or non- or underperformance.
  - (v) Dispute resolution mechanisms to settle disputes between the parties.
  - (vi) 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.
  - (vii) The municipality's liability and indemnity exposure.
  - (viii) Force majeure and
  - (ix) 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.

#### **4.6 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.

#### **4.7 Management of Contracts:**

The Accounting Officer and delegated officials must take all reasonable steps to:

- (a) Ensure that a contract or agreement procured through the Supply Chain Management Policy of the Municipality is properly enforced.
- (b) Monitor on a monthly basis the performance of the contractor under the contract or agreement.
- (c) Administrate the contract with the necessary competencies and delegations, ensuring effective management of contracts.
- (d) The PMU Manager / Contract Owner (Municipal Manger / Executive Directors) must ensure that Line/Project Managers submit suppliers' monitoring performance reports for purposes of Section 116 (3) to the SCM Contract Administrator within
- (e) **5 business days after the end of each month.**
- (f) 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.
- (g) 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 **10 business days** of the end of each quarter.

#### **4.8 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.

#### **4.9 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):
  - (i) 20% (construction related goods, services and/or infrastructure projects), and
  - (ii) 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).

#### **4.9.1 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:
  - (i) Short description of the project;
  - (ii) Project status;

- (iii) Summary of Contractors performance;
  - (iv) Project budget and expenditure to date;
  - (v) Proposed amendment (scope, area, associated costs, budget);
  - (vi) Reason for amendment contrary to inviting bids for the new scope;
  - (vii) Benefits arising from the amendment;
  - (viii) 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.

#### **4.10 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 within 5 calendar days from the month-end.
- (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.

**4.10.1 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 Accounting Officer for approval.	Line Manager/CFO
The Service Provider shall be informed of the acceptance of the variation and all necessary documents shall be signed and filed.	Line Manager

**4.11 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.

#### **4.12 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 Agreement entered into.	Line/Project Manager
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

## **5.1 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.

## **5.2 Processing of Payments by the Expenditure Section**

- (a) For Civil Contracts, all invoices shall be delivered to the Engineer responsible together with the 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 by Line Manager and be submitted to Expenditure Section.
- (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.

- (c) All vouchers shall be signed by the Engineer or Line/Project Manager and approved by the Executive Director, which must be submitted to Expenditure Section for verification of validity of the contract (CSD report requirements and Municipal Rates & Services). All payment documents shall be forwarded to the Expenditure Division by the Line Manager for processing.
- (d) 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.
- (e) Virements on the Capital Budget shall be done by the Chief Financial Officer in line with Council resolutions.

### **5.3 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;
  - (i) Tender
  - (ii) Tender description as per register Procurement Plan
  - (iii) Key Performance Area
  - (iv) Key Strategic Objective
  - (v) Key Performance Indicator
  - (vi) Key Activities and Milestones
  - (vii) Project Performance Evaluation Scorecard
  - (viii) Project Plan
  - (ix) Project Deliverables.
- (g) The above shall be used to appraise the project progress as well as the contractor.

#### **5.4 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 the SCM Processes
Negotiations	Including SCM Practitioners and BTO Officials and CFO
Appointment of Contractor/Service Provider/Consultants	Municipal Manager
Contractor Engagement and Authoring of Service Level Agreement	Line Manager and Legal Advisor
Service Level Agreement	Line Manager, Executive Director & Head of SCM.
Contractor Invoices	Line Manager, Executive Director, BTO and Expenditure Section
Contractor Performance Reporting	Line Manager, PMU and Executive Director
Contract Amendment/Variation/Contingencies	Line Manager, PMU, Head of SCM, CFO, ED, & MM
Termination of contract	Line Manager, Executive Director, Head of SCM/ Municipal Manager, Legal Advisor
Project Close-Out	Line Manager, Assets Management, IDP Manager, ED, & PMU

### 5.5 Once-off Service Delivery Contracts:

(a) It is advised that for a contract appointment with a value above R200 000.00 and the nature of appointment is services related, that a Service Level Agreement be entered into for the purposes of specifying;

- (i) Nature of services (scope of work)
- (ii) Service standards and compliance requirements
- (iii) Timelines
- (iv) Claims procedures and milestones
- (v) Quality of reports
- (vi) Timeframes
- (vii) Progress report and meetings
- (viii) Contract Termination Clauses
- (ix) 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.

## **5.6 Closing of contract and project sign off:**

- (a) Once the terms and conditions of the contract had been fulfilled, the Contractor and Line Manager will prepare a Project Completion Certificate with the following details;
  - (i) Date of commencement of the project
  - (ii) Project costs (list of all invoices submitted and the value of each)
  - (iii) Retention fees held and the release date of such
  - (iv) Project successes and challenges
  - (v) List of all variations, amounts and summary of details
  - (vi) BoQ of materials used (actual quantities versus budgeted quantities)
  - (vii) Prices (actual prices versus budgeted prices)
  - (viii) Actual timeliness of delivery under contract vs contracted timeframes
  - (ix) Review of procurement methods
  - (x) Risk strategies
  - (xi) Any warranties certificates, guarantees and Standard Operating Manual where necessary
  - (xii) 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.

## **5.7 Classification of Contracts**

The Line Manager must classify the contract or groups of contracts according to the level of management intervention required, such classification should consider on the Procurement Plan per registration of the project.

- (i) Nature of Contract
- (ii) Strategic importance of the goods and services being purchased
- (iii) Contract value
- (iv) Contract duration, and
- (v) Contract complexity

## **6. 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.

## **7. Blacklisting of Service Providers**

- (a) Bidders or contractors shall be reported to National Treasury for blacklisting under the following circumstances:
  - (i) Failure to disclose honestly, the relationship of the company, its shareholders, owners, and/or directors with any Organs of State
  - (ii) False CIDB or fraudulent CIDB Certificates
  - (iii) False or fraudulent Tax Clearance Certificates
  - (iv) False or fraudulent Municipal Accounts
  - (v) Termination of contracts due to breach of contract
  - (vi) If the supplier committed any act of corruption or fraudulent during the bidding process or during the execution of the contract

- (vii) Termination of a contract may be considered for variety of reasons, as stipulated in the general conditions of contract, such as delayed deliveries, failing to perform or if the supplier is engaged in corrupt and fraudulent activities.
  - (viii) All communication must be done in writing and such evidence must form part of the termination of the contract and must be developed and submitted by the Line Manager to the Municipal Manager and Legal Advisor.
- (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.

## **8. ROLES AND RESPONSIBILITIES OF OFFICIALS**

### **8.1 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.

### **8.2 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.

### **8.3 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.

#### **8.4 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.

##### **8.4.1 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.

#### **8.5 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.

### **8.6 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.

### **8.7 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.

### **8.8 Head of SCM or his / her delegate:**

The Head of Supply Chain Management Unit or his/her delegate, through the Contracts Administrator is responsible for system administration, status and reporting on all contracts related activities.

- (a) Ensure that the SLA and contracts are signed by all relevant stakeholders involved.
- (b) Monitor on monthly basis the expiry of the contracts and the resubmission of new procurement plan.
- (c) Ensure that the established PMU / Line Manager provide the Monitoring performance management report to SCM on monthly basis and must be uploaded on the existing SharePoint.
- (d) Report to the CFO on performance of all contracts in connection with
  - (i) delayed projects,
  - (ii) suspended projects arising from objection by other bidders,
  - (iii) lack of capacity for the appointed bidder to implement the project,

### **8.9 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.

## **9. CONTRACTS HAVING BUDGETARY IMPLICATIONS BEYOND THREE FINANCIAL YEARS**

The 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.

## **10 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.

## **11. 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.
- (g) In the case of fixed price contract, no price adjustment can be made within the first 12 months cycle by the successful bidder from the commencement date of the project.

- (h) In the case of non-fixed contract, only where local content, import exchange rate is applicable, according to MFMA circular 62, price adjustment can be made within the first 12 months cycle by the successful bidder through a written application given reasons for such adjustment.

## **12. 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).

### **12.1 Performance Guarantees, Warrantees, Securities and Sureties**

- (a) 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.
- (b) 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.

## **12.2 Unsatisfactory Performance: SPM's Role**

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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.

## **12.3 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.

#### **12.4 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)

#### **12.5 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 an electronic copy of the assessment to the Service Provider, PMU and SCM, at the end of each quarter, assessment period.
- (g) SCM will review quarterly Service Provider assessments **within 20 days** after the submission by the line manager and PMU end of each quarter and submit a summary report to Council.
- (h) The Line Manager and PMU submit supplier's performance reports which is signed by the ED to the SCM Contract Administrator.

### **13. 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 review.
- (c) The expired contract can only be renewed once within **three (3) months** after it has expired.

### **14. CESSION AND ASSIGNMENT OF CONTRACTS**

The application of Cessions and assignments is not valid according to MFMA Circular 120, Sect 2.3 and be seen to contradict Section 217 of the Constitution of the Republic of South Africa, 1996 (the Constitution) which stated fairness, transparency and competitiveness in that a contract may be executed by a person that was not the appointed bidder in a competitive bidding process or a payment may be made to a person who is not the contracted supplier / service provider.

## **14.1 Assignment of Contracts**

Clause 19 of the General Conditions of Contract (GCC) makes provision for assignment of contract. Clause 19 of the GCC provides that "a supplier (or service provider) shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent". However, as stated above, transfer of rights and obligation of the service provider with or without consent of an organ of state is against the principles of section 217 of the Constitution and is therefore not allowed. National Treasury is currently in the process of reviewing the GCC.

### **14.1.2.1 Cession of Contracts**

- (a) Cession refers to the transfer of only the rights a service provider has in terms of a contract from it to a third party. In commercial contracts, the main right involved is the right to be paid for services rendered. While the appointed bidder remains the service provider that continues to render the services, the service provider may cede (transfer) its right to be paid for the services it rendered in terms of the contract to a third party. This means that the service provider renders the services to an organ of state, while the organ of state pays for the services rendered to a third party instead, most commonly, a financial institution.
- (b) Cession is permissible within the SCM legal prescripts. However, it is important that the application of cession in public procurement is carefully regulated to limit possible instances of abuse through fronting arrangements and similar processes. It is for this reason that the application of cession be limited only to those cession agreements in favour of registered Financial Services Providers (FSP) and state institutions established for the express purpose of providing funding to businesses and entities (State Institution).

- (c) Therefore, cession shall only be applicable as follows: MFMA Circular No 120 Cession and Assignment of Contracts August 2022 Page 3 of 3
- (i) Cession must only be applicable to the transfer of right to payment for services rendered by a service provider to an FSP or State Institutions.
  - (ii) The written request for cession must be by the service provider and not a third party; and
  - (iii) The written request by the service provider must be accompanied by the cession agreement.

## **15. POLICY REVIEW AND IMPLEMENTATION PROCESS**

- (a) The Policy shall be reviewed, in line with the process for budget-related policies.
- (b) When there are any changes in the legislation affecting this policy, such amendment shall be submitted to Council for approval.
- (c) This policy will come into effect on the date of Council approval.

# SOL PLAATJE LOCAL MUNICIPALITY

## PROPERTY RATES POLICY



POLICY REVIEW APPROVED ON THE

RESOLUTION NUMBER:



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# 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 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.

The rebate will lapse -

- a) on the death of the applicant if the applicant owns 100% of the property;
- b) on the date of transfer of the property;
- c) when the applicant ceases to reside permanently in the property;
- d) when the primary property undergoes a category change and no longer meets the qualifying criteria for relief

Rebates granted in error or due to false or incorrect information supplied by the applicant, will be reversed immediately from date of inception of the rebate

### 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, mining 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 used for bona fide agricultural purposes with the property owner deriving his principle source of income from produce of the land.
- 6.2.5 Properties that includes crèches and guest houses will qualify for a rebate to enable the promotion of small business enterprises.
- 6.2.6 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.
- 6.2.7 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.
- 6.2.8 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.

The lodging of an objection or appeal does not defer liability for the payment of rates beyond the date determined for payment

## **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 2023.

### 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	RESV	Yes



	than 50% of the improvements are completed		
<b>Industrial</b>	Improved property with the dominant use or zoning for industrial purposes	<b>IND</b>	<b>No</b>
<b>Vacant Industrial</b>	Unimproved property zoned for industrial purposes and only if less than 50% of the improvements are completed	<b>INDV</b>	<b>No</b>
<b>Commercial</b>	Improved property with the dominant use or zoning for commercial or business purposes.	<b>COM</b>	<b>No</b>
<b>Vacant Commercial</b>	Unimproved property zoned for commercial or business purposes and only if less than 50% of the improvements are completed	<b>COMV</b>	<b>No</b>
<b>Agricultural</b>	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.	<b>AGR</b>	<b>Yes</b>
<b>Mining</b>	Properties used for or zoned for mining purposes. Any building, other immovable structure and 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>MNG</b>	<b>No</b>
<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	<b>POS</b>	<b>No</b>



	private entity, to which the general public has no right of access		
<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

Categories of Owners	Description	Abbreviation	Rebate Yes/No
<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 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>AGO</b>	<b>Yes</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. Per paragraph 6.1.8	<b>CPROP</b>	<b>Yes</b>
<b>Land Reform Beneficiary</b>	This is a category of owner who is exempt from paying rates in terms of 17(1)(g) of the Act	<b>LRB</b>	<b>No</b>



## Annexure C – REBATE PROPERTIES

<b>REBATE PROPERTIES</b>			
<b>Categories of Properties and Owners</b>	<b>Description</b>	<b>Abbreviation</b>	<b>Rebate</b>
<b>Incentive Schemes</b>	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
<b>Agricultural</b>	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
<b>Pensioners</b>	Per paragraph 6.2.1	RESP	Yes
<b>Indigents</b>	Per paragraph 6.2.1 and the Indigent Management Policy	RESI	Yes
<b>Disabled</b>	Per paragraph 6.2.1	RESD	Yes
<b>Rural Residential</b>	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
<b>Rural Commercial</b>	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
<b>Rural Industrial</b>	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>Rural Mining</b>	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		
<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>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>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 Beneficiary Reform</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		
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## 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
Vacant Industrial	3.5
Business and Commercial Property	3
Vacant Business and Commercial Property	3.5
Agricultural Property	0.25
Mining Property	6
Public Service Property	4.1
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
Sports Fields	0



## **Annexure F – PENSIONER REBATE APPLICATION FORM**

# **SOL PLAATJE LOCAL MUNICIPALITY**

## **TARIFF POLICY**



**APPROVED ON THE  
RESOLUTION NUMBER**



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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.



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## 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.



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## 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 account holder/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, agricultural or mining purposes and also hotels, 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. No refuse will be charged on a stand-alone erf which doesn't form part of a parcel of erven belonging to one owner that cannot be developed.
- j. 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).
- k. 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.



## 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. RIEMVASKMAK
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 LOCAL MUNICIPALITY

## BUDGET, FUNDING AND VIREMENT POLICY



**Resolution**  
**Date:**  
**2023/24 MTREF**

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## Definitions

“**Act or MFMA**”, means the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003)

**"accounting officer"-**

- (a) means the Municipal Manager.
- (b) "**accounting officer**" means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act.

**"allocation"**, means-

- (a) a municipality's share of the local government's equitable share
- (b) an allocation of money to a municipality in terms of a provincial or national budget; or
- (c) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction.

**"annual Division of Revenue Act"** means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution.

**"approved budget,"** means an annual budget-

- (a) approved by a municipal council, or
- (b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA.

**"basic municipal service"** means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment.

**"BTO"** means Budget and Treasury Office

**"budget-related Policy"** means a policy of a municipality affecting or affected by the annual budget of the municipality.

**"budget transfer"** means transfer of funds within a function / vote / service / directorate.

**"budget Year"** means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA.

**"chief financial officer"** means a person designated in terms of section 80(2) (a) of the MFMA.

**"cost centre"** is a section or department within a vote that is accountable for their own budget.

**"councillor"** means a member of a municipal council.

**"creditor"**, means a person to whom money is owed by the municipality.

**"current year"** means the financial year, which has already commenced, but not yet ended.

"**delegation**", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty.

"**Executive mayor**" means the councilor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act.

"**financial recovery plan**" means a plan prepared in terms of section 141 of the MFMA.

"**financial statements**", 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 twelve month period commencing on 1 July and ending on 30 June each year.

"**financing agreement**" includes any loan agreement, lease, and installment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time.

"**fruitless and wasteful expenditure**" means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

"**irregular expenditure**", means-

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of section 170 of the MFMA.
- (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 "unauthorized expenditure".

"**Integrated Development Plan (IDP)**", means the 5-year strategic plan of the municipality, outlining the strategic objectives of the municipality

"**investment**", in relation to funds of a municipality, means-

- (a) the placing on deposit of funds of a municipality with a financial institution; or
- (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds.

"**in-year reports**", in relation to a municipality means

- (i) a monthly budget statement of a municipality contemplated in section 71(1) of the Act

- (ii) a quarterly report on the implementation of the budget and the financial state of affairs of the municipality contemplated in section 52(d) of the Act; or
- (iii) a mid-year budget and performance assessment of the municipality contemplated in section 72 of the Act

**"lender"**, means a person who provides debt finance to a municipality.

**"local community"** has the meaning assigned to it in section 1 of the Municipal Systems Act.

**"long-term debt"** means debt repayable over a period exceeding one year.

**"Municipal Structures Act"** means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)

**"Municipal Systems Act"** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)

**"Municipal council" or "Council"** means the council of a municipality referred to in section 18 of the Municipal Structures Act.

**"Municipality"**-

(a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or

(b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998).

**"municipal service"** has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

**"municipal tariff"** means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

**"municipal tax"** means property rates or other taxes, levies or duties that a municipality may impose;

**"National Treasury"** means the National Treasury established by section 5 of the Public Finance Management Act.

**"official"**, means-

(a) an employee of a municipality or municipal entity.

(b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or

(c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee.

**"overspending"**-

(a) 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 of the MFMA, means incurring expenditure under that section to exceed the limits allowed in subsection (5) of this section.

"**past financial year**" means the financial year preceding the current year.

"**quality certificate**", in relation to a municipality means a certificate, issued and signed by the municipal manager of the municipality confirming the accuracy and reliability of the contents of a document prepared or issued by the municipality

"**quarter**" means any of the following periods in a financial year:

- (a) 1 July to 30 September (first quarter);
- (b) 1 October to 31 December (second quarter);
- (c) 1 January to 31 March (third quarter); or
- (d) 1 April to 30 June (fourth quarter);

"**Schedules**", compulsory schedules for a municipality without an entity, as prescribed in the Municipal Budget and Reporting Regulations

Schedule A – Annual Budget and supporting documentation of municipalities;

Schedule B – Adjustments Budget and supporting documentation of municipalities, or

Schedule C – In-year Report of municipalities

"**Service Delivery and Budget Implementation Plan (SDBIP)**" means a detailed plan approved by the executive mayor of a municipality in terms of section 53(l) (c) (ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget.

"**short-term debt**" means debt repayable over a period not exceeding one year.

"**Standard Chart of Accounts**" means a multi-dimensional classification framework providing the method and format for recording and classifying financial transaction information in the general ledger forming part of the books of account containing a standard list of all available accounts.

"**Standards of Generally Recognized Accounting Practice,**" means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board.

"**unauthorized expenditure**", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes-

- (a) overspending of the total amount appropriated in the municipalities 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 the MFMA;

"**virement**" means the shifting of funds within a vote after the budget has been approved by Council but do not affect or alter the total approved budgetary allocation.

"**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.

## **1. Introduction**

In terms of the Municipal Finance Management Act, No. 56 of 2003, Chapter 4 on Municipal Budgets, Subsection (16), states that the council of a municipality must for each financial year approve an annual budget for the municipality before the commencement of that financial year.

According to subsection (2) of the Act concerned, in order to comply with subsection (1), the executive mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

This policy must be read, interpreted and implemented against this legislative background. The budget plays a critical role in an attempt to realize diverse community needs. Central to this, the formulation of a municipality budget must take into account the government's macro-economic and fiscal policy fundamentals.

## **2. Objective of the Policy**

The objectives of this policy are to secure sound and sustainable, management of the budgeting and reporting practices of the municipality by establishing requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes and other relevant matters as required by Municipal Finance Management Act 56 of 2003.

The objectives of the policy are set on the foundation of the following legislative prescripts;

- The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget,
- The responsibilities of the executive mayor, the accounting officer, the Chief Financial Officer and other senior managers in compiling the budget

This policy shall be read in the context of the provisions of the following acts, regulations and administrative guidelines;

- MFMA Circulars
- Municipal Finance Management Act (MFMA) Act No. 56 of 2003
- Municipal Budget and Reporting Regulations, Government Gazette no. 32141 dated 17 April 2009
- Municipal Regulations on Standard Chart of Accounts

## **3. Policy Overview**

Employees of the municipality involved directly with the handling of the budget must possess an acute awareness of and show a strong commitment to the enforcement and maintenance of the adequate internal controls govern the process.

#### **4. Budgeting Principles**

The municipality shall not budget for a deficit and should also ensure that revenue projections in the budget are realistic taking into account actual collection levels unless motivated by the implementation of a certain policy or legislative requirement.

Expenses may only be incurred in terms of the approved annual budget (or adjustment budget) and within the limits of the amounts appropriated for each vote in the approved budget.

Sol Plaatje Municipality shall prepare a three-year budget (medium term revenue and expenditure framework (MTREF)) and that be reviewed annually and approved by Council. The MTREF budget must at all times be within the framework of the Municipal Integrated Development Plan (IDP).

#### **5. Budget preparation process**

##### **5.1 Budget steering committee**

- 1) The mayor of a municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.
- 2) The steering committee must consist of at least the following persons:
  - a) the councilor responsible for financial matters;
  - b) the municipal manager;
  - c) the chief financial officer;
  - d) the senior managers in the municipality;
  - e) the manager responsible for budgeting;
  - f) the manager responsible for planning (IDP); and
  - g) any technical expert on infrastructure.

##### **5.2 Formulation of the budget**

The Accounting Officer with the assistance of the Chief Financial Officer and the IDP Manager shall draft the IDP process plan as well as the budget timetable for the municipality for the ensuing financial year.

The Executive Mayor shall table the IDP process plan as well as the Budget Timetable to Council by 31 August each year for approval (10 months before the start of the next budget year).

IDP process plan as well as the budget timetable shall indicate the key deadlines for the review of the IDP as well as the preparation of the medium term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.

- a) The Executive Mayor shall convene a strategic workshop in September/October with the mayoral committee and senior managers in order to determine the IDP priorities which will form the basis for the preparation of the MTREF budget taking into account the financial and service delivery pressures facing the municipality.
- b) The Executive Mayor shall table the draft IDP and MTREF budget to council by 31 March (90 days before the start of the new budget year) together with the draft resolutions and budget related policies.
- c) The Chief Financial Officer, GM: BTO, Manager Budget, Financial Managers and Senior Managers undertake the technical preparation of the budget.
- d) The budget must be in the prescribed format and must be divided into capital and operating budget.
- e) The budget must reflect the realistically expected revenues by source for the budget year concerned.
- f) The expenses reflected in the budget must be divided into line items.
- g) The budget must also contain the information covering seven years, consisting of the audited outcomes of the previous three financial years, the current year, the budget year and following two indicative outer years.

The budget must be accompanied by the following documents

- a) Draft resolutions approving the budget and levying property rates, other taxes and tariffs for the financial concerned
- b) Draft resolutions (where applicable) amending the IDP and the budget related policies
- c) Measureable performance objectives for each budget vote taking into account municipality's IDP
- d) The projected cash flows for the financial year by revenue source and expenditure votes broken down per month
- e) The cost to the municipality for the budget year of the salaries, allowances and other benefits

### **5.3 Quality certification**

Whenever an Annual budget and supporting documentation, an Adjustments budget and supporting documentation or an In-year report (the Monthly Budget Statement), Quarterly report on the implementation of the budget and financial state affairs of the municipality or Mid-year Budget and Performance Assessment of a municipality is submitted to the mayor, tabled in the municipal council, made public or submitted to another organ of state, is must be accompanied by a quality certificate signed by the municipal manager.

## **5.4 Consistency in bases of measurement and accounting policies**

The municipal manager of a municipality must take all reasonable steps to ensure that;

- a) the basis of measurement and accounting policies underpinning the municipality's annual financial statements are the same as those used in the preparation of the municipality's annual budget and supporting documentation, its adjustments budgets and supporting documentation, and its in-year reports; and
- b) any differences or changes between financial years are explicitly noted.

## **5.5 Budget related policies of municipalities**

The municipal manager of a municipality must prepare or take all reasonable steps to ensure the preparation of the budget-related policies of the municipality, or any necessary amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21(1) (b) of the Act.

## **5.6 Annual budgets of municipalities**

### **Format of annual budgets**

The annual budget and supporting documentation of a municipality must be in the format prescribed by National Treasury, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act and in terms of the Municipal Budget and Reporting Regulations

## **5.7 Funding of expenditure**

- 1) The funding of an annual budget must be consistent with the trends, current and past, of actual funding collected or received.
- 2) Realistically anticipated revenues to be received from national or provincial government, national or provincial public entities, other municipalities, municipal entities, donors or any other source may be included in an annual budget only if there is acceptable documentation that guarantees the funds. Acceptable documentation is constituted by –
  - a) in case of allocations or transfers from national or provincial government, the latest available –
    - (i) gazetted allocations or transfers to the municipality following the approval of the current year's Division of Revenue Act, national annual budget, national adjustments budget, relevant provincial annual budget or provincial adjustments budget;

- (ii) proposed allocations or transfers to the municipality contained in the tabled national and provincial budgets as detailed in accordance with section 36(2) of the Act;
  - (iii) written notifications from the relevant treasury of proposed allocations or transfers subsequent to the previous year's national and provincial approved annual budgets and latest adjustment budgets, but prior to the current year's budgets being tabled; or
  - (iv) the previous outer years' allocations or transfers in the national and provincial annual budgets and adjustments budgets as gazetted;
- b) in the case of transfers from other municipalities, the latest available –
- (i) transfers in the approved annual budget or any subsequent approved adjustments budget of the transferring municipality;
  - (ii) proposed transfers contained in the tabled annual budget of the relevant transferring municipality;
  - (iii) written notification of proposed transfers from transferring municipalities communicated to the municipality in terms of section 37(2) of the Act; or
  - (iv) the previous year's transfers in the approved annual budget or any adjustments budget of the transferring municipality; and
- c) in case of agency payments, public contributions, donations, donor grants or any other grants, subsidies or contributions, the relevant service level agreement, contract or other legally binding document which guarantees the funding.
- 3) Estimated provision for revenue from rates, taxes, levies or other charges that will not be collected must be budgeted for separately and reflected on the expenditure side of the municipality's annual budget and not netted out from budgeted revenue.
- 4) The cash flow budget must reflect all funds realistically forecast to be collected, including arrears.
- 5) The municipal manager in signing the quality certificate certifies that all ratepayers and consumers are accounted for in the annual budget calculations and that billing systems including property records and metering information are up to date and consistent with the revenue projections in the annual budget.
- 6) To determine whether an annual budget is funded in accordance with section 18 of the Act, a simultaneous analysis is required of the financial performance, financial position, cash flow, and capital expenditure budgets together with any requirements for working capital and cash investments held for statutory or contractual purposes.

## **5.8 Funding of capital expenditure**

- 1) An annual budget must show total capital expenditure and the different sources of funding.
- 2) All sources of funding shown in terms of sub regulation (1) must be available and must not have been committed for other purposes.
- 3) The total budgeted capital funding by source must equal the total budgeted capital expenditure.

## **5.9 Approval of capital projects**

- 1) Within ten working days after the municipal council has given individual approval for a capital project in terms of section 19(1)(b) of the Act, the municipal manager must in accordance with section 21A of the Municipal System Act make public –
  - a) the municipal council resolution approving the capital project; and
  - b) details of the nature, location and total projected cost of the approved capital project.
- 2) The following capital projects may be approved by a council either individually or as part of a consolidated capital programme as contemplated in section 19(3) of the Act:
  - a) capital projects of which the total projected cost is below R50 million, in the case of a municipality with approved total revenue in its current annual budget greater than R500 million.
- 3) Sub regulation (1) does not apply to capital projects whose total projected cost when the annual budget is approved is below the values set out in sub regulation (2).
- 4) Expenditure needed for capital projects below the values set out in sub regulation (2) may be included in the annual budget before the project is approved in terms of section 19(3) of the Act.

## **5.10 Tabling of annual budgets in municipal councils**

- 1) An annual budget and supporting documentation tabled in a municipal council in terms of sections 16(2) and 17(3) of the Act must –
  - a) be in the format in which it will eventually be approved by the council; and
  - b) be credible and realistic such that it is capable of being approved and implemented as tabled.
  - c) When complying with section 68 of the Act, the municipal manager must submit

- 2) The draft municipal service delivery and budget implementation plan to the mayor together with the annual budget to be considered by the mayor for tabling in terms of section 16(2) of the Act.
- 3) For effective planning and implementation of the annual budget, the draft municipal service delivery and budget implementation plan may form part of the budget documentation and be tabled in the municipal council if so recommended by the budget steering committee.

### **5.11 Publication and submission of annual budgets for consultation**

- 1) Immediately after an annual budget is tabled in the municipal council, make public the annual budget and supporting documentation in terms of section 22(a) of the Act, read with section 21 A of the Municipal Systems Act, the municipal manager must also make public any other information that the municipal council considers appropriate to facilitate the budget consultation process, including –
  - a) summaries of the annual budget and supporting documentation in alternate languages predominant in the community; and
  - b) information relevant to each ward in the municipality.
- 2) All information contemplated in sub regulation (1) must cover:
  - a) the relevant financial and service delivery implications of the annual budget; and
  - b) at least the previous year's actual outcome, the current years forecast outcome, the budget year, and the outer two years.
- 3) When submitting the annual budget to the National Treasury and the relevant provincial treasury in terms of section 22(b)(i) of the Act, the municipal manager must also submit to the National Treasury and the relevant provincial treasury, in electronic form –
  - a) the supporting documentation as tabled in the municipal council; and
  - b) any other information as may be required by the National Treasury.
- 4) The municipal manager must submit the annual budget and supporting documentation as tabled in the municipal council, in electronic form to –
  - a) Any other municipality affected by the annual budget within ten working days of the annual budget being tabled in the municipal council; and
  - b) Any other organ of state on receipt of a request from that organ of state.
  - c) Within ten working days after the draft annual budget has been tabled, the Municipality must publish the budget and other budget-related documentation onto the municipal website so that it is accessible to the public

## **5.12 Consideration of annual budgets by municipal councils**

- 1) At least 30 days before the start of the budget year the mayor must for purposes of section 23 of the Act table the following documents in the municipal council –
  - a) a report summarizing the local community's views on the annual budget;
  - b) any comments on the annual budget received from the National Treasury and the relevant provincial treasury;
  - c) any comments on the annual budget received from any other organ of state, including any affected municipality; and
  - d) any comments on the annual budget received from any other stakeholders.
- 2) The municipal manager must assist the mayor in the preparation of the documents referred to in sub regulation (1) and section 23(2) of the Act.

## **5.13 Approval of annual budgets**

- 1) A municipal council must consider the full implications, financial or otherwise, of the annual budget and supporting documentation before approving the annual budget.
  - a) The council resolution can contain budget policies.
  - b) Should the municipality fail to approve the budget before the start of the budget year, the executive mayor must inform the MEC for Finance that the budget has not been approved.
  - c) The budget tabled to Council for approval shall include the following supporting documents:
    - i. resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned;
    - ii. other resolutions;
    - iii. National Treasury prescribed budget schedules and supporting tables;
    - iv. any proposed amendments to the IDP;
    - v. any proposed amendments to the budget related policies.
- 2) When approving an annual budget, a municipal council must in terms of section 24(2) (c) of the Act, consider and adopt separate resolutions dealing with each of the matters contemplated in that section.
  - a) Within ten working days after the annual budget has been approved, the Municipality must publish the budget and other budget-related documentation onto the municipal website so that it is accessible to the public.

- b) The Chief Financial Officer must within ten working days submit the approved annual budget in electronic form to the National Treasury and the relevant Provincial Treasury

#### **5.14 Service Delivery and Budget Implementation Plan (SDBIP)**

The Executive mayor must approve the Service Delivery and Budget Implementation Plan in the required format not later than 28 days after the approval of the Budget by Council.

### **6 Capital budget**

- a) Expenditure of a project shall be included in the capital budget if it meets the asset definition.
- b) Vehicle replacement shall be done in terms of Council's vehicle replacement policy.
- c) A municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.
- d) The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.
- e) Before approving a capital project, the Council must consider:
  - i. the projected cost of the project over all the ensuing financial years until the project becomes operational,
  - ii. future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).
- f) Before approving the capital budget, the council shall consider:
  - i. the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans,
  - ii. depreciation of fixed assets,
  - iii. maintenance of fixed assets, and
  - iv. any other ordinary operational expenses associated with any item on such capital budget.
- g) Council shall approve the annual or adjustment capital budget only if it has been properly balanced and fully funded.
- h) The capital expenditure shall be funded from the following sources:

## **6.1 Revenue or Surplus**

- If any project is to be financed from revenue this financing must be included in the:
  - cash budget to raise sufficient cash for the expenditure.
  - If the project is to be financed from surplus there must be sufficient cash available at time of execution of the project.

## **6.2 External loans**

- External loans can be raised only if it is linked to the financing of an asset;
- A capital project to be financed from an external loan can only be started if the loan has been secured.
- The loan redemption period should not exceed the estimated life expectancy of the asset.
- Interest payable on external loans shall be included as a cost in the operating budget;
- Finance charges relating to such loans shall be charged to the service/vote to which the projects relate.

## **6.3 Capital Replacement Reserve (CRR)**

- Council shall establish a CRR for the purpose of financing capital projects and the acquisition of assets. Such reserve shall be established from the following sources of revenue:
  - Un-appropriate cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
  - additional amounts appropriated as contributions in each annual or adjustments budget; and
- Before any asset can be financed from the CRR the financing must be available within the reserve and available as cash as this fund must be cash backed;
- If there is insufficient cash available to fund the CRR this reserve fund must then be adjusted to equal the available cash;

## **6.4 Grant Funding**

- Non-capital expenditure funded from grants must be budgeted for as part of the operating budget;
- Expenditure must be reimbursed from the funding creditor and transferred to the operating budget for as such;

- Capital expenditure, funded from capital grants, must be budgeted for in the capital budget;
- Grant funding should be secured before spending can take place.
- All grant allocation must be aligned to the MTREF DoRA allocations.

## **7 Operating budget**

- a) The municipality shall budget in each annual and adjustments budget for the contribution / payment of:
  - i. provision for accrued leave
  - ii. unauthorized / over and other expenditure
  - iii. provision for bad debts
  - iv. provision for the obsolescence and deterioration of stock
  - v. Depreciation and finance charges.
- b) When considering the draft annual budget, council shall consider the impact, which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.
- c) The impact of such increases shall be assessed on the basis as required by National Treasury.
- d) The operating budget shall reflect the impact of the capital component on:
  - depreciation charges
  - repairs and maintenance expenses
  - interest payable on external borrowings
  - other operating expenses.
- e) The chief financial officer shall ensure that the cost of indigent relief is separately reflected in the appropriate votes.

## **8 Funding of capital and operating budget**

- a) The budget as per section 18 of the MFMA, may only be financed only :
  - i. realistically expected revenues, based on current and previous collection levels;
  - ii. cash-backed funds available from previous surpluses where such funds are not required for other purposes; and
  - iii. borrowed funds in respect of the capital budget only.
  - iv. gazetted grant funding

## **9 Unspent funds / roll over of budget**

- a) The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, except for external funds relating to capital expenditure.
- b) Only unspent grant (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budget year.
- c) Conditions of the grant fund shall be taken into account in applying for such rollover of funds.
- d) Adjustments to the rolled over budget shall be done during the 1st budget adjustment in the new financial year after taking into account expenditure up to the end of the previous financial year.
- e) Application for rollover of funds shall be forwarded to the budget office by the 15th of August each year to be included in Adjustment budget for adoption by Council in February of the current year.
- f) Projects funded from the Capital Replacement Reserve can be rolled over to the next budget year only if confirmed by the Budget and Treasury Office.
- g) No unspent operating budget shall be rolled over to the next budget year.

## **10 Budget transfers and virements**

- a) Budget transfers within the same vote shall be recommended by a Senior Manager and approved by the Chief Financial Officer or such other senior delegated official in the Budget and Treasury Office.
- b) No budget transfers or virement shall be made to or from salaries except with the prior written approval of the Chief Financial Officer and which must be approved by Council during the Adjustments budget.
- c) Virements should be based on sound risk and financial management.
- d) The budget for personnel expenditure may not be increased, any increases must be approved by Council during the Adjustments budget.
- e) Virements to or from the following categories is not permitted: bulk purchases, provision for bad debts, depreciation and income.
- f) Directors may utilize a saving in the amount appropriated under a main expenditure category (e.g. Salaries, General Expenses etc.) within a vote and service which is under their control towards the defrayment of excess expenditure under another main expenditure category within the same vote and service, with the approval of the Chief Financial Officer or such senior delegated official in the Budget & Treasury Department. These virements must then be approved during the Adjustment

Budget. Budget transfers per line item are allowed, provided it is within the same vote/function and the same category of expenditure.

- g) Savings in an amount appropriated for capital expenditure may not be used to defray operational expenditure.
- h) Virements of conditional grant funds to purpose outside of that specified in the relevant conditional grant framework is not permitted.
- i) Any virements or redirecting of conditional grant funding for capital projects, may only be effected with the written approval of the transferring department and must be approved by Council during the main adjustments budget.
- j) Any virements between internally funded capital projects, may only be effected, after preliminary approval has been obtained from Council and provided the total capital budget allocation from internally generated funds is not altered. Any such virements must be approved during the main adjustments budget.

## **11 Adjustment budget**

### **11.1 Formats of adjustments budgets**

An adjustments budget and supporting documentation of a municipality must be in the format prescribed by National Treasury, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act and the Municipal Budget and Reporting Regulations.

### **11.2 Funding of adjustments budgets**

- 1) An adjustments budget of a municipality must be appropriately funded.
- 2) The supporting documentation to accompany an adjustments budget in terms of section 28(5) of the Act must contain an explanation of how the adjustments budget is funded.

### **11.3 Timeframes for tabling of adjustments budgets**

- 1) An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

- 2) Only one adjustments budget referred to in sub regulation (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a municipality in a national or provincial adjustments budget, in which case sub regulation (3) applies.
- 3) If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2) (b) of the Act in the municipal council to appropriate these additional revenues.
- 4) An adjustments budget referred to in section 28(2)(c) of the Act must be tabled in the municipal council at the first available opportunity after the unforeseeable and unavoidable expenditure contemplated in that section was incurred and within the time period set in section 29(3) of the Act.
- 5) An adjustments budget referred to in section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate.
- 6) An adjustments budget contemplated in section 28(2)(g) of the Act may only authorize unauthorized expenditure as anticipated by section 32(2)(a)(i) of the Act, and must be –
  - a) dealt with as part of the adjustments budget contemplated in sub regulation (1); and
  - b) a special adjustments budget tabled in the municipal council when the mayor tables the annual report in terms of section 127(2) of the Act, which may only deal with unauthorized expenditure from the previous financial year which the council is being requested to authorize in terms of section 32(2)(a)(i) of the Act.

Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenditure.

- a) The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the executive mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the executive mayor on the revision of the IDP and the budget-related policies where these are indicated.
- b) Council may revise its annual budget by means of an adjustments budget as regulated.
- c) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.

- d) The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Executive Mayor.
- e) The Council should also authorize the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the annual budget was approved by the Council.
- f) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.
- g) Unauthorized expenses may be authorized in an adjustments budget.
- h) In regard to unforeseen and unavoidable expenditure, the following apply:
  - i. the Executive mayor may authorize such expenses in an emergency or other exceptional circumstances;
  - ii. the amount of unforeseen and unavoidable expenditure that the mayor of the municipality may authorize in terms of section 29 of the Act, is limited to R15 million in the case of a municipality with approved total revenue in its current annual budget greater than R500 million
  - iii. these expenses must be reported by the Executive mayor in the next Council meeting;
  - iv. the expenses must be appropriated in an adjustments budget; and
  - v. Council must pass the adjustments budget within sixty days after the expenses were incurred.

#### **11.4 Submission of tabled adjustments budgets**

- 1) The municipal manager must comply with section 28(7) of the Act, read together with section 22(b) (i) of the Act, within ten working days after the mayor has tabled an adjustments budget in the municipal council.
- 2) When submitting the tabled adjustments budget to the National Treasury and the relevant provincial treasury in terms of section 28(7) of the Act, read together with section 22(b)(i) of the Act, the municipal manager must submit in electronic form –
  - a) the supporting documentation referred to in section 28(5) of the Act within ten working days of the adjustments budget being tabled in the municipal council; and
  - b) any other information as may be required by the National Treasury.
- 3) The municipal manager must submit an adjustments budget and supporting documentation, in electronic form to –
  - a) any other municipality affected by that adjustments budget within ten working days of the adjustments budget being tabled in the municipal council; and
  - b) any other organ of state on receipt of a request from that organ of state.

### **11.5 Approval of adjustments budget**

- 1) A municipal council must consider the full implications, financial or otherwise, of the adjustments budget and supporting documentation referred to in regulation 21 before approving the adjustments budget.
- 2) A municipal council may approve an adjustments budget dealing with matters referred to in section 28(2)(c) of the Act only if the expenditure was recommended by the mayor in accordance with the framework prescribed in Chapter 5 of these Regulations.

### **11.6 Publication of approved adjustments budget**

- 1) Within ten working days after the municipal council has approved an adjustments budget, the municipal manager must in accordance with section 21A of the Municipal Systems Act make public the approved adjustments budget and supporting documentation, as well as the resolutions referred to in regulation 25(3).
- 2) When making public an adjustments budget and supporting documentation in terms of sub regulation (1), the municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the adjustments budget, including –
  - a) summaries of the adjustments budget and supporting documentation in alternate languages predominant in the community;
  - b) information relevant to each ward in the municipality, if that ward is affected by the adjustments budget; and
  - c) any consequential amendment of the service delivery and budget implementation plan that is necessitated by the adjustments budget.

### **11.7 Submission of approved adjustments budget and other documents**

- 1) The municipal manager must comply with section 28(7) of the Act read together with section 24(3) of the Act within ten working days after the municipal council has approved an adjustments budget.
- 2) When submitting an adjustments budget to the National Treasury and the relevant provincial treasury in terms of section 28(7) of the Act read together with section 24(3) of the Act, the municipal manager must also submit to the National Treasury and the relevant provincial treasury, in electronic form –

- a) the supporting documentation within ten working days after the municipal council has approved the adjustments budget;
  - b) the amended service delivery and budget implementation plan, within ten working days after the council has approved the amended plan in terms of section 54(1)(c) of the Act; and
  - c) any other information as may be required by the National Treasury.
- 3) The municipal manager must submit an approved adjustments budget and supporting documentation, in electronic form to –
- a) any other municipality affected by that adjustments budget within ten working days after the municipal council has approved the adjustments budget; and
  - b) any other organ of state on receipt of a request from that organ of state.

## **12 In-year reports of municipalities**

### **12.1 Format of monthly budget statements**

The monthly budget statement of a municipality must be in the form prescribed by National Treasury, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act and the Municipal Budget and Reporting Regulations

### **12.2 Tabling of monthly budget statements**

The mayor may table in the municipal council a monthly budget statement submitted to the mayor in terms of section 71(1) of the Act. If the mayor does so, the monthly budget statement must be accompanied by a mayor's report in a format set out in schedule C.

### **12.3 Publication of monthly budget statements**

The monthly budget statement of a municipality must be placed on the municipality's website within ten working days.

## **13 Quarterly reports on implementation of budget**

- 1) The mayor's quarterly report on the implementation of the budget and the financial state of affairs of the municipality as required by section 52(d) of the Act must be –
- a) in the format specified in Schedule C, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act; and the Municipal Budget and Reporting Regulations

- b) consistent with the monthly budget statements for September, December, March and June as applicable; and
- c) submitted to the National Treasury and the relevant provincial treasury within five days of tabling of the report in the council.

### **13.1 Publication of quarterly reports on implementation of budget**

When publishing the quarterly reports on the implementation of the budget in terms of section 75(1) (k) of the Act, the municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the quarterly report on the implementation of the budget and the financial state of affairs of the municipality, including –

- a) summaries of quarterly report in alternate languages predominant in the community; and
- b) information relevant to each ward in the municipality.

## **14 Mid-year budget and performance assessment**

### **14.1 Format of a mid-year budget and performance assessment**

A mid-year budget and performance assessment of a municipality referred to in section 72 of the Act must be in the format specified by National treasury, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act and the Municipal Budget and Reporting Regulations.

### **14.2 Publication of mid-year budget and performance assessments**

Within five working days of 25 January each year the municipal manager must make the mid-year budget and performance assessment public by placing it on the municipal website.

### **14.3 Submission of mid-year budget and performance assessments**

The municipal manager must submit to the National Treasury and the Relevant provincial treasury, in electronic form –

- a) the mid-year budget and performance assessment by 25 January of each year; and
- b) any other information relating to the mid-year budget and performance assessment as may be required by the National Treasury.

## **15 Budget implementation**

### **Monitoring**

- a) The accounting officer with the assistance of the chief financial officer and other senior managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that:

- funds are spent in accordance with the budget;
  - expenses are reduced if expected revenues are less than projected; and
  - revenues and expenses are properly monitored.
- b) The Accounting officer with the assistance of the chief financial officer must prepare any adjustments budget when such budget is necessary and submit it to the Executive mayor for consideration and tabling to Council.
- c) The Accounting officer must report to the Council any impending shortfalls in the annual operating budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

## **16 Municipal Standard Chart of Accounts**

### **16.1 Background**

The Minister of Finance tabled before Parliament Local Government Municipal Finance Management Act, 56 of 2003, Regulations on Standard Chart of Accounts as per Government Notice 35377, Regulations that aimed at regulating the implementation of m-SCOA by all municipalities on the 1<sup>st</sup> of July 2017. This is one of the largest initiatives and projects undertaken by National Treasury, and it is by far, the largest and most impactful reform ever introduced.

Unlike the Budgeting and Reporting Reforms, the m-SCOA deals with both the budgeting (policy and compliance) and financial reporting (accounting framework), and in more times than not, the budgeting principles do not necessarily conform to the accounting reporting framework.

The budgeting process is political, and entails community involvement, whereby the presentation must be able to meet the requirements and level of understanding and interpretation by the Executive, Political Leadership and community at large. After budget has been implemented, the performance is reported in the format of annual financial statements with different reporting regulatory framework and such statements are being audited by the Auditor General in line with the Public Audit Act.

Sol Plaatje Local Municipality received an invitation to participate in the process of piloting the m-SCOA, and the invitation was received and since then, various governance structures had to be set-up as well as the technical team that had to work in ensuring that the municipality is ready to convert to m-SCOA on the 1<sup>st</sup> of July 2015, as this is the date set for all piloting municipalities to go live. SPM has adopted a phase-in approach for the first year. A SCOA Project Implementation Plan was adopted in Council.

### **16.2 Object of SCOA Regulations**

1. The object of these Regulations is to provide for a national standard for the uniform recording and classification of municipal budget and financial information at a transaction level by prescribing a standard chart of accounts for municipalities and

municipal entities which-

- (a) is aligned to the budget formats and accounting standards prescribed for municipalities and municipal entities and with the standard charts of accounts for national and provincial government; and
- (b) enables uniform information sets recorded in terms of national norms and standards across the whole of government for the purposes of national policy coordination and reporting, benchmarking and performance measurement in the local government sphere.

### 16.3 Application of the SCOA Regulations

1. These Regulations apply to all municipalities and municipal entities.

### 16.4 Resources, roles and responsibilities

Executive Mayor and Municipal Manager: Project Sponsors

Oversight: Finance Committee and Audit Committee

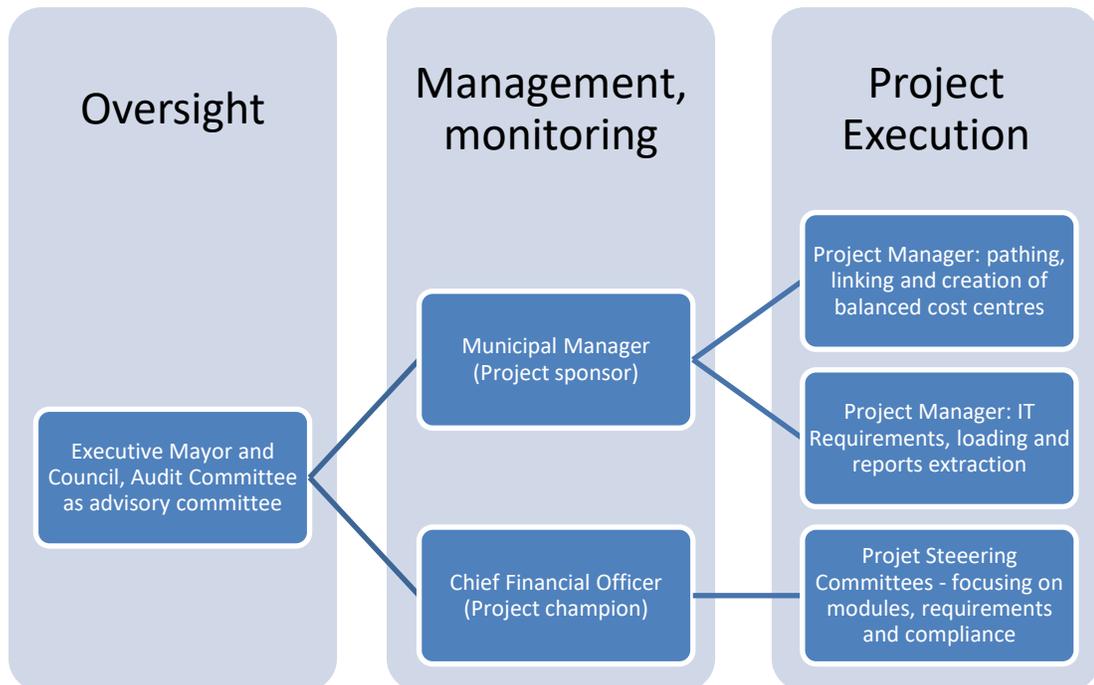
Project Reviews: Internal Audit

Project Champion: CFO

Project Managers:

Three Project Team Members: BTO (2 members) and IT (1 member)

Service Providers: Payday, Business Connexion and Ontec



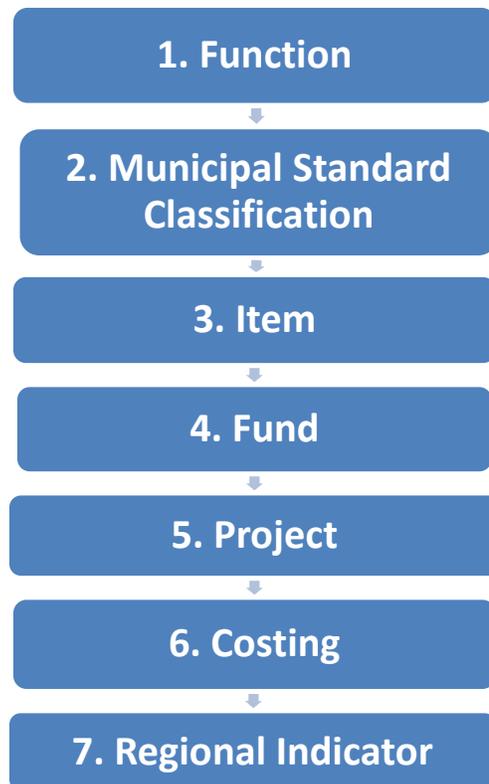
### 16.7 Segments and classification framework for the standard chart of accounts

The standard chart of accounts for a municipality or municipal entity must contain the segments as set out in the Schedule.

