

SOL PLAATJE LOCAL MUNICIPALITY

DRAFT ANNUAL BUDGET (MARCH)

2024/25 – 2026/27



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1. Mayor's Speech

To be tabled in the Council meeting scheduled for 27 March 2024.

2. Council Resolution

Tabling of the Annual Budget for 2024/25 MTREF

Executive Mayor Cllr KJB Sonyoni

27 March 2024

Purpose

Tabling of the Annual Budget of the Sol Plaatje Local Municipality for the financial year 2024/25 and indicative allocations for the two projected outer years 2025/26 and 2026/27, 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

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Mrs O Gopane (IDP) Tel 053-830-6682

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 2024/25; and indicative allocations for the two projected outer years 2025/26 and 2026/27, 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 2024/25 as per Annexure 5.
6. That Council take note that the public participation in respect of the annual budget, the draft IDP and the draft SDBIP will commence in April to gain inputs and comments from the community and other stakeholders and the timetable for these meetings will be deliberated upon by the IDP and Budget Office through directive from the office of the Executive Mayor, Speaker and the Municipal Manager. The Mayor's office is responsible to arrange and co-ordinate the public participation meetings.
7. That due to mSCOA Reporting requirements, the schedules may change from what is presented here, with the totals remaining the same, that Council gives the Municipal Manager and the CFO permission to effect, all necessary corrections as a result of reporting requirements.
8. That Council resolves to authorise the 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 completed its review of the IDP which covers the period from 1 July 2022 to 30 June 2027 with a successful strategic planning sessions held at Frances Baard District Municipality on the 1 December 2023. The key strategic objectives of the IDP are now linked to the strategic priorities and supported by the budget allocations, where funding is available.

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 2024/25 that would attempt to resolve the following strategic challenges:

1. Cash flow challenges
2. Service delivery challenges
3. Low collection rate and strict implementation of the 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 Sol Plaatje Municipality's economy
6. Sustainable water supply and uninterrupted electricity supply community
7. Electricity energy mix, among other things deliberated upon during the strategic planning session. It is imperative that a business continuity strategy be developed.

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 curd electricity theft.
- Procuring of smart, prepaid meters and water meters to improve billing accuracy.
- Improve Internal Controls within Revenue Management Value Chain (TID rollovers, integrations from the prepaid vendor with Solar, non-purchasing prepaid meters, etc)
- Strict measures in 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 for water and electricity, and again this is another hurdle that must be attended to as a matter of urgency.

The municipality has been approved for the Municipal debt relief, effective 1 October 2023. It is imperative that the municipality complies with the conditions of Circular 124, as non-compliance will have serious consequences for the municipality and its electricity business.

The 2024/25 and outer years 2025/2026 and 2026/2027 Budget is premised on the following assumptions:

- The municipality implemented the 2023 General Valuation Roll effective 1 July 2023. The objections process was finalised in September 2023. The appeal board convened starting on 6 March 2024 and will be finalised before the end of April 2024.
- 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 strictly implemented.
- 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 spending and to avoid the risk of funds being withdrawn.
- 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. All the evidence points to fact that the culture of non-performance, lack of consequence management and relaxing controls in the implementation of policies cannot prevail, if we want to see a tangible improvement and recover financially. 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 our people, special focus must 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 effective spending. Adhoc maintenance must be based on emergencies or unforeseen circumstances or acts of God which cannot be prevented.

We have accepted that we are operating an aged infrastructure, and with the current financial position, immediate replacement is extremely difficult. Thus, it is of utmost importance that the BFI funding be spent effectively and timeously as the long-term goal of the Bulk Water Infrastructure project is to secure sustainable and quality water supply and reduce water losses. 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 responsive and turnaround times must be excellent. This will positively influence customer satisfaction and ultimately customer's willingness to pay their municipal accounts.

Our average collection rate for Property rates and Service charges were at 80% as at end the end of February 2024. The lower collection rate is not assisting the municipality to step out of its liquidity woes. The municipality needs an average collection rate of 90% or more, but to improve the liquidity

issues and dealing with accumulated creditors, a minimum of 110% collection is required. This basically means, not only should the rate payers pay their monthly current 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, must 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 tampering or bypass.

The audit outcomes remain negative and one of the contributing factors is weaknesses in internal controls and repeat findings that are not adequately addressed. Weak internal controls lead to various issues on credibility and quality of information used to prepare and complete the financial statements. The Audit Action Plan is developed annually but implementation thereof is still lacking and must be improved. Recommendations of Auditor General and Internal Audit must be implemented and adhered to, to ensure an improvement in audit outcomes.

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 itself, unless drastic and progressive recovery and turnaround strategies are put in place. The recovery and turnaround are aimed at focusing on seven 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
7. Compliance to MFMA Circular 124: Municipal Debt Relief

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 128 as indicated below is an extract of the key focus areas for the 2024/25 municipal budget process. All recently issued circulars are included in the budget document for ease of reference.

Key focus areas for the 2024/25 budget process

“2.1. Local government conditional grants and unconditional grants allocations

Net reductions of R80.6 billion to main budget non-interest expenditure are identified across the three spheres of government over the MTEF in comparison to the 2023 budget estimates. Among these 2024 MTEF fiscal consolidation reductions, local government has the smallest contribution. Over the 2024 MTEF, the local government equitable share and direct conditional grants will be reduced by a total of R15.5 billion, made up of R9.6 billion in the local government equitable share and R5.9 billion in direct conditional grants. Despite reduction, local government equitable share growth remains high with transfers to local government significantly increasing by 5.2 per cent annually, driven mainly by the strong growth of local government equitable share by 6.1 per cent. National revenue share increases by 2.6 per cent annually, while transfers to provinces grow by 3.8 per cent annually, with the equitable share growing faster than conditional grants. There were no proposed reductions on the sharing of the general fuel levy to the metropolitan municipalities.

Notable changes to the conditional grants system

Given the ongoing review of the conditional grants system, very minimal changes were proposed to local government conditional grants. The proposed changes indicate a continued focus on enabling municipalities to improve service delivery to communities.

New conditional grant for smart prepaid meters

A new indirect grant, which will be managed by the National Treasury will be introduced in 2024/25. This grant will present an important opportunity for municipalities in the debt relief programme. While debt relief is a critical component of supporting struggling municipalities, it is important to also provide the municipalities with the tools and the necessary funding to improve their operations and long-term sustainability.

This new indirect conditional grant for smart prepaid meters is a meaningful step towards providing municipalities with the financial support they need to better manage their utilities, by ensuring timely and accurate billing; reducing losses; and enhancing operational sustainability. Municipalities will be able to manage their utility services and provide to water and electricity services effectively and efficiently. The grant will initially focus on providing debt relief for Eskom and will be implemented targeting specific municipalities in its initial years.

Improving regulatory levers and reforms

By enhancing the usage of regulatory frameworks in the conditional grants system, the government is taking steps to ensure that municipalities prioritise critical projects and utilise resources effectively. The use of results from the Department of Water and Sanitation's Watch Reports in the prioritisation of water and sanitation projects funded from general-purpose grants such as the integrated urban development grant (IUDG), and municipal infrastructure grant (MIG), will improve the quality and impact of these projects. Further, requiring municipalities to use the results of green drop, blue drop and no drop assessments in planning and prioritising projects will drive greater accountability and transparency in the use of grant funds, promoting sustainable and effective service delivery.

2.2. Post 2023 MTBPS changes

A number of reductions that were proposed in the 2023 MTBPS have been reversed but revised downwards, and several further cuts and other reprioritisations effected to make funds available for other government priorities. These include:

Reductions reversed: Previous reductions proposed on the sharing of the general fuel levy to the metropolitan municipalities, the rural roads asset management systems and the water services infrastructure grants have been reversed.

Reductions revised downwards: The previous reduction of R218 million to the integrated national electrification programme municipal grant is revised to R204 million; the previous reduction of R49 million to the municipal disaster response grant is revised to R35 million; and the previous reduction of R48 million to the municipal systems improvement grant is revised to R27 million.

Further reductions: To make funds available for other government priorities, reductions have been made to some municipal conditional grants over the 2024 MTEF period. These include an additional reduction of R3.5 billion to the integrated national electrification programme Eskom grant; an additional reduction of R73 million to the integrated urban development grant; an additional reduction of R14 million to the energy efficiency and demand-side management grant; an additional reduction of R4 million to the public transport network grant; an additional reduction of R127 million to the direct component of the regional bulk infrastructure grant; and an additional reduction of R852 million to the indirect component of the regional bulk infrastructure grant.

Reprioritisations: Reprioritisations over the MTEF period include the following: R58.3 million from the direct component of the municipal infrastructure grant is converted to the indirect component of the grant; R587 million from the direct component of the regional bulk infrastructure grant is converted to the indirect component; R91 million from the integrated urban development grant and R1.4 billion from the municipal infrastructure grant are shifted to the municipal disaster recovery grant to fund the repair and reconstruction of municipal infrastructure damaged by the floods that occurred between February and March 2023; R400 million from the first two years of the MTEF period are shifted to the outer year in the public transport network grant; R2 billion is reprioritised from the integrated national electrification programme municipal grant to fund the baseline for the new smart meters grant; and R432 million is reprioritised from the integrated national electrification programme Eskom grant to fund other priorities in the energy sector.

2.3. Review of the local government fiscal framework

Government's five-year programme of action to improve local governance, as endorsed by the Budget Forum, includes efforts to improve the funding model for local government. The National Treasury is reviewing a draft report for regulating municipal surcharges on electricity and identifying alternative sources of revenue to replace these. The next step will be consultation with external stakeholders.

The local government equitable share formula is being updated in various ways, including improving its responsiveness to the different functions assigned to district and local municipalities. In addition, the formula will be refined with reforms such as exploring the feasibility of introducing a cost differential model, community services components for health services and firefighting functions, objective criteria for benchmarking municipalities in relation to their administrative functions. The Department of Cooperative Governance, the National Treasury, the South African Local Government Association, the Financial and Fiscal Commission and statistics South Africa are identifying areas for refinement over the 2024 MTEF period.

2.4. Update on the review of the conditional grants

The South African government initiated a review of the existing grant system amid concerns of its effectiveness, including underspending on infrastructure grants and fragmentation in the provincial and municipal grant systems. The review involved stakeholder consultations and literature reviews of conditional grant programmes to gain insights and make evidence-based recommendations for reform.

In April and May 2024, multiple consultation platforms will be set up to share the preliminary findings with the multi-stakeholder team. While some changes resulting from the review were reflected in the 2024 Budget, further proposed reforms are likely to be considered in the 2025 budget process and implemented gradually in a phased manner.

2.5. Funding for Local Economic Development (LED) Programmes

National Treasury is mindful of the essential role played by municipalities in driving economic development and job creation to mitigate inequality and attract private investment. In addition to the infrastructure grants, municipalities also receive about 66 per cent of their allocations in unconditional grants, which can be utilised to fund operational parts of the LED initiatives. However, it is important to note that economic development does not rely solely on a single funding pot, but on various forms of government programmes and grants. This includes support and initiatives from the Department of Trade, Industry and competition funded by provinces through their equitable share.

Whilst there is a call for creation of conditional grant, it is worth noting that the creation of a dedicated grant for LED initiatives comes with its challenges. In the past, when such grants were introduced, government institutions reprioritised funds that were initially funding the LED programmes, leading to over-reliance on conditional grants. This dependence undermines the purpose and sustainability of these programmes, as their funding is primarily dependent on the availability of funds from the fiscus and the performance of the economy. Therefore, there is a need to align conditional grants with economic development areas while also ensuring their integration with other government spheres to support the developmental mandate effectively.

In addition, it is also crucial for municipalities to provide essential services such as electricity, water, and sanitation efficiently. The efficient provision of these services is crucial for attracting private investment, fostering economic growth, and promoting a conducive environment for businesses to thrive. Therefore, National Treasury urges municipalities to prioritise the provision of these services to enhance economic development and improve the quality of life for their residents.

2.6. Reforms to improve the efficiency and financial sustainability of metro's trading services

Due to years of neglect and inadequate infrastructure maintenance, South Africa's municipalities face severe utility services issues, including in water, wastewater, and electricity. A loss of essential management and technical skills has also contributed to the decline in service quality and reliability. Metro water services alone suffer from an investment gap of R9 billion per year. These inefficiencies threaten economic growth and job creation and increases poverty. Government transferred substantial monetary allocations to local government in the successive Budgets to support water services, but the outcome and value for money of these transfers is low. To address this, an incentive grant system is being explored for 2025/26 to increase investments, change management and governance structures, promote professional management, and ensure transparency, starting with metros.

These reforms are commencing in the 2024/25 municipal financial year with the conditions being introduced in the Urban Settlement Development Grant (USDG). Thereafter, the reform will be extended to other revenue-generating trading services.

2024/25 USDG Financing Component for Trading Services

Municipalities must submit the following to the transferring officer and the National Treasury to qualify for making an application for the financing component:

- A council approved turnaround strategy to the Department of Human Settlement (DHS) and the National Treasury by 31 July 2024;
- A roadmap on the institutional reforms for improved management and governance to be submitted to DHS and National Treasury by 30 September 2024; and
- A business and investment plan that is consistent with the services development plan by 30 September 2024.

In support of these conditions, National Treasury will issue a guidance note by 1 April 2024, on requirements for turnaround strategies, institutional reforms and business plans for the financing component on trading services.

2025/26 onwards Improving the efficiency of urban utility services

Beyond 2024/25, the intention is to extend the reform agenda beyond water services to other revenue-generating trading services, including electricity and solid waste management. The Explanatory Memorandum, **Annexure W1**, to the 2024 Division of Revenue Bill provides the following direction on future work on municipal fiscal frameworks linked to trading/ utility services.

The grant reforms will aim to:

- Increase the level of investments in utility services (water, wastewater, electricity and solid waste) by leveraging grant finance with loan finance, linked to improved operational and financial performance of services providers;
- Catalyse changes in the structure, management, and governance of utility services businesses to support improvements in operational, technical and financial performance;
- Promote professional management with a single point of management accountability for utility services in cities, suitable managerial autonomy and the technical skills necessary to manage an effective service; and
- Promote and ensure full financial transparency, including by making the financial relationship between municipalities and the utility services explicit.

2.7. Criteria for the release of the Equitable Share:

The criteria for the release of the equitable share were covered in Circulars No. 122 remains relevant and are still applicable for the release of equitable share instalments in the 2024/25 financial year. Failure to comply with the 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."

The Budget Overview

The third year of IDP implementation and budget cycle takes place under difficult conditions than ever before. The economy continues to show signs of constraints especially 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 80% at the end of February 2024. This collection rate is lower than the norm of 95% as set out by National Treasury and below the required collection rate of at least 85% in order to meet the monthly operational financial commitments. The current monthly expenditure is approximately R195 million, which means that at any given point in time, the municipality must have close to R600 million in cash and investments, to be able to have a comfortable Cost coverage of 3 months.

The 2023/24 Mid-year engagement was held with National Treasury on 1 and 2 February 2024. All arrears based on the four pillars namely Institutional Arrangements, Financial Health, Financial Governance and Service Delivery has declined. National Treasury issued a summation of the observations, recommendations and resolutions emanating from the discussions; these should inform the municipality's 2024/25 MTREF, where appropriate.

This report aims to table the Operational Revenue, Operational Expenditure and Capital Expenditure Framework for the 2024/2025 MTREF covering a three-year period, with 2024/25 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 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 2024/25 MTREF.

Consolidated Overview of the 2024/25 MTREF	2024/25 Medium Term Revenue & Expenditure Framework							
	Adjustment Budget 2023/24	Budget Year 2024/25	Year-on-year % Increase (Decrease)	Budget Year +1 2025/26	Year-on-year % Increase (Decrease)	Budget Year +2 2026/27	Year-on-year % Increase (Decrease)	Total over the MTREF
	R'000	R'000	%	R'000	%	R'000	%	R'000
Operational revenue and expenditure budget								
Total Operating Revenue (excl Capital transfers)	2,798,666	2,958,278	6%	3,168,499	7%	3,393,664	7%	9,520,441
Total Operating Expenditure	2,782,911	2,928,505	5%	3,121,201	7%	3,341,849	7%	9,391,554
Operating Surplus	15,755	29,774	89%	47,298	59%	51,815	10%	128,887
Capital transfers and contributions	215,894	572,229	165%	657,904	15%	114,513	-83%	1,344,646
Total Revenue (incl Capital transfers)	3,014,560	3,530,507	17%	3,826,403	8%	3,508,177	-8%	10,865,087
Surplus (incl Capital transfers)	231,649	602,003	160%	705,202	17%	166,328	-76%	1,473,533
Capital expenditure budget								
Capital transfers and contributions	215,894	572,229	165%	657,904	15%	114,513	-83%	1,344,646
Internally generated funds	55,390	41,500	-25%	31,500	-24%	31,500	0%	104,500
Total Capital expenditure	271,284	613,729	126%	689,404	12%	146,013	-79%	1,449,146

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. For indulgence, a deficit or unfunded budget is when a municipality 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 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, R128,887 million is project as total surpluses.

The focus at this point shall be operating revenue and expenditure as follows.

There is no significant increase in overall revenue as the totals are increasing from R2,798,666 billion (Adjusted budget 2022/23) to R2,958,278 billion (2024/25), constituting a 6% increase year on year when compared to Adjustment budget. The overall average increase over the MTREF is approximately 6.5%. The operating expenditure is estimated at R2,928,505 billion in 2024/25, with

an increase of operational expenditure of 5%. After having considered all the factors, the budget for 2024/25 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, applying cost containment measures consistently and curbing wastage and improving on quality of workmanship. The total capital expenditure amounts to R613,729 million. Over the MTREF the municipality projects to spend just over R1 billion for Bulk water BFI project. Capital grants and subsidies recognised are all conditional grants gazetted as per the Division of Revenue Bill 2024.

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.

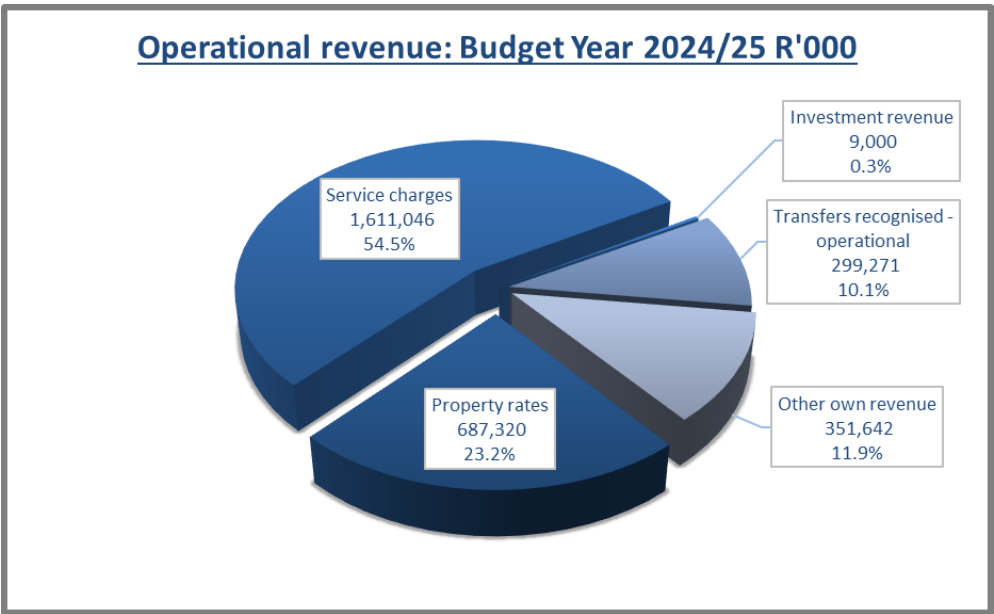
5. Operating Revenue Framework

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. The main revenue from non-exchange transactions are revenue derived from property rates, availability charges, penalties and disconnection charges as well as operational grants and subsidies. 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, etc 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 2024/25.



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 biggest concern year-on-year is the increase on Electricity revenue but this trading service is put under severe strain with the above inflation increases approved for Eskom for bulk electricity, whilst the municipality must start implementing a strict action plan to reduce inefficiencies in the system.

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 based on cost to run the service, 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 2024/25 MTREF classified by revenue source.

NC091 Sol Plaatje - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description (R thousand)	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework								
	Adjusted Budget	% Contribution	Budget Year 2024/25	% Contribution	% Growth 2023/24 to 204/25	Budget Year +1 2025/26	% Contribution	% Growth 2024/25 to 2025/26	Budget Year +2 2026/27	% Contribution	% Growth 2025/26 to 2026/27
Revenue By Source											
Exchange Revenue											
Service charges - Electricity	995,202	35.56%	1,099,199	37.16%	10.45%	1,199,792	37.87%	9.15%	1,309,930	38.60%	9.18%
Service charges - Water	300,114	10.72%	343,685	11.62%	14.52%	364,274	11.50%	5.99%	387,189	11.41%	6.29%
Service charges - Waste Water Management	89,858	3.21%	95,890	3.24%	6.71%	101,631	3.21%	5.99%	107,153	3.16%	5.43%
Service charges - Waste Management	65,412	2.34%	72,271	2.44%	10.49%	76,467	2.41%	5.81%	80,948	2.39%	5.86%
Sale of Goods and Rendering of Services	17,379	0.62%	15,955	0.54%	-8.19%	16,689	0.53%	4.60%	17,457	0.51%	4.60%
Interest earned from Receivables	250,400	8.95%	120,030	4.06%	-52.06%	124,551	3.93%	3.77%	129,463	3.81%	3.94%
Interest earned from Current and Non Current Assets	9,500	0.34%	9,000	0.30%	-5.26%	12,000	0.38%	33.33%	15,000	0.44%	25.00%
Rental from Fixed Assets	28,130	1.01%	27,740	0.94%	-1.39%	29,126	0.92%	5.00%	30,726	0.91%	5.49%
Licence and permits	1,200	0.04%	1,200	0.04%	0.00%	1,255	0.04%	4.60%	1,313	0.04%	4.60%
Operational Revenue	3,134	0.11%	3,773	0.13%	20.39%	3,947	0.12%	4.60%	4,128	0.12%	4.60%
Non-Exchange Revenue											
Property rates	660,893	23.61%	687,320	23.23%	4.00%	740,628	23.37%	7.76%	790,495	23.29%	6.73%
Fines, penalties and forfeits	37,910	1.35%	32,143	1.09%	-15.21%	32,915	1.04%	2.40%	34,787	1.03%	5.69%
Licences or permits	6,150	0.22%	8,000	0.27%	30.08%	8,452	0.27%	5.65%	8,949	0.26%	5.88%
Transfer and subsidies - Operational	287,603	10.28%	299,271	10.12%	4.06%	318,285	10.05%	6.35%	340,594	10.04%	7.01%
Interest	–	0.00%	91,900	3.11%		82,700	2.61%	-10.01%	74,400	2.19%	-10.04%
Operational Revenue	44,680	1.60%	50,900	1.72%	13.92%	55,787	1.76%	9.60%	61,132	1.80%	9.58%
Gains on disposal of Assets	1,100	0.04%	–	0.00%	-100.00%	–	0.00%		–	0.00%	
Total Revenue (excluding capital transfers and contributions)	2,798,666	100.00%	2,958,278	100.00%	5.70%	3,168,499	100.00%	7.11%	3,393,664	100.00%	7.11%

Table A4 of the Budget Schedules indicates the revenue by source. As can be seen in the table, service charges and property rates remain the major revenue source for the municipality. Revenue protection and enhancement remains should remain the main focus of the municipality, because without money you cannot do anything. This is also at the core of not being able to provide quality services and meaningfully implement the IDP priorities to address potential disasters and giving the community what they need to improve their quality of life. 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 above indicates the contribution per revenue source. It is clear that sale of electricity will be the major revenue source contributing just above 37.16% of total revenue in 2024/25. 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 be implemented and monitored 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.

Rates is as significant as it will contribute over 23.23% 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 10.12% to operational revenue.

NC091 Sol Plaatje - Table A4 Budgeted Financial Performance (revenue and expenditure)								
Description (R'000)	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework					
Financial Performance	Adjusted Budget	% Contribution	Budget Year 2024/25	% Contribution	Budget Year +1 2025/26	% Contribution	Budget Year +2 2026/27	% Contribution
Service charges - Electricity	995,202	69%	1,099,199	68%	1,199,792	69%	1,309,930	69%
Service charges - Water	300,114	21%	343,685	21%	364,274	21%	387,189	21%
Service charges - Waste Water Management	89,858	6%	95,890	6%	101,631	6%	107,153	6%
Service charges - Waste Management	65,412	5%	72,271	4%	76,467	4%	80,948	4%
Total	1,450,586	100%	1,611,046	100%	1,742,164	100%	1,885,221	100%

The table above reflects the contribution of each utility service to the total service charges to be billed in 2024/25 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 21%, sanitation at 6% and refuse removal at 4%. The contribution per service remains consistent over the MTREF.

There has been a significant improvement in the billing for refuse removal and sanitation, by means of an exercise by the Property valuation section to trace each property and ensuring that it is billed for the service. A single tariff currently prevails for all residential customers notwithstanding affordability, volume collected and travel distance to the landfill site.

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, sanitation and refuse removal.

Refuse removal and sanitation is quite critical as it affects the air quality, living conditions and safe environment. Refuse removal is highly dependent on adequate drivers and refuse compactors to perform optimally, and currently, the lack of sufficient fleet is a major shortfall in the performance of this function. As a result of the current financial position, no significant contribution can be made from Internally generated funds to fund the fleet replacement programme of the municipality.

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. However, National Treasury annually as per the budget circular provide guidance in the macro-economic performance and projections for the tariff setting increases. The municipality tries it utmost best to align its tariff increases to those guidelines. National Treasury estimate inflation for 2024/25 at 4.9% and two outer years at 4.6%:

Macro-economic performance and projections, 2022 - 2027					
Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Forecast		
CPI Inflation	6.9%	6.0%	4.9%	4.6%	4.6%

The electricity tariff increases will be dealt with separately as a result of the Cost of Supply Study approved by NERSA. In terms of NERSA guidelines, cost of supply study must be used to guide tariff setting, public participation and tariff implementation. The increase in tariff is based on the assumptions issued by NERSA with effect from 1 July 2024.

An average Eskom price increase of 12.72% has been approved by NERSA applicable as from 1 April 2024. The estimated municipal increase based on the cost including bulk purchases to run the service was determined at 10.60%.

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	2023/24	2024/25	2025/26	2026/27
	Tariffs increases			
Property Rates	5.30%	4.80%	7.76%	6.73%
Electricity	15.00%	10.60%	9.19%	9.21%
Water	5.30%	6.50%	5.99%	6.29%
Waste water (Sanitation)	4.90%	7.50%	5.99%	5.44%
Waste management (Refuse removal)	5.30%	5.00%	5.81%	5.86%
Average tariff increases/Municipal CPI	9.68%	7.93%	6.94%	6.71%

As per MFMA Budget Circular 123 for the 2023/24 MTREF, 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 present the history of tariff increases in order to raise the required revenue as per the tables above:

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 GV 2023 which will guide the valuation roll for the next four-year period, and was 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. Various findings have been raised by COGHSTA with the outcome of the 2023/24 Assessment of Municipal Compliance with specific provisions of the Municipal Property Rates Act. Issues like higher ratios and rebate for bona fide agricultural properties were raised. Some of these issues can only be addressed if we reduce expenditure for all cost centres funded from Rates and with the dire financial constraints faced by the municipality, we cannot afford to lose more revenue, but urgent intervention is required to address inefficiencies and possibly phase these recommendations in the budget over next three to five years. The total estimated revenue from Property rates is as per the table below:

NC091 Sol Plaatje - Table A1 Budget Summary								
Description (R'000)	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework					
<u>Financial Performance</u>	Adjusted Budget	% Contribution	Budget Year 2024/25	% Contribution	Budget Year +1 2025/26	% Contribution	Budget Year +2 2026/27	% Contribution
Property rates	660,893	23.6%	687,320	23.2%	740,628	23.4%	790,495	23.3%

Projected revenue from Property rates amounts to R687,320 million for 2024/25 financial year and is mainly influenced by the new General Valuation (GV) 2023 outcome. The supplementary valuation roll for the 2023/24 financial year will be finalised by the end of April 2024. There are also from time-to-time tariff changes to the extent of rated ratios, as per the MPRA however, the required revenue level must be achieved to ensure a funded budget. Property rates tariffs are calculated per category taking into consideration property values and rated ratios and any rebates provided. This is a deliberate attempt to ensure that residents only experience increases that are in line with increase in property values.

<u>LEVY OF RATES (FINANCE/VALUATIONS)</u>					
				PROPOSED	
		PRESENT		TARIFFS	
		<u>TARIFFS</u>		<u>2024/07/01</u>	% Increase
		R		R	
Residential Property		0.011591		0.012129	4.6%
Vacant Residential Property		0.017386		0.018194	4.6%
Industrial Property		0.034773		0.036387	4.6%
Vacant Industrial		0.040568		0.042452	4.6%
Business and Commercial Property		0.034773		0.036387	4.6%
Vacant Business and Commercial Property		0.040568		0.042452	4.6%
Agricultural Property		0.002898		0.003032	4.6%
Mining Property		0.069545		0.072774	4.6%
Public Service Property		0.047523		0.049729	4.6%
Public Service Infrastructure		0.000000		0.000000	
Public Benefit Activity Property		0.000000		0.000000	
Place of Worship		0.000000		0.000000	
Land Reform Beneficiary		0.000000		0.000000	
Private Open Space		0.011591		0.012129	4.6%
Municipal property used for Municipal Purposes		0.000000		0.000000	
Sports Grounds and facilities operated for gain		0.000000		0.000000	
Average rates tariff		0.016998		0.017707	4.2%

Service Charges

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

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

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

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

Whereas tariffs for trading services must be all inclusive of direct and indirect cost, and as such must be cost reflective, the municipality follows the guidelines for tariff increases for Electricity as issued by the Energy Regulator. In as far as bulk water is concerned the municipality did receive communication from the Department of Water and Sanitation, however the document was not clear on the prescribed increases for 2024/25, hence 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 applied the assumptions as guided from NERSA which informed the tariff increases for 2024/25. The municipality has noted the minimum percentage increase of 12.72% increase on bulk purchases. CPI inflation for 2024/25 is projected at 4.9% as per MFMA Circular 128 issued by National Treasury. The proposed tariff increase for Electricity is 10.60%

On 17 November 2023, NERSA issued a letter informing electricity distributors that the guideline and benchmarks that had been supplied in the past will no longer be published for annual electricity distributor tariff price increases, each distributor's tariff increase will be based on its costs. In that regard, a revenue requirement template has been developed for municipalities to complete their 2024/25 projections and revenue requirements for the 2024/25 financial year.

Licences are required to complete the attached template with projections for 2023/24 year end and revenue requirement for 2024/25. The increase in revenues should be aligned to the following assumptions:

- i. Bulk purchase will increase by 12.72% in line with Eskom's electricity tariff increase to municipalities;
- ii. A consumer price index (CPI) of 4.7% as indicated in the forecast by the Bureau for Economic Research (BER) in December 2023;
- iii. Salary and wage increases of 4.7%, which is also aligned to inflation. This will be replaced by the South African Local Government Association (SALGA) circular Salary and Wage Collective once it is concluded;
- iv. Interest rate decrease of 1% in line with the Reserve Bank forecast for 2024/25; and
- v. Other expenses increased by CPI (4.7%); and
- vi. Sales forecast assumption should be realistic and practical taking into account historical sales trend analysis.

Municipalities applying for an increase that is outside of the above assumptions will have to justify their increases to the Energy Regulator and the approval will be based on the following requirements:

- i. The additional revenue should be quantified per customer category, including the forecast sales assumptions; and
- ii. A detailed plan on the projects on which the additional funds will be used should be provided.

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. As per the outcome of the Cost of Supply Study, a basic charge and capacity charge were introduced for implementation starting 1 July 2023. This has not taken place for the current year and serious remedial action will have to be taken to resolve the matter.

The consultant dealing with cost of supply is still busy finalising the tariffs, however in the tariff list the tariffs are aligned to what was approved by NERSA, however last minute changes were submitted to NERSA to align the tariffs to the 15% that Council approved. Indicated in the table below is the projected revenue and cost drivers for Electricity. Based on budget estimates, the biggest cost driver for Electricity is Bulk purchases electricity at 78% of the total cost to run the service and it is therefore paramount that the municipality recover this and other costs in full.

TRADING SERVICE - ELECTRICITY (Amount in R)	Adjusted Budget 2023/24	2024/25	% Weighting of Rev & Exp 2024/25	2025/26	2026/27
1-INCOME	(1,056,581,624)	(1,164,299,207)		(1,270,542,410)	(1,386,849,025)
105 - SERVICE CHARGES NON-EXCHANGE	(39,670,000)	(46,000,000)	4%	(50,600,000)	(55,660,000)
132 - SERVICE CHARGES	(995,201,624)	(1,099,199,207)	94%	(1,199,791,910)	(1,309,930,248)
134 - INTEREST EARNED FROM RECEIVABLES	(21,710,000)	(19,100,000)	2%	(20,150,500)	(21,258,777)
2-EXPENDITURE	1,026,814,855	1,153,351,325		1,258,043,898	1,372,440,102
201 - EMPLOYEE RELATED COST	62,702,044	63,371,844	5%	66,516,137	69,936,853
225 - CONTRACTED SERVICES	17,090,000	22,270,000	2%	23,294,420	24,365,964
230 - OPERATIONAL COST	2,760,189	2,853,837	0%	3,003,473	3,161,277
232 - INVENTORY	50,961,000	51,537,000	4%	54,620,640	57,906,190
234 - BULK PURCHASES	790,100,000	899,000,000	78%	988,900,000	1,087,790,000
236 - INTEREST	13,701,622	12,518,644	1%	11,189,230	9,689,018
272 - DEPRECIATION & AMORTISATION	8,500,000	9,000,000	1%	9,540,000	10,112,400
350 - IMPAIRMENT LOSS	81,000,000	81,000,000	7%	87,480,000	94,478,400
395 - DEPARTMENTAL CHARGES	-	11,800,000	1%	13,499,998	15,000,000
(SURPLUS) DEFICIT	(29,766,769)	(10,947,882)		(12,498,512)	(14,408,923)

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

2024/25 Medium Term Revenue & Expenditure Framework									
Description	Ref	Provide description of tariff structure where appropriate	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
							Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Water tariffs									
Domestic									
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)	28	31	31	32	34	36	39
Water usage - Block 1 (c/k)		Residential (21-40kl)	32	34	34	36	39	41	43
Water usage - Block 2 (c/k)		Residential (41-60kl)	34	36	36	38	41	43	46
Water usage - Block 3 (c/k)		Residential (more than 60kl)	36	39	39	41	44	46	49
Water usage - Block 4 (c/k)		Residential (0-6kl)	7	7	7	8	8	9	9

Indicated in the table below is the projected revenue and cost drivers for Water. The total Employee costs is constituting 15% of the total cost to run the service. Overtime expenditure is also a major concern and serious internal controls will have to be implemented by management. Issues of capacity on the ground also must be addressed, whilst performance overall also needs to be addressed. The other major cost driver is Inventory which is a combination of inventory consumed (R&M) and Water inventory and Non-revenue water losses. It is imperative that water losses be addressed to result in cost savings on Bulk water purchases that can be directed to repairs & maintenance to address service delivery issues.

TRADING SERVICE - WATER (Amount in R)	Adjusted Budget 2023/24	2024/25	% Weighting of Rev & Exp 2024/25	2025/26	2026/27
1-INCOME	(373,693,993)	(398,115,331)		(421,696,451)	(447,769,406)
105 - SERVICE CHARGES NON-EXCHANGE	(1,450,000)	(1,500,000)	0%	(1,582,500)	(1,669,538)
132 - SERVICE CHARGES	(300,113,993)	(343,685,331)	86%	(364,273,701)	(387,189,346)
134 - INTEREST EARNED FROM RECEIVABLES	(71,530,000)	(52,830,000)	13%	(55,735,650)	(58,801,110)
142 - SALES OF GOODS AND RENDERING OF SERVICES	(600,000)	(100,000)	0%	(104,600)	(109,412)
2-EXPENDITURE	373,716,144	395,411,617		418,711,275	445,660,727
201 - EMPLOYEE RELATED COST	61,365,440	61,180,838	15%	64,232,482	67,560,961
225 - CONTRACTED SERVICES	20,000	2,020,000	1%	2,112,920	2,210,114
230 - OPERATIONAL COST	46,841,201	52,391,293	13%	57,393,293	62,884,583
232 - INVENTORY	130,737,000	121,123,000	31%	127,998,540	135,071,251
236 - INTEREST	3,552,503	3,242,308	1%	2,894,862	2,502,765
272 - DEPRECIATION & AMORTISATION	9,200,000	10,000,000	3%	10,550,000	11,130,250
350 - IMPAIRMENT LOSS	56,000,000	60,000,000	15%	61,000,000	64,000,000
380 - NON-REVENUE WATER LOSSES	66,000,000	65,000,000	16%	68,575,000	72,346,625
395 - DEPARTMENTAL CHARGES	-	20,454,178	5%	23,954,178	27,954,178
(SURPLUS) DEFICIT	22,151	(2,703,714)		(2,985,176)	(2,108,679)

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

2023/24 Budget - Supporting Table - Service Tariffs by category									
Description	Ref	Provide description of tariff structure where appropriate	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
							Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<u>Waste water tariffs</u>									
<i>Domestic</i>									
Basic charge/fee (Rands/month)		Basic charge	174	189	189	198	213	225	238
<u>Waste management tariffs</u>									
<i>Domestic</i>									
Street cleaning charge		Basic charge	124	135	135	142	149	157	167

Indicated in the table below is the projected revenue and cost drivers for Sanitation. The proposed tariff increase for Sanitation was calculated at 7.5%. The biggest contributing factor is the increase in Employee related costs with an increase of R8,627 million from the 2023/24 Adjusted budget, as a result of exponential contract appointments and the increase on Overtime expenditure. Management will have to take serious remedial action to curb this expenditure as currently Employee costs constitutes 52% of the total cost to run the service. This also impede on the ability to allocate more funds for Repairs and maintenance, and these funds are dire to ensure that the municipality addresses the service delivery challenges.

TRADING SERVICE - WASTE WATER MANAGEMENT (Amount in R)	Adjusted Budget 2023/24	2024/25	% Weighting of Rev & Exp 2024/25	2025/26	2026/27
1-INCOME	(116,048,309)	(118,289,828)		(125,375,197)	(132,203,375)
105 - SERVICE CHARGES NON-EXCHANGE	(3,190,000)	(3,400,000)	3%	(3,604,000)	(3,802,200)
132 - SERVICE CHARGES	(89,858,309)	(95,889,828)	81%	(101,631,197)	(107,153,475)
134 - INTEREST EARNED FROM RECEIVABLES	(23,000,000)	(19,000,000)	16%	(20,140,000)	(21,247,700)
2-EXPENDITURE	114,565,750	116,855,190		123,471,053	129,939,420
201 - EMPLOYEE RELATED COST	52,480,894	61,107,596	52%	64,154,018	67,475,970
225 - CONTRACTED SERVICES	30,000	30,000	0%	31,380	32,823
230 - OPERATIONAL COST	2,492,295	2,385,156	2%	2,494,873	2,609,637
232 - INVENTORY	30,039,000	22,024,000	19%	23,341,440	24,708,992
236 - INTEREST	2,523,561	1,808,438	2%	1,624,342	1,416,623
272 - DEPRECIATION & AMORTISATION	15,500,000	15,000,000	13%	15,825,000	16,695,375
350 - IMPAIRMENT LOSS	11,500,000	14,500,000	12%	16,000,000	17,000,000
(SURPLUS) DEFICIT	(1,482,559)	(1,434,638)		(1,904,144)	(2,263,955)

Indicated in the table below is the projected revenue and cost drivers for Refuse removal. Total Employee costs constitutes 59% of the total cost to run the service. This is on the higher end and is not sustainable, whilst Overtime expenditure is also a major concern that must be addressed. Inventory makes up 25% of the total cost. It should be noted that the Refuse department is struggling with old refuse compactors and there is a great need for the procurement of new refuse compactors. Unfortunately, the municipality does not have sufficient cash from internally generated funds to fund this. A cost-benefit analysis will have to be performed on the hiring of machinery versus the procurement of the municipality's own fleet. To bridge the gap a decision will have to be made to utilise savings on maintenance to fund these costs for the interim.