The Minister must, by notice on the website of the National Treasury, determine the classification framework provided for in the standard chart of accounts.

## **SEGMENTS OF STANDARD CHART OF ACCOUNTS FOR MUNICIPALITIES AND MUNICIPAL ENTITIES**

The standard chart of accounts must consist of at least the following segments, each of which incorporates a classification within the general ledger to record transaction information identified by codes within fields within the database:



### **1. Function Segment**

This segment provides for the classification of the transaction according to the function or service delivery objective and provides for the standardisation of functions and sub-functions across local government with due regard to specific service delivery activities and responsibilities of each individual municipality or municipal entity.

### **2. Municipal Standard Classification Segment**

This segment provides for the organisational structure and functionality of an individual municipality, which is not prescribed, but must incorporate the structure and functionality as determined by that municipality.

### **3. Item Segment**

This segment provides for the classification of item detail in the presentation of the financial position, performance and cash flow of the municipality. The appropriate classification code will be determined according to the nature of the transaction either as: revenue, expenditure, Gains & Losses, Assets & Liabilities

### **4. Funding Segment**

This segment identifies the various sources of funding available to municipalities and municipal entities for financing expenditure relating to the operation of the municipality and provides for both capital and operational spending. The appropriate classification code of a transaction in this segment will be determined according to the source of funding against which a payment is allocated and the source of revenue against which income is received.

### **5. Project Segment**

This segment provides for the classification of capital and operating projects as provided for in the integrated development plan, as provided for in the Municipal Structures Act, 1998 (Act No. 117 of 1998), and funded in the budget and records information on spending as against the budget as well as the utilisation of funds provided for the project. The appropriate classification code of a transaction in this segment will be determined on the basis of whether it relates to a specific project and if so, the type of project.

### **6. Costing Segment**

This segment provides for a classification structure for secondary cost elements and acts a cost collector in determining inter alia total cost of a service or function, identification of productivity inefficiencies and tariff determination of municipal services. Classification codes are identified with reference to departmental charges, internal billing and activity based recoveries for purposes of recording specific activities and functions in terms of their unit costs and cost categories

### **7. Regional Indicator Segment**

This segment identifies and assigns government expenditure to the lowest relevant geographical region as prescribed and the appropriate classification code will be determined according to the defined geographical area within which the intended beneficiaries of the service or capital investment are located who are deriving the benefit from the transaction.

## **18. Methods for submission of information**

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. Municipalities must ensure that the documents are submitted to the correct portals/ mailboxes.

Portals as prescribed by National Treasury: [https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin) (GoMuni Upload Portal)

The mSCOA Data Strings (financial and non-financial) and all documents required in terms of legislation, must be uploaded by an approved registered user using the GoMuni Upload Portal. The GoMuni Upload Portal does not have restrictions on document size but requires that all documents to be in PDF format only.

Mailboxes as prescribed by National Treasury:

lgdocuments@treasury.gov.za – Municipalities may only send electronic versions of the above documents to lgdocuments when experiencing problems with the GoMuni Upload Portal.

lgdataqueries@treasury.gov.za – Database related and submission queries and the grant rollover templates.

lgdocuments@treasury.gov.za – Any additional information required by National Treasury that is not listed under the GoMuni Upload Portal.

## **19. Scope of application**

This policy is applicable to Sol Plaatje Local Municipality and all its officials and councillors.

## **20. Approval**

The budget, funding and virement policy is for approval by the municipal Council.

# **SECTION 7:**

## **BY - LAWS**

## SOL PLAATJE MUNICIPALITY

### ANNEXURE : BUDGET RELATED BYLAWS

<u>List of Budget related Bylaws</u>	<u>Explanation numbers</u>
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
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 2023/24

# **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 118  
MFMA Circular 119  
MFMA Circular 120  
MFMA Circular 121  
MFMA Circular 122  
MFMA Circular 123



## Legal Framework for Procurement of New Generation Energy Capacity by Municipalities and Municipal Entities

### Purpose

The purpose of this Circular is to provide advice to municipalities and municipal entities relating to the legal framework for procurement of new generation energy capacity, particularly from renewable energy sources, within the provisions of the Constitution, MFMA and other related legislation.

### Background

The Department of Mineral Resources and Energy (“DMRE”) published amendments to the New Generation Capacity Regulations (“amended NewGenRegs”) in terms of the Electricity Regulation Act 4 of 2006, as amended, on 16 October 2020.

Clarity was requested from municipalities and municipal entities regarding the applicable legal framework, the processes and procedures for the development and procurement of new generation capacity, alignment with the MFMA section 33, and the DMRE regulations.

This relates to procurement, public private partnerships and consultation processes as the various stages in ensuring effective implementation consists of consultation, planning, resourcing, institutional capacity and capability, operational commitments and sustainability, infrastructure assessments, development of new and upgrading of assets, as well as financial obligations, amongst others, arising from such projects require substantial investments.

The National Treasury, in collaboration with the Department of Mineral Resources and Energy, National Energy Regulator and SALGA, have developed the supporting information to assist municipalities and municipal entities.

In respect of each of Scenario, the applicable legal framework is identified and key risks which may affect the viability of the specific scenario is highlighted. Possible mitigation measures are also included, where applicable.

The Annexure, include roadmaps, to assist municipalities and municipal entities when considering how they may procure, buy, sell and generate electricity.

## Conclusion

It is important that accounting officers ensure that the content of this Circular is brought to the attention of the Municipal Council and all other relevant officials within the municipality and municipal entities.

It is advised that Municipalities and Municipal Entities refer to the Annexure to this Circular, where the legal and regulatory framework is explained in respect of municipal procurement or establishment of new generation capacity.

Any queries on the Circular should be directed to the respective National or Provincial Treasury official or MFMA helpdesk, email: [mfma@treasury.gov.za](mailto:mfma@treasury.gov.za) or to DMRE at email: [determinations@dmre.gov.za](mailto:determinations@dmre.gov.za) or NERSA email: [info@nersa.org.za](mailto:info@nersa.org.za) as may be appropriate.

## Contact



Post **Private Bag X115, Pretoria 0001**  
Phone **012 315 5850**  
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**  
**14 JUNE 2022**

**ANNEXURE: Summary Report**

**ANNEXURE A: Scenario 1 Roadmap - MIPPP with a Ministerial Determination**

**ANNEXURE B: Scenario 2 Roadmap - MIPPP in which the municipality is both procurer and buyer**

**ANNEXURE C: Scenario 3 Roadmap - MIPPP based on PPP requirements**

**ANNEXURE D: Scenario 4 and 5 Roadmap - MIPPP based on developing and operating own power plants**

**ANNEXURE E: Other licences, permits and authorisations required to construct and operate renewable energy electricity generation infrastructure**



## **WITHDRAWAL OF MFMA CIRCULAR 105 and MFMA Circular 109: PROCUREMENT IN RESPONSE TO NATIONAL STATE OF DISASTER REGARDING COVID-19 PANDEMIC**

### **1. PURPOSE**

The purpose of the circular is to-

- (a) inform municipalities and municipal entities of the withdrawal of MFMA Circular 105 (25 August 2020) and MFMA Circular 109 (18 May 2021) that dealt with the procurement processes in response to the National State of Disaster regarding the COVID-19 pandemic.

### **2. BACKGROUND**

- 2.1 The National Treasury issued MFMA Circular 105 on 25 August 2020, which became effective on 1 September 2020, in which municipalities and municipal entities were informed to revert to normal procurement procedures for all goods, services and works (including the procurement of Personal Protective Equipment and fabric masks). The Circular also included reporting measures to improve the monitoring and transparency of COVID-19 related procurement data and such information was published on relevant websites and the National Treasury website.
- 2.2 On 18 May 2021, National Treasury issued MFMA Circular 109, in which the reporting dates were extended up to March 2022.

### **3. DISCUSSION**

- 3.1 Cabinet decided to terminate the National State of Disaster from midnight, 04 April 2022. While the pandemic is not over, and while the virus continues to circulate, Cabinet determined that it was no longer necessary for the country to remain in a National State of Disaster.

3.2 Certain regulations that were issued in terms of the Disaster Management Act, 2002 (Act No.57 of 2002), remained in place for a further 30 days to ensure a smooth transition to the new regulations that were issued in terms of the National Health Act, 2003 (Act No. 61 of 2003), contained in Notice No. 2061 published under Government Gazette No. 46319 of 4 May 2022.

#### 4. APPLICABILITY

This Circular applies to all Municipalities and Municipal entities and is effective on the date of signature.

#### 5. WITHDRAWAL OF MFMA CIRCULAR 105 AND MFMA CIRCULAR 109

MFMA Circular 105 and MFMA Circular 109 on **Emergency procurement in response to National State of Disaster**, are hereby withdrawn. This withdrawal includes the reporting requirement which will not be required any longer.

#### 6. DISSEMINATION OF INFORMATION CONTAINED IN THIS CIRCULAR

Accounting officers are requested to bring the contents of this circular to the attention of municipal officials and municipal entities, supply chain management officials and any other official who may be responsible or are assigned duties in the procurement of items listed in this circular and its Annexures.

#### 7. NOTIFICATION TO THE AUDITOR-GENERAL

A copy of this circular will be submitted to the Auditor-General for notification.

#### 8. CONTACT INFORMATION

Any enquiries in respect of this circular must be submitted to:  
Molefe-Isaac Fani  
Acting Chief Procurement Officer  
Email: [cpo@treasury.gov.za](mailto:cpo@treasury.gov.za)

Any enquiries in respect of the reporting template and data extraction advice must be submitted to:

Tumelo Ntlaba

Acting Chief Director: SCM ICT

Email: [tumelo.ntlaba@treasury.gov.za](mailto:tumelo.ntlaba@treasury.gov.za)



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**MOLEFE-ISAAC FANI**  
**ACTING CHIEF PROCUREMENT OFFICER**  
**DATE: 7 July 2022**



## APPLICATION OF CESSION AND ASSIGNMENT OF CONTRACTS RESULTING FROM PROCUREMENT

### 1. PURPOSE

The purpose of this circular is to set out the requirements for the application of assignment and cession of contracts resulting from procurement by municipalities and municipal entities.

### 2. BACKGROUND

- 2.1 The application of cession and/or assignment in the public sector has been a source of a number of application and interpretation challenges. Chief among these problems is the apparent blurring of the line between the concepts of cession versus assignment with many using these words interchangeably. Furthermore, there has been policy uncertainty as to the permissibility of both cession and assignment within, amongst other, the South African local government procurement regulatory framework.
- 2.2 Section 217 of the Constitution of the Republic of South Africa, 1996 (the Constitution) requires that 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 and services, it must do so in accordance with a system which is fair, equitable, transparent; competitive and cost-effective. Section 112(2) of the Municipal Finance Management Act (MFMA) requires that the regulatory framework for municipal supply chain management must be fair, equitable, transparent, competitive and cost-effective.
- 2.3 The application of cessions and assignments presents challenges in that it may, in certain circumstances, be seen to contradict the constitutional requirements of fairness, transparency and competitiveness in that a contract may be executed by a person that was not the appointed bidder in a competitive bidding process or a payment may be made to a person who is not the contracted supplier/service provider.
- 2.4 This circular is intended to provide clarity on the application of cession and assignment in contracts that are as a result of the procurement process by municipalities and municipal entities.

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### 3. ASSIGNMENT OF CONTRACTS

- 3.1 Assignment refers to the transfer of rights and obligations in a contract from an assigner to an assignee. The effect of this is that the service provider appointed through a competitive bidding process transfers the contract in its entirety that is, the obligation (the responsibility of rendering the services) and the right (of receiving payment for service rendered) to a third party that did not participate in the bidding process or a bidder that participated in the bidding process but was not successful.
- 3.2 South African law of contract is based mainly on common law. However, the contracting process for commercial contracts entered into by organs of state is subject to section 217 of the Constitution and other applicable legislation. The effect of the above is that contracts that result from public procurement processes are required to comply with the requirements of all Supply Chain Management (SCM) legislative prescripts and consequently, assignment of contracts is not allowed as it will be contrary to principles of section 217 of the Constitution particularly, fairness, transparency and competitiveness.
- 3.3 Clause 19 of the General Conditions of Contract (GCC) makes provision for assignment of contract. Clause 19 of the GCC provides that “a supplier (or service provider) shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser’s prior written consent”. **However, as stated above, transfer of rights and obligation of the service provider with or without consent of an organ of state is against the principles of section 217 of the Constitution and is therefore not allowed.** National Treasury is currently in the process of reviewing the GCC.

### 4. CESSION OF CONTRACTS

- 4.1 Cession refers to the transfer of only the rights a service provider has in terms of a contract from it to a third party. In commercial contracts, the main right involved is the right to be paid for services rendered. While the appointed bidder remains the service provider that continues to render the services, the service provider may cede (transfer) its right to be paid for the services it rendered in terms of the contract to a third party. This means that the service provider renders the services to an organ of state, while the organ of state pays for the services rendered to a third party instead, most commonly, a financial institution.
- 4.2 Cession is permissible within the SCM legal prescripts. However, it is important that the application of cession in public procurement is carefully regulated to limit possible instances of abuse through fronting arrangements and similar processes. It is for this reason that the application of cession be limited only to those cession agreements in favour of registered Financial Services Providers (FSP) and state institutions established for the express purpose of providing funding to businesses and entities (State Institution).
- 4.3 Therefore, cession shall only be applicable as follows:

- 4.3.1 Cession must only be applicable to the transfer of right to payment for services rendered by a service provider to an FSP or State Institutions;
- 4.3.2 The written request for cession must be by the service provider and not a third party; and
- 4.3.3 The written request by the service provider must be accompanied by the cession agreement.

## 5. APPLICABILITY

This circular applies to all municipalities and municipal entities.

## 6. DISTRIBUTION OF THIS CIRCULAR WITHIN MUNICIPALITIES AND MUNICIPAL ENTITIES

It is incumbent on the accounting officer to ensure that this circular is brought to the attention of senior management, supply chain management practitioners and municipal council. This circular should be adopted immediately. Municipalities and municipal entities should ensure that the SCM policy is reviewed in line with this circular.



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A rectangular box containing a handwritten signature in black ink, which appears to be 'M. Ntswahlana'.

**MS MENDOE NTSWAHLANA**  
**CHIEF PROCUREMENT OFFICER**  
**DATE:**

**15/08/22**

**NATIONAL TREASURY****MFMA Circular No 121****Municipal Finance Management Act No. 56 of 2003**

## **CONSEQUENCE MANAGEMENT AND ACCOUNTABILITY FRAMEWORK**

### **1. PURPOSE**

The Consequence Management and Accountability Framework (CMA Framework) provides information and guidance, from a Municipal Finance Management Act (MFMA) perspective, to deepen understanding of consequence management and accountability. Furthermore, it aims to support various stakeholders in the national, provincial and municipal government to effectively and efficiently discharge their obligations as it relates to financial misconduct and financial offences. Lastly, the CMA Framework contributes directly to the functionality of Disciplinary Boards.

### **2. BACKGROUND**

The wider implementation of the MFMA in all municipalities and entities is an important element in the roll out strategy to modernise and improve the financial management of local government. Linked to this strategy are the fundamental principles of effective and efficient utilisation of public resources and transparent and accountable financial management practices. Despite the provisions in the MFMA and the reforms developed over the last 19 years to support the implementation of the MFMA, enforcement and lack of consequence management still appears to be a challenge across all municipalities and entities. There is a continued trend of officials being suspended for lengthy periods of time, without matters being resolved. This continues to impact negatively on service delivery.

Each year, the lack of accountability and weaknesses in consequence management are recurring themes in the Auditor-General's consolidated general report on local government audit outcomes. From an observation perspective, there are several contributing factors to these continued failures which include amongst others, lack of

political and administrative leadership.

Over the years, there have been many incidences of non-compliance with the MFMA, which have contributed to the high levels of unauthorised, irregular, fruitless and wasteful expenditure in local government. The lack of consequence management, whether perceived or otherwise, has contributed to the erosion of public trust.

It should also be noted that the Medium-Term Strategic Framework addresses objectives relating to a **Capable, Ethical and Developmental State**, that prioritises public value and trust. It requires the development of a programme to strengthen awareness, internal controls, reporting and consequence management with regard to wasteful and fruitless expenditure in the public sector. The CMA Framework responds to these objectives.

Chapter 15 of the MFMA enables accountability for both political office bearers and municipal officials and provides the framework through which municipalities must implement consequence management for failure to adhere to the prescripts of the MFMA as well as its regulations. This Chapter is supported by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings (Financial Misconduct Regulations). The regulations apply to all officials and political office bearers within municipalities and municipal entities. These regulations were promulgated in 2014. One of the key measures introduced by the Financial Misconduct Regulations is the timelines within which investigations of allegations of financial misconduct must be concluded and matters resolved.

The National Treasury and provincial treasuries have supported municipalities in implementing the MFMA including Chapter 15 and the Financial Misconduct Regulations. The mechanisms used to provide this support range from, guidelines, circulars, responses to enquiries through the MFMA Helpdesk, workshops, seminars, training, internship programme and hands-on support to municipalities. It was during these workshops, training and seminars, that it became apparent that there are gaps in understanding of what is required and the alignment with other pieces of legislation to deal effectively with financial misconduct and criminal proceedings in municipalities and municipal entities.

### **3. BRIEF OUTLINE OF THE CONSEQUENCE MANAGEMENT AND ACCOUNTABILITY FRAMEWORK**

The CMA Framework outlines a number of key processes and procedures that must be in place for the successful implementation of consequence management by municipalities and municipal entities, in relation to financial misconduct and financial offences as defined in Chapter 15 of the MFMA.

The CMA Framework sets out the basic requirements for successful implementation of CMA which include:

- strong leadership;
- the establishment of a CMA system within municipalities;
- assigning responsibility for the implementation of the CMA system;
- ongoing education; and
- identifying measurable outcomes and process monitoring routines.

The framework also identifies key pieces of legislation underpinning the implementation of consequence management in municipalities including the Constitution of the Republic of South Africa, the MFMA, the Financial Misconduct Regulations, the Municipal Systems Act, the Municipal Structures Act etc. The framework further explains the application of the Prevention and Combating of Corrupt Activities Act 12 of 2004 and the Public Audit Act including its amendment on the implementation of consequence management as well.

The framework points out the importance of regularly review of delegations in line with section 79 of the MFMA. The framework then outlines a CMA toolbox which sets out the important legislative provisions related to CMA from an MFMA perspective.

The framework identifies key stakeholder and actors in the CMA value chain. These stakeholders and role players include the accounting officer, chief financial officers, human resources, disciplinary board, municipal public accounts committee, mayors, provincial and national government, etc.

The framework outlines external stakeholders, oversight and regulatory bodies, enforcement agencies and their roles in the implementation of the CMA Framework.

The framework highlights the imperative and discusses the need for the development of standard operating procedures for recovery, monitoring, reporting, etc.

#### **4. ONGOING EDUCATION AND TRAINING**

As indicated above, The CMA Framework advocates ongoing learning on CMA. As a result, the framework is accompanied by a learner guide. It is recommended that this forms part of the induction of newly appointed officials. Facilitators of such sessions will be provided with additional material to enable effective participation and engagements.

The CMA framework must be read together with Chapter 15 of the MFMA, the

Financial Misconduct Regulations and MFMA Circulars 76 and 111.

## 5. CONCLUSION

The CMA Framework was released and distributed to attendees during the national LG Summit held in the East Rand on 27 and 28 September 2022, attended by the President, Ministers, Mayors, Councillors, Officials from municipalities, provinces and national government as well as other key stakeholders.

It is incumbent on the accounting officer of a municipality or municipal entity to exercise leadership and to ensure that this circular and the CMA Framework are brought to the attention of the mayor, speaker, all municipal councillors, board of directors of municipal entities, disciplinary boards, senior management, chief finance officers, human resource managers, internal audit units, audit committee and supply chain management practitioners.

Special emphasis must be placed on those officials with administrative and delegated responsibilities, such as the internal audit units, human resources department and budget and treasury office of the municipality or municipal entity to address consequence management effectively and efficiently.

## 6. CONTACT

Further clarifications or enquiries can be directed to the MFMA helpdesk facility email: [mfma@treasury.gov.za](mailto:mfma@treasury.gov.za)



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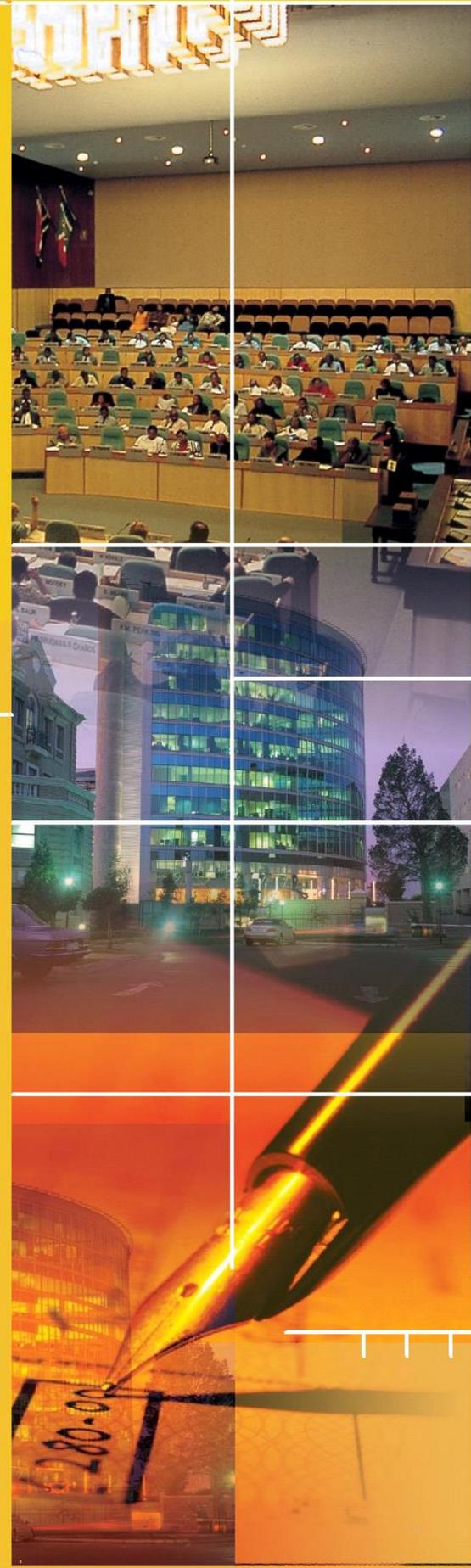
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**Chief Director: MFMA Implementation**

**14 October 2022**

**Cc: Annexure - Consequence Management and Accountability Framework - MFMA Perspective**



**CONSEQUENCE MANAGEMENT AND  
ACCOUNTABILITY FRAMEWORK:  
An MFMA Perspective  
September 2022**



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Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

# CONSEQUENCE MANAGEMENT AND ACCOUNTABILITY FRAMEWORK

## An MFMA Perspective

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## **FOREWORD**

The Municipal Finance Management Act (MFMA), other legislation and regulations governing municipalities and municipal entities sets the enabling framework within which public resources are appropriated for service delivery. The key principles of good governance, transparent and accountable use of public finances and resources, underpin the MFMA.

The Consequence Management and Accountability Framework draws from various legislation and elaborates on its linkages and alignment to strengthen public accountability and clarifies the roles of different stakeholders to assist in the practical implementation of process and procedures required to address instances of financial misconduct as defined in section 171 of the MFMA.

A number of institutional, governance and financial reforms have been introduced since 1996. The phase in of these reforms were also aimed at placing municipal financial governance and accountability on a permanent and professional footing.

The Medium-Term Strategic Framework (MTSF) and the National Anti-Corruption Strategy has provided the policy direction and impetus for implementation of a range of improvements, including strengthening reporting, investigations and actions that are designed to address gaps in governance and financial management of public resources. In this regard, one of the five commitments and more directly related to this framework is the urgency placed on reducing and eradicating instances of unauthorised, irregular, fruitless and wasteful expenditure, as these can be ascribed to different levels of financial mismanagement.

This document therefore pulls together and combines the different elements in the consequence management and accountability chain, highlights tools, provides guidance and advice for the implementation of measures in municipalities and municipal entities.

It is also expected that regular updates will be made to the legislative frameworks, tools and measures that can assist with implementation and address gaps as they emerge. These include the strengthening of the financial management framework, the governance and employment practices, disclosures for officials and public office bearers, lifestyle audits, ethical conduct and behaviour, etc.

National, Provincial and Local Government have different responsibilities which must be implemented and enforced to ensure effective consequence management for officials and councillors in instances where financial misconduct occurs.

As the CMA framework is discussed and implemented, so will communities and the confidence of the general public grow knowing that those councillors elected and professional administrators appointed will serve the public in an effective, efficient, economical, accountable and transparent manner, upholding the highest ethical standards and leading by example.

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## ACRONYMS

<b>AGSA</b>	Auditor- General of South Africa
<b>AO</b>	Accounting Officer
<b>APR</b>	Appropriate Receiving Party
<b>CFO</b>	Chief Financial Officer
<b>CIPC</b>	Companies and Intellectual Property Commission
<b>CMA</b>	Consequence Management and Accountability
<b>COGTA</b>	Department of Co-operative Governance and Traditional Affairs
<b>DB</b>	Disciplinary Board
<b>EC</b>	European Commission
<b>EU</b>	European Union
<b>EUDE</b>	Delegation of the European Union to South Africa
<b>Financial CMA</b>	CMA in relation to financial wrongdoing referred to below
<b>Financial Misconduct Regulations</b>	The Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings dated 30 May 2014 promulgated in terms of the MFMA
<b>Financial wrongdoing</b>	A generic term covering contraventions of either or both Sections 171, 172 and 173 of the MFMA as well as other financial crime
<b>HR</b>	Human Resources
<b>MEC</b>	Member of the Executive Council
<b>MFMA</b>	Municipal Finance Management Act
<b>MM</b>	Municipal Manager
<b>MPAC</b>	Municipal Public Accounts Committee
<b>NPA</b>	National Prosecuting Authority
<b>NT</b>	National Treasury
<b>PFMA</b>	Public Finance Management Act
<b>PRECCA</b>	Prevention and Combating of Corrupt Activities Act
<b>PT</b>	Provincial Treasury
<b>RG</b>	Reference Group
<b>SALGBC</b>	South African Local Government Bargaining Council
<b>SAPS</b>	South African Police Services
<b>SOPs</b>	Standard Operating Procedures
<b>ToR</b>	Terms of Reference
<b>Structures Act</b>	The Local Government: Municipal Structures Act, No. 117 of 1998
<b>Systems Act</b>	The Local Government: Municipal Systems Act, No. 32 of 2000
<b>UIFWe</b>	Unauthorised, Irregular, Fruitless and Wasteful Expenditure

## **EXECUTIVE SUMMARY**

Consequence Management and Accountability (CMA) for municipalities and municipal entities should be systemic and intended to support corrective action in respect of transgressions of the laws or rules applicable to municipalities and municipal entities. This document presents a framework specifically for financial misconduct in relation to officials and financial offences (and other criminal conduct) broadly for both officials and councillors within the context of the MFMA and synergises with other legislation that deals with consequence management. The document is intended to empower the political and administrative leadership within municipalities and municipal entities to effectively implement consequence management. It is meant to complement rather than to replace or conflict with other related Provincial or National guides and policies.

Financial misconduct does not necessarily involve fraud or corruption, and this document focuses on the former, because it is this which is addressed in the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings promulgated in terms of the MFMA (the Financial Misconduct Regulations). However, as in the National-anti-corruption-strategy-2020-2030, the analysis here is that effective CMA should start with active reporting on such misconduct, “active citizenry and whistleblowing” and conclude with strengthening the resourcing, coordination, performance, accountability and independence of dedicated channels for follow-up. The CMA Framework presented here follows this same logic. Existing consequence management structures could be one starting point for active acquisition of information on financial misconduct and financial offences in terms of the MFMA, but there are others. Further steps from there onwards are outlined.

Read collectively, parts 2 and 4 of this Framework imply a generic CMA model for municipalities and municipal entities. There is an expectation of strong municipal leadership regarding CMA, confirmed by written commitments from the Municipal Manager and the Mayor and backed by a Council Resolution supporting the adoption of the recommended national model for CMA. Responsibility for establishment of CMA systems within municipalities should be led by the Mayor, assisted by the Municipal Manager and the Speaker who should delegate to Disciplinary Boards (DBs) within the context of the Municipal Misconduct Regulations, primary control over implementing CMA within municipalities.

These DBs should operate regularly and systematically within a municipal organisational context. The dealings regarding specific cases should be kept strictly confidential within the DB and from there onward transmission of cases of MFMA transgression to SAPS (if a crime and/or financial offence has occurred) and also to the other parties specified in the Municipal Misconduct Regulations - including the Municipal Manager who should regularly monitor the progress of prosecutions.

The legal framework enabling CMA for financial misconduct is complex and includes international guidelines, provisions of the South African Constitution regarding municipal powers and functions, and municipal-specific legislation, the more relevant here of which are: The Local Government: Municipal Structures Act 117 of 1998 (the Structures Act), the Local Government: Municipal Systems Act 32 of 2000 (the Systems Act), the Local Government: Municipal Finance Management Act 56 of 2003 (the MFMA) and the Municipal Structures Amendment Act 3 of 2021. Both the Constitution and the MFMA require NT and PT to exercise oversight roles regarding municipal financial management and transgressions of the law in this domain.

The Municipal Misconduct Regulations are intended to be central to the system of CMA in terms of the MFMA and, are attached in their entirety in an Annexure and summarised within the body of the report.

Besides the legislation referred to above, there are several important provisions of other legislation, which impact vitally on the question of financial misconduct including: the Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA), the Public Audit Amendment Act, and the Criminal Procedure Act, the significance and utility of which are explained in more detail elsewhere in this document.

There are further procedures specific to some municipalities and municipal entities that need to be considered and codes, including the Code of Conduct for Councillors, the Code of Conduct for Municipal Staff, the Disciplinary Regulations for Senior Managers, the SA Local Government Bargaining Council Main Collective Agreement, Schedule 8 to the Labour Relations Act, the Code of Good Practice: Dismissal for which there are Annexures to this document. A conceptual diagram within the body of the report shows how these various laws and rules relate to each other.

In operational terms, giving effect to the legal framework requires at least the following elements:

- *Prevention* (through ethical behaviour, good internal controls and external checks, amongst other things)
- *Detection* (through sound internal and external audits but also through the facilitation of the flow of information from all stakeholders)
- *Deterrence* (consistent and fair application of a CMA system which has become operationalised acts as a strong deterrent, more particularly if there is communication and awareness raising about cases where persons go to jail and/or have their assets seized and are prevented from further employment by the municipality or any other organ of state because of entry in the register)
- *Education and Awareness Raising* (which the current programme is initiating but which needs to be continued by HR), regular disclosures, organisational culture, change management, ethical behaviour, etc.)
- *Constant systemic improvement* (this is important in relation to internal checks and balances which should be reviewed and/or amended in the light of insights gleaned from cases where they have not been effective).

The roles and responsibilities of various actors regarding municipal CMA are explained including that of the Accounting Officer/Municipal Manager, the Chief Financial Officer, the Municipal Public Accounts Committee, Human Resources, Disciplinary Boards, the Mayor, the Speaker, Councillors, Officials, Boards and Directors serving on municipal entities, various oversight bodies and stakeholders as well as enforcement bodies.

Further advice is provided on Standard Operating Procedures (SOPs), including Reporting SOPs, Discipline SOPs, Prosecution SOPs, Recovery SOPs, and Monitoring SOPs. A methodology for overall monitoring and evaluation of municipal CMA systems is required.

In summary, the implementation of effective consequences management and accountability frameworks for municipalities and municipal entities, will require major political and administrative leadership within municipalities with the support of provincial and national government and building upon important starts that have already been made by many municipalities and municipal entities. The step-by-step implementation of this CMA Framework as elaborated in the conclusion will further capacitate and deepen such efforts and enable provincial and national government to discharge their Constitution responsibilities - mandated oversight roles regarding prudent financial management in municipalities and municipal entities. Repeated deviations from the legislated process could result in more stringent punitive measures being imposed upon municipalities and municipal entities.

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# 1 INTRODUCTION

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## 1.1 What is CMA?

CMA should be systemic, and not externally induced or sporadic. It is intended to institute corrective actions and where appropriate, impose costs or penalties upon those who ignore or transgress the laws or rules of the institutions within which individuals or groups are employed or hold office, and it includes ongoing efforts at detecting such transgressions.

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## 1.2 Purpose of Framework

The purpose of this CMA framework document is to empower the political and administrative leadership within municipalities and municipal entities to effectively implement CMA.

Whilst the Financial Misconduct Regulations provide a legal framework that enables the implementation of consequence management, it has become clear that practical implementation remains a challenge, hence the low levels of compliance. Through the development and issuance of the CMA framework, the municipal regulations mentioned above can be operationalised by municipalities and supported with training materials that will assist municipalities and municipal entities with implementation<sup>1</sup>.

This CMA framework document is intended to complement and support existing consequence management initiatives and enable administrative leadership within municipalities and municipal entities to effectively ensure that accountability becomes the order of the day rather than the exception.

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## 1.3 Scope of Application of Framework

This framework is not intended to cover CMA generally but is rather focused on CMA in relation to financial misconduct and financial offences as defined in the MFMA and other financial crimes committed by officials within municipalities and municipal entities. The reason for this is implicit in the title - the subject is approached from the perspective of the MFMA. Consequently, the framework does not deal with minor, day-to-day workplace infractions, which should be dealt with progressive discipline according to the principles of the applicable labour law.

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## 1.4 Background and Context of Framework

CMA is being applied, sometimes successfully, in various municipalities and municipal entities. However, the process is uneven. The CMA framework developed, and which is explained below has been drawn out of research into various South African and international cases.

Whilst CMA is distinct from anti-corruption, this CMA Framework has also sought to follow national perspectives on the organisational starting points for anti-corruption initiatives. As in the National-anti-corruption-strategy-2020-2030, the analysis is that effective CMA should start with an “active citizenry and whistleblowing” and conclude with strengthening “the resourcing, coordination, performance,

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<sup>1</sup> On municipal entities refer to chapter 10 of the MFMA read with Chapter 8A of the Systems Act.

accountability and independence of dedicated agencies.”<sup>2</sup> The CMA Framework presented here chooses these very starting and concluding points.

Whilst the CMA Framework presented here deals with the modalities for addressing consequences and accountability for acts of financial misconduct, it is better to also have in place those aspects of work cultures and ethics which prevent such acts. This Framework is provided to add to the positive effects of building such cultures in municipalities and municipal entities, rather than to replace them.

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<sup>2</sup> National-anti-corruption-strategy-2020-2030, p28. “PILLARS AND PROPOSED PROGRAMMES This strategy recognises the need to coordinate anti-corruption activities and to create implementation structures and monitoring measures that can address the scourge of corruption holistically and at multiple levels. To this end, the following six strategic pillars will be implemented: 1. Promote and encourage active citizenry, whistleblowing, integrity and transparency in all spheres of society. 2. Advance the professionalisation of employees to optimise their contribution to create corruption free workplaces. 3. Enhance governance, oversight, and consequence management in organisations. 4. Improve the integrity and credibility of the public procurement system. 5. Strengthen the resourcing, coordination, transnational cooperation, performance, accountability, and independence of dedicated anti-corruption agencies. 6. Protect vulnerable sectors that are most prone to corruption and unethical practices with effective risk management”







## 2 BASIC REQUIREMENTS FOR SUCCESSFUL IMPLEMENTATION OF CMA

### 2.1 Strong Leadership

As has been recognised in the initiatives of several ministries in different fields, leadership at local level is essential to give direction to local implementation. This means those in higher office must not only be beyond reproach themselves, but they must also encourage and empower all within the municipality to contribute towards effective, systemic CMA. A good starting point for this will be written commitments from the Municipal Manager, the Mayor and a Council Resolution supporting CMA and in the case of a municipal entity, the board of directors and chief executive officer providing a similar level of commitment in writing. Another building block is the incorporation of implementing CMA as a key result area in the performance agreements of each senior manager. In this way, senior managers can be held accountable where they fail to hold officials within their respective functional departments accountable for acts of financial misconduct.

### 2.2 Initiation of CMA Project

Responsibility for establishment and implementation of CMA systems within municipalities should be led by the Mayor, assisted by the Municipal Manager and the Speaker and in the case of a municipal entity, the chief executive officer and the chairperson of the board of directors, who should initiate the system described below through consensus decision making.

### 2.3 Assignment of Responsibility for Project

This will vary from municipality to municipality. However, the initial point for monitoring would usually be in terms of provisions of the MFMA read with the Municipal Regulations (see sections to follow) and may also follow a previous COGTA directive<sup>3</sup> on the current arrangements and capacity of the municipality. Where municipalities do not have the capacity internally, they should look to shared service arrangements, for example with District Municipalities, or a combination thereof, provided their responsibilities and processing of recommendations and reports is clearly in their operational procedures.

Once detected, alleged financial misconduct and financial offences as defined in the MFMA and other financial crimes committed by officials, councillors and members of board of directors within municipalities and municipal entities must be dealt with in terms of the Municipal Misconduct Regulations as set out in more detail below.

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<sup>3</sup> The issue of monitoring and reporting of financial misconduct is articulated in the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. The COGTA directive referred to is Municipal Integrity Management Framework of October 2015. This states that "...the municipality must create trusted avenues for residents / community members to report corruption or suspicions of corruption. Such avenues may include the use of ombudsmen / integrity commissioners". It also states that 'the MFMA: Municipal Regulations On Financial Misconduct Procedures And Criminal Proceedings, 2014 (s17) specifies that the community must be made aware of confidential reporting procedures in relevant media. Regulation 14 of the Financial Misconduct Regulation requires municipalities to prepare an information document on any alleged financial misconduct or offence stating: Name and position of person alleged to be involved; Summary of facts; Monetary amount involved; Disciplinary steps taken or to be taken; If no disciplinary steps are taken, the reason for this decision; Case number issued by SAPS if it is a financial offence; Steps taken to recover unauthorized, irregular or fruitless and wasteful expenditure. This information must be submitted to a number of entities. It could be in future that outsourced monitoring might be procured, particularly at the start of CMA, if and when this is permitted by national whistle-blower legislation.

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## 2.4 Education

Initial training of municipal Financial Managers, Internal Audit units, HR divisions amongst others, on the CMA Framework is important. NT is developing e-learning material on this Framework to further assist provinces, municipalities and municipal entities towards enhancing their capacities regarding implementation of CMA for municipal financial management.

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## 2.5 Measurable Outcomes

The most important measurable outcomes would include:

- Improved municipal performances in financial terms, notably in terms of reduced Unauthorised, Irregular, Fruitless and Wasteful Expenditures (UIFWe) as evidenced by reduced UIFWe identified through the system of internal control within the municipality or municipal entity
- Improved staff awareness, councillor, and public perceptions about the municipality or municipal entity operations consistent with the principles in the MFMA, improving accountability and transparency (as determined for example through opinion surveys, voter turnout rates, etc.)
- Reduced or eliminated periods of suspension of alleged offenders on full pay within municipalities and municipal entities.

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## 2.6 Process Monitoring Routines

NT has a mechanism and platform through which it is receiving regular reporting on progress regarding reported acts of financial misconduct and financial offences. Municipalities and municipal entities can visit the NT MFMA website, MFMA helpdesk and MFMA Circulars for further guidance and assistance. Compliance with the reporting requirements other measures in the Financial Misconduct Regulations is an important aspect of this framework. Section 6 below explains municipal reporting to NT on the MFMA and could also include a new sub-section on at least statistical dimensions of CMA progress, comprised of a statistical summary of the Disciplinary Board proceedings/Minutes of the past quarter etc. These are to be reviewed annually at NT and, if need be, feedback provided to the municipalities and municipal entities by NT in terms of its own oversight responsibilities. A final process monitoring routine which all municipalities and municipal entities should implement is that, where an official resigns in the face of allegations of financial wrongdoing, that fact should be reported by the municipality to NT, PT and COGTA to facilitate proper vetting of candidates by HR who should make inquiries with those bodies.<sup>4</sup>

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<sup>4</sup> This may help HR at any prospective new employer. However, HRs within municipalities should have a standard question to be answered in writing relating to allegations or pending proceedings at the time of resignation.







## 3 THE LEGAL FRAMEWORK UNDERPINNING MUNICIPAL FINANCIAL CMA

### 3.1 International Obligations of the Republic

Globally, corruption is regarded very seriously and there are numerous international guidelines and treaties on the subject, an example of which is the UN Guide for Anticorruption Policies issued by the United Nations Office on Drugs and Crime. Where there is an international dimension to a possible transgression of the MFMA (for example suspicious financial transactions), this Guide should be referred to besides the other South African legislation as referred to below.

### 3.2 The Constitution of the Republic of South Africa

The Constitution is the supreme law against which all other South African legislation is measured. From a CMA perspective, the significant provisions are those which lay the foundation for Local Government, and which provide for a specific list of 'competencies' (or functions) for local government some of which are shared by provincial and national government; and which entrench the role of NT and PT in respect of oversight functions in respect of municipal finance, the last-mentioned of which is discussed in Section 4.2 of this framework. These provisions appear in the extract from the Constitution in [Annexure A](#).

### 3.3 Municipal Specific Legislation

The Constitution provides a fundamental framework but does not go into specifics and merely enjoins the promulgation of national legislation dealing with, local government and municipalities. Parliament has therefore passed several laws, which add content to, and form a coherent package, in relation to that sphere of government. The salient Acts are the following:

#### 3.3.1 Local Government: Municipal Structures Act 117 of 1998

This Act, as its name suggests, provides for the structures fundamental to the system of local government including, the establishment of municipalities and the criteria for determining the type of municipality to be established in a particular area. Importantly, it regulates the internal systems, structures, and office bearers of municipalities. For present purposes, the salient provisions are those reflected in [Annexure B](#), namely Section 79 (dealing with the establishment of principal committees) and Section 79A of the amended Municipal Structures Act (which provides for the establishment of Municipal Public Accounts Committees). Refer to codes of conduct now in the Structures Amendment Act as per extension to [Annexure G](#).

#### 3.3.2 Local Government: Municipal Systems Act 32 of 2000

This legislation provides for the core principles, mechanisms and processes necessary for municipalities to achieve the vision in Chapter 12 of the Constitution but, for present purposes, the salient provision is Schedule 2 which is the Code of Conduct for Municipal Staff Members as reflected in the attached [Annexure C](#).

#### 3.3.3 Local Government: Municipal Property Rates 6 of 2004

Although this Act provides for a vital element of municipal existence namely the power to impose property rates, it is not directly relevant to financial CMA except insofar as there could be certain improprieties for example regarding municipal valuations which officials or

councillors may benefit from in which case, they should be dealt with in terms of the MFMA and the Financial Misconduct Regulations.

### **3.3.4 Organised Local Government Act 52 of 1997**

Again, this legislation is, though vital to the system of co-operative governance, not central to the nitty-gritty of financial CMA.

### **3.3.5 Local Government: Municipal Finance Management Act 56 of 2003**

The MFMA constitutes a vital point of reference for financial CMA. As can be seen from the extracts which appear in [Annexure D](#), the Act deals with vitally important issues including:

- Section 32 - Unauthorised, Irregular or Fruitless and Wasteful Expenditure (UIFWe)<sup>5</sup>
- Chapter 8 - Responsibilities of Municipal Officials (including: the Accounting Officer, financial management and administration, the top management of the municipality and the officials to whom they may delegate certain functions and reports and reportable matters)
- Chapter 10 – municipal entities
- Section 164 relating to forbidden activities
- Sections 171 and 172 - Financial Misconduct by officials of municipalities or municipal entities
- Sections 173 and 174 - Financial Offences and penalties

### **3.3.6 Municipal Structures Amendment Act 3 of 2021**

This legislation, inter alia, refines the definition of roles of various municipal office bearers and importantly provides a Code of Conduct for councillors in schedule 7, including those relating to their financial affairs. It is critically important legislation for implementing CMA within municipalities and therefore should be studied carefully in its entirety.

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## **3.4 Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings (the Financial Misconduct Regulations)**

The regulations, which are promulgated (in terms of the MFMA) are intended to be central to the system of financial CMA and, are attached in their entirety - see [Annexure E](#). Care should however be taken (as with all of the Annexures) to ensure that the Financial Misconduct Regulations are not read in isolation but should be read in conjunction with the Municipal Systems Act and its supporting regulations to give effect to section 171(4) of the MFMA. For the moment however, the Financial Misconduct Regulations provide points of reference in relation to the following salient issues:

- Reporting of allegations of financial misconduct (to whom, depending against whom the allegations relate)
- The establishment of a disciplinary board and its functions and composition
- Investigations of allegations of financial misconduct (preliminary and full)
- Criminal proceedings - reporting where a financial offence is alleged and follow-up.<sup>6</sup>

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<sup>5</sup> Practitioners should note the very important MFMA Circular number 111 issued by NT in late 2021 (in addition to the existing Circular 68) and to which a 65 page document is annexed setting out the reduction strategy for unauthorised, irregular or fruitless and wasteful expenditure in municipalities and municipal entities.

<sup>6</sup> Practitioners might find the Glossary of some related terminology and definitions in Appendix 4 of assistance.

## 3.5 Other CMA Related Legislation

Besides the legislation referred to above, there are several important provisions of other legislation which impact vitally on the question of financial CMA including:

### 3.5.1 Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)

- This Act is sometimes overlooked in relation to municipal financial CMA. Perhaps the reason for this is that it is, primarily, a tool for law enforcement. However, it is a vital resource if utilised properly within the municipality or municipal entity, especially where those who learn of wrongdoing don't report it to the relevant authorities. This is because, emphasising the grave consequences of its provisions can have a deterrent effect on those engaged in, or contemplating, acts of financial misconduct. This legislation applies to both officials and public office bearers within municipalities and municipal entities. We therefore encourage municipalities and municipalities to include the relevant provisions of this Act in their consequence management policy and in internal awareness campaigns on consequence management. Municipalities and municipal entities are also advised to include the following details in their consequence management policies as it will further enhance reporting in terms of confidentiality: SA Anti-corruption hotline: 0800 43 43 73, SIU Whistle-blower Hotline: 0800 037 774; Hawks Hotline: 012 846 4590 or E-mail: [CorruptionReports@saps.gov.za](mailto:CorruptionReports@saps.gov.za). The salient provisions of the Act appear in [Annexure F](#) and are:
  - Section 3 - which creates the general offence of corruption (which is much wider than the man in the street might believe and probably encompasses a lot of what has become common practice in some municipalities)
  - Section 13 - which deals specifically with tenders and corrupt activities relating to the procuring or withdrawal of tenders
  - Section 17 - which criminalises the acquisition of a private interest in any contract, agreement, or investment of a public body
  - Section 18 & 19 - which deal, respectively, with unacceptable conduct in relation to witnesses (including those in relation to investigations or disciplinary enquiries) and intentional interference with any investigation (provisions which may be useful for deterring the harassing or intimidation of whistle-blowers)
  - Section 26 - which sets out the penalties for contraventions of the Act. These penalties are significantly more serious than those provided for in the MFMA and include life imprisonment.
  - Section 34 - which creates a duty to report corrupt transactions. It applies to any person who holds a position of authority as specified and who knows, or ought reasonably to have known or suspected that another person has committed corruption involving an amount of more than R100,000. Contraventions of this section could mean jail sentence of 10 years for the person concerned.

### 3.5.2 Public Audit Amendment Act

The amendments are important for several reasons, principal amongst which is that the Auditor General is now entitled to issue a "certificate of debt" in respect of those who fail to comply with an obligation to take action to recover losses and/or prevent further losses. This is significant in the context of financial CMA because: firstly, it reinforces what must be done in terms of the MFMA by the role-players and secondly, it provides the AGSA with "step-in" right

to engage and involve law enforcement agencies if such action is not taken. This legislative reform which, if implemented correctly, will contribute substantially towards enhancing consequence management within municipalities and municipal entities.

### **3.5.3 Criminal Procedure Act, as amended**

Section 300 of the Act provides for victim compensation. The legislation allows the court to suspend a jail sentence, in whole or in part, on condition that losses caused are repaid. This can provide a powerful incentive for a wrongdoer to disgorge monies which would otherwise have been difficult to recover by civil means if the ill-gotten gains are hidden in trusts, opaque offshore structures or in the names of relatives and so on. The process is not frequently used and will not happen automatically. What is required is proactive intervention by the municipality or municipal entity, as the case may be, to request an appropriate order. The best way of doing this is for a legal representative of the municipality or municipal entity to liaise with the prosecutor concerned well in advance of sentencing.

In addition, the Act is the legislation which controls how criminal prosecutions for MFMA offences are prosecuted. For some time, cases such as the Pietersen case<sup>7</sup> (an appeal against a jail sentence for MFMA offences and in which the prison sentence was partially upheld) were rare. However, of late, there has been a marked increase in reported cases of arrests of municipal managers for MFMA offences and, sometimes, the imposition of substantial periods of imprisonment. This framework will further enhance the understanding and alignment of cases resulting from MFMA transgressions.

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## **3.6 Policies, Procedures and Delegations**

Some municipalities have developed sophisticated policies which might affect financial CMA by, for example, obliging officials and councillors to report any suspected wrongdoing and these should be reviewed to make sure that, insofar as they align with the Financial Misconduct Regulations, they are complied with to avoid complications during disciplinary processes. The same applies to municipal delegations which may be crucial in determining responsibility for the incident and establishing Financial Misconduct if they have not been followed. In terms of Section 79 of the MFMA the AO is obliged to develop an appropriate system of delegation that will both maximise administrative and operational efficiency and provide adequate checks and balances in the municipality's financial administration. The AO may, in accordance with that system, delegate certain functions to the municipality's top management. Any such delegation must be in writing; is subject to such limitations and conditions as the AO may impose and can be granted, either to a named individual or to the holder of a specific post. Importantly, such delegation does not absolve the AO of the responsibility concerning the exercise of the delegated power or the performance of the delegated duty.<sup>8</sup>

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<sup>7</sup> Martin Noel Pietersen v The State (unreported judgment of the Western Cape Division of the High Court – case no A309/2017)

<sup>8</sup> As a general principle, those doing the delegation should have a written agreement with those to whom functions have been delegated, signed and dated by both parties (and witnessed) as to what exact functions and roles/responsibilities have been delegated by whom to whom and for what period.