TRADING SERVICE - WASTE MANAGEMENT (Amount in R)	Adjusted Budget 2023/24	2024/25	% Weighting of Rev & Exp 2024/25	2025/26	2026/27
1-INCOME	(83,402,609)	(87,272,408)		(92,292,811)	(97,644,226)
105 - SERVICE CHARGES NON-EXCHANGE	(370,000)	-		-	-
132 - SERVICE CHARGES	(65,411,609)	(72,271,408)	83%	(76,466,765)	(80,947,757)
134 - INTEREST EARNED FROM RECEIVABLES	(17,620,000)	(15,000,000)	17%	(15,825,000)	(16,695,375)
142 - SALES OF GOODS AND RENDERING OF SERVICES	(1,000)	(1,000)	0%	(1,046)	(1,094)
2-EXPENDITURE	77,066,109	87,169,535		92,170,447	97,507,494
201 - EMPLOYEE RELATED COST	46,875,073	51,635,860	59%	54,213,623	57,027,188
230 - OPERATIONAL COST	2,540,036	2,133,675	2%	2,245,824	2,363,971
232 - INVENTORY	19,751,000	21,500,000	25%	22,766,000	24,119,360
272 - DEPRECIATION & AMORTISATION	900,000	900,000	1%	945,000	996,975
350 - IMPAIRMENT LOSS	7,000,000	11,000,000	13%	12,000,000	13,000,000
(SURPLUS) DEFICIT	(6,336,500)	(102,873)		(122,364)	(136,732)

Although Roads is not a trading service, the municipality considered it prudent to include the Operational revenue and expenditure on Roads. Budgeted revenue is very minimal, generated from wayleave approvals etc. The municipality has made some significant strides to increase the maintenance budget on Roads. Funding from FBDM has also assisted tremendously in this regard. Total operational expenditure amounts to R79,570 million for 2024/25 financial year with Employee related costs constituting 40% and Inventory (R&M) 59% of the allocation.

ROADS (Amount in Rand)	Adjusted Budget 2023/24	2024/25	% Weighting of Rev & Exp 2024/25	2025/26	2026/27
1-INCOME	(300,000)	(900,000)		(941,400)	(984,704)
142 - OPERATIONAL REVENUE	(300,000)	(900,000)	100.00%	(941,400)	(984,704)
2-EXPENDITURE	75,464,957	79,569,717		83,793,294	88,524,297
201 - EMPLOYEE RELATED COST	32,098,948	31,840,238	40%	33,422,801	35,145,965
225 - CONTRACTED SERVICES	10,000	40,000	0%	41,840	43,764
230 - OPERATIONAL COST	918,009	942,479	1%	985,833	1,031,180
232 - INVENTORY	42,438,000	46,747,000	59%	49,342,820	52,303,388
(SURPLUS) DEFICIT	37,601,280	63,480,610		65,341,698	68,621,304

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 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. Measures are being put in place to remedy this situation, whilst the management company that was appointed to manage the CRU's has not started yet, due to the finalisation of the service level agreement.

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 throughout the municipal area. 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 Financial 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 2024/25 MTREF. Grants and subsidies made comprises of Equitable share in the amount of R282,104 million for 2024/25, R302,569 million for 2025/26 and R324,431 million for 2026/27. Other minor grants and subsidies received are as per the table below:

TRANSFERS & SUBSIDIES - OPERATIONAL	Adjusted Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Year-on-Year Increase	Year-on-Year Increase	Year-on-Year Increase
EXPANDED PUBLIC WORKS GRANT (EPWP)	3,102	2,267,000	-	-	-26.92%	-100.00%	#DIV/0!
NATIONAL REVENUE FUND: EQUITABLE SHARE	263,135	282,104,000	302,569,000	324,431,000	7.21%	7.25%	7.23%
FRANCES BAARD DISTRICT MUNICIPALITY	5,600	-	-	-	-100.00%	#DIV/0!	#DIV/0!
COGHSTA HOUSING ACCREDITATION	200	-	-	-	-100.00%	#DIV/0!	#DIV/0!
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)	5,000	4,500,000	4,800,000	4,500,000	-10.00%	6.67%	-6.25%
NON-PROF: OTHER NON-PROFIT INSTITUTIONS/Libraries	8,866	8,600,000	9,116,000	9,662,960	-3.00%	6.00%	6.00%
LOCAL GOV FINANCIAL MANAGEMENT GRANT (FMG)	1,700	1,800,000	1,800,000	2,000,000	5.88%	0.00%	11.11%
TOTAL TRANSFERS & SUBSIDIES - OPERATIONAL	287,603	299,271	318,285	340,594	4.06%	6.35%	7.01%

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.

NC091 Sol Plaatje - Table A10 Basic service delivery measurement				
Description	2024/25 Medium Term Revenue & Expenditure Framework			
	Level of Service	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Budgeted No of Indigents		11,800	11,800	11,800
		R'000	R'000	R'000
Cost of Free Basic Services provided (R'000)				
Water (6 kilolitres per household per month)	The first 6kl of water is free to all registered and approved indigent households	10,000	10,550	11,130
Sanitation (free sanitation service) (Fixed Rate)	The service is fully subsidised	23,000	24,399	25,804
Electricity/other energy (50kwh per household per month)	50 units of electricity is free to all registered and approved indigent households	12,000	13,200	14,520
Refuse (removed once a week) (Fixed Rate)	The service is fully subsidised	16,000	16,800	17,724
Sanitation	Provision of chemical toilets	9,600	10,340	11,117
Total cost of FBS provided (minimum social package)		70,600	75,289	80,295

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 15th of the next month and cannot be accumulated beyond this date. The municipality also annually budget under the Indigent Relief vote for the provision of chemical toilets in informal settlements.

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		533.07	574.32	597.29	595.48	595.48	595.48	4.6%	623.13	666.75	703.42
Electricity: Basic levy		-	-	-	76.82	76.82	76.82	10.6%	84.96	94.14	102.61
Electricity: Consumption		1,934.95	2,217.25	2,317.04	2,488.62	2,488.62	2,488.62	10.6%	2,752.41	3,049.67	3,324.14
Water: Basic levy											
Water: Consumption		589.42	612.99	637.51	671.30	671.30	671.30	6.5%	714.94	758.33	803.98
Sanitation		136.43	141.89	147.56	154.79	154.79	154.79	7.5%	166.40	176.62	186.69
Refuse removal		97.39	101.29	105.34	110.92	110.92	110.92	5.0%	116.47	125.45	134.37
Other		-	-	-				-		-	-
sub-total		3,291.26	3,647.74	3,804.74	4,097.93	4,097.93	4,097.93	8.8%	4,458.31	4,870.96	5,255.21
VAT on Services		413.73	461.01	481.12	525.37	525.37	525.37	9.5%	575.28	630.63	682.77
Total large household bill:		3,704.99	4,108.75	4,285.86	4,623.30	4,623.30	4,623.30	8.9%	5,033.59	5,501.59	5,937.98
% increase/-decrease		-	10.9%	4.3%	7.9%	-	-	12.7%	8.9%	9.3%	7.9%
'Affordable Range'	2										
Rates and services charges:											
Property rates		377.43	406.64	422.90	421.62	421.62	421.62	4.6%	441.19	472.08	498.04
Electricity: Basic levy		-	-	-	76.82	76.82	76.82	10.6%	84.96	94.14	102.61
Electricity: Consumption		860.97	986.58	1,031.00	1,146.12	1,146.12	1,146.12	10.6%	1,267.60	1,404.50	1,530.91
Water: Basic levy											
Water: Consumption		465.03	483.63	502.98	529.64	529.64	529.64	6.5%	564.06	598.30	634.32
Sanitation		136.43	141.89	147.56	154.79	154.79	154.79	7.5%	166.40	176.62	186.69
Refuse removal		97.39	101.29	105.34	110.92	110.92	110.92	5.0%	116.47	125.45	134.37
Other											
sub-total		1,937.25	2,120.03	2,209.78	2,439.91	2,439.91	2,439.91	8.2%	2,640.68	2,871.09	3,086.94
VAT on Services		234.00	257.01	268.03	302.74	302.74	302.74	9.0%	329.93	359.85	388.33
Total small household bill:		2,171.25	2,377.04	2,477.81	2,742.65	2,742.65	2,742.65	8.3%	2,970.61	3,230.94	3,475.27
% increase/-decrease			9.5%	4.2%	10.7%	-	-	(22.2%)	8.3%	8.8%	7.6%
'Indigent' Household receiving free	3										
Rates and services charges:											
Property rates		221.79	238.95	255.38	247.76	247.76	247.76	4.6%	259.26	271.91	284.50
Electricity: Basic levy											
Electricity: Consumption		384.84	440.99	460.85	530.98	530.98	530.98	10.6%	587.26	622.90	660.40
Water: Basic levy											
Water: Consumption		309.44	321.82	334.69	352.43	352.43	352.43	6.5%	375.33	404.27	433.02
Sanitation											
Refuse removal											
Other											
sub-total		916.07	1,001.76	1,050.92	1,131.17	1,131.17	1,131.17	8.0%	1,221.85	1,299.08	1,377.92
VAT on Services		104.15	114.42	119.33	132.51	132.51	132.51	9.0%	144.39	154.08	164.01
Total small household bill:		1,020.22	1,116.18	1,170.25	1,263.68	1,263.68	1,263.68	8.1%	1,366.24	1,453.16	1,541.93
% increase/-decrease			9.4%	4.8%	8.0%	-	-	1.7%	8.1%	6.4%	6.1%

Revenue by 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 municipal vote.

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.

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

Vote Description		Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue by Vote		1									
Vote 01 - Executive & Council			-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General			419,084	480,231	503,511	580,455	593,022	593,022	972,401	1,068,711	540,680
Vote 03 - Municipal Manager			-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services			6,247	6,869	5,432	6,961	7,261	7,261	6,161	6,538	6,318
Vote 05 - Community Services			90,521	106,478	124,394	109,495	120,851	120,851	124,361	131,460	139,026
Vote 06 - Financial Services			594,906	610,429	670,519	683,585	690,785	690,785	710,111	763,510	814,726
Vote 07 - Strategy Econ Development And Planning			9,357	17,626	6,867	8,015	27,915	27,915	8,368	8,753	9,156
Vote 08 - Infrastructure And Services			1,056,784	1,157,181	1,223,713	1,545,325	1,574,725	1,574,725	1,709,105	1,847,432	1,998,271
Vote 09 -			-	-	-	-	-	-	-	-	-
Vote 10 -			-	-	-	-	-	-	-	-	-
Vote 11 -			-	-	-	-	-	-	-	-	-
Vote 12 -			-	-	-	-	-	-	-	-	-
Vote 13 -			-	-	-	-	-	-	-	-	-
Vote 14 -			-	-	-	-	-	-	-	-	-
Vote 15 - Other			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	2,176,898	2,378,815	2,534,437	2,933,837	3,014,560	3,014,560	3,530,507	3,826,403	3,508,177

6. Operating Expenditure Framework

The municipality's expenditure for the 2024/25 budget and MTREF is informed by the following:

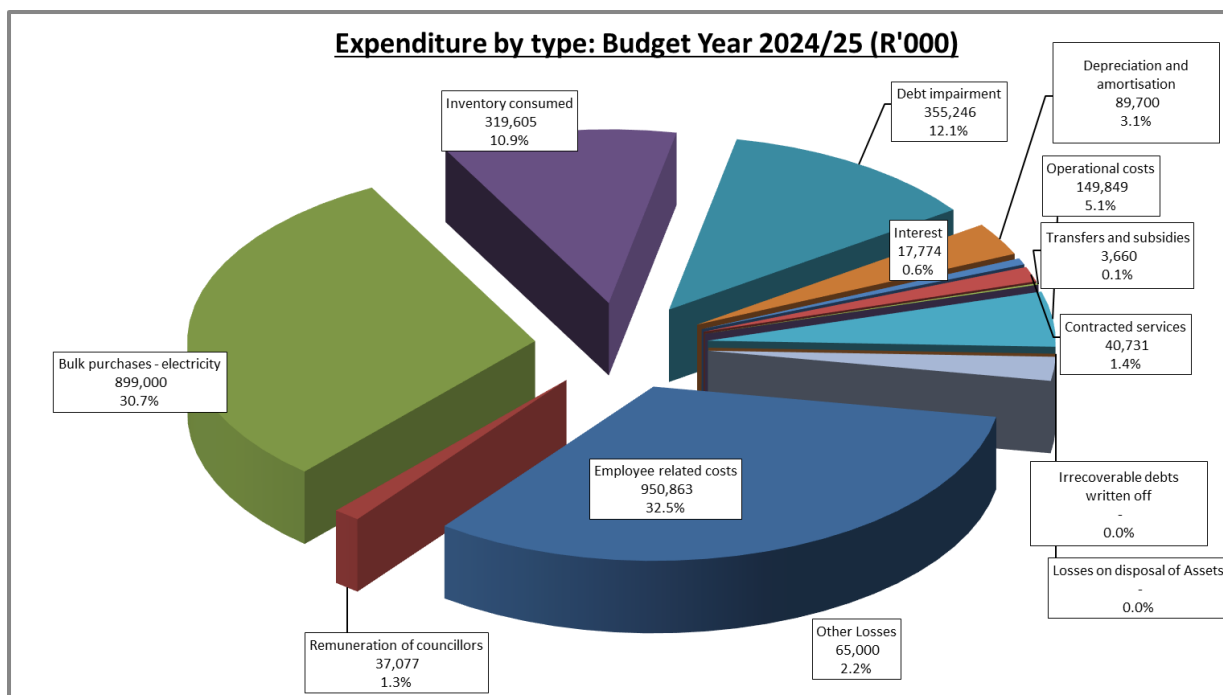
- The municipality's current financial position
- Modelling of feasible and sustainable budgets over the medium term,
- Cognisance of international, national and local economic- and fiscal conditions,
- Expenditure limits set by realistic and realisable revenue levels
- Relevant (budget and other) legislative imperatives,
- Operational gains and efficiencies directed to fund areas of strategic priority and known commitments.
- 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 2024/25 MTREF. The tables also indicate, 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 2023/24				2024/25 Medium Term Revenue & Expenditure Framework									
R thousand	Original Budget	% Contribution	Adjusted Budget	% Contribution	Budget Year 2024/25	% Contribution	% Growth 2023/24 to 204/25	% Growth 2023/24 to 204/25	Budget Year +1 2025/26	% Contribution	% Growth 2024/25 to 2025/26	Budget Year +2 2026/27	% Contribution	% Growth 2025/26 to 2026/27
<u>Expenditure By Type</u>							Original Budget	Adjusted Budget						
Employee related costs	881,637	32.8%	910,366	32.7%	950,863	32.5%	7.9%	4.4%	997,950	32.0%	5.0%	1,048,566	31.4%	5.1%
Remuneration of councillors	35,559	1.3%	35,559	1.3%	37,077	1.3%	4.3%	4.3%	38,930	1.2%	5.0%	41,068	1.2%	5.5%
Bulk purchases - electricity	785,000	29.2%	790,100	28.4%	899,000	30.7%	14.5%	13.8%	988,900	31.7%	10.0%	1,087,790	32.6%	10.0%
Inventory consumed	305,900	11.4%	336,955	12.1%	319,605	10.9%	4.5%	-5.1%	326,914	10.5%	2.3%	345,465	10.3%	5.7%
Debt impairment	317,500	11.8%	317,500	11.4%	355,246	12.1%	11.9%	11.9%	382,156	12.2%	7.6%	409,005	12.2%	7.0%
Depreciation and amortisation	86,650	3.2%	86,650	3.1%	89,700	3.1%	3.5%	3.5%	94,510	3.0%	5.4%	99,811	3.0%	5.6%
Interest	19,495	0.7%	20,055	0.7%	17,774	0.6%	-8.8%	-11.4%	15,874	0.5%	-10.7%	13,730	0.4%	-13.5%
Contracted services	48,113	1.8%	56,913	2.0%	40,731	1.4%	-15.3%	-28.4%	42,744	1.4%	4.9%	48,700	1.5%	13.9%
Transfers and subsidies	4,560	0.2%	3,560	0.1%	3,660	0.1%	-19.7%	2.8%	4,767	0.2%	30.3%	4,875	0.1%	2.3%
Irrecoverable debts written off	–	0.0%	–	0.0%	–	0.0%			0	0.0%		0	0.0%	100.0%
Operational costs	145,639	5.4%	159,253	5.7%	149,849	5.1%	2.9%	-5.9%	159,880	5.1%	6.7%	170,494	5.1%	6.6%
Losses on disposal of Assets	–	0.0%	–	0.0%	–	0.0%			0	0.0%		0	0.0%	100.0%
Other Losses	61,200	2.3%	66,000	2.4%	65,000	2.2%	6.2%	-1.5%	68,575	2.2%	5.5%	72,347	2.2%	5.5%
Total Expenditure	2,691,252	100.0%	2,782,911	100.0%	2,928,505	100.0%	8.8%	5.2%	3,121,201	100.0%	6.6%	3,341,849	100.0%	7.1%

The total operating expenditure budget amounts to R2,2928,505 billion for 2024/25 financial year. The budget increases by 5.2% when compared to 2023/24 Adjustment budget. 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 2024/25 MTREF.

The above table further indicates the percentage contribution of each expenditure by type against overall expenditure budget. The Employee costs is 32.5% of the total operational budget, whilst Inventory consumed and Contracted services amounts to 10.9% and 1.4% respectively, and Bulk purchases with a weighting of 30.7% and Debt impairment with a weighting of 12.1%. Operational costs comprise 5.1% the budget.



Indicated in the pie chart above is the weighting per expenditure type for 2024/25 financial year: The major operational expenditure budget allocations include:

Employee related costs

Employee related costs amounting to R950,863 million equates to 32.5% of the total operating budget. The 2024/25 cost of living increase was budgeted at 4.9%. As per the guideline of MFMA Budget Circular 128, salary increases are 0.3% higher than the projected inflation target, due to increases above inflation over the last few years. Once the *Salary and Wage Collective Agreement* for the period 01 July 2024 to 30 June 2027, is issued the municipality will adjust this accordingly. The municipality has the measure in place that leave can only be sold if employers want to settle their arrear municipal accounts. No cash payment is done to the employee, the non-cash transactions are handled internally from Payday to billing and subsequently allocated to the municipal account.

Councillor's remuneration

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

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

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4				1,049,015			1,049,015
Chief Whip								-
Executive Mayor				-	1,298,192			1,298,192
Deputy Executive Mayor				-				-
Executive Committee				-	9,867,224			9,867,224
Total for all other councillors				-	24,862,139			24,862,139
Total Councillors	8	-	-	-	37,076,570			37,076,570

Bulk purchases

Bulk purchases for this MTREF on refers to electricity with the total budget of R899 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 12.72% for bulk purchases which was based on the 2022/23 actuals of R672 million. Costs of bulk constitutes 30.7% 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 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	2020/21	2021/22	2022/23	Original Budget 2022/23	Adjusted Budget 2022/23	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Electricity bulk purchases	540,953	639,689	672,362	785,000	790,100	899,000	988,900	1,087,790

Interest

Interest consists of repayment of interest on long term borrowing. The amount budgeted for 2024/25 is R17,774 million, equivalent to 0.6% of the total operating expenditure budget.

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework			
R thousand	Original Budget	Adjusted Budget	Budget Year 2024/25	% Contribution	Budget Year +1 2025/26	Budget Year +2 2026/27
Interest	19,495	20,055	17,774	0.6%	15,874	13,730

Contracted services

Contracted services allocation is R40,731 million. Indicated in the table below is detailed budget per major mSCOA line item. As per the table per line item, the bulk of the budget is allocated towards commission for Prepaid electricity vendors and legal fees.

NC091 Sol Plaatje - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Contracted Services											
Outsourced Services		4,023	6,891	11,217	8,383	30,278	30,278	17,363	8,326	8,849	13,247
Consultants and Professional Services		5,358	4,184	5,116	9,225	10,120	10,120	7,913	8,565	8,958	9,369
Contractors		31,270	27,088	11,953	30,505	16,515	16,515	6,300	23,840	24,937	26,084
Total contracted services		40,651	38,163	28,285	48,113	56,913	56,913	31,576	40,731	42,744	48,700

Per line item (R'000)	Budget 2024/25	Budget 2025/26	Budget 2026/27
225 - CONTRACTED SERVICES	40,731	42,744	48,700
C&PS: B&A AUDIT COMMITTEE	950	994	1,039
C&PS: B&A VALUER & ASSESSORS	350	366	383
C&PS: LAB SERV AGRICULTURE	15	16	16
C&PS: LEGAL COST ADVICE & LITIGATION	6,750	7,060	7,383
C&PS: LEGAL COST COLLECTION	500	523	547
CONTR: ELECTRICAL	—	—	—
CONTR: EMPLOYEE WELLNESS	230	241	252
CONTR: GAS	5	5	5
CONTR: MAINTENANCE OF EQUIPMENT	5	5	5
CONTR: MAINTENANCE OF UNSPECIFIED ASSETS	3,600	3,766	3,939
CONTR: PREPAID ELECTRICITY VENDORS	20,000	20,920	21,882
CONTR: SEWERAGE SERVICES	—	—	—
OS: B&A OCCUPATIONAL HEALTH & SAFETY	550	575	602
OS: B&A PROJECT MANAGEMENT	5,028	5,416	9,671
OS: BURIAL SERVICES	805	826	848
OS: CATERING SERVICES	243	254	266
OS: CONNECT/DIS-CONNECTION: ELECTRICITY	500	523	547
OS: SECURITY SERVICES	1,200	1,255	1,313

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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
Inventory Consumed											
Inventory Consumed - Water		–	41,302	43,857	61,200	64,400	64,400	55,256	65,000	68,575	72,347
Inventory Consumed - Other		53,848	60,019	83,224	244,700	272,555	272,555	51,559	254,605	258,339	273,118
Total Inventory Consumed & Other Material		53,848	101,321	127,081	305,900	336,955	336,955	106,815	319,605	326,914	345,465

Inventory consumed - Water, previously bulk purchases water is budgeted at R65,000 million for the 2024/25 financial year. Inventory consumed – Other is budgeted at R254,605 million for 2024/25.

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 boilermakers, 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 the refuse collection function and owns a fleet of refuse compactors in this regard, that is need for replacement. 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 by type 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Repairs and Maintenance by Asset Class	3	243,024	273,430	312,569	341,908	368,204	368,204	362,118	382,273	403,973
Roads Infrastructure		47,389	46,030	55,439	71,980	67,826	67,826	72,566	76,452	80,813
Storm water Infrastructure		542	1,963	5,457	550	3,550	3,550	3,250	3,442	3,648
Electrical Infrastructure		57,938	60,972	63,100	85,857	83,778	83,778	89,291	94,232	99,535
Water Supply Infrastructure		44,102	60,085	70,657	56,220	69,304	69,304	60,347	63,666	67,041
Sanitation Infrastructure		24,371	30,149	41,842	42,718	46,750	46,750	47,577	50,099	52,819
Solid Waste Infrastructure		14,983	19,204	19,737	22,965	22,142	22,142	24,212	25,620	27,127
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		189,325	218,404	256,231	280,290	293,349	293,349	297,242	313,509	330,982
Community Facilities		2,746	3,206	505	3,280	7,510	7,510	3,115	3,729	4,369
Sport and Recreation Facilities		443	470	446	710	1,530	1,530	580	607	643
Community Assets		3,188	3,675	951	3,990	9,040	9,040	3,695	4,336	5,012
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		6,991	7,195	8,614	9,776	10,739	10,739	10,711	11,291	11,914
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		6,991	7,195	8,614	9,776	10,739	10,739	10,711	11,291	11,914
Operational Buildings		13,215	13,131	13,115	15,263	17,648	17,648	15,861	16,648	17,554
Housing		-	-	-	-	-	-	-	-	-
Other Assets		13,215	13,131	13,115	15,263	17,648	17,648	15,861	16,648	17,554
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		1,183	1,139	963	1,664	1,368	1,368	1,520	1,611	1,707
Machinery and Equipment		24,900	26,087	27,357	25,592	29,826	29,826	27,696	29,107	30,595
Transport Assets		4,221	3,798	5,338	5,333	6,234	6,234	5,392	5,771	6,208
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
EXPENDITURE OTHER ITEMS		287,242	306,905	343,490	362,107	399,477	399,477	428,558	413,595	436,808
Depreciation	7	69,409	63,881	70,060	81,050	81,050	81,050	86,650	91,153	96,166
Repairs and Maintenance by Asset Class	3	217,834	243,024	273,430	281,057	318,427	318,427	341,908	322,442	340,642
Roads Infrastructure		46,057	47,389	46,030	51,355	53,606	53,606	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	67,897	67,897	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	40,413	40,413	42,718	37,684	39,759
Solid Waste Infrastructure		13,991	14,983	19,204	21,968	21,608	21,608	22,965	24,328	25,768
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		170,309	189,325	218,404	222,251	255,416	255,416	280,290	257,183	271,345
Community Facilities		1,785	2,746	3,206	3,175	3,062	3,062	3,280	3,771	3,978
Sport and Recreation Facilities		533	443	470	710	673	673	710	491	518
Community Assets		2,318	3,188	3,675	3,885	3,735	3,735	3,990	4,262	4,496
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		6,357	6,991	7,195	7,899	8,573	8,573	9,776	10,362	10,978
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		6,357	6,991	7,195	7,899	8,573	8,573	9,776	10,362	10,978
Operational Buildings		12,760	13,215	13,131	15,281	19,018	19,018	15,263	16,109	17,016
Housing		-	-	-	-	-	-	-	-	-
Other Assets		12,760	13,215	13,131	15,281	19,018	19,018	15,263	16,109	17,016
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		1,051	1,183	1,139	1,723	1,837	1,837	1,664	1,760	1,857
Machinery and Equipment		21,657	24,900	26,087	24,597	23,995	23,995	25,592	27,126	28,990
Transport Assets		3,383	4,221	3,798	5,422	5,855	5,855	5,333	5,640	5,960
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		287,242	306,905	343,490	362,107	399,477	399,477	428,558	413,595	436,808

Cost containment strategies

The municipality has taken note of cost containment regulations as well as MFMA Circular 97, on cost containment. The cost containment policy has been approved by Council and must still be reviewed. The following are incorporated in the budget assumptions:

- 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.

- Virtual meetings or seminars are encouraged.
- 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.
- Implementation of strict controls over the use of council vehicles through monitoring the daily / weekly fuel consumption against kilometres driven. Concerns have been raised on the fuel consumption on vehicles. It should be noted that the fuel increases have negatively impacted on this cost for departments.
- Reducing overtime expenditure by implementing stricter control measures and apply the Overtime Policy prescribing time off in lieu of overtime.
- Leave sold is currently a non-cash item and leave can only be sold if an employee wants to settle their arrear municipal account.

Expenditure per and municipal vote

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

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Expenditure by Vote to be appropriated	1									
Vote 01 - Executive & Council		53,090	53,270	58,395	59,173	59,628	59,628	60,855	63,879	67,333
Vote 02 - Municipal And General		335,678	309,950	434,595	214,468	399,401	399,401	403,603	429,417	458,629
Vote 03 - Municipal Manager		22,272	20,618	22,369	26,161	28,701	28,701	27,854	29,208	30,665
Vote 04 - Corporate Services		63,012	64,274	68,169	81,959	77,301	77,301	82,140	77,905	81,328
Vote 05 - Community Services		259,526	286,713	299,548	312,712	329,231	329,231	335,572	353,620	373,172
Vote 06 - Financial Services		126,380	126,129	131,248	237,712	160,249	160,249	166,217	174,321	183,292
Vote 07 - Strategy Econ Development And Planning		53,419	54,596	57,573	143,730	67,445	67,445	67,813	71,151	74,831
Vote 08 - Infrastructure And Services		1,252,983	1,399,107	1,524,086	1,615,337	1,665,455	1,665,455	1,784,450	1,921,698	2,072,598
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,166,359	2,314,658	2,595,982	2,691,252	2,787,411	2,787,411	2,928,505	3,121,201	3,341,849

In the municipality's pursuance to address service delivery, the bulk of the budget is geared towards Infrastructure services, followed by Community services. The budget for Municipal and General is higher due to the provision of bad debts for Property rates and Property rental debtors, depreciation, other than the trading services and post-retirement benefits.

7. Capital Expenditure Framework

The capital budget for 2024/25 is R613,729 million funded as per the table below. Capital grants and donations make up 93% of the total funding sources, and internally generated funds contribute 7% to the total capital funding mix. The total projected grant receipts for the 2024/25 financial year amount to R572,229 million whilst internally generated funds amount to R41,500 million.

2024/25 Medium Term Revenue & Expenditure Framework											
Funding sources of capex	Current Year 2023/24	Budget Year 2024/25	Year-on-year R-Value (Increase / Decrease)	Year-on-year % (Increase / Decrease)	Budget Year +1 2025/26	Year-on-year R-Value (Increase / Decrease)	Year-on-year % (Increase / Decrease)	Budget Year +2 2026/27	Year-on-year R-Value (Increase / Decrease)	Year-on-year % (Increase / Decrease)	Total Capex over MTRF
	R'000	R'000	R'000	%	R'000	R'000	%	R'000	R'000	%	R'000
Capital transfers	215,894	572,229	356,335	165%	657,904	301,569	15%	114,513	(187,056)	-83%	1,344,646
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	55,390	41,500	(13,890)	-25%	31,500	45,390	-24%	31,500	(13,890)	0%	104,500
Total Capex	271,284	613,729	342,445	126%	689,404	346,959	12%	146,013	(200,946)	-79%	1,449,146
Weighting Capital transfers	80%	93%			95%			78%			93%
Weighting Borrowing	0%	0%			0%			0%			0%
Weighting Internally Generated Funds	20%	7%			5%			22%			7%

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. As per MFMA Circular 124 Municipal debt relief which the municipality has been approved for, prohibits the municipality from entering into long-term loan agreements.

PART 2: SUPPORTING DOCUMENTATION

8. Overview of IDP and Annual Budget Process

The Integrated Development Plan (IDP) 2024/25 of the Sol Plaatje Municipality is the second of four reviews of the IDP 2022-2027 which documents the current five-year planning and implementation cycle. This five-year cycle of municipal 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 January and February 2024 and the IDP Review 2024/25 will be 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 2024/25 and the annual budget.

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 2023. 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 2024/25 MTREF falls within the IDP Cycle 2022 to 2027. As such, the IDP Review Process focused mainly on mid-term performance of the IDP targets set for 2023/24, and the key priorities as set out for 2024/25 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. A concerted effort must be done to ensure that we source funds to fund the IDP, for example preparing business plans for grant funding, engaging other sector departments if a priority raised by the community falls within their mandate and addressing the issue of unfunded and unfunded mandates like Health, Resorts, Libraries and Environmental Health.

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 2024/25 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 strived for, 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 Council's IDP, however more can be done to ensure better synergy and integration.

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 2024/25 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 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. It is also prudent that an in-depth costing must be done on the entire IDP priorities and coupled with this the exercise to source funding must be prioritised. It is also imperative that we start thinking out of the box and gain the best value from the limited funds that are available.

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 and accountability in the spending of public funds.

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 for 27 March 2023. The adopted budget data strings will be uploaded onto GoMuni and National Treasury draws the information from GoMuni. In terms of the Municipal Systems Act and in conjunction with the Municipal Finance Management Act, hearings on the budgets will be held during April and May 2024. 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 2024/2025– 2026/2027 for the Sol Plaatje Municipality will be tabled to Council on 27 March 2024. Copies of these documents will be available at all municipal libraries for public inspection. The information will also be published on the Municipality's website – www.solplaatje.org.za

Interested parties, local community and stakeholders will be invited and urged to submit representations, comments and inputs regarding the draft IDP and Draft budget 2024/2025 – 2026/2027. Written submissions must be handed in at the Civic Centre (Mayor's Office), faxed to 053 8331005 / 053 8314658 or e-mailed to ogopane@solplaatje.org.za; ccrouch@solplaatje.org.za, ichisango@solplaatje.org.za; cjenneke@solplaatje.org.za, and jwagner@solplaatje.org.za. Any queries with regard to above should be directed to Mr. K Samolapo e-mail 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 2024/25 budget cycle was submitted for approval, but during the Council meeting scheduled for 30 August 2023 several items were held in abeyance to stand over for the Special Council meeting scheduled for the 21st of September 2023. The process plan was approved on the 21st of September 2023 as per resolution C149/09/23. 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 ¹	Identified output
August 2023	
Approval of IDP and Budget Process Plan	Approved.
September 2023 - ANALYSIS	
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.

¹ Only those activities critical to the IDP review process are listed.

Steps in IDP Review Process	
Activity description in Process Plan ¹	Identified output
Councillor IDP induction.	Discuss (1) roles of IDP structures, (2) municipal development agenda and (3) municipal performance management.
October 2023 - STRATEGIES	
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 st Strategic planning session of council.	<ul style="list-style-type: none"> 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. Review financial and non-financial performance, i.e. identify gaps between planned and actual performance. Determine financial position and assess financial/human resource capacity available for implementation.
November 2023 – STRATEGIES / PROJECTS	
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.
February 2024 – PROJECTS / INTEGRATION	
Planning sessions with municipal structures.	Present draft IDP 2024/25 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.
March 2024	
Draft operational budget submitted to EMC.	Draft 3-year operational budget aligned to IDP key priority issues.
Conduct mid-year (2024/25) performance assessments.	Performance Assessment Reports.
Present and discuss draft IDP 2024/25 and Budget 2024/25 with municipal stakeholders.	Obtain input and finalise draft IDP 2024/25
Table draft IDP 2024/25 and Budget 2024/25 at Council.	Council approves draft IDP 2024/25 and Budget 2024/25 for public consultation purposes.
Make public the draft IDP 2024/25 and budget 23/24.	Draft IDP 2024/25 and Budget 2024/25 made public and submitted to relevant stakeholders for consultation purposes.
April 2024	
Conduct public hearings on the draft IDP 2024/25 and Budget 2024/25.	Consult and receive input from community and stakeholder groupings regarding the draft IDP 2024/25 and Budget 2024/25.
Conclude public hearings on the draft IDP 2024/25 and Budget 2024/25.	Include public input in draft IDP 2024/25 and Budget 2024/25.

Steps in IDP Review Process	
Activity description in Process Plan ¹	Identified output
Discuss adjusted draft IDP 2024/25 and Budget 2024/25.	Inform Mayoral Committee of public input and adjustments to draft IDP 2024/25 and Budget 2024/25.
National Treasury benchmarking exercise.	
May 2024 - APPROVAL	
Finalise IDP 2024/25 and Budget 2024/25 for submission to Council.	Finalise IDP 2024/25 and budget 2024/25 for submission to Council.
Present IDP 2024/25 and Budget 2024/25 to municipal structures.	Present IDP 2024/25 and Budget 2024/25 to municipal structures.
Council adopts IDP 2024/25 and Budget 2024/25.	
June 2024	
Notify public of approved IDP 2024/25 and budget 2024/25.	

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;
- 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;
- Adherence to conditions of MFMA Circular 124 and settling of creditors as per S65 of the MFMA

- 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. The Sol Plaatje Municipality'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. This alignment must still be corrected on the financial system.

In as far as the operating budget is concerned, the municipality should now be 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.

Operational expenditure by Municipal Strategic Objective[1]	Goal	Budget Year 1 R'000	Budget Year 2 R'000	Budget Year 3 R'000
Municipal Strategic Objective 1: 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	43,601	45,738	48,117
	Marketing the municipality as premier destination for tourism and investment	7,600	7,977	8,384
	To capacitate SMME's and local entrepreneurs	9,726	10,206	10,726
	To position the market as a productive and profitable section of the municipality.	6,886	7,230	7,604
Municipal Strategic Objective 2: Improved Service Delivery	To ensure sustainable delivery of community services (personal including environmental health, emergency and traffic services) to all residents of SPM.	158,559	166,398	174,917
	To address the poor condition of the roads in the Sol Plaatje area	79,570	83,793	88,524
	To ensure the availability of critical service delivery tools at all times (fleet management)	27,086	28,480	29,930
	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	90,936	95,980	101,396
	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	119,023	125,538	132,320
	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	1,513,151	1,636,130	1,771,724
	To ensure management of the quality of the drinking water and wastewater through compliance with the applicable legislation	13,810	14,486	15,214
	Development of suitably located and affordable housing (shelter) and decent human settlements	28,042	29,462	30,997
	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).	89,843	95,052	100,748
Municipal Strategic Objective 3:	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	8,711	9,140	9,605
Good, clean and transparent Governance and Public Participation	To promote community participation and communication	65,487	68,737	72,434
	To facilitate and promote Inter-governmental relations programmes and projects on a continuous basis.	4,861	5,100	5,359
Municipal Strategic Objective 4:	Enhance revenue through leveraging alternate sources of funding and identifying new revenue streams	89,623	94,050	98,848
Establishment of healthy financial management	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	58,525	61,325	64,559
Municipal Strategic Objective 5: Improved Institutional Management	To enable effective training and skills development through various initiatives, and partnering with the private sector	16,104	8,579	8,468
	To improve effective human resource development to staff and Councillors	15,403	16,163	16,985
	To ensure continuous maintenance and replacement of furniture, office and computer equipment	18,069	18,946	19,885
	To provide a basis for sustainable municipal performance improvement	463,887	492,691	525,104
Total Expenditure (Operational)		2,928,505	3,121,201	3,341,849

Medium Term Capital Budget				
Capital expenditure by KPA	2023/24 (R'000)	2024/25 (R'000)	2025/26 (R'000)	2026/27 (R'000)
Local Economic Development	0	0	0	0
Basic Service Delivery and Infrastructure Development	241,973	606,229	681,904	138,513
Municipal Institutional Development and Transformation	0	0	0	0
Municipal Financial Viability and Management	0	0	0	0
Good Governance and Public Participation	7,500	7,500	7,500	7,500
Total Capital Expenditure - Funding source	249,473	613,729	689,404	146,013
Capital Grants	214,233	572,229	657,904	114,513
Borrowing	0	0	0	0
Internally generated funds	35,240	41,500	31,500	31,500

10. Measurable Performance Objectives and Indicators

Table SA7 must provide for the main measurable performance objectives the municipality plans to carry out and achieve in the 2024/25 financial year. This will be included in the Draft SDBIP.

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 to 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. This will be implemented in line with the Staff regulations.

The Municipal Manager, Senior Manager's and divisional heads are evaluated against the Key Performance Indicators and the job description for each incumbent. The municipality does not budget for performance bonuses.

Key financial ratios

Uniform standards and ratios as per MFMA Circular No 71 based on 2024/25 MTREF budget forecast is attached as an annexure to this budget document. The municipality also annually apply Circular 42 relating to funding of the budget.

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. The municipality developed the Installation and management smart metering solutions policy in compliance with MFMA Circular 124.

List of Budget related policies	Explanation numbers	Approved	Resolution Number	Reviewed
Policy Asset Management	1	28-May-14	C125/05/14	March 2024
Policy Cash Management & Investment	1 & 2	07-Apr-05	CR22	March 2024
Policy Customer Services Credit Control Debt Collection	1	31-May-18	C38/05/18	March 2024
Policy Indigent	1	28-May-14	C121/05/14	March 2024
Policy Internal Audit	1	17-Nov-05		March 2024
Policy Property Rates	1	27-May-15	C100/05/15	March 2024
Policy Risk Management	1	17-Nov-05	CR500	March 2024
Policy Supply Chain Management	1 & 2	04-Nov-14	C265/11/14	March 2024
Preferential Procurement Policy	1 & 2			March 2024
Deviation Procedures	1			March 2024
Procedures for Variation Orders	1			March 2024
Tariff Policy on Property Rates	1	31-May-18	C38/05/18	March 2024
Tariff Policy on Electricity	1	31-May-18	C38/05/18	March 2024
Tariff Policy on Water	1	31-May-18	C38/05/18	March 2024
Tariff Policy on Sanitation	1	31-May-18	C38/05/18	March 2024
Tariff Policy on Refuse Removal/Solid Waste	1	31-May-18	C38/05/18	March 2024
Policy Debt Write-off	1	28-May-14	C125/05/14	March 2024
Policy Regarding Audit Committees	1	17-Nov-05	CR500	March 2024
Disposal of Moveable Assets Policy	1	27-May-15	C100/05/15	March 2024
Policy Borrowing	1	28-May-14	C125/05/14	March 2024
Policy Irregular, fruitless and wasteful expenditure	1	28-May-14	C125/05/14	March 2024
Budget Implementation and Management Policy (Budget policy)	1	27-May-15	C100/05/15	March 2024
Funding and Reserves policy	1	25-May-16	C148/05/16	March 2024
Policy Short and Long term borrowing	1	19-Apr-11	C150/11	March 2024
Financial Management and Revenue Enhancement Strategy policy	1	27-May-15	C100/05/15	March 2024
Policy related to long-term financial planning	1	27-May-15	C100/05/15	March 2024
Consumer Deposit Policy	1	31-May-17	C60/05/17	March 2024
Free Basic Services Policy	1	31-May-17	C60/05/17	March 2024
Sol Plaatje Materiality and Significance Framework	1	31-May-18	C38/05/18	March 2024
Contracts Policy	1 & 2	31-May-17	C60/05/17	March 2024
EFT Policy	1			March 2024
SSEG PV Policy	1	31-May-17	C60/05/17	March 2024
Bulk Infrastructure Contribution Policy	1	31-May-17	C60/05/17	March 2024
Water Restrictions Policy	1	31-May-17	C60/05/17	March 2024
Policy: Installation and management of smart metering solutions	1 & 2	NEW		March 2024
Infrastructure investment and capital projects policy (included in Budget policy)	1	28-May-14	C125/05/14	March 2024
Explanation numbers				
1. These policies are accessible on the Sol Plaatje website: www.solplaatje.org.za .				
2. Policy to be approved with budget process 2024/25.				