## 3.7 Codes of Conduct and People Related

### 3.7.1 Code of Conduct for Councillors

This Code, which was previously a Schedule to the Systems Act, has now been replaced by an amendment to the Structures Act and been substantially updated in the process as can be seen from the attached copy marked [Annexure G](#). In addition, it is illegal, in terms of Section 76 of the MFMA, for councillors to exert pressure on Accounting Officers to depart from the MFMA, see [Annexure D](#).

### 3.7.2 Code of Conduct for Municipal Staff Members

This Code, a copy of which is annexed marked [Annexure H](#) is a Schedule to the Systems Act applies to all municipal officials.

### 3.7.3 Disciplinary Regulations for Senior Managers

These Regulations (a copy of which are annexed marked [Annexure I](#)) have to be adhered to regarding senior managers i.e. the administrative top structure of the municipality including the so-called Section 57 managers (who report directly to the Municipal Manager).

### 3.7.4 SA Local Government Bargaining Council Collective Agreement

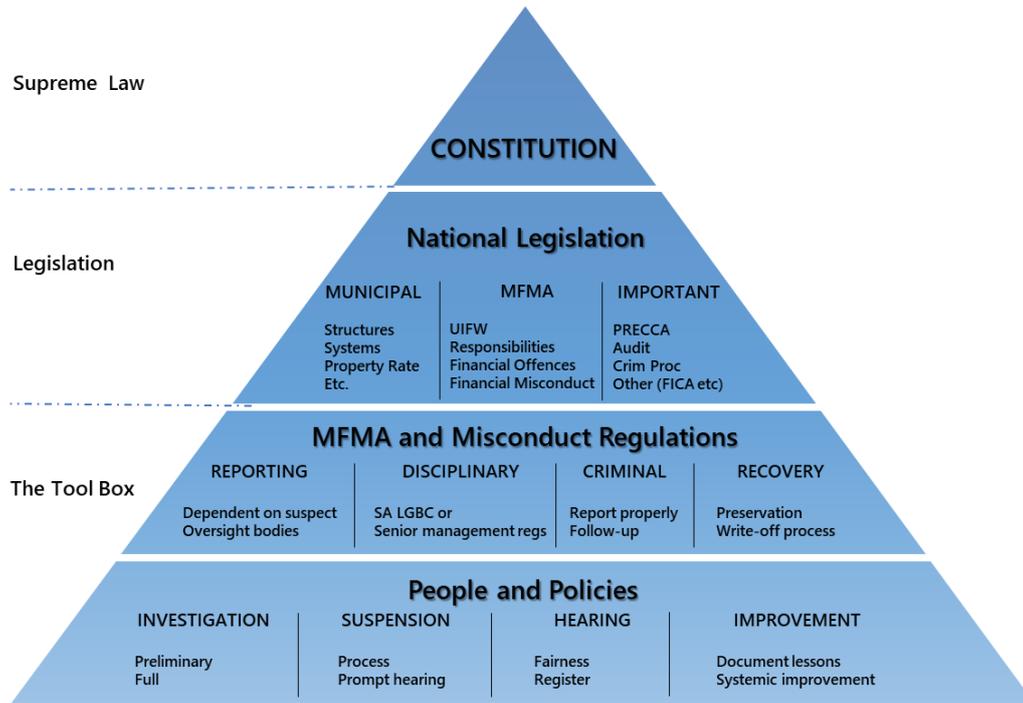
Municipal employees, other than the senior managers referred to above, are subject, for disciplinary purposes, to the collective bargaining agreement concluded within the SALGBC and a copy of that agreement is marked [Annexure J](#).

### 3.7.5 Labour Relations Act: Schedule 8 Code of Good Practice: Dismissal

This document is important because, regardless of the seniority of the municipal official, its principles must be adhered to in *any* disciplinary proceedings. The Schedule sets out in Plain English some of the key aspects of dismissals related to conduct and capacity. Amongst other things, it provides that a dismissal is unfair if it's not for a fair reason and in terms of a fair procedure, even if it complies with any notice period in a contract of employment. It spells out the three recognised grounds on which a dismissal might be regarded as fair, namely: conduct of the employee, capacity, and the operational requirements of the business of the employer. The Code provides for so-called progressive discipline against the background of clear and well-known rules and standards of conduct. It recognises that formal procedures need not be invoked every time a rule is broken, or a standard not met and provides for informal redirection, counselling and written warnings for less serious infractions, but makes it clear that dismissal may be appropriate regarding serious offences (such as those set out in the MFMA). The Code also records the basics of a fair disciplinary procedure and, importantly, provides, in paragraph 5 that: "Employers should keep records for each employee specifying the nature of any transgressions, the actions taken by the employer and the reasons for the actions." A copy of the Code is annexed as [Annexure K](#).

### 3.8 How Do These Elements Relate to Each Other?

The relationship between all these provisions is depicted in the following image.



### 3.9 What Objectives Do the Provisions Seek to Achieve?

The objectives are neatly spelled-out by NT itself when it states that: "National Treasury's primary objective is to secure sound and sustainable management of the financial affairs of government, national, provincial and local, and to lead such policies and reforms. This entails supporting the development of a coherent approach that assists in the improvement of delivery of services to communities. The mechanisms used for this support range from regulatory interventions, manuals, guidance, circulars, workshops, seminars, training, internship programmes and hands on support to municipalities"

To achieve this, the primary objectives of municipalities should encompass at least these elements:

- *Prevention* (through good internal controls and external checks, amongst other things)
- *Detection* (through sound internal and external audits but also through the facilitation of the flow of information from all stakeholders, especially whistleblowers)
- *Deterrence* (consistent and fair application of a CMA system which has become operationalised acts as a strong deterrent, especially if there is persistent communication and awareness raising about cases where persons go to jail and/or have their assets seized, and are prevented from further employment by the municipality or any other organ of state because of entry in the register)
- *Education and Awareness Raising* (which the current programme is initiating but which needs to be continued by HR)

- *Constant systemic improvement* (this is important in relation to internal checks and balances which should be reviewed and/or amended in the light of insights gleaned from cases where they have been circumvented or been ineffective.)

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### 3.10 Which are the important provisions related to CMA (the CMA Toolbox)?

The important provisions which should be in the toolbox are:

- The MFMA and the Financial Misconduct Regulations
- The Systems Act and the Disciplinary Regulations for Senior Managers
- The Labour Relations Act
- PRECCA
- The people provisions, namely the codes regarding both staff members and councillors as well as the SALGBC agreement
- Section 300 of the Criminal Procedure Act.







## 4 ACTORS AND STAKEHOLDERS: ROLES AND RESPONSIBILITIES IN PROCESS

### 4.1 Actors

The roles of various actors in a CMA framework and their relationships to legislation and regulations are further elaborated in the conclusion to this framework in terms of an implementation guide. However, these general observations about key actors' roles in relation to CMA may be made.

#### AO/MM

In terms of the MFMA, the MM / AO must lead the municipality and take final responsibility for prudent financial management, which includes proper implementation of CMA. In addition to the responsibilities of the MM as determined Systems/Structures/MFM Acts<sup>9</sup>, following the recommendations (amongst others) of the COGTA Municipal Integrity Management Framework, the MM shall:

- Ensure that the municipality has a strong programme to promote CMA and fight corruption.
- Allocate sufficient resources for implementing the CMA requirements; and
- Enable successful implementation of the Consequence Management Framework, which enablement should form part of the MM/Accounting Officer's performance contract.
- Ensure that competent employees with high standards of personal integrity are appointed and promoted and minimum competency requirements as set out in the Municipal Systems Act: Regulations on Appointment and Conditions of Employment of Senior Managers. Pre-employment screening should be conducted for all new appointments to verify at least the following: Qualifications; Previous employment; Disciplinary record; Criminal record; Credit record; Any outstanding investigations or disciplinary matters at previous employers. Municipalities must consult the record on dismissed employees kept by the Minister and must abide by the prescribed periods.
- Ensure all suppliers are screened against the municipality's financial declaration database, CIPC database, National Treasury's register for tender defaulters and the List of Restricted Suppliers, and with the South African Revenue Service to ensure that their tax matters are in order.

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<sup>9</sup> The MFMA states in its Chapter 8, inter alia that: 61. (1) The accounting officer of a municipality must- (a) act with fidelity, honesty, integrity and in the best interests of the municipality 15 in managing its financial affairs; (b) disclose to the municipal council and the Mayor all material facts which are available to the accounting officer or reasonably discoverable, and which in any way might influence the decisions or actions of the council or the Mayor; and 20 (c) seek, within the sphere of influence of the accounting officer, to prevent any prejudice to the financial interests of the municipality. (2) An accounting officer may not- (a) act in a way that is inconsistent with the duties assigned to accounting officers of municipalities in terms of this Act; or 25 (b) use the position or privileges of, or confidential information obtained as, accounting officer for personal gain or to improperly benefit another person. 62. (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically; that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards; that the municipality has and maintains effective, efficient and transparent systems- (i) of financial and risk management and internal control; and (ii) of internal audit operating in accordance with any prescribed norms and standards; that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented; that **disciplinary or, when appropriate, criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15:...**

## **CFO**

The CFO's statutory responsibilities are explicitly spelt out in Section 81 of the MFMA. In terms of the Act, she is administratively in charge of the budget and treasury office; must advise the AO on exercising powers and duties assigned to the AO in terms of the Act; must assist the AO in the administration of the municipality's bank accounts and in preparation and implementation of the municipality's budget; advise senior managers and senior officials in the exercise of powers and duties assigned to them in terms of Section 78 or delegated to them in terms of Section 79; perform such budgeting, accounting, analysis, financial reporting, cash management, debt management, supply chain management, financial management, review and other duties as may in terms of Section 79 be delegated by the AO to her. The CFO is thus well placed to play a powerful role in the formulation and implementation of CMA. She should be pro-active in submitting any information about any non-compliance with the MFMA (or other financial wrongdoing) to the appropriate receiving party. If disciplinary proceedings result, those proceedings must be conducted in terms of the applicable agreement or regulations. In the case of the top management of the municipality (the AO, CFO and senior managers referred to in Section 77 of the Act) they are subject to the Disciplinary Regulations for Senior Managers promulgated in terms of the Systems Act. All other officials are subject to the Disciplinary Procedure Collective Agreement concluded under the auspices of SALGA.<sup>10</sup> In the case of a councillor, (regarding conduct which does not constitute a contravention of the Code of Conduct for Councillors) the report must be made to the designated official. Sometimes, the CFO might be the "designated official" in terms of delegations of that municipality's written delegations. CFOs should be proactive wherever relevant in budgeting for specialist investigative resources to be put at the disposal of municipal Disciplinary Boards.

## **Human Resources**

The role the Human Resources department (HR) is pivotal in CMA. One of its core functions is to ensure the proper application of discipline within the organisation. This means ensuring that disciplinary processes are actually instituted, that the correct legal and procedural processes prevail and that cases are concluded expeditiously. HR plays an even more fundamental role in terms of ensuring that recruitment and selection is properly done in terms of the Systems Act and in accordance with professional best practice. Moreover, HR must play a role in ensuring that where disciplinary infractions are established, appropriate reports are made to ensure that the culprits' details are captured in the database to prevent them being re-employed by the municipality for the applicable period. The Head of Human Resources should assist the Disciplinary Board and HR should supply them with all relevant information applicable to cases; they should also play a leading role in ongoing education of all staff about the CMA Framework and its operations. Finally, it is important that the CMA Framework should be effectively communicated to all officials (especially, new hires) and HR is well placed to, and should drive this process, in collaboration with, and subject to the authority of the MM.

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<sup>10</sup> There is some dissonance between the Agreement and the Financial Misconduct Regulations because the former makes no provision for the DB and the latter is not confined to senior managers. The dissidents may be more apparent than real. The intention seems to be that the DB must be involved where the misconduct by an ordinary official is financial misconduct.

## Disciplinary Boards

The Municipal Disciplinary Board (DB) is crucial to municipal CMA.<sup>11</sup> If they have not already done so, municipalities should act urgently to establish a DB and, if there is one in place but it is dormant, ensure that it is activated<sup>12</sup>. DBs should not exist merely “for compliance purposes” but must be active. Some guidance on the action steps for the formation of DBs appears in [Appendix 2](#) “Checklist for Putting Disciplinary Board in Place”. The DB is a body, the primary task of which is to assist the municipality with the investigation of allegations of financial misconduct and, based on the outcomes of its investigation, make recommendations on appropriate steps to be taken regarding disciplinary proceedings, criminal charges<sup>13</sup>, and/or any other relevant steps that may need to be taken; and monitor the execution of steps taken against an implicated person. The DBs must remain open to all avenues of reporting of cases of financial misconduct, although obviously it is also one of their duties to screen out false allegations (i.e. allegations which are “.... frivolous, vexatious, speculative or obviously unfounded...”). There is a heavy responsibility upon the DB to have legally valid grounds for recommending a full investigation, or the termination of, an investigation. In relation to CMA, the specific purpose of the Disciplinary Board is as set out in Regulations 4 (1) and (2) of the Financial Misconduct Regulations, namely, to investigate allegations of financial misconduct in the municipality or municipal entity and to act as an independent advisory body which assists council or the Board of Directors with the investigation of allegations of financial misconduct and provides recommendations on appropriate action to be taken. These Boards may need to be shared with District Municipalities and/or require some augmentation, at least in respect of secretariat capacity if they are to be effective, given the likelihood of substantially increased workloads.

## MPACs – Municipal Public Accounts Committees

The MPAC should not be involved in municipal CMA except insofar as it may supply DBs with information on possible cases for investigation, and follow-up where recovery of funds is recommended. CMA should be a standing item on the agenda of MPAC meetings to facilitate these roles.

## Mayor / Executive Mayor

The Mayor should provide a model of personal, financial ethical behaviour and should have a history of such behaviour. The Mayor should focus on fellow councillors and as per the COGTA Municipal Integrity Management Framework, the Mayor in Municipalities should ensure that conflicts of interest are pro-actively managed. A conflict-of-interest policy needs to be developed which deals with:

- Declaration of interests or Disclosure of interests
- Gifts
- External remunerative work

The Mayor should ensure that supporting systems and processes are developed for declarations of interest (in line with Sec. 7 of the Code of Conduct for Municipal Councillors, and Ss 5 and

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<sup>11</sup> Failure to have a functional DB can lead to problems. In one case, an MM was able to have his suspension set aside by arguing that he had been prejudiced because the preliminary investigation which the DB is supposed to do, hadn't been done (because the DB hadn't been constituted) and that investigation might have cleared him.

<sup>12</sup> NT set a deadline of 31 May 2022.

<sup>13</sup> Strictly speaking, the DB does not handle financial offences or criminal cases, but in practice, its investigations often reveal criminality, and this should be confronted by recommending appropriate action. NB, the presence of a criminal dimension does not, mean that the DB has no jurisdiction. Financial offences and crimes also require disciplinary action.

5A of the Code of Conduct for Municipal Staff Members). The Speaker should assist the Mayor in checking the declarations for potential conflicts of interest during procurement processes. Declarations should ideally be in electronic format to allow for accessibility of information<sup>14</sup>.

### **The Speaker and Council**

In terms of the Municipal Structures Amendment Act 3 of 2021, the Speaker must ensure compliance with the Code of Conduct for Councillors and if the Speaker is of the opinion (based on a reasonable suspicion) that a breach has occurred, must do the following: first, authorise an investigation; second, give the councillor a reasonable opportunity to reply in writing to the allegations and finally, (and only after doing those two things), report the matter to council. The Speaker should report infringements of the MFMA not amounting to a breach of that code to the designated official. All councillors should immediately and separately report to the Speaker and Mayor all information they have about departures from the MFMA by other councillors including by the Speaker<sup>15</sup>.

### **Officials**

All officials should report all information they have about financial misconduct in terms of the MFMA by other official/s in line with the policy for confidential reporting of allegations of financial misconduct as required by the Financial Misconduct Regulations and the Code of Conduct for Municipal Officials<sup>16</sup>. The recipient of the information must ensure that the allegation is processed consistent with the reporting framework in the Financial Misconduct Regulations. It must be emphasised that it is a criminal offence in terms of PRECCA for an official, in a position of authority (as contemplated in the Act) and who is (or ought reasonably to be) aware of financial wrongdoing within the municipality not to report this to the relevant authorities.

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## **4.2 Oversight and Regulatory Bodies**

### **National Treasury**

In Chapter 2, the MFMA states, *inter alia*, that:

"To the extent necessary to comply with subsection (1), National Treasury may –

(a) monitor the budgets of municipalities to establish whether they –

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<sup>14</sup> [https://www.cogta.gov.za/cgta\\_2016/wp-content/uploads/2017/02/LGACS-Integrity-Management-Framework.pdf](https://www.cogta.gov.za/cgta_2016/wp-content/uploads/2017/02/LGACS-Integrity-Management-Framework.pdf)

<sup>15</sup> It should be noted that in terms of the updated Code of Conduct for Councillors, if the speaker of council is the alleged perpetrator, or the speaker refuses to authorise an investigation, the council must establish a special committee, as contemplated in Item 16(1)(b), to investigate and make a finding on any alleged breach of the Code.

<sup>16</sup> Officials are obliged, in terms of S8 of the code to report improper attempts to influence them by means of gifts, favours and so on - "A staff member must without delay report to a superior official or to the speaker of the council any offer which, if accepted by the staff member, would constitute a breach of subitem (1)."

- (i) are consistent with the national government's fiscal and macro-economic policy; and
  - (ii) comply with Chapter 4;
- (b) promote good budget and fiscal management by municipalities, and for this purpose monitor the implementation of municipal budgets, including their expenditure, revenue collection and borrowing;
- (c) monitor and assess compliance by municipalities and municipal entities with –
- (i) this Act; and
  - (ii) any applicable standards of generally recognised accounting practice and uniform expenditure and revenue classification systems;
  - (d) investigate any system of financial management and internal control in any municipality or municipal entity and recommend improvements;
  - (e) take appropriate steps if a municipality or municipal entity commits a breach of this Act, including the stopping of funds to a municipality in terms of section 216(2) of the Constitution if the municipality, or a municipal entity under the sole or shared control of that municipality, commits a serious or persistent material breach of any measures referred to in that section; and
  - (f) take any other appropriate steps necessary to perform its functions effectively”.

Before making these powers potentially available the MFMA in Chapter 2 is even more categorical when it states that the National Treasury “...must exercise its responsibilities” in terms of Chapter 13 of the Constitution, that chapter stating, inter alia that:

**“216 Treasury control.**

(1) National legislation must establish a national treasury and prescribe measures to ensure both transparency and expenditure control in each sphere of government, by introducing-

- (a) generally recognised accounting practice;
- (b) uniform expenditure classifications; and
- (c) uniform treasury norms and standards.

(2) The national treasury must enforce compliance with the measures established in terms of subsection (1) 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.”

It is against this background National Treasury seeks to monitor CMA compliance in terms of the MFMA read with the Financial Misconduct Regulations. Specifically, NT has undertaken initiatives to support MPACs and the DC boards of municipalities to the extent practically possible.

If a municipality commits a serious or persistent breach of the measures established in terms of section 216 (1) of the Constitution, NT may, in terms of section 38 of the MFMA, stop the transfer

of funds due to a municipality as its share of the local government's equitable share referred to in the Constitution.

### **Provincial Treasury**

Provincial Treasury is obliged in terms of section 5 (3) of the MFMA, *inter-alia*, to assist NT in enforcing compliance with the measures established in terms of section 216 (1) of the Constitution and those in the MFMA. In addition to replicating the functions of NT generally, it must, regarding the delegated municipalities, provide support, guidance and advice to officials of those municipalities as well as training and capacity building in relation to the MFMA and its regulations. Provincial Treasuries should consider models of supplying investigative resources to municipal DBs, especially where municipalities experience capacity constraints. Both Provincial Treasuries and Municipalities should be open to other organs of state assisting in expediting such matters, for example via an SLA between different organs of state.

### **Auditor-General**

The relevant representative of the Auditor-General ("AGSA") reviewing a municipality should report any deviation from the MFMA and indicate who is responsible. In addition, the AGSA will likely use the powers in the Public Audit Amendment Act (Act 5 of 2018). The Act now allows the AG to take binding remedial action and issue a "certificate of debt" for failure to implement the remedial action where financial loss was involved. These powers have been much talked about, but the significance of the other major innovation, namely the power to refer material irregularities to the relevant public bodies for further investigation, is perhaps less appreciated. There are major implications for the role players in municipalities and municipal entities including the Mayor, Speaker, councillors, board members, senior management and officials. The reason for this is that the practice of "burying" or at least failing to act on reports of financial misconduct and offences may well constitute the serious criminal offence of corruption with penalties which could include imprisonment. This is because of the provisions of PRECCA, and particularly in relation to tenders. It behoves all parties involved to carefully note these provisions. Where relevant, lifestyle audits of councillors and officials, for example as per SARS information, could be useful tools to monitor and flag deviations to be brought to the attention of the AGSA and others.

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## **4.3 Stakeholders**

Many other stakeholders have a legitimate interest in municipal financial CMA, including civil society organisations, businesses and their representative bodies, trade unions and professionals and their representative bodies. Municipal officials and councillors should pay respectful attention to their concerns, for instance in reporting apparent cases of deviations from the MFMA. These entities interact with the municipality and can be an important source of information about wrongdoing. The policies and procedures of the municipality (including any Stakeholder Relations plan or policy and, particularly, its confidential reporting procedures in terms of Regulation 17 of the Municipal Financial Misconduct Regulations) should facilitate the flow of this information.

### **Civil Society**

Civil Society organisations should familiarise themselves with the policy for confidential reporting of allegations of financial misconduct as required by the Financial Misconduct Regulations to ensure appropriate reporting to the relevant structures and report any serious matter relating to deviations from the MFMA should follow the progress of their complaint/s through the CMA Framework system.

### **Businesses and Representative Bodies**

Local Chambers of Commerce and Industries should familiarise themselves with the policy for confidential reporting of allegations of financial misconduct as required by the Financial Misconduct Regulations and report any serious matter relating to deviations from the MFMA and should follow the progress of their complaint/s through the CMA Framework system.

### **Organised Labour**

Local chapters of trades unions and the municipal workers union should familiarise themselves with the policy for confidential reporting of allegations of financial misconduct as required by the Financial Misconduct Regulations and report any serious matter and/or deviations from the MFMA and should follow the progress of their complaint/s through the CMA Framework system.

### **Professionals and Representative Bodies**

Relevant local representative bodies of professional societies – particularly those of lawyers, accountants, and civil engineers - should familiarise themselves with the policy for confidential reporting of allegations of financial misconduct as required by the Financial Misconduct Regulations and report any serious matter relating to deviations from the MFMA and should follow the progress of their complaint/s through the CMA Framework system.

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## **4.4 Enforcement Agencies**

There are several public bodies the mandates of which coincided at least partially with the interests of municipalities in enforcing CMA including:

- The South African Revenue Service (SARS)
- The Financial Intelligence Centre (FIC)
- The Special Investigating Unit (SIU)
- The Auditor-General (AGSA)
- The National Prosecuting Authority (NPA)
- The Independent Police Investigative Directorate (IPID)
- Directorate for Priority Crime Investigation (Hawks)
- The NPA's Anti-Corruption Task Team
- Certain Anti- Corruption NPOs
- The National Anti-Corruption Council mooted by the President in SONA







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## 5 STANDARD OPERATING PROCEDURES

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### 5.1 Institutional Culture SOPS

- Prevention is better than cure with CMA, and ongoing efforts must be made within municipalities to instil an institutional culture that will prevent acts of financial misconduct.
- A good starting point will be to conduct an organisational survey and focus group sessions to assess the ethical status within each unit.
- Focus group and education sessions aimed at promoting values and behaviours that will make acts of financial misconduct much less likely should be held regularly (at least twice a year). Education sessions should consistently remind participants of the serious penalties that potentially apply in cases of financial misconduct or financial offences.

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### 5.2 Discipline SOPs

- Ensure that, as far as possible, the strictest confidentiality is maintained regarding whistleblowers.
- Ensure that the relevant role players are informed or, where applicable, have authorised the institution of the proceedings.
- Decide which disciplinary procedure applies (collective agreement or senior management regulations).
- Investigate fully i.e., establish the facts in an objective way and document those by way of statements from witnesses while preserving any relevant evidence.
- Ensure the appointment of appropriate people as evidence leaders and to chair the hearing (both should have the necessary skills and objectivity).
- Where an employee purports to resign with immediate effect to avoid an enquiry, do not accept the resignation and immediately seek legal advice on whether the enquiry can proceed during the requisite notice period. This matter to also be confirmed during appointment of officials and clarified during sessions with officials.<sup>17</sup>
- Comply with reporting requirements.

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### 5.3 Prosecution SOPs

- Make sure that the alleged financial offence/crime is correctly reported (to the Hawks if PRECCA applies) and keep a record.
- If the case warrants it, consider the appointment of skilled outside investigators with terms of reference which include establishing the facts, taking the necessary statements, making the report on behalf of the municipality and ensuring follow-up with the NPA.
- Remembering that it is unnecessary to wait for the outcome of any disciplinary proceedings or appeals and that the report must be made promptly.
- Remember the possibility of using Section 300 to facilitate recovery of the loss.

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<sup>17</sup> In this regard, see pointers in Appendix 3.

## 5.4 Recovery SOPs

- At the earliest stage possible, take urgent action to preserve municipal assets and prevent further loss (for example, stop further payments to suppliers if there is a suspicion of criminality and/or consider the possibility of civil action to freeze assets).
- Also ensure that no pension is paid out pending resolution of the matter (civil or criminal proceedings must be pending to do this).
- Do everything reasonably possible to recover the loss, to avoid possible personal liability and to allow for a reasoned write-off where appropriate.

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## 5.5 Monitoring SOPs

Ensure that systems are in place to follow up on both criminal and disciplinary proceedings so that these are finalised within a reasonable time.

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## 5.6 Reporting SOPs

- Ensure that the allegation/incident of financial misconduct/offence/crime is reported to the appropriate persons.
- Comply with any applicable reporting obligations specified in the Financial Misconduct Regulations (including those two external oversight bodies such as the Provincial Treasury, NT and the MEC).
- Preferably, hold the applicable information in a spreadsheet kept updated and for remote viewing by those authorities and the AGSA.







## 6 TOOL FOR MONITORING AND REPORTING

Municipalities should develop a reporting tool in a matrix incorporating the information required by NT in relation to CMA including but not limited to details of:

- every allegation of Financial Misconduct/Offences made
- which complaint were investigated and the outcome of those investigations
- investigations which where were terminated because the allegations were deemed unfounded in terms of the Financial Misconduct Regulations, the reasons alleged for such termination
- any disciplinary proceedings instituted (including date of alleged transgression/date of commencement of proceedings/outcome and date as well as reasons for any proceedings having not been concluded within 90 days of the transgression)
- the CAS number of any reports made to the South African Police Service as well as details of the status of investigations and of attempted follow-up on progress
- losses incurred because of the Financial Misconduct/Offence and efforts made at recovery or, where the loss was written off, the reasons for such write-off
- any sentences suspended in terms of section 300 of the Criminal Procedure Act on condition that monies are repaid, and details of any payments made or not made
- any recommendations for systemic improvement of controls and of implementation of such recommendations and any other metrics deemed necessary for measuring and monitoring improvement or regression against CMA targets.







## 7 SUMMARY, CONCLUSION AND GUIDE TO IMPLEMENTATION

The drive for putting municipal finances on a professional and sustainable basis dates back more than 20 years. The passing of the MFMA in 2003 and promulgation of the Financial Misconduct Regulations in 2014 were landmarks. NT has been phasing in reforms aimed at putting municipal financial governance on a permanently professional footing. In the Medium-Term Strategic Framework (MTSF) for 2019-2024, one of the five commitments made by the sixth administration is to "Eradicate fruitless and wasteful expenditure as well as irregular expenditure". Against the background of the MTSF, NT has formulated a strategic plan (Annexure A to Circular number 111) for that purpose. The term "consequence management" appears throughout the document, which also devotes a full Annexure to the subject, giving an idea of how important it is as part of the broader strategy of government. In ongoing engagements with, and support of, municipalities, NT has encountered many senior officials and office bearers that have expressed a need for further assistance in understanding the applicable precepts and processes as well as a requirement for templates and other documentation. It is those needs which this framework is intended to address.

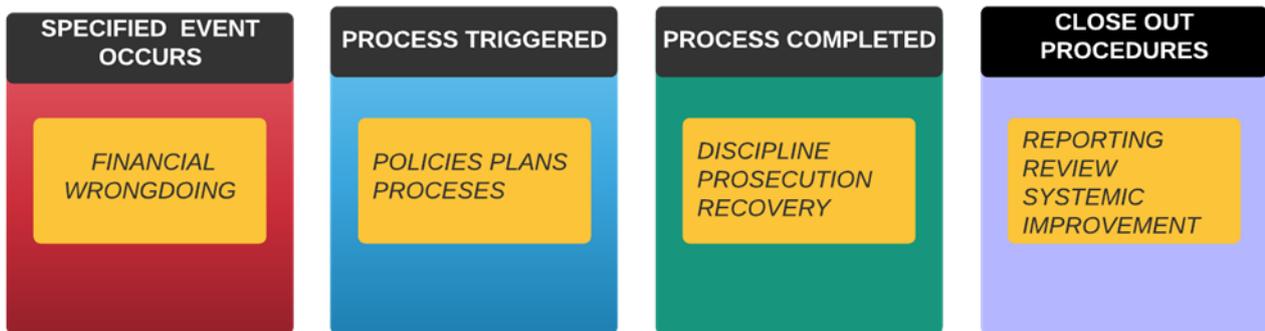
Implementing effective CMA frameworks for municipalities will require a major national effort, building on important starts that have been made by many municipalities. In municipalities where CMA is underdeveloped, there will need to be a substantial change management plan adopted, likely under the leadership of the AO but assisted, if necessary, by provincial government, to ensure that the provisions for CMA are systematically built up and maintained. Where new systems are installed there are risks, and each municipality should therefore also have its own risk management plan to complement implementation of CMA.

The step-by-step implementation of this CMA Framework will further capacitate and deepen such efforts and enable provincial and national government to play their Constitutionally mandated oversight roles regarding prudent financial management at municipal level. The lack of financial CMA in many municipalities has been widely diagnosed as contributing to a deepening municipal financial crisis and, in many cases, unacceptable impacts upon service delivery and human welfare. Conversely, effective CMA is resulting in, and will further result in, improved service delivery and public confidence in South Africa's municipal systems and will refocus efforts towards the ideals of developmental local government.

The existing Municipal Misconduct Regulations are not being properly implemented in many cases. The failure of many municipalities to implement CMA for financial misconduct is partly a result of this implementation failure. Municipalities need to ensure effective monitoring of allegations; follow through action; facilitation of the vital work of Disciplinary Boards (and strengthening them where this is indicated); suspension when appropriate; thorough investigations and expeditious finalisation of disciplinary and recovery/write off processes. If municipalities do not timeously report to SAPS and/or bring impose disciplinary steps, this amounts to failure to implement CMA. As noted above, persistent, or serious breaches of executive of obligations could trigger the withholding of funds and/or intervention by provincial government which could include dissolution of the council.

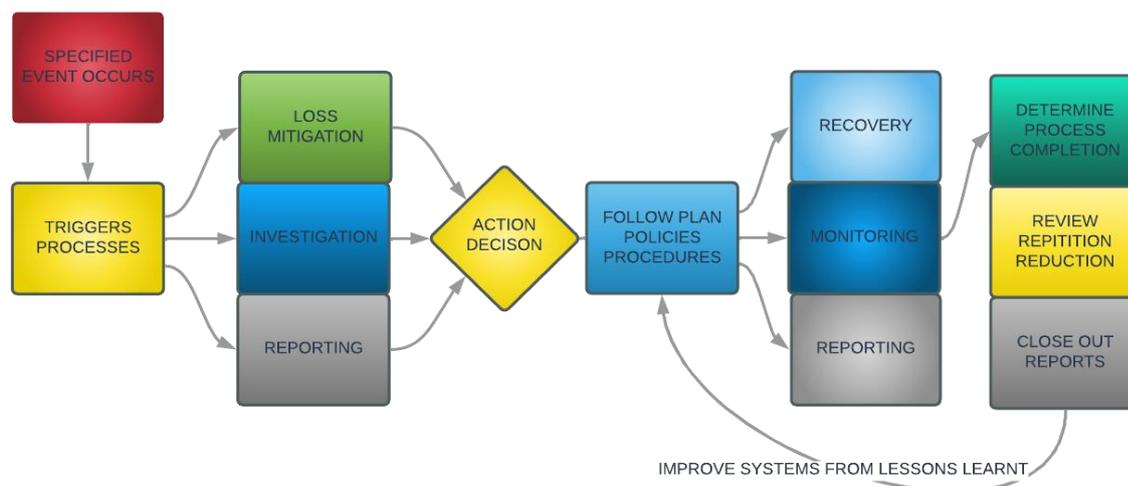
For purposes of illustration: The diagrams below indicate a recommended classification of actions and flow of information and actions by municipalities regarding reports on Financial Misconduct in terms of the MFMA. These generic concepts are then given further illustration in relation to the South African municipal context for Financial Misconduct in the Step-by-Step guide which is [Appendix 1](#) below.

### Classification of Components of CMA



The process depicted above may appear, to some readers, to be an oversimplification. This is by design, and to assist the reader by summarising the process and, hopefully, avoiding the loss of perspective because of too much detail too early in the explanation. Once grasped at this level, what follows below may seem less daunting to some readers. The diagram below should prepare the reader for an easier understanding of what is required by the Financial Misconduct Regulations themselves as dealt with more fully in [Appendix 1](#).

### Flows of Information and Action Within CMA



To conclude, this document is part of a process of CMA policy development and implementation, and it has been refined by NT’s engagements with provinces and municipalities during 2022. In addition, it will form the foundation for educational exercises initiated, assisted and enabled by NT, so that councillors and municipal officials can more easily grasp their roles and responsibilities in relation to CMA for municipal financial management.







## APPENDICES

### Appendix 1: Step-by-Step Guide to Financial CMA Implementation

The implementation of CMA in relation to Financial Misconduct and Offences within municipalities in terms of the MFMA concludes this document. The components reviewed include:

#### 1. **Regulatory Toolkit for Financial CMA in Municipalities**

Despite the fact that there is a substantial amount of regulatory material surrounding the subject, all that is needed for practical purposes is an understanding and application of the following:

- 1.1. Chapter 15 of the MFMA which deals with disciplinary and criminal proceedings in respect of financial misconduct and offences
- 1.2. The Financial Misconduct Regulations which form the regulatory framework supporting chapter 15 of the MFMA
- 1.3. The Systems Act and Disciplinary Regulations for Senior Managers
- 1.4. Internal policies and delegations of the municipality (insofar as they don't conflict with the above provisions).
- 1.5. The applicable circulars issued by NT, particularly, Circulars 76 and 111.

#### 2. **Approach to understanding the applicable precepts**

Understanding and applying the Financial Misconduct Regulations becomes a lot easier if one bears the following points in mind:

##### 2.1. *The Spirit and intention of the regulations*

The dominant intention of the Financial Misconduct Regulations is to facilitate discipline and if necessary, criminal action against the office bearers and officials of municipalities and the municipal entities who are guilty of financial misconduct in order to ensure efficient utilisation of public resources and, ultimately, delivery of services to residents.

##### 2.2. *The Regulations don't cater for every conceivable situation*

Practical application of CMA will be a lot easier if one understands that the Financial Misconduct Regulations do not dictate every minute detail of structure or process but simply prescribe basic principles and minimum requirements. This allows the flexibility to synergise them with existing internal structures and processes. So, for example, they do not explicitly make provision for a body or individual charged with categorising and appropriately routing information received about possible financial irregularity. Operationally, this might be considered essential by a municipality to ensure proper handling of such information (ensuring, for example, that complaints involving the AO are not dealt with by the Municipal Manager i.e., the AO himself/herself). This filtering function could be handled by, for example, the head of the legal department. The main thing is that, once the information is crystallised into an allegation relating to a particular functionary, that allegation must be routed to the person/body and be dealt with in terms of the processes specified in the regulations.

### **3. Distinctions drawn in Regulations**

The Financial Misconduct Regulations draw distinctions between:

#### **3.1. Types of Wrongdoing**

Broadly, the types of wrongdoing referred to fall into the following categories:

- 3.1.1. Financial Misconduct (defined as act referred to in sections 171 and 172 of the MFMA)
- 3.1.2. Financial Offences (defined as an offence referred to in section 173 of the MFMA committed by: an official of the municipality or municipal entity; a councillor of the municipality; a member of the Board of Directors or municipal entity or "any other person").
- 3.1.3. Financial Offences alleged to have been committed by municipal councillors which amount to breaches of the code of conduct for councillors.
- 3.1.4. Financial Offences alleged to have been committed by municipal councillors, but which do *not* amount to breaches of the code of conduct for councillors.

#### **3.2. Structural components**

The Regulations distinguish broadly between:

- 3.2.1. The executive of the municipality (the Mayor, speaker, and councillors i.e., the political office bearers),
- 3.2.2. The administration of the municipality (its officials including senior management and Municipal Manager/AO)
- 3.2.3. The board members and employees of municipal entities.

#### **3.3. Implicated Individuals**

The Regulations also reference different categories against whom complaints of financial wrongdoing are directed, namely:

- 3.3.1. The AO and the senior, so-called section 57 managers of municipality (including the CFO)
- 3.3.2. Officials of the municipality
- 3.3.3. Municipal Councillors
- 3.3.4. Board members of Municipal Entities
- 3.3.5. Officials of Municipal Entities

### 3.4. Other Relevant Role Players

The regulations also allude to other important role players (mainly with regard to receipt of important reporting information) and including:

- 3.4.1. The Minister of Finance
- 3.4.2. The NT
- 3.4.3. The provincial Member of the Executive Council (MEC) for Local Government
- 3.4.4. The Provincial Treasury
- 3.4.5. The Disciplinary Board
- 3.4.6. The "designated official"

## 4. **Financial Misconduct versus Financial Offences versus Fraud/Corruption**

The major intention in making this distinction is to ensure that, persons who are guilty of financial mismanagement are disciplined and, where that mismanagement constitutes a criminal offence, they are also prosecuted criminally. Those guilty of criminality must also be dealt with through a disciplinary procedure, and Councillors should be aware that any pressures to the contrary by themselves constitutes a financial offence. What this means in practical terms is that, even where financial misconduct / offence is alleged, the same process of internal investigation and discipline must take place. Moreover, it is not necessary to await the outcome of any criminal investigation before beginning that disciplinary process. In fact, this is a highly undesirable practice because criminal investigations can take time, meaning that suspects may remain suspended on full pay for lengthy periods. This is contrary to the intention of the regulations which is to conclude the disciplinary process expeditiously (and certainly within a month or two). Here, it is worth bearing in mind that the criminal and disciplinary investigations and processes are quite distinct. Firstly, what must be proven may be quite different. Secondly, the standard of proof required differs; in the criminal proceedings it is proof beyond a reasonable doubt, whereas in the disciplinary proceedings, the standard is proof is on a balance of probabilities. Finally, the fact that someone has been convicted of a criminal offence does not warrant the termination of an internal disciplinary process and such internal process must continue to run its course towards finality. This is to ensure that the hearing internally also reaches finality, inter alia, to enable the employee's name to be noted on the register of dismissed officials at DCOG. Consequently, where a financial offence is alleged, the processes leading to a disciplinary enquiry should be started in the same way as is required in relation to financial misconduct.

## 5. **Categorisation of Information Suggesting Financial Misconduct**

If financial CMA is to be properly applied, *all* credible information suggesting financial wrongdoing must be assessed and appropriately routed. The information will likely vary widely in terms of specific details, given the disparate sources of such information. So, for example, reports received from the AGSA are likely to be very specific and clearly related to individuals. On the other hand, whistle-blower information may not be nearly as specific, but equally important, and require further work before it is clear who the alleged wrong doer is or might be. The regulations proceed from the assumption that this information has already been refined and lay out a reporting flow from that point forward.

## **6. Initial Reporting of Allegations of Financial Wrongdoing**

Once there are allegations implicating a particular person, the Regulations stipulate to whom the allegations must initially be directed namely, if the implicated person is:

- 6.1. the AO, CFO Or Senior Manager of the municipality, the allegations must be reported to the Council of the municipality, the PT, and NT;
- 6.2. an official of the municipality, other than the AO (and presumably, any senior manager or the CFO) the allegations must be reported to the AO.
- 6.3. the AO of municipal entity, the allegations must be reported to the chairperson of the board of directors of the municipal entity, and also to the Mayor and the accounting officer of the parent municipality.
- 6.4. a councillor of the municipality or board member of a municipal entity (but only in relation to financial offences not amounting to a breach of the Code of Conduct for that implicated person) must be reported to the "designated official" (who is a person whom the municipality must appoint for the purpose of receiving and processing such allegations/complaints).

## **7. Initial Processing of Allegations**

The person to whom or which the allegations are to be made (the appropriate receiving person "APR") must deal with them as follows:

- 7.1. Firstly, the APR must ensure that the report is treated in a "confidential" manner (to protect the source and/or the alleged perpetrator).
- 7.2. Secondly, the APR must, within seven days of receipt of the allegation (or at the next sitting of that body if such meeting is to occur in less than seven days after receipt of the allegation), table the same before the council or Board of Directors .
- 7.3. Thirdly, provided that the APR is satisfied that there is "reasonable cause" to believe that an act of financial misconduct has been committed, the APR must within seven days, refer the allegation to the Disciplinary Board to conduct a preliminary investigation.<sup>18</sup>

## **8. Investigation: Role of the Disciplinary Board and Others**

What follows are some salient steps in connection with investigation and internal processes (including recovery efforts) and then only in relation to implicated persons other than councillors or board members of municipal entities. Different processes apply in respect of the latter and are dealt with later. In respect of the former, the following applies:

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<sup>18</sup> The references to sections 171 (4) (a) and section 172 (3) (a) seems to be directed at excluding allegations which are "frivolous, vexatious, speculative or obviously unfounded"

### 8.1. Preliminary Investigation

The Disciplinary Board ("DB") (which is an independent but advisory body which is charged with the investigation of allegations of financial misconduct and the provision of recommendations on further steps regarding discipline and other relevant matters) must conduct a preliminary investigation to determine whether or not the allegation is "founded" (i.e., whether it has substance, and if so, whether sufficient grounds exist for instituting disciplinary proceedings). If the DB determines that the allegation is "Frivolous, vexatious, speculative, or obviously unfounded", the investigation must be terminated and reported. If the DB is of the view that the allegation is "founded" it must recommend a full investigation to the Council or Board, as the case may be.

### 8.2. Full Investigation

If the DB has determined that the allegation is "founded" a full investigation *must* be conducted. The investigation must be done and monitored by the DB subject to the following. Firstly, the DB doesn't necessarily have to conduct the investigation itself but can call upon other internal resources to assist (such as internal audit for example). Secondly, the Council or Board may appoint an individual, who is not an official and who has the appropriate experience/expertise or an independent team of investigators to investigate the allegations, if, considering relevant factors (such as cost, seniority of the alleged transgressor and the seriousness/sensitivity of the issue) that body is of the view that such appointment is warranted. Thirdly, if the Council or Board fails to act on the allegations, Provincial or National Treasury could direct that the allegation be investigated (presumably also through an outside team or individual).

### 8.3. Reports by Investigator

The party investigating the allegation (the DB or investigator/team) must, within 30 days of being appointed, submit a report with recommendations to the Mayor or the AO, as the case may be<sup>19</sup>. This doesn't mean that the investigation must have been completed within that period; only that a report must be submitted.

The system of delegations should make provision for any failure to provide the 30-day report and, in particular, set out an effective mechanism for the detection and prevention of the failure.

On completion of the investigation, the party investigating must compile a report on the investigation. The report must contain findings of the investigator as well as a recommendation regarding disciplinary steps to be taken against the alleged transgressor. The report must be submitted to the Mayor or chairperson of the board of directors (as the case may be) as well as the relevant AO. The investigating party must also, immediately, inform the speaker of the Council of the submission of the report and submit copies to PT and NT.

If the report which is tabled, is amended, the person tabling the report must provide written reasons for such amendments to the council or the Board, as the case may be. If the council or Board rejects the findings of the investigator, it must, within five days of such rejection, provide written reasons to the investigator.

If the investigator recommends disciplinary steps against the alleged transgressor in the report, the council or Board *must* pass a resolution instituting such disciplinary steps.

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<sup>19</sup> This report would normally be directed to the AO, but where the allegations concern the AO, it will be directed to the Mayor.

If, for whatever reason, the disciplinary steps recommended by the investigator are not implemented, the investigator must advise PT and NT for possible intervention in terms of Regulation 19.

#### 8.4. Monitoring of Progress

It is the responsibility of the DB, Human Resource, and the AO to monitor the disciplinary process. The system of delegations should set out clearly what role is to be played by the parties involved, specify time frames and create a system for ensuring compliance.

### 9. **Disciplinary Process**

- 9.1. The provisions applicable to the disciplinary process vary according to the position of the alleged transgressor.
- 9.2. Where the employee is a senior manager (that is the Municipal Manager or any of the so-called Section 57 managers who report to him) the proceedings are governed by the Local Government: Disciplinary Regulations for Senior Managers promulgated in terms of the Systems Act.
- 9.3. Where the employee is an official other than a senior manager, the proceedings are governed by the current South African Local Government Association Collective Main Bargaining Agreement.
- 9.4. In either case, the employee is entitled to fair labour practices as enshrined in the LRA and specifically Schedule 8 Code of Good Practice: Dismissal.

### 10. **Reports and Information Sharing**

The Regulations are designed to facilitate the oversight role of, particularly, NT and are very specific about reporting. Apart from what is said above in relation to by investigators, they provide for:

#### 10.1. Compilation of an Information Document

In relation to both financial misconduct and offences, the municipality or municipal entity must prepare an information document which sets out the following information:

- 10.1.1. The name and position of the person against whom the allegation was made;
- 10.1.2. A summary of the facts and circumstances of the alleged financial misconduct or financial offence, including the monetary value involved;
- 10.1.3. Details of any disciplinary steps taken or to be taken against the person concerned, or if no disciplinary steps have been or are to be taken, the reasons for that decision;
- 10.1.4. In the case of a financial offence, the case number issued by the South African Police Service; and

- 10.1.5. Any steps taken or to be taken to recover (in terms of section 32 of the Act) any unauthorised, irregular, or fruitless and wasteful expenditure incurred because of the alleged financial misconduct or financial offence.

#### 10.2. Compulsory Distribution of Information Document and Investigation Report

The municipality or municipal entity must, within five days of finalising the information document submit it (together with any investigation report compiled in terms of the regulations) to the following parties:

- 10.2.1. The Mayor
- 10.2.2. The accounting officer of the parent municipality
- 10.2.3. The chairperson of the Board of Directors
- 10.2.4. The MEC for local government in that province
- 10.2.5. The National Department responsible for local government
- 10.2.6. PT
- 10.2.7. NT
- 10.2.8. The AGSA

#### 10.3. Compulsory Tabling of Information Document

The Mayor, or, if applicable, the chairperson of the board of the municipal entity, must table the information document at the first meeting of the council or Board after receipt of the document and any resolutions taken in relation to the information document must be reported to PT and NT.

#### 10.4. Outcome Reports

In terms of Regulation 16, the municipality or municipal entity, as the case may be, must also report to the institutions referred to above the following information (presumably to the extent not already done in terms of Regulation 15) the following:

- 10.4.1. any decision to institute or not to institute disciplinary proceedings against the person alleged to have committed financial misconduct or a financial offence
- 10.4.2. the reasons for that decision
- 10.4.3. whether a charge has been laid with the South African Police Service where the alleged wrongdoing constitutes an offence in terms of section 173 of the MFMA (and, presumably, any other criminal offence)
- 10.4.4. the outcome of any disciplinary proceedings (bearing in mind that the transgressor may not be reemployed in any municipality for a period of 10 years as provided for in the Systems Act)

- 10.4.5. the outcome and details of any criminal proceedings where the alleged transgressor has been found guilty including the full names of convicted person, the name of the municipality and the sanction imposed.<sup>20</sup>

## **11. Allegations Against Councillors**

- 11.1. The regulations provide for a separate process in respect of political office bearers of the municipality and distinguish between two kinds of alleged wrongdoing.
- 11.2. The first category of wrongdoing involves contraventions of the Code of Conduct (which seeks to prevent conflicts of interest and improper personal profit from office by a councillor or close family members; interference in the administration of the municipality; unauthorised disclosure of privileged information and the like) which wrongdoing must be dealt with in terms of that code.
- 11.3. The second category relates to financial offences other than those dealt with in the code. This may, include for instance, corruption or bribery and so on. This category must be reported to the "designated official" appointed by the municipality for the purpose of receiving such allegations.
- 11.4. Once the designated official receives a report of an alleged financial offence or offences in terms of section 173 (4) or (5) of the MFMA, the designated official is obliged to do the following:
  - 11.4.1. authorise an investigation of the facts and circumstances of the alleged offence
  - 11.4.2. give the councillor an opportunity to make, within five days, a written submission regarding the allegations
  - 11.4.3. as soon as the designated official has complied with the above, that official must, within five days of completion of the investigation, submit a report to the municipal council
  - 11.4.4. ensure that members of the public have access to that report.<sup>21</sup>

## **12. Loss Recovery**

In terms of section 32 (2) of the MFMA, a municipality is obliged to recover UIFWe. To the extent that the financial misconduct or offence has occasioned loss, efforts should be made to recover those losses through the municipality's debt collection policy. It is the responsibility of the MPAC) to exercise oversight in relation to those efforts. Only after investigation by a council committee (often, but not necessarily, the MPAC) indicating that it is irrecoverable, can the loss be written off after certification by the council.<sup>22</sup>

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<sup>20</sup> This Strictly speaking this information to need only be reported to NT in terms of Regulation 10 (3). Also, since this may be required in future, it is a progressive step, the suggested that details of the court, case number and dates of conviction and sentence be included.

<sup>21</sup> It is suggested that the municipality should devote a portion of its website to this topic.

<sup>22</sup> An instance of UIFWe recovery which is likely to crop up often is the practice by some Senior Managers of incurring of legal fees at the expense of the municipality for personal purposes e.g. to ward off disciplinary proceedings or defend criminal proceedings brought against

In cases where a criminal conviction is obtained in connection with the loss, Section 300 of the Criminal Procedure Act (which makes provision for victim compensation) may be of assistance to the municipality. The suspension of the whole or part of a jail sentence on condition of repayment is a powerful tool for recovering loss resulting from criminality. It is often far more effective than civil remedies since ill-gotten gains are relatively easy to hide. It is therefore advisable that the municipality interacts with the relevant representative of the NPA about the possibility of the sentence being suspended in whole or in part on condition that the losses are repaid.