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 2022 to 2027:

Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Forecast		
CPI Inflation	6.9%	6.0%	4.9%	4.6%	4.6%

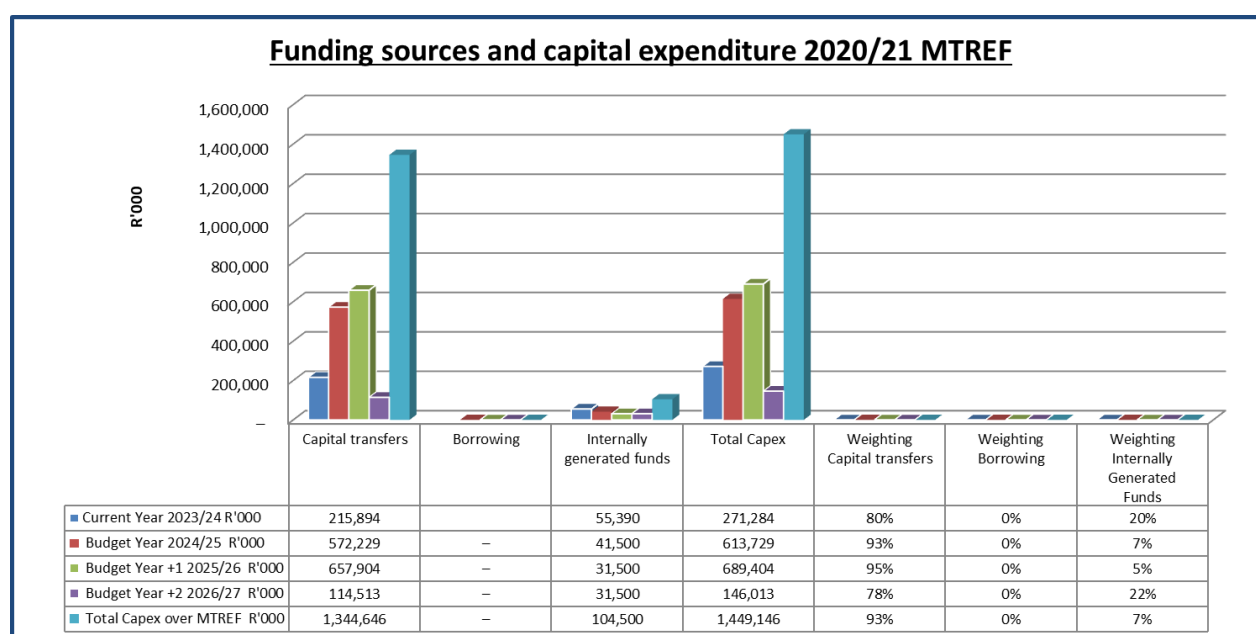
Borrowing

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.
- The municipality also ensures that the primary account does not go into an overdraft.

Capital expenditure

The capital expenditure of the municipality has been funded from a mix of government transfers and internally generated funds only, as articulated in the chart below.



Investments of funds

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 2024/25 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.

Timing of revenue collection

Consumers are billed monthly in respect of services in the form of a consolidated bill. Residential and commercial ratepayers have the option to be billed annually on Property rates, whilst the majority are billed on monthly basis. However, government departments and companies with multiple accounts are billed on an annual basis and 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 95% is required because at this stage monthly revenue collections are not sufficient to cover committed monthly operational expenditure like salaries, ESKOM and Water boards including the payment arrangement of both institutions and SCM orders for operational purposes.

Average salary increases

The budgeted salary increase is 4.9% 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 rates, services charges, operating and capital grants and other minor revenue sources.

This high level of independent and relative stable income sources of revenue is one of the key factors that should 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. The introduction of new revenue sources such as infrastructure contribution and charges, must be explored and implemented.

A concerning factor is that for the last two years the budget of the municipality was assessed by National Treasury and considered as artificially funded due to high outstanding net debtors. It is therefore imperative that we adhere to the Credit Control Policy and improve the collection rate to ensure that our budget is realistically funded from a cash perspective.

Revenue and financing activities

Summary of Revenues and Financing Activities	Current Year 2023/24		Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
	R'000	% Weighting	R'000	% Weighting	R'000	% Weighting	R'000	% Weighting
Own Generated Funds	2,511,063	81.79%	2,659,007	74.44%	2,850,214	73.88%	3,053,070	86.25%
Transfer recognised - Operational	287,603	9.37%	299,271	8.38%	318,285	8.25%	340,594	9.62%
Transfer recognised - Capital	215,894	7.03%	572,229	16.02%	657,904	17.05%	114,513	3.24%
Borrowing	–	0.00%	–	0.00%	–	0.00%	–	0.00%
Internally generated funds	55,390	1.80%	41,500	1.16%	31,500	0.82%	31,500	0.89%
Total Revenue and Financing	3,069,950	100.00%	3,572,007	100.00%	3,857,903	100.00%	3,539,677	100.00%
Total Grants & Subsidies	503,497	16.40%	871,500	24.40%	976,189	25.30%	455,107	12.86%

Indicated in the table above is a summary of the revenue and financing activities. For 2024/25 financial year Own generated funds constitutes 74.4% of the total funding requirement. Transfer recognised – Operational and Transfer recognised – capital contributes 8.38% and 16.02% to the total funding mix, respectively. Internally generated funds only contributes 1.16%, to the total financing activities. Totals grants and subsidies amounts to R871,500 million for the 2024/25 financial year which combines relates to 24.40% contribution to the funding mix of the municipality.

Medium-term outlook: operating revenue

NC091 Sol Plaatje - Table A1 Budget Summary									
Description (R'000)	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework						Total revenue over the MTREF
Financial Performance	Adjusted Budget	% Contribution	Budget Year 2024/25	% Contribution	Budget Year +1 2025/26	% Contribution	Budget Year +2 2026/27	% Contribution	
Property rates	660,893	23.6%	687,320	23.2%	740,628	23.4%	790,495	23.3%	2,218,443
Service charges	1,450,586	51.8%	1,611,046	54.5%	1,742,164	55.0%	1,885,221	55.6%	5,238,430
Investment revenue	9,500	0.3%	9,000	0.3%	12,000	0.4%	15,000	0.4%	36,000
Transfers recognised - operational	287,603	10.3%	299,271	10.1%	318,285	10.0%	340,594	10.0%	958,150
Other own revenue	390,084	13.9%	351,642	11.9%	355,422	11.2%	362,355	10.7%	1,069,418
Total Revenue (excluding capital transfers and contributions)	2,798,666	100%	2,958,278	100%	3,168,499	100%	3,393,664	100%	9,520,441

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

Revenue to be generated from property rates is R687,320 million in the 2024/25 financial year and represents 23.2% 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.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R1,611,046 billion for the 2024/25 financial year. Services charges remains relatively constant at 55% of the total revenue base.

Operational grants and subsidies amount to R299,271 million (2024/25), R318,285 million (2025/26) and R340,594 million (2026/27) million for the MTREF, or on average 10% of operating revenue. It can be seen from an operational perspective the municipality is less grant dependent when compared to capital grant dependency.

Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of R9,000 million, R12,000 million and R15,000 million for the respective three financial years of the 2024/25 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. There has been significant improvement in the cash and investment management, resulting in an increase in interest revenue being generated. To this end, unspent grants are held in investments and only withdrawn based on payment need of capital projects.

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 percent 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 2024/25 MTREF on the main revenue categories are articulated in the table below:

Revenue category	2023/24	2024/25	2025/26	2026/27	2023/24	2024/25	2025/26	2026/27	2024/25	2025/26	2026/27
	Tariffs increases				Total Budgeted revenue (R'000)				% Increase in Revenue		
Property Rates	5.30%	4.80%	7.76%	6.73%	660,893	687,320	740,628	790,495	4.00%	7.76%	6.73%
Electricity	15.00%	10.60%	9.19%	9.21%	995,202	1,099,199	1,199,792	1,309,930	10.45%	9.15%	9.18%
Water	5.30%	6.50%	5.99%	6.29%	300,114	343,685	364,274	387,189	14.52%	5.99%	6.29%
Waste water (Sanitation)	4.90%	7.50%	5.99%	5.44%	89,858	95,890	101,631	107,153	6.71%	5.99%	5.43%
Waste management (Refuse removal)	5.30%	5.00%	5.81%	5.86%	65,412	72,271	76,467	80,948	10.49%	5.81%	5.86%
Average tariff increases/Municipal CPI	9.68%	7.93%	6.94%	6.71%	2,111,479	2,298,365	2,482,792	2,675,715	8.85%	8.02%	7.77%
Macro-economic performance and projections, 2022 - 2027											
Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27						
	Actual	Estimate	Forecast								
CPI Inflation	6.9%	6.0%	4.9%	4.6%	4.6%						

Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2024/25 medium-term capital programme and year-on-year increase or decrease in grant funding.

Funding sources of capex	2024/25 Medium Term Revenue & Expenditure Framework				
Funding sources of capex	Current Year 2023/24	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Total Capex over MTREF
	R'000	R'000	R'000	R'000	R'000
Capital transfers	215,894	572,229	657,904	114,513	1,344,646
Borrowing		–	–	–	–
Internally generated funds	55,390	41,500	31,500	31,500	104,500
Total Capex	271,284	613,729	689,404	146,013	1,449,146
Year-on-year R-Value (Increase / Decrease) in Capital transfers	–	356,335	85,675	(543,391)	–
Year-on-year R-Value (Increase / Decrease) in Internally generated funds	–	(13,890)	(10,000)	–	–
Year-on-year R-Value (Increase / Decrease) in Capex	–	342,445	75,675	(543,391)	–
Year-on-year % (Increase / Decrease) in Capital transfers	–	165%	15%	-83%	–
Year-on-year % (Increase / Decrease) in Internally generated funds	–	-25%	-24%	0%	–
Year-on-year % (Increase / Decrease) in Capex	–	126%	12%	-79%	–
Weighting Capital transfers	80%	93%	95%	78%	93%
Weighting Borrowing	0%	0%	0%	0%	0%
Weighting Internally Generated Funds	20%	7%	5%	22%	7%
Total	100%	100%	100%	100%	100%

Sources of capital revenue for the 2024/25 financial year

Capital grants and receipts equates to 93% of the total funding source which represents R572,229 million for the 2024/25 financial year and an amount of R1,344,646 billion is allocated over the 2024/25 MTREF. 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 municipality is not allowed to source any long-term borrowing due to the condition as prescribed in MFMA Circular 124.

MBRR Table A7 - Budget cash flow statement

Cash flow assumptions are based on the following, achieving a 85 % average collection rate on Property rates and service charges, 100% for grants receipts, Other revenue and Interest revenue. Operational expenditure is factored in at 100% 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%. National Treasury has reiterated the issue that actual collection rate must increase to match the budgeted 100% expenditure pattern to avoid growing creditors as has been the trend over the years. The lower collection rate is not sustainable and will result in unfunded budgets going forward. Table A7 is not aligned to Table A6, as at 28 March 2023. An error needs to be fixed on the system to fully account for the opening balance on Cash and cash equivalents at the beginning of the year. Indicated in the table below are the budgeted cash and cash equivalents over the MTREF.

R thousand	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash/cash equivalents at the month/year end:	73,147	77,910	91,249

14. Expenditure on allocations and grant programmes

Indicated in the table below is the total operational grants for the 2024/25 MTREF. From 2023/24 to 2024/25, operational grants increase by 4.06%. The increase from 2024/25 to 2025/26 is 6.35% and 7.01% from 2025/26 to 2026/27. The total operational grants over the MTREF amounts to R958,150 million.

TRANSFERS & SUBSIDIES - OPERATIONAL (R'000)	Adjusted Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Total over the MTREF	Year-on-Year Increase	Year-on-Year Increase	Year-on-Year Increase
EXPANDED PUBLIC WORKS GRANT (EPWP)	3,102	2,267	–	–	2,267	-26.92%	-100.00%	#DIV/0!
NATIONAL REVENUE FUND: EQUITABLE SHARE	263,135	282,104	302,569	324,431	909,104	7.21%	7.25%	7.23%
FRANCES BAARD DISTRICT MUNICIPALITY	5,600	–	–	–	–	-100.00%	#DIV/0!	#DIV/0!
COGHSTA HOUSING ACCREDITATION	200	–	–	–	–	-100.00%	#DIV/0!	#DIV/0!
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)	5,000	4,500	4,800	4,500	13,800	-10.00%	6.67%	-6.25%
NON-PROF: OTHER NON-PROFIT INSTITUTIONS(Libraries)	8,866	8,600	9,116	9,663	27,379	-3.00%	6.00%	6.00%
LOCAL GOV FINANCIAL MANAGEMENT GRANT (FMG)	1,700	1,800	1,800	2,000	5,600	5.88%	0.00%	11.11%
TOTAL TRANSFERS & SUBSIDIES - OPERATIONAL	287,603	299,271	318,285	340,594	958,150	4.06%	6.35%	7.01%

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 maintenance. EQS is also used to fund the EPWP programme of the municipality. Ideally the EQS can also be used to fund 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.

The FBDM also avails funds annually for the operations and maintenance of roads and sewerage. For the current year they also availed R6,000 million for capital for the resealing of Roads. These funds are truly welcomed and the positive relationship that the Roads and Sewer Department has built over the years has seen some meaningful improvement in the service delivery mandate of the municipality.

	Adjusted Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Total over the MTREF	Year-on-Year Increase (Decrease)	Year-on-Year Increase (Decrease)	Year-on-Year Increase (Decrease)
TRANSFERS & SUBSIDIES - CAPITAL (R'000)								
REGIONAL BULK INFRASTRUCTURE GRANT (RBIG)	75,000	492,000	574,000	–	1,066,000	556.00%	16.67%	-100.00%
ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)	4,000	5,000	5,000	5,000	15,000	25.00%	0.00%	0.00%
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)	35,837	–	16,500	14,000	30,500	-100.00%	#DIV/0!	-15.15%
INTEGRATED URBAN DEVELOPMENT GRANT (IUDG)	74,207	75,229	60,404	65,513	201,146	1.38%	-19.71%	8.46%
FRANCES BAARD DISTRICT MUNICIPALITY	6,000	–	–	–	–	-100.00%	#DIV/0!	#DIV/0!
EUROPEAN UNION	18,850	–	–	–	–	-100.00%	#DIV/0!	#DIV/0!
NEIGHBOUR DEVELOPMENT PARTNERSHIP GRANT (NDPG)	2,000	–	2,000	30,000	32,000	-100.00%	#DIV/0!	1400.00%
TOTAL TRANSFERS & SUBSIDIES - CAPITAL	215,894	572,229	657,904	114,513	1,344,646	165.05%	14.97%	-82.59%

Indicated in the table above is the total capital grants for the 2024/25 MTREF. From 2023/24 to 2024/25, capital grants increase by 165.05%, the increase from 2024/25 to 2025/26 is 14.97% and decrease of 82.59% from 2025/26 to 2026/27. The total capital grants over the MTREF amounts to R1,344,646 billion. 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.

In terms of Adjustment Gazette in terms of Sections 18 and 19 of DoRAA further reductions were made to conditional grants, as articulated in the table below. A special adjustments budget will have to be passed to factor in the changes on the budget for the current year. This was communicated on the 22 March 2024. National Treasury issued a stopping letter which the municipality had to defend and based on the outcome, some of the explanatory information was not sufficient. The exception is funding for EEDSM which was increased by R2,000 million, due to the excellent performance at mid-year. Also, based on these adjustments it is imperative that the municipality spent at least 50% of its capital budget at mid-year, improve on planning and management of projects to avoid similar situations in future, as the stopping of funds has a direct impact on service delivery. The situation is exacerbated if awards have already been made, albeit late which the municipality will have to fund from its own coffers, as the likelihood of any rollovers being approved is very slim.

	23/24 Original Allocation	DoRAA Adjustments	Initial Adjusted allocation	Adjustments	23/24 Adjusted Allocation	Net adjustments on Conditional grants
Capital grants (R'000)						
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	48,026	(12,189)	35,837	(8,733)	27,104	(20,922)
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	2,000	–	2,000	(2,000)	–	(2,000)
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	86,000	(11,000)	75,000	(35,000)	40,000	(46,000)
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	74,207	–	74,207	(10,812)	63,395	(10,812)
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000	–	4,000	2,000	6,000	2,000
EUROPEAN UNION (BEAR)		18,850	18,850		18,850	
FRANCES BAARD DM		6,000	6,000		6,000	
TOTAL	214,233	1,661	215,894	(54,545)	161,349	(77,734)

Indicated below is the capital projects linked to each grant for the 2024/25 MTREF.

Capital expenditure per funding source (R'000)	Budget 2024/25	Budget 2025/26	Budget 2026/27	Total MTREF Allocation
EEDMS	5,000	5,000	5,000	15,000
STREET LIGHTS REPLACE 125W MV WITH 36W L	5,000	5,000	5,000	15,000
INEP	-	16,500	14,000	30,500
LV NETWORKS ACQ-ELECTRIFICAT OF HOUSES	-	16,500	14,000	30,500
INTERNALLY GENERATED FUNDS	41,500	31,500	31,500	104,500
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	4,500	4,500	13,500
ACQ-FLEET REPLACEMENT	5,000	20,000	20,000	45,000
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	3,000	3,000	3,000	9,000
CAPITAL SPARES-ACQ-PREPAID METERS	2,000	2,000	2,000	6,000
DSITRBUTION-ACQ-WAT METER REPLACEME	2,000	2,000	2,000	6,000
EMERGENCY METER INSTALLATIONS (PHASE 1)	20,466			20,466
MR LEAK AND SLEAK DATA SYSTEM	484			484
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	811			811
PIPE CONDITION ASSESS AND CATHOD PROTECT	479			479
RITCHIE PRIORITIZED LEAK DETECTION & REPAIRS	1,342			1,342
RITCHIE SUBZONE SMART METER INSTALL	1,417			1,417
IUDG	75,229	60,404	65,513	201,146
BUILDING OF ABLUTION BLOCKS AT KENILWORTH AND PHUTANANG CEMETRIES	2,000			2,000
CBD URBAN DESIGN PLAN	1,000			1,000
LINING OF STORMWATER CHANNEL	11,229	9,004	6,500	26,733
MARKET AND BILLING PARKING WITHIN THE CBD	-	-	5,000	5,000
P-CIER RDS ROADS	20,000	15,400	20,000	55,400
REFURBISHMENT OF HALLS	-	5,000	5,000	10,000
REPLACEMENT OF ASBESTOS PIPES IN VARIOUS AREAS	5,000	5,000	2,513	12,513
SINK TOILETS	5,000	2,000	1,500	8,500
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	5,000	6,000	5,000	16,000
UPGRADE GRAVEL ROADS WARDS VARIOUS	20,000	18,000	20,000	58,000
UPGRADING OF SWIMMING POOLS VARIOUS WARDS	6,000			6,000
NDPG	-	2,000	30,000	32,000
REDEVELOPMENT OF RC ELLIOT HALL	-	2,000	30,000	32,000
RBIG	492,000	574,000		1,066,000
EAST BYPASS REPLACE OF CORRODE10KM LINE	15,126			15,126
EASTERN BYPASS REPAIR COATING AND REFURB	11,521			11,521
KBY BULK METERS & PRESSURE MANAGEMENT	17,026			17,026
KBY NETWORK LEAK DETECTION & REPAIR PH 1	20,483			20,483
KBY NETWORK LEAK DETECTION & REPAIR PH 2	29,346			29,346
NEW WTP CHLORINE & DOSING WORKS UPGRADE	27,630			27,630
NEW WTW FILTER REFURBISH & BACKWASH SYSTEM	39,640			39,640
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	7,531			7,531
OLD WTP CHLORINE & DOSING WORKS UPGRADE	83,369			83,369
OLD WTP MAJOR REFURBISH AND BUILD WORKS	16,173			16,173
POWER; ABSTRACTION & PUMPSTATION REPAIRS	37,378			37,378
RBIG PROJECTS WATER PIPE UPGRADING	-	574,000		574,000
RITCHIE WTW UPGRADE AND BULK PIPELINE	48,296			48,296
RIVERTON TO MIDSTATION BULK PIPELINE REP	27,828			27,828
SECTION 3: 1200 NEW STEEL MIDSTATION TO NEWTON RES	67,191			67,191
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	18,290			18,290
WEST BYPASS LEAK REPAIRS AND REFURBISH	10,574			10,574
WEST BYPASS REPLACE OF CORRODED SECTION	5,368			5,368
WTW OHS & SECURITY MANAGEMENT	9,230			9,230
Grand Total	613,729	689,404	146,013	1,449,146

15. Allocations and grants made by the municipality

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

NC091 Sol Plaatje - Supporting Table SA21 Transfers and grants made by the municipality												
Description		Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash Transfers to Organisations												
Non-Prof:Oth Inst/Grants&Don Diem & Dor			–	–	–	–	–	–	–	–	–	–
Non-Prof:Oth Inst/Grants&Don Oth Pub Gra			270	200	169	2,000	1,000	1,000	–	1,000	2,000	2,000
Non-Prof:Oth Institut/Gariep			–	–	–	–	–	–	–	–	–	–
Non-Prof:Oth Institut/Sport Council			–	–	–	–	–	–	–	–	–	–
Non-Prof:Other Institutions/Spca			2,100	2,200	2,300	2,400	2,400	2,400	2,400	2,500	2,600	2,700
Total Cash Transfers To Organisations			2,370	2,400	2,469	4,400	3,400	3,400	2,400	3,500	4,600	4,700
Cash Transfers to Groups of Individuals												
Hh Oth Trans: Housing - Individual Supp			1	–	–	–	–	–	–	–	–	–
Hh Sap Soc Ass: Grant In Aid			158	146	130	160	160	160	22	160	167	175
Total Cash Transfers To Groups Of Individuals:			159	146	130	160	160	160	22	160	167	175
TOTAL CASH TRANSFERS AND GRANTS		6	2,528	2,546	2,599	4,560	3,560	3,560	2,422	3,660	4,767	4,875

The municipality has an agreement in place with the Society for the Prevention of Cruelty to Animals with regards to pounding 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, Communications and Risk Management.
- 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, Revenue Management and Information Technology.
- 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages	1									
Pension and UIF Contributions		827	496	882	–	1,098	1,098	–	–	–
Medical Aid Contributions		339	267	425	–	489	489	–	–	–
Motor Vehicle Allowance										
Cellphone Allowance		2,862	2,845	3,040	2,938	2,954	2,954	3,055	3,207	3,381
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		26,231	27,129	27,876	32,621	31,018	31,018	34,021	35,722	37,687
Sub Total - Councillors		30,260	30,737	32,224	35,559	35,559	35,559	37,077	38,930	41,068
% increase	4		1.6%	4.8%	10.3%	–	–	4.3%	5.0%	5.5%
Senior Managers of the Municipality										
Basic Salaries and Wages	2	9,434	8,265	6,702	8,158	8,158	8,158	8,791	9,196	9,619
Pension and UIF Contributions		999	1,086	969	1,558	1,558	1,558	1,316	1,377	1,440
Medical Aid Contributions		215	222	233	215	215	215	117	123	128
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3	2,042	1,849	1,534	1,985	1,985	1,985	2,005	2,097	2,194
Cellphone Allowance	3	168	157	132	202	202	202	198	207	217
Housing Allowances	3	36	26	28	26	26	26	9	10	10
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards		56	67	44	46	46	46	15	15	16
Post-retirement benefit obligations	6									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Senior Managers of Municipality		12,951	11,671	9,643	12,190	12,190	12,190	12,452	13,025	13,624
% increase	4		(9.9%)	(17.4%)	26.4%	–	–	2.1%	4.6%	4.6%
Other Municipal Staff										
Basic Salaries and Wages		395,579	417,872	433,826	475,973	464,937	464,937	509,499	535,092	562,535
Pension and UIF Contributions		73,155	74,736	79,050	91,654	91,654	91,654	96,851	101,629	106,810
Medical Aid Contributions		48,766	49,309	50,925	59,955	59,955	59,955	63,693	66,877	70,355
Overtime		41,303	52,688	69,383	47,280	69,467	69,467	53,982	56,681	59,629
Performance Bonus		28,489	28,946	30,249	36,505	36,505	36,505	38,317	40,233	42,325
Motor Vehicle Allowance	3	38,306	42,071	42,089	50,649	50,649	50,649	51,151	53,510	55,987
Cellphone Allowance	3	1,296	1,401	1,456	2,054	2,054	2,054	1,551	1,623	1,697
Housing Allowances	3	2,696	2,636	2,737	2,866	2,866	2,866	2,887	3,031	3,189
Other benefits and allowances	3	18,857	19,998	20,261	19,589	37,168	37,168	26,598	27,930	29,384
Payments in lieu of leave		29,135	10,507	14,403	15,000	15,000	15,000	20,000	20,920	21,882
Long service awards		23,136	24,418	27,890	26,922	26,922	26,922	29,981	31,480	33,117
Post-retirement benefit obligations	6	12,550	36,522	39,393	41,000	41,000	41,000	43,900	45,919	48,032
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Other Municipal Staff		713,268	761,106	811,663	869,447	898,176	898,176	938,410	984,925	1,034,941
% increase	4		6.7%	6.6%	7.1%	3.3%	–	4.5%	5.0%	5.1%
Total Parent Municipality		756,479	803,514	853,530	917,196	945,925	945,925	987,939	1,036,880	1,089,633
			6.2%	6.2%	7.5%	3.1%	–	4.4%	5.0%	5.1%
TOTAL SALARY, ALLOWANCES & BENEFITS		756,479	803,514	853,530	917,196	945,925	945,925	987,939	1,036,880	1,089,633
% increase	4		6.2%	6.2%	7.5%	3.1%	–	4.4%	5.0%	5.1%
TOTAL MANAGERS AND STAFF	5,7	726,219	772,777	821,306	881,637	910,366	910,366	950,863	997,950	1,048,566

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 (13th cheques) is mapped to performance bonus which is incorrect. The schedules nor the mSCOA chart makes provision for annual bonuses.

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

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4				1,049,015			1,049,015
Chief Whip								-
Executive Mayor				-	1,298,192			1,298,192
Deputy Executive Mayor								-
Executive Committee				-	9,867,224			9,867,224
Total for all other councillors				-	24,862,139			24,862,139
Total Councillors	8	-	-	-	37,076,570			37,076,570
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1,551,467	245,581	328,037			2,125,085
Chief Finance Officer			1,158,149	194,556	425,353			1,778,058
SM D01			1,585,360	214,012	285,420			2,084,792
SM D02			1,444,930	234,226	454,728			2,133,884
SM D03			1,567,734	296,848	339,180			2,203,762
SM D04			1,483,737	248,654	394,332			2,126,723

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	2022/23			Current Year 2023/24			Budget Year 2024/25		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			65	65	–	65	65	–	65	65	–
Board Members of municipal entities		4									
Municipal employees											
Municipal Manager and Senior Managers		5									
Other Managers		3	6	6	–	6	6	–	6	6	–
		7	3	2	–	3	3	–	3	3	–
Professionals			198	51	26	198	96	31	198	96	31
Finance			13	10	2	13	10	3	13	10	3
Spatial/town planning			19	6	8	19	11	4	19	11	4
Information Technology			4	4	–	4	4	–	4	4	–
Roads			2	–	–	2	2	–	2	2	–
Electricity			13	2	4	13	5	3	13	5	3
Water			2	1	1	2	2	–	2	2	–
Sanitation			3	3	–	3	2	1	3	2	1
Refuse			–	–	–	–	–	–	–	–	–
Other			142	25	11	142	60	20	142	60	20
Technicians			275	187	17	275	211	28	275	211	28
Finance			10	6	–	10	6	4	10	6	4
Spatial/town planning			29	13	2	29	13	7	29	13	7
Information Technology			8	6	–	8	5	1	8	5	1
Roads			6	4	2	6	5	1	6	5	1
Electricity			150	103	3	150	120	5	150	120	5
Water			10	5	5	10	9	1	10	9	1
Sanitation			25	19	2	25	19	6	25	19	6
Refuse			1	–	–	1	1	–	1	1	–
Other			36	31	3	36	33	3	36	33	3
Clerks (Clerical and administrative)			429	322	44	429	337	42	429	337	42
Service and sales workers			348	192	18	348	233	–	348	233	–
Skilled agricultural and fishery workers			145	72	–	145	73	–	145	73	–
Craft and related trades											
Plant and Machine Operators			215	133	44	215	135	42	215	135	42
Elementary Occupations			1,017	533	146	1,017	581	99	1,017	581	99
TOTAL PERSONNEL NUMBERS		9	2,701	1,563	295	2,701	1,740	242	2,701	1,740	242
% increase						–	11.3%	(18.0%)	–	–	–
Total municipal employees headcount		6, 10	3,021	1,797	328	3,021	1,975	273	3,021	1,975	273
Finance personnel headcount		8, 10	306	221	31	306	221	31	306	221	31
Human Resources personnel headcount		8, 10	14	13	2	14	14	–	14	14	–

17. Monthly targets for revenue, expenditure and cash flow

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

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
Revenue																
Exchange Revenue																
Service charges - Electricity		99,983	99,983	99,983	99,983	99,983	99,983	99,983	99,983	99,983	99,983	99,983	(610)	1,099,199	1,199,792	1,309,930
Service charges - Water		30,356	30,356	30,356	30,356	30,356	30,356	30,356	30,356	30,356	30,356	30,356	9,768	343,685	364,274	387,189
Service charges - Waste Water Management		8,469	8,469	8,469	8,469	8,469	8,469	8,469	8,469	8,469	8,469	8,469	2,728	95,890	101,631	107,153
Service charges - Waste Management		6,372	6,372	6,372	6,372	6,372	6,372	6,372	6,372	6,372	6,372	6,372	2,177	72,271	76,467	80,948
Sale of Goods and Rendering of Services		1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	657	15,955	16,689	17,457
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		10,379	10,379	10,379	10,379	10,379	10,379	10,379	10,379	10,379	10,379	10,379	5,858	120,030	124,551	129,463
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	(2,000)	9,000	12,000	15,000
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		2,427	2,427	2,427	2,427	2,427	2,427	2,427	2,427	2,427	2,427	2,427	1,041	27,740	29,126	30,726
Licence and permits		105	105	105	105	105	105	105	105	105	105	105	49	1,200	1,255	1,313
Operational Revenue		329	329	329	329	329	329	329	329	329	329	329	155	3,773	3,947	4,128
Non-Exchange Revenue																
Property rates		61,719	61,719	61,719	61,719	61,719	61,719	61,719	61,719	61,719	61,719	61,719	8,410	687,320	740,628	790,495
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		2,743	2,743	2,743	2,743	2,743	2,743	2,743	2,743	2,743	2,743	2,743	1,971	32,143	32,915	34,787
Licences or permits		704	704	704	704	704	704	704	704	704	704	704	252	8,000	8,452	8,949
Transfer and subsidies - Operational		26,524	26,524	26,524	26,524	26,524	26,524	26,524	26,524	26,524	26,524	26,524	7,510	299,271	318,285	340,594
Interest		6,892	6,892	6,892	6,892	6,892	6,892	6,892	6,892	6,892	6,892	6,892	16,092	91,900	82,700	74,400
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	(238)	50,900	55,787	61,132
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		264,042	264,042	264,042	264,042	264,042	264,042	264,042	264,042	264,042	264,042	264,042	53,821	2,958,278	3,168,499	3,393,664
Expenditure																
Employee related costs		83,163	83,163	83,163	83,163	83,163	83,163	83,163	83,163	83,163	83,163	83,163	36,071	950,863	997,950	1,048,566
Remuneration of councillors		3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	1,391	37,077	38,930	41,068
Bulk purchases - electricity		82,408	82,408	82,408	82,408	82,408	82,408	82,408	82,408	82,408	82,408	82,408	(7,492)	899,000	988,900	1,087,790
Inventory consumed		27,243	27,243	27,243	27,243	27,243	27,243	27,243	27,243	27,243	27,243	27,243	19,932	319,605	326,914	345,465
Debt impairment		31,846	31,846	31,846	31,846	31,846	31,846	31,846	31,846	31,846	31,846	31,846	4,937	355,246	382,156	409,005
Depreciation and amortisation		7,876	7,876	7,876	7,876	7,876	7,876	7,876	7,876	7,876	7,876	7,876	3,066	89,700	94,510	99,811
Interest		1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	3,223	17,774	15,874	13,730
Contracted services		3,562	3,562	3,562	3,562	3,562	3,562	3,562	3,562	3,562	3,562	3,562	1,549	40,731	42,744	48,700
Transfers and subsidies		397	397	397	397	397	397	397	397	397	397	397	(710)	3,660	4,767	4,875
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		13,324	13,324	13,324	13,324	13,324	13,324	13,324	13,324	13,324	13,324	13,324	3,288	149,849	159,880	170,494
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		5,715	5,715	5,715	5,715	5,715	5,715	5,715	5,715	5,715	5,715	5,715	2,140	65,000	68,575	72,347
Total Expenditure		260,101	260,101	260,101	260,101	260,101	260,101	260,101	260,101	260,101	260,101	260,101	67,394	2,928,505	3,121,201	3,341,849
Surplus/(Deficit)		3,941	3,941	3,941	3,941	3,941	3,941	3,941	3,941	3,941	3,941	3,941	(13,573)	29,774	47,298	51,815
Transfers and subsidies - capital (monetary allocations)		54,825	54,825	54,825	54,825	54,825	54,825	54,825	54,825	54,825	54,825	54,825	(30,850)	572,229	657,904	114,513
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	(44,423)	602,003	705,202	166,328
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	(44,423)	602,003	705,202	166,328
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	(44,423)	602,003	705,202	166,328
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	(44,423)	602,003	705,202	166,328

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

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
Revenue by Vote																
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		89,059	89,059	89,059	89,059	89,059	89,059	89,059	89,059	89,059	89,059	89,059	(7,251)	972,401	1,068,711	540,680
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		545	545	545	545	545	545	545	545	545	545	545	168	6,161	6,538	6,318
Vote 05 - Community Services		10,955	10,955	10,955	10,955	10,955	10,955	10,955	10,955	10,955	10,955	10,955	3,856	124,361	131,460	139,026
Vote 06 - Financial Services		63,626	63,626	63,626	63,626	63,626	63,626	63,626	63,626	63,626	63,626	63,626	10,227	710,111	763,510	814,726
Vote 07 - Strategy Econ Development And Planning		729	729	729	729	729	729	729	729	729	729	729	345	8,368	8,753	9,156
Vote 08 - Infrastructure And Services		153,953	153,953	153,953	153,953	153,953	153,953	153,953	153,953	153,953	153,953	153,953	15,627	1,709,105	1,847,432	1,998,271
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		318,867	318,867	318,867	318,867	318,867	318,867	318,867	318,867	318,867	318,867	318,867	22,972	3,530,507	3,826,403	3,508,177
Expenditure by Vote to be appropriated																
Vote 01 - Executive & Council		5,323	5,323	5,323	5,323	5,323	5,323	5,323	5,323	5,323	5,323	5,323	2,299	60,855	63,879	67,333
Vote 02 - Municipal And General		35,785	35,785	35,785	35,785	35,785	35,785	35,785	35,785	35,785	35,785	35,785	9,971	403,603	429,417	458,629
Vote 03 - Municipal Manager		2,434	2,434	2,434	2,434	2,434	2,434	2,434	2,434	2,434	2,434	2,434	1,080	27,854	29,208	30,665
Vote 04 - Corporate Services		6,492	6,492	6,492	6,492	6,492	6,492	6,492	6,492	6,492	6,492	6,492	10,726	82,140	77,905	81,328
Vote 05 - Community Services		29,469	29,469	29,469	29,469	29,469	29,469	29,469	29,469	29,469	29,469	29,469	11,417	335,572	353,620	373,172
Vote 06 - Financial Services		14,527	14,527	14,527	14,527	14,527	14,527	14,527	14,527	14,527	14,527	14,527	6,422	166,217	174,321	183,292
Vote 07 - Strategy Econ Development And Planning		5,929	5,929	5,929	5,929	5,929	5,929	5,929	5,929	5,929	5,929	5,929	2,590	67,813	71,151	74,831
Vote 08 - Infrastructure And Services		160,142	160,142	160,142	160,142	160,142	160,142	160,142	160,142	160,142	160,142	160,142	22,891	1,784,450	1,921,698	2,072,598
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		260,101	260,101	260,101	260,101	260,101	260,101	260,101	260,101	260,101	260,101	260,101	67,394	2,928,505	3,121,201	3,341,849
Surplus/(Deficit) before assoc.		58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	58,766	(44,423)	602,003	705,202	166,328

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

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		417	417	417	417	417	417	417	417	417	417	417	(4,583)	-	5,000	5,000
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		667	667	667	667	667	667	667	667	667	667	667	(2,333)	5,000	8,000	35,000
Vote 08 - Infrastructure And Services		53,742	53,742	53,742	53,742	53,742	53,742	53,742	53,742	53,742	53,742	53,742	(47,653)	543,509	644,904	69,513
Capital multi-year expenditure sub-total	2	54,825	54,825	54,825	54,825	54,825	54,825	54,825	54,825	54,825	54,825	54,825	(54,570)	548,509	657,904	109,513
Single-year expenditure to be appropriated																
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		2,292	2,292	2,292	2,292	2,292	2,292	2,292	2,292	2,292	2,292	2,292	(4,708)	20,500	27,500	27,500
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	-	-	-	-	-	-	-	-	-	-	1,000	1,000	-	5,000
Vote 08 - Infrastructure And Services		333	333	333	333	333	333	333	333	333	333	333	40,053	43,720	4,000	4,000
Capital single-year expenditure sub-total	2	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	36,345	65,220	31,500	36,500
Total Capital Expenditure	2	57,450	57,450	57,450	57,450	57,450	57,450	57,450	57,450	57,450	57,450	57,450	(18,225)	613,729	689,404	146,013

On some of the items for Revenue, Expenditure and Capex, June month is showing a negative movement. This will be resolved with our service provider for correction with the final budget.

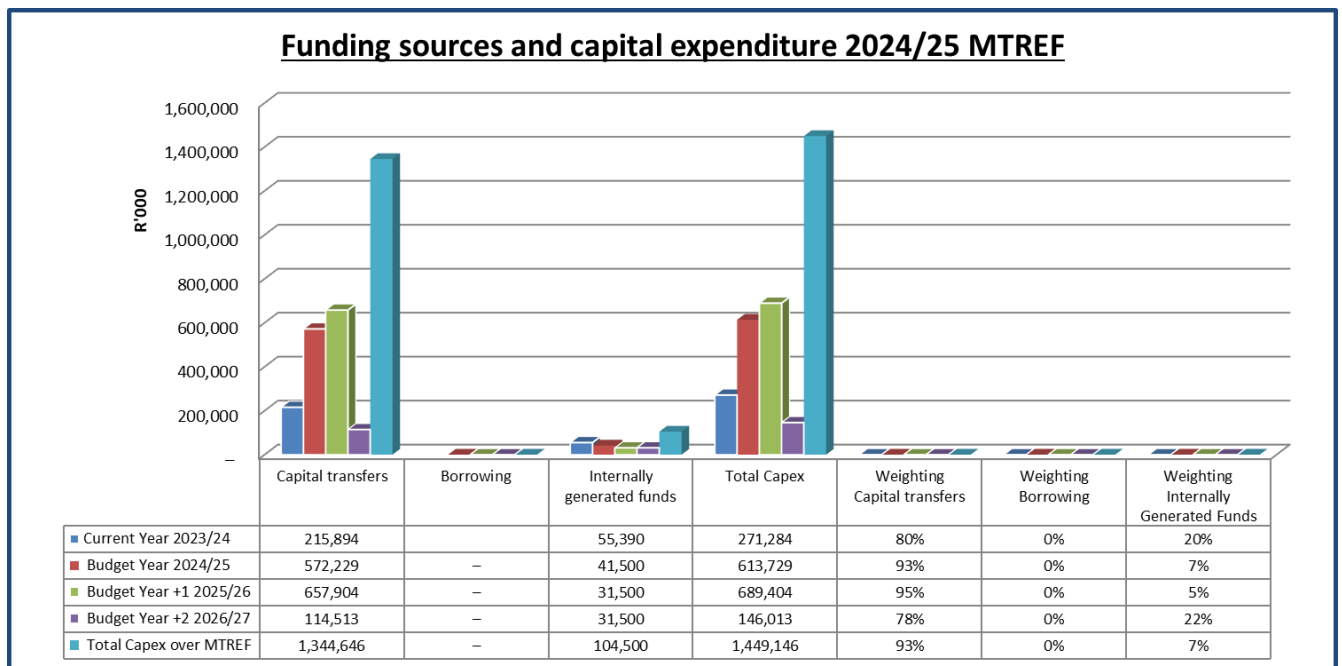
NC091 Sol Plaatje - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash Receipts By Source															
Property rates	59,353	59,353	59,353	59,353	59,353	59,353	59,353	59,353	59,353	59,353	59,353	23,240	676,122	712,234	746,320
Service charges - electricity revenue	96,004	96,004	96,004	96,004	96,004	96,004	96,004	96,004	96,004	96,004	96,004	(248)	1,055,799	1,152,052	1,257,416
Service charges - water revenue	27,096	27,096	27,096	27,096	27,096	27,096	27,096	27,096	27,096	27,096	27,096	8,787	306,840	325,149	345,481
Service charges - sanitation revenue	7,563	7,563	7,563	7,563	7,563	7,563	7,563	7,563	7,563	7,563	7,563	2,435	85,626	90,754	95,689
Service charges - refuse revenue	5,746	5,746	5,746	5,746	5,746	5,746	5,746	5,746	5,746	5,746	5,746	1,974	65,181	68,953	72,979
Rental of facilities and equipment	2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692	1,656	31,265	32,301	33,591
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	(2,000)	9,000	12,000	15,000
Interest earned - outstanding debtors												-			
Dividends received												-			
Fines, penalties and forfeits	2,743	2,743	2,743	2,743	2,743	2,743	2,743	2,743	2,743	2,743	2,743	1,971	32,143	32,915	34,787
Licences and permits	809	809	809	809	809	809	809	809	809	809	809	302	9,200	9,707	10,262
Agency services												-			
Transfers and Subsidies - Operational	26,524	26,524	26,524	26,524	26,524	26,524	26,524	26,524	26,524	26,524	26,524	7,510	299,271	318,285	340,594
Other revenue	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	812	19,729	20,636	21,586
Cash Receipts by Source	231,249	231,249	231,249	231,249	231,249	231,249	231,249	231,249	231,249	231,249	231,249	46,439	2,590,176	2,774,986	2,973,705
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	54,825	54,825	54,825	54,825	54,825	54,825	54,825	54,825	54,825	54,825	54,825	(30,850)	572,229	657,904	114,513
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)												-			
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans												-			
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits	208	208	208	208	208	208	208	208	208	208	208	(292)	2,000	2,500	3,000
VAT Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	286,282	286,282	286,282	286,282	286,282	286,282	286,282	286,282	286,282	286,282	286,282	15,297	3,164,405	3,435,390	3,091,218
Cash Payments by Type															
Employee related costs	83,163	83,163	83,163	83,163	83,163	83,163	83,163	83,163	83,163	83,163	83,163	36,071	950,863	997,950	1,048,566
Remuneration of councillors	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	1,391	37,077	38,930	41,068
Interest	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	3,223	17,774	15,874	13,730
Bulk purchases - electricity	89,075	89,075	89,075	89,075	89,075	89,075	89,075	89,075	89,075	89,075	89,075	(825)	979,000	1,068,900	1,167,790
Acquisitions - water & other inventory	32,957	32,957	32,957	32,957	32,957	32,957	32,957	32,957	32,957	32,957	32,957	22,073	384,605	395,489	417,812
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	16,886	16,886	16,886	16,886	16,886	16,886	16,886	16,886	16,886	16,886	16,886	4,837	190,580	202,624	219,194
Cash Payments by Type	226,648	226,648	226,648	226,648	226,648	226,648	226,648	226,648	226,648	226,648	226,648	66,770	2,559,898	2,719,768	2,908,158
Other Cash Flows/Payments by Type															
Capital assets	57,450	57,450	57,450	57,450	57,450	57,450	57,450	57,450	57,450	57,450	57,450	(18,225)	613,729	689,404	146,013
Repayment of borrowing	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	(510)	14,788	16,688	18,832
Other Cash Flows/Payments	397	397	397	397	397	397	397	397	397	397	397	(710)	3,660	4,767	4,875
Total Cash Payments by Type	285,886	285,886	285,886	285,886	285,886	285,886	285,886	285,886	285,886	285,886	285,886	47,326	3,192,075	3,430,627	3,077,879
NET INCREASE/(DECREASE) IN CASH HELD	396	396	396	396	396	396	396	396	396	396	396	(32,028)	(27,670)	4,763	13,339
Cash/cash equivalents at the month/year begin:	73,147	73,543	73,939	74,335	74,732	75,128	75,524	75,920	76,316	76,712	77,109	77,505	73,147	45,476	50,240
Cash/cash equivalents at the month/year end:	73,543	73,939	74,335	74,732	75,128	75,524	75,920	76,316	76,712	77,109	77,505	45,476	45,476	50,240	63,579

Table SA30 budgeted monthly cash flows is not yet aligned on the system. The municipality tried to resolve the error of correcting Cash/cash equivalents at the beginning of the year, so that the cash/cash equivalents at year end can correspond to Table A6 Cash and equivalents. This will be resolved with the final budget.

18. Capital expenditure details

Indicated in the chart below is the funding sources and capital expenditure for the 2024/25 MTREF. The total capital plan for the MTREF is R1,449,146 billion.



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 have 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. Projects are dominated by infrastructure projects, inter alia.

- Electrification projects with a budget of R16,500 million for 2025/26 and R14,000 million for 2026/27. It is a major concern that there is no allocation for 2024/25 financial year but this is largely influenced due to poor/under-performance of the grant, whilst there are old year projects that must be finalised and due to pressure on Internally generated funds this could not be provided for.
- RBIG funding as part of the Budget Facility for Infrastructure (BFI) over the medium term. Sol Plaatje Local Municipality is allocated R492 million in 2024/25 and R574 million in 2025/26 to refurbish and renew old water supply infrastructure. It is paramount that these funds be spent effectively, to address the water infrastructure challenges to secure long-term sustainability and availability of reliable, quality water services. These funds are critical for the improvement in the municipality's water infrastructure and business, especially in light of the collapsing water infrastructure around the country.
- Water pipes refurbishment programme within various wards with a budget of R12,513 million over the MTREF. This project will be specifically geared towards the replacement of asbestos pipes. Asbestos affects the quality of water as various complaints have been received from the affected community.

- Lining of Stormwater channels in Galeshewe with a budget of R26,733 million over the MTREF, to improve the stormwater network.

Upgrading an earth canal to a lined canal serves several important purposes and offers several advantages:

1. Water Conservation: Lining a canal reduces seepage and evaporation losses, which helps in conserving water. This is particularly crucial in regions facing water scarcity or where efficient water management is essential.
2. Reduced Maintenance: Lined canals require less maintenance compared to earth canals. They are less prone to erosion, sediment buildup, and weed growth, leading to reduced operational costs and efforts for upkeep.
3. Improved Water Quality: Lined canals help in maintaining water quality by reducing contamination from soil particles, chemicals, and organic matter. This is beneficial for agricultural, industrial, and domestic water uses.
4. Prevention of Land Subsidence: In areas where groundwater extraction is high, lining canals can help prevent land subsidence caused by excessive water loss from unlined earth canals.
5. Enhanced Flow Control: Lined canals offer better control over water flow and distribution. This is particularly important for irrigation systems where precise water delivery is necessary for optimal crop growth.
6. Mitigation of Environmental Impact: Lining canals can reduce environmental impacts such as soil erosion, sedimentation in water bodies, and habitat disturbance for aquatic species.
7. Longer Lifespan: Lined canals have a longer lifespan compared to earth canals, as they are more resistant to wear and tear, weathering, and biological degradation.
8. Compliance with Regulations: In some regions, there are regulations or guidelines that mandate the lining of canals to prevent water wastage and environmental damage. Upgrading to a lined canal ensures compliance with such requirements.

Overall, upgrading an earth canal to a lined canal provides multiple benefits, including water conservation, reduced maintenance, improved water quality, enhanced flow control, and environmental sustainability.

- Resealing of roads are provided with a budget of R20 million and the upgrade of gravel roads are allocated R20 million 2024/25 financial year, respectively and R113,400 million over the MTREF.

Resealing of roads:

Resealing is the process of constructing a new, waterproof surface on an existing road in order to prevent accelerated, moisture induced failure. Reseal is therefore the most important preventive maintenance action for preservation of the network.

Roads are an essential part of modern living. Well-maintained and usable roads make critical contributions to the economic and social wellbeing of a country, city or community. They provide access to employment, health, educational and social opportunities that make our lives better and help fight the devastation of poverty in South Africa. All communities rely on service delivery, transport access and commercial traffic. We need our shop shelves stocked with goods and produce, while visitors to our neighbourhood are becoming interested in supporting our local businesses. Not having adequate road maintenance can put a tremendous strain on these economic activities and need to be addressed for the benefit of residents and businesses that start in your community. Beyond increasing commercial traffic and improving service delivery in

the area, well-maintained roadways are the best way to improve the road safety of your community. Poor road maintenance puts lives at risk and threatens local residents' safety. Filling potholes, removing debris, maintaining signs and lane markers, manicuring greenery and keeping streetlights working are essential for ensuring your community's safety.

- An effective road-based transport infrastructure network for accessible, safe and affordable transport.
- Economic growth and empowerment through road-based transport infrastructure investment.

Upgrading of gravel Roads:

Upgrading gravel roads in urban areas in South Africa can help develop local areas, municipalities, and the country. Gravel roads can have many benefits, including:

- Lower operating costs
- Improved road traction
- Reduced travel time
- Higher construction costs but much lower maintenance costs
- Easier maintenance
- Environmentally friendly (no dust etc...)

However, gravel roads can have higher maintenance costs than paved roads over time. This can be challenging because road infrastructure funds are usually allocated lower than the needs of the gravel road network. Rough surfaces can also cause vehicles to have higher fuel consumption, more frequent tire replacements, and higher mechanical wear and tear.

In addition, infrastructure can also reduce the cost of delivered goods, facilitate the physical mobility of people and products, remove productivity constraints, and increase competitiveness. South Africa ranks in the top five countries in Africa with the best public infrastructure. This is important because infrastructure development plays a key role in ensuring fast economic growth and alleviating poverty. Well-managed projects, especially in key sectors like infrastructure, can stimulate economic growth and create job opportunities.

- An amount of R5,000 million per annum is also set aside for the EEDSM Projects and R15,000 million over the MTREF, which will be utilised to replace high-pressure sodium streetlight fittings with energy efficient LED fittings to reduce own electricity consumption. LED technology has 15-year lifespan versus the 3-year lifespan of high-pressure sodium streetlight fittings, resulting in saving on maintenance expenditure. This will also positively impact our electricity losses and reducing Eskom maximum demand, probably not on a massive scale but energy efficiency contributes to the environment as a whole. LED lights also emits a pure white light allowing for better illuminance and clearer visibility, thus having a positive impact on safety and security.

Township establishment

- Township establishment within various wards is funded to the tune of R16 million over the MTREF. Below is the positive impact this will make on the municipality and service delivery. The provision of services for the informal settlements as the SG diagrams is significant for preparation of designs for electrification, installation of water and sewer as well as paving of roads. It will ensure security of tenure and provision of sustainable houses for the residents of the informal settlements. Implications on the revenue generation potential through rates.

Benefits of the implementation of the projects

- Attract private and public investment that will in turn encourage an environment that will foster opportunities for more labour – absorbing activities.

- The Market research and demand quantification will unpack the economic potential within the Sol Plaatje Local Municipality vicinity in order to ease the high unemployment rate within the city.
 - The planning and Surveying of various areas will ensure that the Municipality successfully addresses the need of delivering security of tenure to the community,
 - Strengthen external partner relationships to promote integrated planning and improve on service delivery.
 - Diversification of sectors that contribute to economic growth, investment opportunities, revenue enhancement and decrease of unemployment rate.
 - Compliant with Land Survey Act, 1997 to provide accurate cadastral data for registration purpose.
 - Foster increase in the GDP of the City through provision of diverse sectors
 - Promoting good governance by aligning with the objectives of Integrated Development Plan, Service delivery Budget Implementation Plan (SDBIP) and Sol Plaatje Spatial Development Plan.
 - Fast-tracking value chain on provision of services as the available of the specialised studies and Surveyor Generals Diagrams allows for installation of services to commence and collection of revenue.
 - Most importantly promote development principles of the Spatial Planning and Land Use Management Act 13 of 2015 – **Spatial Resilience, Sustainability, Efficiency and Good governance**, principles of Integrated Urban Development Framework, Sustainable Development Goals and District Development Plan, the “One -Plan”.
- Provision is also made in the budget of R45 million for the Fleet Replacement Program over the MTREF. This programme has been accounted for in the budget over the last few years, however there is still a major need for fleet, especially yellow fleet, water tankers, refuse compactors etc that has a direct impact on service delivery.
- An amount of R10,000 million is allocated from IUDG for the refurbishment of halls. Prioritisation will be done in terms of the halls that will be identified for refurbishment within the available budget.
- An amount of R32,000 million has been allocated from NDPG for the refurbishment of RC Elliot Hall. The allocation is intended to be used for the Planning and Designs for Revitalisation of RC Elliot Hall. The purpose of the project is to conduct feasibility studies and analysis to determine the structural stability of the hall in order to make a determination as to whether the hall needs to be demolished or renovated.
- The service implications for the funds for the planning and designs of the RC Elliot Hall are as follows:
- Unattended dilapidated buildings contravene the National Building Regulations and Building Standard Act 103 of 1977.
 - It poses a hazard to the community and illegal occupancy by street kids.
 - Limits the community from accessing sustainable social facilities.
 - The building is not optimally used and has a potential to be utilised as a “One Stop Shop” for accessibility and convenience.
 - The project is listed as a priority in terms of the Integrated Development Plan and Service Delivery Budget and Implementation Plan.
- There is a major need for funding for the Homevale Sewer Treat Works and other urgent intervention in the sewer reticulation network and pump stations to perform the necessary upgrades and refurbishment, however there is no grant funding for this nor internal funds, so for the current year maintenance funds will have to be prioritised to address some of the immediate challenges whilst inefficiencies in the system like Overtime and the appointment of contract workers will have to be reduced and/or stopped to avail funds that can be re-directed for urgent service delivery issues.

Below is a list of capital expenditure per funding source and by project for 2024/25 to 2025/26:

Capital expenditure per funding source (R'000)	Budget 2024/25	Budget 2025/26	Budget 2026/27	Total MTREF Allocation
EEDMS	5,000	5,000	5,000	15,000
STREET LIGHTS REPLACE 125W MV WITH 36W L	5,000	5,000	5,000	15,000
INEP	-	16,500	14,000	30,500
LV NETWORKS ACQ-ELECTRIFICAT OF HOUSES	-	16,500	14,000	30,500
INTERNALLY GENERATED FUNDS	41,500	31,500	31,500	104,500
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	4,500	4,500	13,500
ACQ-FLEET REPLACEMENT	5,000	20,000	20,000	45,000
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	3,000	3,000	3,000	9,000
CAPITAL SPARES-ACQ-PREPAID METERS	2,000	2,000	2,000	6,000
DSITRBUTION-ACQ-WAT METER REPLACEME	2,000	2,000	2,000	6,000
EMERGENCY METER INSTALLATIONS (PHASE 1)	20,466			20,466
MR LEAK AND SLEAK DATA SYSTEM	484			484
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	811			811
PIPE CONDITION ASSESS AND CATHOD PROTECT	479			479
RITCHIE PRIORITIZED LEAK DETECTION & REPAIRS	1,342			1,342
RITCHIE SUBZONE SMART METER INSTALL	1,417			1,417
IUDG	75,229	60,404	65,513	201,146
BUILDING OF ABLUTION BLOCKS AT KENILWORTH AND PHUTANANG CEMETRIES	2,000			2,000
CBD URBAN DESIGN PLAN	1,000			1,000
LINING OF STORMWATER CHANNEL	11,229	9,004	6,500	26,733
MARKET AND BILLING PARKING WITHIN THE CBD	-	-	5,000	5,000
P-CIER RDS ROADS	20,000	15,400	20,000	55,400
REFURBISHMENT OF HALLS	-	5,000	5,000	10,000
REPLACEMENT OF ASBESTOS PIPES IN VARIOUS AREAS	5,000	5,000	2,513	12,513
SINK TOILETS	5,000	2,000	1,500	8,500
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	5,000	6,000	5,000	16,000
UPGRADE GRAVEL ROADS WARDS VARIOUS	20,000	18,000	20,000	58,000
UPGRADING OF SWIMMING POOLS VARIOUS WARDS	6,000			6,000
NDPG	-	2,000	30,000	32,000
REDEVELOPMENT OF RC ELLIOT HALL	-	2,000	30,000	32,000
RBIG	492,000	574,000		1,066,000
EAST BYPASS REPLACE OF CORRODE10KM LINE	15,126			15,126
EASTERN BYPASS REPAIR COATING AND REFURB	11,521			11,521
KBY BULK METERS & PRESSURE MANAGEMENT	17,026			17,026
KBY NETWORK LEAK DETECTION & REPAIR PH 1	20,483			20,483
KBY NETWORK LEAK DETECTION & REPAIR PH 2	29,346			29,346
NEW WTP CHLORINE & DOSING WORKS UPGRADE	27,630			27,630
NEW WTW FILTER REFURBISH & BACKWASH SYSTEM	39,640			39,640
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	7,531			7,531
OLD WTP CHLORINE & DOSING WORKS UPGRADE	83,369			83,369
OLD WTP MAJOR REFURBISH AND BUILD WORKS	16,173			16,173
POWER; ABSTRACTION & PUMPSTATION REPAIRS	37,378			37,378
RBIG PROJECTS WATER PIPE UPGRADING	-	574,000		574,000
RITCHIE WTW UPGRADE AND BULK PIPELINE	48,296			48,296
RIVERTON TO MIDSTATION BULK PIPELINE REP	27,828			27,828
SECTION 3: 1200 NEW STEEL MIDSTATION TO NEWTON RES	67,191			67,191
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	18,290			18,290
WEST BYPASS LEAK REPAIRS AND REFURBISH	10,574			10,574
WEST BYPASS REPLACE OF CORRODED SECTION	5,368			5,368
WTW OHS & SECURITY MANAGEMENT	9,230			9,230
Grand Total	613,729	689,404	146,013	1,449,146

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 2024/25 is rightfully dominated by infrastructure projects consisting of roads, storm water, water, sanitation and electricity projects.

Capital plan by Municipal Functional Classification and Municipal vote

Capital Expenditure per Functional classification						
Capital Expenditure - Function	2024/25 Medium Term Revenue & Expenditure Framework					
R Rousand	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Weighting 2024/25	Weighting 2025/26	Weighting 2026/27
Finance and administration	20,500	27,500	27,500	3%	4%	19%
Community and public safety	–	5,000	5,000	0%	1%	3%
Economic and environmental services	6,000	8,000	40,000	1%	1%	27%
Road transport	51,229	42,404	46,500	8%	6%	32%
Environmental protection	–	–	–	0%	0%	0%
Energy sources	7,000	23,500	21,000	1%	3%	14%
Water management	524,000	581,000	4,513	85%	84%	3%
Waste water management	5,000	2,000	1,500	1%	0%	1%
Total	613,729	689,404	146,013	100%	100%	100%

Capital Expenditure per Municipal Vote						
Vote Description	2024/25 Medium Term Revenue & Expenditure Framework					
R Thousand	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Weighting 2024/25	Weighting 2025/26	Weighting 2026/27
Vote 02 - Municipal And General	20,500	27,500	27,500	3%	4%	19%
Vote 03 - Municipal Manager	–	–	–	0%	0%	0%
Vote 04 - Corporate Services	–	–	–	0%	0%	0%
Vote 05 - Community Services	–	5,000	5,000	0%	1%	3%
Vote 06 - Financial Services	–	–	–	0%	0%	0%
Vote 07 - Strategy Econ Development And Planning	6,000	8,000	40,000	1%	1%	27%
Vote 08 - Infrastructure And Services	587,229	648,904	73,513	96%	94%	50%
Vote 09 -	–	–	–	0%	0%	0%
Total	613,729	689,404	146,013	100%	100%	100%

From the above tables it is clear that the majority of capital is geared towards the improvement in the municipality's infrastructure with Infrastructure services and under which trading services resort is allocated the highest budget. Poorer grant performance is not boding well for the municipality's potential to obtain more funding, which led to various toward adjustments on capital grants which has a direct impact on service delivery. Planning, project and contract management will have to be improved for the new MTREF. This is also perceived as a major, major risk to the municipality because we losing funds that we cannot afford to lose, due to financial constraints. In that we cannot increase CRR funding exponentially and also cannot enter into any long-term borrowing due to affordability and liquidity challenges and as per MFMA Circular 124 for the Municipal Debt Relief, the municipality is also prohibited from obtaining new loans for the next 36 months.

19. Contracts having future budgetary implications

The municipality has no contracts that extend beyond the MTREF at any given point in time except for long term borrowings which are reported separately. The municipality entered into a new banking services contract with Standard Bank. This contract is valid for 5 years from 13 October 2023 to 28 September 2028 (60 months). This contract extends beyond the MTREF, hence it is classified as a contract that have future budgetary implications and also fall within the ambit of a long-term contract because it has a term longer than three years. Articulated in the table below are the annual budgeted banking fees for the duration of the contract.

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

Description	Ref	Preceding Years	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework			Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract														
No Future Contracts Greater Than 5m	2	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract														
No Future Contracts Greater Than 5m	2	-	-	-	-	-	-	-	-	-	-	-	-	-
Banking Services 5-Year Contract (Banking Fees)		-	3,800	3,800	3,975	4,158	4,441	-	-	-	-	-	-	20,173
Total Operating Expenditure Implication		-	3,800	3,800	3,975	4,158	4,441	-	-	-	-	-	-	20,173
Capital Expenditure Obligation By Contract														
Upgrade Stormwater Galeshewe	2	-	-	-	-	-	-	-	-	-	-	-	-	-
Lerato Park Link Water And Sewer		-	-	-	-	-	-	-	-	-	-	-	-	-
Homevale Fire Station		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	3,800	3,800	3,975	4,158	4,441	-	-	-	-	-	-	20,173

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 6.8 for 2024/25 on the financial system is finalised and the use of A-schedules aligned to version 6.8 has been implemented successfully.

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.

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

Council noted the draft SDBIP on the 31 March 2024 in accordance with Section 68 of the MFMA of 2003. Section 69 of the MFMA further requires the MM to submit the draft SDBIP to the executive mayor within 14 days after the approval of the Budget. Subsequently, the Executive Mayor must approve the SDBIP no later than 28 days after the approval of the budget in accordance with section 53 (1) (c) (ii).

6. Annual Report

Annual report for 2022/2023 was not compiled with in terms of the MFMA requirements. The municipality is working on ratifying this.

7. Annual Financial Statement

Annual Financial Statements for the year ended 30 June 2023 was submitted on 31 August 2023, as per the due date.

8. Auditor-General Opinion 2022/2023

Articulated in the table below, is the basis for the qualified opinion for the year ended 30 June 2023 in comparison to the year ended 30 June 2022. The audit outcome has deteriorated mainly as a result of repeat findings which requires strict remedial action to improve on results.

Audit report status 2021/2022	Audit report status 2022/2023
Qualified Audit Opinion	Qualified Audit Opinion
Audit Findings	Audit Findings
145	158
Basis of qualified opinion	Basis of qualified opinion
Property Plant and Equipment	Property Plant and Equipment
Service Charges	Service Charges
Trade Receivables from exchange transactions	Trade Receivables from exchange transactions
Statutory Receivables from non-exchange transactions	Investment Property
Investment Property	Inventory
Inventory	Revenue from exchange transactions
Revenue from exchange transactions	Loss/ write-down of inventory
	Material losses – electricity
Emphasis of matter	
Restatement of corresponding figures	
Material losses	

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.


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:


Date: 25/03/2024

List of acronyms

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

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

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Funding of Budget

SOL PLAATJE MUNICIPALITY (NC091)

Part 1 - Budgeting for Financial Performance				
Description	Ref	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		R'000	R'000	R'000
<u>Revenue by Source (Table 1)</u>				
Property rates	A	687,320	740,628	790,495
Service charges	A	1,661,946	1,797,950	1,946,353
Operational Revenue		0	0	0
Rental of facilities and equipment	B	27,740	29,126	30,726
Interest earned - external investments	D	9,000	12,000	15,000
Interest earned - outstanding debtors	D	211,930	207,251	203,863
Fines	B	32,143	32,915	34,787
Licenses and permits	B	9,200	9,707	10,262
Government grants & subsidies - ops		299,271	318,285	340,594
Government grants & subsidies - capital	E	572,229	657,904	114,513
Other income	B	19,729	20,636	21,586
Total Revenue By Source		3,530,507	3,826,403	3,508,177
Internal recoveries		32,254	37,454	42,954
Cross Subsidization		0	1,500	2,000
Total		3,562,761	3,865,357	3,553,131
<u>Operating Expenditure by Type (Table 6)</u>				
Employee related costs	C	950,863	997,950	1,048,566
Remuneration of Councilors		37,077	38,930	41,068
Contracted Services		40,731	42,744	48,700
Operational Cost		149,349	159,357	169,947
Other material and consumables		254,605	258,339	273,118
Bulk purchases - Electricity		899,000	988,900	1,087,790
Bulk purchases - Water		65,000	68,575	72,347
Losses		65,000	68,575	72,347
Interest external		18,274	16,397	14,277
Operating leases		0	0	0
Bad debts	F	355,246	382,156	409,005
Grants and subsidies paid		3,660	4,767	4,875
Depreciation		89,700	94,510	99,811
Total Operating Expenditure By Type		2,928,505	3,121,201	3,341,849
Internal Transfer		32,254	37,454	42,954
Cross Subsidization		0	1,500	2,000
Total		2,960,759	3,160,155	3,386,803
Operating Surplus/(Deficit)		602,003	705,202	166,328

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
CASH FLOW FROM OPERATING ACTIVITIES				
<u>Receipts</u>				
Cash receipts from ratepayers, government and other	A,B	2,144,419	2,313,640	2,492,101
Cash receipts from government - operating		299,271	318,285	340,594
Cash receipts from government and other - capital		572,229	657,904	114,513
Interest received	D	61,983	63,813	65,966
<u>Payments</u>				
Cash paid to suppliers and employees	I	(2,465,172)	(2,630,790)	(2,825,858)
Finance charges		(18,274)	(16,397)	(14,277)
NET CASH FROM OPERATING ACTIVITIES		594,455	706,455	173,039
CASH FLOWS FROM INVESTING ACTIVITIES				
<u>Receipts</u>				
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
<u>Payments</u>				
Purchase of property, plant and equipment	G	(613,729)	(689,404)	(146,013)
(Increase)/decrease in current assets		0	0	0
Increase in non-current investments		0	0	0
NET CASH FROM INVESTING ACTIVITIES		(613,729)	(689,404)	(146,013)
CASH FLOWS FROM FINANCING ACTIVITIES				
<u>Receipts</u>				
New loans raised	G	0	0	0
Increase in consumer deposits		(838)	2,500	3,000
<u>Payments</u>				
Repayment of borrowing	G	(13,351)	(14,787)	(16,687)
NET CASH FROM FINANCING ACTIVITIES		(14,189)	(12,287)	(13,687)
NET INCREASE/(DECREASE) IN CASH		-33,463	4,764	13,339
Cash and cash equivalents at the beginning of the year		117,054	83,590	88,355
Cash and cash equivalents at the end of the year		83,590	88,355	101,694

SOL PLAATJE MUNICIPALITY (NC091)

Part 3 - Reconciliation of reserves and commitments backed by cash/investments				
Description	Ref	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
		R'000	R'000	R'000
Reserves to be backed by cash	H	185,236	185,236	185,236
Creditors unpaid at year end		1,304,186	1,304,186	1,304,186
Total commitments		1,489,421	1,489,421	1,489,421
Cash and cash equivalents at the end of the year		118,036	251,975	463,997
Long term investments		0	0	0
Cash and investments available		118,036	251,975	463,997
<u>Explanation notes/references</u>				
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 R613,729m is funded by R572,229m grants, R0m donation, R0m from a loan and R41,5m 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

	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027
ASSETS					
CURRENT ASSETS	2,102,979,532	2,303,821,790	2,387,831,161	2,403,951,486	2,428,245,286
Inventory	82,694,399	89,309,951	95,553,315	95,553,315	95,553,315
Trade Receivables from Exchange Transactions	1,414,956,933	1,556,452,626	1,378,296,242	1,374,359,084	1,369,214,475
Statutory Receivables from Non-Exchange Transactions	453,892,552	499,281,807	817,541,258	832,835,521	848,934,716
Trade Receivables from Non-Exchange Transactions	13,815,877	15,197,465	12,849,517	12,849,517	12,849,517
Cash and Cash Equivalents	106,412,540	117,053,794	83,590,829	88,354,049	101,693,262
Operating Lease Assets	-	0	0	0	0
Statutory Receivable from Exchange Transactions	31,207,231	26,526,146	0	0	0
		0			
Non-Current Assets	2,360,069,192	2,525,577,637	2,874,230,569	3,447,624,569	3,496,326,519
Property, Plant and Equipment	2,023,359,734	2,186,323,283	2,640,664,980	3,219,146,980	3,273,242,210
Heritage Assets	12,070,884	12,070,884	4,207,179	4,207,179	4,207,179
Intangible Assets	17,713,591	18,599,270	13,213,591	8,443,591	3,387,391
Investment Property	212,355,668	210,232,111	216,144,819	215,826,819	215,489,739
Trade Receivables from Exchange Transactions	67,482,432	70,181,730	0	0	0
Statutory Receivables from Non-Exchange Transactions	27,086,883	28,170,359	0	0	0
		0	0	0	0
Total Assets	4,463,048,724	4,829,399,426	5,262,061,730	5,851,576,055	5,924,571,804
LIABILITIES					
CURRENT LIABILITIES	1,371,661,412	1,504,028,624	1,414,417,636	1,338,817,763	1,263,962,057
Consumer Deposits	45,470,920	50,018,012	49,179,940	51,679,940	54,679,940
Employee Benefits	93,786,790	107,854,809	80,627,790	80,627,790	80,627,790
Payables from Exchange Transactions	1,211,640,349	1,332,804,384	1,224,185,641	1,144,185,641	1,064,185,641
Unspent Conditional Grants and Receipts	7,233,366	0	0	0	0
VAT Payable from Exchange Transactions	-	0	45,637,153	45,637,153	45,637,153
Bank Overdraft	-	0	0	0	0
Current Portion of Long-term Liabilities	13,529,987	13,351,420	14,787,113	16,687,239	18,831,534
NON CURRENT LIABILITIES	391,275,535	426,657,318	380,633,152	362,045,146	341,068,595
Long term liabilities	146,333,418	132,726,777	123,320,035	104,732,029	83,755,478
Retirement Benefit Liabilities	244,235,000	293,082,000	256,606,000	256,606,000	256,606,000
Non current provisions	707,117	848,540	707,117	707,117	707,117
Total Liabilities	1,762,936,947	1,930,685,942	1,795,050,788	1,700,862,909	1,605,030,653
Total Assets and Liabilities	2,700,111,778	2,898,713,485	3,467,010,942	4,150,713,146	4,319,541,152
NET ASSETS	2,700,111,778	2,898,713,485	3,467,010,942	4,150,713,146	4,319,541,152
Accumulated surplus/deficit	2,700,111,778	2,898,713,485	3,467,010,942	4,150,713,146	4,319,541,152
Total Net Assets	2,700,111,778	2,898,713,485	3,467,010,942	4,150,713,146	4,319,541,152
TOTAL NET ASSETS AND LIABILITIES	4,463,048,724	4,829,399,426	5,262,061,730	5,851,576,055	5,924,571,804

0

0

0

0

0

SOL PLAATJE MUNICIPALITY (NC091)
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
CASH FLOW FROM OPERATING ACTIVITIES		
Grants received	444,750,112	372,805,552
Sale of goods and services	1,918,592,574	1,516,681,816
Employee Costs	-881,637,275	-779,892,187
Supplier payments	-1,350,074,725	-983,622,318
Cash generated from/(utilized in) operations	131,630,686	125,972,863
Interest received	189,000,000	208,531,744
(Increase) / decrease in Interest Receivables	0	-128,534,307
Interest paid	-19,494,706	-113,954,866
NET CASH FROM OPERATING ACTIVITIES	301,135,980	92,015,434
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	-271,284,000	-125,650,316
Purchase of Intangible Assets	0	0
Purchase of Investment Property	0	-3,295,500
Proceeds on Disposal of Property, Plant and Equipment	0	0
Donation of Property, Plant and Equipment	0	3,387,299
Increase / (decrease) in Capital Payables	0	-35,483,045
Proceeds on Disposal of Investment Property	0	
NET CASH FROM INVESTING ACTIVITIES	-271,284,000	-161,041,563
CASH FLOWS FROM FINANCING ACTIVITIES		
New Finance leases	0	-3,599,220
New loans raised	0	0
(Loans repaid)	-19,210,726	-12,087,687
NET CASH FROM FINANCING ACTIVITIES	-19,210,726	-15,686,907
NET DECREASE IN CASH AND CASH EQUIVALENTS	10,641,254	-84,713,036
Cash and cash equivalents at the beginning of the year	106,412,540	191,125,575
Cash and cash equivalents at the end of the year	117,053,794	106,412,540

SOL PLAATJE MUNICIPALITY (NC091)
STATEMENT OF BUDGETED FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2024

Budget			Expected		Actual
2023	2024		2024	2023	
R	R		R	R	
REVENUE					
Revenue from Non-exchange Transactions					
610,074,250	660,893,479	Property rates	19	660,893,479	610,991,037
35,730,000	30,660,000	Fines and Penalties		30,660,000	59,461,622
6,850,000	7,350,000	Licenses and permits		7,350,000	9,020,708
0		Interest Earned - Outstanding Statutory receivables		0	82,989,796
0		Availability service charges non-exchange transactions		0	4,036,985
399,218,919	497,815,000	Government grants and subsidies	21	444,750,112	372,805,552
-		Public contributions and donations		0	3,387,299
		Revenue from Exchange Transactions		0	
1,368,151,322	1,517,256,000	Service charges	20	1,517,256,000	1,182,666,738
25,896,000	26,930,000	Rental of facilities and equipment		26,930,000	26,000,384
0	0	Income for agency services		0	-
6,000,000	7,000,000	Interest earned - external investments	25	9,000,000	8,549,555
156,500,000	168,880,000	Interest Earned - Outstanding Trade receivables	25	180,000,000	116,992,393
20,744,800	18,714,000	Other income	22	18,714,000	17,049,380
		Gains on Inventory			-
		Gains on disposal of property, plant and equipment			5,890,915
2,629,165,291	2,935,498,479	Total Revenue		2,895,553,591	2,499,842,366
EXPENDITURE					
849,970,016	881,637,275	Employee related costs	23	881,637,275	784,644,644
34,547,434	35,558,951	Remuneration of Councillors	24	35,558,951	32,224,280
81,050,000	86,650,000	Depreciation	50	86,650,000	71,830,180
397,000,000	317,500,000	Bad debts - Provision	15	317,500,000	378,747,381
117,960,100	19,494,706	Interest paid	25	19,494,706	113,954,866
682,000,000	785,000,000	Bulk purchases	26	785,000,000	672,362,000
54,181,000	48,113,000	Contracted services		48,113,000	45,261,139
4,460,000	4,560,000	Grants and subsidies paid	27	4,560,000	2,598,918
401,396,037	451,538,068	General expenses	28	451,538,068	378,641,021
75,640,000	61,200,000	Loss on Inventory		61,200,000	78,068,584
		Loss on disposal of Property, Plant and Equipment			-
		Foreign Exchange Loss			751,155
		Impairment of Property, Plant and Equipment			-
2,698,204,587	2,691,252,000	Total Expenditure		2,691,252,000	2,559,084,169
-69,039,296	244,246,479	SURPLUS/(DEFICIT)		204,301,591	-59,241,803
0	0	Share of surplus/(deficit) of associate accounted for under the equity method		0	0
-69,039,296	244,246,479	SURPLUS/(DEFICIT) FOR THE YEAR		204,301,591	-59,241,803

SOL PLAATJE MUNICIPALITY (NC091)
BUDGETED STATEMENT OF CHANGES
FOR THE YEAR ENDING 30 JUNE 2024

	Capital Replacement Reserve R	Self- Insurance Reserve R	COLD Reserve	Accumulated Surplus/ (Deficit) R	Total R
2023					
Balance at 1 July 2022	62,705,000	15,445,250	11,976,657	2,665,829,555	2,755,956,462
Correction of error				0	0
Change in accounting policy				0	0
Restated balance	62,705,000	15,445,250	11,976,657	2,665,829,555	2,755,956,462
Surplus/(deficit) for the year				(61,544,568)	-61,544,568
Transfer to CRR	7,064,299			-7,064,299	0
Property, plant and equipment purchased	(30,400,701)			30,400,701	0
Capital grants used to purchase PPE					0
Donated/contributed PPE					0
Contribution to Insurance Reserve		(1,761,283)	(963,498)	2,724,782	0
Adjustments					0
Asset disposals					0
Balance at 30 JUNE 2023	39,368,598	13,683,967	11,013,159	2,630,346,170	2,694,411,894
2024					
Correction of error				0	0
Change in accounting policy				0	0
Restated balance	39,368,598	13,683,967	11,013,159	2,630,346,170	2,694,411,894
Surplus/(deficit) for the year				204,301,591	204,301,591
Transfer to CRR	60,000,000			-60,000,000	0
Property, plant and equipment purchased	(55,390,000)			55,390,000	0
Contribution to Insurance Reserve		-1,500,000	200,000	1,300,000	0
Asset disposals				0	0
Balance at 30 JUNE 2024	43,978,598	12,183,967	11,213,159	2,831,337,761	2,898,713,485

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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 action should be taken to improve the results
Data should be captured in the blue column to calculate a ratio
Calculations where the results are not within the acceptable norm, corrective action should be taken and reviewed

Template for Calculation of Uniform Financial Ratios and Norms

NO	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS R'000 2023/24	DATA INPUTS AND RESULTS R'000 2024/25	DATA INPUTS AND RESULTS R'000 2025/26	INTERPRETATION	MUNICIPAL COMMENTS (#)
1. FINANCIAL POSITION										
A. Asset Management/Utilisation										
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%	Total Operating Expenditure Taxation Expense Total Capital Expenditure	17% 2,928,505 -	18% 3,121,201 -	4% 3,341,849 -	Please refer to page 2 of MFMA Circular No. 71	
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR	0%	PPE, Investment Property and Intangible Impairment PPE at carrying value Investment at carrying value Intangible Assets at carrying value	0% 2,644,872 216,145 13,214	0% 3,223,354 215,827 8,444	0% 3,277,449 215,490 3,387	Please refer to page 3 of MFMA Circular No. 71	
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%	Total Repairs and Maintenance Expenditure PPE at carrying value Investment Property at Carrying value	7% 205,647 2,644,872 216,145	6% 215,000 3,223,354 215,827	7% 227,187 3,277,449 215,490	Please refer to page 4 of MFMA Circular No. 71	The total amount used in this calculation is not including labour costs.
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%	Total Repairs and Maintenance Expenditure including Labour Costs PPE at carrying value Investment Property at Carrying value	12% 347,657 2,644,872 216,145	21% 363,649 1,535,620 202,754	21% 380,377 1,577,221 204,782	Please refer to page 4 of MFMA Circular No. 71	The total amount used in this calculation is not including labour costs.
B. Debtors Management										
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year Reports, IDP and AR	95%	Gross Debtors closing balance Gross Debtors opening balance Bad debts written Off Billed Revenue	71% 2,977,773 2,306,615 -	84% 3,375,223 2,977,773 2,538,578	84% 3,800,327 3,375,223 2,736,847	Please refer to page 5 of MFMA Circular No. 71	The provision for doubtful debt amounts to around 15% annually. This is an increase from previous estimates. The municipality is implementing a debtor recovery project to improve the collection rate.
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%	Consumer Debtors Bad debts written off Consumer Debtors Current bad debt Provision	0% 2,147,382	0% 2,529,538	0% 2,938,543	Please refer to page 5 of MFMA Circular No. 71	
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days	Gross debtors Bad debts Provision Billed Revenue	129 days 2,977,773 2,147,382 2,349,265	122 days 3,375,223 2,529,538 2,538,578	115 days 3,800,327 2,938,543 2,736,847	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.
C. Liquidity Management										
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months	Cash and cash equivalents Unspent Conditional Grants Overdraft Short Term Investments Total Annual Operational Expenditure	0 Month - - 83,591 2,483,446	0 Month - - 88,354 2,647,187	0 Month - - 101,693 2,840,135	Please refer to page 7 of MFMA Circular No. 71	Debt recovery policy to be applied.
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1	Current Assets Current Liabilities	1.69 2,387,831 1,414,418	1.80 2,403,951 1,338,818	1.92 2,428,245 1,263,962	Please refer to page 7 of MFMA Circular No. 71	

D. Liability Management									
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 00	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%	Interest Paid	1%	1%	1%	Please refer to page 8 of MFMA Circular No. 71
					Redemption	18,274	16,397	14,277	
					Total Operating Expenditure	13,351	14,787	16,687	
					Taxation Expense	2,928,505	3,121,201	3,341,849	
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%	Total Debt	4%	3%	3%	Please refer to page 9 of MFMA Circular No. 71
					Total Operating Revenue	138,107	121,419	102,587	
					Operational Conditional Grants	3,530,507	3,826,403	3,508,177	
						299,271	318,285	340,594	
E. Sustainability									
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%	Cash and cash Equivalents	13%	7%	7%	Please refer to page 9 of MFMA Circular No. 71
					Bank Overdraft	-	-	-	
					Short Term Investment	83,591	88,354	101,693	
					Long Term Investment	-	-	-	
					Unspent Grants	-	-	-	
					Net Assets	3,467,011	4,150,713	4,319,541	
					Accumulated Surplus	2,831,338	2,859,651	2,888,248	
2. FINANCIAL PERFORMANCE									
A. Efficiency									
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%	Total Operating Revenue	20%	21%	8%	Please refer to page 10 of MFMA Circular No. 71
					Depreciation - Revalued Portion (Only populate if depreciation line item in the Statement of Financial	3,530,507	3,826,403	3,508,177	
					Total Operating Expenditure	89,700	94,510	99,811	
					Taxation Expense	2,928,505	3,121,201	3,341,849	
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%	Total Electricity Revenue	1%	1%	1%	Please refer to page 10 of MFMA Circular No. 71
					Total Electricity Expenditure	1,164,299	1,270,542	1,386,849	
						1,153,351	1,258,044	1,372,440	
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	Total Water Revenue	1%	1%	0%	Please refer to page 11 of MFMA Circular No. 71
					Total Water Expenditure	398,115	421,696	447,769	
						395,412	418,711	445,661	
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	Total Refuse Revenue	0%	0%	0%	Please refer to page 12 of MFMA Circular No. 71
					Total Refuse Expenditure	87,272	92,293	97,644	
						87,170	92,170	97,507	
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%	Total Sanitation and Water Waste Revenue	1%	2%	2%	Please refer to page 12 of MFMA Circular No. 71
					Total Sanitation and Water Waste Expenditure	118,290	125,375	132,203	
						116,855	123,471	129,939	
B. Distribution Losses									
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	Number of units purchased and/or generated ('000)	20%	17%	15%	Please refer to page 13 of MFMA Circular No. 71
					Number of units sold ('000)	544,491	531,919	519,636	
						435,593	441,493	441,691	
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%	Number of kilolitres purchased and/or purified ('000)	50%	40%	30%	Please refer to page 13 of MFMA Circular No. 71
					Number of kilolitres sold ('000)	33,665	33,097	32,542	
						16,832	19,858	22,779	
The Municipality is busy with projects to adress the water losses. These include metering the bulk use of stand pipes in areas, the installation of bulk meters per area, smart metering of Municipal own use and savings options at Riverton plant.									