The municipality should also initiate civil proceedings to recover public funds.

### 13. **Information**

The Regulations endeavour to facilitate CMA by making provision for the protection of persons reporting financial wrongdoing. Regulations 17 and 18 address this in two ways. Firstly, by obliging the municipality and municipal entities to establish reporting procedures allowing for persons to report alleged misconduct confidentially, and to make such measures public. Secondly, the Regulations record that the Protected Disclosures Act applies to any official making a protected disclosure against a political office bearer, a member of the board or an official who is alleged to have committed financial misconduct or a financial offence. This is plainly not enough in the current climate and there are moves afoot to enhance protection of whistleblowers. However, until these reforms materialise, municipalities must work with the tools at their disposal. One of these tools is ongoing education about the dangers of interfering with the flow of such information, including the possibility of the sentence of life imprisonment in terms of PRECCA.

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## Appendix 2: Checklist for Putting Disciplinary Board in Place

### Checklist for Putting Disciplinary Board in Place

- Secure Council resolution to establish DB<sup>23</sup>
- Ensure correct composition of DB<sup>24</sup>
- Make sure of Council approved Delegation<sup>25</sup>
- Establishment must be backed up by proper Terms of Reference<sup>26</sup>

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the official personally. This amounts to abuse of public money and may be a criminal offence in terms of S173 of the MFMA. Such expenditure must be recovered from the officials concerned.

<sup>23</sup> In terms of the Financial Misconduct Regulations, this is the responsibility of the council or Board of Directors but the MM bears responsibility for at least ensuring that the necessary resolutions are put before council and that the processes executed.

<sup>24</sup> See Reg 4 (3), (4), (5) and (6) which specify a maximum of five members who are natural persons, citizens or permanent residents of the Republic and not disqualified (for example because of criminal convictions, removal from office for dishonesty or being the AO, a councillor or board member or an office bearer of any political party) and which suggest (but do not prescribe) inclusion of the head of internal audit, a member from the Audit Committee, a senior legal manager, a representative of NT or PT and any other suitably qualified person.

<sup>25</sup> This to confer the necessary authority to act.

<sup>26</sup> These Terms of Reference are required in terms of Regulation 6 (1) of the Financial Misconduct Regulations.

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## Appendix 3: Resignation in the Face of Allegations or Impending Disciplinary Proceedings: Pro Pointers

### The Problem

It often happens that municipal officials and managers, facing allegations of financial impropriety or impending disciplinary proceedings, purport to resign “with immediate effect” or on “24 hours’ notice”. Feedback from stakeholder engagements suggests that the phenomenon is widespread and routinely presents problems for practitioners. The practice is pernicious and leads to what could be called a municipal misconduct merry-go-round, where implicated officials are appointed at another municipality or municipal entity where the same conduct is repeated. Common sense indicates that CMA would be facilitated if this cycle of bad apples moving from one barrel to the next could be prevented.

### Case Law Confusion

There is a body of case law on the subject, which, to those who are not legally trained and/or do not have the time to read the cases thoroughly, might appear contradictory, and confusing.

There is often confusion about issues such as:

- the right of the municipality to discipline an employee who has resigned in the face of an investigation or allegations of financial wrongdoing;
- what the legal effect is of the employee purporting to resign with immediate effect or on 24 hours’ notice;
- what can be done about withholding amounts owing to the employee to recover losses incurred as a result of the financial wrongdoing;
- what can be done to prevent the employee from simply moving to another municipality.

A lot of this confusion arose because of contradictory pronouncements of the Labour Court. However, these cases have now been overruled by the Labour Appeal Court (“the LAC”) and if one reads the important cases carefully and in the context of surrounding material, the confusion is cleared up and some important pointers become apparent.

What follows are the pointers which practitioners will, hopefully, find useful. Before setting those out, it may be helpful to highlight some basic employment law points.

### Resignation: Employment Law Basics

- An employment relationship entitles either party to terminate the contract by giving the other party due notice. The letter of employment or (where there is no contract), the Basic Conditions of Employment Act (“BCEA”), govern how much notice must be given and when and how to give notice. In summary, if there is an employment contract, the notice in that contract applies but, where there is no contract prescribing the amount of notice, the absolute minimum notice period is one week.

This period escalates to 2 weeks for an employee who has been employed for more than six months but less than one year and to 4 weeks for an employee employed for longer than one year.

- Resignation is a unilateral act which takes effect immediately it is communicated to the employer. What this means is that once the employee has resigned, she can't withdraw that resignation without the consent of the employer. This is regardless of whether or not the employer has "accepted" the resignation.
- The fact that a resignation takes effect immediately does *not* mean that the *employment relationship is terminated immediately*. That relationship only ends at the end of the applicable notice period unless the employer agrees to a shorter notice period.
- The employer does not have to accept the terms on which the employee resigns. If the employee reports to resign without the applicable notice, the employer is entitled to regard that as a repudiation of the contract, to reject the purported notice period and hold the employee to the applicable notice period.
- The employer may discipline the employee during the notice period, but once the employment relationship ends, so does the right to discipline.
- The BCEA prohibits the deduction of any amounts from the employee's remuneration unless certain conditions are met<sup>27</sup>. In summary, these conditions are that either the employee agrees in writing to the deduction or the same is "...required or permitted in terms of the law, collective agreement, court order or arbitration award" or the damage occurred due to the fault of the employee and the employer has followed a fair procedure giving the employee reasonable opportunity to show why the deduction should not be made. These provisions are of little practical value but should be borne in mind.
- Where the employee does not work during the notice period, the employer may, in our view, withhold any amounts payable in respect of that period. This is so because of the definition of "remuneration" which includes the words "...in return for that person working...". Thus, in our view, the withholding of notice pay where an employee illegally fails to render services is not prohibited by Section 34, and, in any event, this is consonant with the "No work, no pay" principle in our labour law.
- The employer can insist that the relevant pension fund suspend payment of any amounts due to the employee pending prosecution and/or legal recovery of the defalcated amount. However, this is subject to the municipality moving quickly to report the matter to the police (if that is appropriate) and taking legal steps to recover the loss. Put another way, the municipality must not be responsible for any unreasonable delays in prosecuting criminal or civil matters. Where there are delays which are attributable to circumstances or the fault of both parties, courts tend to lean in favour of upholding the suspension of pension payments. What is regarded as reasonable depends on the facts of each case. This can be a powerful means of recovery, as Mr Hlaudi Motsoeneng discovered at his cost, and can be seen from the cases in the compendium.<sup>28</sup>

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<sup>27</sup> 34 (1) and (2)

<sup>28</sup> South African Broadcasting Corporation Soc Limited and Another v South African Broadcasting Corporation Pension Fund and Another 2021 JDR 3344 (GJ) and Jacobs v Telkom and 2 others (unreported judgment of Gauteng Division: Pretoria-copy available on request)

### Practical Pro Pointers

So, what are the practical pointers for practitioners when dealing with resignations by officials facing allegations of financial misconduct?

Should the municipality “accept” such resignations? No, it is not necessary to accept a resignation, and doing so will limit the municipality’s options. The municipality should act immediately to prevent any further loss. Among the things which can be done are the following:

- Put an immediate hold on payments to implicated suppliers.
- Urgently get advice on legal options: - the remedies available are not limited to the time-consuming and ponderous processes involved in suing for losses. In a particular case, it might be appropriate to apply urgently to the High Court for an anti-dissipation order or the sequestration/liquidation of the parties involved, and even the so-called Anton Piller order.<sup>29</sup>
- Most importantly, if criminality is involved, this should be reported to the South African Police Service without delay.<sup>30</sup>
- The municipality can advise the employee, in writing, that the fact that the employee has resigned in the face of allegations of financial misconduct is something which *must* be disclosed to any prospective future employer in the public sector and that, failure to do so, may have serious consequences including the possibility of being guilty of Fraud. Furthermore, the municipality and/or municipal entity must review and sharpen vetting processes before appointments are made, whether at senior management level or in respect of other officials, by following up on references relating specifically to previous employers and to also include a question in their application form relating to matters of previous allegations of financial misconduct, and the outcome. Municipalities must do proper verifications to ascertain the progress of any allegations against a specific candidate and make an appropriate decision based thereon. If there is no outcome, then the circumstances of such allegations must be reported so that the municipal HR department can ensure a follow-up with the former employer. Any false declaration will nullify the application, and if that person is employed and this comes to light, then it is grounds for immediate dismissal and a report to the SAPS for investigation of possible Fraud.
- Finally, the sequence of events and copies of the relevant documents should be circulated at least to HR (if applicable), the MM, PT, and NT-and DCOG, possibly by inclusion in routine reports.

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<sup>29</sup> An Anton Piller order is an extremely powerful order and exceptional form of injunctive relief. The order allows for the search of premises for vital documents and/or material set out in the order and the removal of such documents to be placed in safekeeping pending the normal discovery process and trial.

<sup>30</sup> NB, if the amount involved exceeds R100,000, the report should be made to the Hawks.

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## Appendix 4: Types of Financial Wrongdoing and Penalties

### Introduction

It appears that there is frequently some confusion about the classification of financial wrongdoing in relation to CMA.

This confusion is, to some extent, based on the loose or interchangeable use of terminology.

The conflation of various concepts can, in some cases, have consequences.

The glossary of terms below might be of some assistance to practitioners.

### Terminology

- "*Financial Misconduct*" v *Financial "Offences"*

Financial misconduct is frequently used as a generic, all-encompassing term for any financial wrongdoing committed in terms of the MFMA. This probably stems from the fact that Chapter 15 is headed "FINANCIAL MISCONDUCT". However, the chapter then draws a noticeably clear distinction between "Financial misconduct by municipal officials" (conduct proscribed in Section 171 and 172) and "Offences" as set out in Section 173. The easiest way to think about it is that in the strict MFMA sense *financial misconduct* is sanctioned by way of disciplinary proceedings whereas financial *offences* constitute criminal conduct and are sanctioned by both disciplinary and criminal consequences.

- *Fraud and/or Theft and/or Corruption*

In everyday conversation, these terms are frequently used in the same context, but they have distinct legal definitions (although they frequently overlap in practice).

The common law crime of *Fraud* is defined as: "The unlawful and intentional making of a misrepresentation which causes actual prejudice, or which is potentially prejudicial to another."

*Theft*, on the other hand, is simpler and consists of the unlawful appropriation of moveable corporeal property belonging to another with intent to deprive the owner permanently of the property.

- *Corruption*, apart from its usual meaning, is defined generally in S3 PRECCA as being committed by:

"Any person who, directly or indirectly-

- (a) accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; or
- (b) gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person, in order to act, personally or by influencing another person so to act, in a manner-
  - (i) that amounts to the-
    - (aa) illegal, dishonest, unauthorised, incomplete, or biased; or

- (bb) misuse or selling of information or material acquired in the course of the, exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation;
- (ii) that amounts to-
  - (aa) the abuse of a position of authority;
  - (bb) a breach of trust; or
  - (cc) the violation of a legal duty or a set of rules,
- (iii) designed to achieve an unjustified result; or
- (iv) that amounts to any other unauthorised or improper inducement to do or not to do anything, is guilty of the offence of corruption.

### Overlap

As can be seen, there is some degree of overlap between these concepts. However, for the purposes of CMA, the following bullet points are worth noting:

- Firstly, in its narrow, statutory MFMA sense, *financial misconduct* cannot be committed by councillors because the sections contemplate employees and refer explicitly to conduct committed by "officials" and have a disciplinary dimension i.e., these are things for which the outcome should be purely disciplinary.
- Secondly, *financial offences*, again in the narrow statutory MFMA sense, can be committed by both officials (including the AO and senior managers) and by councillors, although the specific conduct prohibited in relation to each is spelt out in different subsections. This conduct will, in the case of officials lead to disciplinary consequences but, in addition, also criminal action. The situation with councillors is more complicated and dealt with in the Misconduct Regulations.
- Thirdly, there may be considerable overlap between *financial offences* and the criminal conduct constituted by the offences of Fraud, Theft and/or Corruption because one or more of these offences may be involved in the contravention/s of Section 173. They are nevertheless distinct concepts. So, for example, someone contravening Section 173 may also be guilty of Fraud and/or Theft and/or Corruption but someone who commits any of those offences is not necessarily guilty of a *financial offence* as contemplated in Section 173. They are different and distinct – even though they may sometimes overlap.
- Finally, it is important to note that if *financial offence* also constitutes Corruption as defined in PRECCA, and involves more than R100,000, anyone who is in a position of authority, as specified in the section, and who is aware of, or ought reasonably to have been aware of the Corruption faces 10 years in jail if she fails to report the same to the Hawks (not just to the SAPS).

### Possible Criminal Liability in the Local Government Sphere: Some Salient Provisions

The two important statutes to be borne in mind are the MFMA and PRECCA, both of which create statutory offences and specify penalties for commission of those offences.

## MFMA

Section 173 spells out the offences in relation to:

- the AO of a municipality;
- the AO of a municipal entity;
- senior managers or other officials of a municipality or municipal entity to whom a power or duty was delegated in terms of Section 79 or 106;
- councillors and members of boards of directors of a municipal entities.

In terms of Section 174 of the MFMA, any person convicted of an offence specified in Section 173, is liable to imprisonment for a period not exceeding five years or to an appropriate fine determined in terms of the applicable legislation.

## PRECCA

As mentioned, PRECCA, amongst other things, creates a general offence of corruption but it has, in addition, some important specific provisions related to, *inter alia*:

- the rigging of tenders
- intimidation, persuasion or coercion of witnesses
- interference with, or hindering or obstructing the investigation of an offence
- a duty, on the part of persons in "positions of authority" who are aware of, or ought reasonably to have known or suspected that any other person has committed an offence in terms of PRECCA or the offences of theft and/or fraud and/or extortion and/or forgery and/or uttering a forged document, to report such knowledge or cause such knowledge or suspicion to be reported to the Hawks.

The penalties for contraventions of PRECCA are set out in Section 26 and apply, not just to the actual offenders, but also to anyone who has abetted, induced, instigated, instructed, commanded counselled or procured the offender to commit or attempt to commit the offence. These include (depending on the offence) the following:

- a fine of R250,000 and, possibly, a further fine equal to 5 times the value of the gratification involved in the offence
- imprisonment for 10 years
- imprisonment for 18 years
- life imprisonment

TABLE OF SOME SALIENT OFFENCES AND PENALTIES

WHO	SIMPLE SUMMARY OF OFFENCES	PENALTY
AO Muni. And AO of Entity	<p>Deliberately or in a grossly negligent way:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> contravenes provisions enumerated in S173 (1) or S173 (2)<sup>31</sup> – (whichever applies)</li> <li><input type="checkbox"/> fails to take reasonable steps re SCM policy</li> <li><input type="checkbox"/> fails to take reasonable steps to prevent UIFWe</li> <li><input type="checkbox"/> fails to take reasonable steps to prevent “corruptive practices”</li> </ul> <p>Deliberately:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> misleads or withholds information from the AGSA (or, if applicable, the parent municipality) Re: bank accounts or income</li> <li><input type="checkbox"/> provides false or misleading information in any document submitted to the AGSA, NT or any other organ of state</li> </ul>	Up to 5yrs in prison or fine
Snr Manager: Municipality or Entity	Deliberately or in a grossly negligent way contravenes or fails to comply with the condition of a power or duty delegated in terms of Section 79 or 106	
Councillor	Deliberately influences or attempts to influence the AO, CFO, senior manager or any other official to contravene the MFMA or interferes with financial management responsibilities of the AO or CFO and/or interferes in the management of operational activities of the municipality or entity- as the case may be.	
Councillor, official or director municipality or entity	Contravenes the provisions set out in Section 173 (5) or commit any of the prescribed acts (in summary, impeding the AO; giving false information in relation to investment or statutory information).	
Everyone PRECCA	See summary above.	Up to life imprisonment

<sup>31</sup> NB the applicable sections are explicit in imposing a duty on the AOs to take all reasonable steps to ensure that disciplinary and, where appropriate, criminal proceedings, are instituted against any official who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15.













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## Annexure A: Extracts from The Constitution

### CHAPTER 7

#### LOCAL GOVERNMENT (ss 151-164)

##### 151 Status of municipalities

- (1) The local sphere of government consists of municipalities, which must be established for the whole of the territory of the Republic.
- (2) The executive and legislative authority of a municipality is vested in its Municipal Council.
- (3) A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution.
- (4) The national or a provincial government may not compromise or impede a municipality's ability or right to exercise its powers or perform its functions.

##### 152 Objects of local government

- (1) The objects of local government are-
  - (a) to provide democratic and accountable government for local communities;
  - (b) to ensure the provision of services to communities in a sustainable manner;
  - (c) to promote social and economic development;
  - (d) to promote a safe and healthy environment; and
  - (e) to encourage the involvement of communities and community organisations in the matters of local government.
- (2) A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).

##### 153 Developmental duties of municipalities

A municipality must-

- (a) structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- (b) participate in national and provincial development programmes.

## 154 Municipalities in co-operative government

- (1) The national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.
- (2) Draft national or provincial legislation that affects the status, institutions, powers or functions of local government must be published for public comment before it is introduced in Parliament or a provincial legislature, in a manner that allows organised local government, municipalities and other interested persons an opportunity to make representations with regard to the draft legislation.

## 216 Treasury control

- (1) National legislation must establish a national treasury and prescribe measures to ensure both transparency and expenditure control in each sphere of government, by introducing-
  - (a) generally recognised accounting practice;
  - (b) uniform expenditure classifications; and
  - (c) uniform treasury norms and standards.
- (2) The national treasury must enforce compliance with the measures established in terms of subsection (1) 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.

[Sub-s. (2) substituted by s. 5 (a) of the Constitution Seventh Amendment Act of 2001 (wef 26 April 2002).]

- (3) A decision to stop the transfer of funds due to a province in terms of section 214 (1) (b) may be taken only in the circumstances mentioned in subsection (2) and-
  - (a) may not stop the transfer of funds for more than 120 days; and
  - (b) may be enforced immediately but will lapse retrospectively unless Parliament approves it following a process substantially the same as that established in terms of section 76 (1) and prescribed by the joint rules and orders of Parliament. This process must be completed within 30 days of the decision by the national treasury.

[Sub-s. (3) amended by s. 5 (b) of the Constitution Seventh Amendment Act of 2001 (wef 26 April 2002).]

- (4) Parliament may renew a decision to stop the transfer of funds for no more than 120 days at a time, following the process established in terms of subsection (3).
- (5) Before Parliament may approve or renew a decision to stop the transfer of funds to a province-

- (a) the Auditor-General must report to Parliament; and
- (b) the province must be given an opportunity to answer the allegations against it, and to state its case, before a committee.

[Date of commencement of s. 216: 1 January 1998.]

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## **Annexure B: Extracts from The Local Government: Municipal Structures Act**

### **79 Establishment**

- (1) A municipal council may-
  - (a) establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers;
  - (b) appoint the members of such a committee from among its members; and
  - (c) dissolve a committee at any time.
- (2) The municipal council-
  - (a) must determine the functions of a committee;
  - (b) may delegate duties and powers to it in terms of section 32;
  - (c) must appoint the chairperson;
  - (d) may authorise a committee to co-opt advisory members who are not members of the council within the limits determined by the council;
  - (e) may remove a member of a committee at any time; and
  - (f) may determine a committee's procedure.

### **79A Establishment of municipal public accounts committee**

- (1) A municipal council must establish a committee called the municipal public accounts committee
- (2) The Mayor or executive Mayor, deputy Mayor or executive deputy Mayor, any member of the executive committee, any member of the Mayoral committee, speaker, whip and municipal officials are not allowed to be members of the municipal public accounts committee.
- (3) The municipal council must determine the functions of the municipal public accounts committee, which must include the following:
  - (a) review the Auditor-General's reports and comments of the management committee and the audit committee and make recommendations to the municipal council;

- (b) review internal audit reports together with comments from the management committee and the audit committee and make recommendations to the municipal council;
  - (c) initiate and develop the oversight report on annual reports contemplated in section 129 of the Local Government: Municipal Finance Management Act;
  - (d) attend to and make recommendations to the municipal council on any matter referred to it by the municipal council, executive committee, a committee of the council, a member of this committee, a councillor and the municipal manager; and
  - (e) on its own initiative, subject to the direction of the municipal council, investigate and report to the municipal council on any matter affecting the municipality.
- (4) Reports of the municipal public accounts committee must be submitted to the speaker who must table such reports in the next meeting of the municipal council.
- (5) (a) For the purposes of this section 'audit committee' means the audit committee envisaged in section 166 of the Local Government: Municipal Finance Management Act.
- (b) Each municipality and each municipal entity must establish an audit committee in accordance with that section.

## Annexure C: Extracts from The Local Government: Municipal Systems Act

### Schedule 2

#### CODE OF CONDUCT FOR MUNICIPAL STAFF MEMBERS

[Schedule 2 amended by s. 22 of Act 19 of 2008 (wef 13 October 2008).]

#### 1. Definitions

In this Schedule '**partner**' means a person who permanently lives with another person in a manner as if married.

#### 2. General conduct

A staff member of a municipality must at all times-

- (a) loyally execute the lawful policies of the municipal council;
- (b) perform the functions of office in good faith, diligently, honestly and in a transparent manner;
- (c) act in such a way that the spirit, purport and objects of section 50 are promoted;
- (d) act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised; and
- (e) act impartially and treat all people, including other staff members, equally without favour or prejudice.

#### 3. Commitment to serving the public interest

A staff member of a municipality is a public servant in a developmental local system, and must accordingly-

- (a) implement the provisions of section 50 (2);
- (b) foster a culture of commitment to serving the public and a collective sense of responsibility for performance in terms of standards and targets;
- (c) promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution;
- (d) obtain copies of or information about the municipality's integrated development plan, and as far as possible within the ambit of the staff member's job description, seek to implement the objectives set out in the integrated development plan, and achieve the performance targets set for each performance indicator;
- (e) participate in the overall performance management system for the municipality, as well as the staff member's individual performance appraisal and reward system, if such exists, in order to maximise the ability of the municipality as a whole to achieve its objectives and improve the quality of life of its residents.

#### **4. Personal gain**

- (1) A staff member of a municipality may not-
  - (a) use the position or privileges of a staff member, or confidential information obtained as a staff member, for private gain or to improperly benefit another person; or
  - (b) take a decision on behalf of the municipality concerning a matter in which that staff member, or that staff member's spouse, partner or business associate, has a direct or indirect personal or private business interest.
- (2) Except with the prior consent of the council of a municipality a staff member of the municipality may not-
  - (a) and (b) [Items (a) and (b) deleted by s. 22 (a) of Act 19 of 2008 (wef 13 October 2008).]
  - (c) be engaged in any business, trade or profession other than the work of the municipality.
- (3) No staff member of a municipality may be a party to or beneficiary under a contract for the provision of goods or services to any municipality or any municipal entity established by a municipality.  
[Subpara. (3) added by s. 22 (b) of Act 19 of 2008 (wef 13 October 2008).]

#### **5. Disclosure of benefits**

- (1) A staff member of a municipality who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose in writing full particulars of the benefit to the council.
- (2) This item does not apply to a benefit which a staff member, or a spouse, partner, business associate or close family member, has or acquires in common with all other residents of the municipality.

#### **5A. Declaration of interests**

- (1) A person appointed in terms of section 56, or a municipal manager must within 60 days after his or her appointment declare in writing to the chairperson of the municipal council the following interests held by that person or municipal manager:
  - (a) Shares and securities in any company;
  - (b) membership of any close corporation;
  - (c) interest in any trust;
  - (d) directorships;
  - (e) partnerships;
  - (f) other financial interests in any business undertaking;
  - (g) interest in property; and
  - (h) subsidies, grants and sponsorships by any organisation.

- (2) Any change in the nature or detail of the financial interests of a staff member must be declared in writing quarterly to the chairperson of the municipal council.
- (3) The municipal council must determine which of the financial interests referred to in sub-item (1) must be made public having regard to the need for confidentiality and the public interest for disclosure.

[Para. 5A inserted by s. 23 of Act 19 of 2008 (wef 13 October 2008).]

## **6. Unauthorised disclosures of information**

- (1) A staff member of a municipality may not without permission disclose any privileged or confidential information obtained as a staff member of the municipality to an unauthorised person.
- (2) For the purpose of this item 'privileged or confidential information' includes any information-
  - (a) determined by the municipal council or any structure or functionary of the municipality to be privileged or confidential;
  - (b) discussed in closed session by the council or a committee of the council;
  - (c) disclosure of which would violate a person's right to privacy; or
  - (d) declared to be privileged, confidential or secret in terms of any law.
- (3) This item does not derogate from a person's right of access to information in terms of national legislation.

## **7. Undue influence**

A staff member of a municipality may not-

- (a) unduly influence or attempt to influence the council of the municipality, or a structure or functionary of the council, or a councillor, with a view to obtaining any appointment, promotion, privilege, advantage or benefit, or for a family member, friend or associate;
- (b) mislead or attempt to mislead the council, or a structure or functionary of the council, in its consideration of any matter; or
- (c) be involved in a business venture with a councillor without the prior written consent of the council of the municipality.

## **8. Rewards, gifts and favours**

- (1) A staff member of a municipality may not request, solicit or accept any reward, gift or favour for-
  - (a) persuading the council of the municipality, or any structure or functionary of the council, with regard to the exercise of any power or the performance of any duty;
  - (b) making a representation to the council, or any structure or functionary of the council;
  - (c) disclosing any privileged or confidential information; or

(d) doing or not doing anything within that staff member's powers or duties.

(2) A staff member must without delay report to a superior official or to the speaker of the council any offer which, if accepted by the staff member, would constitute a breach of subitem (1).

#### **9. Council property**

A staff member of a municipality may not use, take, acquire, or benefit from any property or asset owned, controlled or managed by the municipality to which that staff member has no right.

#### **10. Payment of arrears**

A staff member of a municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months, and a municipality may deduct any outstanding amounts from a staff member's salary after this period.

#### **11. Participation in elections**

A staff member of a municipality may not participate in an election of the council of the municipality, other than in an official capacity or pursuant to any constitutional right.

#### **12. Sexual harassment**

A staff member of a municipality may not embark on any action amounting to sexual harassment.

#### **13. Reporting duty of staff members**

Whenever a staff member of a municipality has reasonable grounds for believing that there has been a breach of this Code, the staff member must without delay report the matter to a superior officer or to the speaker of the council.

#### **14. Breaches of Code**

Breaches of this Code must be dealt with in terms of the disciplinary procedures of the municipality envisaged in section 67 (1) (h) of this Act.

#### **14A. Disciplinary steps**

(1) A breach of this Code is a ground for dismissal or other disciplinary steps against a staff member who has been found guilty of such a breach.

(2) Such other disciplinary steps may include-

- (a) suspension without pay for no longer than three months;
- (b) demotion;
- (c) transfer to another post;
- (d) reduction in salary, allowances or other benefits; or
- (e) an appropriate fine.

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## Annexure D: Extracts from The Local Government: Municipal Finance Management Act

### Unauthorised, irregular or fruitless and wasteful expenditure

32. (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 of South Africa, 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 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.

## **CHAPTER 8**

### **RESPONSIBILITIES OF MUNICIPAL OFFICIALS (ss 60-79)**

#### *Part 1: Accounting officers*

#### **Municipal managers to be accounting officers**

- 60.** The municipal manager of a municipality is the accounting officer of the municipality for the purposes of this Act, and, as accounting officer, must-
- (a) exercise the functions and powers assigned to an accounting officer in terms of this Act; and
  - (b) provide guidance and advice on compliance with this Act to-
    - (i) the political structures, political office-bearers and officials of the municipality; and
    - (ii) any municipal entity under the sole or shared control of the municipality.

#### **Fiduciary responsibilities of accounting officers**

- 61.** (1) The accounting officer of a municipality must-

- (a) act with fidelity, honesty, integrity and in the best interests of the municipality in managing its financial affairs;
  - (b) disclose to the municipal council and the Mayor all material facts which are available to the accounting officer or reasonably discoverable, and which in any way might influence the decisions or actions of the council or the Mayor; and
  - (c) seek, within the sphere of influence of the accounting officer, to prevent any prejudice to the financial interests of the municipality.
- (2) An accounting officer may not-
- (a) act in a way that is inconsistent with the duties assigned to accounting officers of municipalities in terms of this Act; or
  - (b) use the position or privileges of, or confidential information obtained as, accounting officer for personal gain or to improperly benefit another person.

### **General financial management functions**

- 62.** (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure-
- (a) that the resources of the municipality are used effectively, efficiently and economically;
  - (b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;
  - (c) that the municipality has and maintains effective, efficient and transparent systems-
    - (i) of financial and risk management and internal control; and
    - (ii) of internal audit operating in accordance with any prescribed norms and standards;
  - (d) that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented;
  - (e) that disciplinary or, when appropriate, criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15; and
  - (f) that the municipality has and implements-
    - (i) a tariff policy referred to in section 74 of the Municipal Systems Act;
    - (ii) a rates policy as may be required in terms of any applicable national legislation;
    - (iii) a credit control and debt collection policy referred to in section 96 (b) of the Municipal Systems Act; and
    - (iv) a supply chain management policy in accordance with Chapter 11.

[Date of commencement of sub-para. (iv): 1 December 2004.]

- (2) The accounting officer is responsible for and must account for all bank accounts of the municipality, including any bank account opened for-
  - (a) any relief, charitable, trust or other fund set up by the municipality in terms of section 12; or
  - (b) a purpose referred to in section 48 (2) (d).

### **Asset and liability management**

- 63.** (1) The accounting officer of a municipality is responsible for the management of-
- (a) the assets of the municipality, including the safeguarding and the maintenance of those assets; and
  - (b) the liabilities of the municipality.
- (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure-
- (a) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;
  - (b) that the municipality's assets and liabilities are valued in accordance with standards of generally recognised accounting practice; and
  - (c) that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

### **Revenue management**

- 64.** (1) The accounting officer of a municipality is responsible for the management of the revenue of the municipality.
- (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure-
- (a) that the municipality has effective revenue collection systems consistent with section 95 of the Municipal Systems Act and the municipality's credit control and debt collection policy;
  - (b) that revenue due to the municipality is calculated on a monthly basis;
  - (c) that accounts for municipal tax and charges for municipal services are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;
  - (d) that all money received is promptly deposited in accordance with this Act into the municipality's primary and other bank accounts;
  - (e) that the municipality has and maintains a management, accounting and information system which-
    - (i) recognises revenue when it is earned;

- (ii) accounts for debtors; and
  - (iii) accounts for receipts of revenue;
  - (f) that the municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;
  - (g) that the municipality charges interest on arrears, except where the council has granted exemptions in accordance with its budget-related policies and within a prescribed framework; and
  - (h) that all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled at least on a weekly basis.
- (3) The accounting officer must immediately inform the National Treasury of any payments due by an organ of state to the municipality in respect of municipal tax or for municipal services, if such payments are regularly in arrears for periods of more than 30 days.
- (4) The accounting officer must take all reasonable steps to ensure-
- (a) that any funds collected by the municipality on behalf of another organ of state is transferred to that organ of state at least on a weekly basis; and
  - (b) that such funds are not used for purposes of the municipality.

### **Expenditure management**

- 65.** (1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.
- (2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure-
- (a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;
  - (b) that the municipality has and maintains a management, accounting and information system which-
    - (i) recognises expenditure when it is incurred;
    - (ii) accounts for creditors of the municipality; and
    - (iii) accounts for payments made by the municipality;
  - (c) that the municipality has and maintains a system of internal control in respect of creditors and payments;
  - (d) that payments by the municipality are made-
    - (i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and

- (ii) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;
- (e) that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure;
- (f) that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments;
- (g) that any dispute concerning payments due by the municipality to another organ of state is disposed of in terms of legislation regulating disputes between organs of state;
- (h) that the municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework;
- (i) that the municipality's supply chain management policy referred to in section 111 is implemented in a way that is fair, equitable, transparent, competitive and cost-effective; and
- (j) that all financial accounts of the municipality are closed at the end of each month and reconciled with its records.

#### **Expenditure on staff benefits**

**66.** The accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely-

- (a) salaries and wages;
- (b) contributions for pensions and medical aid;
- (c) travel, motor car, accommodation, subsistence and other allowances;
- (d) housing benefits and allowances;
- (e) overtime payments;
- (f) loans and advances; and
- (g) any other type of benefit or allowance related to staff.

#### **Funds transferred to organisations and bodies outside government**

**67.** (1) Before transferring funds of the municipality to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, the accounting officer must be satisfied that the organisation or body-

- (a) has the capacity and has agreed-
  - (i) to comply with any agreement with the municipality;

- (ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
  - (iii) to report at least monthly to the accounting officer on actual expenditure against such transfer; and
  - (iv) to submit its audited financial statements for its financial year to the accounting officer promptly;
- (b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and
  - (c) has in respect of previous similar transfers complied with all the requirements of this section.
- (2) If there has been a failure by an organisation or body to comply with the requirements of subsection (1) in respect of a previous transfer, the municipality may despite subsection (1) (c) make a further transfer to that organisation or body provided that-
- (a) subsection (1) (a) and (b) is complied with; and
  - (b) the relevant provincial treasury has approved the transfer.
- (3) The accounting officer must through contractual and other appropriate mechanisms enforce compliance with subsection (1).
- (4) Subsection (1) (a) does not apply to an organisation or body serving the poor or used by government as an agency to serve the poor, provided-
- (a) that the transfer does not exceed a prescribed limit; and
  - (b) that the accounting officer-
    - (i) takes all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds; and
    - (ii) certifies to the Auditor-General that compliance by that organisation or body with subsection (1) (a) is uneconomical or unreasonable.

### **Budget preparation**

**68.** The accounting officer of a municipality must-

- (a) assist the Mayor in performing the budgetary functions assigned to the Mayor in terms of Chapters 4 and 7; and
- (b) provide the Mayor with the administrative support, resources and information necessary for the performance of those functions.

### **Budget implementation**

**69.** (1) The accounting officer of a municipality is responsible for implementing the municipality's approved budget, including taking all reasonable steps to ensure-

- (a) that the spending of funds is in accordance with the budget and is reduced as necessary when revenue is anticipated to be less than projected in the budget or in the service delivery and budget implementation plan; and
  - (b) that revenue and expenditure are properly monitored.
- (2) When necessary, the accounting officer must prepare an adjustments budget and submit it to the Mayor for consideration and tabling in the municipal council.
- (3) The accounting officer must no later than 14 days after the approval of an annual budget submit to the Mayor-
- (a) a draft service delivery and budget implementation plan for the budget year; and
  - (b) drafts of the annual performance agreements as required in terms of section 57 (1) (b) of the Municipal Systems Act for the municipal manager and all senior managers.

### **Impending shortfalls, overspending and overdrafts**

- 70.** (1) The accounting officer of a municipality must report in writing to the municipal council-
- (a) any impending-
    - (i) shortfalls in budgeted revenue; and
    - (ii) overspending of the municipality's budget; and
  - (b) any steps taken to prevent or rectify such shortfalls or overspending.
- (2) If a municipality's bank account, or if the municipality has more than one bank account, the consolidated balance in those bank accounts, shows a net overdrawn position for a period exceeding a prescribed period, the accounting officer of the municipality must promptly notify the National Treasury in the prescribed format of-
- (a) the amount by which the account or accounts are overdrawn;
  - (b) the reasons for the overdrawn account or accounts; and
  - (c) the steps taken or to be taken to correct the matter.
- (3) When determining the net overdrawn position for purposes of subsection (2), the accounting officer must exclude any amounts reserved or pledged for any specific purpose or encumbered in any other way.

### **Monthly budget statements**

- 71.** (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:
- (a) Actual revenue, per revenue source;
  - (b) actual borrowings;

- (c) actual expenditure, per vote;
  - (d) actual capital expenditure, per vote;
  - (e) the amount of any allocations received;
  - (f) actual expenditure on those allocations, excluding expenditure on-
    - (i) its share of the local government equitable share; and
    - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
  - (g) when necessary, an explanation of-
    - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
    - (ii) any material variances from the service delivery and budget implementation plan; and
    - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.
- (2) The statement must include-
- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
  - (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87 (10).
- (3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.
- (4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.
- (5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1) (e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.
- (6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.
- (7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

[Date of commencement of s. 71: 1 December 2004.]

### **Mid-year budget and performance assessment**

- 72.** (1) The accounting officer of a municipality must by 25 January of each year-
- (a) assess the performance of the municipality during the first half of the financial year, taking into account-
    - (i) the monthly statements referred to in section 71 for the first half of the financial year;
    - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
    - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
    - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
  - (b) submit a report on such assessment to-
    - (i) the Mayor of the municipality;
    - (ii) the National Treasury; and
    - (iii) the relevant provincial treasury.
- (2) The statement referred to in section 71 (1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1) (b) of this section.
- (3) The accounting officer must, as part of the review-
- (a) make recommendations as to whether an adjustments budget is necessary; and
  - (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

### **Reports on failure to adopt or implement budget-related and other policies**

- 73.** The accounting officer must inform the provincial treasury, in writing, of-
- (a) any failure by the council of the municipality to adopt or implement a budget-related policy or a supply chain management policy referred to in section 111; or
  - (b) any non-compliance by a political structure or office-bearer of the municipality with any such policy.

[Date of commencement of s. 73: 1 July 2005.]

### **74 General reporting obligation**

- (1) The accounting officer of a municipality must submit to the National Treasury, the provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required.
- (2) If the accounting officer of a municipality is unable to comply with any of the responsibilities in terms of this Act, he or she must promptly report the inability, together with reasons, to the Mayor and the provincial treasury.

### **Information to be placed on websites of municipalities**

- 75.** (1) The accounting officer of a municipality must place on the website referred to in section 21A of the Municipal Systems Act the following documents of the municipality:
- (a) The annual and adjustments budgets and all budget-related documents;
  - (b) all budget-related policies;
  - (c) the annual report;
  - (d) all performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act;
  - (e) all service delivery agreements;
  - (f) all long-term borrowing contracts;
  - (g) all supply chain management contracts above a prescribed value;
  - (h) an information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during the previous quarter;
  - (i) contracts to which subsection (1) of section 33 apply, subject to subsection (3) of that section;
  - (j) public-private partnership agreements referred to in section 120;
  - (k) all quarterly reports tabled in the council in terms of section 52 (d); and
  - (l) any other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed.
- (2) A document referred to in subsection (1) must be placed on the website not later than five days after its tabling in the council or on the date on which it must be made public, whichever occurs first.

### **76 Protection of accounting officer**

Any action taken by a political structure or office-bearer of a municipality against the accounting officer of the municipality solely because of that accounting officer's compliance with a provision of this Act, is an unfair labour practice for the purposes of the Labour Relations Act, 1995 (Act 66 of 1995).

Financial administration (ss 77-79)

### **Top management of municipalities**

- 77.** (1) The top management of a municipality's administration consists of-
- (a) the accounting officer;
  - (b) the chief financial officer;
  - (c) all senior managers who are responsible for managing the respective votes of the municipality and to whom powers and duties for this purpose have been delegated in terms of section 79; and
  - (d) any other senior officials designated by the accounting officer.
- (2) The top management must assist the accounting officer in managing and co-ordinating the financial administration of the municipality.

### **Senior managers and other officials of municipalities**

- 78.** (1) Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure-
- (a) that the system of financial management and internal control established for the municipality is carried out diligently;
  - (b) that the financial and other resources of the municipality are utilised effectively, efficiently, economically and transparently;
  - (c) that any unauthorised, irregular or fruitless and wasteful expenditure and any other losses are prevented;
  - (d) that all revenue due to the municipality is collected;
  - (e) that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary;
  - (f) that all information required by the accounting officer for compliance with the provisions of this Act is timeously submitted to the accounting officer; and
  - (g) that the provisions of this Act, to the extent applicable to that senior manager or official, including any delegations in terms of section 79, are complied with.
- (2) A senior manager or such official must perform the functions referred to in subsection (1) subject to the directions of the accounting officer of the municipality.

### **Delegations**

- 79.** (1) The accounting officer of a municipality-
- (a) must, for the proper application of this Act in the municipality's administration, develop an appropriate system of delegation that will both maximise administrative and

- operational efficiency and provide adequate checks and balances in the municipality's financial administration;
- (b) may, in accordance with that system, delegate to a member of the municipality's top management referred to in section 77 or any other official of the municipality-
    - (i) any of the powers or duties assigned to an accounting officer in terms of this Act; or
    - (ii) any powers or duties reasonably necessary to assist the accounting officer in complying with a duty which requires the accounting officer to take reasonable or appropriate steps to ensure the achievement of the aims of a specific provision of this Act; and
  - (c) must regularly review delegations issued in terms of paragraph (b) and, if necessary, amend or withdraw any of those delegations.
- (2) The accounting officer may not delegate to any political structure or political office-bearer of the municipality any of the powers or duties assigned to accounting officers in terms of this Act.
- (3) A delegation in terms of subsection (1)-
- (a) must be in writing;
  - (b) is subject to such limitations and conditions as the accounting officer may impose in a specific case;
  - (c) may either be to a specific individual or to the holder of a specific post in the municipality;
  - (d) may, in the case of a delegation to a member of the municipality's top management in terms of subsection (1) (b), authorise that member to sub-delegate the delegated power or duty to an official or the holder of a specific post in that member's area of responsibility; and
  - (e) does not divest the accounting officer of the responsibility concerning the exercise of the delegated power or the performance of the delegated duty.
- (4) The accounting officer may confirm, vary or revoke any decision taken in consequence of a delegation or sub-delegation in terms of this section, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

### **Forbidden Activities**

- 164.** (1) No municipality or municipal entity may-
- (a) conduct any commercial activities-
    - (i) otherwise than in the exercise of the powers and functions assigned to it in terms of the Constitution or national or provincial legislation: or
    - (ii) outside the borders of the Republic;

- (b) provide a municipal service in an area outside its jurisdiction except with the approval of the council of the municipality having jurisdiction in that area: or
  - (c) make loans to-
    - (i) councillors or officials of the municipality;
    - (ii) directors or officials of the entity; or
    - (iii) members of the public.
- (2) If a municipality or municipal entity on the date on which this section takes effect is engaged in any activity prohibited by subsection (1)(a) or (b) and which is otherwise lawful, the municipality or entity must take all reasonable steps to rectify its position and to comply with that subsection as soon as may be reasonable in the circumstances.

### **Financial misconduct by municipal officials**

- 171.**(1) The accounting officer of a municipality commits an act of financial misconduct if that accounting officer deliberately or negligently-
- (a) contravenes a provision of this Act;
  - (b) fails to comply with a duty imposed by a provision of this Act on the accounting officer of a municipality;
  - (c) makes or permits, or instructs another official of the municipality to make, an unauthorised, irregular or fruitless and wasteful expenditure; or
  - (d) provides incorrect or misleading information in any document which in terms of a requirement of this Act must be-
    - (i) submitted to the Mayor or the council of the municipality, or to the Auditor-General, the National Treasury or other organ of state; or
    - (ii) made public.
- (2) The chief financial officer of a municipality commits an act of financial misconduct if that officer deliberately or negligently-
- (a) fails to carry out a duty delegated to that officer in terms of section 79 or 81 (1) (e);
  - (b) contravenes or fails to comply with a condition of any delegation of a power or duty in terms of section 79 or 81 (1)(e);
  - (c) makes or permits, or instructs another official of the municipality to make, an unauthorised, irregular or fruitless and wasteful expenditure; or
  - (d) provides incorrect or misleading information to the accounting officer for the purposes of a document referred to in subsection (1) (d).
- (3) A senior manager or other official of a municipality exercising financial management responsibilities and to whom a power or duty was delegated in terms of section 79, commits an act of financial misconduct if that senior manager or official deliberately or negligently-

- (a) fails to carry out the delegated duty;
  - (b) contravenes or fails to comply with a condition of the delegated power or duty;
  - (c) makes an unauthorised, irregular or fruitless and wasteful expenditure; or
  - (d) provides incorrect or misleading information to the accounting officer for the purposes of a document referred to in subsection (1) (d).
- (4) A municipality must-
- (a) investigate allegations of financial misconduct against the accounting officer, the chief financial officer, a senior manager or other official of the municipality unless those allegations are frivolous, vexatious, speculative or obviously unfounded; and
  - (b) if the investigation warrants such a step, institute disciplinary proceedings against the accounting officer, chief financial officer or that senior manager or other official in accordance with systems and procedures referred to in section 67 of the Municipal Systems Act, read with Schedule 2 of that Act.

### **Financial misconduct by officials of municipal entities**

- 172.**(1) The accounting officer of a municipal entity commits an act of financial misconduct if that accounting officer deliberately or negligently-
- (a) contravenes a provision of this Act;
  - (b) fails to comply with a duty imposed by a provision of this Act on the accounting officer of a municipal entity;
  - (c) makes or permits, or instructs another official of the municipal entity to make, an irregular or fruitless and wasteful expenditure; or
  - (d) provides incorrect or misleading information in any document which in terms of this Act must be-
    - (i) submitted to the entity's board of directors or parent municipality or to the Auditor-General; or
    - (ii) made public.
- (2) A senior manager or other official of a municipal entity exercising financial management responsibilities and to whom a power or duty was delegated in terms of section 106, commits an act of financial misconduct if that senior manager or official deliberately or negligently-
- (a) fails to carry out the delegated duty;
  - (b) contravenes or fails to comply with a condition of the delegated power or duty;
  - (c) makes an irregular or fruitless and wasteful expenditure; or
  - (d) provides incorrect or misleading information to the accounting officer for the purposes of a document referred to in subsection (1) (d).

- (3) A municipal entity must-
- (a) investigate allegations of financial misconduct against the accounting officer, a senior manager or other official of the entity unless those allegations are frivolous, vexatious, speculative or obviously unfounded; and
  - (b) if the investigation warrants such a step, institute disciplinary proceedings against the accounting officer, senior manager or official in terms of Schedule 3 of the Municipal Systems Act.

## Offences

- 173.**(1) The accounting officer of a municipality is guilty of an offence if that accounting officer-
- (a) deliberately or in a grossly negligent way-
    - (i) contravenes or fails to comply with a provision of section 61 (2) (b), 62 (1), 63 (2) (a) or (c), 64 (2) (a) or (d) or 65 (2) (a), (b), (c), (d), (f) or (i);
    - (ii) fails to take reasonable steps to implement the municipality's supply chain management policy referred to in section 111;
    - (iii) fails to take all reasonable steps to prevent unauthorised, irregular or fruitless and wasteful expenditure; or
    - (iv) fails to take all reasonable steps to prevent corruptive practices-
      - (aa) in the management of the municipality's assets or receipt of money; or
      - (bb) in the implementation of the municipality's supply chain management policy;
  - (b) deliberately misleads or withholds information from the Auditor-General on any bank accounts of the municipality or on money received or spent by the municipality; or
  - (c) deliberately provides false or misleading information in any document which in terms of a requirement of this Act must be-
    - (aa) submitted to the Auditor-General, the National Treasury or any other organ of state; or
    - (bb) made public.
- (2) The accounting officer of a municipal entity is guilty of an offence if that accounting officer-
- (a) deliberately or in a grossly negligent way-
    - (i) contravenes or fails to comply with a provision of section 94 (2) (b), 95 (1), 96 (2), 97 (a) or 99 (2) (a), (c) or (e);
    - (ii) fails to take all reasonable steps to prevent irregular or fruitless and wasteful expenditure; or
    - (iii) fails to take all reasonable steps to prevent corruptive practices in the management of the entity's assets, receipt of money or supply chain management system;

- (b) deliberately misleads or withholds information from the Auditor-General or the entity's parent municipality on any bank accounts of the municipal entity or on money received or spent by the entity; or
- (c) deliberately provides false or misleading information in any document which in terms of a requirement of this Act must be-
  - (aa) submitted to the entity's parent municipality, the Auditor-General, the National Treasury or any other organ of state; or
  - (bb) made public.
- (3) A senior manager or other official of a municipality or municipal entity exercising financial management responsibilities and to whom a power or duty was delegated in terms of section 79 or 106, is guilty of an offence if that senior manager or official deliberately or in a grossly negligent way contravenes or fails to comply with a condition of the delegation.
- (4) A councillor of a municipality is guilty of an offence if that councillor-
  - (a) deliberately influences or attempts to influence the accounting officer, the chief financial officer, a senior manager or any other official of the municipality to contravene a provision of this Act or to refrain from complying with a requirement of this Act;
  - (b) interferes in the financial management responsibilities or functions assigned in terms of this Act to the accounting officer of the municipality or delegated to the chief financial officer of the municipality in terms of this Act;
  - (c) interferes in the financial management responsibilities or functions assigned in terms of this Act to the accounting officer of a municipal entity under the sole or shared control of the municipality; or
  - (d) interferes in the management or operational activities of a municipal entity under the sole or shared control of the municipality.
- (5) A councillor, an official of a municipality or municipal entity, a member of the board of directors of a municipal entity or any other person is guilty of an offence if that person deliberately or in a grossly negligent way-
  - (a) impedes an accounting officer from complying with a provision of this Act;
  - (b) gives incorrect, untrue or misleading information material to an investment decision relating to borrowing by a municipality or municipal entity;
  - (c) makes a withdrawal in contravention of section 11;
  - (d) fails to comply with section 49;
  - (e) contravenes a provision of section 115 (2), 118 or 126 (5); or
  - (f) provides false or misleading information for the purposes of any document which must in terms of a requirement of this Act be-

- (i) submitted to the council, Mayor or accounting officer of a municipality or to the Auditor-General or the National Treasury; or
- (ii) made public.

**Penalties**

**174.** A person is liable on conviction of an offence in terms of section 173 to imprisonment for a period not exceeding five years or to an appropriate fine determined in terms of applicable legislation.

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## **Annexure E: The Local Government: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings**

### **MUNICIPAL REGULATIONS ON FINANCIAL MISCONDUCT PROCEDURES AND CRIMINAL PROCEEDINGS**

The Minister of Finance has, in terms of sections 168 and 175, of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), and acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs, made the regulations as set out in the Schedule.

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## **CHAPTER 1 INTERPRETATION**

### Definitions

1. In these Regulations, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and-

**“Act”** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

**“designated official”** means the official identified in a municipality or municipal entity to receive reports of allegations of financial offences against councillors or members of the board of directors of municipal entities;

**“disciplinary board”** means a disciplinary board established in terms of regulation 4(1) or a disciplinary board of a district municipality or provincial structure referred to in regulation 4(8);

**“financial misconduct”** means any act of financial misconduct referred to in-

- (a) section 171 of the Act committed by an official of a municipality; or
- (b) section 172 of the Act committed by an official of a municipal entity;

**“financial offence”** means any offence referred to in section 173 of the Act committed by-

- (a) an official of a municipality or municipal entity;
- (b) a councillor of a municipality;
- (c) a member of the board of directors of a municipal entity; or
- (d) any other person;

**“investigator”** means the board, treasury, person or team conducting a full investigation in terms of regulation 5(4).

## CHAPTER 2 FINANCIAL MISCONDUCT PROCEDURES

### Application of Chapter

2. This Chapter applies to alleged financial misconduct.

### Reporting of allegations of financial misconduct

3. (1) Any person must report an allegation of financial misconduct against-
  - (a) the accounting officer, a senior manager or the chief financial officer of a municipality, to the municipal council of the municipality, the provincial treasury and the national treasury;
  - (b) an official of a municipality other than its accounting officer, to that accounting officer;
  - (c) the accounting officer of a municipal entity, to the chairperson of the board of directors, the Mayor and the accounting officer of the entity's parent municipality;
  - (d) an official of a municipal entity other than its accounting officer, to that accounting officer.
- (2) The Mayor, the accounting officer or chairperson of the board of directors, as the case may be, must table an allegation referred to in sub-regulation (1) before the municipal council or, board of directors in the case of municipal entities, not later than seven days after receipt thereof or at the next sitting of the council or the board of directors.
- (3) The person to whom an allegation of financial misconduct has been reported in terms of sub-regulation (1) must ensure that the report is treated in a confidential manner.
- (4) This regulation must not be read as preventing a person from laying a criminal charge with the South African Police Service against any councillor, member of the board of directors of a municipal entity, or official of a municipality or municipal entity in relation to any conduct that may constitute an offence in terms of Part 2 of Chapter 15 of the Act.
- (5) An official against whom an allegation of financial misconduct is made must be given an opportunity to make written representation to the municipality or municipal entity as to why he or she should not be suspended, within seven days of being notified of the allegation. In all instances, reporting to be to the municipal manager, in instances where he or she is not the alleged wrongdoer. Where the municipal manager is the alleged wrongdoer, it will be the Mayor.

### Establishment of disciplinary board and its functioning

4. (1) A municipal council or board of directors of a municipal entity must establish a disciplinary board to investigate allegations of financial misconduct in the municipality or municipal entity, and to monitor the institution of disciplinary proceedings against an alleged transgressor.

- (2) A disciplinary board is an independent advisory body that assists the council or the board of directors with the investigation of allegations of financial misconduct, and provide recommendations on further steps to be taken regarding disciplinary proceedings, or any other relevant steps to be taken.
- (3) A disciplinary board must consist of maximum five members appointed on a part- time basis by the council or board of directors for a period not exceeding three years, in accordance with a process as determined by the municipal council or board of directors.
- (4) A member of a disciplinary board must-
  - (a) be a natural person;
  - (b) be a citizen or permanent resident of the Republic and resident in the province where the municipality is situated; and
  - (c) not be disqualified under sub-regulation (5).
- (5) The following persons are disqualified from membership of a disciplinary board:
  - (a) a person who has been convicted of an offence in terms of this regulation or any other legislation;
  - (b) a person who, whether in the Republic or elsewhere, has been convicted of theft, fraud, forgery, the uttering of a forged document or any offence of which dishonesty is an element;
  - (c) a person who has at any time been removed from any office of trust on account of misconduct or dishonesty;
  - (d) an accounting officer of a municipality or municipal entity;
  - (e) a political office-bearer or a member of a board of directors; and
  - (f) a person who is an office-bearer in a political party.
- (6) A disciplinary board may consist of-
  - (a) the head of the internal audit unit within the municipality or municipal entity or representative of an organisation performing internal audit functions for the municipality or municipal entity if the internal audit function is outsourced;
  - (b) one member of the Audit Committee of the municipality or municipal entity;
  - (c) a senior manager from the legal division in the municipality or municipal entity;
  - (d) a representative of the National Treasury or the provincial treasury; and
  - (e) any other person as may be determined by the municipal council or board of directors of a municipal entity.

- (7) If an official referred to in sub-regulation (6)(a) or (c) is implicated in the financial misconduct, the municipality or municipal entity may co-opt a senior manager in another unit, who does not have a conflict of interest.
- (8) If a municipality or municipal entity does not have sufficient capacity to establish a disciplinary board, a disciplinary board established by a district municipality or an equivalent provincial or national structure established for a similar purpose may, with approval of the district municipality or provincial or national structure, be used as a disciplinary board for the municipality or municipal entity.

### **Preliminary investigation of allegations of financial misconduct**

5.
  - (1) On receiving a report in terms of regulation 3(1), if the municipal council, board of directors or accounting officer of the municipality or municipal entity, is satisfied that there is reasonable cause to believe that an act of financial misconduct has been committed, it must within seven days refer the matter to the disciplinary board to conduct a preliminary investigation into the allegation as envisaged in terms of section 171(4)(a) or 172(3)(a) of the Act.
  - (2) A disciplinary board must conduct a preliminary investigation to determine whether or not the allegation is founded and make a recommendation to the council or board of directors as to whether sufficient grounds exists to warrant a full investigation into the allegation.
  - (3) If, during a preliminary investigation, the disciplinary board determines that the allegation is frivolous, vexatious, speculative or obviously unfounded, the investigation must be terminated.
  - (4) If the disciplinary board determines that the allegation is founded, a full investigation must be conducted by-
    - (a) the disciplinary board;
    - (b) the provincial treasury or the National Treasury, but only if the conditions specified in regulation 19 apply; or
    - (c) where the cost, the seniority of the alleged transgressor and the seriousness or sensitivity of investigating the alleged financial misconduct, warrants such a step, by-
      - (i) a person appointed by the council or board of directors who has appropriate specialist expertise and who is not an official of the municipality or municipal entity; or
      - (ii) an independent team of investigators appointed by the council or the board of directors;

in accordance with the applicable supply chain management prescripts.
  - (5) A team of investigators appointed in terms of sub-regulation (4)(c)(ii) may include-

- (a) a person, other than an official of the municipality or municipal entity, with appropriate specialist expertise, designated by the municipal council or the board of directors; or
  - (b) an official of the department responsible for local government in the relevant province, designated by the department; or
  - (c) an official of the provincial treasury or the National Treasury, designated by the relevant treasury.
- (6) The investigator or investigating team appointed in terms of sub-regulation (4)(c) must, within a period of 30 days of the appointment, submit a report with recommendations to the Mayor or accounting officer as may be appropriate.

### **Investigation of allegation of financial misconduct and submission of reports**

- 6.** (1) A municipality or municipal entity must develop terms of reference for an investigation, in terms of regulation 5, within seven days of receipt of a referral from a disciplinary board for approval by the council or the board of directors.
- (2) If the council or the board of directors has not acted on the recommendation by the disciplinary board that the financial misconduct is founded and sufficient grounds exist to warrant a full investigation into the allegation, the disciplinary board may request the provincial treasury or the National Treasury for assistance and a possible intervention in terms of regulation 19.
- (3) After completion of a full investigation, the investigator must-
- (a) compile a report on the investigation;
  - (b) submit its report to the Mayor or the chairperson of the board of directors and the accounting officer together with its findings and recommendations, if applicable, regarding disciplinary steps that should be taken against the alleged transgressor; and
  - (c) immediately inform the speaker of the council of the submission of the report referred to in paragraph (b), and also submit a copy of the report to the provincial treasury and the National Treasury.
- (4) The Mayor, speaker, accounting officer or the chairperson of the board of directors must table the report of the investigation referred to in sub regulation (3)(b) in the council or the board of directors at the first sitting after the report is finalised.
- (5) If the report that is tabled in the council or the board is amended, the person tabling the report must provide written reasons for the amendments to the council or the board.
- (6) If the findings or recommendations of the report referred to in sub-regulation (3)(b) are rejected by the council or the board, reasons for the rejection must be provided to the investigator within five days of the rejection.
- (7) Where the recommendations of the report referred to in sub-regulation (3)(b) regarding disciplinary steps against the alleged transgressor are not implemented, the investigator must

notify the provincial treasury and the National Treasury for a possible intervention in terms of regulation 19.

- (8) If the investigator recommends that disciplinary proceedings be instituted against the alleged transgressor the council or board of directors must by way of resolution institute the disciplinary proceedings-
  - (a) in the case of a senior manager, in accordance with the Local Government: Disciplinary Codes and Procedures for Senior Managers Regulations made in terms of the Municipal Systems Act; or
  - (b) in the case of an official who is not a senior manager, in accordance with the applicable collective bargaining agreement concluded in the bargaining council established for municipalities and municipal entities.
- (9) Where the alleged transgressor is found guilty of financial misconduct after the disciplinary proceedings, he or she may not be re-employed in any municipality for a period of ten years as provided in section 57A(3) of the Municipal Systems Act.

### **Purpose of investigations**

7. An investigation in terms of regulations 5 and 6 must establish-
  - (a) whether the allegation of financial misconduct has any substance; and
  - (b) if it has substance, whether sufficient grounds exist for instituting disciplinary proceedings against the alleged transgressor.

## **CHAPTER 3 CRIMINAL PROCEEDINGS**

### **Application of Chapter**

8. This Chapter applies to alleged financial offences.

### **Reporting of allegations of financial offences**

9. (1) Any person may report an allegation of a financial offence against-
  - (a) a councillor of a municipality, to the designated official, the Minister of Finance and the MEC for finance;
  - (b) the speaker of a municipality, to the Mayor of the municipality;
  - (c) a member of the board of directors of a municipal entity, to the designated official or, if the designated official is implicated, to the Mayor and the accounting officer of the entity's parent municipality.
- (2) An allegation referred to in sub-regulation (1)(a) or (b) must be dealt with in terms of the Code of Conduct for Councillors in Schedule 1 to the Municipal Systems Act.
- (3) An allegation referred to in sub-regulation 1(c) must be dealt with in terms of the Code of Conduct for directors and members of staff of municipal entities in section 93L of the Municipal Systems Act.

### **Reporting of alleged financial offence to South African Police Service**

- 10.** (1) Where a financial offence has been committed by any person referred to in section 173 of the Act, the accounting officer or, if the accounting officer is involved, the municipal council or board of directors of the municipal entity, as the case may be, must report the alleged financial offence to the South African Police Service.
- (2) If there is a likelihood of further financial loss for a municipality or municipal entity as a result of a financial offence, the accounting officer, council or board of directors must report the matter without delay to the South African Police Service and not await the completion of any investigation referred to in regulations 5 and 6 related to the financial offence.
- (3) Where a financial offence is successfully prosecuted, the judgment must be reported to the National Treasury, together with full details of the convicted person, the name of the municipality where the offence was committed and the sanction that was imposed.

### **Allegations of financial offences not amounting to breaches of Code of Conduct for Councillors**

- 11.** (1) The designated official must, on receipt of a report of alleged financial offence referred to in section 173(4) or (5) of the Act by a councillor-
- (a) authorise an investigation of the facts and circumstances of the alleged financial offence; and
  - (b) give that councillor an opportunity to make, within five days, a written submission with regard to the alleged financial offence.
- (2) As soon as the designated official has complied with sub-regulation (1), the designated official must submit a report, within five days of completing the investigation, on the outcome of the investigation to the municipal council.
- (3) The designated official must ensure that the public has access to the report referred to in sub-regulation (2).
- (4) The designated official must, within five days of submitting the report to council, submit the report on the outcome of the investigation to-
- (a) the MEC for finance in the province;
  - (b) the MEC for local government in the province;
  - (c) Minister of Finance, and
  - (d) Minister responsible for local government.

### **Allegations of financial offences not amounting to breaches of Code of Conduct for members of the board of directors of municipal entities**

- 12.** (1) The designated official must, on receipt of a report of alleged financial offence referred to in section 173(5) of the Act by a member of the board of directors or any other person referred to in that section-

- (a) authorise an investigation of the facts and circumstances of the alleged financial offence; and
  - (b) give that member of the board of directors or other person the opportunity to make, within five days, a written submission with regard to the alleged financial offence.
- (2) As soon as the designated official has complied with sub-regulation (1), the designated official must, within five days of completing the investigation, submit a report on the outcome of the investigation to the board of directors.
- (3) The designated official must ensure that the public has access to the report referred to in sub-regulation (2).
- (4) The designated official must, within five days of submission to the board of directors, furnish a report on the outcome of the investigation to-
- (a) the board of directors;
  - (b) the municipal council of the entity's parent municipality;
  - (c) the MEC for finance in the province;
  - (d) the MEC for local government in the province;
  - (e) the Minister of Finance; and
  - (f) the Minister responsible for local government

## **CHAPTER 4 GENERAL**

### **Application of Chapter**

13. This Chapter applies to alleged financial misconduct and financial offences

### **Preparation of information document on alleged financial misconduct and financial offences**

- 14.** (1) The municipality or municipal entity must prepare an information document on any alleged financial misconduct or financial offence stating-
- (a) the name and position of the person against whom the allegation was made;
  - (b) a summary of the facts and circumstances of the alleged financial misconduct or financial offence, including the monetary value involved;
  - (c) any disciplinary steps taken or to be taken against the person concerned, or if no disciplinary steps have been or are to be taken, the reasons for that decision;
  - (d) in the case of a financial offence, the case number issued by the South African Police Service; and

- (e) any steps taken or to be taken to recover any unauthorised, irregular or fruitless and wasteful expenditure incurred as a result of the alleged financial misconduct or financial offence in terms of section 32 of the Act.
- (2) The municipality or municipal entity must within five days of finalising the information document submit it, together with any investigation report compiled in terms of regulation 5 and 6 to-
- (a) the Mayor of the municipality;
  - (b) the accounting officer of the parent municipality;
  - (c) the chairperson of the board of directors;
  - (d) the MEG for local government in the province;
  - (e) the national department responsible for local government;
  - (f) the provincial treasury;
  - (g) the National Treasury; and
  - (h) the Auditor-General;

#### **Tabling of information document in municipal council or board of directors of municipal entities**

- 15.** (1) The Mayor of a municipality or the chairperson of the board of directors must table the information document submitted in terms of regulation 14(2) in the municipal council or the board of directors at the first meeting of the council or the board of directors after receipt of the document.
- (2) Any resolutions taken by the municipal council or the board of directors relating to the information document referred to in sub-regulation (1) must be reported to the provincial treasury and the national treasury.
- (3) If the Mayor, the accounting officer or the chairperson of the board of directors, as the case may be, is of the view that the alleged financial misconduct or financial offence may have a significant impact on the finances of the municipality, and that the funds need to be recovered from the alleged transgressor concerned, the Mayor must request the speaker of the municipal council to convene a special meeting of the council to discuss the recoverability of the funds in accordance with section 32 of the Act.

#### **Reports on disciplinary proceedings and criminal charges**

- 16.** (1) The municipality or municipal entity must report to the institutions referred to in regulation 14(2) (a) to (h)-
- (a) any decision to institute or not to institute disciplinary proceedings against the person who allegedly committed a financial misconduct;
  - (b) the reasons for the decision;

- (c) the outcome where disciplinary proceedings have been instituted; and
  - (d) whether a charge has been laid against the person concerned with the South African Police Service, if the alleged financial misconduct constitutes a financial offence in terms of section 173 of the Act.
- (2) Municipalities and municipal entities must report on all suspensions, disciplinary or criminal proceedings instituted in cases of financial misconduct in their annual reports.

### **Procedures for confidential reporting financial misconduct and financial offence**

**17.** (1) A municipality must-

- (a) establish reporting procedures for persons to report allegations of financial misconduct and financial offences on a confidential basis; and (b) make public the reporting procedures in accordance with section 21(1)(a) and (b) of the Municipal Systems Act.
- (2) A parent municipality together with its municipal entity, must establish reporting procedures to allow persons to report allegations of financial misconduct and financial offence on a confidential basis and the municipal entity must make the reporting procedures public.
- (3) When establishing reporting procedures in terms of sub-regulation (1) or (2), a municipality or municipal entity must take into account its financial and administrative capacity.

### **Protection of officials reporting allegations of financial misconduct and financial offence**

**18.** The Protected Disclosures Act 2000 (Act No. 26 of 2000) applies to an official who makes a report or disclosure against a political office-bearer, a member of the board or an official who is alleged to have committed financial misconduct or a financial offence.

### **Interventions by treasury**

**19.** If a municipality, designated official or municipal entity fails to investigate an allegation of financial misconduct or financial offence, the provincial treasury or the National Treasury may direct that the allegation be investigated.

### **Transitional arrangements**

**20.** Any disciplinary process instituted before the commencement of these Regulations and not yet completed-

- (a) must be finalised in terms of the prescripts applicable at the time when the process was instituted; or
- (b) may, by agreement in writing between the affected official, political office-bearer or director of the municipal entity and the municipal council or board of directors, be finalised in terms of these Regulations.

### **Short title and commencement**

**21.** These Regulations are called the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings and takes effect on 1 July 2014.

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## Annexure F: Extracts from The Local Government - The Prevention and Combating Of Corrupt Activities Act

### 3 General offence of corruption

Any person who, directly or indirectly-

- (a) accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; or
- (b) gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person, in order to act, personally or by influencing another person so to act, in a manner-
  - (i) that amounts to the-
    - (aa) illegal, dishonest, unauthorised, incomplete, or biased; or
    - (bb) misuse or selling of information or material acquired in the course of the, exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation;
  - (ii) that amounts to-
    - (aa) the abuse of a position of authority;
    - (bb) a breach of trust; or
    - (cc) the violation of a legal duty or a set of rules,
  - (iii) designed to achieve an unjustified result; or
  - (iv) that amounts to any other unauthorised or improper inducement to do or not to do anything, is guilty of the offence of corruption.

### 13 Offences in respect of corrupt activities relating to procuring and withdrawal of tenders

- (1) Any person who, directly or indirectly, accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person, as-
  - (a) an inducement to, personally or by influencing any other person so to act-
    - (i) award a tender, in relation to a contract for performing any work, providing any service, supplying any article, material or substance or performing any other act, to a particular person; or
    - (ii) upon an invitation to tender for such contract, make a tender for that contract which has as its aim to cause the tender to accept a particular tender; or

- (iii) withdraw a tender made by him or her for such contract; or
  - (b) a reward for acting as contemplated in paragraph (a) (i), (ii) or (iii), is guilty of the offence of corrupt activities relating to procuring and withdrawal of tenders.
- (2) Any person who, directly or indirectly-
- (a) gives or agrees or offers to give any gratification to any other person, whether for the benefit of that other person or the benefit of another person, as-
    - (i) an inducement to, personally or by influencing any other person so to act, award a tender, in relation to a contract for performing any work, providing any service, supplying any article, material or substance or performing any other act, to a particular person; or
    - (ii) a reward for acting as contemplated in subparagraph (i); or
  - (b) with the intent to obtain a tender in relation to a contract for performing any work, providing any service, supplying any article, material or substance or performing any other act, gives or agrees or offers to give any gratification to any person who has made a tender in relation to that contract, whether for the benefit of that tenderer or for the benefit of any other person, as-
    - (i) an inducement to withdraw the tender; or
    - (ii) a reward for withdrawing or having withdrawn the tender, is guilty of the offence of corrupt activities relating to procuring and withdrawal of tenders.

## **17 Offence relating to acquisition of private interest in contract, agreement or investment of public body**

- (1) Any public officer who, subject to subsection (2), acquires or holds a private interest in any contract, agreement or investment emanating from or connected with the public body in which he or she is employed or which is made on account of that public body, is guilty of an offence.
- (2) Subsection (1) does not apply to-
  - (a) a public officer who acquires or holds such interest as a shareholder of a listed company;
  - (b) a public officer, whose conditions of employment do not prohibit him or her from acquiring or holding such interest; or
  - (c) in the case of a tender process, a public officer who acquires a contract, agreement or investment through a tender process and whose conditions of employment do not prohibit him or her from acquiring or holding such interest and who acquires or holds such interest through an independent tender process.

## **18 Offences of unacceptable conduct relating to witnesses**

Any person who, directly or indirectly, intimidates or uses physical force, or improperly persuades or coerces another person with the intent to-

- (a) influence, delay or prevent the testimony of that person or another person as a witness in a trial, hearing or other proceedings before any court, judicial officer, committee, commission or any officer authorised by law to hear evidence or take testimony; or
- (b) cause or induce any person to-
  - (i) testify in a particular way or fashion or in an untruthful manner in a trial, hearing or other proceedings before any court, judicial officer, committee, commission or officer authorised by law to hear evidence or take testimony;
  - (ii) withhold testimony or to withhold a record, document, police docket or other object at such trial, hearing or proceedings;
  - (iii) give or withhold information relating to any aspect at any such trial, hearing or proceedings;
  - (iv) alter, destroy, mutilate, or conceal a record, document, police docket or other object with the intent to impair the availability of such record, document, police docket or other object for use at such trial, hearing or proceedings;
  - (v) give or withhold information relating to or contained in a police docket;
  - (vi) evade legal process summoning that person to appear as a witness or to produce any record, document, police docket or other object at such trial, hearing or proceedings; or
  - (vii) be absent from such trial, hearing or other proceedings, is guilty of the offence of unacceptable conduct relating to a witness.

## **19 Intentional interference with, hindering or obstruction of investigation of offence**

Any person who, at any stage, with intent to defraud or to conceal an offence in terms of this Chapter or to interfere with, or to hinder or obstruct a law enforcement body in its investigation of any such offence-

- (a) destroys, alters, mutilates or falsifies any book, document, valuable security, account, computer system, disk, computer printout or other electronic device or any entry in such book, document, account or electronic device, or is privy to any such act;
- (b) makes or is privy to making any false entry in such book, document, account or electronic device; or
- (c) omits or is privy to omitting any information from any such book, document, account or electronic device, is guilty of an offence.

## **26 Penalties**

- (1) Any person who is convicted of an offence referred to in-
  - (a) Part 1, 2, 3 or 4, or section 18 of Chapter 2, is liable-

- (i) in the case of a sentence to be imposed by a High Court, to a fine or to imprisonment up to a period for imprisonment for life;
  - (ii) in the case of a sentence to be imposed by a regional court, to a fine or to imprisonment for a period not exceeding 18 years; or
  - (iii) in the case of a sentence to be imposed by a magistrate's court, to a fine or to imprisonment for a period not exceeding five years;
- (b) section 17 (1), 19, 20, 23 (7) (a) or (b) or 34 (2), is liable-
- (i) in the case of a sentence to be imposed by a High Court or a regional court, to a fine or to imprisonment for a period not exceeding 10 years; or
  - (ii) in the case of a sentence to be imposed by a magistrate's court, to a fine or to imprisonment for a period not exceeding three years; or
- (c) section 28 (6) (b), is liable to a fine of R250 000 or to imprisonment for a period not exceeding three years.
- (2) A person convicted of an offence referred to in section 21, is liable to the punishment laid down in subsection (1) for the offence which that person attempted or conspired to commit or aided, abetted, induced, instigated, instructed, commanded, counselled or procured another person to commit.
- (3) In addition to any fine a court may impose in terms of subsection (1) or (2), the court may impose a fine equal to five times the value of the gratification involved in the offence.
- (4) Notwithstanding anything to the contrary in any law, a magistrate's court shall be competent to impose the penalty provided for in subsection (1) (a) (iii), (1) (c), or (3).

### **34 Duty to report corrupt transactions**

- (1) Any person who holds a position of authority and who knows or ought reasonably to have known or suspected that any other person has committed-
- (a) an offence under Part 1, 2, 3 or 4, or section 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2; or
  - (b) the offence of theft, fraud, extortion, forgery or uttering a forged document, involving an amount of R100 000 or more, must report such knowledge or suspicion or cause such knowledge or suspicion to be reported to the police official in the Directorate for Priority Crime Investigation referred to in section 17C of the South African Police Service Act, 1995, (Act 68 of 1995).
- [Sub-s. (1) substituted by s. 21 of Act 10 of 2012 (wef 14 September 2012).]
- (2) Subject to the provisions of section 37 (2), any person who fails to comply with subsection (1), is guilty of an offence. [Date of commencement of sub-s. (2): 31 July 2004.]

- (3) (a) Upon receipt of a report referred to in subsection (1), the police official concerned must take down the report in the manner directed by the National Head of the Directorate for Priority Crime Investigation, appointed in terms of section 17C (2) (a) of the South African Police Service Act, 1995, (Act 68 of 1995), and forthwith provide the person who made the report with an acknowledgment of receipt of such report.

[Para. (a) substituted by s. 21 of Act 10 of 2012 (wef 14 September 2012).]

- (b) The National Head of the Directorate for Priority Crime Investigation, must within three months of the commencement of the South African Police Service Amendment Act, 2012, publish the directions contemplated in paragraph (a) in the Gazette, during which period any existing notice issued in terms of the Act shall remain in force.

[Para. (b) substituted by s. 21 of Act 10 of 2012 (wef 14 September 2012).]

- (c) Any direction issued under paragraph (b), must be tabled in Parliament before publication thereof in the Gazette.

- (4) For purposes of subsection (1) the following persons hold a position of authority, namely-

- (a) the Director-General or head, or equivalent officer, of a national or provincial department;
- (b) in the case of a municipality, the municipal manager appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);
- (c) any public officer in the Senior Management Service of a public body;
- (d) any head, rector or principal of a tertiary institution;
- (e) the manager, secretary or a director of a company as defined in the Companies Act, 1973 (Act 61 of 1973), and includes a member of a close corporation as defined in the Close Corporations Act, 1984 (Act 69 of 1984);
- (f) the executive manager of any bank or other financial institution;
- (g) any partner in a partnership;
- (h) any person who has been appointed as chief executive officer or an equivalent officer of any agency, authority, board, commission, committee, corporation, council, department, entity, financial institution, foundation, fund, institute, service, or any other institution or organisation, whether established by legislation, contract or any other legal means;
- (i) any other person who is responsible for the overall management and control of the business of an employer; or
- (j) any person contemplated in paragraphs (a) to (i), who has been appointed in an acting or temporary capacity.

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## Annexure G: The Local Government - Code of Conduct for Councillors

### SCHEDULE 7 CODE OF CONDUCT FOR COUNCILLORS as per 2021 Amendment of Act

[Schedule 7 added by [s. 36](#) of [Act 3 of 2021](#) (wef 1 November 2021).]

#### Preamble

Councillors are elected to represent local communities on municipal councils, to ensure that municipalities have structured mechanisms of accountability to local communities, and to meet the priority needs of communities by providing services equitably, effectively and sustainably within the means of the municipality. In fulfilling this role, councillors must be accountable to local communities and report back at least quarterly to constituencies on council matters, including the performance of the municipality in terms of established indicators. In order to ensure that councillors fulfil their obligations to their communities, and support the achievement by the municipality of its objectives set out in section 19, the following Code of Conduct is established.

#### 1) Definitions

In this Schedule '**partner**' means a person who permanently lives with another person in a manner as if married.

#### 2) General conduct of councillors

A councillor must-

- (a) perform the functions of office in good faith, honestly and in a transparent manner; and
- (b) at all times act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised.

#### 3) Voting at meetings

A councillor may not vote in favour of or agree to a resolution which is before the council or a committee of the council, which conflicts with any legislation applicable to local government.

#### 4) Attendance at meetings

A councillor must attend each meeting of the municipal council and of a committee of which that councillor is a member, except when-

- (a) leave of absence is granted in terms of an applicable law or as determined by the rules and orders of the council; or
- (b) that councillor is required in terms of this Code to withdraw from the meeting.

#### 5) Sanctions for non-attendance of meetings

- (1) A municipal council may impose a fine as determined by the standing rules and orders of the municipal council on a councillor for-

- (a) not attending a meeting which that councillor is required to attend in terms of item 4; or
  - (b) failing to remain in attendance at such a meeting.
- (2) A councillor who is absent from three or more consecutive meetings of a municipal council, or from three or more consecutive meetings of a committee, which that councillor is required to attend in terms of item 4, must be removed from office as a councillor.
- (3) (a) Proceedings for the imposition of a fine or the removal of a councillor must be conducted in accordance with a uniform standing procedure which each municipal council must adopt for the purposes of this item.
- (b) The uniform standing procedure must comply with the rules of natural justice.

## **6) Disclosure of interests**

- (1) A councillor must-
- (a) disclose to the municipal council, or to any committee of which that councillor is a member, any direct or indirect personal or private business interest that that councillor, or any spouse, partner or business associate of that councillor may have in any matter before the council or the committee; and
  - (b) withdraw from the proceedings of the council or committee when that matter is considered by the council or committee, unless the council or committee decides that the councillor's direct or indirect interest in the matter is trivial or irrelevant.
- (2) A councillor who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose full particulars of the benefit of which the councillor is aware at the first meeting of the municipal council.
- (3) This section does not apply to an interest or benefit which a councillor, or a spouse, partner, business associate or close family member, has or acquires in common with other residents of the municipality.

## **7) Personal gain**

- (1) A councillor may not use the position or privileges of a councillor, or confidential information obtained as a councillor, for private gain or to improperly benefit another person.
- (2) No councillor may be a party to or beneficiary under a contract for the provision of goods or services to any municipality or any municipal entity established by a municipality.

## **8) Declaration of interests**

- (1) When elected or appointed, a councillor must within 60 days declare in writing to the municipal manager the following financial interests held by that councillor:
- (a) Shares and securities in any company;
  - (b) membership of any close corporation;

- (c) interest in any trust;
  - (d) directorships;
  - (e) partnerships;
  - (f) other financial interests in any business undertaking;
  - (g) employment and remuneration;
  - (h) interest in property;
  - (i) pension; and
  - (j) subsidies, grants and sponsorships by any organisation.
- (2) Any change in the nature or detail of the financial interests of a councillor must be declared in writing to the municipal manager annually.
- (3) Gifts received by a councillor above a prescribed amount must also be declared in accordance with subitem (1).
- (4) The municipal council must determine which of the financial interests referred in subitem (1) must be made public having regard to the need for confidentiality and the public interest for disclosure.

## 9) Full-time councillors

A councillor who is a full-time councillor may not undertake any other paid work except with the consent of a municipal council which consent shall not unreasonably be withheld.

## 10) Rewards, gifts and favours

A councillor may not request, solicit or accept any reward, gift or favour for-

- (a) voting or not voting in a particular manner on any matter before the municipal council or before a committee of which that councillor is a member;
- (b) persuading the council or any committee in regard to the exercise of any power, function or duty;
- (c) making a representation to the council or any committee of the council; or
- (d) disclosing privileged or confidential information.

## 11) Unauthorised disclosure of information

- (1) A councillor may not, without the permission of the municipal council or a committee, disclose any privileged or confidential information of the council or committee to any unauthorised person.
- (2) For the purpose of this item '**privileged or confidential information**' includes any information-
- (a) determined by the municipal council or committee to be privileged or confidential;

- (b) discussed in closed session by the council or committee;
  - (c) disclosure of which would violate a person's right to privacy; or
  - (d) declared to be privileged, confidential or secret in terms of law.
- (3) This item does not derogate from the right of any person to access to information in terms of national legislation.

## **12) Interference in administration**

A councillor may not, except as provided by law-

- (a) interfere in the management or administration of any department of the municipal council, unless mandated by the council;
- (b) give or purport to give any instruction to any employee of the council, except when authorised to do so;
- (c) obstruct or attempt to obstruct the implementation of any decision of the council or a committee by an employee of the council; or
- (d) encourage or participate in any conduct which would cause or contribute to maladministration in the council.

## **13) Municipal property**

A councillor may not use, take, acquire or benefit from any property or asset owned, controlled or managed by the municipality to which that councillor has no right.

## **14) Councillor in arrears**

A councillor may not be in arrears to the municipality for rates and service charges for a period longer than three months.

## **15) Breaches of Code**

- (1) If the speaker of a municipal council, on reasonable suspicion, is of the opinion that a provision of this Code has been breached, the speaker must-
- (a) authorise an investigation of the facts and circumstances of the alleged breach;
  - (b) give the councillor a reasonable opportunity to reply in writing regarding the alleged breach; and
  - (c) report the matter to a meeting of the municipal council after paragraphs (a) and (b) have been complied with.
- (2) A report in terms of subitem (1) (c) is open to the public.
- (3) The speaker must report the outcome of the investigation to the MEC for local government in the province concerned.
- (4) The speaker must ensure that each councillor, when taking office, is given a copy of this Code and that a copy of the Code is available in every room or place where the council meets.

- (5) If the speaker of council is the alleged perpetrator, or the speaker refuses to authorise an investigation, the council must establish a special committee, as contemplated in Item 16 (1) (b), to investigate and make a finding on any alleged breach of this Code.

## 16) Investigation of breach

- (1) A municipal council may-
- (a) investigate and make a finding on any alleged breach of a provision of this Code; or
  - (b) establish a special committee-
    - (i) to investigate and make a finding on any alleged breach of this Code; and
    - (ii) to make appropriate recommendations to the council.
- (2) If the council or a special committee finds that a councillor has breached a provision of this Code, the council may-
- (a) issue a formal warning to the councillor
  - (b) reprimand the councillor;
  - (c) request the MEC for local government in the province to suspend the councillor for a certain period;
  - (d) fine the councillor; or
  - (e) request the MEC to remove the councillor from office.
- (3) The speaker must inform the MEC for local government in the province concerned within 14 days of the finding and sanction decided on by the council.
- (4) (a) Any councillor who has been warned, reprimanded or fined in terms of paragraph (a), (b) or (d) of subitem (2) may within 14 days of having been notified of the decision of council appeal to the MEC for local government in writing setting out the reasons on which the appeal is based.
- (b) A copy of the appeal must be provided to the council by the MEC.
  - (c) The council may within 14 days of receipt of the appeal referred to in paragraph (b) make any representation pertaining to the appeal to the MEC for local government in writing.
  - (d) The MEC for local government may, after having considered the appeal, confirm, set aside or vary the decision of the council and inform the councillor and the council of the outcome of the appeal.
- (5) The MEC for local government may appoint a person or a committee to investigate any alleged breach of a provision of this Code and to make a recommendation as to the appropriate sanction in terms of subitem (2) if a municipal council does not conduct an investigation contemplated in subitem (1) and the MEC for local government considers it necessary.
- (6) The Commissions Act, 1947 ([Act 8 of 1947](#)), or, where appropriate, applicable provincial legislation, may be applied to an investigation in terms of subitem (4).
- (7) If the MEC is of the opinion that the councillor has breached a provision of this Code, and that such contravention warrants a suspension or removal from office, the MEC may-
- (a) suspend the councillor for a period and on conditions determined by the MEC; or
  - (b) remove the councillor from office.

- (8) Any investigation in terms of this item and any action by the MEC in terms of subitem (7) must be in accordance with [section 3](#) of the Promotion of Administrative Justice Act, 2000 ([Act 3 of 2000](#)).

#### **17) Application of Code to traditional leaders**

- (1) Items 1, 2, 6, 7, 10 (b) to (d), 11, 12, 13, 15 and 16 (1) apply to a traditional leader who participates or has participated in the proceedings of a municipal council in terms of section 81.
- (2) These items must be applied to the traditional leader in the same way they apply to councillors.
- (3) If a municipal council or a special committee in terms of item 16 (1) finds that a traditional leader has breached a provision of this Code, the council may-
- (a) issue a formal warning to the traditional leader; or
  - (b) request the MEC for local government in the province to suspend or cancel the traditional leader's right to participate in the proceedings of the council.
- (4) The MEC for local government may appoint a person or a committee to investigate any alleged breach of a provision of this Code and to make a recommendation on whether the right of the traditional leader to participate in the proceedings of the municipal council should be suspended or cancelled.
- (5) The Commissions Act, 1947 ([Act 8 of 1947](#)), may be applied to an investigation in terms of subitem (4).
- (6) If the MEC is of the opinion that the traditional leader has breached a provision of this Code, and that such breach warrants a suspension or cancellation of the traditional leader's right to participate in the council's proceedings, the MEC may-
- (a) suspend that right for a period and on conditions determined by the MEC; or
  - (b) cancel that right.
- (7) Any investigation in terms of this item and any action by the MEC in terms of subitem (6) must be in accordance with the rules of natural justice.
- (8) The suspension or cancellation of a traditional leader's right to participate in the proceedings of a council does not affect that traditional leader's right to address the council in terms of section 81 (3).

## Annexure H: The Local Government - Code of Conduct for Municipal Staff

### Schedule 2

#### CODE OF CONDUCT FOR MUNICIPAL STAFF MEMBERS

[Schedule 2 amended by s. 22 of Act 19 of 2008 (wef 13 October 2008).]

#### 1. Definitions

In this Schedule 'partner' means a person who permanently lives with another person in a manner as if married.

#### 2. General conduct

A staff member of a municipality must at all times-

- (a) loyally execute the lawful policies of the municipal council;
- (b) perform the functions of office in good faith, diligently, honestly and in a transparent manner;
- (c) act in such a way that the spirit, purport and objects of section 50 are promoted;
- (d) act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised; and
- (e) act impartially and treat all people, including other staff members, equally without favour or prejudice.

#### 3. Commitment to serving the public interest

A staff member of a municipality is a public servant in a developmental local system, and must accordingly-

- (a) implement the provisions of section 50 (2);
- (b) foster a culture of commitment to serving the public and a collective sense of responsibility for performance in terms of standards and targets;
- (c) promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution;
- (d) obtain copies of or information about the municipality's integrated development plan, and as far as possible within the ambit of the staff member's job description, seek to implement the objectives set out in the integrated development plan, and achieve the performance targets set for each performance indicator;
- (e) participate in the overall performance management system for the municipality, as well as the staff member's individual performance appraisal and reward system, if such exists, in order to maximise the ability of the municipality as a whole to achieve its objectives and improve the quality of life of its residents.

#### 4. Personal gain

(1) A staff member of a municipality may not-

- (a) use the position or privileges of a staff member, or confidential information obtained as a staff member, for private gain or to improperly benefit another person; or

- (b) take a decision on behalf of the municipality concerning a matter in which that staff member, or that staff member's spouse, partner or business associate, has a direct or indirect personal or private business interest.
- (2) Except with the prior consent of the council of a municipality a staff member of the municipality may not-
- (a) and (b)
- [Items (a) and (b) deleted by s. 22 (a) of Act 19 of 2008 (wef 13 October 2008).]
- (c) be engaged in any business, trade or profession other than the work of the municipality.
- (3) No staff member of a municipality may be a party to or beneficiary under a contract for the provision of goods or services to any municipality or any municipal entity established by a municipality.

[Subpara. (3) added by s. 22 (b) of Act 19 of 2008 (wef 13 October 2008).]

## **5. Disclosure of benefits**

- (1) A staff member of a municipality who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose in writing full particulars of the benefit to the council.
- (2) This item does not apply to a benefit which a staff member, or a spouse, partner, business associate or close family member, has or acquires in common with all other residents of the municipality.

### **5A. Declaration of interests**

- (1) A person appointed in terms of section 56 or a municipal manager must within 60 days after his or her appointment declare in writing to the chairperson of the municipal council the following interests held by that person or municipal manager:
  - (a) Shares and securities in any company;
  - (b) membership of any close corporation;
  - (c) interest in any trust;
  - (d) directorships;
  - (e) partnerships;
  - (f) other financial interests in any business undertaking;
  - (g) interest in property; and
  - (h) subsidies, grants and sponsorships by any organisation.
- (2) Any change in the nature or detail of the financial interests of a staff member must be declared in writing quarterly to the chairperson of the municipal council.
- (3) The municipal council must determine which of the financial interests referred to in sub-item (1) must be made public having regard to the need for confidentiality and the public interest for disclosure.

[Para. 5A inserted by s. 23 of Act 19 of 2008 (wef 13 October 2008).]

## 6. Unauthorised disclosure of information

- (1) A staff member of a municipality may not without permission disclose any privileged or confidential information obtained as a staff member of the municipality to an unauthorised person.
- (2) For the purpose of this item 'privileged or confidential information' includes any information-
  - (a) determined by the municipal council or any structure or functionary of the municipality to be privileged or confidential;
  - (b) discussed in closed session by the council or a committee of the council;
  - (c) disclosure of which would violate a person's right to privacy; or
  - (d) declared to be privileged, confidential or secret in terms of any law.
- (3) This item does not derogate from a person's right of access to information in terms of national legislation.

## 7. Undue influence

A staff member of a municipality may not-

- (a) unduly influence or attempt to influence the council of the municipality, or a structure or functionary of the council, or a councillor, with a view to obtaining any appointment, promotion, privilege, advantage or benefit, or for a family member, friend or associate;
- (b) mislead or attempt to mislead the council, or a structure or functionary of the council, in its consideration of any matter; or
- (c) be involved in a business venture with a councillor without the prior written consent of the council of the municipality.

## 8. Rewards, gifts and favours

- (1) A staff member of a municipality may not request, solicit or accept any reward, gift or favour for-
  - (a) persuading the council of the municipality, or any structure or functionary of the council, with regard to the exercise of any power or the performance of any duty;
  - (b) making a representation to the council, or any structure or functionary of the council;
  - (c) disclosing any privileged or confidential information; or
  - (d) doing or not doing anything within that staff member's powers or duties.
- (2) A staff member must without delay report to a superior official or to the speaker of the council any offer which, if accepted by the staff member, would constitute a breach of subitem (1).

## 9. Council property

A staff member of a municipality may not use, take, acquire, or benefit from any property or asset owned, controlled or managed by the municipality to which that staff member has no right.

## 10. Payment of arrears

A staff member of a municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months, and a municipality may deduct any outstanding amounts from a staff member's salary after this period.

#### **11. Participation in elections**

A staff member of a municipality may not participate in an election of the council of the municipality, other than in an official capacity or pursuant to any constitutional right.

#### **12. Sexual harassment**

A staff member of a municipality may not embark on any action amounting to sexual harassment.

#### **13. Reporting duty of staff members**

Whenever a staff member of a municipality has reasonable grounds for believing that there has been a breach of this Code, the staff member must without delay report the matter to a superior officer or to the speaker of the council.

#### **14. Breaches of Code**

Breaches of this Code must be dealt with in terms of the disciplinary procedures of the municipality envisaged in section 67 (1) (h) of this Act.

#### **15. A Disciplinary steps**

- (1) A breach of this Code is a ground for dismissal or other disciplinary steps against a staff member who has been found guilty of such a breach.
- (2) Such other disciplinary steps may include-
  - (a) suspension without pay for no longer than three months;
  - (b) demotion;
  - (c) transfer to another post;
  - (d) reduction in salary, allowances or other benefits; or
  - (e) an appropriate fine.

[Para. 14A added by s. 29 of Act 44 of 2003 (wef 1 August 2004).]

### **Schedule 3**

#### **LEGISLATION AMENDED**

<sup>1</sup> Repeals sections 31 and 32 of, and Schedule 5 to, the Local Government: Municipal Structures Act 117 of 1998.

<sup>2</sup> Amends section 27 of the Local Government: Municipal Structures Act 117 of 1998 by substituting paragraph (d).

<sup>3</sup> Amends section 81 of the Local Government: Municipal Structures Act 117 of 1998 by substituting subsection (5).

<sup>4</sup> Amends section 82 of the Local Government: Municipal Structures Act 117 of 1998 by adding subsection (2), the existing section becoming subsection (1).

Amends Schedule 4 of the Public Finance Management Act 1 of 1999 by adding item 2.

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# Annexure I: The Local Government – Disciplinary Regulations for Senior Managers

GOVERNMENT NOTICE

## DEPARTMENT OF CO-OPERATIVE GOVERNANCE

21 April 2011

### LOCAL GOVERNMENT: DISCIPLINARY REGULATIONS FOR SENIOR MANAGERS, 2010

I, Emmanuel Nkosinathi Mthethwa, Acting Minister for Cooperative Governance and Traditional Affairs, after consultation with the MEC's responsible for local government, organised local government and the bargaining council designated for municipalities, hereby, under section 120 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), make the regulations in the Schedule.

#### SCHEDULE

#### ARRANGEMENT OF REGULATIONS

#### CHAPTER 1

#### INTERPRETATION

1. Definitions

#### CHAPTER 2

#### DISCIPLINARY CODE AND PROCEDURES

2. Purpose and application
3. Principles
4. Policy
5. Disciplinary procedures
6. Precautionary suspension
7. Less serious misconduct
8. Serious misconduct
9. Notice of disciplinary hearing
10. Conducting disciplinary hearing
11. Pre-dismissal arbitration
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#### CHAPTER 3

#### PROCEDURES FOR DEALING WITH SUBSTANDARD PERFORMANCE

14. Purpose
15. Policy and principles
16. Procedures for dealing with substandard performance

## CHAPTER 4 GENERAL

17. Transitional arrangements
18. Recording
19. Reporting
20. Repeal
21. Short title

Annexures A to G

## CHAPTER 1 INTERPRETATION

### Definitions

1. (1) In these Regulations, a word or expression to which a meaning has been assigned in the act has the same meaning as in the Act, unless the context indicates otherwise -
  - (a) **"bargaining council"** means the bargaining council designated for municipalities in terms of the Labour Relations Act, 1995;
  - (b) **"days"** means calendar **days**;
  - (c) **"employment contract"** means a contract contemplated in section 57 of the Act;
  - (d) **"fellow staff member"** means an employee of the municipality other than the senior manager charged with misconduct;
  - (e) **"financial misconduct"** means any misappropriation, mismanagement, waste, or theft of the finances of a municipality and also includes any form of financial misconduct specifically set out in section 171 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
  - (f) **"Mayor" includes** an executive Mayor;
  - (g) **"misconduct"** means any of the misconduct set out in Annexure A of these Regulations, and also includes less serious misconduct and serious misconduct as set out in Part I and II of Annexure A;
  - (h) **"Municipal Performance Regulations for municipal managers and managers directly accountable to municipal managers, 2006"** means the regulations as published in GN R805 in GG 29089 of 1 August 2006;
  - (i) **"performance agreement"** means the agreement contemplated in section 57 of the Act;
  - (j) **"senior manager"** means -
    - (i) a municipal manager referred to in section 82(1) of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998); or

- (ii) a manager referred to in section 56 of the Act;
- (k) **"substandard performance"** means poor work or unacceptable performance or failing to meet the required standard set for the post; and
- (l) **"the Act"** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

In these Regulations a word or expression which is a derivative or other grammatical form of a word or expression defined in sub-regulation (1), has a corresponding meaning unless the context indicates that another meaning is intended.

## **CHAPTER 2**

### **DISCIPLINARY CODE AND PROCEDURES**

#### **Purpose and application**

- 2. (1) This Disciplinary Code -
  - (a) applies to all -
    - (i) municipalities;
    - (ii) senior managers; and
  - (b) is intended to -
    - (i) provide an internal mechanism for management of misconduct;
    - (ii) establish standard procedures for the management of misconduct;
    - (iii) support constructive labour relations;
    - (iv) ensure a common understanding of misconduct and discipline;
    - (v) promote mutual respect between senior managers and council;
    - (vi) promote acceptable conduct;
    - (vii) avert and correct unacceptable conduct; and
    - (viii) prevent arbitrary or discriminatory actions.
  - (c) prevails in the event of any inconsistency with any systems and procedures adopted by a municipality in terms of section 67(l)(h) of the Act to the extent that those procedures apply to senior managers.

#### **Principles**

- 3. (1) This Disciplinary Code is informed by the following principles:
  - (a) Discipline -
    - (i) is fundamentally a corrective measure and not punitive; and
    - (ii) must be applied in a prompt, fair, consistent and progressive manner.

- (2) This Disciplinary Code is necessary for the efficient delivery of services, and ensure that senior managers -
  - (a) have a fair hearing in a formal or informal setting;
  - (b) are timeously informed of allegations of misconduct made against them; and
  - (c) receive written reasons for any decisions taken against them.
- (3) A disciplinary hearing must -
  - (a) take place in the area of jurisdiction of the municipality; and (b) be concluded within the shortest possible time.
- (4) Except in exceptional circumstances, a disciplinary action may not be taken against a senior manager until a full investigation has been carried out.

### **Policy**

- 4** (1) If a senior manager is alleged to have committed misconduct, the municipal council must institute disciplinary proceedings in accordance with this Disciplinary Code.
- (2) The maintenance of discipline is the responsibility of the municipality.
- (3) Discipline must be effected with due regard to -
  - (a) the Code of Conduct for municipal staff members as contained in Schedule 2 of the Act; and
  - (b) the Code of Good Practice provided for in Schedule 8 of the Labour Relations Act, 1995 (Act No. 66 of 1995).
- (4) The principles of natural justice and fairness must be adhered to notwithstanding criminal or civil action having been instituted.
- (5) Disciplinary procedures may not be dispensed with as a result of criminal, civil or other action having been instituted, or pending the outcome of such action.

### **Disciplinary procedures**

- 5.** (1) Any allegation of misconduct against a senior manager must be brought to the attention of the municipal council.
- (2) An allegation referred to in sub-regulation (1) must be tabled by the Mayor or the municipal manager, as the case may be, before the municipal council not later than seven [7] days after receipt thereof, failing which the Mayor may request the Speaker to convene a special council meeting within seven [7] days to consider the said report.
- (3) If the municipal council is satisfied that -
  - (a) there is a reasonable cause to believe that an act of misconduct has been committed by the senior manager, the municipal council must within seven [7] days appoint an independent investigator to investigate the allegation[s] of misconduct; and

- (b) there is no evidence to support the allegation[s] of misconduct against the senior manager, the municipal council must within seven [7] days dismiss the allegation[s] of misconduct.
- (4) The investigator appointed in terms of sub-regulation (3)(a) must, within a period of thirty [30] days of his or her appointment, submit a report with recommendations to the Mayor or municipal manager, as the case may be.
- (5) The report contemplated in sub-regulation (4) must be tabled before the municipal council in the manner and within the timeframe as set out in sub-regulation (2).
- (6) After having considered the report referred to in sub-regulation (4), the municipal council must by way of a resolution institute disciplinary proceedings against the senior manager.
- (7) The resolution in sub-regulation (6) must -
  - (a) include a determination as to whether the alleged misconduct is of a serious or a less serious nature;
  - (b) authorise the Mayor, in the case of municipal manager, or municipal manager, in the case of the manager, directly accountable to the municipal manager to
    - (i) appoint -
      - (aa) an independent and external presiding officer; and (bb) an officer to lead evidence; and
    - (ii) sign the letters of appointment.

### **Precautionary suspension**

- 6. (1) The municipal council may suspend a senior manager on full pay if it is alleged that the senior manager has committed an act of misconduct, where the municipal council has reason to believe that -
  - (a) the presence of the senior manager at the workplace may -
    - (i) jeopardise any investigation into the alleged misconduct;
    - (ii) endanger the well-being or safety of any person or municipal property; or
    - (iii) be detrimental to stability in the municipality; or (b) the senior manager may -
      - (i) interfere with potential witnesses; or
      - (ii) commit further acts of misconduct.
  - (2) Before a senior manager may be suspended, he or she must be given an opportunity to make a written representation to the municipal council why he or she should not be suspended, within seven [7] days of being notified of the council's decision to suspend him or her.
  - (3) The municipal council must consider any representation submitted to it by the senior manager within seven [7] days.