C. Revenue Management										
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active	Debtors System	None	Number of Active Debtors Accounts (Previous)	0%	1%	1%	Please refer to page 14 of MFMA Circular No. 71	
					66	66	67	67		
					Number of Active Debtors Accounts (Current)	66	67	67		
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI	CPI	20%	8%	-8%	Please refer to page 15 of MFMA Circular No. 71	
					4.90%	4.60%	4.60%	4.60%		
					2,935,498	3,530,507	3,826,403	3,826,403		
					Total Revenue (Current)	3,530,507	3,826,403	3,508,177		
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= CPI	CPI	9%	7%	7%	Please refer to page 15 of MFMA Circular No. 71	The revenue figure requires the exclusion of capital grants but still includes operational grants, which is not a true reflection of growth in tariffs and city
					4.90%	4.60%	4.60%	4.60%		
					Total Revenue Excl.Capital (Previous)	2,719,305	2,958,278	3,168,499		
					Total Revenue Excl.Capital (Current)	2,958,278	3,168,499	3,393,664		
D. Expenditure Management										
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days	Trade Creditors	241 days	205 days	240 days	Please refer to page 16 of MFMA Circular No. 71	This ratio is calculated as at a specific point in time, which results in a distorted representation of the actual payment days. Especially at year-end, the outstanding creditors will be high. ESKOM debt is higher than normal.
					1,224,186	1,144,186	1,064,186			
					Contracted Services	40,731	42,744	48,700		
					Repairs and Maintenance	-	-	-		
					General expenses	171,283	180,521	189,099		
					Bulk Purchases	1,029,000	1,126,050	1,232,483		
					Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	613,729	689,404	146,013		
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure	0%	0%	0%	Please refer to page 16 of MFMA Circular No. 71	
					Total Operating Expenditure	2,928,505	3,121,201	3,341,849		
					Taxation Expense					
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%	Employee/personnel related cost	34%	33%	33%	Please refer to page 17 of MFMA Circular No. 71	
					950,863	997,950	1,048,566			
					Councillors Remuneration	37,077	38,930	41,068		
					Total Operating Expenditure	2,928,505	3,121,201	3,341,849		
					Taxation Expense					
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%	Contracted Services	1%	1%	1%	Please refer to page 17 of MFMA Circular No. 71	
					40,731	42,744	48,700			
					Total Operating Expenditure	2,928,505	3,121,201	3,341,849		
					Taxation Expense					
E. Grant Dependency										
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and	None	Internally generated funds	7%	5%	22%	Please refer to page 18 of MFMA Circular No. 71	
					Borrowings	41,500	31,500	31,500		
					Total Capital Expenditure	613,729	689,404	146,013		
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements	None	Internally generated funds	7%	5%	22%	Please refer to page 18 of MFMA Circular No. 71	
					41,500	31,500	31,500			
					Total Capital Expenditure	613,729	689,404	146,013		
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None	Total Revenue	109%	111%	93%	Please refer to page 18 of MFMA Circular No. 71	
					3,530,507	3,826,403	3,508,177			
					Government grant and subsidies	299,271	318,285	340,594		
					Public contributions and Donations					
					Capital Grants	572,229	657,904	114,513		
3. BUDGET IMPLEMENTATION										
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%	Actual Capital Expenditure	100%	100%	100%	Please refer to page 19 of MFMA Circular No. 71	
					613,729	689,404	146,013			
					Budget Capital Expenditure	613,729	689,404	146,013		
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Expenditure	100%	100%	100%	Please refer to page 20 of MFMA Circular No. 71	
					2,928,505	3,121,201	3,341,849			
					Budget Operating Expenditure	2,928,505	3,121,201	3,341,849		
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Revenue	100%	100%	100%	Please refer to page 20 of MFMA Circular No. 71	
					3,530,507	3,826,403	3,508,177			
					Budget Operating Revenue	3,530,507	3,826,403	3,508,177		
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Service Charges and Property Rates Revenue	100%	100%	100%	Please refer to page 21 of MFMA Circular No. 71	
					2,349,265	2,538,578	2,736,847			
					Budget Service Charges and Property Rates Revenue	2,349,265	2,538,578	2,736,847		

**MARCH
2024/25
BUDGET
ANNEXURES**

1.Schedules

2.Tariffs

3.History of Tariffs

4.IDP Overview

5.SDBIP

6.Policies

7.By-laws

8.MFMA-Circulars

SECTION 1:

**BUDGET
SCHEDULES
AND
SUPPORTING
TABLES**



Municipal annual budgets and MTREF & supporting tables

mSCOA Version 6.7

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Accountability

Transparency

**Information &
service delivery**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Contact details:

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

Preparation Instructions

Municipality Name: NC091 Sol Plaatje ▼

CFO Name: LK Samolapo (Acting)

Tel: 0538306500 Fax: 0538326571

E-Mail: ksamolapo@solplaatje.org.za

Budget for MTREF starting: 2024 ▼

Budget Year: 2024/25

Does this municipality have Entities? No ▼

If YES: Identify type of report: Parent Municipality ▼

LGDB Export

Name Votes & Sub-Votes

Printing Instructions

Showing / Hiding Columns

Hide Pre-audit columns on all

Hide Reference columns on all

Showing / Clearing Highlights

Clear Highlights on all sheets

Important documents which provide essential assistance

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[Funding Compliance Guide](#)

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Organisational Structure Votes		Complete Votes & Sub-Votes	Select Org. Structure
Vote 01 - Executive & Council	Vote 01	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	Idp Unit	03.4 - Idp Unit
Vote 14 -	03.5	Project Management Unit - Pmu	03.5 - Project Management Unit - Pmu
Vote 15 - Other	Vote 04	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	Community Parks	05.7 - Community Parks
	05.8	Sport Grounds And Stadiums	05.8 - Sport Grounds And Stadiums
	05.9	Community Halls And Facilities	05.9 - Community Halls And Facilities
	05.10	Swimming Pools	05.10 - Swimming Pools
	05.11	Cemetries	05.11 - Cemetries
	05.12	Resorts And Camping Sites Inside Spm	05.12 - Resorts And Camping Sites Inside Spm
	05.13	Resorts And Camping Sites Outside Spm	05.13 - Resorts And Camping Sites Outside Spm
	05.14	Resort Transka	05.14 - Resort Transka
	05.15	Health - Admin	05.15 - Health - Admin
	05.16	Health - Clinics	05.16 - Health - Clinics
	05.17	Health - Inspections	05.17 - Health - Inspections
	05.18	Health - Commonage And Pound	05.18 - Health - Commonage And Pound
	05.19	Refuse - Polution Control/Collection	05.19 - Refuse - Polution Control/Collection
	05.20	Refuse - Landfill Sites	05.20 - Refuse - Landfill Sites
	05.21	Refuse - Maintenance	05.21 - 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	Expenditure Creditors/Payroll	06.5 - Expenditure Creditors/Payroll
	06.6	Information Technology	06.6 - Information Technology
	06.7	Billing Finance	06.7 - Billing Finance
	06.8	Property Rates And Valuations	06.8 - Property Rates And Valuations
	06.9	Real Estate & Property Management	06.9 - Real Estate & Property Management
	06.10	Debt Collection	06.10 - Debt Collection
	06.11	Supply Chain Management	06.11 - 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 - Reticulation	08.10 - Sewerage - Reticulation
	08.11	Sewerage - Treatment	08.11 - Sewerage - Treatment
	08.12	Sewerage - Maintenance	08.12 - Sewerage - Maintenance
	08.13	Water - Treatment	08.13 - Water - Treatment
	08.14	Water - Distribution	08.14 - Water - Distribution
	08.15	Water - Maintenance	08.15 - Water - Maintenance
	08.16	Electricity - Admin	08.16 - Electricity - Admin
	08.17	Electricity - Maintenance	08.17 - Electricity - Maintenance
	08.18	Electricity - Streetlights Maintenance	08.18 - Electricity - Streetlights Maintenance
	Vote 09		
	Vote 10		
	Vote 11		
	Vote 12		
	Vote 13		
	Vote 14		

Vote 15

Other

NC091 Sol Plaatje - Contact Information
A. GENERAL INFORMATION

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

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

B. CONTACT INFORMATION

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

Speaker:		Secretary/PA to the Speaker:	
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	slfleur@solplaatje.org.za

Mayor/Executive Mayor:		Secretary/PA to the Mayor/Executive Mayor:	
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

Deputy Mayor/Executive Mayor:		Secretary/PA to the Deputy Mayor/Executive Mayor:	
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

Municipal Manager:		Secretary/PA to the Municipal Manager:	
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
E-mail address	bmatlala@solplaatje.org.za	E-mail address	jbonokwane@solplaatje.org.za

Chief Financial Officer		Secretary/PA to the Chief Financial Officer	
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	ksamolapo@solplaatje.org.za	E-mail address	mmogakwe@solplaatje.org.za

Official responsible for submitting financial information		Official responsible for submitting financial information	
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	berasmus@solplaatje.org.za	E-mail address	jchisanqo@solplaatje.org.za

Official responsible for submitting financial information		Official responsible for submitting financial information	
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	ccrouch@solplaatje.org.za	E-mail address	cjenneke@solplaatje.org.za
Official responsible for submitting financial information		Official responsible for submitting financial information	
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	jwagner@solplaatje.org.za	E-mail address	
Official responsible for submitting financial information		Official responsible for submitting financial information	
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	
Official responsible for submitting financial information		Official responsible for submitting financial information	
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	
Official responsible for submitting financial information		Official responsible for submitting financial information	
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	
Official responsible for submitting financial information		Official responsible for submitting financial information	
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	
Official responsible for submitting financial information			
ID Number			
Title			
Name			
Telephone number			
Cell number			
Fax number			
E-mail address			

NC091 Sol Plaatje - Table A1 Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousands										
Financial Performance										
Property rates	571 075	599 898	610 991	660 893	660 893	660 893	500 804	687 320	740 628	790 495
Service charges	1 053 050	1 139 930	1 182 667	1 517 256	1 450 586	1 450 586	901 820	1 611 046	1 742 164	1 885 221
Investment revenue	2 835	3 124	8 550	7 000	9 500	9 500	8 741	9 000	12 000	15 000
Transfer and subsidies - Operational	260 426	235 986	264 657	281 921	287 603	287 603	266 065	299 271	318 285	340 594
Other own revenue	176 950	199 359	356 037	252 534	390 084	390 084	271 388	351 642	355 422	362 355
Total Revenue (excluding capital transfers and contributions)	2 064 336	2 178 297	2 422 901	2 719 604	2 798 666	2 798 666	1 948 819	2 958 278	3 168 499	3 393 664
Employee costs	726 219	772 777	821 306	881 637	910 366	910 366	654 112	950 863	997 950	1 048 566
Remuneration of councillors	30 260	30 737	32 224	35 559	35 559	35 559	26 546	37 077	38 930	41 068
Depreciation and amortisation	63 881	70 060	71 830	86 650	86 650	86 650	–	89 700	94 510	99 811
Interest	36 467	72 909	113 955	19 495	20 055	20 055	10 008	17 774	15 874	13 730
Inventory consumed and bulk purchases	594 801	741 010	799 443	1 090 900	1 127 055	1 127 055	648 725	1 218 605	1 315 814	1 433 255
Transfers and subsidies	2 528	2 546	2 599	4 560	3 560	3 560	2 422	3 660	4 767	4 875
Other expenditure	487 650	492 665	617 008	572 452	599 666	599 666	426 660	610 826	653 355	700 545
Total Expenditure	1 941 807	2 182 704	2 458 365	2 691 252	2 782 911	2 782 911	1 768 473	2 928 505	3 121 201	3 341 849
Surplus/(Deficit)	122 529	(4 407)	(35 464)	28 351	15 755	15 755	180 346	29 774	47 298	51 815
Transfers and subsidies - capital (monetary allocations)	112 562	123 667	108 149	214 233	215 894	215 894	55 883	572 229	657 904	114 513
Transfers and subsidies - capital (in-kind)	–	76 850	3 387	–	–	–	–	–	–	–
	235 091	196 110	76 072	242 584	231 649	231 649	236 229	602 003	705 202	166 328
Surplus/(Deficit) after capital transfers & contributions	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	235 091	196 110	76 072	242 584	231 649	231 649	236 229	602 003	705 202	166 328
Capital expenditure & funds sources										
Capital expenditure	119 502	127 081	126 016	249 473	271 284	271 284	90 443	613 729	689 404	146 013
Transfers recognised - capital	104 315	112 818	96 392	214 233	215 894	215 894	78 740	572 229	657 904	114 513
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	15 186	14 263	29 624	35 240	55 390	55 390	11 703	41 500	31 500	31 500
Total sources of capital funds	119 502	127 081	126 016	249 473	271 284	271 284	90 443	613 729	689 404	146 013
Financial position										
Total current assets	1 813 288	2 396 615	2 304 408	3 505 255	3 482 364	3 482 364	2 570 597	2 491 688	2 507 809	2 532 102
Total non current assets	2 095 790	2 245 857	2 265 500	2 466 074	2 487 885	2 487 885	2 355 942	2 874 231	3 469 125	3 515 327
Total current liabilities	671 382	1 249 270	1 457 966	1 151 431	1 161 286	1 161 286	1 533 802	1 523 552	1 444 152	1 365 007
Total non current liabilities	435 840	436 298	416 743	443 824	443 824	443 824	410 208	410 208	395 420	378 732
Community wealth/Equity	3 106 488	3 087 853	2 832 029	4 342 835	4 331 899	4 331 899	2 933 678	3 432 159	4 137 361	4 303 689
Cash flows										
Net cash from (used) operating	53 113	(585 124)	(940 714)	238 844	158 443	158 443	115 911	598 846	708 355	175 184
Net cash from (used) investing	(116 394)	(127 081)	(126 016)	(249 473)	(270 184)	(270 184)	(69 198)	(613 729)	(689 404)	(146 013)
Net cash from (used) financing	–	–	–	(13 351)	(13 351)	(13 351)	1 569	(12 788)	(14 188)	(15 832)
Cash/cash equivalents at the year end	33 253	(669 197)	(869 139)	174 327	73 214	73 214	48 281	45 476	50 240	63 579
Cash backing/surplus reconciliation										
Cash and investments available	43 008	197 591	109 536	174 327	73 214	73 214	138 483	73 147	77 910	91 249
Application of cash and investments	79 734	315 197	453 909	(273 755)	(248 333)	(248 333)	697 944	(751 602)	(826 616)	(904 168)
Balance - surplus (shortfall)	(36 726)	(117 606)	(344 372)	448 082	321 548	321 548	(559 462)	824 748	904 525	995 417
Asset management										
Asset register summary (WDV)	2 097 228	2 245 857	2 265 500	2 430 358	2 452 169	2 452 169		2 724 009	2 705 174	2 061 972
Depreciation	63 881	70 060	71 830	86 650	86 650	86 650		89 700	94 510	99 811
Renewal and Upgrading of Existing Assets	67 836	60 963	75 248	200 493	192 744	192 744		526 695	639 404	99 513
Repairs and Maintenance	243 024	273 430	312 569	341 908	368 204	368 204		362 118	382 273	403 973
Free services										
Cost of Free Basic Services provided	38 715	59 136	53 652	65 100	61 158	61 158		72 000	76 753	81 827
Revenue cost of free services provided	105 967	90 455	89 667	104 310	104 310	104 310		107 540	114 791	123 109
Households below minimum service level										
Water:	6	6	6	6	6	6		6	6	6
Sanitation/sewerage:	6	6	6	6	6	6		6	6	6
Energy:	6	6	6	6	6	6		6	5	4
Refuse:	12	12	12	12	12	12		12	11	11

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

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Revenue - Functional										
Governance and administration		1 020 773	1 098 135	1 180 153	1 271 802	1 291 869	1 291 869	1 689 473	1 839 596	1 362 600
Executive and council		419 084	480 231	503 511	580 455	593 022	593 022	972 401	1 068 711	540 680
Finance and administration		601 689	617 905	676 642	691 347	698 847	698 847	717 072	770 885	821 920
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		24 102	28 981	31 035	41 568	47 334	47 334	42 989	45 197	47 664
Community and social services		10 785	11 158	11 662	11 782	12 348	12 348	12 138	12 817	13 534
Sport and recreation		1 131	1 889	2 428	2 265	2 265	2 265	2 720	2 845	2 976
Public safety		150	720	412	750	750	750	540	565	591
Housing		11 967	12 192	12 972	26 701	28 101	28 101	27 501	28 876	30 464
Health		69	3 023	3 560	70	3 870	3 870	90	94	98
Economic and environmental services		17 700	28 997	22 120	16 520	36 420	36 420	18 976	20 017	21 116
Planning and development		7 783	15 823	5 342	5 595	25 495	25 495	5 956	6 230	6 517
Road transport		9 917	13 174	16 779	10 925	10 925	10 925	13 020	13 787	14 599
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		1 106 680	1 212 755	1 291 009	1 594 737	1 629 727	1 629 727	1 767 977	1 909 907	2 064 466
Energy sources		671 706	742 172	773 385	1 052 252	1 056 582	1 056 582	1 164 299	1 270 542	1 386 849
Water management		286 254	307 957	328 261	364 714	373 694	373 694	398 115	421 696	447 769
Waste water management		86 142	93 896	108 190	101 358	116 048	116 048	118 290	125 375	132 203
Waste management		62 577	68 729	81 173	76 413	83 403	83 403	87 272	92 293	97 644
Other	4	7 644	9 946	10 121	9 210	9 210	9 210	11 092	11 686	12 332
Total Revenue - Functional	2	2 176 898	2 378 815	2 534 437	2 933 837	3 014 560	3 014 560	3 530 507	3 826 403	3 508 177
Expenditure - Functional										
Governance and administration		640 979	616 540	757 821	662 700	774 125	774 125	755 594	787 029	830 821
Executive and council		400 365	374 197	505 059	287 301	474 688	474 688	477 043	506 281	539 378
Finance and administration		234 323	235 566	247 373	368 723	292 760	292 760	271 754	273 652	284 022
Internal audit		6 291	6 778	5 389	6 676	6 676	6 676	6 797	7 096	7 421
Community and public safety		166 029	176 753	186 168	195 332	211 356	211 356	205 613	216 574	228 521
Community and social services		40 133	42 959	45 511	49 529	55 224	55 224	49 027	52 139	55 637
Sport and recreation		47 702	53 032	59 539	56 350	59 297	59 297	61 343	64 463	67 776
Public safety		38 887	42 229	41 055	42 115	44 440	44 440	45 933	48 189	50 648
Housing		21 940	19 874	20 980	26 752	27 448	27 448	28 042	29 462	30 997
Health		17 367	18 659	19 082	20 586	24 947	24 947	21 267	22 321	23 464
Economic and environmental services		123 036	124 668	138 729	256 194	176 912	176 912	183 093	192 219	202 276
Planning and development		39 994	39 022	42 376	132 278	53 652	53 652	55 644	58 174	60 928
Road transport		82 378	84 946	95 517	123 016	122 359	122 359	126 551	133 103	140 358
Environmental protection		665	700	836	900	900	900	898	942	990
Trading services		1 214 239	1 373 647	1 490 202	1 551 892	1 599 375	1 599 375	1 755 365	1 895 103	2 048 394
Energy sources		749 833	882 510	963 125	1 031 152	1 026 815	1 026 815	1 153 351	1 258 044	1 372 440
Water management		314 140	326 816	349 874	341 800	378 216	378 216	395 412	418 711	445 661
Waste water management		91 753	92 343	104 093	102 527	117 278	117 278	119 433	126 177	132 786
Waste management		58 513	71 978	73 110	76 413	77 066	77 066	87 170	92 170	97 507
Other	4	22 076	23 049	23 062	25 135	25 644	25 644	28 839	30 275	31 837
Total Expenditure - Functional	3	2 166 359	2 314 658	2 595 982	2 691 252	2 787 411	2 787 411	2 928 505	3 121 201	3 341 849
Surplus/(Deficit) for the year		10 539	64 157	(61 545)	242 584	227 149	227 149	602 003	705 202	166 328

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes

2. Total Revenue by functional classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)

3. Total Expenditure by Functional Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)

4. All amounts must be classified under a functional classification . The GFS function 'Other' is only for Abbatoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification.

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

[illegible]

Economic and environmental services	17 700	28 997	22 120	16 520	36 420	36 420	18 976	20 017	21 116
Planning and development	7 783	15 823	5 342	5 595	25 495	25 495	5 956	6 230	6 517
Billboards									
Corporate Wide Strategic Planning (IDPs, LEDs)	3 587	14 973	558	830	19 680	19 680	650	680	711
Central City Improvement District									
Development Facilitation									
Economic Development/Planning	–	–	–	–	–	–	–	–	–
Regional Planning and Development									
Town Planning, Building Regulations and Enforcement, and City	4 196	850	4 783	4 765	5 815	5 815	5 306	5 550	5 805
Project Management Unit	–	–	–	–	–	–	–	–	–
Provincial Planning									
Support to Local Municipalities									
Road transport	9 917	13 174	16 779	10 925	10 925	10 925	13 020	13 787	14 599
Public Transport									
Road and Traffic Regulation	9 202	12 210	15 873	10 625	10 625	10 625	12 120	12 846	13 614
Roads	715	964	906	300	300	300	900	941	985
Taxi Ranks									
Environmental protection	–	–	–	–	–	–	–	–	–
Biodiversity and Landscape									
Coastal Protection									
Indigenous Forests									
Nature Conservation									
Pollution Control									
Soil Conservation									
Trading services	1 106 680	1 212 755	1 291 009	1 594 737	1 629 727	1 629 727	1 767 977	1 909 907	2 064 466
Energy sources	671 706	742 172	773 385	1 052 252	1 056 582	1 056 582	1 164 299	1 270 542	1 386 849
Electricity	671 706	742 172	773 385	1 052 252	1 056 582	1 056 582	1 164 299	1 270 542	1 386 849
Street Lighting and Signal Systems									
Nonelectric Energy									
Water management	286 254	307 957	328 261	364 714	373 694	373 694	398 115	421 696	447 769
Water Treatment									
Water Distribution	286 254	307 957	328 261	364 714	373 694	373 694	398 115	421 696	447 769
Water Storage									
Waste water management	86 142	93 896	108 190	101 358	116 048	116 048	118 290	125 375	132 203
Public Toilets									
Sewerage	86 142	93 896	108 190	101 358	116 048	116 048	118 290	125 375	132 203
Storm Water Management									
Waste Water Treatment									
Waste management	62 577	68 729	81 173	76 413	83 403	83 403	87 272	92 293	97 644
Recycling									
Solid Waste Disposal (Landfill Sites)									
Solid Waste Removal	62 577	68 729	81 173	76 413	83 403	83 403	87 272	92 293	97 644
Street Cleaning									
Other	7 644	9 946	10 121	9 210	9 210	9 210	11 092	11 686	12 332
Abattoirs									
Air Transport									
Forestry									
Licensing and Regulation	6 606	8 750	9 286	7 590	7 590	7 590	9 480	10 000	10 568
Markets	956	1 104	736	1 500	1 500	1 500	1 500	1 569	1 641
Tourism	82	93	98	120	120	120	112	117	123
Total Revenue - Functional	2 176 898	2 378 815	2 534 437	2 933 837	3 014 560	3 014 560	3 530 507	3 826 403	3 508 177

Expenditure - Functional									
Municipal governance and administration									
Executive and council	640 979	616 540	757 821	662 700	774 125	774 125	755 594	787 029	830 821
Mayor and Council	400 365	374 197	505 059	287 301	474 688	474 688	477 043	506 281	539 378
Municipal Manager, Town Secretary and Chief Executive	53 090	53 270	58 395	59 173	59 628	59 628	60 855	63 879	67 333
Finance and administration	347 276	320 926	446 664	228 128	415 061	415 061	416 188	442 402	472 045
Administrative and Corporate Support	234 323	235 566	247 373	368 723	292 760	292 760	271 754	273 652	284 022
Asset Management	27 717	23 991	28 231	28 106	28 593	28 593	29 424	30 638	32 153
Finance	6 386	7 044	5 674	6 809	6 921	6 921	5 175	5 189	5 214
Fleet Management	74 667	80 132	82 461	97 593	100 297	100 297	88 984	91 842	94 995
Human Resources	24 770	25 924	27 267	24 923	28 438	28 438	25 010	26 069	27 166
Information Technology	18 644	20 317	20 211	32 711	24 998	24 998	30 928	24 069	24 681
Legal Services	17 017	10 869	13 569	16 724	17 801	17 801	14 009	14 231	14 478
Marketing, Customer Relations, Publicity and Media Co-ordination	3 462	3 709	2 979	4 613	4 613	4 613	4 631	4 857	5 101
Property Services	14 900	14 765	15 006	17 088	19 673	19 673	17 390	18 238	19 213
Risk Management	2 323	2 481	2 488	2 733	2 733	2 733	1 588	1 666	1 751
Security Services	22 288	23 875	25 389	26 772	29 415	29 415	27 983	29 341	30 786
Supply Chain Management	13 274	13 057	13 478	17 615	17 737	17 737	14 201	14 468	14 776
Valuation Service	8 875	9 403	10 618	93 035	11 540	11 540	12 430	13 043	13 708
Internal audit	6 291	6 778	5 389	6 676	6 676	6 676	6 797	7 096	7 421
Governance Function	6 291	6 778	5 389	6 676	6 676	6 676	6 797	7 096	7 421
Community and public safety									
Community and social services	166 029	176 753	186 168	195 332	211 356	211 356	205 613	216 574	228 521
Aged Care	40 133	42 959	45 511	49 529	55 224	55 224	49 027	52 139	55 637
Agricultural									
Animal Care and Diseases									
Cemeteries, Funeral Parlours and Crematoriums	20 331	22 180	24 930	24 658	25 967	25 967	22 580	24 372	26 433
Child Care Facilities									
Community Halls and Facilities	5 129	4 732	3 552	5 243	9 064	9 064	5 920	6 216	6 539
Consumer Protection									
Cultural Matters									
Disaster Management									
Education									
Indigenous and Customary Law									
Industrial Promotion									
Language Policy									
Libraries and Archives	14 673	16 047	17 029	19 627	20 193	20 193	20 527	21 550	22 664
Literacy Programmes									
Media Services									
Museums and Art Galleries									
Population Development									
Provincial Cultural Matters									
Theatres									
Zoo's									
Sport and recreation	47 702	53 032	59 539	56 350	59 297	59 297	61 343	64 463	67 776
Beaches and Jetties									
Casinos, Racing, Gambling, Wagering									
Community Parks (including Nurseries)	22 531	25 777	27 879	26 712	27 055	27 055	26 517	27 903	29 312
Recreational Facilities	19 998	21 532	25 194	22 911	25 435	25 435	26 010	27 306	28 724
Sports Grounds and Stadiums	5 173	5 723	6 467	6 727	6 807	6 807	8 816	9 255	9 739
Public safety	38 887	42 229	41 055	42 115	44 440	44 440	45 933	48 189	50 648
Civil Defence									
Cleansing									
Control of Public Nuisances									
Fencing and Fences									
Fire Fighting and Protection	37 451	40 933	39 481	40 458	42 756	42 756	43 999	46 160	48 513
Licensing and Control of Animals	1 436	1 296	1 574	1 656	1 684	1 684	1 934	2 029	2 135
Police Forces, Traffic and Street Parking Control									
Pounds									
Housing	21 940	19 874	20 980	26 752	27 448	27 448	28 042	29 462	30 997
Housing	21 940	19 874	20 980	26 752	27 448	27 448	28 042	29 462	30 997
Informal Settlements									
Health	17 367	18 659	19 082	20 586	24 947	24 947	21 267	22 321	23 464
Ambulance									
Health Services	17 367	18 659	19 082	20 586	24 947	24 947	21 267	22 321	23 464
Laboratory Services									
Food Control									
Health Surveillance and Prevention of Communicable Diseases									
Vector Control									
Chemical Safety									

Economic and environmental services		123 036	124 668	138 729	256 194	176 912	176 912	183 093	192 219	202 276
Planning and development		39 994	39 022	42 376	132 278	53 652	53 652	55 644	58 174	60 928
Billboards										
Corporate Wide Strategic Planning (IDPs, LEDs)		9 608	9 580	10 525	92 655	13 113	13 113	11 889	12 403	12 962
Central City Improvement District										
Development Facilitation										
Economic Development/Planning		5 614	6 015	6 477	6 807	6 857	6 857	7 427	7 789	8 189
Regional Planning and Development										
Town Planning, Building Regulations and Enforcement, and City		22 485	22 653	23 724	30 766	31 593	31 593	34 275	35 828	37 514
Project Management Unit		2 287	774	1 650	2 050	2 090	2 090	2 053	2 154	2 263
Provincial Planning										
Support to Local Municipalities										
Road transport		82 378	84 946	95 517	123 016	122 359	122 359	126 551	133 103	140 358
Public Transport										
Road and Traffic Regulation		39 833	41 214	43 260	46 527	46 894	46 894	46 981	49 309	51 834
Roads		42 545	43 731	52 257	76 489	75 465	75 465	79 570	83 793	88 524
Taxi Ranks										
Environmental protection		665	700	836	900	900	900	898	942	990
Biodiversity and Landscape		665	700	836	900	900	900	898	942	990
Coastal Protection										
Indigenous Forests										
Nature Conservation										
Pollution Control										
Soil Conservation										
Trading services		1 214 239	1 373 647	1 490 202	1 551 892	1 599 375	1 599 375	1 755 365	1 895 103	2 048 394
Energy sources		749 833	882 510	963 125	1 031 152	1 026 815	1 026 815	1 153 351	1 258 044	1 372 440
Electricity		742 342	873 654	954 505	1 022 002	1 017 665	1 017 665	1 143 686	1 247 702	1 361 375
Street Lighting and Signal Systems		7 490	8 856	8 620	9 150	9 150	9 150	9 665	10 342	11 065
Nonelectric Energy										
Water management		314 140	326 816	349 874	341 800	378 216	378 216	395 412	418 711	445 661
Water Treatment		61 956	68 946	81 920	80 168	94 323	94 323	96 443	103 260	110 671
Water Distribution		252 185	257 870	267 953	261 633	283 893	283 893	298 969	315 451	334 990
Water Storage										
Waste water management		91 753	92 343	104 093	102 527	117 278	117 278	119 433	126 177	132 786
Public Toilets		4 888	2 153	2 051	2 494	2 712	2 712	2 577	2 706	2 846
Sewerage		48 597	49 851	58 143	56 472	68 817	68 817	70 847	75 094	79 015
Storm Water Management										
Waste Water Treatment		38 268	40 339	43 899	43 561	45 749	45 749	46 009	48 377	50 925
Waste management		58 513	71 978	73 110	76 413	77 066	77 066	87 170	92 170	97 507
Recycling										
Solid Waste Disposal (Landfill Sites)		1 815	2 625	3 377	4 533	3 710	3 710	5 120	5 376	5 666
Solid Waste Removal		56 699	69 353	69 734	71 879	73 357	73 357	82 050	86 795	91 841
Street Cleaning										
Other		22 076	23 049	23 062	25 135	25 644	25 644	28 839	30 275	31 837
Abattoirs										
Air Transport										
Forestry										
Licensing and Regulation		12 413	12 715	12 796	14 670	14 832	14 832	17 214	18 070	19 005
Markets		6 194	6 473	6 280	6 073	6 420	6 420	6 886	7 230	7 604
Tourism		3 470	3 861	3 986	4 392	4 392	4 392	4 740	4 975	5 229
Total Expenditure - Functional	3	2 166 359	2 314 658	2 595 982	2 691 252	2 787 411	2 787 411	2 928 505	3 121 201	3 341 849
Surplus/(Deficit) for the year		10 539	64 157	(61 545)	242 584	227 149	227 149	602 003	705 202	166 328

References

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

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

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Revenue by Vote	1									
Vote 01 - Executive & Council		–	–	–	–	–	–	–	–	–
Vote 02 - Municipal And General		419 084	480 231	503 511	580 455	593 022	593 022	972 401	1 068 711	540 680
Vote 03 - Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 04 - Corporate Services		6 247	6 869	5 432	6 961	7 261	7 261	6 161	6 538	6 318
Vote 05 - Community Services		90 521	106 478	124 394	109 495	120 851	120 851	124 361	131 460	139 026
Vote 06 - Financial Services		594 906	610 429	670 519	683 585	690 785	690 785	710 111	763 510	814 726
Vote 07 - Strategy Econ Development And Planning		9 357	17 626	6 867	8 015	27 915	27 915	8 368	8 753	9 156
Vote 08 - Infrastructure And Services		1 056 784	1 157 181	1 223 713	1 545 325	1 574 725	1 574 725	1 709 105	1 847 432	1 998 271
Vote 09 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	2 176 898	2 378 815	2 534 437	2 933 837	3 014 560	3 014 560	3 530 507	3 826 403	3 508 177
Expenditure by Vote to be appropriated	1									
Vote 01 - Executive & Council		53 090	53 270	58 395	59 173	59 628	59 628	60 855	63 879	67 333
Vote 02 - Municipal And General		335 678	309 950	434 595	214 468	399 401	399 401	403 603	429 417	458 629
Vote 03 - Municipal Manager		22 272	20 618	22 369	26 161	28 701	28 701	27 854	29 208	30 665
Vote 04 - Corporate Services		63 012	64 274	68 169	81 959	77 301	77 301	82 140	77 905	81 328
Vote 05 - Community Services		259 526	286 713	299 548	312 712	329 231	329 231	335 572	353 620	373 172
Vote 06 - Financial Services		126 380	126 129	131 248	237 712	160 249	160 249	166 217	174 321	183 292
Vote 07 - Strategy Econ Development And Planning		53 419	54 596	57 573	143 730	67 445	67 445	67 813	71 151	74 831
Vote 08 - Infrastructure And Services		1 252 983	1 399 107	1 524 086	1 615 337	1 665 455	1 665 455	1 784 450	1 921 698	2 072 598
Vote 09 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	2 166 359	2 314 658	2 595 982	2 691 252	2 787 411	2 787 411	2 928 505	3 121 201	3 341 849
Surplus/(Deficit) for the year	2	10 539	64 157	(61 545)	242 584	227 149	227 149	602 003	705 202	166 328

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
01.1 - Councillor's Expenses		-	-	-	-	-	-	-	-	-
01.2 - Executive Mayor Admin		-	-	-	-	-	-	-	-	-
01.3 - Speakers Office Admin		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		419 084	480 231	503 511	580 455	593 022	593 022	972 401	1 068 711	540 680
02.1 - Municipal And General		417 436	480 231	503 501	579 655	592 222	592 222	971 601	1 067 874	539 805
02.2 - Mun : Insurance Fund - Short Term		1 648		10	800	800	800	800	837	875
02.3 - Mun : Workmen's Compensation Fund		-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
03.1 - Municipal Manager - Admin		-	-	-	-	-	-	-	-	-
03.2 - Internal Investigations		-	-	-	-	-	-	-	-	-
03.3 - Internal Audit		-	-	-	-	-	-	-	-	-
03.4 - Idp Unit		-	-	-	-	-	-	-	-	-
03.5 - Project Management Unit - Pmu		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6 247	6 869	5 432	6 961	7 261	7 261	6 161	6 538	6 318
04.1 - Corporate Services - Admin		-	-	-	-	-	-	-	-	-
04.2 - Office Services And Archives		69	56	54	61	61	61	61	64	67
04.3 - H R - Management		-	-	-	-	-	-	-	-	-
04.4 - H R - Recruitment And Benefits		-	-	-	-	-	-	-	-	-
04.5 - H R - Training And Development		1 517	1 912	1 522	1 400	2 200	2 200	1 600	1 674	1 751
04.6 - H R - Local Authority Training		4 661	4 901	3 856	5 500	5 000	5 000	4 500	4 800	4 500
04.7 - Publicity And Media Coordination		-	-	-	-	-	-	-	-	-
04.8 - Risk Management		-	-	-	-	-	-	-	-	-
04.9 - Security And Protection		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		90 521	106 478	124 394	109 495	120 851	120 851	124 361	131 460	139 026
05.1 - Community Services - Admin		-	-	-	-	-	-	-	-	-
05.2 - Emergency Services		138	674	402	700	700	700	500	523	547
05.3 - Biodiversity And Landscape		-	-	-	-	-	-	-	-	-
05.4 - Libraries		7 891	8 427	8 701	8 462	9 028	9 028	8 797	9 322	9 879
05.5 - Road Traffic Regulations		9 202	12 210	15 873	10 625	10 625	10 625	12 120	12 846	13 614
05.6 - Vehicle Licensing And Testing		6 606	8 750	9 286	7 590	7 590	7 590	9 480	10 000	10 568
05.7 - Community Parks		-	-	-	-	-	-	-	-	-
05.8 - Sport Grounds And Stadiums		96	423	728	450	450	450	800	837	875
05.9 - Community Halls And Facilities		200	370	499	420	420	420	541	566	592
05.10 - Swimming Pools		212	217	385	350	350	350	420	439	460
05.11 - Cemeteries		2 693	2 361	2 923	2 900	2 900	2 900	2 800	2 929	3 064
05.12 - Resorts And Camping Sites Inside Spm		143	405	396	445	445	445	440	460	482
05.13 - Resorts And Camping Sites Outside Spm		450	690	611	720	720	720	720	753	788
05.14 - Resort Transka		230	154	309	300	300	300	340	356	372
05.15 - Health - Admin		-	-	-	-	-	-	-	-	-
05.16 - Health - Clinics		-	-	-	-	-	-	-	-	-
05.17 - Health - Inspections		69	3 023	3 560	70	3 870	3 870	90	94	98
05.18 - Health - Commonage And Pound		13	46	9	50	50	50	40	42	44
05.19 - Refuse - Polution Control/Collection		62 577	68 729	81 173	76 413	83 403	83 403	87 272	92 293	97 644
05.20 - Refuse - Landfill Sites		-	-	-	-	-	-	-	-	-
05.21 - Refuse - Maintenance		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		594 906	610 429	670 519	683 585	690 785	690 785	710 111	763 510	814 726
06.1 - Financial Services Admin		-	-	-	-	-	-	-	-	-
06.2 - Financial Management Grant		1 700	1 650	1 700	1 700	1 700	1 700	1 800	1 800	2 000
06.3 - Asset And Risk		-	-	-	-	-	-	-	-	-
06.4 - Budget And Financial Reporting		503	(59)	(216)	100	100	100	100	105	109
06.5 - Expenditure Creditors/Payroll		1 023	631	698	861	861	861	860	900	941
06.6 - Information Technology		-	-	-	-	-	-	-	-	-
06.7 - Billing Finance		571 099	599 943	611 014	660 923	660 923	660 923	687 350	740 660	790 527
06.8 - Property Rates And Valuations		-	-	-	-	-	-	-	-	-
06.9 - Real Estate & Property Management		-	4 331	12 971	-	-	-	-	-	-
06.10 - Debt Collection		20 581	3 933	44 352	20 001	27 201	27 201	20 001	20 046	21 149
06.11 - Supply Chain Management		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		9 357	17 626	6 867	8 015	27 915	27 915	8 368	8 753	9 156
07.1 - Sedp Admin		-	-	-	-	-	-	-	-	-
07.2 - Tourism		82	93	98	120	120	120	112	117	123
07.3 - Properties Services		536	607	690	800	800	800	800	837	875
07.4 - Economic Development And Planning		3 587	14 973	558	830	19 680	19 680	650	680	711
07.5 - Town Planning		1 080	1 223	1 262	1 500	1 550	1 550	1 500	1 569	1 641
07.6 - Building Inspectorate		3 116	(373)	3 522	3 265	4 265	4 265	3 806	3 981	4 164
07.7 - Properties Maintenance		-	-	-	-	-	-	-	-	-
07.8 - Markets And Street Trading		956	1 104	736	1 500	1 500	1 500	1 500	1 569	1 641
07.9 - Urban Renewal Program		-	-	-	-	-	-	-	-	-
Vote 08 - Infrastructure And Services		1 056 784	1 157 181	1 223 713	1 545 325	1 574 725	1 574 725	1 709 105	1 847 432	1 998 271
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		715	964	906	300	300	300	900	941	985
08.8 - Housing - Admin		11 967	12 192	12 972	26 701	28 101	28 101	27 501	28 876	30 464
08.9 - Housing - Maintenance		-	-	-	-	-	-	-	-	-
08.10 - Sewerage - Reticulation		86 142	93 896	108 190	101 358	116 048	116 048	118 290	125 375	132 203
08.11 - Sewerage - Treatment		-	-	-	-	-	-	-	-	-
08.12 - Sewerage - Maintenance		-	-	-	-	-	-	-	-	-
08.13 - Water - Treatment		-	-	-	-	-	-	-	-	-
08.14 - Water - Distribution		286 254	307 957	328 261	364 714	373 694	373 694	398 115	421 696	447 769
08.15 - Water - Maintenance		-	-	-	-	-	-	-	-	-
08.16 - Electricity - Admin		671 706	742 172	773 385	1 052 252	1 056 582	1 056 582	1 164 299	1 270 542	1 386 849
08.17 - Electricity - Maintenance		-	-	-	-	-	-	-	-	-
08.18 - Electricity - Streetlights Maintenance		-	-	-	-	-	-	-	-	-