- (4) After having considered the matters set out in sub-regulation (1), as well as the senior manager's representations contemplated in sub-regulation (2), the municipal council may suspend the senior manager concerned.
- (5) The municipal council must inform -
  - (a) the senior manager in writing of the reasons for his or her suspension on or before the date on which the senior manager is suspended; and
  - (b) the Minister and the MEC responsible for local government in the province where such suspension has taken place, must be notified in writing of such suspension and the reasons for such within a period of seven [7] days after such suspension.
- (6)
  - (a) If a senior manager is suspended, a disciplinary hearing must commence within three months after the date of suspension, failing which the suspension will automatically lapse.
  - (b) The period of three months referred to in paragraph (a) may not be extended by council.

### **Less serious misconduct**

7. (1) If the municipal council decides that the alleged misconduct is of a less serious nature, the -
  - (a) Mayor must, in the case of the municipal manager -
    - (i) bring the alleged misconduct to the senior manager's attention; and
    - (ii) give the senior manager the opportunity to respond to the allegations.
  - (b) municipal manager must, in the case of the manager directly accountable to the municipal manager -
    - (i) bring the alleged misconduct to the senior manager's attention; and
    - (ii) give the senior manager the opportunity to respond to the allegations.
- (2) If after having considered the response from the senior manager, the Mayor, in the case of the municipal manager, or the municipal manager, in the case of the manager directly accountable to the municipal manager, decides that the senior manager is guilty of misconduct, the Mayor or the municipal manager, as the case may be, may, only after due processes, impose any of the following sanctions with or without conditions:-
  - (i) corrective counselling;
  - (ii) verbal warning;
  - (iii) written warning in a format compliant with Annexure B; or
  - (iv) final written warning in a format compliant with Annexure C.
- (3) A copy of a written warning must be given to the senior manager, who must acknowledge receipt thereof by signing it.
- (4) If the senior manager refuses to sign the written warning, the Mayor or the municipal manager, whatever the case may be, must hand over the warning to the senior manager in the presence

of a fellow staff member, who shall sign as confirmation that the written warning was conveyed to the senior manager.

- (5) The written warning must be filed in the senior manager's personal file which remains valid for a period of six months.
- (6) If during the six-months period, the senior manager is found guilty of a similar or related misconduct, the written warning may be taken into account in deciding on an appropriate sanction; or
- (7) If at the expiry of the six-months period, the senior manager has not been found guilty of a similar or related misconduct, the written warning must be expunged from the senior manager's personal file and destroyed.

### **Serious misconduct**

8. (1) The officer leading evidence who has been appointed in terms of sub-regulation 5(7)(b)
  - (a) must, within 30 days of his or her appointment, formulate and serve charges of the alleged misconduct in a format compliant with Annexure D; and
  - (b) may summons any witness to appear before the disciplinary hearing in a format substantially compliant with Annexure E.
- (2) The charge sheet contemplated in sub-regulation (1) must inform the senior manager of –
  - (a) the alleged act or acts of misconduct;
  - (b) the time, date and venue at which the hearing will be conducted;
  - (c) the name of the presiding officer and the officer leading evidence;
  - (d) the address at which notices and correspondence may be served on such officer;
  - (e) the right to appoint a representative of his or her choice, who may be a fellow staff member, shop steward, union official or any other suitably qualified person;
  - (f) the right to request further particulars or access to documentation or copies thereof from the officer leading evidence, in writing, within seven [7] days of receipt of the charge sheet;
  - (g) the right to an interpreter, whose presence must be requested by notice in writing, addressed to the officer leading evidence within seven [7] days of receipt of the charge sheet;
  - (h) the right to call witnesses to testify on his or her behalf;
  - (i) the fact that any request for a postponement should be directed to the officer leading evidence in writing not later than seven [7] days after receipt of the charge sheet; and
  - (j) the fact that the enquiry may be conducted in his or her absence if the senior manager or his or her representative fails to attend the hearing, which includes the making of a finding and the possible imposition of a suitable sanction.

- (3) The charge sheet contemplated in sub-regulation (1) must be delivered by hand or registered mail to the senior manager together with the notice of the disciplinary hearing.
- (4) Where a senior manager is accused of a financial misconduct which constitutes a criminal offence, the Mayor or municipal manager, as the case may be, must report the matter to the South African Police in terms of the Municipal Finance Management Act, 2003.

### **Notice of disciplinary hearing**

9. (1) The notice contemplated in sub-regulation 8(3) must be given to the senior manager in writing at least seven [7] days before the date of the hearing.
  - (2) The notice of the disciplinary hearing contemplated in sub-regulation (1) must substantially be compliant with Annexure F.
  - (3) If the notice was sent by registered mail, the date on which the registered letter was signed for will be regarded as the date of receipt by the senior manager.
  - (4) (a) If the notice is delivered by hand the senior manager must acknowledge receipt of the notice by signing a copy of the notice.
    - (b) If the senior manager refuses to sign the notice as acknowledgement of receipt of such a notice, it must be given to the senior manager in the presence of a fellow staff member, who must sign in confirmation that the notice was conveyed to the senior manager.

### **Conducting disciplinary hearing**

10. (1) The disciplinary hearing must commence -
  - (a) within three months of the resolution to institute disciplinary action; and
  - (b) on a date not less than seven [7] days and not more than ten (10) days from the date of service of the charge sheet and the written notice of the disciplinary hearing on the senior manager.
- (2) The hearing must be conducted by the presiding officer who may determine the procedures to be followed, provided that the -
  - (a) rules of natural justice are adhered to at all times;
  - (b) matter is speedily resolved with the minimum of legal formalities;
  - (c) presiding officer in discharging his or her obligations -
    - (i) exercises care, diligence and acts impartially; and
    - (ii) does not consult or confer with any of the parties or their representatives on the merits or demerits of the case.
- (3) The officer leading evidence -
  - (a) must commence the disciplinary hearing by reading out the charges to the senior manager;

- (b) may call witnesses and produce book[s], document[s] or object(s);
  - (c) may cross-examine any witness called to testify on behalf of the senior manager;
  - (d) may inspect any book[s], document[s] or object[s] produced by the senior manager;  
and
  - (e) must present arguments on the merits of the case.
- (4) The senior manager has the right to -
- (a) be heard in person or through a representative;
  - (b) call witnesses and produce book[s], document[s] or object[s];
  - (c) cross-examine any witness called to testify by the officer leading evidence; and
  - (d) inspect any book[s], documents] or object[s] produced by the officer leading evidence.
- (5) The presiding officer -
- (a) may, at any time during the hearing -
    - (i) ask any party any questions to clarify any matter;
    - (ii) ask any party or his or her witnesses any question on any matter relevant to the charges;
    - (iii) proceed with the hearing if no satisfactory reasons are furnished for the absence of the party against whom charges of misconduct are being brought;
    - (iv) make such interim determinations or rulings as he or she deems necessary; and
  - (b) must -
    - (i) after having considered the evidence before him or her, make a finding;
    - (ii) in the event of a verdict of guilt, invite and hear any plea in mitigation or aggravation of sanction by the senior manager prior to imposing a sanction;  
and
    - (iii) impose an appropriate sanction.
- (6) The presiding officer must, by not less than ten [10] days after the last day of the hearing, provide the municipality and senior manager or his or her representative with-
- (a) written reasons for the finding contemplated in sub-regulation (5)(b)(i); and
  - (b) a copy of the sanction.

### **Pre-dismissal arbitration**

- 11.** (1) The municipal council may, with the consent of the senior manager, request the Commission for Conciliation Mediation and Arbitration to conduct an arbitration into allegations of

misconduct or poor performance against a senior manager as provided for under section 188A of the Labour Relations Act, 1995 (Act No. 66 of 1995).

- (2) The decision of the arbitrator appointed in terms of sub-regulation (1) shall be final and binding and only subject to review by the Labour Court.
- (3) The provisions of section 138 of the Labour Relations Act, read with the changes required by the context, apply to any pre-dismissal arbitration.

## **Sanctions**

12. (1) The presiding officer may impose any, or a combination of the following sanctions, with or without conditions:
  - (a) suspension without pay for no longer than three months;
  - (b) demotion;
  - (c) transfer to another post;
  - (d) reduction in salary, allowances or other benefits;
  - (e) an appropriate fine; or
  - (f) dismissal.
- (2) The presiding officer must -
  - (a) impose a sanction within ten [10] days of the completion of the hearing;
  - (b) advise the municipal council and the senior manager in writing of the finding and sanction;
  - (c) advise the senior manager of the right to lodge a dispute;
  - (d) formally document the sanction, a copy of which must be handed to the senior manager in a format compliant with Annexure G; and
  - (e) submit a record of the proceedings to the municipal council, within ten [10] days after imposing the sanction.
- (3) The municipality must -
  - (a) implement the sanction imposed by the presiding officer; and
  - (b) report the outcome of any disciplinary hearing within fourteen [14] days after the finalisation of such disciplinary hearing to the Minister and MEC responsible for local government in the province.
  - (c) where financial misconduct is involved, report to the MEC responsible for finance in the province and the Auditor-General as prescribed in the Municipal Finance Management Act, 2003.

## **Dispute resolution mechanisms**

- 13.** (1) A senior manager has the right to refer a dispute against any disciplinary finding and/or sanction imposed on him or her at a disciplinary hearing to the Bargaining Council, Commission for Conciliation, Mediation and Arbitration or an accredited agency in terms of section 133 of the Labour Relations Act 1995 (Act No. 66 of 1995).
- (2) A dispute contemplated in sub-regulation (1) must be lodged within thirty [30] days of receipt of a written notification of the sanction.

## **CHAPTER 3**

### **PROCEDURES FOR DEALING WITH SUBSTANDARD**

#### **PERFORMANCE**

#### **Purpose**

- 14.** (1) These procedures -
- (a) apply to all municipalities and senior managers; and
  - (b) are intended to -
    - (i) create an enabling environment to facilitate effective performance by the senior managers;
    - (ii) provide the senior managers with access to skills development and capacity building opportunities in order to promote efficient and effective performance;
    - (iii) provide remedial and developmental support to assist the senior managers to deal with substandard performance; and
    - (iv) ensure that the municipal council and senior managers work collaboratively to generate solutions to problems and improve the performance of senior managers.

#### **Policy and principles**

- 15.** (1) These procedures must be read in conjunction with regulation 32 of the Municipal Performance Regulations for municipal managers and managers directly accountable to municipal managers, 2006.
- (2) The Code of Good Practice provided for in Schedule 8 of the Labour Relations Act, 1995, constitutes part of this procedures, in respect of poor work performance.
- (3) The municipality must assess the senior managers' performance by considering -
- (a) the extent to which the substandard performance impacts on the work of the municipality and the achievement of municipal goals;
  - (b) the extent to which the senior manager fails to meet the required performance standards set by the municipal council;

- (c) the extent to which the senior manager lacks the necessary skills, competencies and expertise to meet the performance objectives and targets for his or her post as contained in the performance agreement; and
- (d) the nature of the senior manager's work and responsibilities.

### **Procedures for dealing with substandard performance**

- 16.** (1) If the municipality has reason to believe that a senior manager is not performing in accordance with the minimum performance standards of his or her post, the Mayor, in the case of the municipal manager or the municipal manager, in case of the manager directly accountable to the municipal manager must –
- (a) convene a meeting to give feedback to the senior manager on his or her performance;
  - (b) furnish the senior manager with reasons why it is necessary to initiate this procedure.
- (2) In the meeting contemplated in sub-regulation (1)(a), the Mayor or the municipal manager, as the case may be, must –
- (a) explain the requirements, level, skills and nature of the post;
  - (b) evaluate the senior manager's performance in relation to the performance agreement;
  - (c) explain the reasons why the performance is considered substandard; and
  - (d) afford the senior manager or his or her representative an opportunity to respond to the performance outcomes referred to in paragraph (c); and
- (3) After considering the senior manager's reasons, the Mayor or the municipal manager may, if necessary –
- (a) initiate a formal programme of counselling and training to enable the senior manager to reach the required standard of performance, which must include –
    - (i) assessing the time that it will take for the senior manager to deal with substandard performance;
    - (ii) establishing realistic timeframes within which the municipality will expect the senior manager to meet the required performance standards; and
    - (iii) identifying and providing appropriate training for the senior manager to reach the required standard of performance.
  - (b) establish ways to address any factors that may affect the senior manager's performance that lie beyond the senior manager's control.
- (4) If the senior manager fails to meet the required performance standard for the post after being subjected to a formal programme of counselling and training as contemplated in sub-regulation (3), the –
- (a) Mayor, in the case of the municipal manager, or municipal manager, in the case of the manager directly accountable to the municipal manager, may –

- (i) regularly evaluate the senior manager's performance; or
  - (ii) provide further remedial or developmental support to assist the senior manager to eliminate the substandard performance.
- (5) If the senior manager's performance does not improve after he or she received appropriate performance counselling and the necessary support and reasonable time to improve his or her performance as contemplated in sub-regulation (4), or he or she refuses to follow a formal programme of counselling and training contemplated therein-
- (a) the Mayor, in the case of the municipal manager, or the municipal manager, in the case of the manager directly accountable to the municipal manager, must bring the allegations of substandard performance against the senior manager to the attention of the municipal council in the form of a report.
  - (b) the Mayor or the municipal manager, whatever the case may be, must table the report contemplated in paragraph (a) before the municipal council not later than seven [7] days after receipt thereof, failing which the Mayor may request the Speaker to convene a special council meeting within seven [7] days to consider the said report.
- (6) If the municipal council is satisfied that sufficient evidence exist to institute disciplinary proceedings against the senior manager on the basis of the alleged substandard performance -
- (a) the municipal council must do so by way of a resolution; and (b) the Mayor, in the case of the municipal manager, or the municipal manager, in the case of the manager directly accountable to municipal manager, must -
    - (i) furnish the senior manager with written reasons why it is necessary to initiate this procedure; and
    - (ii) invoke the provisions of regulation 8 of these Regulations.

## **CHAPTER 4 GENERAL**

### **Transitional arrangements**

- 17.** (1) Any disciplinary process instituted prior to the commencement of these Regulations must -
- (a) be finalised in terms of the Code and Procedures or any policies which were applicable at the time when the proceedings were instituted]; or
  - (b) by mutual agreement in writing between the senior manager and the municipal council, be finalised in terms of these Regulations.

### **Recording**

- 18.** (1) The proceedings at the hearing must be recorded by means of a mechanical or electronic device or any other method and must be transcribed in writing.

- (2) Records of the proceedings contemplated in sub-regulation (1) must be kept in safe custody by the municipal council and may only be disposed of in terms of the National Archives of South Africa Act, 1996 (Act No. 66 of 1995); and
- (3) A copy must be provided to the senior manager on written request.

### **Reporting**

- 19.** (1) Municipalities must provide quarterly reports on the status of disciplinary cases to the MEC responsible for local government in the province.
- (2) The MEC must, within fourteen [14] days of receipt of the report referred to in sub-regulation (1), submit the report to the Minister.
- (3) The format for reporting contemplated in sub-regulation (1) must include -
  - (a) the date the allegation of misconduct was brought to the attention of the municipal council;
  - (b) the date the municipal council made a resolution to institute disciplinary proceedings against the senior manager;
  - (c) if the senior manager is suspended, -
    - (i) the date of suspension;
    - (ii) the reason for suspension; and
    - (iii) the conditions of suspension.
  - (e) the status of the alleged misconduct, including -
    - (i) the date of commencement of the disciplinary hearing;
    - (ii) pre-dismissal arbitration (if any);
    - (iii) the finding;
    - (iv) the sanction; and
    - (v) the number of disciplinary cases that were finalised after the senior manager has resigned;
    - (vi) the date on which the dispute was referred for arbitration (if applicable); and
  - (f) costs incurred by the municipality towards the finalisation of the disciplinary case.

### **Repeal**

- 20.** These Regulations repeal regulation 16 and 17(2) and (3) of the Municipal Performance Regulations for municipal managers and managers directly accountable to municipal managers, 2006.

**Short title**

21. These regulations are called the Local Government: Disciplinary Regulations for Senior Managers.

ANNEXURE A

**ACTS OF MISCONDUCT**

A senior manager will be guilty of misconduct if he or she -

**PART I**

**Less serious misconduct**

1. absents himself or herself from duty without leave;
2. without written approval from his or her municipality, performs work for compensation in a private capacity for another person or organisation either during or outside working hours;
3. while on duty, conducts himself or herself in an improper, disgraceful and unacceptable manner;
4. demonstrates any rude, abusive, insolent, provocative, intimidating or aggressive behaviour to a fellow staff member;
5. participates, either individually or with others, in any form of action, which will have the effect of disrupting the operations of the municipality, other than actions contemplated by the Labour Relations Act, 1995 (Act No. 66 of 1995);
6. wrongfully discloses privileged information;
7. while on duty, is under the influence of intoxicating, illegal, unauthorised, habit-forming or stupefying drug, including alcohol;
8. displays disrespect towards others in the workplace or displays abusive or insolent behaviour;
9. intimidates or victimises fellow staff members;
10. prevents other staff members from belonging to any trade union or body; or
11. without permission, possesses or wrongfully uses the property of the municipality or that of another staff member or a visitor.

**PART II**

**Serious misconduct**

1. fails to comply with or contravenes any Act, regulation, or legal obligation relating to the employment relationship;
2. bribes or commits a financial misconduct or fraud or corruption;
3. wilfully, intentionally or negligently damages or causes loss of municipal property;

4. endangers the lives of self or others by disregarding safety rules or regulations;
5. prejudices the administration, discipline or efficiency of a municipality, office or institution of the municipality;
6. misuses his or her position in the municipality to promote or to prejudice the interest of any political party;
7. accepts any compensation in cash or otherwise from a member of the public or another staff member for performing his or her duties without written approval from the municipal council;
8. fails to carry out a lawful instruction without just or reasonable cause;
9. derelicts his or her duties, absents or repeatedly absents himself or herself from work without reason or prior permission;
10. commits an act of sexual harassment;
11. unfairly discriminates against others on the basis of race, gender, disability, pregnancy, marital status, ethnic and social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language, birth, family responsibility, HIV status, political opinion or other grounds prohibited by the Constitution;
12. performs poorly or inadequately for reasons other than incapacity;
13. contravenes the Code of Conduct for municipal staff members contained in schedule 2 of the Act;
14. assaults, or attempts or threatens to assault, another staff member or person while on duty;
15. incites other municipal staff to engage in unprocedural and unlawful conduct;
16. operates any money lending scheme for employees for own benefit during working hours or from the premises of the municipality;
17. carries or keeps a firearms] or other dangerous weapons] on municipal premises, without the written authorisation of the municipal council;
18. refuses to obey security regulations;
19. gives false statements or evidence in the execution of his or her duties;
20. falsifies records or any other documentation;
21. participates in unprocedural, unprotected or unlawful industrial action,
22. fails or refuses to follow a formal programme of counselling contemplated in these Regulations; or
23. commits a common law or statutory offence while on municipal premises.

**WRITTEN WARNING**

Name of senior manager: .....

Address:.....  
.....  
.....  
.....

Pursuant to a meeting between yourself (hereinafter referred to as the senior manager) and the Mayor/municipal manager held on ..... (date), you are hereby formally issued with a written warning in terms of Regulation 6(2) in consequent of the following act of misconduct committed by you:

.....  
.....  
.....  
.....  
.....

Should you commit a similar or related misconduct, this written warning may be taken into account in determining a more serious sanction.

The written warning will be placed in your personal file and will remain valid for a period of six months from the date of the written warning.

\_\_\_\_\_

Mayor/Municipal manager

\_\_\_\_\_

Date

Receipt of the abovementioned charge sheet acknowledged.

\_\_\_\_\_

Senior Manager

\_\_\_\_\_

Date

\_\_\_\_\_

Witness (if applicable)

\_\_\_\_\_

Date

**FINAL WRITTEN WARNING**

Name of senior manager: .....

Address:.....  
.....  
.....  
.....

Pursuant to a meeting between yourself (hereinafter referred to as the senior manager) and the Mayor/municipal manager held on ..... (date), you are hereby formally issued with a written warning in terms of Regulation 6(2) in consequent of the following act of misconduct committed by you:

.....  
.....  
.....  
.....  
.....

Should you commit a similar or related misconduct, this written warning may be taken into account in determining a more serious sanction.

This final written warning will be placed in your personal file and will remain valid for a period of six months from the date of the written warning.

\_\_\_\_\_  
Mayor/Municipal manager Date

Receipt of the abovementioned charge sheet acknowledged.

\_\_\_\_\_  
Senior Manager Date

\_\_\_\_\_  
Witness (if applicable) Date

**CHARGE SHEET**

In the disciplinary hearing of

.....

(Name of Municipality)

and

.....

(Name of senior manager)

You, ..... (hereinafter referred to as "the senior manager") of the ..... Municipality (hereinafter referred to as "the municipal council"), are hereby charged with misconduct as follows:

Charge 1:

That you are guilty of misconduct by

.....  
.....  
.....  
.....

In that

You .....  
.....  
.....  
.....

Charge 2:

That you are guilty of misconduct by

.....  
.....  
.....

In that

You .....  
.....  
.....  
.....

Charge 3:

That you are guilty of misconduct by

.....  
.....  
.....

In that

You .....  
.....  
.....  
.....

\_\_\_\_\_ Date  
Person Leading Evidence

Receipt of the abovementioned charge sheet acknowledged.

\_\_\_\_\_ Date  
Senior Manager

\_\_\_\_\_ Date  
Witness (if applicable)

**SUMMONS TO APPEAR BEFORE A DISCIPLINARY HEARING**

Name of witness .....

Address: .....  
.....  
.....  
.....

You are hereby summoned to appear before the presiding officer of a disciplinary hearing as a witness in respect of ..... (Name of senior manager) who has been charged with the following misconduct:

.....  
.....  
.....  
.....  
.....

The hearing has been scheduled as follows:

Date: .....

Time: .....

Venue: ..... Municipality

During the hearing you will be required to provide evidence orally or by way of document(s), book(s), or object(s) in your possession, custody or control, which may have a bearing on the matter.

\_\_\_\_\_

\_\_\_\_\_

Person Leading Evidence

Date

**NOTICE OF DISCIPLINARY HEARING**

In the disciplinary hearing of

.....

(Name of Municipality)

and

.....

(Name of senior manager)

1. You, ..... are hereby given notice to attend a disciplinary hearing in terms of regulation 8 scheduled as follows:

Date: .....

Time: .....

Venue: ..... Municipality

Charges: refer to attached charge sheet (Annexure D)

2. Your attention is drawn to the following;

- (a) You have the right to be represented by a fellow employee or any other suitably qualified person, provided that any costs incurred will be borne by you.
- (b) If you or your representative should fail to attend the hearing at the scheduled time and venue, the hearing may proceed in your absence.
- (c) You will be required to plead to the charges set out against you in the charge sheet.
- (d) The municipality will call witnesses and adduce evidence, orally or by way of documents, and you or your representative will have the right to cross-examine the witnesses called on behalf of the municipality, subject to the rights of any such witnesses.
- (e) You have the right to present your case and to call witnesses and adduce evidence, orally or by way of documents.
- (f) The proceedings will be conducted in English, and should you require an interpreter, you must inform the prosecutor in writing thereof, within 5 days of the date of receipt hereof.
- (g) Your attention is specifically drawn to the fact that the municipal council has appointed ..... to act as the person leading evidence and ..... to act as the presiding officer in the hearing.
- (h) Any request for further particulars or access to documentation or copies thereof must be directed to the person leading evidence, in writing, within 7 days of the date of receipt of the charge sheet.

- (i) Any request for a postponement must be directed to the person leading evidence, in writing, forthwith but not later than 7 days after the date of receipt of the charge sheet.
- (j) Your attention is further drawn to the provisions of the Labour Relations Act, 1995 (Act No. 66 of 1995), as well as the Code of Conduct contained in Schedule 2 to the Local Government: Municipal Systems Act, 2000 (Act No. 3 of 2000) which provisions will, where applicable, apply to the hearing.
- (k) Kindly note that the municipality reserves the right to amend the charges or add new charges, at any stage before you plead to the charges.
- (l) Should you require any additional information, you are welcome to contact the person leading evidence at the following contact details:

.....

Thus done and signed at ..... on this ..... Day of ..... (month)  
..... (year)

\_\_\_\_\_

Person Leading Evidence

I confirm notification of the abovementioned disciplinary hearing and further confirm that I will attend the disciplinary hearing:

\_\_\_\_\_

Senior Manager

\_\_\_\_\_

Date

I hereby confirm that the abovenamed senior manager received this notification but refused to acknowledge receipt of or confirm that he or she will attend the disciplinary hearing:

\_\_\_\_\_

Witness (if applicable)

\_\_\_\_\_

Date

**FINDING AND SANCTION OF DISCIPLINARY HEARING**

(Copy to be handed to the senior manager and failure or refusal by the senior manager to sign this document will not affect its validity)

Date of Disciplinary Hearing

.....  
Name of Presiding Officer:

.....  
Name of Senior Manager:

.....  
Name of Representative (where applicable):

.....  
Charges:

.....  
Finding:

.....  
Sanction:

\_\_\_\_\_  
Presiding Officer

\_\_\_\_\_  
Date

Receipt of the abovementioned charge sheet acknowledged.

\_\_\_\_\_  
Senior Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness (if applicable)

\_\_\_\_\_  
Date

---

## **Annexure J: The South African Government Bargaining Council – Disciplinary Procedure Collective Agreement**

### **SOUTH AFRICAN LOCAL GOVERNMENT**

#### **BARGAINING COUNCIL**

(Hereinafter referred to as the Council)

#### **DISCIPLINARY PROCEDURE**

#### **COLLECTIVE AGREEMENT**

In accordance with the provisions of the Labour Relations Act, 66 of 1995 as

amended ("the LRA") made and entered into by and between the:-

#### **SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION**

(Hereinafter referred to as SALGA, the Employers Organisation)

and

#### **INDEPENDENT MUNICIPAL AND ALLIED TRADE UNION**

(Hereinafter referred to as IMATLI)

and

#### **SOUTH AFRICAN MUNICIPAL WORKERS UNION**

(Hereinafter referred to as SAMWU)

(IMATU and SAMWU will together be referred to as the Trade Unions)

### **1. SCOPE OF AGREEMENT**

The terms of this Agreement shall be observed by all Employers and Employees who fall within the registered scope of the SALGBC.

### **2. EXCLUSIONS FROM COLLECTIVE AGREEMENT**

Municipal Managers and Employees appointed as senior managers who are directly accountable to Municipal Managers, in terms of sections 54A and 56 of the Municipal Systems Act 32 of 2000, as amended, shall be excluded from all the terms of this Agreement.

### **3. DEFINITIONS**

In this Agreement, unless the context clearly indicates otherwise, words and expressions which are defined in the Labour Relations Act, 66 of 1995 as amended ("the LRA") shall bear the same meaning

as in the LRA, Words importing the masculine gender shall include the feminine and vice versa, and the singular shall include the plural and vice versa.

**"days"** shall be a reference to working days.

**"fellow employee"** means an Employee employed by the same Municipality as the Employee being charged and excludes an Employee who is also a representative or office bearer of a non-recognised trade union.

**"legal practitioner"** means a person who is admitted to practice, and practices as an advocate or an attorney in South Africa.

**"recognised trade union"** means the trade union parties to this Agreement, IMATU and SAMWU.

#### **4. PERIOD OF OPERATION**

- 4.1 This Agreement shall come into operation in respect of the Parties to the Agreement on 1 February 2018 (the effective date) and shall remain in force and effect until 31 January 2023. Thereafter, the Agreement shall continue indefinitely in respect of the Parties to the Agreement.
- 4.2 This Agreement shall come into operation in respect of non-parties (which includes, but not limited to, municipal entities as defined in the Municipal Systems Act, 32 of 2000), on a date to be determined by the Minister of Labour and shall remain in force and effect until 31 January 2023 or such further period as determined by the Minister of Labour at the request of the Parties.

#### **5. INTENT**

- 5.1 The purpose of this Disciplinary Procedure is to establish a fair, common and uniform procedure for the management of Employee discipline.
- 5.2 This Disciplinary Procedure is a product of collective bargaining and the application thereof is peremptory.

#### **6. DISCIPLINARY POLICY**

- 6.1 Disciplinary action is not a punitive measure, but a corrective one.
- 6.2 Disciplinary action shall be implemented fairly, consistently, progressively and promptly.
- 6.3 The maintenance of discipline is the responsibility of management and falls within the control function of a supervisory position.
- 6.4 The principles of natural justice and fair procedure shall be adhered to notwithstanding any criminal and/or civil action having been instituted.
- 6.5 Subject to the requirements of substantive and procedural fairness, the Presiding Officer of the Disciplinary Hearing has the right to determine the sanction to be applied having regard to the seriousness of the offence, provided that it is consistent with the provisions set out herein.

- 6.6 This Disciplinary Procedure shall be published and issued to all Employees so that they are made aware, explicitly, of the standard of conduct expected in the workplace.
- 6.7 This Disciplinary Procedure, as may be amended, from time to time will define the disciplinary process and the rights and obligations of management and Employees.

## **7. DISCIPLINARY PROCEDURE**

- 7.1 An allegation of misconduct against an Employee shall be brought before the Municipal Manager or his authorised representative for consideration and decision.
- 7.2 The Municipal Manager or his authorised representative shall proceed forthwith, without undue delay, and with due regard to the necessity for disciplinary proceedings to commence promptly. This clause shall be read with clause 7.3 and clause 7.4 below.
- 7.3 If the Municipal Manager or his authorised representative is satisfied that there is prima facie cause to believe that an act of misconduct has been committed, he may institute disciplinary proceedings against the Employee concerned.
- 7.4 The Disciplinary Hearing shall commence as soon as reasonably possible, but no later than three (3) months from the date of the Municipal Manager's or his authorised representative's decision to institute disciplinary proceedings
- 7.5 In the event of an act of misconduct by an Employee that appears less serious, warranting a sanction less than a final written warning, a formal Disciplinary Hearing will not be required. The Employee shall be given an opportunity to make either verbal or written representations, either personally or through his representative, prior to a determination being made. Proper records shall be kept of the afore-mentioned proceedings.
- 7.6 In the event of misconduct that appears sufficiently serious to warrant a sanction more serious than a written warning, the Municipal Manager or his authorised representative shall institute disciplinary proceedings against the Employee and appoint a Presiding Officer as follows:
  - 7.6.1 The Municipal Manager or his authorised representative shall appoint, in the first instance, a suitably qualified person employed by the municipality, preferably one level or two above the Employee's position, to serve as the Presiding Officer.
  - 7.6.2 For the purposes of this clause 7.6, a suitably qualified person means a person sufficiently competent to preside over a Disciplinary Hearing.
  - 7.6.3 Should it not be possible to appoint a suitably qualified person, employed by the municipality, to serve as the Presiding Officer, due to a lack of suitably qualified persons, or where Presiding Officers are threatened or intimidated, the Municipal Manager or his authorised representative may appoint a suitably qualified external person, not employed by the municipality, to serve as the Presiding Officer.
- 7.7 The Municipal Manager or his authorised representative shall also appoint an Employer representative to represent the Employer and serve the function of prosecution, as follows:

- 7.7.1 The Municipal Manager or his authorised representative shall appoint, in the first instance, a suitably qualified person employed by the municipality, preferably one level or two above the Employee's position, to serve as Employer representative.
- 7.7.2 For the purposes of this clause 7.7, a suitably qualified person means a person sufficiently competent to serve as Employer representative and perform the function of prosecution.
- 7.7.3 Should it not be possible to appoint a suitably qualified person, employed by the municipality, to serve as Employer representative, due to a lack of suitably qualified persons, or where Employer representatives are threatened or intimidated, the Municipal Manager or his authorised representative may appoint a suitably qualified external person, from outside its employ, excluding a legal practitioner, to serve as Employer representative.
- 7.7.4 Neither the Employer nor the Employee shall be entitled to be represented by a legal practitioner in disciplinary proceedings, unless both parties agree, in writing, to allow legal representation, or if the Presiding Officer, upon receiving an application by any party, determines that it is reasonable to allow legal representation, having regard to the following factors:
  - 7.7.4.1 The nature of the questions of law raised by the Disciplinary Hearing;
  - 7.7.4.2 The complexity of the case;
  - 7.7.4.3 The public interest and
  - 7.7.4.4 The comparative ability of the opposing parties or their representatives to deal with the Disciplinary Hearing.
- 7.8 The Employer Representative shall, within five (5) days of his appointment, formulate and serve the charges to be brought against the Employee.
- 7.9 The charges shall be set out in a Notice of Disciplinary Hearing detailing:
  - 7.9.1 The date, time and venue at which the Disciplinary Hearing will be conducted;
  - 7.9.2 A description of the alleged misconduct, as contemplated in Annexure A, which shall set out sufficient details or particulars of the alleged offence(s) to allow the Employee a reasonable and fair opportunity to prepare a response to the charges;
  - 7.9.3 The names of the Presiding Officer and Employer Representative and the address at which notices, and relevant correspondence may be submitted;
  - 7.9.4 That the Employee may be represented by a suitably qualified representative of choice who shall be a fellow Employee, or a representative from a recognised trade union who may be a shop steward or a trade union official;
  - 7.9.5 That if the Employee, or his representative, fails to attend the enquiry without good cause, provided that the Notice of the Disciplinary Hearing has been properly served, the hearing may be conducted in his absence.

- 7.10 The Employer shall have the duty to prove that the Notice of a Disciplinary Hearing was properly served on the Employee. The notice shall be deemed to have been served if delivered either by registered mail, facsimile, e-mail, personal service or witnessed delivery. Where a Notice of a Disciplinary Hearing was served by e-mail, a copy of the sent e-mail indicating the successful dispatch to the other party and any attachments concerned shall serve as proof of service.
- 7.11 The Disciplinary Hearing shall commence within a reasonable time from the date of service of the Notice of Disciplinary Hearing, but not earlier than seven (7) days and not later than fifteen (15) days from the date of service.
- 7.12 The time-period referred to in clause 7.11 above may be amended by mutual-agreement between the Employer and the Employee or his representative. If there is no agreement, either party may apply to the Presiding Officer for an amendment of the time-period, in which case, the Presiding Officer shall consider the submissions by the parties and determine a new date for the Disciplinary Hearing.

## **8. CONDUCT OF THE DISCIPLINARY HEARING**

- 8.1 The Employer has the following rights and obligations at the hearing:
- 8.1.1 The duty to begin as well as the burden to prove each and every allegation of misconduct as set out in the Notice of Disciplinary Hearing, on a balance of probabilities;
  - 8.1.2 The right to call any witnesses and lead any evidence, which may include books, documents or any other relevant materials;
  - 8.1.3 The right to cross-examine any witness called to testify on behalf of the Employee and to have access to any books documents or relevant materials produced;
  - 8.1.4 The right to re-examine any of its own witnesses;
  - 8.1.5 The right to present argument based on the evidence in support of any submission.
- 8.2 The Employee has the following rights at the hearing:
- 8.2.1 The right to be heard, in person or through a representative, and to call any witnesses and lead any evidence which may include books, documents or any other relevant materials;
  - 8.2.2 The right to cross-examine any witness called to testify on behalf of the Employer and to have access to any books, documents or relevant materials produced;
  - 8.2.3 The right to re-examine any of his own witnesses;
  - 8.2.4 The right to present argument based on the evidence in support of any submission;
  - 8.2.5 The right to make application, on good cause shown, for the recusal of the Presiding Officer.
- 8.3 The Presiding Officer shall:

- 8.3.1 Determine the appropriate procedure to be followed, but shall conduct the enquiry fairly, expeditiously and with the minimum of legal formalities, provided that it shall not be to the prejudice of any party;
- 8.3.2 Observe the rules of natural justice in the conduct of the proceedings;
- 8.3.3 Unless otherwise agreed to by the parties, conduct the hearing in an adversarial manner;
- 8.3.4 Discharge his duties impartially, with care and diligence;
- 8.3.5 Refrain from consulting, conferring or having casual contact with any of the parties or their representatives regarding the case, while handling the matter, without the presence or consent of the other party concerned;
- 8.3.6 Be entitled to put questions of clarity to the parties or their witnesses on any relevant issue, provided that it shall not amount to cross-examination;
- 8.3.7 Make such interim determinations or rulings of law as he deems necessary;
- 8.3.8 Be entitled to ratify and approve any settlement reached by the Parties in the disposal of the whole or a portion of the issues;
- 8.3.9 Make a finding of fact after having considered and analysed the evidence;
- 8.3.10 Invite and hear any evidence or plea in mitigation, aggravation or extenuation prior to deciding on the sanction to impose, with due regard to the rule of law.
- 8.3.11 Impose, amongst others, any one of the following sanctions:
  - 8.3.11.1 A written warning;
  - 8.3.11.2 A final written warning;
  - 8.3.11.3 Suspension without pay for a maximum of ten (10) days, as referred to in clause 2.5 of Annexure A;
  - 8.3.11.4 Withholding of any salary increment for a period not exceeding twelve months;
  - 8.3.11.5 Demotion, with or without financial loss, to a post that is one level below the post which the Employee occupied before the finding of guilt; or
  - 8.3.11.6 Dismissal.
- 8.4 The Presiding Officer shall, within ten (10) days of the last day of the Disciplinary Hearing, confirm, in writing, the findings of fact and sanction imposed, in the event that the Employee was found guilty, and the reasons in support thereof. The Presiding Officer shall provide a copy of the determination to the Municipal Manager or his authorised representative and to the Employee or his representative.

- 8.5 The determination of the Presiding Officer cannot be altered by the Municipal Manager or any other governing structure of a municipality and shall be final and binding on the Employer and Employee, subject to remedies permitted in law and this procedure.
- 8.6 An Employee may not be re-charged at a subsequent Disciplinary Hearing for the same alleged misconduct, unless for circumstances permitted in law.

## **9. AN OPTIONAL SUMMARY PROCEDURE**

- 9.1 The Employer and the Employee may agree, in writing, to adopt the Summary Procedure as set out hereinafter, in which case, the Presiding Officer shall, to the extent that he deems necessary:
  - 9.1.1 Confirm whether or not the matter is ready for adjudication;
  - 9.1.2 Ascertain and record in writing, signed by himself and the parties, the facts to which the parties agree and the facts which are in dispute (hereinafter referred to as the issues);
  - 9.1.3 Receive from the Parties such documents, or copies thereof, as they consider relevant to the determination of the issues;
  - 9.1.4 Receive evidence or submissions, orally or in writing, sworn or un-sworn at joint meetings with the parties or, if the parties agree, by the interchange of written statements or submissions, between the parties, with copies to the Presiding Officer, provided that each party shall be given a reasonable opportunity to present evidence or make submissions and to respond to those of the other; and
  - 9.1.5 Issue a determination, in writing, within ten (10) days of the last day of the hearing, or submission of the last document to the Presiding Officer, if there was no hearing.

## **10. PLEA AGREEMENTS**

- 10.1 If the Employee wishes to plead guilty to the charge or charges, the Employee or his representative and the Employer representative may enter into a plea agreement on a sanction to be imposed.
- 10.2 The plea agreement shall be in writing, signed by the Employer representative and the Employee or his representative, and is subject to approval by the Presiding Officer.
- 10.3 The Presiding Officer shall consider and approve a plea agreement having considered all the relevant circumstances. If the plea agreement is approved by the Presiding Officer, a sanction shall be imposed on the Employee in accordance with the plea agreement. In the absence of such approval, the Disciplinary Hearing shall proceed as if the Employee has pleaded not guilty.

## **11. RIGHT TO TERMINATE SERVICE**

- 11.1 An Employee who receives a Notice of a Disciplinary Hearing, shall be entitled to resign, retire or terminate his employment on any other ground permitted in his contract of employment, with immediate effect, provided that:
- 11.1.1 The Employee does so prior to the handing down of a finding by the Presiding Officer;
  - 11.1.2 The Employee consents, in writing, to deductions of amounts owing by him to the Employer from any monies payable to him by the Employer, including, but not limited to, retirement fund monies arising out of, or in connection with, his termination of service.
- 11.2 If the Employee's resignation, retirement or termination of employment meets the requirements and conditions set out in clause 11.1 above, the Disciplinary Hearing shall not proceed.

## **12. DEALING WITH ABSCONDMENT**

- 12.1 An Employee who has absented himself for a period longer than ten (10) days without notification to the Employer, shall be deemed to have absconded from duty.
- 12.2 The Employer shall attempt to establish the whereabouts of the Employee and shall inform the Employee, in writing by letter, of his alleged abscondment and the consequences thereof. If the Employee cannot be located or has not responded to communication, the Employer shall proceed with the Disciplinary Hearing in his absence.
- 12.3 If the Employee reports for duty, after the steps referred to in clauses 12.1 and 12.2 above have already been taken, the Employee shall be afforded the opportunity to make verbal or written representations, either personally or through a representative, to the Municipal Manager or his authorised representative as to why he should be reinstated.
- 12.4 The Municipal Manager or his authorised representative may, after considering the Employee's representations, either reinstate him or confirm his dismissal. The decision to reinstate or confirm the dismissal shall be in writing and communicated to the Employee within five (5) days after it has been made.
- 12.5 Should the dismissal be confirmed, the Employee may appeal the decision utilising the appeal process set out in clause 17 below.

## **13. RECORDING OF PROCEEDINGS**

- 13.1 The proceedings of the Disciplinary Hearing shall be recorded by means of an electronic device.
- 13.2 The electronic recording of the proceedings shall be kept in safe custody by the Employer.
- 13.3 Upon request, the Employer shall provide a copy of the electronic recording, free of charge, to the Employee or his representative.

## **14. NON-ATTENDANCE**

- 14.1 Should an Employee fail to appear, either in person or through his representative, at the place and time set for the Disciplinary Hearing or Appeal Hearing, without good cause, and forty five (45) minutes has elapsed from the time set for the start of the hearing, and it has been established that the Notice of Disciplinary Hearing or Appeal Hearing was properly served on the Employee, the Disciplinary Hearing or Appeal Hearing may be conducted in the absence of the Employee and discipline effected or the appeal determined, as the case may be.
- 14.2 Should the Employer Representative not be able to attend a Disciplinary Hearing or an Appeal Hearing, the Employer Representative shall notify the Employee or his representative and the Presiding Officer, prior to the hearing, of the change in circumstances.

## **15. RIGHT OF REPRESENTATION**

- 15.1 An Employee shall be entitled to be represented at any enquiry, by a fellow Employee or a representative from a recognised trade union, who may be a shop steward or a trade union official.

## **16. PRE-CAUTIONARY SUSPENSION PENDING A DISCIPLINARY HEARING**

- 16.1 An employer may suspend the Employee or utilise him temporarily in another capacity pending an investigation into alleged misconduct if the Municipal Manager or his authorised representative has reasonable cause to believe that the Employee at the workplace may-
- 16.1.1 jeopardise any investigation into the alleged misconduct;
  - 16.1.2 interfere with potential witnesses; or
  - 16.1.3 commit further acts of misconduct.
- 16.2 If the Municipal Manager, or his authorised representative, intends to suspend an Employee, he shall give written notice of such intention and afford the Employee 48 hours to make representations as to why he should not be suspended. The Municipal Manager or his authorised representative shall make a determination, within (five) 5 days as to whether the Employee concerned shall be suspended or not, after having considered the representations.
- 16.3 Notwithstanding clauses 16.1 and 16.2 above, should the Municipal Manager, or his authorised representative, have reasonable cause to believe that the Employee's continued presence at the workplace poses a danger to the well-being or safety of any person or municipal property; or be detrimental to stability in the municipality; or demonstrates the potential to damage or tamper with the evidence; the Municipal Manager, or his authorised representative, may, in the notice of intention to suspend the Employee, also require the Employee to vacate the premises with immediate effect and invite the Employee to make representations within 48 hours as to why he should not be suspended. The Municipal Manager or his authorised representative shall make a determination, within five (5) days as to whether the Employee concerned shall be suspended or not, after having considered the representations.
- 16.4 The suspension or utilisation of the Employee in another capacity shall be for a fixed and pre-determined period and shall not exceed a period of three (3) months from the date that the Municipal Manager or his authorised representative is satisfied that there is a prima facie

case that an act of misconduct has been committed. However, where circumstances prohibit the conclusion of the Disciplinary proceedings within the afore-stated timeframes, such suspension or utilisation in another capacity can be extended for a further three (3) months.

- 16.5 Any suspension shall be on full remuneration.
- 16.6 Prior to such suspension the Municipal Manager or his authorised representative shall consider the written submission by the Employee or his representative and make a final determination regarding the suspension of the Employee.

## **17. APPEAL**

- 17.1 The Employee has the right to appeal against any disciplinary finding and/or sanction, which has been given at a Disciplinary Hearing. The Employee may waive his right to an appeal and the Employee may proceed directly to refer a dispute as provided for in the LRA.
- 17.2 Subject to clause 17.1 above, an appeal shall be lodged on the prescribed form within seven (7) days of receipt of written notification of the findings and sanction of the Disciplinary Hearing.
- 17.3 The grounds of appeal shall be clearly set out in the Employee's Notice of Appeal, provided that the failure by an Employee to raise a ground of appeal shall not preclude him from subsequently raising it before the Disciplinary Appeal Hearing.
- 17.4 The Presiding Officer of the Disciplinary Appeal Hearing shall fix the time and date of the hearing. The Disciplinary Appeal Hearing shall commence within reasonable time from the date of service of Notice of Appeal but shall take place not earlier than five (5) days and not later than ten (10) days from the date that the Notice of Appeal was lodged.
- 17.5 The time period referred to in clause 17.4 above may be amended by mutual agreement between the parties in consultation with the Presiding Officer of the Disciplinary Appeal Hearing. Failing agreement between the parties, either party may apply to the Presiding Officer of the Disciplinary Appeal Hearing for an extension of the time period. A new date for the Disciplinary Appeal Hearing shall in this instance be determined by the Presiding Officer of the Disciplinary Appeal Hearing to a mutually convenient time, date and place for the Disciplinary Appeal Hearing to take place.
- 17.6 In the case where the sanction imposed was to a maximum of final written warning, an appeal shall be heard by a management level above that of the Presiding Officer of the Disciplinary Hearing. In the case where the sanction imposed as a dismissal or a suspension without pay, an appeal shall be heard by a higher level of management who does not exercise direct management control over the affected Employee.
- 17.7 By agreement between the parties, an appeal may be heard by an arbitrator appointed by the parties to the appeal from the panel of arbitrators existing in the relevant division of the SALGBC.
- 17.8 The appeal shall be heard on the grounds of an appeal submitted by the Employee and any amendment thereto, by having regard to the record of the Disciplinary Hearing proceedings and the submissions and arguments of the parties based thereon.

- 17.9 The appeal shall not entail the rehearing of the matter afresh.
- 17.10 The Presiding Officer of the Disciplinary Appeal Hearing shall have the power to confirm or set aside any decision, determination or finding and to confirm, set aside or reduce any sanction imposed by the Presiding Officer of the Disciplinary Hearing.
- 17.11 A party shall deliver to the opposing party and to the Presiding Officer a brief statement of case at least two (2) days prior to the date of the Disciplinary Appeal Hearing. No further pleading shall be exchanged unless otherwise agreed.
- 17.12 The statement of case shall concisely set out the facts upon which a party relies, the conclusions of law upon which a party relies and the relief that a party seeks.
- 17.13 The Disciplinary Appeal Hearing shall be conducted in whatsoever manner and procedure that is deemed necessary, including the Summary Procedure as set out in clause 9 above, which produce as the most expeditions conclusion of the matter and provided that the rules of natural justice are adhered to.
- 17.14 The Disciplinary Appeal Hearing shall consider whether the finding and/or sanction imposed by the Disciplinary Hearing or procedure was fair and correct. The Presiding Officer of the Disciplinary Appeal Hearing shall be entitled to make an order in line with sub-clause 17.10 above.
- 17.15 The determination of the Presiding Officer of the Disciplinary Appeal Hearing cannot be altered by the Municipal Manager or any governing structure and shall be final and binding on the Employer subject to any remedies permitted by law.

## **18. COLLECTIVE MISCONDUCT**

- 18.1 Where Employees embarked on an unprotected strike the Employer shall inform the trade union and allow them a period of 48 hours to try and get their members back to work.
- 18.2 Ultimatum
- 18.2.1 If the trade union cannot succeed with getting their members back to work, the trade union shall be requested to indicate within a period of 48 hours why an ultimatum should not be issued to Employees to return to work or be dismissed.
- 18.2.2 The Employer shall consider the written submissions from the trade union and if not persuaded the Employer shall again indicate its intention to issue the ultimatum.
- 18.2.3 The Municipal Manager or his authorised representative shall issue the ultimatum. The ultimatum must be clear and allow the Employees a reasonable time to comply.
- 18.2.4 Those Employees who fail to return to work after the time stipulated in the ultimatum shall, together with their trade union/s be informed in writing of the charges against them and shall be given the opportunity to make any written submission (either personally or through their representatives) to the Municipal Manager or his authorised representative within ten (10) days from receiving the charges.

- 18.2.5 The Municipal Manager or his authorised representative shall appoint an independent Presiding Officer to consider the submissions by Employees and come to a finding on the charges by taking into consideration the length and duration of the unprotected strike, the reasons thereof, aggravating or mitigating circumstances and compliance (where applicable) with any ultimatum, and may further decide whether, having regard to all of the afore-going, different sanctions should be applied to any of the Employees involved.
- 18.2.6 The finding of the Presiding Officer shall be issued to the Employees within ten (10) days of receipt of the submissions by Employees.
- 18.2.7 The Employees or their representatives shall be invited to submit any written mitigating circumstances within ten (10) days of receiving the finding from the Presiding Officer.
- 18.2.8 The Presiding Officer shall consider the written mitigating circumstances submitted by the Employees or their representatives and shall issue his sanction determination within (ten) 10 days from receiving the submissions on mitigating circumstances from Employees.

## **19. INQUIRY BY ARBITRATOR**

- 19.1 An employer may, with the consent of the Employee, request the Council to conduct an arbitration into allegations about the conduct or capacity of an Employee as provided for under section 188A of the LRA.
- 19.2 Despite clause 19.1 above, if the Employee alleges in good faith that the holding of a Disciplinary Hearing contravenes the Protected Disclosures Act No. 26 of 2000, that Employee or the Employer may require that an inquiry by arbitrator be conducted into allegations by the Employer into the conduct or capacity of the Employee.
- 19.3 The request for an inquiry by arbitrator shall be filed in terms of the Rules for the Conduct of proceeding before the Council as set out in Annexure 8 of the Main Collective Agreement.
- 19.4 The provisions of sections 138 and 142 of the LRA, read with the changes required by the context, will apply to any inquiry by arbitrator.

## **20. DISPUTE RESOLUTION**

Disputes about the interpretation and application of this collective agreement shall be dealt with in terms of the dispute resolution mechanisms provided for in the Main Collective Agreement.

## **21. EXEMPTIONS**

Applications for exemption from this Agreement shall be dealt with in terms of the Exemption provisions of the Main Collective Agreement.

## 22. TRANSITIONAL PROVISIONS

- 22.1 Any disciplinary process instituted prior to the commencement of this Disciplinary Procedure, and not yet completed, shall:
- 22.1.1 Be finalised in terms of the Disciplinary Procedures which were applicable at the time when the proceedings were instituted; or
  - 22.1.2 By mutual written agreement between the Employee and the Municipality, be finalised in terms of this Disciplinary Procedure.

## ANNEXURE A

### CONDUCT AND SANCTIONS

#### 1. STANDARD OF CONDUCT

- 1.1 Employees are expected to comply, in every respect, with the conditions of employment and collective agreements and any related regulation, policy and practice, and to refrain from any conduct which would give just cause for discipline.
- 1.2 In particular, Employees should:
- 1.2.1 Attend work regularly and punctually;
  - 1.2.2 Conform to the reasonable dress and uniform requirements of the Employer;
  - 1.2.3 Perform their tasks and job responsibilities diligently, carefully and to the best of their ability;
  - 1.2.4 Obey all lawful and reasonable instructions given by a person having the authority to do so;
  - 1.2.5 Conduct themselves with honesty and integrity;
  - 1.2.6 Request permission in advance for any leave of absence whenever possible;
  - 1.2.7 Refrain from being absent from duty without leave or permission, except on good cause;
  - 1.2.8 Refrain from accepting any other normal working hours without the Department Head or Municipal Manager or his authorised representative, which permission shall not be unreasonably withheld;
  - 1.2.9 Refrain from any rude, abusive, insolent, provocative, intimidatory or aggressive behaviour to a fellow Employee or member of the public;
  - 1.2.10 Refrain from wilful or negligent behaviour, which may result in the damage of property;
  - 1.2.11 Refrain from participating, either individually or with others, in any form of action, which will have the effect of disrupting the operations of the Employer, other than actions contemplated by the LRA;

- 1.2.12 Refrain from wrongfully disclosing privileged information, subject to the provisions of the Protected Disclosures Act 26 of 2000; and
- 1.2.13 Refrain from consuming alcohol or using intoxicating drugs whilst on duty.

## **2. SANCTIONS FOR MISCONDUCT**

- 2.1 In accordance with the Disciplinary Policy, any sanction that is imposed for misconduct is intended to deter future repetition of that behaviour. The sanction imposed must be based on the seriousness of the offence and a consideration of the Employee's disciplinary record.
- 2.2 The imposition of discipline is progressive in that sanctions must be applied with increasing severity with the repetition of the offence. Sanctions will generally be applied by first issuing a written warning and then a final written warning, except in cases of misconduct which would constitute grounds for immediate dismissal or suspension without pay or the immediate imposition of a final written warning.
- 2.3 All written warnings and suspensions shall be recorded in the Employee's personal file.
- 2.4 A written warning, shall remain valid and on record of the Employee for a period of six (6) months from the date of imposition. A final written warning shall remain valid for a period of twelve (12) months from the date of imposition.
- 2.5 The Employer may impose, as a sanction, a suspension without pay having regard either to the serious nature of the misconduct or the fact that there has been a previous warning or warnings for the same behaviour, in which event the maximum period shall be ten (10) days. In the event of a suspension in excess of five (5) days, the suspension without pay shall be spread over three (3) monthly pay periods.
- 2.6 A suspension without pay shall be regarded as a sanction more serious than a final written warning.
- 2.7 As a guideline, an Employee may be dismissed on the first occasion for, among others:
  - 2.7.1 Intimidation, fighting and/or assault;
  - 2.7.2 Theft, unauthorised possession of or malicious damage to the Employer's property;
  - 2.7.3 Being under the influence of alcohol or intoxicating drugs whilst on duty such that performance is seriously impaired or diminished;
  - 2.7.4 The consumption of alcohol or intoxicating drugs whilst on duty if the nature of work to be performed is such that intoxication endangers the safety of the Employee or that of others;
  - 2.7.5 Any act of dishonesty;
  - 2.7.6 Any act of gross negligence;
  - 2.7.7 Gross insubordination;
  - 2.7.8 Wrongful disclosure of privileged information;

- 2.7.9 Any act of bribery or corruption; and
- 2.7.10 Any other act of misconduct which would, in law, constitute just cause for dismissal.

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## Annexure K: Extract from the Labour Relations Act Schedule 8 Code of Good Practice: Dismissal

### Schedule 8 CODE OF GOOD PRACTICE: DISMISSAL

[Schedule 8 amended by s. 57 of Act 42 of 1996 (wef 11 November 1996), by s. 29 (e) of Act 127 of 1998 (wef 1 February 1999) and by s. 56 of Act 12 of 2002 (wef 1 August 2002).]

#### 1. Introduction

- (1) This *code of good practice* deals with some of the key aspects of *dismissals* for reasons related to conduct and capacity. It is intentionally general. Each case is unique, and departures from the norms established by this Code may be justified in proper circumstances. For example, the number of *employees* employed in an establishment may warrant a different approach.
- (2) *This Act* emphasises the primacy of *collective agreements*. This Code is not intended as a substitute for disciplinary codes and procedures where these are the subject of *collective agreements*, or the outcome of joint decision-making by an employer and a *workplace forum*.
- (3) The key principle in this Code is that employers and *employees* should treat one another with mutual respect. A premium is placed on both employment justice and the efficient operation of business. While *employees* should be protected from arbitrary action, employers are entitled to satisfactory conduct and work performance from their *employees*.

#### 2. Fair reasons for dismissal

- (1) A *dismissal* is unfair if it is not effected for a fair reason and in accordance with a fair procedure, even if it complies with any notice period in a *contract* of employment or in legislation governing employment. Whether or not a *dismissal* is for a fair reason is determined by the facts of the case, and the appropriateness of *dismissal* as a penalty. Whether or not the procedure is fair is determined by referring to the guidelines set out below.
- (2) *This Act* recognises three grounds on which a termination of employment might be legitimate. These are: the conduct of the *employee*, the capacity of the *employee*, and the *operational requirements* of the employer's business.
- (3) *This Act* provides that a *dismissal* is automatically unfair if the reason for the *dismissal* is one that amounts to an infringement of the fundamental rights of employees and trade unions, or if the reason is one of those listed in section 187. The reasons include participation in a lawful strike, intended or actual pregnancy and acts of discrimination.
- (4) In cases where the dismissal is not automatically unfair, the employer must show that the reason for dismissal is a reason related to the employee's conduct or capacity, or is based on the operational requirements of the business. If the employer fails to do that, or fails to prove that the *dismissal* was effected in accordance with a fair procedure, the *dismissal* is unfair.

### 3. Disciplinary measures short of dismissal

[Heading substituted by s. 57 of Act 42 of 1996 (wef 11 November 1996) and by s. 29 (e) of Act 127 of 1998 (wef 1 February 1999).]

#### ***Disciplinary procedures prior to dismissal***

- (1) All employers should adopt disciplinary rules that establish the standard of conduct required of their *employees*. The form and content of disciplinary rules will obviously vary according to the size and nature of the employer's business. In general, a larger business will require a more formal approach to discipline. An employer's rules must create certainty and consistency in the application of discipline. This requires that the standards of conduct are clear and made available to *employees* in a manner that is easily understood. Some rules or standards maybe so well established and known that it is not necessary to communicate them.
- (2) The courts have endorsed the concept of corrective or progressive discipline. This approach regards the purpose of discipline as a means for *employees* to know and understand what standards are required of them. Efforts should be made to correct *employees'* behaviour through a system of graduated disciplinary measures such as counselling and warnings.
- (3) Formal procedures do not have to be invoked every time a rule is broken or a standard is not met. Informal advice and correction is the best and most effective way for an employer to deal with minor violations of work discipline. Repeated misconduct will warrant warnings, which themselves may be graded according to degrees of severity. More serious infringements or repeated misconduct may call for a final warning, or other action short of dismissal. Dismissal should be reserved for cases of serious misconduct or repeated offences. Dismissals for misconduct
- (4) Generally, it is not appropriate to dismiss an employee for a first offence, except if the misconduct is serious and of such gravity that it makes a continued employment relationship intolerable. Examples of serious misconduct, subject to the rule that each case should be judged on its merits, are gross dishonesty or wilful damage to the property of the employer, wilful endangering of the safety of others, physical assault on the employer, a fellow employee, client or customer and gross insubordination. Whatever the merits of the case for dismissal might be, a dismissal will not be fair if it does not meet the requirements of section 188.
- (5) When deciding whether or not to impose the penalty of dismissal, the employer should in addition to the gravity of the misconduct consider factors such as the employee's circumstances (including length of service, previous disciplinary record and personal circumstances), the nature of the job and the circumstances of the infringement itself.
- (6) The employer should apply the penalty of *dismissal* consistently with the way in which it has been applied to the same and other *employees* in the past, and consistently as between two or more *employees* who participate in the misconduct under consideration.

#### 4. Fair procedure

- (1) Normally, the employer should conduct an investigation to determine whether there are grounds for dismissal. This does not need to be a formal enquiry. The employer should notify the *employee* of the allegations using a form and language that the *employee* can reasonably understand. The *employee* should be allowed the opportunity to state a case in response to the allegations. The *employee* should be entitled to a reasonable time to prepare the response and to the assistance of a *trade union representative* or fellow *employee*. After the enquiry, the employer should communicate the decision taken, and preferably furnish the *employee* with written notification of that decision.
- (2) *Discipline against a trade union representative or an employee who is an office-bearer or official of a trade union should not be instituted without first informing and consulting the trade union.*
- (3) *If the employee is dismissed, the employee should be given the reason for dismissal and reminded of any rights to refer the matter to a council with jurisdiction or to the Commission or to any dispute resolution procedures established in terms of a collective agreement.*
- (4) *In exceptional circumstances, if the employer cannot reasonably be expected to comply with these guidelines, the employer may dispense with pre-dismissal procedures.*

#### 5. Disciplinary records

Employers should keep records for each *employee* specifying the nature of any disciplinary transgressions, the actions taken by the employer and the reasons for the actions.

#### 6. Dismissals and industrial action

- (1) Participation in a *strike* that does not comply with the provisions of Chapter IV is misconduct. However, *like* any other act of misconduct, it does not always deserve *dismissal*. The substantive fairness of *dismissal* in these circumstances must be determined in the light of the facts of the case, including-
  - (a) the seriousness of the contravention of *this Act*;
  - (b) attempts made to comply with *this Act*; and
  - (c) whether or not the *strike* was in response to unjustified conduct by the employer.
- (2) Prior to *dismissal* the employer should, at the earliest opportunity, contact a *trade union official* to discuss the course of action it intends to adopt. The employer should issue an ultimatum in clear and unambiguous terms that should state what is required of the *employees* and what sanction will be imposed if they do not comply with the ultimatum. The *employees* should be allowed sufficient time to reflect on the ultimatum and respond to it, either by complying with it or rejecting it. If the employer cannot reasonably be

expected to extend these steps to the *employees* in question, the employer may dispense with them.

## 7 Guidelines in cases of dismissal for misconduct

Any person who is determining whether a *dismissal* for misconduct is unfair should consider-

- (a) whether or not the *employee* contravened a rule or standard regulating conduct in, or of relevance to, the workplace; and
- (b) if a rule or standard was contravened, whether or not-
  - (i) the rule was a valid or reasonable rule or standard;
  - (ii) the *employee* was aware, or could reasonably be expected to have been aware, of the rule or standard;
  - (iii) the rule or standard has been consistently applied by the employer; and
  - (iv) *dismissal* was an appropriate sanction for the contravention of the rule or standard.

## 8 Probation

- (1) (a) An employer may require a newly-hired *employee* to serve a period of probation before the appointment of the *employee* is confirmed.
- (b) The purpose of probation is to give the employer an opportunity to evaluate the *employee's* performance before confirming the appointment.
- (c) Probation should not be used for purposes not contemplated by this Code to deprive employees of the status of permanent employment. For example, a practice of dismissing *employees* who complete their probation periods and replacing them with newly-hired *employees*, is not consistent with the purpose of probation and constitutes an unfair labour practice.
- (d) The period of probation should be determined in advance and be of reasonable duration. The length of the probationary period should be determined with reference to the nature of the job and the time it takes to determine the *employee's* suitability for continued employment.
- (e) During the probationary period, the *employee's* performance should be assessed. An employer should give an *employee* reasonable evaluation, instruction, training, guidance or counselling in order to allow the *employee* to render a satisfactory service.
- (f) If the employer determines that the *employee's* performance is below standard, the employer should advise the *employee* of any aspects in which the employer considers the *employee* to be failing to meet the required performance standards. If the employer believes that the *employee* is incompetent, the employer should advise the *employee* of the respects in which the *employee* is not competent. The employer may

either extend the probationary period or dismiss the *employee* after complying with subitems (g) or (h), as the case may be.

- (g) The period of probation may only be extended for a reason that relates to the purpose of probation. The period of extension should not be disproportionate to the legitimate purpose that the employer seeks to achieve.
- (h) An employer may only decide to dismiss an employee or extend the probationary period after the employer has invited the employee to make representations and has considered any representations made. A trade union representative or fellow employee may make the representations on behalf of the employee.
- (i) If the employer decides to dismiss the employee or to extend the probationary period, the employer should advise the employee of his or her rights to refer the matter to a council having jurisdiction, or to the Commission.
- (j) Any person making a decision about the fairness of a dismissal of an employee for poor work performance during or on expiry of the probationary period ought to accept reasons for *dismissal* that may be less compelling than would be the case in *dismissals* effected after the completion of the probationary period.

[Subitem (1) substituted by s. 56 of Act 12 of 2002 (wef 1 August 2002).]

(2) After probation, an *employee* should not be dismissed for unsatisfactory performance unless the employer has-

- (a) given the *employee* appropriate evaluation, instruction, training, guidance or counselling; and
- (b) after a reasonable period of time for improvement, the *employee* continues to perform unsatisfactorily.

(3) The procedure leading to *dismissal* should include an investigation to establish the reasons for the unsatisfactory performance and the employer should consider other ways, short of *dismissal*, to remedy the matter.

(4) In the process, the employee should have the right to be heard and to be assisted by a *trade union representative* or a fellow *employee*.

[Item 8 amended by s. 56 of Act 12 of 2002 (wef 1 August 2002).]

## **9 Guidelines in cases of dismissal for poor work performance**

Any person determining whether a *dismissal* for poor work performance is unfair should consider-

- (a) whether or not the *employee* failed to meet a performance standard; and
- (b) if the employee did not meet a required performance standard whether or not-

- (i) the *employee* was aware, or could reasonably be expected to have been aware, of the required performance standard;
- (ii) the *employee* was given a fair opportunity to meet the required performance standard; and
- (iii) *dismissal* was an appropriate sanction for not meeting the required performance standard.

## 10 Incapacity: Ill health or injury

- (1) Incapacity on the grounds of ill health or injury may be temporary or permanent. If an *employee* is temporarily unable to work in these *circumstances*, the employer should investigate the extent of the incapacity or the injury. If the *employee* is likely to be absent for a time that is unreasonably long in the circumstances, the employer should investigate all the possible alternatives short of *dismissal*. When alternatives are considered, relevant factors might include the nature of the job, the period of absence, the seriousness of the illness or injury and the possibility of securing a temporary replacement for the ill or injured *employee*. In cases of permanent incapacity, the employer should ascertain the possibility of securing alternative employment, or adapting the duties or work circumstances of the *employee* to accommodate the *employee's* disability.
- (2) In the process of the investigation referred to in subsection (1) the *employee* should be allowed the opportunity to state a case in response and to be assisted by a *trade union representative* or fellow *employee*.
- (3) The degree of incapacity is relevant to the fairness of any *dismissal*. The cause of the incapacity may also be relevant. In the case of certain kinds of incapacity, for example alcoholism or drug abuse, counselling and rehabilitation may be appropriate steps for an employer to consider.
- (4) Particular consideration should be given to employees who are injured at work or who are incapacitated by work-related illness. The courts have indicated that the duty on the employer to accommodate the incapacity of the *employee* is more onerous in these circumstances.

## 11 Guidelines in cases of dismissal arising from ill health or injury

Any person determining whether a *dismissal* arising from ill health or injury is unfair should consider

- (a) whether or not the employee is capable of performing the work; and
- (b) if the employee is not capable-
  - (i) the extent to which the *employee* is able to perform the work;
  - (ii) the extent to which the *employee's* work circumstances might be adapted to accommodate disability, or, where this is not possible, the extent to which the *employee's* duties might be adapted; and
  - (iii) the availability of any suitable alternative work.



## Municipal Budget Circular for the 2023/24 MTREF

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## Introduction

This budget circular provides guidance to municipalities with their compilation of the 2023/24 Medium Term Revenue and Expenditure Framework (MTREF). It 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 management 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 forecasts real economic growth of 1.9 per cent in 2022, compared with 2.1 per cent projected in the 2022 Budget Review, in response to global and domestic shocks. Growth is projected to average 1.6 per cent from 2023 to 2025. Implementing structural reforms, especially in the energy sector, remains crucial to improve the economy's productive capacity and competitiveness.

The recovery in economic activity that began in 2021 was driven by a strong rebound in global economic activity, high commodity prices and easing COVID-19 restrictions. The scarring impact of the pandemic on employment and investment decisions will likely weigh on the recovery over the medium term. Investment remains well below pre-pandemic levels.

The economy grew by 1.4 per cent in the first half of 2022 compared with the first half of 2021. Real GDP grew more than expected in the first quarter of 2022, with output returning to pre-pandemic levels. However, a deteriorating global environment, flooding in KwaZulu-Natal and the Eastern Cape, industrial action in the electricity and mining sectors, and prolonged and intense power cuts resulted in a broad-based contraction across most sectors during the second quarter. The third quarter was marked by frequent and prolonged power cuts, which significantly disrupted economic activity.

The following macro-economic forecasts must be considered when preparing the 2023/24 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2021 - 2026**

Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Forecast		
CPI Inflation	5.2%	6.8%	4.7%	4.6%	4.6%

Source: Medium Term Budget Policy Statement 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.

It is noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections.

## 2. Key focus areas for the 2023/24 budget process

### 2.1 Local government conditional grants allocations

Over the 2023 MTEF period, conditional grant allocations to municipalities will grow below inflation. This is due to a higher 2022/23 baseline (R3.8 billion) added to local government conditional grants in the 2022 Division of Revenue Amendment Act. Over the next three years, total local government resources, including the equitable share and indirect conditional grants increase at an annual average rate of 6 per cent.

The local government equitable share increases at an annual average rate of 7.8 per cent and municipal conditional grants increase by 3.6 per cent over the 2023 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 2023 MTEF period.

The annual Division of Revenue Bill will be published in February 2023 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 2022 Division of Revenue Act to compile their 2023/24 MTREF. In terms of the outer year allocations (2025/26 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2022 Division of Revenue Act for 2022/23. The DoRA is available at:

<http://www.treasury.gov.za/documents/national%20budget/2022/default.aspx>

### 2.2 Re-enforcing the 2023 Division of Revenue Bill, (DoRB) to facilitate improved intergovernmental relations

Towards enforcing a system of good intergovernmental relations as envisaged in the Chapter 3 of the Constitution and subsequent related legislation, the National Treasury would like to remind municipalities of Section 31 of DoRA that articulates the facilitation of personal liability for unnecessary litigation. Going forward, a municipality may therefore only institute litigation against any organ of state, state-owned enterprise, public-and/ or municipal entity after exhausting all dispute resolution mechanisms required and/ or available to the municipality in terms of existing intergovernmental relations processes, policy and/ or any related contract with the municipality, including in terms of the Municipal Finance Management Act, 2003, the Intergovernmental Relations Framework Act, 2005, and/ or the Electricity Regulation Act, 2006 (dispute processes administered by NERSA).

The 2023 DoRB will facilitate the personal liability of and refund of any expenditure related to such litigation to the national revenue fund (NRF) by any person responsible for the institution of litigation by a municipality without having exhausted all the available dispute resolution mechanisms. This will be done through the equitable share off-setting processes. Municipalities, parallel to instituting any litigation against any organ of state, must report such litigation to the Auditor-General, the National Treasury and to the relevant provincial treasury. The report must provide the details of all the dispute resolution processes that were attempted, supported by information explaining the failure of these attempts.

#### ***Division of Revenue Amendment Bill, 2022 (DoRAB)***

#### ***Disaster response funding***

***Conversion of disaster response grants*** – To allow for adequate response to the April 2022 floods, funding was shifted between the disaster relief grants in August 2022. R145 million

was shifted from the Provincial Disaster Response Grant to the Municipal Disaster Response Grant and R120 million was shifted from the Municipal Emergency Housing Grant to the Provincial Emergency Housing Grant.

**Additional funding for disaster response grants** – In response to disasters that have occurred, most of the disaster funding for 2022/23 had been depleted by the time of the tabling of the DoRAB. To enable for response should a disaster(s) occur in the remaining months of the current financial year, R248 million is added to the Municipal Disaster Response Grant to enable immediate response by municipalities.

**Additional funding for disaster reconstruction and rehabilitation<sup>1</sup>** – For the reconstruction and rehabilitation of municipal infrastructure damaged by flash floods in the Western Cape (Overberg District Municipality, Cape Winelands District Municipality and Garden Route District Municipality) in December 2021 and the April 2022 floods in the Eastern Cape (Winnie Madikizela-Mandela Local Municipality) and KwaZulu-Natal (eThekweni Metropolitan Municipality, uMhlathuze Local Municipality, uThukela District Municipality, uMgungundlovu District Municipality and iLembe District Municipality), R3.3 billion is added to the Municipal Disaster Recovery Grant.

**Purchasing of land for relocation of flood victims** – R92 million is added to the Informal Settlements Upgrading Partnership Grant: Municipalities for eThekweni Metropolitan Municipality for the purchase of land identified for the relocation of displaced flood victims.

### **Changes to local government allocations**

**Roll-over of funds in the Integrated National Electrification Programme (municipal) Grant** – R1 million is rolled over in the Integrated National Electrification Programme (municipal) Grant to fund 50 electrification connections in Swellendam in Dikgatlong Local Municipality.

**Roll-over of funds in the indirect Regional Bulk Infrastructure Grant** – R15 million is rolled over in the indirect Regional Bulk Infrastructure Grant to fund operational payments for the Vaal River pollution remediation project in Emfuleni Local Municipality.

**Reprioritisation in the Neighbourhood Development Partnership Grant** – R100 million of the Neighbourhood Development Partnership Grant is shifted from Schedule 5, Part B (direct) to Schedule 6, Part B (indirect) to fund project preparation, planning and implementation for municipalities that are having administrative and financial challenges that are affecting project implementation. These funds will be used for projects they were allocated for in the direct component. Affected municipalities are Mogale City Local Municipality, KwaDukuza Local Municipality and Emfuleni Local Municipality.

### **Changes to gazetted frameworks and allocations**

**Municipal Disaster Response Grant** – The grant framework for the Municipal Disaster Response Grant is amended to allow for spending to respond to the disasters that occurred in December 2021 and April 2022.

**Informal Settlements Upgrading Partnership Grant: Municipalities** – The grant framework for the Informal Settlements Upgrading Partnership Grant is amended to ring-fence funds for

<sup>1</sup> There was an oversight in the allocations to Western Cape and KwaZulu-Natal, wherein the allocations or parts thereof allocated to the district municipalities in the DoRAB ought to have been allocated to the respective local municipalities in these districts. This is explained in detail in the section “Correction of errors in the Municipal Disaster Recovery Grant framework and allocations to municipalities” below.

the purchase of identified land for the relocation of flood victims who were previously residing in informal settlements that were washed away by April 2022 floods in eThekweni Metropolitan Municipality.

**Municipal annexures** – Changes to previously gazetted municipal allocations include a change of the name of a municipality. The name of Engcobo Local Municipality in the Eastern Cape is updated to Dr A.B. Xuma Local Municipality as per the Gazette published in terms of section 12 of the Local Government: Municipal Structures Act, on 30 May 2022.

### **Correction of errors in the Municipal Disaster Recovery Grant framework and allocations to municipalities**

The National Disaster Management Centre (NDMC) has requested changes to the in-year allocations for the Municipal Disaster Recovery Grant in the DoRAB tabled in Parliament. Part of the funding allocated to uThukela and iLembe district municipalities in KwaZulu Natal (page 36 of the DoRAB), should have been allocated to Alfred Duma and KwaDukuza local municipalities, respectively. The allocations made to the Cape Winelands, Overberg, and Garden Route district municipalities in the Western Cape (page 39 of the DoRAB), should have been made to Breede Valley; Theewaterskloof and Swellendam; and Oudtshoorn and George local municipalities, respectively. These corrections also affect the ring-fencing in the grant framework (page 28 of the DoRAB).

Parliament has approved that the National Treasury correct the allocations and effect the required changes to the MDRG framework, as part of section 15(1) of the 2022 DoRA to ensure that MDRG allocations are correctly allocated to the municipalities assigned for the functions.

## **3. Pension fund defaults**

There has been a growing trend where municipalities are deducting pension from the employees but are not paying it over to their pension fund. This in our view is inconsistent with the intent and spirit of the MFMA and constitute an act of financial misconduct in terms of section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings and potentially also a criminal offence in terms of section 173 of the MFMA read with other applicable legislation. Municipal Councils should refer these actions to the Disciplinary Boards for further investigation and should also consider laying criminal charges against the accounting officer and other responsible officials that has failed to perform the responsibility outlined in terms of section 65(2)(f) of the MFMA which states that “the accounting officer of a municipality must take all reasonable steps to ensure that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments”. Municipal Councils should also consider further measures and actions in terms of the Pension Funds Administration Act, as may be applicable.

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

### **4.1 Release of Version 6.7 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 6.7 is released with this circular.

Version 6.7 of the chart will be effective from 2023/24 and must be used to compile the 2023/24 MTREF and will be available from 20 December on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

Kindly note that, in accordance with section 8(2)(j) of the Municipal Property Rates Act (MPRA) as amended in 2014, municipalities may apply for categories other than the categories in 8(2)(a) to (i). Towards this end the Minister of Cooperative Governance and Traditional Affairs approved the following categories:

- Sports Clubs and Fields for Bitou Municipality and
- Residential sectional title garages for Drakenstein Municipality.

These categories were only approved for use by municipalities indicated above. System vendors must therefore block the use of these categories for all other municipalities. The Project Summary Document (PSD) on the National Treasury webpage will be aligned to the chart changes in version 6.7 where applicable. The PSD is also available on the above link.

For the National Treasury to consider a new chart change in version 6.8 of the chart, the issue must be logged with all relevant background and details on the *m*SCOA FAQ portal by 31 August 2023. The *m*SCOA FAQ portal can be accessed by all registered GoMuni users on the following link. [https://lq.treasury.gov.za/ibi\\_apps/signin](https://lq.treasury.gov.za/ibi_apps/signin)

#### 4.2 Amendments to the regulated A1 schedules

The following tables of the A1 Schedule that was regulated in terms of the Municipal Budget and Reporting Regulations (MBRR), have been aligned to the *m*SCOA and Generally Recognised Accounting Standards (GRAP):

- A4: Statement of Financial Performance; and
- A6: Statement of Financial Position

In addition, tables A8 and A10 have been linked to the *m*SCOA data strings and will be included in the 2023/24 budget reports available on the GoMuni portal from 01 July 2023.

The amended and protected version of the A1 schedule will be available from 20 December on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

System vendors and municipalities that are managing their own in-house systems must programme the amended schedules on their financial systems. Input fields for supporting tables that are not part of the non-financial data string must be created to ensure that a complete A schedule is generated from the core municipal financial system.

The *m*SCOA Regulations require that municipalities budget, transact and report on legislated *m*SCOA segments and directly on the core financial system and submit the required data strings directly from this system to the GoMuni Upload portal. To ensure that the data strings submitted are credible, municipalities must:

- Lock the budget adopted by Council on the core municipal financial system before submitting the budget (ORGB) data string to the GoMuni Upload portal;
- Close the core financial system at month-end as required in terms of the MFMA before submitting the monthly data string to the GoMuni Upload portal; and
- Generate the regulated MBRR Schedules (A, B and C) directly from the core municipal financial system.

The preparation of budgets on excel spreadsheets that is captured in the system at a later stage and manual correction of data strings by municipal officials or system providers are not allowed in terms of the *m*SCOA Regulations. Where a municipality makes use of a stand-alone 3rd party sub-system or a system provider has entered into an agreement or consortium for the provision of certain functionality with a 3rd party sub-system provider, such a 3rd party sub-system should host the relevant part of the *m*SCOA chart to seamlessly integrate with the core financial system without manual intervention.

### 4.3 Credibility of *m*SCOA data strings

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 2023/24 municipal financial year.

Municipalities have been given access to the GoMuni portal in April 2022 and should use the reports on GoMuni to verify the credibility of their submissions. It should be emphasized that errors in the data can only be corrected in the next open period. e.g., errors in the tabled budget (TABB) data string can only be corrected in the adopted budget data string (ORGB). Municipalities are not allowed to open closed periods to make corrections.

Municipalities are reminded that incorrect or incomplete data string submissions is considered as non-submission.

The credibility of the *m*SCOA data strings remains a concern in the following areas:

#### The inclusion of opening balances in data strings

Municipalities and system vendors must ensure that opening balances are included in the budget and in-year data strings. The opening balances at year end (month 12 – M12) of the previous financial year must be rolled over to the first month (M01) and updated with pre-audited (PAUD) and audit (AUDA) adjustments in the current financial year in the *applicable open period*. In other words, if the audit is completed on 31 October, then the changes in the opening balances must be reflected in the in-year submission for November 2022 (M05 submission). If opening balances and changes thereto are not included in the budget and in-year data strings, the C schedules will not populate correctly. This means that the movement of the balance sheet items will not have a starting point and the Statement of Financial Position (balance sheet) will be incorrect.

#### Accounting for Water Inventory

As per the guidance in MFMA Budget Circular No.115 (dated 04 March 2022), municipalities must budget and account for bulk water purchases as **inventory** under current assets in the Statement of Financial Position as per GRAP 12 (paragraph. 07).

In terms of GRAP 12:

*Inventories are assets:*

- a. *In the form of materials or supplies to be consumed in the production process;*
- b. *In the form of materials or supplies to be consumed or distributed in the rendering of services; and*
- c. *Held for sale or distribution in the ordinary course of operations, or*
- d. *In the process of production for sale or distribution.*

*Inventory acquired through non-exchange transactions should be recorded at its fair value as at the date it is acquired. The cost of inventory, except for non-purified water, will be determined or recognised in accordance with paragraph 25 and 26, which is the primary and secondary costs in getting the water either to the treatment works or to the users of the water.*

It is important to note that water cannot be issued if it was not purchased or brought into the inventory through system input transactions. Therefore, the total input volume of water related to water purified and water from natural sources should include both primary and secondary cost components. The allocation of secondary cost to the input volume of water will necessitate the utilisation of the Costing Segment in the mSCOA. This is crucial in determining cost reflective tariffs for water.

The fair value of water from natural resources such as boreholes, springs and fountains may be determined by the primary and secondary cost components. Secondary costs include:

- Labour
- Extraction cost
- Distribution cost
- Chemicals/ Treatment
- Maintenance
- Infrastructure
- Depreciation charges

The municipality must account for water from natural resources as follows:

**Debit:** System Input Volume: Natural Resources

**Credit:** Gains and Losses: Water at fair value

Water inventory must be budgeted to be acquired and recorded in the Current Assets: Inventory: Water as indicated below. The movement accounts in the mSCOA structure makes provision for the different methods of acquiring and the consumption/ issuing of Water inventory.

**Current assets:**

- Inventory: Water Opening balance: Non-Funding Transactions
- Inventory: Water: System Input volume: Bulk Purchases: Water Treatment/Natural Resources
- Water Authorised Consumption:
  - a) Billed Unmetered Consumption
  - b) Un-Billed Authorised Consumption
  - c) Billed Metered Consumption
- Inventory: Water Losses (Apparent and Real Losses)

Water that is issued to Consumers must be issued from the inventory and expensed in the **Expenditure:** Inventory: Consumed -Water.

Water losses will reduce the Water inventory in current assets and the corresponding amounts should be captured in **Gains and Losses:** Inventory: Water: Fair value

It is important to note that the change in accounting for water through the inventory purchased process and the change of using a methodology to report the balance of water as at year-end may impact on the Annual Financial Statements (AFS). Municipalities must ensure that they update their accounting policy, document this process, and provide comparative figures when assessing and reporting their water balance to ensure that the GRAP guidelines of changes in reporting and materiality is applied correctly.

## The Local Government Municipal Property Rates (MPRA) Amendment Act, 2014

Municipalities are reminded that section 8 of the MPRA 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 01 July 2021. The *m*SCOA chart Version 6.7 will only make provision for the new framework. The old framework has been retired and municipalities must prepare their 2023/24 MTREF Budgets accordingly.

### Fixed Asset Register

Municipal financials systems must comply with the minimum business processes and system requirements on fixed asset registers as articulated for the asset management module in MFMA Circular No 80. The asset management module should be embedded in the core financial system or seamlessly integrate from a third-party sub-system to the core financial system. This will enable the regular and seamless updating of the fixed asset register. The register must contain the following information as a minimum requirement:

- Description of the asset
- Date of acquisition or brought into use
- Purchase cost
- Location of the asset
- Function responsible for the asset
- Current value
- Depreciation and method utilised
- Remaining life of the asset
- Maintenance information
- Insurance Coverage

Municipalities will be required to upload their updated fixed asset register in a PDF format on the GoMuni Upload portal as part of their 2023/24 MTREF tabled and adopted budget submission and thereafter on a quarterly basis as part of their in-year reporting.

### Recording of Schedule 6B Grants in *m*SCOA

Grants allocated in terms of Schedule 6B of DoRA should be recorded in terms of *m*SCOA as an allocation-in-kind. This means that the municipality will only record the transaction once they received a completed asset.

Importantly, a Schedule 6B grant may not be transferred to the end-user of the asset to construct the asset as this is in contravention with the conditional grant framework. If a transferring officer of a Schedule 6B grant consider the municipality capable of constructing its own asset, the grant should be re-gazetted and reclassified as a Schedule 5B grant. The grant will then be transferred directly to the municipality to construct the asset and the receipt and expenditure of the grant must be in accordance with GRAP 17. An adjustments budget in terms of Section 28(2)(b) of the MFMA and Regulation 23(3) of the MBRR must be adopted to include the grant funding and project in the MTREF budget.

In the case where a municipality is constructing an asset for a national department but will not be the end-user of the asset being constructed, the accounting must be done in terms of GRAP 11. There will be VAT implications as the municipality will be a contractor and act as an agent. It is important to ensure that the contract between the municipality and the department outlines the responsibilities of all parties.

Municipalities must ensure that they are making provision for VAT in accordance with the VAT Act, 1991 (Act No. 89 of 1991) and the VAT 419 guide issued by SARS. The National Treasury issued *m*SCOA Circular No.12 (dated 01 October 2021) that provides guidance on the recording of VAT in the *m*SCOA.

### **Impact of Balance Sheet Budgeting and Movement Accounting on Cash Flow Tables**

From the analysis of the *m*SCOA data strings it is evident that the cash flow tables (A7, B7 and C7) are still not populating correctly or completely. This can be contributed to the fact that a number of municipalities still do not use balance sheet budgeting and movement accounting. Guidance on the use of balance sheet budgeting and movement accounting to populate tables A7, B7 and C7 correctly was provided in MFMA Budget Circular No. 107 (dated 04 December 2020) and *m*SCOA Circular No. 11 (dated 04 December 2020).

#### **4.4 Regulation of Minimum Business Processes and System Specifications**

National Treasury will review and regulate minimum business processes and system specifications for *m*SCOA by the end of 2024/25. In preparation for the regulation of the minimum requirements, municipalities should ensure that they comply fully with the current minimum business processes and system specifications articulated in MFMA Circular No. 80 (dated 08 March 2016).

Where a municipality is not fully compliant with the *m*SCOA requirements, a *m*SCOA Road Map must be in place to drive and fast track the *m*SCOA implementation in the municipality. The *m*SCOA Steering Committee, chaired by the Accounting Officer or his/ her delegate, must use the *m*SCOA Road Map to track progress and take correction actions where required.

Road Maps must be reviewed and updated annually as part of the budget process is updated and submitted to Council for approval together with their 2023/24 MTREF budget. Municipalities will be required to upload their updated *m*SCOA Road Maps in a PDF format on the GoMuni Upload portal as part of their 2023/24 MTREF tabled and adopted budget submission and thereafter on a quarterly basis as part of their in-year reporting.

Municipalities should ensure that they budget sufficiently to become and remain *m*SCOA compliant.

Guidance on the content of the *m*SCOA Road Map was provided in MFMA Budget Circular No. 115 (dated 04 March 2022).

#### **4.5 *m*SCOA Training Initiatives**

##### **Training to municipalities and municipal system vendors**

The National Treasury, in conjunction with CIGFARO, will conduct monthly training sessions aimed at municipalities, municipal system vendors and other relevant role-players. The training will focus on technical aspects of budgeting, transacting and reporting in the *m*SCOA and is aimed at improving the quality of *m*SCOA data strings. The draft programme is attached as **Annexure A**.

##### ***m*SCOA eLearning Course**

The National School of Government is hosting the *m*SCOA eLearning Course that was developed by the National Treasury. The *m*SCOA eLearning Course provides government officials with the basic knowledge on the reform and how to record transactions using the *m*SCOA.

Government institutions can enrol their employees for this course by sending a request for training to the NSG at [contactcentre@thensg.gov.za](mailto:contactcentre@thensg.gov.za). If your institution has not attended any training with the NSG previously, then you will also be required to register on the NSG database. The mSCOA eLearning Course will be offered as no cost until 31 March 2022. Thereafter, delegates will have to pay to attend the course.

Any queries in this regard must be directed to the NSG at [contactcentre@thensg.gov.za](mailto:contactcentre@thensg.gov.za) or tel number: 086 100 8326.

## 5. 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.

### 5.1 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 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.

The purpose of the above mentioned MFMA Circulars is to ensure that the municipalities are using their entire revenue base as the basis for the revenue budget. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

One of the aims of the reconciliation process is to identify exceptions, i.e. records on the roll and not on the billing system and records on the billing system and not on the roll. In addition, the reconciliation must identify duplicated records, missing data, and data errors. These exceptions should then be investigated, and remedial action strategies developed for data cleansing and other corrective actions. The Debtors Ageing data should also form part of the reconciliation process so that "debtors" can be tracked and assessed at a property record level and prioritised for verification of rates liability measured against a MPRA property and owner.

To facilitate reconciliation of the separate databases (Roll and Billing), a unique property identifier (common primary unique link code) must be created and populated for each rateable property on the roll system and on the rates billing system. This property identifier must be unique, without duplicates, and remain constant for the life of the property. The standards adopted by the South African Council for the Property Valuers Profession (SACPVP), namely South African Standard: Municipal Valuations for Property Rating, specifies that the Surveyor General Code SG 21-digit Code, derived, and created from the property description, be applied for all registered full title property defined in terms of part (a) of the definition of property.

For all other MPRA defined property, Part (a) Sectional Title, Part (b) Registered Rights, Part (c) Land Tenure Rights and Part (d) PSI, and apportioned multiple use property in terms of sections 8(2)(i) and 9(2), an added suffixed 5 digits to the SG 21-digit code must be assigned by the designated municipal valuer, thereby creating a unique 26-digit code. The municipality must ensure that the SG21 digit code and 26-digit coding system is applied in their valuation roll management system and billing system and engage with their designated municipal valuer and systems service providers to implement the unique property identifier.

Further it is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2023, must also as best practice compare the current consolidated roll to the new valuation roll. This can identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks.

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. In order to ensure that the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with s23(1)(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

Furthermore, municipalities are also advised and expected to comply with s8(1) of the MPRA in terms of the billing methodology that needs to be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation 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 or whether the municipality is overstating its revenue budget.

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/Part A register to the billing system to the National Treasury on a quarterly basis by no later than the 10<sup>th</sup> working day. A detailed action plan must accompany the reconciliation where variances are noted.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: [https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin). 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).

No operation can be sustainable if it does not collect its revenue. A municipality is no different. There is a misconception that a municipality may not interrupt or restrict the supply of water services of a defaulting consumer. The National Treasury confirms that neither the

Water Services Act, 1997 (Act No. 108 of 1997) or any other legislation prevents a municipality from cutting the supply of water to a defaulting consumer unless the consumer is an indigent in which case the water services to that household must be restricted to the national free basic water limit of 6 kilolitre water monthly (or 50 kilowatt hours in the case of free basic electricity monthly). This was confirmed by the Constitutional Court in the matter of Mazibuko and Others v City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009).

Municipalities are urged to use the restriction/ interruption of supply of both water and electricity services as a collection tool. Effective from the tabling and adoption of the 2023/24 MTREF, municipalities' By-laws and policies must facilitate this and clearly stipulate the order in which any partial payment of the consolidated municipal bill (including property rates) will be applied as well as the process before the supply of water and electricity services will be cut. The National Treasury recommended that any partial payment firstly be applied to property rates, wastewater, waste management, water and lastly to electricity. When interrupting or restricting the supply of water it is important that such is undertaken together with the municipal engineer(s) to ensure a continued minimum supply of waste water.

## 5.2 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.

The National Treasury issued a tariff setting tool and guide as part of MFMA Budget Circular No. 98 (refer item 4.2) on 6 December 2019 and since 2019, encouraged municipalities to utilise the tool. **With effect, the 2023/24 MTREF, all municipalities (except metropolitan cities and district municipalities that do not provide any services) as part of both the tabled and adopted MTREF submissions must submit the completed National Treasury tariff tool (in excel format)** illustrating that the revenue component of the budget is credible and funded and that the municipality's tariffs are cost reflective. If the municipality's initial calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality's strategy in this regard should be included as part of the budget narratives.

This tool will assist in setting tariffs that are cost-reflective and enable a municipality to recover costs to fulfil its mandate. Going forward it is also imperative that every municipality fully embrace the Municipal Standard Chart of Accounts (*mSCOA*): costing component. Considering, *mSCOA* implementation is entering its sixth year of implementation, all municipalities must fully embrace and report also utilising the costing segment correctly. 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>.

### 5.3 Tariffs – achieving a balance between cost-reflectiveness and affordability

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other consumers while ensuring the financial sustainability of the municipality.

When setting tariffs, it is therefore critical to understand the economic environment specific to the municipality and consideration should include at least –

- *The socio-economic profile undertaken for the municipality* available on the National Treasury GoMuni portal – municipalities are encouraged to annually update their own socio-economic profile using the template model available on GoMuni;
- *The most recent average monthly household income in the municipality* as per Statistics South Africa (Stats SA) available on [Statistics South Africa | Improving Lives Through Data Ecosystems \(statssa.gov.za\)](https://www.statssa.gov.za);
- *The average property value in the municipality* per its most recent approved general valuation roll and/ or supplementary general valuation roll;
- *The number of indigent households in the municipality*, including any variation in the number of indigent households included in the Equitable Share: free basic services component for the municipality vs the municipality's own indigency level discretion; and
- *The economic drivers and activities specific to the municipal area<sup>2</sup>; etc.*

The municipality's tariff-setting or other committee tasked with this role must understand and deliberately reflect on this context during the tariff-setting process. Considering the average monthly household income, the median affordable municipal bill would ideally not exceed proportionally the average monthly household income. This median affordable bill, in combination with the median average property value should inform the basis to determine any rebates to households with income below the median.

It is also important when setting particularly water and electricity tariffs that municipalities consider setting two-tier tariffs, that include a basic availability charge to recover the fixed (direct and indirect) cost associated with the service in conjunction with consumption-based tariff bands. For example, in a drought, such tariffs will facilitate the ability to pay for infrastructure and maintenance, treating chemicals and salaries, etc. while parallel facilitating water restriction based on inclining tariffs as consumption increase. Furthermore, it is important to link the municipality's water tariffs to dam levels, also approved as part of the budget process. For example, if the dam levels drop to 60 per cent the first tier of restriction tariffs should become applicable in terms of the municipality's approved tariff policy.

It is also noted that NERSA approves seasonal tariffs for Eskom but not necessarily for the municipality. It is important that the municipality clearly factor this in its tariff application to NERSA, illustrating the cashflow crunch if the municipality is not similarly allowed a seasonal tariff to recover the higher Eskom bulk cost during winter months.

Lastly, municipalities are cautioned against setting tariffs that include operating inefficiencies. This could lead to tariffs falling into the unaffordable range.

The Consumer Price Index (CPI) inflation is forecasted to be within the 3 to 6 per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2023/24** in their budget narratives and pay careful attention to

<sup>2</sup> The spatialised tax data is now available through National Treasury for all municipalities that provides an up to date information on economic activity within a municipal boundary.

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.

#### 5.4 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 urged 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.**

#### 5.5 Critical Notice Affecting STS Meters

As highlighted in previous MFMA Circular No. 115 (dated 06 December 2022) municipalities are once again alerted that there is still 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. In this respect the development of the transversal contract for smart prepaid meters as per NRS 049 (per latest approved version) is at an advanced stage and should be issued shortly by National Treasury.

If your municipality or municipality 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 inter alia 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/ or
- 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.

## **5.6 Completeness and credibility of revenue related information in the Budget**

The 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 2023/24 MTREF.

## **5.7 Eskom Bulk Tariff increases**

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In the municipal financial year 2022/23, bulk electricity costs increased moderately at 9.61 per cent, compared to 17.8 per cent in the 2021/22 municipal financial year. Due to Eskom's funding needs, they are seeking higher tariff increases and have applied to NERSA for a 32 per cent hike from 1 April 2023/24. NERSA will make a final decision on the tariff application by 24 December.

In addition, a High Court hearing is still pending on the Multi-Year Price Determination (MYPD 5) application. The urgent High Court review requires NERSA to urgently process the Eskom revenue application for at least one year, as required by law. The timeframes for the review allow for a decision to be made in time for implementation by 1 April 2023.

## 5.8 Updated Municipal Borrowing Policy Framework

Cabinet approved the Update to the Policy Framework for Municipal Borrowing and Financial Emergencies on the 17th of August, 2022. The purpose of the Update is to re-examine the original Policy Framework, along with the legislation (i.e. Municipal Finance Management Act – MFMA) that was adopted to implement it, considering the experience with municipal borrowing that has accumulated since 2000.

The following key reforms have been introduced through the Update to the Policy Framework for Municipal Borrowing:

- The Policy Framework for Municipal Borrowing has been updated to introduce the necessary reforms that will expand the scope of responsible municipal borrowing and create an environment that attracts more players (e.g. insurers, pension funds, institutional investors and fund managers, and international Development Finance Institutions) in the municipal debt market space. The original core principles underlying municipal borrowing are maintained (i.e. creditworthy municipalities should borrow prudently to finance capital investment, and that there will be no bail-outs by the provincial or national government);
- The updated policy framework clarifies the role of Development Finance Institutions (DFIs), as it was not clearly articulated in the original policy. DFIs are required to pursue clear and agreed developmental goals, as outlined in the policy. The objective of this approach is to ensure that a DFI lending does not crowd out the private sector. Public-sector lenders, both domestic and foreign, should be guided by a social and developmental investment approach in which demonstrable social outcomes are considered alongside potential financial returns;
- The updated policy framework permits and clarifies innovative infrastructure financing mechanisms (such as pooled financing mechanisms, project finance, tax increment financing, revenue bonds, and pledging of conditional grants) that municipalities can use to leverage municipal borrowing. Municipalities are encouraged to explore these alternatives, and innovative infrastructure financing mechanisms permitted subject to the requirements contained in the Municipal Finance Management Act (MFMA) and
- The participation of both private and public sector market participants in the development of a liquid secondary market for municipal debt securities is also encouraged. The policy proposes options that can be explored to support the development and growth of an efficient and liquid market for municipal debt obligations.

The Updated Municipal Borrowing Policy Framework can be accessed at the MFMA website at the following link <http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx>.

## 5.9 Tariff Policies

Municipalities must comply with the provisions of Section 74 of the Municipal Systems Act (MSA) which requires that a municipal council must adopt and implement tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of this Act and with any other applicable legislation. Municipalities should also ensure that the tariff policies adhere to all the principles outlined in section 74(2) of the MSA. A municipality's tariff policies must also take into consideration variable factors such as water shortages and electricity feedback excess into the municipal system from new generation capacity. Municipalities must adopt by-laws to give effect to the implementation and enforcement of their tariff policies.

### 5.10 Non-Revenue Electricity and Non-Revenue Water/ Revenue Losses:

Water Service Authority municipalities and electricity licensed municipalities are urged to align both their non-revenue water and non-revenue electricity indicators and their set targets in the 2023/24 SDBIPs with identifiable infrastructure or operational projects and/ or programmes. Municipalities should improve on the baseline information included in the SDBIPs by indicating the volume of water losses (i.e., kilolitres/ mega-litres) and the amount of electricity losses (KwH or MWs) for the previous year. This approach will help to determine the progress of municipalities in curbing losses, which impact on municipal revenues, in both non-revenue water and non-revenue electricity.

## 6. Burial of Councillors

Salaries, allowances and benefits for political office-bearers and members is managed through Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils notice issued by the Minister of Cooperative Governance and Traditional Affairs.

Section 167 of the MFMA provides that a municipality may remunerate its Councillors within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members. Any benefit which is not included in the above-mentioned notice will be deemed irregular expenditure and recovery thereof from the Councillor concerned is mandatory.

Municipalities may also refer to relevant Councillor Pension Scheme or personal funeral policies in existence for any funeral benefits relating to such Councillor

## 7. Funding choices and management issues

Municipalities are under pressure to generate revenue. 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 2023/24 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 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 and 2024. The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, 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.

According to the 2021 State of Local Government Finance Report, there are about 165 municipalities that are in financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

## 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 councillors 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 councillor(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 2023/24 municipal financial year are as follows:

- The 2023/24 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 credible 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 2023.
- Credible *m*SCOA data strings and source documents for the 2023/24 MTREF and 2022/23 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 a copy of the council approved UIFW Reduction Strategy/ Plan, proof of establishment of the Disciplinary Board (or evidence of progress towards their establishment) including evidentiary evidence demonstrating functionality of the Disciplinary Board 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 2023;
  - 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 2020/21 and 2021/22 financial years as well as municipalities with outstanding 2021/22 audit opinions that also received an adverse or disclaimer opinion in 2020/21, 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 2023/24 MTREF

National Treasury has released Version 6.7 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.7 of the *m*SCOA classification framework and must be used when compiling the 2023/24 MTREF budget.

All municipalities must prepare their 2023/24 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 the A1 schedule version 6.7 is not allowed** in terms of the *m*SCOA Regulations.