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

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2 176 898	2 378 815	2 534 437	2 933 837	3 014 560	3 014 560	3 530 507	3 826 403	3 508 177

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

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Expenditure by Vote	1									
Vote 01 - Executive & Council		53 090	53 270	58 395	59 173	59 628	59 628	60 855	63 879	67 333
01.1 - Councillor's Expenses		30 260	30 737	32 224	35 559	35 559	35 559	37 077	38 930	41 068
01.2 - Executive Mayor Admin		11 250	12 416	15 633	14 475	14 952	14 952	9 045	9 495	10 007
01.3 - Speakers Office Admin		11 580	10 118	10 538	9 139	9 116	9 116	14 733	15 454	16 259
Vote 02 - Municipal And General		335 678	309 950	434 595	214 468	399 401	399 401	403 603	429 417	458 629
02.1 - Municipal And General		340 045	309 848	431 860	213 668	393 601	393 601	402 803	428 580	457 754
02.2 - Mun : Insurance Fund - Short Term		(3 056)	388	1 772	800	5 800	5 800	800	837	875
02.3 - Mun : Workmen's Compensation Fund		(1 311)	(286)	963	-	-	-	-	-	-
Vote 03 - Municipal Manager		22 272	20 618	22 369	26 161	28 701	28 701	27 854	29 208	30 665
03.1 - Municipal Manager - Admin		11 597	10 976	12 069	13 660	15 660	15 660	14 388	15 079	15 818
03.2 - Internal Investigations		1 248	1 248	1 325	1 419	1 469	1 469	1 482	1 555	1 634
03.3 - Internal Audit		6 291	6 778	5 389	6 676	6 676	6 676	7 123	7 474	7 855
03.4 - Idp Unit		848	841	1 936	2 357	2 807	2 807	2 809	2 947	3 096
03.5 - Project Management Unit - Pmu		2 287	774	1 650	2 050	2 090	2 090	2 053	2 154	2 263
Vote 04 - Corporate Services		63 012	64 274	68 169	81 959	77 301	77 301	82 140	77 905	81 328
04.1 - Corporate Services - Admin		10 195	8 900	9 439	9 611	9 785	9 785	10 267	10 769	11 310
04.2 - Office Services And Archives		7 347	6 241	8 987	6 937	7 224	7 224	7 277	7 656	8 071
04.3 - H R - Management		10 360	11 047	11 736	13 145	13 196	13 196	12 671	13 296	13 974
04.4 - H R - Recruitment And Benefits		1 878	2 048	2 379	2 663	2 663	2 663	2 732	2 867	3 012
04.5 - H R - Training And Development		1 734	2 302	2 241	11 403	4 203	4 203	11 604	3 779	3 968
04.6 - H R - Local Authority Training		4 672	4 920	3 856	5 500	4 936	4 936	4 500	4 800	4 500
04.7 - Publicity And Media Coordination		3 462	3 709	2 979	4 613	4 613	4 613	4 631	4 857	5 101
04.8 - Risk Management		2 323	2 481	2 488	2 733	2 733	2 733	1 588	1 666	1 751
04.9 - Security And Protection		21 040	22 626	24 064	25 353	27 947	27 947	26 870	28 214	29 643
Vote 05 - Community Services		259 526	286 713	299 548	312 712	329 231	329 231	335 572	353 620	373 172
05.1 - Community Services - Admin		4 013	3 226	4 357	5 623	5 630	5 630	5 738	6 015	6 312
05.2 - Emergency Services		37 451	40 933	39 481	40 458	42 756	42 756	43 999	46 160	48 513
05.3 - Biodiversity And Landscape		665	700	836	900	900	900	898	942	990
05.4 - Libraries		14 673	16 047	17 029	19 627	20 193	20 193	20 527	21 550	22 664
05.5 - Road Traffic Regulations		39 833	41 214	43 260	46 527	46 894	46 894	46 981	49 309	51 834
05.6 - Vehicle Licensing And Testing		12 413	12 715	12 796	14 670	14 832	14 832	17 214	18 070	19 005
05.7 - Community Parks		22 531	25 777	27 879	26 712	27 055	27 055	26 517	27 903	29 312
05.8 - Sport Grounds And Stadiums		5 173	5 723	6 467	6 727	6 807	6 807	8 816	9 255	9 739
05.9 - Community Halls And Facilities		5 129	4 732	3 552	5 243	9 064	9 064	5 920	6 216	6 539
05.10 - Swimming Pools		4 599	4 916	5 822	5 161	5 759	5 759	6 131	6 437	6 773
05.11 - Cemeteries		20 331	22 180	24 930	24 658	25 967	25 967	22 580	24 372	26 433
05.12 - Resorts And Camping Sites Inside Spm		7 797	7 988	9 999	8 077	9 495	9 495	8 673	9 106	9 583
05.13 - Resorts And Camping Sites Outside Spm		5 130	5 769	5 741	5 864	6 303	6 303	6 975	7 322	7 699
05.14 - Resort Transka		2 472	2 859	3 632	3 808	3 878	3 878	4 231	4 441	4 670
05.15 - Health - Admin		3 245	3 356	3 387	3 458	3 819	3 819	3 607	3 785	3 978
05.16 - Health - Clinics		4 980	5 220	5 295	5 394	5 478	5 478	6 074	6 377	6 706
05.17 - Health - Inspections		9 142	10 083	10 400	11 734	15 649	15 649	11 586	12 159	12 780
05.18 - Health - Commonage And Pound		1 436	1 296	1 574	1 666	1 684	1 684	1 934	2 029	2 135
05.19 - Refuse - Polution Control/Collection		42 986	52 079	52 669	52 797	54 275	54 275	62 258	65 818	69 608
05.20 - Refuse - Landfill Sites		1 815	2 625	3 377	4 533	3 710	3 710	5 120	5 376	5 666
05.21 - Refuse - Maintenance		13 713	17 274	17 065	19 082	19 082	19 082	19 792	20 977	22 233
Vote 06 - Financial Services		126 380	126 129	131 248	237 712	160 249	160 249	166 217	174 321	183 292
06.1 - Financial Services Admin		4 495	3 974	3 748	4 235	4 253	4 253	5 698	5 972	6 265
06.2 - Financial Management Grant		1 666	1 650	1 700	1 700	1 700	1 700	1 800	1 800	2 000
06.3 - Asset And Risk		6 386	7 044	5 674	6 809	6 921	6 921	7 340	7 703	8 097
06.4 - Budget And Financial Reporting		10 530	12 834	12 123	18 586	18 586	18 586	18 857	19 774	20 761
06.5 - Expenditure Creditors/Payroll		8 251	8 624	8 537	11 408	11 456	11 456	12 371	12 986	13 655
06.6 - Information Technology		17 017	10 869	13 569	16 724	17 801	17 801	18 069	18 946	19 885
06.7 - Billing Finance		39 622	41 700	44 258	47 792	50 148	50 148	50 582	53 087	55 805
06.8 - Property Rates And Valuations		8 875	9 403	10 618	93 035	11 540	11 540	12 430	13 043	13 708
06.9 - Real Estate & Property Management		-	-	-	-	-	-	-	-	-
06.10 - Debt Collection		16 264	16 975	17 543	19 807	20 107	20 107	20 913	21 948	23 070
06.11 - Supply Chain Management		13 274	13 057	13 478	17 615	17 737	17 737	18 158	19 062	20 046
Vote 07 - Strategy Econ Development And Planning		53 419	54 596	57 573	143 730	67 445	67 445	67 813	71 151	74 831
07.1 - Sedp Admin		2 682	2 713	2 840	3 242	3 292	3 292	3 398	3 559	3 729
07.2 - Tourism		3 470	3 861	3 986	4 392	4 392	4 392	4 740	4 975	5 229
07.3 - Properties Services		2 668	2 800	2 937	3 111	3 111	3 111	2 861	3 002	3 155
07.4 - Economic Development And Planning		8 759	8 740	8 589	90 297	10 305	10 305	9 726	10 206	10 726
07.5 - Town Planning		12 487	12 647	14 978	14 443	15 036	15 036	16 251	17 052	17 920
07.6 - Building Inspectorate		1 996	2 096	2 256	4 629	4 763	4 763	5 394	5 661	5 951
07.7 - Properties Maintenance		12 232	11 965	12 069	13 977	16 562	16 562	14 529	15 236	16 057
07.8 - Markets And Street Trading		6 194	6 473	6 280	6 073	6 420	6 420	6 886	7 230	7 604
07.9 - Urban Renewal Program		2 932	3 302	3 638	3 564	3 564	3 564	4 029	4 230	4 459
Vote 08 - Infrastructure And Services		1 252 983	1 399 107	1 524 086	1 615 337	1 665 455	1 665 455	1 784 450	1 921 698	2 072 598
08.1 - Infrastructure Admin		3 109	3 034	2 200	4 087	4 087	4 087	5 985	6 274	6 584
08.2 - Ce - Water And Sanitation		4 893	4 875	4 290	7 607	7 708	7 708	7 826	8 212	8 630
08.3 - Public Toilets		4 888	2 153	2 051	2 494	2 712	2 712	2 577	2 706	2 846
08.4 - Mechanical Workshops		20 634	20 987	22 955	24 923	27 681	27 681	27 086	28 480	29 930
08.5 - Fleet		4 136	4 937	4 312	-	757	757	-	-	-
08.6 - Roads Planning And Design		3 370	4 299	4 421	7 329	7 359	7 359	7 374	7 737	8 131
08.7 - Road Construction And Maintenance		39 175	39 432	47 836	69 160	68 106	68 106	72 196	76 056	80 393
08.8 - Housing - Admin		15 983	13 495	13 694	18 125	18 457	18 457	18 768	19 694	20 697
08.9 - Housing - Maintenance		5 957	6 379	7 286	8 628	8 991	8 991	9 274	9 768	10 299
08.10 - Sewerage - Reticulation		17 749	10 524	12 838	14 854	15 406	15 406	17 770	19 158	20 028
08.11 - Sewerage - Treatment		38 268	40 339	43 899	43 561	45 749	45 749	46 009	48 377	50 925
08.12 - Sewerage - Maintenance		30 848	39 327	45 305	41 618	53 411	53 411	53 077	55 937	58 987
08.13 - Water - Treatment		61 956	68 946	81 920	80 168	94 323	94 323	96 443	103 260	110 671
08.14 - Water - Distribution		203 828	193 545	191 977	199 812	208 889	208 889	212 568	221 895	233 703
08.15 - Water - Maintenance		48 356	64 325	75 976	61 820	75 004	75 004	65 947	69 602	73 333
08.16 - Electricity - Admin		691 063	823 597	895 853	945 366	940 992	940 992	1 050 615	1 148 564	1 256 044
08.17 - Electricity - Maintenance		51 280	50 057	58 652	76 637	76 673	76 673	81 271	85 639	90 331

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

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
08.18 - Electricity - Streetlights Maintenance		7 490	8 856	8 620	9 150	9 150	9 150	9 665	10 342	11 065
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2 166 359	2 314 658	2 595 982	2 691 252	2 787 411	2 787 411	2 928 505	3 121 201	3 341 849
Surplus/(Deficit) for the year	2	10 539	64 157	(61 545)	242 584	227 149	227 149	602 003	705 202	166 328

References

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

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	659 307	726 941	754 974	1 034 872	995 202	995 202	592 614	1 099 199	1 199 792	1 309 930
Service charges - Water	2	259 156	271 961	271 599	327 114	300 114	300 114	193 724	343 685	364 274	387 189
Service charges - Waste Water Management	2	78 186	81 934	89 203	89 858	89 858	89 858	64 249	95 890	101 631	107 153
Service charges - Waste Management	2	56 401	59 094	66 890	65 412	65 412	65 412	51 233	72 271	76 467	80 948
Sale of Goods and Rendering of Services		12 227	10 563	13 750	15 579	17 379	17 379	14 000	15 955	16 689	17 457
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		105 983	131 160	199 982	168 880	250 400	250 400	169 103	120 030	124 551	129 463
Interest earned from Receivables		2 835	3 124	8 550	7 000	9 500	9 500	8 741	9 000	12 000	15 000
Interest earned from Current and Non Current Assets		-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		12 018	16 755	26 000	26 930	28 130	28 130	18 854	27 740	29 126	30 726
Rental from Fixed Assets		1 136	1 077	1 056	1 200	1 200	1 200	490	1 200	1 255	1 313
Licence and permits		5 128	3 954	3 189	3 134	3 134	3 134	3 363	3 773	3 947	4 128
Operational Revenue											
Non-Exchange Revenue											
Property rates	2	571 075	599 898	610 991	660 893	660 893	660 893	500 804	687 320	740 628	790 495
Surcharges and Taxes		29 477	15 405	59 462	30 660	37 910	37 910	27 482	32 143	32 915	34 787
Fines, penalties and forfeits		5 247	7 455	7 965	6 150	6 150	6 150	5 804	8 000	8 452	8 949
Licences or permits		260 426	235 986	264 657	281 921	287 603	287 603	266 065	299 271	318 285	340 594
Transfer and subsidies - Operational		-	-	-	-	-	-	-	91 900	82 700	74 400
Interest		-	5 860	4 037	-	44 680	44 680	31 222	50 900	55 787	61 132
Fuel Levy		5 727	1 134	5 891	-	1 100	1 100	1 059	-	-	-
Operational Revenue		9	5 996	34 705	-	-	-	11	-	-	-
Gains on disposal of Assets											
Other Gains											
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)		2 064 336	2 178 297	2 422 901	2 719 604	2 798 666	2 798 666	1 948 819	2 958 278	3 168 499	3 393 664
Expenditure											
Employee related costs	2	726 219	772 777	821 306	881 637	910 366	910 366	654 112	950 863	997 950	1 048 566
Remuneration of councillors		30 260	30 737	32 224	35 559	35 559	35 559	26 546	37 077	38 930	41 068
Bulk purchases - electricity	2	540 953	639 689	672 362	785 000	790 100	790 100	540 763	899 000	988 900	1 087 790
Inventory consumed	8	53 848	101 321	127 081	305 900	336 955	336 955	107 962	319 605	326 914	345 465
Debt impairment	3	-	-	378 747	317 500	317 500	317 500	238 125	355 246	382 156	409 005
Depreciation and amortisation		63 881	70 060	71 830	86 650	86 650	86 650	-	89 700	94 510	99 811
Interest		36 467	72 909	113 955	19 495	20 055	20 055	10 008	17 774	15 874	13 730
Contracted services		40 651	38 163	28 285	48 113	56 913	56 913	33 610	40 731	42 744	48 700
Transfers and subsidies		2 528	2 546	2 599	4 560	3 560	3 560	2 422	3 660	4 767	4 875
Irrecoverable debts written off		344 346	267 518	-	-	-	-	1	-	-	-
Operational costs		102 187	110 302	131 090	145 639	159 253	159 253	127 040	149 849	159 880	170 494
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		467	76 681	78 885	61 200	66 000	66 000	27 885	65 000	68 575	72 347
Total Expenditure		1 941 807	2 182 704	2 458 365	2 691 252	2 782 911	2 782 911	1 768 473	2 928 505	3 121 201	3 341 849
Surplus/(Deficit)		122 529	(4 407)	(35 464)	28 351	15 755	15 755	180 346	29 774	47 298	51 815
Transfers and subsidies - capital (monetary allocations)	6	112 562	123 667	108 149	214 233	215 894	215 894	55 883	572 229	657 904	114 513
Transfers and subsidies - capital (in-kind)	6	-	76 850	3 387	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		235 091	196 110	76 072	242 584	231 649	231 649	236 229	602 003	705 202	166 328
Income Tax											
Surplus/(Deficit) after income tax		235 091	196 110	76 072	242 584	231 649	231 649	236 229	602 003	705 202	166 328
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
Surplus/(Deficit) attributable to municipality		235 091	196 110	76 072	242 584	231 649	231 649	236 229	602 003	705 202	166 328
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent subsidiary transactions											
Surplus/(Deficit) for the year	1	235 091	196 110	76 072	242 584	231 649	231 649	236 229	602 003	705 202	166 328

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Capital expenditure - Vote	2										
Multi-year expenditure to be appropriated											
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		5 055	2 295	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	5 000	5 000
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		3 126	18 239	8 996	10 000	30 850	30 850	11 416	5 000	8 000	35 000
Vote 08 - Infrastructure And Services		66 199	84 739	82 240	183 117	177 037	177 037	63 944	543 509	644 904	69 513
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	74 380	105 272	91 236	193 117	207 887	207 887	75 360	548 509	657 904	109 513
Single-year expenditure to be appropriated	2										
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		45 122	8 943	14 586	19 500	21 310	21 310	2 409	20 500	27 500	27 500
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	-	-	-	-	-	-	1 000	-	5 000
Vote 08 - Infrastructure And Services		-	12 866	20 194	36 856	42 087	42 087	12 674	43 720	4 000	4 000
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		45 122	21 809	34 780	56 356	63 397	63 397	15 082	65 220	31 500	36 500
Total Capital Expenditure - Vote		119 502	127 081	126 016	249 473	271 284	271 284	90 443	613 729	689 404	146 013
Capital Expenditure - Functional											
Governance and administration		50 177	11 238	14 586	19 500	21 310	21 310	2 409	20 500	27 500	27 500
Executive and council		50 177	11 238	14 586	19 500	21 310	21 310	2 409	20 500	27 500	27 500
Finance and administration		-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	5 000	5 000
Community and social services		-	-	-	-	-	-	-	-	5 000	5 000
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		3 126	52 457	44 387	50 000	76 850	76 850	45 505	57 229	50 404	86 500
Planning and development		3 126	18 239	8 996	10 000	30 850	30 850	11 416	6 000	8 000	40 000
Road transport		-	34 218	35 392	40 000	46 000	46 000	34 088	51 229	42 404	46 500
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		66 199	63 386	67 042	179 973	173 124	173 124	42 529	536 000	606 500	27 013
Energy sources		16 469	34 548	36 862	54 026	41 837	41 837	13 184	7 000	23 500	21 000
Water management		1 312	624	9 645	125 947	114 947	114 947	24 669	524 000	581 000	4 513
Waste water management		48 418	28 214	20 535	-	16 340	16 340	4 676	5 000	2 000	1 500
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	119 502	127 081	126 016	249 473	271 284	271 284	90 443	613 729	689 404	146 013
Funded by:											
National Government		101 832	95 428	96 392	214 233	191 044	191 044	66 136	572 229	657 904	114 513
Provincial Government		-	3 500	-	-	6 000	6 000	3 000	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		2 483	13 891	-	-	18 850	18 850	9 604	-	-	-
Transfers recognised - capital	4	104 315	112 818	96 392	214 233	215 894	215 894	78 740	572 229	657 904	114 513
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		15 186	14 263	29 624	35 240	55 390	55 390	11 703	41 500	31 500	31 500
Total Capital Funding	7	119 502	127 081	126 016	249 473	271 284	271 284	90 443	613 729	689 404	146 013

References

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

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

7. Total Capital Funding must balance with Total Capital Expenditure

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

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

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			Multi-year appropriation for Budget Year 2024/25 in the 2023/24 Annual Budget				Multi-year appropriation for 2025/26 in the 2023/24 Annual Budget				New multi-year appropriations (funds for new and existing projects)				
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Appropriation for 2024/25	Adjustments in 2023/24	Downward adjustments for 2024/25	Appropriation carried forward	Appropriation for 2024/25	Adjustments in 2023/24	Downward adjustments for 2024/25	Appropriation carried forward	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
R thousand	1																						
Capital expenditure - Municipal Vote	2																						
Multi-year expenditure appropriation																							
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
01.1 - Councilor's Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
01.2 - Executive Mayor Admin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
01.3 - Speakers Office Admin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 02 - Municipal And General		5 055	2 295	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
02.1 - Municipal And General		5 055	2 295	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
02.2 - Mun : Insurance Fund - Short Term		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
02.3 - Mun : Workmen's Compensation Fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
03.1 - Municipal Manager - Admin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
03.2 - Internal Investigations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
03.3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
03.4 - Itp Unit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
03.5 - Project Management Unit - Pmu		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
04.1 - Corporate Services - Admin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
04.2 - Office Services And Archives		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
04.3 - H R - Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
04.4 - H R - Recruitment And Benefits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
04.5 - H R - Training And Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
04.6 - H R - Local Authority Training		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
04.7 - Publicity And Media Coordination		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
04.8 - Risk Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
04.9 - Security And Protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 05 - Community Services		-	-	-	-	-	-	-	-	5 000	5 000	-	-	-	-	5 000	-	-	-	5 000	-	-	5 000
05.1 - Community Services - Admin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.2 - Emergency Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.3 - Biodiversity And Landscape		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.4 - Libraries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.5 - Road Traffic Regulations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.6 - Vehicle Licensing And Testing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.7 - Community Parks		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.8 - Sport Grounds And Stadiums		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.9 - Community Halls And Facilities		-	-	-	-	-	-	-	-	5 000	5 000	-	-	-	-	5 000	-	-	-	5 000	-	-	5 000
05.10 - Swimming Pools		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.11 - Cemeteries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.12 - Resorts And Camping Sites Inside Spm		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.13 - Resorts And Camping Sites Outside Spm		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.14 - Resort Transaks		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.15 - Health - Admin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.16 - Health - Clinics		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.17 - Health - Inspections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.18 - Health - Commonage And Pound		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.19 - Refuse - Pollution Control/Collection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.20 - Refuse - Landfill Sites		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
05.21 - Refuse - Maintenance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
06.1 - Financial Services Admin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
06.2 - Financial Management Grant		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
06.3 - Asset And Risk		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
06.4 - Budget And Financial Reporting		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
06.5 - Expenditure Creditors/Payroll		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
06.6 - Information Technology		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
06.7 - Billing Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
06.8 - Property Rates And Valuations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
06.9 - Real Estate & Property Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
06.10 - Debt Collection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
06.11 - Supply Chain Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 07 - Strategy Econ Development And Planning		3 126	18 239	8 996	10 000	30 850	30 850	11 416	5 000	8 000	35 000	5 000	-	-	5 000	8 000	-	-	8 000	-	-	35 000	
07.1 - Socp Admin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
07.2 - Tourism		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
07.3 - Properties Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
07.4 - Economic Development And Planning		3 126	18 239	8 996	-	18 850	18 850	9 604	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
07.5 - Town Planning		-	-	-	10 000	10 000	10 000	1 812	5 000	6 000	5 000	5 000	-	-	5 000	6 000	-	-	6 000	-	-	5 000	
07.6 - Building Inspectorate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
07.7 - Properties Maintenance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
07.8 - Markets And Street Trading		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
07.9 - Urban Renewal Program		-	-	-	-	2 000	2 000	-	-	2 000	30 000	-	-	-	-	2 000	-	-	2 000	-	-	30 000	

Vote 09 - Infrastructure And Services	66 199	84 739	82 240	183 117	177 037	177 037	63 944	543 509	644 904	69 513	543 509	-	-	543 509	644 904	-	-	644 904	-	-	69 513
09.1 - Infrastructure Admin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.2 - Ce - Water And Sanitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.3 - Public Toilets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.4 - Mechanical Workshops	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.5 - Fleet	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.6 - Roads Planning And Design	-	30 718	27 874	40 000	40 000	40 000	31 088	51 229	42 404	46 500	51 229	-	-	51 229	42 404	-	-	42 404	-	-	46 500
09.7 - Road Construction And Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.8 - Housing - Admin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.9 - Housing - Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.10 - Sewerage - Reticulation	48 418	28 214	20 535	-	16 340	16 340	4 676	5 000	2 000	1 500	5 000	-	-	5 000	2 000	-	-	2 000	-	-	1 500
09.11 - Sewerage - Treatment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.12 - Sewerage - Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.13 - Water - Treatment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.14 - Water - Distribution	1 312	-	9 645	94 991	84 760	84 760	15 977	482 280	579 000	2 513	482 280	-	-	482 280	579 000	-	-	579 000	-	-	2 513
09.15 - Water - Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.16 - Electricity - Admin	16 469	25 806	24 186	48 126	35 937	35 937	12 202	5 000	21 500	19 000	5 000	-	-	5 000	21 500	-	-	21 500	-	-	19 000
09.17 - Electricity - Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09.18 - Electricity - Streetlights Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 09 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	IN/A	
Vote 10 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	IN/A	
Vote 11 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	IN/A	
Vote 12 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	IN/A	
Vote 13 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	IN/A	
Vote 14 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	IN/A	
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	IN/A	
Capital multi-year expenditure sub-total	74 380	105 272	91 236	193 117	207 887	207 887	75 360	548 509	657 904	109 513	548 509	-	-	548 509	657 904	-	-	657 904	-	-	IN/A

NC091 Sol Plaatje - Table A6 Budgeted Financial Position

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents	1	43 008	197 591	109 536	174 327	73 214	73 214	138 483	73 147	77 910	91 249
Trade and other receivables from exchange transactions		1 041 589	1 172 616	1 093 008	734 354	812 576	812 576	1 263 074	1 274 325	1 279 588	1 282 744
Receivables from non-exchange transactions		708 602	851 850	876 734	2 173 122	2 173 122	2 173 122	924 747	927 844	933 938	941 738
Current portion of non-current receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	39 323	49 454	82 694	60 701	60 701	60 701	105 942	60 701	60 701	60 701
VAT		(19 208)	124 979	142 434	362 625	362 625	362 625	138 222	155 542	155 542	155 542
Other current assets		(27)	126	1	126	126	126	129	129	129	129
Total current assets		1 813 288	2 396 615	2 304 408	3 505 255	3 482 364	3 482 364	2 570 597	2 491 688	2 507 809	2 532 102
Non current assets											
Investments	3										
Investment property		207 620	209 106	#####	223 856	223 856	223 856	216 445	222 145	221 827	225 490
Property, plant and equipment		1 865 761	2 003 442	2 023 360	2 190 939	2 193 900	2 193 900	2 100 109	2 626 801	3 226 783	3 274 379
Biological assets											
Living and non-living resources											
Heritage assets		12 071	12 071	12 071	12 071	12 071	12 071	12 071	12 071	12 071	12 071
Intangible assets		10 339	21 238	17 714	3 492	22 342	22 342	27 318	13 214	8 444	3 387
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	35 716	35 716	35 716	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		2 095 790	2 245 857	2 265 500	2 466 074	2 487 885	2 487 885	2 355 942	2 874 231	3 469 125	3 515 327
TOTAL ASSETS		3 909 078	4 642 473	4 569 908	5 971 330	5 970 250	5 970 250	4 926 539	5 365 919	5 976 933	6 047 429
LIABILITIES											
Current liabilities											
Bank overdraft	4	–	–	–	–	–	–	–	–	–	–
Financial liabilities		–	–	–	–	–	–	–	(14 788)	(16 688)	(18 832)
Consumer deposits		39 774	43 176	45 776	49 391	49 391	49 391	47 557	49 570	52 070	55 070
Trade and other payables from exchange transactions	5	531 899	1 093 332	1 293 730	937 683	947 539	947 539	1 286 802	1 286 802	1 206 802	1 126 802
Trade and other payables from non-exchange transactions		6 273	1 726	7 233	–	–	–	–	–	–	–
Provision		–	–	–	94 029	94 029	94 029	788	788	788	788
VAT		93 436	111 037	111 227	70 327	70 327	70 327	198 654	201 179	201 179	201 179
Other current liabilities											
Total current liabilities		671 382	1 249 270	1 457 966	1 151 431	1 161 286	1 161 286	1 533 802	1 523 552	1 444 152	1 365 007
Non current liabilities											
Financial liabilities	6	182 267	171 517	159 430	158 166	158 166	158 166	152 895	152 895	138 107	121 419
Provision	7	253 573	264 781	257 313	285 658	285 658	285 658	257 313	257 313	257 313	257 313
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities											
Total non current liabilities		435 840	436 298	416 743	443 824	443 824	443 824	410 208	410 208	395 420	378 732
TOTAL LIABILITIES		1 107 222	1 685 568	1 874 708	1 595 254	1 605 110	1 605 110	1 944 010	1 933 760	1 839 572	1 743 740
NET ASSETS		2 801 856	2 956 905	2 695 200	4 376 075	4 365 140	4 365 140	2 982 529	3 432 159	4 137 361	4 303 689
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	3 049 283	2 997 726	2 767 963	4 261 958	4 251 023	4 251 023	2 869 613	3 368 093	4 073 296	4 239 624
Reserves and funds	9	57 205	90 127	64 066	80 876	80 876	80 876	64 066	64 066	64 066	64 066
Other											
TOTAL COMMUNITY WEALTH/EQUITY	10	3 106 488	3 087 853	2 832 029	4 342 835	4 331 899	4 331 899	2 933 678	3 432 159	4 137 361	4 303 689

References

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

NC091 Sol Plaatje - Table A7 Budgeted Cash Flows

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		561 377	438 882	453 721	543 052	543 052	543 052	354 408	676 122	712 234	746 320
Service charges		1 857 261	1 146 393	1 024 096	1 354 795	1 341 114	1 341 114	778 536	1 513 446	1 636 908	1 771 566
Other revenue		(872 756)	288 367	724 269	79 844	94 184	94 184	445 047	92 337	95 559	100 225
Transfers and Subsidies - Operational	1	23 639	31 741	100 622	281 921	304 653	304 653	224 533	299 271	318 285	340 594
Transfers and Subsidies - Capital	1	33 560	100 630	113 738	214 233	191 044	191 044	81 200	572 229	657 904	114 513
Interest		3 829	188	567	-	-	-	3 412	9 000	12 000	15 000
Dividends									-	-	-
Payments											
Suppliers and employees		(1 553 798)	(2 590 285)	(3 355 326)	(2 215 507)	(2 295 550)	(2 295 550)	(1 773 628)	(2 545 784)	(2 708 661)	(2 899 304)
Interest		-	(1 039)	(2 401)	(19 495)	(20 055)	(20 055)	2 401	(17 774)	(15 874)	(13 730)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		53 113	(585 124)	(940 714)	238 844	158 443	158 443	115 911	598 846	708 355	175 184
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	1 100	1 100	1 059	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(116 394)	(127 081)	(126 016)	(249 473)	(271 284)	(271 284)	(70 258)	(613 729)	(689 404)	(146 013)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(116 394)	(127 081)	(126 016)	(249 473)	(270 184)	(270 184)	(69 198)	(613 729)	(689 404)	(146 013)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	1 569	2 000	2 500	3 000
Payments											
Repayment of borrowing		-	-	-	(13 351)	(13 351)	(13 351)	-	(14 788)	(16 688)	(18 832)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	(13 351)	(13 351)	(13 351)	1 569	(12 788)	(14 188)	(15 832)
NET INCREASE/ (DECREASE) IN CASH HELD		(63 281)	(712 205)	(1 066 730)	(23 980)	(125 093)	(125 093)	48 281	(27 670)	4 763	13 339
Cash/cash equivalents at the year begin:	2	96 534	43 007	197 591	198 307	198 307	198 307	-	73 147	45 476	50 240
Cash/cash equivalents at the year end:	2	33 253	(669 197)	(869 139)	174 327	73 214	73 214	48 281	45 476	50 240	63 579

References

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

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

3. The MTREF is populated directly from SA30.

Total receipts	1 606 911	2 006 200	2 417 013	2 473 845	2 475 147	2 475 147	1 888 197	3 162 405	3 432 890	3 088 218
Total payments	(1 670 192)	(2 718 405)	(3 483 743)	(2 484 475)	(2 586 888)	(2 586 888)	(1 841 484)	(3 177 287)	(3 413 939)	(3 059 047)
	(63 281)	(712 205)	(1 066 730)	(10 629)	(111 741)	(111 741)	46 713	(14 883)	18 951	29 171
Borrowings & investments & c.deposits	-	-	-	-	-	-	1 569	2 000	2 500	3 000
Repayment of borrowing	-	-	-	(13 351)	(13 351)	(13 351)	-	(14 788)	(16 688)	(18 832)
	(63 281)	(712 205)	(1 066 730)	(23 980)	(125 093)	(125 093)	48 281	(27 670)	4 763	13 339
	0	-	-	-	-	-	(0)	-	-	-

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	33 253	(669 197)	(869 139)	174 327	73 214	73 214	48 281	45 476	50 240	63 579
Other current investments > 90 days		9 756	866 788	978 676	–	–	–	90 202	27 670	27 670	27 670
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		43 008	197 591	109 536	174 327	73 214	73 214	138 483	73 147	77 910	91 249
Application of cash and investments											
Unspent conditional transfers		6 273	1 726	7 233	–	–	–	124 166	–	–	–
Unspent borrowing											
Statutory requirements	2	112 644	(13 943)	(31 207)	(292 298)	(292 298)	(292 298)	60 432	45 637	45 637	45 637
Other working capital requirements	3	(39 183)	327 414	477 883	(75 487)	(50 065)	(50 065)	512 559	(798 027)	(873 041)	(950 593)
Other provisions		–	–	–	94 029	94 029	94 029	788	788	788	788
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		79 734	315 197	453 909	(273 755)	(248 333)	(248 333)	697 944	(751 602)	(826 616)	(904 168)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		(36 726)	(117 606)	(344 372)	448 082	321 548	321 548	(559 462)	824 748	904 525	995 417
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		(36 726)	(117 606)	(344 372)	448 082	321 548	321 548	(559 462)	824 748	904 525	995 417

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	571 082	765 918	815 847	1 013 170	997 604	997 604	797 164	2 084 829	2 079 843	2 077 395
Creditors due	531 899	1 093 332	1 293 730	937 683	947 539	947 539	1 309 723	1 286 802	1 206 802	1 126 802
Total	39 183	(327 414)	(477 883)	75 487	50 065	50 065	(512 559)	798 027	873 041	950 593

Debtors collection assumptions

Balance outstanding - debtors	1 750 191	2 024 466	1 969 742	2 943 192	3 021 414	3 021 414	2 187 821	2 202 170	2 213 527	2 224 481
Estimate of debtors collection rate	32,6%	37,8%	41,4%	34,4%	33,0%	33,0%	36,4%	94,7%	94,0%	93,4%

Long term investments committed

-	–	–	–	–	–	–	–	–	–	–
Capital Replacement	–	–	–	–	–	–	–	–	–	–
Self-Insurance	–	–	–	–	–	–	–	–	–	–
Coid	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–	–

Reserves to be backed by cash/investments

Housing Development Fund	–	–	–	–	–	–	–	–	–	–
Capital replacement	29 681	62 705	39 369	23 577	23 577	23 577	39 369	39 369	39 369	39 369
Self-insurance	15 833	15 445	13 684	39 238	39 238	39 238	13 684	13 684	13 684	13 684

Compensation for Occupational Injuries and Diseases

Employee Benefit reserve

Non-current Provisions reserve

Valuation roll reserve

Investment in associate account

Capitalisation

6	45 514	78 150	53 053	62 815	62 815	62 815	53 053	53 053	53 053	53 053
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Note:

6. Above reserves do not include Revaluation reserve. Revaluation reserve not required to be cash backed

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	51 665	66 118	50 768	48 980	78 540	78 540	87 034	50 000	46 500
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		16 469	32 255	22 708	21 480	20 580	20 580	-	16 500	14 000
Water Supply Infrastructure		1 312	-	1 076	-	-	-	68 534	-	-
Sanitation Infrastructure		21 320	8 734	12 397	-	7 800	7 800	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		39 101	40 989	36 181	21 480	28 380	28 380	68 534	16 500	14 000
Community Facilities		5 055	2 295	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		5 055	2 295	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		1 437	2 457	3 296	15 000	15 000	15 000	6 000	6 000	5 000
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		1 437	2 457	3 296	15 000	15 000	15 000	6 000	6 000	5 000
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		2 483	13 891	-	-	18 850	18 850	-	-	-
Intangible Assets		2 483	13 891	-	-	18 850	18 850	-	-	-
Computer Equipment		1 687	3 857	2 943	4 500	6 200	6 200	4 500	4 500	4 500
Furniture and Office Equipment		76	184	984	3 000	3 000	3 000	3 000	3 000	3 000
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		1 825	2 445	7 364	5 000	7 110	7 110	5 000	20 000	20 000
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	35 223	35 213	43 168	149 947	153 147	153 147	445 171	605 400	61 013
Roads Infrastructure		6 163	14 756	22 461	20 000	26 000	26 000	20 000	15 400	20 000
Storm water Infrastructure		1 963	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	976	4 000	6 000	6 000	6 000	7 000	7 000	7 000
Water Supply Infrastructure		-	-	8 569	123 947	110 607	110 607	405 171	579 000	2 513
Sanitation Infrastructure		27 098	19 481	8 138	-	8 540	8 540	5 000	2 000	1 500
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		35 223	35 213	43 168	149 947	151 147	151 147	437 171	603 400	31 013
Community Facilities		-	-	-	-	2 000	2 000	-	2 000	30 000
Sport and Recreation Facilities		-	-	-	-	-	-	8 000	-	-
Community Assets		-	-	-	-	2 000	2 000	8 000	2	

Total Upgrading of Existing Assets	6	32 613	25 750	32 080	50 546	39 597	39 597	81 525	34 004	38 500
Roads Infrastructure		31 971	19 462	12 931	22 000	20 000	20 000	31 529	27 004	26 500
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	1 317	10 153	26 546	15 257	15 257	-	-	-
Water Supply Infrastructure		-	624	(0)	2 000	4 340	4 340	50 296	2 000	2 000
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		31 971	21 403	23 085	50 546	39 597	39 597	81 525	29 004	28 500
Community Facilities		643	4 348	8 996	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		643	4 348	8 996	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	5 000
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	5 000
Operational Buildings		-	-	-	-	-	-	-	5 000	5 000
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	5 000	5 000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	119 502	127 081	126 016	249 473	271 284	271 284	613 729	689 404	146 013
Roads Infrastructure		38 133	34 218	35 392	42 000	46 000	46 000	51 229	42 404	46 500
Storm water Infrastructure		1 963	-	-	-	-	-	-	-	-
Electrical Infrastructure		16 469	34 548	36 862	54 026	41 837	41 837	7 000	23 500	21 000
Water Supply Infrastructure		1 312	624	9 645	125 947	114 947	114 947	524 000	581 000	4 513
Sanitation Infrastructure		48 418	28 214	20 535	-	16 340	16 340	5 000	2 000	1 500
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		106 295	97 604	102 434	221 973	219 124	219 124	587 229	648 904	73 513
Community Facilities		5 697	6 643	8 996	-	2 000	2 000	-	2 000	30 000
Sport and Recreation Facilities		-	-	-	-	-	-	8 000	-	-
Community Assets		5 697	6 643	8 996	-	2 000	2 000	8 000	2 000	30 000
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		1 437	2 457	3 296	15 000	15 000	15 000	6 000	6 000	10 000
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		1 437	2 457	3 296	15 000	15 000	15 000	6 000	6 000	10 000
Operational Buildings		-	-	-	-	-	-	-	5 000	5 000
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	5 000	5 000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		2 483	13 891	-	-	18 850	18 850	-	-	-
Intangible Assets		2 483	13 891	-	-	18 850	18 850	-	-	-
Computer Equipment		1 687	3 857	2 943	4 500	6 200	6 200	4 500	4 500	4 500
Furniture and Office Equipment		76	184	984	3 000	3 000	3 000	3 000	3 000	3 000
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		1 825	2 445	7 364	5 000	7 110	7 110	5 000	20 000	20 000
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		119 502	127 081	126 016	249 473	271 284	271 284	613 729	689 404	146 013

ASSET REGISTER SUMMARY - PPE (WDV)	5	2 097 228	2 245 857	2 265 500	2 430 358	2 452 169	2 452 169	2 724 009	2 705 174	2 061 972
Roads Infrastructure		499 618	519 954	354 611	631 569	635 569	635 569	318 231	290 506	274 663
Storm water Infrastructure		54 066	52 844	211 374	146 246	146 246	146 246	206 074	200 509	194 638
Electrical Infrastructure		281 120	309 366	337 712	368 381	356 192	356 192	335 712	342 672	330 060
Water Supply Infrastructure		279 524	278 114	280 179	564 379	553 379	553 379	794 179	840 629	253 012
Sanitation Infrastructure		444 110	460 353	456 096	89 764	106 104	106 104	461 096	458 096	457 596
Solid Waste Infrastructure		21 603	21 175	19 181	28 897	28 897	28 897	3 281	(13 489)	(31 181)
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		1 580 042	1 641 806	1 659 154	1 829 236	1 826 387	1 826 387	2 118 574	2 118 924	1 478 787
Community Assets		158 119	222 417	221 129	206 427	208 427	208 427	217 629	204 554	219 818
Heritage Assets		12 071	12 071	12 071	12 071	12 071	12 071	12 071	12 071	12 071
Investment properties		209 057	209 106	212 356	223 856	223 856	223 856	222 145	221 827	225 490
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets		10 339	21 238	17 714	3 492	22 342	22 342	13 214	8 444	3 387
Computer Equipment		4 486	7 395	7 397	15 606	17 306	17 306	9 197	6 335	3 301
Furniture and Office Equipment		1 828	3 021	3 099	3 821	3 821	3 821	4 099	1 979	(268)
Machinery and Equipment		4 066	4 541	3 967	6 586	6 586	6 586	2 467	877	(809)
Transport Assets		22 581	28 452	32 716	33 452	35 562	35 562	28 716	34 266	24 296
Land		94 639	95 810	95 898	95 810	95 810	95 810	95 898	95 898	95 898
Zoo's, Marine and Non-biological Animals										
Living Resources										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2 097 228	2 245 857	2 265 500	2 430 358	2 452 169	2 452 169	2 724 009	2 705 174	2 061 972
EXPENDITURE OTHER ITEMS		306 905	343 490	384 400	428 558	454 854	454 854	451 818	476 783	503 784
Depreciation	7	63 881	70 060	71 830	86 650	86 650	86 650	89 700	94 510	99 811
Repairs and Maintenance by Asset Class	3	243 024	273 430	312 569	341 908	368 204	368 204	362 118	382 273	403 973
Roads Infrastructure		47 389	46 030	55 439	71 980	67 826	67 826	72 566	76 452	80 813
Storm water Infrastructure		542	1 963	5 457	550	3 550	3 550	3 250	3 442	3 648
Electrical Infrastructure		57 938	60 972	63 100	85 857	83 728	83 728	89 291	94 232	99 535
Water Supply Infrastructure		44 102	60 085	70 657	56 220	69 304	69 304	60 347	63 666	67 041
Sanitation Infrastructure		24 371	30 149	41 842	42 718	46 750	46 750	47 577	50 099	52 819
Solid Waste Infrastructure		14 983	19 204	19 737	22 965	22 142	22 142	24 212	25 620	27 127
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		189 325	218 404	256 231	280 290	293 299	293 299	297 242	313 509	330 982
Community Facilities		2 746	3 206	505	3 280	7 510	7 510	3 115	3 729	4 369
Sport and Recreation Facilities		443	470	446	710	1 530	1 530	580	607	643
Community Assets		3 188	3 675	951	3 990	9 040	9 040	3 695	4 336	5 012
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		6 991	7 195	8 614	9 776	10 739	10 739	10 711	11 291	11 914
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		6 991	7 195	8 614	9 776	10 739	10 739	10 711	11 291	11 914
Operational Buildings		13 215	13 131	13 115	15 263	17 648	17 648	15 861	16 648	17 554
Housing		-	-	-	-	-	-	-	-	-
Other Assets		13 215	13 131	13 115	15 263	17 648	17 648	15 861	16 648	17 554
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		1 183	1 139	963	1 664	1 368	1 368	1 520	1 611	1 707
Machinery and Equipment		24 900	26 087	27 357	25 592	29 876	29 876	27 696	29 107	30 595
Transport Assets		4 221	3 798	5 338	5 333	6 234	6 234	5 392	5 771	6 208
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		306 905	343 490	384 400	428 558	454 854	454 854	451 818	476 783	503 784
Renewal and upgrading of Existing Assets as % of total capex		56,8%	48,0%	59,7%	80,4%	71,0%	71,0%	85,8%	92,7%	68,2%
Renewal and upgrading of Existing Assets as % of deprecn		106,2%	87,0%	104,8%	231,4%	222,4%	222,4%	587,2%	676,5%	99,7%
R&M as a % of PPE & Investment Property		11,7%	12,4%	14,0%	14,2%	15,2%	15,2%	13,4%	14,2%	19,7%
Renewal and upgrading and R&M as a % of PPE and Investment Property		15,0%	15,1%	17,3%	22,5%	23,2%	23,2%	32,9%	38,1%	24,6%

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Household service targets	1									
Water:										
Piped water inside dwelling		45 497	45 497	45 497	45 497	45 497	45 497	45 497	45 497	45 497
Piped water inside yard (but not in dwelling)		16 686	16 686	16 686	16 686	16 686	16 686	16 686	16 686	16 686
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>		62 183	62 183	62 183	62 183	62 183	62 183	62 183	62 183	62 183
Using public tap (< min.service level)	3	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		1 677	1 677	1 677	1 677	1 677	1 677	1 677	1 677	1 677
<i>Below Minimum Service Level sub-total</i>		6 132	6 132	6 132	6 132	6 132	6 132	6 132	6 132	6 132
Total number of households	5	68 315	68 315	68 315	68 315	68 315	68 315	68 315	68 315	68 315
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		59 366	59 366	59 366	59 366	59 366	59 366	59 366	59 366	59 366
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		407	407	407	407	407	407	407	407	407
Pit toilet (ventilated)		2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		62 303	62 303	62 303	62 303	62 303	62 303	62 303	62 303	62 303
Bucket toilet		3 292	3 292	3 292	3 292	3 292	3 292	3 292	3 292	3 292
Other toilet provisions (< min.service level)		678	678	678	678	678	678	678	678	678
No toilet provisions		2 042	2 042	2 042	2 042	2 042	2 042	2 042	2 042	2 042
<i>Below Minimum Service Level sub-total</i>		6 012	6 012	6 012	6 012	6 012	6 012	6 012	6 012	6 012
Total number of households	5	68 315	68 315	68 315	68 315	68 315	68 315	68 315	68 315	68 315
Energy:										
Electricity (at least min.service level)		12 358	9 795	8 511	7 158	7 158	7 158	5 771	4 350	3 698
Electricity - prepaid (min.service level)		50 267	52 830	54 114	55 467	55 467	55 467	56 854	59 075	60 552
<i>Minimum Service Level and Above sub-total</i>		62 625	62 625	62 625	62 625	62 625	62 625	62 625	63 425	64 250
Electricity (< min.service level)		4 335	4 335	4 335	4 335	4 335	4 335	4 335	3 535	2 710
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354
<i>Below Minimum Service Level sub-total</i>		5 689	5 689	5 689	5 689	5 689	5 689	5 689	4 889	4 064
Total number of households	5	68 314	68 314	68 314	68 314	68 314	68 314	68 314	68 314	68 314
Refuse:										
Removed at least once a week		56 740	56 740	56 740	56 740	56 740	56 740	56 740	57 240	57 740
<i>Minimum Service Level and Above sub-total</i>		56 740	56 740	56 740	56 740	56 740	56 740	56 740	57 240	57 740
Removed less frequently than once a week		757	757	757	757	757	757	757	757	757
Using communal refuse dump		2 545	2 545	2 545	2 545	2 545	2 545	2 545	2 545	2 545
Using own refuse dump		3 697	3 697	3 697	3 697	3 697	3 697	3 697	3 697	3 697
Other rubbish disposal		259	259	259	259	259	259	259	259	259
No rubbish disposal		4 316	4 316	4 316	4 316	4 316	4 316	4 316	3 816	3 316
<i>Below Minimum Service Level sub-total</i>		11 574	11 574	11 574	11 574	11 574	11 574	11 574	11 074	10 574
Total number of households	5	68 314	68 314	68 314	68 314	68 314	68 314	68 314	68 314	68 314
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		11 980	12 264	12 033	11 800	11 800	11 800	11 800	11 800	11 800
Sanitation (free minimum level service)		11 980	12 264	12 033	11 800	11 800	11 800	11 800	11 800	11 800
Electricity/other energy (50kwh per household per month)		11 980	12 264	12 033	11 800	11 800	11 800	11 800	11 800	11 800
Refuse (removed at least once a week)		11 980	12 264	12 033	11 800	11 800	11 800	11 800	11 800	11 800
<i>Informal Settlements</i>		0	0	0	0	0	0	0	0	0
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		4 366	4 246	4 392	8 000	8 000	8 000	10 000	10 550	11 130
Sanitation (free sanitation service to indigent households)		267	19 439	21 232	21 000	21 000	21 000	24 400	25 863	27 336
Electricity/other energy (50kwh per indigent household per month)		9 971	7 110	6 569	12 000	12 000	12 000	12 000	13 200	14 520
Refuse (removed once a week for indigent households)		12 445	13 331	14 442	14 500	14 500	14 500	16 000	16 800	17 724
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		11 666	15 009	7 016	9 600	5 658	5 658	9 600	10 340	11 117
Total cost of FBS provided	8	38 715	59 136	53 652	65 100	61 158	61 158	72 000	76 753	81 827
Highest level of free service provided per household										
Property rates (R value threshold)		15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		174	181	189	198	198	198	213	225	238
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
Revenue cost of subsidised services provided (R'000)	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		28 229	31 974	33 542	35 010	35 010	35 010	37 240	38 953	41 253
Water (in excess of 6 kilolitres per indigent household per month)		18 786	15 277	18 484	20 500	20 500	20 500	21 500	22 579	23 713
Sanitation (in excess of free sanitation service to indigent households)		20 611	2 886	2 955	3 400	3 400	3 400	3 400	3 556	3 720
Electricity/other energy (in excess of 50 kwh per indigent household per month)		34 338	36 368	31 244	41 000	41 000	41 000	41 000	45 100	49 610
Refuse (in excess of one removal a week for indigent households)		4 004	3 951	3 442	4 400	4 400	4 400	4 400	4 602	4 814
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	105 967	90 455	89 667	104 310	104 310	104 310	107 540	114 791	123 109

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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
REVENUE ITEMS:											
<u>Non-exchange revenue by source</u>											
<u>Exchange Revenue</u>											
Total Property Rates	6	599 305	631 872	644 533	695 903	695 903	695 903	505 903	724 560	779 581	831 747
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		28 229	31 974	33 542	35 010	35 010	35 010	5 099	37 240	38 953	41 253
Net Property Rates		571 075	599 898	610 991	660 893	660 893	660 893	500 804	687 320	740 628	790 495
<u>Exchange revenue service charges</u>											
<u>Service charges - Electricity</u>	6										
Total Service charges - Electricity		703 615	770 419	792 788	1 087 872	1 048 202	1 048 202	608 654	1 152 199	1 258 092	1 374 060
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		34 338	36 368	31 244	41 000	41 000	41 000	9 596	41 000	45 100	49 610
Less Cost of Free Basis Services (50 kwh per indigent household per month)		9 971	7 110	6 569	12 000	12 000	12 000	6 443	12 000	13 200	14 520
Net Service charges - Electricity		659 307	726 941	754 974	1 034 872	995 202	995 202	592 614	1 099 199	1 199 792	1 309 930
<u>Service charges - Water</u>	6										
Total Service charges - Water		282 308	291 483	294 475	355 614	328 614	328 614	198 379	375 185	397 403	422 032
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		18 786	15 277	18 484	20 500	20 500	20 500	1 364	21 500	22 579	23 713
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		4 366	4 245	4 392	8 000	8 000	8 000	3 291	10 000	10 550	11 130
Net Service charges - Water		259 156	271 961	271 599	327 114	300 114	300 114	193 724	343 685	364 274	387 189
<u>Service charges - Waste Water Management</u>											
Total Service charges - Waste Water Management		99 064	104 260	113 391	114 258	114 258	114 258	79 223	123 690	131 051	138 209
Less Revenue Foregone (in excess of free sanitation service to indigent households)		20 611	2 886	2 955	3 400	3 400	3 400		3 400	3 556	3 720
Less Cost of Free Basis Services (free sanitation service to indigent households)		267	19 439	21 232	21 000	21 000	21 000	14 974	24 400	25 863	27 336
Net Service charges - Waste Water Management		78 186	81 934	89 203	89 858	89 858	89 858	64 249	95 890	101 631	107 153
<u>Service charges - Waste Management</u>	6										
Total refuse removal revenue		72 850	76 377	84 775	84 312	84 312	84 312	62 994	92 671	97 869	103 486
Total landfill revenue											
Less Revenue Foregone (in excess of one removal a week to indigent households)		4 004	3 951	3 442	4 400	4 400	4 400	1 512	4 400	4 602	4 814
Less Cost of Free Basis Services (removed once a week to indigent households)		12 445	13 331	14 442	14 500	14 500	14 500	10 249	16 000	16 800	17 724
Net Service charges - Waste Management		56 401	59 094	66 890	65 412	65 412	65 412	51 233	72 271	76 467	80 948
EXPENDITURE ITEMS:											
<u>Employee related costs</u>											
Basic Salaries and Wages	2	405 014	426 137	440 528	484 132	473 095	473 095	348 972	518 291	544 288	572 154
Pension and UIF Contributions		74 154	75 822	80 020	93 212	93 212	93 212	63 428	98 168	103 006	108 250
Medical Aid Contributions		48 981	49 531	51 158	60 170	60 170	60 170	49 078	63 810	67 000	70 483
Overtime		41 303	52 688	69 383	47 280	69 467	69 467	61 951	53 982	56 681	59 629
Performance Bonus		28 489	28 946	30 249	36 505	36 505	36 505	26 465	38 317	40 233	42 325
Motor Vehicle Allowance		40 348	43 919	43 623	52 634	52 634	52 634	33 604	53 156	55 608	58 180
Cellphone Allowance		1 464	1 559	1 587	2 256	2 256	2 256	1 301	1 749	1 830	1 914
Housing Allowances		2 731	2 662	2 766	2 891	2 891	2 891	2 195	2 896	3 041	3 199
Other benefits and allowances		18 857	19 998	20 261	19 589	37 168	37 168	30 593	26 598	27 930	29 384
Payments in lieu of leave		29 135	10 507	14 403	15 000	15 000	15 000	12 997	20 000	20 920	21 882
Long service awards		23 192	24 485	27 934	26 968	26 968	26 968	23 527	29 996	31 495	33 133
Post-retirement benefit obligations	4	12 550	36 522	39 393	41 000	41 000	41 000	-	43 900	45 919	48 032
Entertainment											
Scarcity											
Acting and post related allowance											
In kind benefits											
sub-total	5	726 219	772 777	821 306	881 637	910 366	910 366	654 112	950 863	997 950	1 048 566
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	726 219	772 777	821 306	881 637	910 366	910 366	654 112	950 863	997 950	1 048 566

Depreciation and amortisation										
Depreciation of Property, Plant & Equipment	59 843	66 287	68 208	82 150	82 150	82 150	–	85 200	89 740	94 755
Lease amortisation	4 038	3 773	3 622	4 500	4 500	4 500	–	4 500	4 770	5 056
Capital asset impairment	–	–	–	–	–	–	–	–	–	–
Total Depreciation and amortisation	63 881	70 060	71 830	86 650	86 650	86 650	–	89 700	94 510	99 811
Bulk purchases - electricity										
Electricity bulk purchases	540 953	639 689	672 362	785 000	790 100	790 100	540 763	899 000	988 900	1 087 790
Total bulk purchases	540 953	639 689	672 362	785 000	790 100	790 100	540 763	899 000	988 900	1 087 790
Transfers and grants										
Cash transfers and grants	2 528	2 546	2 599	4 560	3 560	3 560	2 422	3 660	4 767	4 875
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–	–
Total transfers and grants	2 528	2 546	2 599	4 560	3 560	3 560	2 422	3 660	4 767	4 875
Contracted Services										
Outsourced Services	4 023	6 891	11 217	8 383	30 278	30 278	17 887	8 326	8 849	13 247
Consultants and Professional Services	5 358	4 184	5 116	9 225	10 120	10 120	7 913	8 565	8 958	9 369
Contractors	31 270	27 088	11 953	30 505	16 515	16 515	7 810	23 840	24 937	26 084
Total contracted services	40 651	38 163	28 285	48 113	56 913	56 913	33 610	40 731	42 744	48 700
Operational Costs										
Collection costs	–	–	–	–	–	–	(178)	–	–	–
Contributions to 'other' provisions	–	–	–	–	–	–	–	–	–	–
Audit fees	4 984	5 689	6 641	6 700	7 642	7 642	7 641	7 800	8 190	8 640
Other Operational Costs	97 203	104 614	124 450	138 939	151 611	151 611	119 577	142 049	151 690	161 854
Total Operational Costs	102 187	110 302	131 090	145 639	159 253	159 253	127 040	149 849	159 880	170 494
Repairs and Maintenance by Expenditure Item										
Employee related costs	116 745	130 190	146 483	147 619	158 986	158 986	126 855	170 075	178 551	187 795
Inventory Consumed (Project Maintenance)	117 421	137 459	154 393	182 842	201 682	201 682	101 926	181 636	192 820	204 761
Contracted Services	3 910	75	6 391	4 160	170	170	53	3 795	3 970	4 152
Operational Costs	4 948	5 705	5 302	7 287	7 366	7 366	3 855	6 613	6 931	7 265
Total Repairs and Maintenance Expenditure	243 024	273 430	312 569	341 908	368 204	368 204	232 688	362 118	382 273	403 973
Inventory Consumed										
Inventory Consumed - Water	–	41 302	43 857	61 200	64 400	64 400	55 256	65 000	68 575	72 347
Inventory Consumed - Other	53 848	60 019	83 224	244 700	272 555	272 555	52 707	254 605	258 339	273 118
Total Inventory Consumed & Other Material	53 848	101 321	127 081	305 900	336 955	336 955	107 962	319 605	326 914	345 465
check	–	–	–	–	–	–	–	–	–	–

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
R thousand	1																
Revenue																	
Exchange Revenue																	
Service charges - Electricity									1 099 199								1 099 199
Service charges - Water									343 685								343 685
Service charges - Waste Water Management						-			95 890								95 890
Service charges - Waste Management						72 271											72 271
Sale of Goods and Rendering of Services					1 661	6 826	-	7 368	100								15 955
Agency services																	-
Interest																	-
Interest earned from Receivables			14 100			15 000			90 930								120 030
Interest earned from Current and Non Current Assets			9 000														9 000
Dividends																	-
Rent on Land																	-
Rental from Fixed Assets						40	-	200	27 500								27 740
Licence and permits						1 200											1 200
Operational Revenue			801			280	991	800	901								3 773
Non-Exchange Revenue																	
Property rates							687 320										687 320
Surcharges and Taxes																	-
Fines, penalties and forfeits						12 143	20 000	-									32 143
Licences or permits						8 000	-										8 000
Transfer and subsidies - Operational			284 371	-	4 500	8 600	1 800	-	-								299 271
Interest			91 900														91 900
Fuel Levy																	-
Operational Revenue						-			50 900								50 900
Gains on disposal of Assets						-	-	-	-								-
Other Gains																	-
Discontinued Operations																	-
Total Revenue (excluding capital transfers and contribution)		-	400 172	-	6 161	124 361	710 111	8 368	1 709 105	-	-	-	-	-	-	-	2 958 278
Expenditure																	
Employee related costs		18 756	75 400	22 768	67 174	279 392	144 381	59 152	283 840								950 863
Remuneration of councillors		37 077															37 077
Bulk purchases - electricity									899 000								899 000
Inventory consumed			204 855						114 750								319 605
Debt impairment			188 746			11 000	-	-	155 500								355 246
Depreciation and amortisation			54 800			900	-	-	34 000								89 700
Interest			205						17 569								17 774
Contracted services		80	8 790	4 158	-	470	1 360	268	25 605								40 731
Transfers and subsidies		-	3 500			160			-								3 660
Irrecoverable debts written off						-	-		-								-
Operational costs		4 741	49 165	812	4 399	7 935	18 108	2 012	62 678								149 849
Losses on disposal of Assets						-	-	-	-								-
Other Losses									65 000								65 000
Total Expenditure		60 653	585 462	27 737	71 572	299 857	163 849	61 432	1 657 942	-	-	-	-	-	-	-	2 928 505
Surplus/(Deficit)		(60 653)	(185 290)	(27 737)	(65 411)	(175 496)	546 261	(53 064)	51 163	-	-	-	-	-	-	-	29 774
Transfers and subsidies - capital (monetary allocations)			572 229	-				-	-								572 229
Transfers and subsidies - capital (in-kind)																	-
Surplus/(Deficit) after capital transfers & contributions		(60 653)	386 939	(27 737)	(65 411)	(175 496)	546 261	(53 064)	51 163	-	-	-	-	-	-	-	602 003

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

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

Description	Bal	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Forecasts		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit estimate	Budget Year 1 2023/24	Budget Year 2 2023/24	Budget Year 3 2024/25
B Revenue											
ABSETS											
<u>Trade and other receivables from exchange transactions</u>											
Electricity		202 567	255 298	336 991	633 468	476 028	678 028	963 607	372 068	262 766	198 627
Water		897 551	861 138	838 843	771 463	742 168	742 168	842 858	843 022	1 038 486	1 047 948
Heats		132 028	162 232	265 628	176 044	162 719	162 719	251 686	262 778	254 114	265 778
Waste Water		888 833	235 486	237 881	222 864	234 943	234 943	236 159	314 927	333 946	353 962
Other trade receivables from exchange transactions		475 294	778 688	592 281	827 181	601 028	613 181	1 071 611	868 217	863 517	863 388
Debtors Trade and other receivables from exchange transactions		1 781 287	2 137 879	2 546 644	2 591 147	2 689 368	2 689 368	2 846 756	2 858 687	2 883 279	2 886 426
Less: Treatment for debt		(248 618)	(265 286)	(1 433 458)	(1 636 762)	(1 636 762)	(1 636 762)	(1 636 852)	(1 633 682)	(1 633 682)	(1 582 882)
Impairment for Electricity		-	-	-	-	-	-	-	-	-	-
Impairment for Water		-	-	-	(2 166)	(2 166)	(2 166)	-	-	-	-
Impairment for Waste		-	-	-	-	-	-	-	-	-	-
Impairment for Waste Water		-	-	-	-	-	-	-	-	-	-
Impairment for other trade receivables from exchange transactions		(248 618)	(265 286)	(1 433 458)	(1 634 596)	(1 634 596)	(1 634 596)	(1 633 852)	(1 593 682)	(1 593 682)	(1 539 682)
Total net Trade and other receivables from Exchange Transactions		1 544 588	1 872 616	1 653 688	734 354	852 576	852 576	1 210 874	1 224 225	1 279 598	1 303 744
<u>Receivables from non-exchange transactions</u>											
Property sales		877 014	877 016	824 768	1 923 887	1 923 887	1 923 887	883 712	888 639	883 363	883 702
Less: Impairment of Property sales		-	-	-	-	-	-	-	-	-	-
Net Property sales		877 014	877 016	824 768	1 923 887	1 923 887	1 923 887	883 712	888 639	883 363	883 702
Other receivables from non-exchange transactions		69 897	48 398	18 145	734 881	239 182	239 182	82 218	82 218	92 218	82 218
Impairment for other receivables from non-exchange transactions		(11 886)	(14 986)	(21 181)	14 860	14 860	14 860	(21 181)	(21 181)	(21 181)	(21 181)
Net other receivables from non-exchange transactions		57 999	33 412	14 964	249 019	249 019	249 019	41 035	41 035	41 035	41 035
Total net Receivables from non-exchange transactions		766 882	881 699	839 734	2 173 122	2 173 122	2 173 122	924 747	929 674	924 398	924 737
Assets											
Opening Balance		2 285	2 388	2 246	2 294	2 294	2 294	2 294	2 294	2 294	2 294
Spares Input Volume		(88)	116 943	122 351	122 408	126 408	126 408	33 336	126 005	127 130	144 603
Water Treatment Works		-	-	-	-	-	-	-	-	-	-
Sub-Purchases		(155)	115 942	122 351	122 408	126 408	126 408	33 336	126 000	127 130	144 603
Natural Sources		-	-	-	-	-	-	-	-	-	-
Authorized Consumption		-	(61 352)	(63 857)	(61 203)	(64 405)	(64 405)	(65 236)	(65 065)	(68 575)	(72 242)
Billed Authorized Consumption		-	(61 352)	(63 857)	(61 203)	(64 405)	(64 405)	(65 236)	(65 065)	(68 575)	(72 242)
Billed Unbilled Consumption		-	(33 686)	(39 788)	(37 188)	(68 238)	(68 238)	(69 381)	(69 040)	(68 575)	(69 845)
Free Basic Water		-	(4 731)	(4 562)	(6 003)	(6 003)	(6 003)	(11 026)	(10 000)	(10 000)	(11 138)
Subsidized Water		-	(2 075)	-	-	-	-	-	-	-	-
Revenue Water		-	(28 952)	(35 385)	(48 038)	(52 238)	(52 238)	(53 000)	(56 826)	(58 875)	(61 138)
Billed Unbilled Consumption		-	(7 686)	(14 677)	(4 161)	(4 161)	(4 161)	(1 896)	(2 686)	(2 288)	(2 486)
Free Basic Water		-	(7 686)	(14 677)	(4 161)	(4 161)	(4 161)	(1 896)	(2 686)	(2 288)	(2 486)
Subsidized Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
Unbilled Authorized Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Revenue Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Unrelied Consumption		-	-	-	-	-	-	-	-	-	-
Water Losses		-	(75 476)	(77 848)	(61 203)	(68 005)	(68 005)	(27 873)	(65 000)	(68 575)	(72 242)
Agreement Issues		-	(24 221)	(15 800)	(15 800)	(15 800)	(15 800)	(15 800)	(15 800)	(21 181)	(22 201)
Unauthorized Consumption		-	-	-	-	-	-	-	-	-	-
Customer Water Invoices		-	(16 221)	(15 800)	(15 800)	(15 800)	(15 800)	(6 852)	(20 000)	(21 181)	(22 201)
Billed Issues		-	(75 476)	(77 848)	(61 203)	(68 005)	(68 005)	(27 873)	(65 000)	(68 575)	(72 242)
Leakage on Transmission and Distribution Mains		-	(16 026)	(15 985)	(6 003)	(6 003)	(6 003)	(2 271)	(10 000)	(10 000)	(11 138)
Leakage and Overflow at Storage Tanks/Reservoirs		-	(11 366)	(10 843)	(6 203)	(11 003)	(11 003)	(2 824)	(10 000)	(10 000)	(11 138)
Leakage on Service Connections up to the point of Customer Water		-	(16 026)	(15 185)	(10 003)	(10 003)	(10 003)	(4 944)	(10 000)	(10 000)	(11 138)
Class Transfer and Management Fees		-	-	-	-	-	-	-	-	-	-
Unrelied Annual Road Losses		-	(32 066)	(14 796)	(25 003)	(25 003)	(11 386)	(15 000)	(15 826)	(16 686)	(16 686)
Revenue Water		-	(75 476)	(77 848)	(61 203)	(68 005)	(68 005)	(27 873)	(65 000)	(68 575)	(72 242)
Closing Balance - Water		2 385	2 346	2 294	2 294	2 294	2 294	12 871	2 294	2 294	2 294
Agricultural											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues		-	-	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Write-offs		-	-	-	-	-	-	-	-	-	-
Closing Balance - Agricultural		-	-	-	-	-	-	-	-	-	-
Consumables											
Standard Rate		2 281	1 238	2 132	1 815	1 815	1 815	1 815	1 815	1 815	1 815
Opening Balance		6 236	5 988	4 885	16 958	32 138	32 138	4 016	29 427	31 082	32 833
Acquisitions		(6 742)	(5 538)	(4 752)	(18 968)	(32 138)	(32 138)	(3 878)	(29 427)	(31 082)	(32 833)
Issues		(68)	68	403	-	-	-	68	-	-	-
Adjustments		(3)	(15)	(15)	-	-	-	-	-	-	-
Write-offs		(3)	(15)	(15)	-	-	-	-	-	-	-
Closing Balance - Consumables Standard Rate		1 228	2 132	1 815	1 815	1 815	1 815	1 966	1 815	1 815	1 815
Zero Rate		188	488	601	601	601	601	601	601	601	601
Opening Balance		10 528	15 292	20 502	16 302	16 302	16 302	16 302	21 148	22 806	23 723
Acquisitions		(17 122)	(14 876)	(20 515)	(16 302)	(16 302)	(16 302)	(15 948)	(22 148)	(22 806)	(23 723)
Issues		-	-	-	-	-	-	-	-	-	-
Adjustments		(21)	(52)	(125)	-	-	-	-	-	-	-
Write-offs		(21)	(52)	(125)	-	-	-	-	-	-	-
Closing Balance - Consumables Zero Rate		488	601	601	601	601	601	627	601	601	601
Finished Goods											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues		-	-	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Write-offs		-	-	-	-	-	-	-	-	-	-
Closing Balance - Finished Goods		-	-	-	-	-	-	-	-	-	-
Materials and Supplies											
Opening Balance		24 223	28 885	38 058	47 202	47 202	47 202	47 202	25 269	25 269	25 269
Acquisitions		41 535	49 453	65 227	187 248	198 882	198 882	45 739	204 023	204 023	216 562
Issues		(25 512)	(29 214)	(37 568)	(228 241)	(227 823)	(227 823)	(22 323)	(204 023)	(204 023)	(216 562)
Adjustments		49	36	42	-	-	-	49	-	-	-
Write-offs		(37)	(67)	(158)	-	-	-	(178)	-	-	-
Closing Balance - Materials and Supplies		20 888	29 098	47 202	25 269	25 269	25 269	68 016	25 269	25 269	25 269
Work-in-progress											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Materials		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Closing Balance - Work-in-progress		-	-	-	-	-	-	-	-	-	-
Housing Stock											
Opening Balance		6 842	6 849	5 222	30 223	30 223	30 223	30 223	30 223	30 223	30 223
Acquisitions		16	(1 437)	25 000	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Issues		-	-	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Closing Balance - Housing Stock		6 868	5 224	30 223	30 223	30 223	30 223	30 223	30 223	30 223	30 223
Land											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Closing Balance - Land		-	-	-	-	-	-	-	-	-	-
Closing Balance - Inventory & Consumables		39 222	49 454	82 684	88 701	88 701	88 701	155 992	68 791	68 791	88 701
Property, plant and equipment (PPE)											
PPE at cost/valuation (incl. finance leases)		2 700 348	2 885 187	2 985 824	3 235 243	3 238 244	3 238 244	3 187 573	3 609 168	4 358 070	4 680 583
Less: Accumulated depreciation		854 588	882 145	957 464	1 044 334	1 044 334	1 044 334	957 464	1 042 364	1 131 788	1 238 239
Total Property, plant and equipment (PPE)		1 845 761	2 003 042	2 028 360	2 190 909	2 193 910	2 193 910	2 230 109	2 566 804	3 226 282	3 442 344
LIABILITIES											
<u>Current liabilities - Financial liabilities</u>											
Short term loans (other than bank overdrafts)		-	-	-	-	-	-	-	-	-	-
Current accounts of long-term liabilities		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	(14 788)	(15 588)	(18 832)	(18 832)
<u>Trade and other payables from exchange transactions</u>											
Trade payables from exchange transactions		1 589 893	1 000 133	1 293 738	937 833	947 158	947 158	1 309 733	1 266 862	1 266 862	1 309 733
Other trade payables from exchange transactions		1 673	1 176	7 233	-	-	-	124 166	-	-	-
Trade payables from non-exchange transactions (except credit cards)		11 691	11 677	11 675	-	-	-	-	-	-	-
Trade payables from non-exchange transactions		31 484	11 853	111 227	70 327	70 327	70 327	158 654	221 179	221 179	221 179
Total Trade and other payables from exchange transactions		1 601 668	1 018 546	1 412 198	1 008 161	1 017 487	1 017 487	1 492 553	1 488 041	1 488 041	1 530 912
Borrowings		102 287	1 206 594	1 412 198	106 166	106 166	106 166	125 895	125 895	125 895	125 895
Total non-current liabilities - Financial liabilities		102 287	1 206 594	1 412 198	106 166	106 166	106 166	125 895	125 895	125 895	125 895
<u>Non-current liabilities - Long Term portion of trade payables</u>											
LIABILITIES & RESERVES											
Reserve for bad debts		252 504	262 893	256 608	287 895	287 895	287 895	256 608	256 608	256 608	256 608
Reserve for bad debts on consolidation		1 688	1 678	707	(1 536)	(1 536)	(1 536)	707	707	707	707
Other		1 589 781	1 434 761	207 133	288 688	288 688	288 688				

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

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand												
GOOD, CLEAN AND TRANSPARENT GOVERNANCE AND PUBLIC PARTICIPATION	Marketing the municipality as premier destination for tourism and investment	A		309 378	294 113	391 975	366 222	395 978	395 978	400 172	410 807	426 167
ESTABLISHMENT OF HEALTHY FINANCIAL MANAGEMENT				594 906	610 429	670 519	683 585	690 785	690 785	710 111	763 510	814 726
IMPROVED INSTITUTIONAL MANAGEMENT				6 247	6 869	5 432	6 961	7 261	7 261	6 161	6 538	6 318
IMPROVED SERVICE DELIVERY				1 147 305	1 263 660	1 348 107	1 654 820	1 695 576	1 695 576	1 833 466	1 978 891	2 137 297
ECONOMIC GROWTH THROUGH PROMOTING SOL PLAATJE MUNICIPALITY AS AN ECONOMIC HUB				6 501	3 226	6 867	8 015	9 065	9 065	8 368	8 753	9 156
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	2 064 336	2 178 297	2 422 901	2 719 604	2 798 666	2 798 666	2 958 278	3 168 499	3 393 664

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

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

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
R thousand													
GOOD, CLEAN AND TRANSPARENT GOVERNANCE AND PUBLIC PARTICIPATION	Marketing the municipality as premier destination for tourism and investment	A		388 768	363 220	492 990	273 641	459 029	459 029	464 459	493 297	525 962	
ESTABLISHMENT OF HEALTHY FINANCIAL MANAGEMENT				126 380	126 129	131 248	237 712	160 249	160 249	166 217	174 321	183 292	
IMPROVED INSTITUTIONAL MANAGEMENT				85 283	84 892	90 538	108 120	106 002	106 002	109 994	107 113	111 993	
IMPROVED SERVICE DELIVERY				1 512 509	1 685 820	1 823 634	1 928 049	1 994 685	1 994 685	2 120 022	2 275 319	2 445 771	
ECONOMIC GROWTH THROUGH PROMOTING SOL PLAATJE MUNICIPALITY AS AN ECONOMIC HUB				53 419	54 596	57 573	143 730	67 445	67 445	67 813	71 151	74 831	
Allocations to other priorities													
Total Expenditure				1	2 166 359	2 314 658	2 595 982	2 691 252	2 787 411	2 787 411	2 928 505	3 121 201	3 341 849

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

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

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
R thousand													
GOOD, CLEAN AND TRANSPARENT GOVERNANCE AND PUBLIC PARTICIPATION	Marketing the municipality as premier destination for tourism and investment	A	3	50 177	11 238	14 586	19 500	21 310	21 310	20 500	27 500	27 500	
ESTABLISHMENT OF HEALTHY FINANCIAL MANAGEMENT				-	-	-	-	-	-	-	-	-	
IMPROVED SERVICE DELIVERY				66 199	97 604	102 434	219 973	219 124	219 124	587 229	653 904	78 513	
ECONOMIC GROWTH THROUGH PROMOTING SOL PLAATJE MUNICIPALITY AS AN ECONOMIC HUB				3 126	18 239	8 996	10 000	30 850	30 850	6 000	8 000	40 000	
Allocations to other priorities													
Total Capital Expenditure				1	119 502	127 081	126 016	249 473	271 284	271 284	613 729	689 404	146 013

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

NC091 Sol Plaatje - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
05 - Community Services										
Public Safety										
Licensing And Control Of Animals										
Electricity (Kwh Per Household Per Month)	Kwh Per Household Per	50	50	50	50	50	50	50	50	50
Property Rates (R000 Value Threshold)	Rand Value Threshold	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Adjustment/Impermissible Values Per	Rand Value									
Refuse (Average Litres Per Week)	Average Litres Per Week	21	21	21	21	21	21	21	21	21
Month)	Rand Per Household Per	174	181	189	198	198	198	213	225	238
Month)	Kilolitres Per Household Per	6	6	6	6	6	6	6	6	6
Waste Management										
Solid Waste Disposal (Landfill Sites)										
Removal	Households	11 980	12 264	12 033	11 800	11 800	11 800	11 800	11 800	11 800
Removal	Households									
Informal Settlements (R000)	Rand Value									
No Rubbish Disposal	Households	4 316	4 316	4 316	4 316	4 316	4 316	4 316	3 816	3 316
Other (R000)	Rand Value									
Other Rubbish Disposal	Households	259	259	259	259	259	259	259	259	259
Removed At Least Once A Week	Households	56 740	56 740	56 740	56 740	56 740	56 740	56 740	57 240	57 740
Week	Households	757	757	757	757	757	757	757	757	757
Using Communal Refuse Dump	Households	2 545	2 545	2 545	2 545	2 545	2 545	2 545	2 545	2 545
Using Own Refuse Dump	Households	3 697	3 697	3 697	3 697	3 697	3 697	3 697	3 697	3 697
08 - Infrastructure And Services										
Energy Sources										
Electricity										
Electricity - Prepaid (Min.Service Level)	Households	50 267	52 830	54 114	55 467	55 467	55 467	56 854	59 075	60 552
Electricity (< Min.Service Level)	Households	4 335	4 335	4 335	4 335	4 335	4 335	4 335	3 535	2 710
Electricity (At Least Min.Service Level)	Households	12 358	9 795	8 511	7 158	7 158	7 158	5 771	4 350	3 698
Electricity	Households	11 980	12 264	12 033	11 800	11 800	11 800	11 800	11 800	11 800
Electricity	Households									
Informal Settlements (R000)	Rand Value									
Other (R000)	Rand Value									
Other Energy Sources	Households	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354
Other Households Receiving Electricity	Households									
Waste Water Management										
Sewerage										
Bucket Toilet	Households	3 292	3 292	3 292	3 292	3 292	3 292	3 292	3 292	3 292
Chemical Toilet	Households	407	407	407	407	407	407	407	407	407
Flush Toilet (Connected To Sewerage)	Households	59 366	59 366	59 366	59 366	59 366	59 366	59 366	59 366	59 366
Flush Toilet (With Septic Tank)	Households									
Sanitation	Households	11 980	12 264	12 033	11 800	11 800	11 800	11 800	11 800	11 800
Sanitation	Households	407	407	407	407	407	407	407	407	407
Informal Settlements (R000)	Rand Value	7229 000	10572 000	7016 000	9600 000	5658 000	5658 000	9600 000	10340 000	11117 000
No Toilet Provisions	Households	2 042	2 042	2 042	2 042	2 042	2 042	2 042	2 042	2 042
Level)	Households	678	678	678	678	678	678	678	678	678
Level)	Households									
Pit Toilet (Ventilated)	Households	2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530
Water Management										
Water Distribution										
Water	Households	11 980	12 264	12 033	11 800	11 800	11 800	11 800	11 800	11 800
Water	Households									
Informal Settlements (R000)	Rand Value	4437 234	4437 234							
No Water Supply	Households	1 677	1 677	1 677	1 677	1 677	1 677	1 677	1 677	1 677
Other Water Supply (< Min.Service Level)	Households									
Level)	Households									
Piped Water Inside Dwelling	Households	45 497	45 497	45 497	45 497	45 497	45 497	45 497	45 497	45 497
Dwelling)	Households	16 686	16 686	16 686	16 686	16 686	16 686	16 686	16 686	16 686
Using Public Tap (< Min.Service Level)	Households	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455
Level)	Households									