National Treasury has protected the A1 schedule version 6.7 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 *m*SCOA chart version 6.7. The revised MBRR Schedules for the 2023/24 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 Pitso Zwane Oreal Tshidino	012-315 5553 012-315 5171	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a> <a href="mailto:Pitso.Zwane@Treasury.gov.za">Pitso.Zwane@Treasury.gov.za</a> <a href="mailto:Ophulusa.Tshidino@Treasury.gov.za">Ophulusa.Tshidino@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 Cethekile Moshane	012-315 5952 012-315 5079	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a> <a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>
Gauteng	Matjatji Mashoeshoe Abigail Maila Willem Voigt Makgabo Mabotja Kgomotso Baloyi	012-315 5553 012-395 6737 012-315 5830 012-315 5156 012-315 5866	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a> <a href="mailto:Abigail.Maila@Treasury.gov.za">Abigail.Maila@Treasury.gov.za</a> <a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a> <a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a> <a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
KwaZulu-Natal	Kgomotso Baloyi Kevin Bell	012-315 5866 012-315 5725	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a> <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 Lesego Leqasa	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a> <a href="mailto:Lesego.Leqasa@treasury.gov.za">Lesego.Leqasa@treasury.gov.za</a>

Northern Cape	Mandla Gilimani Sibusisiwe Mchani	012-315 5807 012-315 5539	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a> <a href="mailto:Sibusisiwe.Mchani@treasury.gov.za">Sibusisiwe.Mchani@treasury.gov.za</a>
North West	Willem Voigt Makgabo Mabotja	012-315 5830 012-315 5156	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a> <a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
Western Cape	Willem Voigt Enock Ndlovu	012-315 5830 012-315 5385	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a> <a href="mailto:Enock.Ndlovu@treasury.gov.za">Enock.Ndlovu@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:lqdataqueries@treasury.gov.za">lqdataqueries@treasury.gov.za</a>

National and provincial treasuries will analyse the credibility of the data string submissions.

### 9.3 Assessing the 2023/24 MTREF budget

National and provincial treasuries will assess the 2023/24 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.

Municipalities should note that the MFMA legislated timeframes for submission of the tabled and adopted budgets are outer timeframes. In this context, different to previous MTREF's, going forward, if the municipality's budget is unfunded, council in terms of MFMA section 74 is requested to table and/ or adopt a budget funding plan together with the budget at the same time.

The Treasuries' **assessment period** of municipal budgets will be from **01 April to 30 June 2023 for both the tabled and adopted budgets**. However, (in a context of some municipalities persisting with unfunded budgeting practices), **if the municipality tabled and/ or adopted an unfunded budget in the 2022/23 MTREF**, the municipality must adjust its schedule of key budget deadlines to facilitate an earlier Treasuries' assessment thereof between 1 April to 15 May 2023 for both 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 needs to be made must be done before the start of the municipal financial year on 30 June 2023.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked immediately on the financial system at the start of the new municipal financial year on 1 July. 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 together with a funding plan that lacks credibility, 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 2023/24 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 2023**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Monday, 03 April 2023**; 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 *m*SCOA 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 2023**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Thursday, 01 June 2023**.

**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 2023/24 MTREF

The following information should be submitted for the 2023/24 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 *m*SCOA data string in the format published with Version 6.7 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;
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July;
- The National or Provincial treasury input to the tabled budget must be included as an Annexure to the adopted budget together with the municipality's explanation of how such was addressed in the adopted budget. If not, the explanation should provide reasons; and
- The bulk water-and electricity invoices for the 3 months immediately preceding respectively the tabled and adopted budgets, must be included as an annexure to the tabled and adopted budgets as part of supporting the municipalities provision for and calculations of payments to bulk suppliers over the 2023/24 MTREF.

### 10.2 Portals for the submission of information

Municipalities must ensure that the documents are submitted to the correct portals/ mailboxes. These portals/ mailboxes are:

[https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin) (GoMuni Upload Portal) – All documents required in terms of legislation, including:

- *m*SCOA 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://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin). 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 documents meeting the criteria to release Equitable Share and the contact list information.

FMCM and Audit Action plans – using the web-enabled systems and as articulated in MFMA Circulars No. 113 and 114.

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.**

### 10.3 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.

### 10.4 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



**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**  
**09 December 2022**

## Virtual mSCOA Training Programme 2023

Month	TOPIC
Jan	<b>Getting a green submission</b> <ul style="list-style-type: none"> <li>• Overview of mSCOA chart structure</li> <li>• Submission deadlines</li> <li>• Uploading to the GoMuni Upload portal</li> <li>• Correction of validation errors</li> <li>• Using GoMuni to verify receipt and credibility of submission</li> </ul>
Feb	<b>Preparing the Budget in mSCOA (1)</b> <ul style="list-style-type: none"> <li>• Preparing the project file (PROR)</li> <li>• Projects Typical Workstreams</li> <li>• Budgeting for disaster/special projects</li> <li>• Infrastructure Management and asset life cycle</li> <li>• The funding matrix <ul style="list-style-type: none"> <li>○ Allocation of correct funding sources and alignment to the correct segments</li> <li>○ Funding capital expenditure</li> </ul> </li> </ul>
March	<b>Preparing the Budget in mSCOA (2)</b> <ul style="list-style-type: none"> <li>• Opening balances &amp; Balance sheet budgeting</li> <li>• Budgeting for cash flow</li> <li>• Budgeting for conditional grants</li> </ul>
April	<b>Common Errors in 2023/24 Tabled Budget Data Strings (to be corrected in adopted budget (ORGB submission))</b> <ul style="list-style-type: none"> <li>• Water Inventory</li> </ul>
May	<b>Common Budgeting Errors</b> <ul style="list-style-type: none"> <li>• Operating Expenditure – Deprecation</li> <li>• Bad debts written off</li> <li>• Impairment loss for consumer debtors</li> <li>• Travel and Subsistence</li> </ul>
June	<b>Last change to get the ORGB right</b> <ul style="list-style-type: none"> <li>• Functional allocation</li> <li>• Use of Regional segment</li> <li>• Alignment of A1 schedules</li> </ul>
July	<b>Common Transacting and Reporting Errors</b> <ul style="list-style-type: none"> <li>• Opening balances</li> <li>• Populating the cash flow</li> <li>• Reporting on conditional grants</li> <li>• Transacting without budget</li> </ul>
Aug	<b>Preparing the pre-audit AFS Data Strings (PAUD)</b>
Sept	<b>Common Transacting and Reporting Errors</b>
Oct	<b>Preparing the AFS Data Strings (AUDA)</b>
Nov	<b>Chart changes for version 6.8</b>
Dec	<b>Preparing for the Adjustment Budget</b>



## Municipal Budget Circular for the 2023/24 MTREF

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## Introduction

This budget circular is a follow-up to MFMA Circular No. 122 that was issued on 09 December 2022. It aims to provide further guidance to municipalities with the preparation of their 2023/24 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 2023 Budget Review and the 2023 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

GDP is expected to grow by 0.9 per cent in real terms in 2023, compared with an estimate of 1.4 per cent at the time of the medium-term budget policy statement (MTBPS), recovering slowly to 1.8 per cent in 2025.

The economic outlook faces a range of risks, including weaker-than-expected global growth, further disruptions to global supply chains and renewed inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure, widespread criminal activity, and any deterioration of the fiscal outlook.

Government is taking urgent measures to reduce load-shedding in the short term and transform the sector through market reforms to achieve long-term energy security. Several reforms are under way to improve the performance of the transport sector, specifically freight rail and to improve the capability of the state.

The following macro-economic forecasts must be considered when preparing the 2023/24 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2021 - 2026**

Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Forecast		
CPI Inflation	4.9%	6.9%	5.3%	4.9%	4.7%

Source: Budget Review 2023.

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 2023/24 budget process

### 2.1 Local government conditional and unconditional grants allocations

Over the 2023 MTEF period, local government allocations will increase by a total of R14.3 billion, made up of R8.1 billion in the local government equitable share and R6.2 billion in direct conditional grants. This takes the total direct allocation to R521.7 billion over the same period. These allocations alleviate some of the financial pressures, particularly in basic services, where the costs of providing services are rising.

The *local government equitable share* and related allocations increases at an annual average rate of 7.8 per cent and municipal conditional grants increase by 3.5 per cent over the 2023 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 2023 MTEF period. It also includes allocations for the operational and maintenance costs associated with the provision of free basic services.

The 2023 Budget has ensured that sufficient provision has been made to ensure that all municipalities are fully subsidised to support indigent households. Following this, R1.35 billion has been left unallocated in the LGES formula for 2023/24 to serve as a precautionary measure should municipal electricity tariffs exceed the 20.7 per cent provided for in the formula (see section 5.7 on why this is above the 18.7 per cent approved by the Energy Regulator). If the actual increase in municipal bulk tariffs exceeds the provision made in the formula, it will be the first call on those unallocated funds. We will consider funding broader cost relief measures for municipalities if funds remain available after that.

The R6.2 billion in direct conditional grants is funded from the Budget Facility for Infrastructure (BFI) and is broken down as follows:

- **R2.2 billion** added to the Urban Settlements Development Grant to fund the implementation of projects in the eThekweni Metropolitan Municipality and the City of Johannesburg;
- **R461 million** added to the Public Transport Network Grant to align funding with the revised implementation plan and cash flow projections for the City of Cape Town's MyCiTi public transport network project; and
- **R3.4 billion** added to the Regional Bulk Infrastructure Grant to fund 3 water projects in Sol Plaatje Local Municipality, Drakenstein Local Municipality and Nelson Mandela Bay Metropolitan Municipality.

### ***Notable changes to the conditional grants system***

#### *Housing emergency grants*

Changes to conditional grants in the 2023 Budget include the discontinuation of the conditional emergency housing grants for provinces and municipalities. The baselines of these two grants are shifted to the Department of Human Settlements. This will allow the department to respond quickly in the event of an emergency housing need.

#### *Changes to the INEP conditional grant frameworks*

As part of government's efforts to accelerate access to electricity thereby addressing the energy crisis, Eskom and municipal INEP grants will begin funding alternative energy technologies such as rooftop solar and energy-saving devices. Due process must be followed to access funding for these new technologies. As a result, both Eskom and municipalities will need to conform to the set requirements by submitting business plans by 31 October 2023. These business plans, will need to be approved by the Department of Mineral Resources and Energy (DMRE) before they can be implemented. Priority should be given to new connections, i.e., non-grid technology should be targeted at households that do not have access to electricity.

The annual Division of Revenue Bill was published on 22 February 2023. The Bill specifies the grant allocations and municipalities must reconcile their budgets to the numbers published therein in compiling their 2023/24 MTREF.

The Division of Revenue Bill, 2023, which includes the annexures outlining allocations to each municipality is available at:

<http://www.treasury.gov.za/documents/national%20budget/2023/default.aspx>

## **2.2 Re-enforcing improved intergovernmental relations in the 2023 Division of Revenue Bill, (DoRB)**

In order to strengthen the system of good intergovernmental relations as envisaged in the Chapter 3 of the Constitution and subsequent related legislation, municipalities are reminded of Section 31(3) of DoRA that provides for the facilitation of personal liability for unnecessary litigation. As required by subsection (1)(a) of this clause, read together with section 41(3) of the Constitution, a municipality may only institute litigation against any organ of state, state-owned enterprise, public- and/ or municipal entity after exhausting all dispute resolution mechanisms required and/ or available to the municipality in terms of existing intergovernmental relations processes, policy and/ or any related contract with the municipality, including in terms of the Municipal Finance Management Act, 2003, the Intergovernmental Relations Framework Act, 2005, and/ or the Electricity Regulation Act, 2006 (dispute processes administered by National Energy Regular of South Africa (NERSA)).

Section 31 is amended to include a clause that requires that where an organ of state decides to institute judicial proceedings against another organ of state, it must, within 10 working days of its decision, notify the National Treasury, the relevant provincial treasury, the Department of Cooperative Governance and the Auditor-General, of the details of compliance with Chapter 4 of the Intergovernmental Relations Framework Act, 2005, including an explanation of the failure to resolve the dispute.

## **2.3 Conditional grants usage**

Conditional grant funds may only be used for the purposes, and subject to the conditions specified in the framework for each conditional grant. These conditions are binding in terms of sections 11 and 12 of the annual Division of Revenue Act. Any instruction by a municipal, provincial, or national official or politician that is inconsistent with the framework of a conditional grant is invalid. Municipalities are reminded that in terms of section 32 of DoRA, spending of a grant that is inconsistent with DoRA is considered irregular or unauthorised expenditure.

## **3. Pension and medical aid fund defaults**

There has been a growing trend where municipalities are deducting pension and/ or medical aid contributions from officials but are not paying it over to their pension- and/ or medical aid fund. This is inconsistent with the intent and spirit of the MFMA and constitutes an act of financial misconduct in terms of section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 and also a financial offence in terms of section 173 of the MFMA read together with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. Municipal Councils should refer these actions to the Disciplinary Boards for further investigation and should also lay criminal charges against the accounting officer or any other responsible or delegated official who has failed to perform the responsibility outlined in terms of section 65(2)(f) of the MFMA which states that “the accounting officer of a municipality must take all reasonable steps to ensure that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments”. Municipal Councils should also consider further measures and actions in terms of the Pension Funds Act, as may be applicable.

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

#### 4.1 Version 6.7 of the *m*SCOA Chart Go Live

Version 6.7 of the *m*SCOA chart will go live on 13 March 2023, whereafter tabled budget data strings can be uploaded on the GoMuni portal.

For new *m*SCOA chart changes to be considered for version 6.8 of the chart, a Frequently Asked Questions (FAQ) must be logged by 31 August 2023 on the *m*SCOA FAQ database on GoMuni. FAQ queries can be logged at:

[https://lg.treasury.gov.za/ibi\\_apps/portal/mSCOA\\_FAQ](https://lg.treasury.gov.za/ibi_apps/portal/mSCOA_FAQ)

It is important that the issue logged is described clearly and that sufficient supporting evidence is provided to ensure that all aspects of the issue are considered. After investigating the query logged, the following actions will be taken:

- If the query does not require a chart change, the FAQ will be closed, and feedback will be provided to the logger.
- If the query warrants a chart change, it will be submitted for consideration and approval by the relevant committees within the National Treasury.

Chart changes are communicated in October of each year to allow sufficient time for municipalities and vendors to effect such changes. Chart changes are officially published in the MFMA Budget Circular in December of each year.

#### 4.2 Additional requirements to change municipal financial systems

The cost and risk associated with procuring and implementing a new Enterprise Resource Planning (ERP) financial system necessitate careful consideration and extensive planning to ensure a smooth operational transition. Such a transition takes at least 18 months to conclude and does not come without challenges and disruptions in operations.

The National Treasury will regulate the minimum business processes and system specifications for *m*SCOA by the end of 2024/25. A new transversal tender for the provision of ERP financial systems that complies with these regulations will be put in place once the regulations have been issued. Municipalities should therefore exercise extreme caution when changing their financial systems at this stage to eliminate fruitless and wasteful expenditure by procuring financial systems that might not comply with the said regulations.

Municipalities are reminded to follow the due diligence processes set out in MFMA Budget Circulars No. 93, 98 and *m*SCOA Circulars No 5 and 6 prior to procuring new financial systems to protect them from making incorrect decisions in this regard.

In addition, and **with immediate effect**, municipalities must inform the National and relevant Provincial Treasury of any intention to replace the financial system currently operating at the municipality prior to inviting proposals from system providers. This is a requirement in terms of section 74 of the MFMA. The submission should include:

- A comprehensive motivation with specific reasons for why it is deemed necessary to replace the existing financial system;
- A copy of the service level agreement with minutes of the meetings between the municipality and the current service provider (financial system vendor) during the previous twelve months;
- An assessment to determine which modules of the existing financial system are being utilised by the municipality. Reasons must be provided for modules not in operation. Details and reasons must be provided on the use of third-party systems to provide functionality required in terms of MFMA Circular No. 80;

- An assessment to detail the proficiency of municipal users to utilise the current financial system properly. Reasons must be provided if users are not proficient in the use of the system and the details must be provided on how the system is being operated and transactions are being captured on the system in such cases;
- The date on which the existing financial system was implemented, the procurement and implementation costs and the current operational costs thereof must be disclosed;
- The organisational structure, specifically for the IT department/ function, clearly indicating management capacity and responsibility for operating the financial system;
- A technical assessment should be submitted indicating how the existing ICT infrastructure, server and network comply with the requirements of the current financial system; and
- Copies of all IT strategies, policies and procedural documents including the IT disaster recovery plan must be made available.

The above submissions and all enquiries must be forwarded to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za). A working committee comprising representatives from the National and Provincial Treasuries, the Office of the Auditor-General and other relevant stakeholders will assess the submissions and respond with its findings. These findings must be tabled in Council and a council resolution must be submitted to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) within 14 working days after the Council meeting has taken place.

It must be emphasized that the combination of both credible data inputs and an effective financial system is fundamental to ensure the quality and timeliness of financial reporting. If the data input into the financial system is incorrect then any management information generated by the system will lack credibility and reliability for decision making. Furthermore, a municipality with poorly designed business processes will not resolve the problem by implementing a new financial system. Processes must firstly be redesigned with the necessary data validation rules if the municipality is to improve its data integrity. This foundation is integral to ensuring that software applications generate credible information and can be used effectively by municipalities.

## 5. 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. It is important to note that the municipal equitable share as a policy instrument is meant to subsidise services to the poorest of the poor and not to pay municipal creditors. This bad practice by municipalities will have to be addressed as a matter of urgency. Municipal creditors should be advised that municipalities cannot use funds allocated for basic service provision to pay creditors.

Municipalities must ensure that they render basic services, maintain their assets and a clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to strengthen awareness and participation and to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in increased employment.

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.

### 5.1 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 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.

The purpose of the above mentioned MFMA Circulars is to ensure that the municipalities are using their entire revenue base as the basis for the revenue budget. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

One of the aims of the reconciliation process is to identify exceptions, i.e. records on the general valuation roll that are not on the billing system and records on the billing system and vice versa. In addition, the reconciliation must identify duplicated records, missing data, and data errors. These exceptions should then be investigated, and remedial action strategies developed for data cleansing and other corrective actions. The Debtors Ageing data should also form part of the reconciliation process so that “debtors” can be tracked and assessed at a property record level and prioritised for verification of rates liability measured against a MPRA property and owner.

To facilitate reconciliation of the separate databases (General Valuation Roll and Billing), a unique property identifier (common primary unique link code) must be created and populated for each rateable property on the general valuation roll system and on the rates billing system. This property identifier must be unique, without duplicates, and must remain constant for the life of the property. The standards adopted by the South African Council for the Property Valuers Profession (SACPVP), namely South African Standard: Municipal Valuations for Property Rating, specifies that the Surveyor General Code SG 21-digit Code, derived, and created from the property description, be applied for all registered full title properties defined in terms of part (a) of the definition of property.

For all other MPRA defined property, Part (a) Sectional Title, Part (b) Registered Rights, Part (c) Land Tenure Rights and Part (d) PSI and, apportioned multiple use property in terms of sections 8(2)(i) and 9(2), an added suffixed 5 digits to the SG 21-digit code must be assigned by the designated municipal valuer, thereby creating a unique 26-digit code. The municipality must ensure that the SG21 digit code and 26-digit coding system is applied in their valuation roll management system and billing system and engage with their designated municipal valuer and systems service providers to implement the unique property identifier.

Further it is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2023, must also as best practice compare the current consolidated roll to the new valuation roll. This will identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks.

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. In order to ensure that the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with Section 23(1)(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

Furthermore, municipalities are also advised and expected to comply with Section 8(1) of the MPRA in terms of the billing methodology that should be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation 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 or whether the municipality is overstating its revenue budget.

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/ Part A register to the billing system to the National Treasury on a quarterly basis by no later than the 10<sup>th</sup> working day after the end of the quarter. A detailed action plan must accompany the reconciliation where variances are noted.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: [https://lq.treasury.gov.za/ibi\\_apps/signin](https://lq.treasury.gov.za/ibi_apps/signin). 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).

Municipalities are reminded of the need to clearly communicate the GV appeals and objection process to residents to ensure that any disputes are timeously resolved.

Revenue Collection – No operation can be sustainable if it does not collect its revenue. A municipality is no different. There is a misconception that a municipality may not interrupt or restrict the supply of water services of a defaulting consumer. The National Treasury confirms that neither the Water Services Act, 1997 (Act No. 108 of 1997) or any other legislation prevents a municipality from cutting the supply of water to a defaulting consumer unless the consumer is an indigent in which case the water services to that household must be restricted to the national free basic water limit of 6 kilolitre water monthly (or 50 kilowatt hours in the case of free basic electricity monthly). This was confirmed by the Constitutional Court in the matter of Mazibuko and Others v City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009).

Municipalities are urged to use the restriction/ interruption of supply of both water and electricity services as a collection tool. Effective from the tabling and adoption of the 2023/24 MTREF, municipalities' By-laws and policies must facilitate this and clearly stipulate the order in which any partial payment of the consolidated municipal bill (including property rates) will be applied as well as the process before the supply of water and electricity services will be cut. The National Treasury recommended that any partial payment firstly be applied to property rates, wastewater, waste management, water and lastly to electricity. When interrupting or restricting the supply of water it is important that such is undertaken together with the municipal engineer(s) to ensure a continued minimum supply of waste-water.

Municipalities should develop a Wheeling Framework to allow for the transmission of energy across their networks. These wheeling frameworks provide an opportunity for municipalities to generate revenue from their distribution networks. Provincial Treasuries or National Treasury can be approached for support to develop these frameworks.

## 5.2 Funding Depreciation

The information shared in Circular 115 regarding the funding of the depreciation refers. It is important to note that depreciation represents the cost of using assets in service delivery and forms part of the total cost of providing the municipal service. Accordingly, it should be included in the setting of cost reflective tariffs to recover the full cost of rendering the service, failing which the depreciation will not be cash backed on Table A7 and will remain a journal entry with no value as mentioned in MFMA Circular No. 115.

## 5.3 Tariff-setting – the impact of loadshedding

Loadshedding not only affects the electricity service but also some municipalities' ability to pump water, thereby negatively impacting the stability of water supplies and the related functioning of the wastewater reticulation network. The loadshedding crisis has been declared a state of disaster and will require tough budgeting choices for municipalities to make sure that basic municipal services are sustained. The regulations published in the Government Gazette No. 48152 on 27 February 2023 in terms of the Disaster Management Act, 2002 (Act 57 of 2002) require municipalities to "ensure continuous operation of water infrastructure and other specified essential infrastructure, including by installing alternative energy sources or other measures to provide an uninterrupted power supply." Municipalities are also required to "mobilise available resources" and "provide funds for this purpose, subject to affordability." As an immediate interim solution back-up electricity to pump water should be prioritised while being mindful of its affordability within the municipality's available funding sources and other critical priorities. The municipality need to adequately plan and prioritise funding in its 2023/24 MTREF for this purpose, including:

- When planning to pump water/ maintain the wastewater service by way of any alternative solution(s), it is important that the municipality properly plan and budget for the associated capital and operational costs to operate and maintain the solution(s) over the 2023/24 MTREF and longer-term;
- Any additional cost the municipality already incurred in this regard during the period of elevated loadshedding since December 2022 should be projected to continue in 2023/24 i.e. diesel to operate a generator;
- Although a state of emergency has been declared to deal with the continual loadshedding challenges in the country, it is likely that loadshedding will continue during the 2023/24 municipal financial year. It is proposed that municipalities factor in the impact of loadshedding on their electricity revenue projections, taking into account current experience in terms of loadshedding practices by Eskom;
- The additional costs of prolonged loadshedding should be considered;
- Municipalities are always asked to try to balance full cost recovery on services with affordability for their residents. In practice, this means that where the full increase in the cost of a service is not passed on to consumers, municipalities must offset the increased costs through savings identified elsewhere in their operations. Therefore, **reducing/ limiting overall expenditure** is a key part of budgeting for the response to loadshedding. The municipality should stick to its core mandate and functions and carefully review overall expenditure to manage the net effect. Measures should include aggressively cutting costs, frills, and vanity projects, dealing with bloated administrations and structures possibly duplicated across Municipal Manager and Mayoral offices, and applying for exemptions from the annual salary increases if these are not affordable;
- While municipalities are urged to maximise efficiency in their operations, tariff setting efforts should consider the need to make additional provision for repairs and maintenance associated with infrastructure breakdowns during loadshedding;
- **Reducing/ limiting overall expenditure** – the municipality should stick to its core mandate and functions – it is necessary to carefully look at the overall expenditure side to manage the net effect, including aggressively cutting costs, fancy, frills, vanity

projects, deal with bloated admin- and structures possibly duplicated across Municipal Manager and Mayoral offices, and apply for exemptions from the annual salary increases; and

- The cost should be considered and included when setting the tariffs of the service(s) to which it relates.

Municipalities should also budget for reduced bulk purchases and sales to municipal customers based on the same loadshedding assumptions cited above.

Municipalities should carefully monitor their Eskom accounts for any penalties that result from increased demand immediately after a period of loadshedding is ended. Eskom has indicated that they will reverse any penalties for exceeding notified maximum demand that results from the implementation of loadshedding. This should be factored into the tariff calculation to ensure that consumers are not overcharged.

Lastly, it is important to note that a municipality may only introduce a load-shedding levy or surcharge with the approval of the Minister of Finance and in terms of the legislated processes set-out in the MFMA and Municipal Fiscal Powers and Functions Act, 2007.

#### 5.4 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.

The National Treasury issued a tariff setting tool and guide as part of MFMA Budget Circular No. 98 (refer item 4.2) on 6 December 2019 and since 2019, has encouraged municipalities to utilise the tool. **With effect, from the 2023/24 MTREF, all municipalities (except metropolitan cities and district municipalities that do not provide any services) as part of both the tabled and adopted MTREF submissions must submit the completed National Treasury tariff tool (in excel format)** illustrating that the revenue component of the budget is credible and funded and that the municipality's tariffs are cost reflective. If the municipality's initial calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality's strategy in this regard should be included as part of the budget narratives.

This tool will assist in setting tariffs that are cost-reflective and enable a municipality to recover costs to fulfil its mandate. Going forward it is also imperative that every municipality fully embrace the Municipal Standard Chart of Accounts (*mSCOA*): costing component. Considering, *mSCOA* implementation is entering its sixth year of implementation, all municipalities must fully embrace and report also utilising the costing segment correctly. 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>.

## 5.5 Tariffs – achieving a balance between cost-reflectiveness and affordability

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other consumers while ensuring the financial sustainability of the municipality.

When setting tariffs, it is therefore critical to understand the economic environment specific to the municipality and consideration should include at least –

- *The socio-economic profile undertaken for the municipality* available on the National Treasury GoMuni portal – municipalities are encouraged to annually update their own socio-economic profile using the template model available on GoMuni;
- *The most recent average monthly household income in the municipality* as per Statistics South Africa (Stats SA) available on [Statistics South Africa | Improving Lives Through Data Ecosystems \(statssa.gov.za\)](https://www.statssa.gov.za/);
- *The average property value in the municipality* per its most recent approved general valuation roll and/ or supplementary general valuation roll;
- *The number of indigent households in the municipality*, including any variation in the number of indigent households included in the Equitable Share: free basic services component for the municipality vs the municipality's own indigency level discretion; and
- *The economic drivers and activities specific to the municipal area<sup>1</sup>; etc.*

The municipality's tariff-setting or other committee tasked with this role must understand and deliberately reflect on this context during the tariff-setting process. Considering the average monthly household income, the median affordable municipal bill would ideally not exceed proportionally approximately 10 to 15 per cent the average monthly household income. This median affordable bill, in combination with the median average property value should inform the basis to determine any rebates to households with income below the median. Furthermore, municipalities contemplating to increase free basic electricity allocations as an indigent relief measure, should do so only after careful consideration of the long-term financial impact that such a decision might have.

It is also important when setting particularly water and electricity tariffs that municipalities are encouraged to set two-tier tariffs, that include a basic availability charge to recover the fixed (direct and indirect) cost associated with the service in conjunction with consumption-based tariff bands. For example, in a drought, such tariffs will facilitate the ability to pay for infrastructure and maintenance, treating chemicals and salaries, etc. while parallel facilitating water restriction based on inclining tariffs as consumption increase. Furthermore, it is important to link the municipality's water tariffs to dam levels, also approved as part of the budget process. For example, if the dam levels drop to 60 per cent the first tier of restriction tariffs should become applicable in terms of the municipality's approved tariff policy.

It is also noted that NERSA approves seasonal tariffs for Eskom but not necessarily for the municipality. It is important that the municipality clearly factors this in its tariff application to NERSA, illustrating the cash flow crunch if the municipality is not similarly allowed a seasonal tariff to recover the higher Eskom bulk cost during winter months.

Lastly, municipalities are cautioned against setting tariffs that include operating inefficiencies. This could lead to tariffs falling into the unaffordable range.

<sup>1</sup> The spatialised tax data is now available through National Treasury for all municipalities that provides an up to date information on economic activity within a municipal boundary.

The Consumer Price Index (CPI) inflation is forecasted to be within the 3 to 6 per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2023/24** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detailed account of their revenue growth assumptions for the different service charges in the budget narrative.

Additional loadshedding considerations when calculating anticipated revenue collection rates include:

- Consumption patterns amongst pre-paid users who work more sparingly with electricity units. This can have a lagging effect on revenue estimations i.e. although units are paid for up front, it is not necessarily used in high-demand periods; and
- A decline in average consumption patterns for post-paid customers.

As part of its debtor management strategy municipalities should clearly communicate the impact of loadshedding on municipal tariff setting, including through education campaigns. Consumers will expect a decrease in their electricity bills as consumption drops due to loadshedding. Not understanding the impact of tariff structures (fixed and demand-driven components) can create distrust and reduce willingness to pay municipal accounts.

## 5.6 Municipal Debt Relief

An optimally designed debt solution for Eskom can leverage the structural reform of the electricity sector that is needed both on the Eskom side and the municipal side, however, the municipal debt owed to Eskom pose a material risk to any Eskom debt relief package. In parallel the challenge of defaulting municipalities cannot be separated from a consumer culture to not pay for services.

Municipal Debt Relief that is **conditional and application based**, has therefore been sanctioned. The relief is aimed to correct the underlying behaviour and operational practices in defaulting municipalities and Eskom while in parallel, progressively introducing a smart metering solution to change consumer behaviour by instilling a culture of payment for services consumed. The proposal consists of 4 elements:

- i. **Eskom will write-off all debt municipalities owe** as on 31 March 2023 (excluding the March 2023 current account). This will be done over three national financial years and require as a critical qualification that municipalities monthly honour their current (monthly consumption) Eskom and water accounts going forward and maintain a minimum average quarterly collection, etc;
- ii. Secondly, **new mechanisms are explored to resolve non-payment** – this to include a dispute ombud mechanism and re-assigning the license of persistent defaulters;
- iii. Thirdly, Eskom will continue to **implement a regime of installation of pre-paid meters** in Eskom supplied areas to improve Eskom collection. Municipalities are additionally encouraged to adopt a similar operating regime; and
- iv. Lastly, the National Treasury will continue to implement municipal revenue enhancement initiatives, including a transversal tender for a smart pre-paid meter solution to change to a forward looking culture of payment of the consolidated municipal bill.

More details on the application process and related conditions for municipalities will soon be outlined and published through a separate MFMA Circular.

## 5.7 Bulk Account Payments and Concessions

Since 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 urged 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.**

## 5.8 Critical Notice Affecting STS Meters

As highlighted in previous MFMA Circular No. 115 (dated 04 March 2022) municipalities are once again alerted that there is still 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. In this respect the development of the transversal contract for smart prepaid meters as per NRS 049 (per latest approved version) is at an advanced stage and should be issued shortly by National Treasury.

If your municipality or municipality 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 inter alia 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 inform and 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) at [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/ or
- 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.

### **5.9 Completeness and credibility of revenue related information in the Budget**

The 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 2023/24 MTREF.

### **5.10 Eskom Bulk Tariff increases**

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In January 2023, NERSA approved tariff increases of 18.7 per cent in 2023/24 and 12.7 per cent increase in 2024/25. For purposes of calculating the free basic energy subsidy in the local government equitable share formula, the National Treasury has added 2 per cent to these increases. This is in anticipation of higher increases than those published in January, for municipalities, due to the difference in the financial years of Eskom customers and municipalities meaning that Eskom only has nine months to collect the allowable revenue from municipalities. R1.1 billion is added to the free basic energy subcomponent of the free basic services component of the local government equitable share formula to fund these higher tariff increases. To this end, the free basic electricity subsidy in the local government equitable share is calculated based on a 20.7 per cent tariff increase in 2023/24 and a 14.7 per cent increase in 2024/25. In the absence of an approved tariff increase in the outer year of the MTEF period, the formula assumes an increase of 17.7 per cent in 2025/26. This is the average of the estimated increases for the first two years of the MTEF period.

### 5.11 Updated Municipal Borrowing Policy Framework

Cabinet approved the Update to the Policy Framework for Municipal Borrowing and Financial Emergencies on the 17<sup>th</sup> of August, 2022. The purpose of the update was to re-examine the original Policy Framework, along with the legislation (i.e. Municipal Finance Management Act – MFMA) that was adopted to implement it, considering the experience with municipal borrowing that has accumulated since 2000.

The following key reforms have been introduced through the Update to the Policy Framework for Municipal Borrowing:

- The Policy Framework for Municipal Borrowing has been updated to introduce the necessary reforms that will expand the scope of responsible municipal borrowing and create an environment that attracts more players (e.g. insurers, pension funds, institutional investors and fund managers, and international Development Finance Institutions) in the municipal debt market space. The original core principles underlying municipal borrowing are maintained (i.e. creditworthy municipalities should borrow prudently to finance capital investment, and that there will be no bail-outs by the provincial or national government);
- The updated policy framework clarifies the role of Development Finance Institutions (DFIs), as it was not clearly articulated in the original policy. DFIs are required to pursue clear and agreed developmental goals, as outlined in the policy. The objective of this approach is to ensure that a DFI lending does not crowd out the private sector. Public-sector lenders, both domestic and foreign, should be guided by a social and developmental investment approach in which demonstrable social outcomes are considered alongside potential financial returns;
- The updated policy framework permits and clarifies innovative infrastructure financing mechanisms (such as pooled financing mechanisms, project finance, tax increment financing, revenue bonds, and pledging of conditional grants) that municipalities can use to leverage municipal borrowing. Municipalities are encouraged to explore these alternatives, and innovative infrastructure financing mechanisms permitted subject to the requirements contained in the Municipal Finance Management Act (MFMA); and
- The participation of both private and public sector market participants in the development of a liquid secondary market for municipal debt securities is also encouraged. The policy proposes options that can be explored to support the development and growth of an efficient and liquid market for municipal debt obligations.

The Updated Municipal Borrowing Policy Framework can be accessed at the MFMA website at the following link <http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx>.

### 5.12 Tariff Policies

Municipalities must comply with the provisions of Section 74 of the Municipal Systems Act (MSA) which requires that a municipal council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of this Act and with any other applicable legislation. Municipalities should also ensure that the tariff policies adhere to all the principles outlined in section 74(2) of the MSA. A municipality's tariff policies must also take into consideration variable factors such as water shortages and electricity feedback excess into the municipal system from new generation capacity. Municipalities are urged to develop wheeling and Small-Scale Embedded Generation (SSEG) frameworks to guide the

development of associated tariffs. Municipalities must adopt by-laws to give effect to the implementation and enforcement of their tariff policies.

### **5.13 Non-Revenue Electricity and Non-Revenue Water/ Revenue Losses**

Water Service Authority municipalities and electricity licensed municipalities are urged to align both their non-revenue water and non-revenue electricity indicators and their set targets in the 2023/24 SDBIPs with identifiable infrastructure or operational projects and/ or programmes. Municipalities should track improvements on the baseline information included in the SDBIPs by indicating the volume of water losses (i.e., kilolitres/ mega-litres) and the amount of electricity losses (KwH or MWs) for the previous year. This approach will help to determine the progress of municipalities in curbing losses, which impact on municipal revenues, in both non-revenue water and non-revenue electricity.

## **6. Burial of Councillors**

Salaries, allowances and benefits for political office-bearers and members is managed through Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils notice issued by the Minister of Cooperative Governance and Traditional Affairs.

Section 167 of the MFMA provides that a municipality may remunerate its Councillors within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members. Any benefit which is not included in the above-mentioned notice constitutes irregular expenditure and recovery thereof from the Councillor concerned is mandatory.

Municipalities may also refer to relevant Councillor Pension Scheme or personal funeral policies in existence for any funeral benefits relating to such Councillor.

## **7. Funding choices and management issues**

Municipalities are under pressure to generate and collect revenue for service delivered. 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 2023/24 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;
- Automate business services where possible to increase efficiencies and lower customer costs;
- 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, 2014.

### **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 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 (5.4 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023) and 2024 (4.8 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023). The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, 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, to root out ghost employees.

According to the 2021 State of Local Government Finance Report, there are about 165 municipalities that are in financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

### **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 councillors 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 councilor(s) concerned.

## **8. Conditional Grant Transfers to Municipalities**

### **8.1 Criteria for the release of the Equitable Share**

The equitable share release criteria for 2023/24 were set out in MFMA Circular No. 122. To assist with managing this process, a guiding checklist has been developed (attached hereto as Annexure A) which municipalities can follow throughout the course of the year to ensure that the required documents are timeously uploaded to the GoMuni platform in line with the prescribed deadlines.

Going forward, municipalities will be required to submit the completed checklist as part of the quarterly performance reporting process for quarter 1 of the municipal financial year. According to section 52(d) of the MFMA, the mayor of a municipality must within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial state of affairs of the municipality. The report must then be submitted to National

and Provincial Treasury within 5 days of being tabled in council as per section 32 of the MBRR. The report for quarter 1 of 2023/24 must therefore be submitted to council by the end of October 2023 and submitted to National and Provincial Treasury by no later than 5 November 2023. By including the completed checklist in this report, municipalities confirm their adherence to the equitable share release criteria, including that all supplementary information (as defined in the checklist) was successfully uploaded to the GoMuni platform.

Please note that most of the information required for the release of the equitable share, is already uploaded/ submitted by municipalities as part of existing reporting requirements throughout the year. There are however a few items (clearly marked in the checklist) that does not have a dedicated storage location (for example, payments of employee benefits) on GoMuni. A dedicated Equitable Share Verification Folder will be created on GoMuni for this purpose.

## 8.2 Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2022 (Act No.5 of 2022) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2022 (Act No. 15 of 2022) (DoRAA), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2022/23 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 national transferring 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 2022 DoRA, municipalities must include the following information with their submission to National Treasury:

1. 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 2022 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated, spent and the balance per project;
3. 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; or
  - b) Proof of project tender and tender submissions published and closed before 31 March or with the appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding was allocated during the course of the financial year of the project;
  - c) Incorporation of the Appropriation Statement;
  - d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2024 (attach cash flow projection for the applicable grant).
4. A progress report (also in percentages) on the status of each project's implementation that includes an attached **legible implementation plan**);
5. The value of the committed project funding and the conditional allocation from the funding source;
6. Reasons why the grants were not fully spent during the year on the original allocation per the DoRA;
7. Rollover of rollovers will not be considered. Municipalities must therefore not include previous year's unspent conditional grants as rollover request;
8. An indication of the time period within which the funds are to be spent if the rollover is approved; and

9. 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 because 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 2023, the application will be declined.**

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:

1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2022 DoRA, **including the Municipal Manager and Chief Financial Officer signing-off on the information** sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2023;
3. Accurate disclosure of grant performance in the 2022/23 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. Despite the fact that local government is required to comply with to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relate to rollover processes and disclose conditional grant performance in the 2022/23 pre-audited Annual Financial Statements (i.e Cash coverage and unspent conditional grants in the Statement of Financial Position) in order to verify grant expenditure; and
5. Cash available reflected in the Statement of Financial Position and Cash Flow Statements and the bank (net position including short term investments) as at 30 June 2023 is equivalent to the unspent amount at the end of the financial year. If the amount that is requested for rollover **is not entirely cash-backed**, such a rollover 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 rollover:

1. The entire 2022/23 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 2022/23 allocation;
2. Rollover request of the same grant for the third consecutive time. In a case where a municipality is applying for rollover as a result of additional funding, the application will be given a careful consideration;
3. Funding for projects procured through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636) – Projects linked to additional funding and disasters are exempted; and
4. 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 2023.

### **8.3 Unspent conditional grant funds for 2022/23**

The process to ensure the return of unspent conditional grants for the 2022/23 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their June 2023 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 reconciles;
- 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 2023. The unspent grant values must be determined based on the guidance that was provided in *mSCOA* Circular No. 13 in as far as VAT, retention and interest is concerned; and
- Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the 2020 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 2023.

***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 20 October 2023;
- Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2023. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 17 November 2023; and
- Step 6: Any unspent conditional grant funds that should have but has not been repaid to the National Revenue Fund by 17 November 2023, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 06 December 2023 equitable share allocation.

*All other issues pertaining to Appropriation Statement and reporting on approved rollovers are addressed in the Annexure to MFMA Circular No. 86.*

## 9. The Municipal Budget and Reporting Regulations

### 9.1 Alignment of Municipal Budget and Reporting Regulations (MBRR) Schedules

The revised Regulated MBRR Schedules (A1, B, C, D, E and F), as aligned to the *mSCOA* chart and GRAP are published on the National Treasury web page and can be accessed using the following link.

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2023%2d24&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67>

The alignment of the A1 Schedules required substantial changes to the reporting formats used for budgeting and reporting purposes which required the creation of new A1 Schedule codes to ensure that the data strings populate the new reporting formats. The relevant changes were also made in the reporting formats relating to versions 6.1 to 6.7 of the *mSCOA* chart to ensure that the historical data are populating when reports are drawn from GoMuni.

To ensure that ERP systems generate the A1 Schedule aligned to version 6.7 of the *mSCOA* chart, municipalities and system vendors should refer to the linkages provided on GoMuni. The following reports on GoMuni should be used for this purpose:

- List *m*SCOA account linkages to A1 Schedule based on 6.7 under menu option *m*SCOA Reporting; and
- List *m*SCOA A1 schedule codes WIP (i.e. new A1 Schedule codes) under menu option *m*SCOA Administration.

Both reports can be located under:

[https://lg.treasury.gov.za/ibi\\_apps/portal/Local\\_Government\\_Database](https://lg.treasury.gov.za/ibi_apps/portal/Local_Government_Database)

The new format for the non-financial data strings A1D and A1F is available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2023%2d24&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67>

The A1D is the data string which populates information which we do not extract from the TABB while the A1F populates the budget information which we do not extract from the ORGB. Municipalities should ensure that they use the new format when submitting the non-financial data strings.

## 10. Submitting budget documentation and A1 schedules for 2023/24 MTREF

The MFMA and its Regulations require the submission of *m*SCOA data strings for budgets, in-year reporting, and annual financial statements in a specific format and by a required timeframe. The credibility and accuracy of the *m*SCOA data strings must be verified by municipalities prior to submission to the GoMuni Upload portal. Since the financial system must be locked at the end of the month in order to generate a *m*SCOA data string, municipalities may not open closed periods to correct errors. Errors must be corrected in the next open period. Providers of municipal financial systems must ensure that the necessary internal controls are built into the system to prevent the opening of closed periods on the financial system and the bypassing of such controls. This also applies to the correction of information in closed periods for 3<sup>rd</sup> party systems that should be integrating with the main financial system in terms of the requirements of the *m*SCOA Regulations.

From 1 July 2023, Municipal Managers and Chief Financial Officers will be required to sign off on the financial and non-financial data strings submitted to the GoMuni Upload portal when they submit their data strings. The schedules prescribed in terms of the Municipal Budget and Reporting Regulations (MBRR) populated from the *m*SCOA data strings on National Treasury's Local Government and Reporting System (LGDRS) must also be signed off monthly. These sign-offs are for audit purposes and serves as a confirmation by the municipality that the data strings submitted are accurate. Details on the submission of the signed-off figures will be communicated in due course.

**In terms of Section 171 of the MFMA, financial misconduct by municipal officials includes the provision of incorrect or misleading information in any document which must be submitted to the National Treasury.**

From 1 July 2023, the GoMuni Upload portal for the monthly in-year data strings will be closed at 16h00 on the 10<sup>th</sup> working day of each month. All publications by the National and Provincial Treasuries are now solely sourced from the *m*SCOA data strings submitted by

municipalities and several stakeholders including Statistics South Africa (STATSSA), Auditor General South Africa (AGSA), the Reserve Bank, and NERSA are in the process of streamlining some of their reporting to the information contained on the National Treasury Local Government Database and Reporting System (LGDRS). The resubmission of data strings after the legislated timeframes is not only illegal but also causing challenges in data sets used by various stakeholders for analysis and reporting purposes. **No data string submissions will therefore be accepted by the National Treasury after the 10<sup>th</sup> working day of the respective month.**

## Contact



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**JH Hattingh**  
**Chief Director: Local Government Budget Analysis**  
**03 March 2023**

## ANNEXURE A: Equitable Share Verification Checklist:

### General Requirements

Criteria	Verification Requirement	Yes/No
<b>2023/24 Adopted Budget</b>	Council resolution, adopted <i>m</i> SCOA budget data strings (ORGB), PDF version of adopted MTREF budget uploaded to GoMuni Upload portal immediately after approval.	
<ul style="list-style-type: none"> <li>Is the municipality's completed tariff tool (National Treasury format) included as part of its budget submission (MFMA Budget Circular No. 98 (refer item 4.2).</li> </ul>	The completed National Treasury EXCEL tariff tool uploaded to GoMuni with the adopted budget by start of budget year i.e. <b>1 July 2023</b> .	
<ul style="list-style-type: none"> <li>Are allocations made for bulk suppliers current account payments?</li> </ul>	Allocations reflected in <i>m</i> SCOA budget data strings (ORGB) and budget schedules/ document.	
<b><i>If unfunded budget position–</i></b>		
<ul style="list-style-type: none"> <li>Is a Budget Funding Plan (BFP) adopted with the budget?</li> </ul>	Copy of the adopted Budget Funding Plan uploaded to GoMuni with the adopted budget by start of budget year i.e. <b>1 July 2023</b> .	
	PDF version of BFP/progress report uploaded to GoMuni Upload portal by start of budget year i.e. <b>1 July 2023</b> .	
	Is the BFP credible and show how the municipality intends moving progressively out of this position into a funded state?	
	In the case of the latest progress report being submitted, is it aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS)?	
<ul style="list-style-type: none"> <li>Council resolution reflecting commitment to address unfunded position.</li> </ul>	PDF copy of resolution uploaded to GoMuni Upload portal by start of budget year i.e. <b>1 July 2023</b> .	
<b><i>m</i>SCOA</b>		
<ul style="list-style-type: none"> <li>Submission of Data Strings</li> </ul>	Successful submission of all financial and non-financial <i>m</i> SCOA data strings to the GoMuni Upload portal	
	Timeous submission of all financial and non-financial <i>m</i> SCOA data strings to the GoMuni Upload portal	
	Data strings submitted are credible as per the analysis done by NT/PTs	
	Data strings are generated directly from the main municipal financial system	
	The regulated MBRR Schedules are generated directly from the core municipal financial system	
	Successful submission of all financial and non-financial <i>m</i> SCOA data strings to the GoMuni Upload portal	
<ul style="list-style-type: none"> <li>Submission of documents</li> </ul>	Municipal documents required in terms of legislation and MFMA Circulars have been submitted timeously and in the required format to the GoMuni Upload portal.	
<ul style="list-style-type: none"> <li>Financial System Changes</li> </ul>	Municipality has followed the processes in Circulars No. 93, 98, 123 and <i>m</i> SCOA Circulars No 5 and 6 to change their financial system.	
<b>UIF &amp; W</b>		
<ul style="list-style-type: none"> <li>UIF&amp;W Register</li> </ul>	Documents need to be uploaded to NTs eMonitoring Webpage	
<ul style="list-style-type: none"> <li>MPAC recommendation on UIF&amp;W</li> </ul>		
<ul style="list-style-type: none"> <li>Council Resolution on UIF&amp;W</li> </ul>		
<ul style="list-style-type: none"> <li>UIF&amp;W Reduction Strategy</li> </ul>		
<b>Disciplinary Board</b>		
<ul style="list-style-type: none"> <li>Does the municipality have a functional disciplinary board?</li> </ul>	Proof of establishment (or efforts to establish DC Board) uploaded to NTs eMonitoring Webpage NTs eMonitoring Website.	
<b>Competency Regulations</b>		
<ul style="list-style-type: none"> <li>Has the minimum municipal competency regulations reporting requirements been adhered to?</li> </ul>	In line with the Competency Regulations, consolidated reporting information must be uploaded to GoMuni by <b>30 January 2023</b> and <b>30 July 2023</b> .	
<b>Audit Process</b>		
<ul style="list-style-type: none"> <li>Opinion Received</li> </ul>	Did the municipality receive an adverse or disclaimed audit opinion or had outstanding audits for two consecutive financial years?	
<ul style="list-style-type: none"> <li>Adverse or disclaimed audit opinion</li> </ul>	Council resolution signed by each member of the Council was uploaded to NT's eMonitoring Webpage within 1 month after conclusion of the audit process reflecting council's commitment to address the opinion.	
<ul style="list-style-type: none"> <li>Is a council approved audit action plan in place?</li> </ul>	Audit action plan, together with council resolution, to be uploaded to NT's eMonitoring Webpage within 60 days from audit report issuance.	
<b>Interventions (where applicable)</b>		
<ul style="list-style-type: none"> <li>In the event of a discretionary or mandatory intervention in terms of section 139 of the Constitution, is a Financial Recovery Plan (FRP) in place?</li> </ul>	The FRP and monthly progress reports submitted in terms of sections 145 and 146 of the MFMA must be uploaded to GoMuni Upload portal for each month since the inception of the FRP.	

## Quarterly Requirements

Criteria	Verification Requirement	Quarter 3 (Jan – March)	Quarter 4 (April – June)	Quarter 1 (July – Sept)	Quarter 2 (Oct – Dec)
<b>Bulk Supplier Payments</b>					
<ul style="list-style-type: none"> <li>Were current account payments to bulk suppliers (Eskom and Water Boards) timeously made?</li> </ul>	PT/NT to verify status according to MFMA S41 Report. No action required from municipality if account in good standing.	-	-	-	-
<ul style="list-style-type: none"> <li><u>If current account in arrears, are payment agreements in place?</u></li> </ul>	Copy of payment agreement or evidence of discussions are uploaded to on GoMuni Upload portal.				
<b>Staff benefit Deductions</b>					
<ul style="list-style-type: none"> <li>Were a) SARS, b) pension and c) other staff benefits timeously paid over to the relevant funds/institutions?</li> </ul>	Proof of payment for each category, for each month of the quarter uploaded to on GoMuni Upload portal.				
<b>Reconciliation of Valuation Roll</b>					
<ul style="list-style-type: none"> <li>Has the valuation role been reconciled to the financial system?</li> </ul>	In line with MFMA Circulars No. 93, 98 and 107, proof of the verification for each quarter should be uploaded on GoMuni Upload portal.				