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))

2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities

3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

NC091 Sol Plaatje - Entities measureable performance objectives

Description	Unit of measurement	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Entity 1 - (name of entity)										
Insert measure/s description										
Entity 2 - (name of entity)										
#REF!										
Entity 3 - (name of entity)										
#REF!										
And so on for the rest of the Entities										

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

NC091 Sol Plaatje - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<u>Borrowing Management</u>											
Credit Rating					Baa1 za	1,6	1,6	1,6			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1,9%	3,3%	4,6%	1,2%	1,2%	1,2%	0,6%	1,1%	1,0%	1,0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1,8%	3,3%	4,7%	1,2%	1,2%	1,2%	0,5%	1,1%	1,0%	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%
<u>Safety of Capital</u>											
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%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	2,7	1,9	1,6	3,0	3,0	3,0	1,7	1,6	1,7	1,9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2,7	1,9	1,6	3,0	3,0	3,0	1,7	1,6	1,7	1,9
Liquidity Ratio	Monetary Assets/Current Liabilities	1,6	1,1	0,8	0,8	0,8	0,8	0,9	0,9	0,9	1,0
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0,0%	227,0%	137,8%	123,5%	123,8%	128,4%	128,4%	123,7%	134,6%	133,6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		227,0%	137,8%	123,5%	123,8%	128,4%	128,4%	123,7%	134,6%	133,6%	132,3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	45,4%	56,7%	54,2%	103,7%	100,8%	100,8%	71,1%	46,2%	43,3%	40,8%
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%
<u>Creditors Management</u>											
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		1599,6%	-163,4%	-148,9%	537,9%	1294,2%	1294,2%	2712,7%	2829,6%	2402,1%	1772,3%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical	0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kW) non technical	127533451	143330222	136602169	73211208	73211208	73211208	0	69736030	70433391	71137725
	Total Cost of Losses (Rand '000)	142 894	189 936	197 510	114 576	114 576	114 576	–	134 850	148 335	163 169
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	2969,0%	2938,0%	1500,0%	1500,0%	1500,0%	0,0%	1500,0%	1500,0%	1500,0%
	Bulk Purchase	112 784	#####	#####	#####	#####	#####	0,0%	#####	#####	#####
	Water Volumes :System input										
	Water treatment works										
	Natural sources										
	Total Volume Losses (kℓ)	22 778	22 764	22 819	16 727	16 727	16 727	–	17 604	17 479	17 504
	Total Cost of Losses (Rand '000)	69576202	75476261	77947877	61200000	48000000	48000000	0	65000000	68575000	72346625
% Volume (units purchased and generated less units sold)/units purchased and generated	0	6463,0%	6399,0%	4500,0%	4500,0%	4500,0%	0,0%	5000,0%	5000,0%	5000,0%	
Employee costs	Employee costs/(Total Revenue - capital revenue)	35,2%	35,5%	33,9%	32,4%	32,5%	32,5%	33,6%	32,1%	31,5%	30,9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	36,6%	36,9%	35,2%	33,7%	33,8%	33,8%	50,7%	33,4%	32,7%	32,1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	11,8%	12,6%	12,9%	12,6%	13,2%	13,2%	18,6%	12,2%	12,1%	11,9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4,9%	6,6%	7,7%	3,9%	3,8%	3,8%	0,5%	3,6%	3,5%	3,3%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	10 921,5	3 840,5	181,0	203,7	209,5	819,8	81,9	103,1	93,7	100,3
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	68,4%	89,2%	92,1%	169,4%	176,9%	176,9%	127,6%	70,3%	65,4%	60,9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0,3	(4,9)	(4,8)	0,9	0,4	0,4	0,4	0,2	0,2	0,3

References

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

C0911 Soil Plastic - Supporting Table SA3 Social, economic and demographic statistics and assumptions																								
Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2020/21				2021/22				2022/23				Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework			
					Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome					
Demographics	Ref																							
Population		201	243	248	270	270	270	270	270	270	270	270	270	270	270	270	270	270	270	270	270	270		
Females aged 5 - 14		5	5	5	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6		
Males aged 5 - 14		6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6		
Females aged 15 - 34		11	11	11	13	13	13	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11		
Males aged 15 - 34		11	11	11	12	12	12	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11		
Unemployment		30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30		
Monthly household income (no. of households)	1, 12																							
No income	R0	7 054	7 054	7 054	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992	7 992		
R1 - R4 800	R1 - R4 800	1 990	1 990	1 990	2 254	2 254	2 254	2 254	2 254	2 254	2 254	2 254	2 254	2 254	2 254	2 254	2 254	2 254	2 254	2 254	2 254	2 254		
R4 801 - R9 600	R4 801 - R9 600	3 196	3 196	3 196	3 620	3 620	3 620	3 620	3 620	3 620	3 620	3 620	3 620	3 620	3 620	3 620	3 620	3 620	3 620	3 620	3 620	3 620		
R9 601 - R19 500	R9 601 - R19 500	9 708	9 708	9 708	10 998	10 998	10 998	10 998	10 998	10 998	10 998	10 998	10 998	10 998	10 998	10 998	10 998	10 998	10 998	10 998	10 998	10 998		
R19 501 - R38 200	R19 501 - R38 200	11 276	11 276	11 276	12 774	12 774	12 774	12 774	12 774	12 774	12 774	12 774	12 774	12 774	12 774	12 774	12 774	12 774	12 774	12 774	12 774	12 774		
R38 201 - R76 400	R38 201 - R76 400	8 984	8 984	8 984	10 178	10 178	10 178	10 178	10 178	10 178	10 178	10 178	10 178	10 178	10 178	10 178	10 178	10 178	10 178	10 178	10 178	10 178		
R76 401 - R153 800	R76 401 - R153 800	7 236	7 236	7 236	8 197	8 197	8 197	8 197	8 197	8 197	8 197	8 197	8 197	8 197	8 197	8 197	8 197	8 197	8 197	8 197	8 197	8 197		
R153 801 - R307 600	R153 801 - R307 600	5 789	5 789	5 789	6 558	6 558	6 558	6 558	6 558	6 558	6 558	6 558	6 558	6 558	6 558	6 558	6 558	6 558	6 558	6 558	6 558	6 558		
R307 601 - R614 400	R307 601 - R614 400	3 497	3 497	3 497	3 962	3 962	3 962	3 962	3															

Description of economic indicator	Ref	Basis of calculation	2001 Census	2007 Survey	2011 Census	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			201	243	248	270	270	270	270	270	270	270
Females aged 5 - 14			5	5	5	6	6	6	6	6	6	6
Males aged 5 - 14			6	6	6	6	6	6	6	6	6	6
Females aged 15 - 34			11	11	11	13	13	11	11	11	11	11
Males aged 15 - 34			11	11	11	12	12	11	11	11	11	11
Unemployment			30	30	30	30	30	30	30	30	30	30
Monthly household income (no. of households)	1, 12											
No income		R0	7 054	7 054	7 054	7 952	7 952	7 952	7 952	7 952	7 952	7 952
R1 - R4,800		R1 - R4,800	1 990	1 990	1 990	2 254	2 254	2 254	2 254	2 254	2 254	2 254
R1,601 - R3,200		R4,801 - R6,600	3 196	3 196	3 196	3 620	3 620	3 620	3 620	3 620	3 620	3 620
R3,201 - R6,400		R6,601 - R19,600	9 708	9 708	9 708	10 998	10 998	10 998	10 998	10 998	10 998	10 998
R6,401 - R12,800		R19,601 - R38,200	11 276	11 276	11 276	12 774	12 774	12 774	12 774	12 774	12 774	12 774
R12,801 - R25,600		R38,201 - R76,400	8 984	8 984	8 984	10 178	10 178	10 178	10 178	10 178	10 178	10 178
R25,601 - R51,200		R76,401 - R153,800	7 236	7 236	7 236	8 197	8 197	8 197	8 197	8 197	8 197	8 197
R51,201 - R102,400		R153,801 - R307,600	5 789	5 789	5 789	6 558	6 558	6 558	6 558	6 558	6 558	6 558
R102,401 - R204,800		R307,601 - R614,400	3 497	3 497	3 497	3 962	3 962	3 962	3 962	3 962	3 962	3 962
R204,801 - R409,600		R614,401 - R1,228,800	1 085	1 085	1 085	1 229	1 229	1 229	1 229	1 229	1 229	1 229
R409,601 - R819,200		R1,228,801 - R2,457,600	241	241	241	273	273	273	273	273	273	273
> R819,200		R2,457,601 +	241	241	241	273	273	273	273	273	273	273
Poverty profiles (no. of households)												
< R2 050 per household per month	13											
Insert description	2											
Household demographics (000)												
Number of people in municipal area			201 465	243 018	248 041	270	270	270	270	270	270	270
Number of poor people in municipal area			81	74	33	68	68	68	68	68	68	68
Number of households in municipal area			59 529	51 210	60 296	68	68	68	68	68	68	68
Number of poor households in municipal area			-	-	9	-	0	-	9	9	0	-
Definition of poor household (R per month)												
Housing statistics	3											
Formal			49 212	49 212	49 212	58 832	58 832	58 832	58 832	58 832	58 832	58 832
Informal			9 247	5 733	10 378	8 998	8 998	8 998	8 998	8 998	8 998	8 998
Total number of households			58 459	54 945	59 590	67 830	67 830	67 830	67 830	67 830	67 830	67 830
Dwellings provided by municipality	4		-	-	-	-	-	-	-	-	-	-
Dwellings provided by province/s			-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector	5		-	-	-	-	-	-	-	-	-	-
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)						2.9%	4.9%	5.3%	5.3%	4.9%	4.6%	4.6%
Interest rate - borrowing						12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Interest rate - investment						6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Remuneration increases						6.3%	3.5%	4.9%	5.0%	4.9%	5.5%	5.5%
Consumption growth (electricity)						1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Consumption growth (water)						1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Collection rates	7											
Property tax/service charges						71.0%	68.0%	70.0%	85.0%	85.0%	85.0%	85.0%
Rent of facilities & equipment						10.0%	10.0%	15.0%	15.0%	15.0%	20.0%	25.0%
Interest - external investments						6.0%	35.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Interest - debtors						25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Revenue from agency services						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Detail on the provision of municipal services for A10

Total municipal services			2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Ref		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
8 9 10		Household service targets (000)										
		Water:										
		Piped water inside dwelling	45 497	45 497	45 497	45 497	45 497	45 497	45 497	45 497	45 497	
		Piped water inside yard (but not in dwelling)	16 686	16 686	16 686	16 686	16 686	16 686	16 686	16 686	16 686	
		Using public tap (at least min service level)	--	--	--	--	--	--	--	--	--	
		Other water supply (at least min service level)	--	--	--	--	--	--	--	--	--	
		Minimum Service Level and Above sub-total	62 183	62 183	62 183	62 183	62 183	62 183	62 183	62 183	62 183	
		Using public tap (< min service level)	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455	
		Other water supply (< min service level)	--	--	--	--	--	--	--	--	--	
		No water supply	1 677	1 677	1 677	1 677	1 677	1 677	1 677	1 677	1 677	
		Below Minimum Service Level sub-total	6 132	6 132	6 132	6 132	6 132	6 132	6 132	6 132	6 132	
		Total number of households	68 315	68 315	68 315	68 315	68 315	68 315	68 315	68 315	68 315	
		Sanitation/sewerage:										
		Flush toilet (connected to sewerage)	59 366	59 366	59 366	59 366	59 366	59 366	59 366	59 366	59 366	
		Flush toilet (with septic tank)	--	--	--	--	--	--	--	--	--	
		Chemical toilet	407	407	407	407	407	407	407	407	407	
		Pit toilet (ventilated)	2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530	
		Other toilet provisions (< min service level)	--	--	--	--	--	--	--	--	--	
		Minimum Service Level and Above sub-total	62 303	62 303	62 303	62 303	62 303	62 303	62 303	62 303	62 303	
		Bucket toilet	3 292	3 292	3 292	3 292	3 292	3 292	3 292	3 292	3 292	
		Other toilet provisions (< min service level)	678	678	678	678	678	678	678	678	678	
		No toilet provisions	2 042	2 042	2 042	2 042	2 042	2 042	2 042	2 042	2 042	
		Below Minimum Service Level sub-total	6 012	6 012	6 012	6 012	6 012	6 012	6 012	6 012	6 012	
		Total number of households	68 315	68 315	68 315	68 315	68 315	68 315	68 315	68 315	68 315	
		Energy:										
		Electricity (at least min service level)	12 358	9 795	8 511	7 158	7 158	7 158	7 158	5 771	4 350	3 698
		Electricity - prepaid (min service level)	50 267	52 830	54 114	55 467	55 467	55 467	55 467	56 854	59 075	60 552
	Minimum Service Level and Above sub-total	62 625	62 625	62 625	62 625	62 625	62 625	62 625	62 625	63 425	64 250	
	Electricity (< min service level)	4 335	4 335	4 335	4 335	4 335	4 335	4 335	4 335	3 535	2 710	
	Electricity - prepaid (< min service level)	--	--	--	--	--	--	--	--	--	--	
	Other energy sources	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	
	Below Minimum Service Level sub-total	5 689	5 689	5 689	5 689	5 689	5 689	5 689	5 689	4 889	4 064	
	Total number of households	68 314	68 314	68 314	68 314	68 314	68 314	68 314	68 314	68 314	68 314	
	Refuse:											
	Removed at least once a week	56 740	56 740	56 740	56 740	56 740	56 740	56 740	56 740	57 240	57 740	
	Minimum Service Level and Above sub-total	56 740	56 740	56 740	56 740	56 740	56 740	56 740	56 740	57 240	57 740	
	Removed less frequently than once a week	757	757	757	757	757	757	757	757	757	757	
	Using communal refuse dump	2 545	2 545	2 545	2 545	2 545	2 545	2 545	2 545	2 545	2 545	
	Using own refuse dump	3 697	3 697	3 697	3 697	3 697	3 697	3 697	3 697	3 697	3 697	
	Other rubbish disposal	259	259	259	259	259	259	259	259	259	259	
	No rubbish disposal	4 316	4 316	4 316	4 316	4 316	4 316	4 316	4 316	3 816	3 012	
	Below Minimum Service Level sub-total	11 574	11 574	11 574	11 574	11 574	11 574	11 574	11 574	11 074	10 574	
	Total number of households	68 314	68 314	68 314	68 314	68 314	68 314	68 314	68 314	68 314	68 314	

Municipal in-house services			2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Ref		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
8 9 10		Household service targets (000)										
		Water:										
		Piped water inside dwelling	45 497	45 497	45 497	45 497	45 497	45 497	45 497	45 497	45 497	
		Piped water inside yard (but not in dwelling)	16 686	16 686	16 686	16 686	16 686	16 686	16 686	16 686	16 686	
		Using public tap (at least min service level)	--	--	--	--	--	--	--	--	--	
		Other water supply (at least min service level)	--	--	--	--	--	--	--	--	--	
		Minimum Service Level and Above sub-total	62 183	62 183	62 183	62 183	62 183	62 183	62 183	62 183	62 183	
		Using public tap (< min service level)	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455	4 455	
		Other water supply (< min service level)	--	--	--	--	--	--	--	--	--	
		No water supply	1 677	1 677	1 677	1 677	1 677	1 677	1 677	1 677	1 677	
		Below Minimum Service Level sub-total	6 132	6 132	6 132	6 132	6 132	6 132	6 132	6 132	6 132	
		Total number of households	68 315	68 315	68 315	68 315	68 315	68 315	68 315	68 315	68 315	
		Sanitation/sewerage:										
		Flush toilet (connected to sewerage)	59 366	59 366	59 366	59 366	59 366	59 366	59 366	59 366	59 366	
		Flush toilet (with septic tank)	--	--	--	--	--	--	--	--	--	
		Chemical toilet	407	407	407	407	407	407	407	407	407	
		Pit toilet (ventilated)	2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530	
		Other toilet provisions (< min service level)	--	--	--	--	--	--	--	--	--	
		Minimum Service Level and Above sub-total	62 303	62 303	62 303	62 303	62 303	62 303	62 303	62 303	62 303	
		Bucket toilet	3 292	3 292	3 292	3 292	3 292	3 292	3 292	3 292	3 292	
		Other toilet provisions (< min service level)	678	678	678	678	678	678	678	678	678	
		No toilet provisions	2 042	2 042	2 042	2 042	2 042	2 042	2 042	2 042	2 042	
		Below Minimum Service Level sub-total	6 012	6 012	6 012	6 012	6 012	6 012	6 012	6 012	6 012	
		Total number of households	68 315	68 315	68 315	68 315	68 315	68 315	68 315	68 315	68 315	
		Energy:										
		Electricity (at least min service level)	12 358	9 795	8 511	7 158	7 158	7 158	7 158	5 771	4 350	3 698
		Electricity - prepaid (min service level)	50 267	52 830	54 114	55 467	55 467	55 467	55 467	56 854	59 075	60 552
	Minimum Service Level and Above sub-total	62 625	62 625	62 625	62 625	62 625	62 625	62 625	62 625	63 425	64 250	
	Electricity (< min service level)	4 335	4 335	4 335	4 335	4 335	4 335	4 335	4 335	3 535	2 710	
	Electricity - prepaid (< min service level)	--	--	--	--	--	--	--	--	--	--	
	Other energy sources	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	
	Below Minimum Service Level sub-total	5 689	5 689	5 689	5 689	5 689	5 689	5 689	5 689	4 889	4 064	
	Total number of households	68 314	68 314	68 314	68 314	68 314	68 314	68 314	68 314	68 314	68 314	
	Refuse:											
	Removed at least once a week	56 740	56 740	56 740	56 740	56 740	56 740	56 740	56 740	57 240	57 740	
	Minimum Service Level and Above sub-total	56 740	56 740	56 740	56 740	56 740	56 740	56 740	56 740	57 240	57 740	
	Removed less frequently than once a week	757	757	757	757	757	757	757	757	757	757	
	Using communal refuse dump	2 545	2 545	2 545	2 545	2 545	2 545	2 545	2 545	2 545	2 545	
	Using own refuse dump	3 697	3 697	3 697	3 697	3 697	3 697	3 697	3 697	3 697	3 697	
	Other rubbish disposal	259	259	259	259	259	259	259	259	259	259	
	No rubbish disposal	4 316	4 316	4 316	4 316	4 316	4 316	4 316	4 316	3 816	3 012	
	Below Minimum Service Level sub-total	11 574	11 574	11 574	11 574	11 574	11 574	11 574	11 574	11 074	10 574	
	Total number of households	68 314	68 314	68 314	68 314	68 314	68 314	68 314	68 314	68 314	68 314	

Municipal entity services	Ref		2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Name of municipal entity		Household service targets (000)									
		<u>Water:</u>									
		Piped water inside dwelling									
	8	Piped water inside yard (but not in dwelling)									
	10	Using public tap (at least min.service level)									
		Other water supply (at least min.service level)									
	9	Minimum Service Level and Above sub-total	--	--	--	--	--	--	--	--	--
	10	Using public tap (< min.service level)									
		Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total	--	--	--	--	--	--	--	--	--
		Total number of households	--	--	--	--	--	--	--	--	--
Name of municipal entity		<u>Sanitation/sewerage:</u>									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		Minimum Service Level and Above sub-total	--	--	--	--	--	--	--	--	--
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		Below Minimum Service Level sub-total	--	--	--	--	--	--	--	--	--
		Total number of households	--	--	--	--	--	--	--	--	--
Name of municipal entity		<u>Energy:</u>									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		Minimum Service Level and Above sub-total	--	--	--	--	--	--	--	--	--
		Electricity (< min.service level)									
		Electricity - prepaid (< min.service level)									
		Other energy sources									
		Below Minimum Service Level sub-total	--	--	--	--	--	--	--	--	--
		Total number of households	--	--	--	--	--	--	--	--	--
Name of municipal entity		<u>Refuse:</u>									
		Removed at least once a week									
		Minimum Service Level and Above sub-total	--	--	--	--	--	--	--	--	--
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		Below Minimum Service Level sub-total	--	--	--	--	--	--	--	--	--
		Total number of households	--	--	--	--	--	--	--	--	--
Services provided by 'external mechanisms'	Ref		2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Names of service providers		Household service targets (000)									
		<u>Water:</u>									
		Piped water inside dwelling									
	8	Piped water inside yard (but not in dwelling)									
	10	Using public tap (at least min.service level)									
		Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total	--	--	--	--	--	--	--	--	--
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total	--	--	--	--	--	--	--	--	--
		Total number of households	--	--	--	--	--	--	--	--	--
Names of service providers		<u>Sanitation/sewerage:</u>									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		Minimum Service Level and Above sub-total	--	--	--	--	--	--	--	--	--
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		Below Minimum Service Level sub-total	--	--	--	--	--	--	--	--	--
		Total number of households	--	--	--	--	--	--	--	--	--
Names of service providers		<u>Energy:</u>									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		Minimum Service Level and Above sub-total	--	--	--	--	--	--	--	--	--
		Electricity (< min.service level)									
		Electricity - prepaid (< min.service level)									
		Other energy sources									
		Below Minimum Service Level sub-total	--	--	--	--	--	--	--	--	--
		Total number of households	--	--	--	--	--	--	--	--	--
Names of service providers		<u>Refuse:</u>									
		Removed at least once a week									
		Minimum Service Level and Above sub-total	--	--	--	--	--	--	--	--	--
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		Below Minimum Service Level sub-total	--	--	--	--	--	--	--	--	--
		Total number of households	--	--	--	--	--	--	--	--	--
Detail of Free Basic Services (FBS) provided	Ref		2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Electricity		Location of households for each type of FBS									
		Formal settlements - (50 kwh per indigent household per month Rands)	9 970 540	7 110 331	6 569 232	12 000 000	12 000 000	12 000 000	12 000 000	13 200 000	14 520 000

		Number of HH receiving this type of FBS	11 980	12 264	12 033	11 800	11 800	11 800	11 800	11 800	11 800
		Informal settlements (Rands)	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
		Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
		Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
		Other (Rands)	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
		Total cost of FBS - Electricity for informal settlements	-	-	-	-	-	-	-	-	-
Water	Rat	Location of households for each type of FBS	-	-	-	-	-	-	-	-	-
		Formal settlements - (6 kilolitre per indigent household per month Rands)	4 366 113	4 245 870	4 392 359	8 000 000	8 000 000	8 000 000	10 000 000	10 550 000	11 130 250
		Number of HH receiving this type of FBS	11 980	12 264	12 033	11 800	11 800	11 800	11 800	11 800	11 800
		Informal settlements (Rands)	4 437 234	4 437 234	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
		Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
		Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
		Other (Rands)	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
		Total cost of FBS - Water for informal settlements	4 437 234	4 437 234	-	-	-	-	-	-	-
Sanitation	Rat	Location of households for each type of FBS	-	-	-	-	-	-	-	-	-
		Formal settlements - (free sanitation service to indigent households)	266 984	19 439 334	21 232 226	21 000 000	21 000 000	21 000 000	24 400 000	25 863 400	27 335 743
		Number of HH receiving this type of FBS	11 980	12 264	12 033	11 800	11 800	11 800	11 800	11 800	11 800
		Informal settlements (Rands)	7 229 000	10 572 000	7 016 000	9 600 000	5 658 000	5 658 000	9 600 000	10 340 000	11 117 000
		Number of HH receiving this type of FBS	407	407	407	407	407	407	407	407	407
		Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
		Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
		Other (Rands)	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
		Total cost of FBS - Sanitation for informal settlements	7 229 000	10 572 000	7 016 000	9 600 000	5 658 000	5 658 000	9 600 000	10 340 000	11 117 000
Refuse Removal	Rat	Location of households for each type of FBS	-	-	-	-	-	-	-	-	-
		Formal settlements - (removed once a week to indigent households)	12 444 943	13 331 455	14 442 364	14 500 000	14 500 000	14 500 000	16 000 000	16 800 000	17 724 000
		Number of HH receiving this type of FBS	11 980	12 264	12 033	11 800	11 800	11 800	11 800	11 800	11 800
		Informal settlements (Rands)	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
		Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
		Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
		Other (Rands)	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
		Total cost of FBS - Refuse Removal for informal settlements	-	-	-	-	-	-	-	-	-

References

1. Monthly household income threshold. Should include all sources of income.
2. Show the poverty analysis the municipality uses to determine its indigent 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Funding measures												
Cash/equivalents at the year end - R'000	18/1(a)	1	33 253	(669 197)	(869 139)	174 327	73 214	73 214	48 281	45 476	50 240	63 579
Cash + investments at the y end and less applications - R'000	18/1(b)	2	(36 726)	(117 606)	(344 372)	448 082	321 548	321 548	(559 462)	824 748	904 525	995 417
Cash year end/monthly employee/supplier payments	18/1(b)	3	0.3	(4.9)	(4.8)	0.9	0.4	0.4	0.4	0.2	0.2	0.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18/1(c)	4	235 091	196 110	76 072	242 584	231 649	231 649	236 229	602 003	705 202	166 326
Service charge rev % change - macro CPX target exclusive	18/1(a)(2)	5	N.A.	1.1%	(2.3%)	15.4%	(5.1%)	(6.0%)	(39.6%)	2.9%	2.0%	1.8%
Cash receipts % of Ratespayer & Other revenue	18/1(a)(2)	6	32.6%	37.8%	41.4%	34.4%	33.0%	33.0%	36.4%	94.7%	94.0%	93.4%
Debt impairment expense as a % of total billable revenue	18/1(a)(2)	7	0.0%	0.0%	21.1%	14.6%	15.0%	15.0%	17.0%	15.5%	15.4%	15.3%
Capital payments % of capital expenditure	18/1(c)-19	8	97.4%	100.0%	100.0%	100.0%	100.0%	100.0%	77.7%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18/1(c)	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18/1(a)	10								100.0%	100.0%	100.0%
Current consumer debtors % change - inc/(dec)	18/1(a)	11	N.A.	15.7%	(2.7%)	47.5%	2.7%	0.0%	(26.7%)	0.7%	0.5%	0.5%
Long term receivables % change - inc/(dec)	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(v)(i)	13	11.7%	12.4%	14.0%	14.2%	15.2%	15.2%	13.4%	14.2%	19.7%	0.0%
Asset renewal % of capital budget	20/1(v)(i)	14	29.5%	27.7%	34.3%	60.1%	56.5%	56.5%	0.0%	72.5%	87.8%	41.8%
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 annum 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 annum 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												
% inc total service charges (incl prop rates)	18/1(a)		0.0%	7.1%	3.1%	21.4%	(3.1%)	0.0%	(33.6%)	8.9%	8.0%	7.8%
% inc Property Tax	18/1(a)		0.0%	5.0%	1.8%	8.2%	0.0%	0.0%	(24.2%)	4.0%	7.8%	6.7%
% inc Service charges - Electricity	18/1(a)		0.0%	10.3%	3.9%	37.1%	(3.9%)	0.0%	(40.5%)	10.4%	9.2%	9.2%
% inc Service charges - Water	18/1(a)		0.0%	4.9%	(0.1%)	20.4%	(8.3%)	0.0%	(25.4%)	14.5%	6.0%	6.3%
% inc Service charges - Waste Water Management	18/1(a)		0.0%	4.8%	8.9%	0.7%	0.0%	0.0%	(26.5%)	6.7%	6.0%	5.4%
% inc Service charges - Waste Management	18/1(a)		0.0%	4.8%	13.2%	(2.2%)	0.0%	0.0%	(21.7%)	10.5%	5.8%	5.9%
% inc 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%	0.0%
Total billable revenue	18/1(a)		1 624 125	1 739 628	1 793 658	2 178 149	2 111 479	2 111 479	1 402 625	2 298 365	2 482 792	2 675 715
Service charges	18/1(a)		1 624 125	1 739 628	1 793 658	2 178 149	2 111 479	2 111 479	1 402 625	2 298 365	2 482 792	2 675 715
Property rates	18/1(a)		571 075	599 898	610 991	660 893	660 893	660 893	500 804	687 320	740 628	790 495
Service charges - electricity revenue	18/1(a)		659 307	726 941	754 074	1 034 872	995 202	995 202	592 614	1 099 199	1 199 792	1 309 939
Service charges - water revenue	18/1(a)		259 156	271 961	271 599	327 114	300 114	300 114	193 724	343 685	364 274	387 189
Service charges - sanitation revenue	18/1(a)		78 186	81 934	89 203	89 858	89 858	89 858	64 249	95 895	101 631	107 153
Service charges - refuse removal	18/1(a)		56 401	59 094	66 080	65 412	65 412	65 412	51 233	72 271	76 487	80 948
Agency services	18/1(a)		--	--	--	--	--	--	--	--	--	--
Capital expenditure excluding capital grant funding	18/1(a)		15 186	14 263	29 624	35 240	55 390	55 390	11 703	41 500	31 500	31 500
Cash receipts from ratespayers	18/1(a)		1 545 883	1 673 641	2 202 365	1 977 691	1 978 350	1 978 350	1 577 992	2 281 905	2 444 701	2 616 111
Ratespayer & Other revenue	18/1(a)		4 757 652	4 952 368	5 168 611	5 746 062	5 599 772	5 599 772	4 339 807	5 490 837	6 061 937	6 265 481
Change in consumer debtors (current and non-current)	18/1(a)		N/A	274 275	(54 724)	973 450	78 222	--	(833 593)	14 349	11 357	10 955
Operating and Capital Grant Revenue	18/1(a)		372 988	359 653	372 806	496 154	503 497	503 497	321 948	871 500	976 189	455 107
Capital expenditure - total	20/1(v)(i)		119 502	127 081	126 016	249 473	271 284	271 284	90 443	613 729	689 404	146 013
Capital expenditure - renewal	20/1(v)(i)		35 223	35 213	43 188	149 947	153 147	153 147	445 171	605 400	671 013	
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPX guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DuRA operating grants total MFY										290 671	309 169	330 931
DuRA capital grants total MFY										572 229	657 904	114 513
Provincial operating grants										8 600	9 116	9 663
Provincial capital grants										--	--	--
District Municipality grants										--	--	--
Total gazetted/advised national, provincial and district grants										871 500	976 189	455 107
Average annual collection rate (years inclusive)												
DuRA operating												
Prnp										1 800	1 800	2 000
Indg										4 500	4 800	4 500
Equitable Share										282 104	302 569	324 431
Ejwep										2 267	--	--
										299 671	309 169	330 931
DuRA capital												
Alleg										--	2 000	30 000
Imp										--	16 500	14 000
Walg										--	--	--
Exodon										5 000	5 000	5 000
Indg										75 229	60 404	65 513
Rnp										492 000	574 000	--
										572 229	657 904	114 513
Trend												
Change in consumer debtors (current and non-current)			N/A	274 275	(54 724)	973 450	78 222	--	(833 593)	14 349	11 357	10 955
Total Operating Revenue												
			2 064 336	2 178 297	2 422 901	2 719 604	2 798 666	2 798 666	1 948 819	2 958 278	3 168 499	3 393 664
Total Operating Expenditure			1 941 807	2 182 704	2 458 365	2 691 252	2 782 911	2 782 911	1 768 473	2 928 505	3 121 201	3 341 849
Operating Performance Surplus/(Deficit)			122 529	(4 407)	(35 464)	28 351	15 755	15 755	180 346	29 774	47 298	51 815
Cash and Cash Equivalents (30 June 2024)												
Revenue												
% Increase in Total Operating Revenue			5.5%	11.2%	12.2%	2.9%	0.0%	0.0%	(30.4%)	5.7%	7.1%	7.1%
% Increase in Property Rates Revenue			5.0%	1.8%	8.2%	0.0%	0.0%	0.0%	(24.2%)	37.2%	7.8%	6.7%
% Increase in Electricity Revenue			10.3%	3.9%	37.1%	(3.9%)	0.0%	0.0%	(40.5%)	10.4%	9.2%	9.2%
% Increase in Property Rates & Services Charges			7.1%	3.1%	21.4%	(3.1%)	0.0%	0.0%	(33.6%)	8.9%	8.0%	7.8%
Expenditure												
% Increase in Total Operating Expenditure			0.0%	12.4%	12.6%	9.5%	3.4%	0.0%	(36.5%)	5.2%	6.6%	7.1%
% Increase in Employee Costs			0.0%	6.4%	6.3%	7.3%	3.3%	0.0%	(26.1%)	4.4%	5.0%	5.1%
% Increase in Electricity Bulk Purchases			0.0%	16.3%	5.1%	16.8%	0.6%	0.0%	(31.6%)	13.8%	10.0%	10.0%
Average Cost Per Budgeted Employee Position (Remuneration)			0	181232.8339	458062.2351	334460.2712	543602.0149	3761942.459	248145.5564	360721.769	595791.3319	4332915.596
Average Cost Per Councillor (Remuneration)			0	0	495758.1597	547690.7546	547690.7546	0	494963.1235	574508.7692	598919.5538	0
R&M % of PPE			11.7%	12.4%	14.0%	14.0%	14.2%	15.2%	13.4%	14.2%	19.7%	14.6%
Asset Renewal and R&M as a % of PPE			15.0%	15.1%	17.3%	22.9%	23.2%	23.2%	32.9%	38.1%	24.6%	24.6%
Debt Impairment % of Total Billable Revenue			0.0%	0.0%	21.1%	14.6%	15.0%	15.0%	17.0%	15.5%	15.4%	15.3%
Capital Revenue												
Internally Funded & Other (R'000)			15 186	14 263	29 624	35 240	55 390	55 390	11 703	41 500	31 500	31 500
Borrowing (R'000)			--	--	--	--	--	--	--	--	--	--
Grant Funding and Other (R'000)			104 315	112 618	96 392	214 233	215 894	215 894	78 740	572 229	657 904	114 513
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			87.3%	88.8%	76.5%	85.9%	79.5%	79.5%	87.1%	93.2%	95.4%	78.4%
Capital Expenditure												
Total Capital Programme (R'000)			119 502	127 081	126 016	246 473	271 284	271 284	90 443	613 729	689 404	146 013
Asset Renewal			57 638	60 963	72 240	290 493	72 744	102 744	100 000	535 695	639 064	99 513
Asset Renewal % of Total Capital Expenditure			56.8%	48.0%	59.7%	80.4%	71.7%	71.0%	0.0%	85.8%	92.7%	88.2%
Cash												
Cash			(36 726)	(117 606)	(344 372)	448 082	321 548	321 548	(559 462)	824 748	904 525	995 417
Cash Coverage Ratio			0	(0)	(0)	0	0	0	0	0	0	0
Borrowing												
Most recent credit Rating												
Capital Grants to Operating			1.9%	3.3%	4.8%	1.2%	1.2%	1.2%	0.0%	1.1%	1.0%	1.0%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												
Uncommitted reserves after application of cash and investments			(36 726)	(117 606)	(344 372)	448 082	321 548	321 548	(559 462)	824 748	904 525	995 417
Free Basic Services as a % of Equitable Share			16.5%	27.9%	22.4%	24.7%	23.2%	23.2%	25.5%	25.5%	25.4%	25.2%
Free Services as a % of Operating Revenue (excl operational transfers)			5.9%	4.7%	4.2%	4.3%	4.2%	4.2%	6.4%	4.0%	4.0%	4.0%
High Level Outcome of Funding Compliance												
Total Operating Revenue			2 064 336	2 178 297	2 422 901	2 719 604	2 798 666	2 798 666	1 948 819	2 958 278	3 168 499	3 393 664
Total Operating Expenditure			1 941 807	2 182 704	2 458 365	2 691 252	2 782 911	2 782 911	1 768 473	2 928 505	3 121 201	3 341 849
Surplus/(Deficit) Budgeted Operating Statement			122 529	(4 407)	(35 464)	28 351	15 755	15 755	180 346	29 774	47 298	51 815
Surplus/(Deficit) Contingent Reserves and Cash Banking			(66 728)	(117 606)	(344 372)	448 082	321 548	321 548	(559 462)	824 748	904 525	995 417
MTREE Funded % (Unfunded %)	15		0	0	0	✓	✓	✓	✓	✓	✓	✓
MTREE Funded % (Unfunded %)	15		0	0	0	✓	✓	✓	✓	✓	✓	✓

NC091 Sol Plaatje - Supporting Table SA11 Property rates summary

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Valuation:	1	2019-01-01	2019-01-01	2000-01-01	2000-01-01					
Date of valuation:		2019	2019	0	0			0		
Financial year valuation used	2	No	No	No	No			No		
Municipal by-laws s6 in place? (Y/N)										
Municipal/assistant valuer appointed? (Y/N)										
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3	–	1	1	1	1	1	1	1	2
No. of data collectors (FTE)	3	–	6	–	6	6	6	6	6	6
No. of internal valuers (FTE)	3	–	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)		No	No	No	No			No		
Implementation time of new valuation roll (mths)		–	–	–	48			36		
No. of properties	5	–	57 855	59 220	62 181	60 154	60 154	61 357	62 584	63 836
No. of sectional title values	5	–	1 180	1 241	1 303	1 271	1 271	1 296	1 322	1 349
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–
No. of supplementary valuations		–	539	2 558	2 686	355	355	362	369	377
No. of valuation roll amendments		–	539	2 558	2 686	355	355	362	369	377
No. of objections by rate payers		–	3	–	800	266	266	1	2	2
No. of appeals by rate payers		–	1	–	20	34	34	–	–	–
No. of successful objections	8	–	–	–	320	116	116	1	1	1
No. of successful objections > 10%	8	–	8	–	100	52	52	1	1	1
Supplementary valuation		–	1	1	1	1	1	1	1	1
Public service infrastructure value (Rm)	5	–	129	129	132	157	157	157	157	157
Municipality owned property value (Rm)		–	1 230	1 273	1 337	1 524	1 524	1 555	1 570	1 586
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)		–	721	723	759	745	745	753	760	768
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
Total valuation reductions:		–	721	723	759	745	745	753	760	768
Total value used for rating (Rm)	5	–	35 252	35 385	37 154	39 596	39 596	40 388	41 196	42 020
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5	–	35 973	36 107	37 913	40 341	40 341	41 148	41 971	42 811
Rating:										
Residential rate used to determine rate for other categories? (Y/N)	5	No	No	Yes	Yes			Yes		
Differential rates used? (Y/N)		No	No	Yes	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)				No	No			No		
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0
Rates policy accompanying budget? (Y/N)		No	No	Yes	Yes			Yes		
Fixed amount minimum value (R'000)		–	–	–	–			–		
Non-residential prescribed ratio s19? (%)		0,0%	0,0%	0,0%	0,0%			0,0%		
Rate revenue:										
Rate revenue budget (R '000)	6	–	623 318	636 799	668 639	681 898	681 898	695 535	709 446	723 635
Rate revenue expected to collect (R'000)	6	–	560 986	573 119	601 775	613 708	613 708	625 982	638 502	651 272
Expected cash collection rate (%)		0,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	0,0%
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)		–	3 033	2 594	2 724	2 011	2 011	2 051	2 092	2 134
Rebates, exemptions - bona fide farm. (R'000)		–	3 045	3 177	3 336	3 654	3 654	3 727	3 802	3 878
Rebates, exemptions - other (R'000)		–	17 161	17 859	18 751	16 888	16 888	17 226	17 570	17 922
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–
Total rebates, exemptns, reductns, discs (R'000)		–	23 239	23 630	24 812	22 553	22 553	23 005	23 465	23 934

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)
Current Year 2023/24												
Valuation:												
No. of properties		2 228	177	20	48 271	419	6 875	133	464	1 567	–	–
No. of sectional title property values		82	2	–	1 185	–	2	–	–	–	–	–
No. of unreasonably difficult properties s7(2)												
No. of supplementary valuations		53	2	3	179	10	22	1	1	84	–	–
Supplementary valuation (Rm)		241 890 000	18 100 000	23 200 000	220 685 000	61 660 000	76 339 800	31 400 000	1 000	92 328 000	–	–
No. of valuation roll amendments		53	2	3	179	10	22	1	1	84	–	–
No. of objections by rate-payers		65	8	7	123	6	3	38	1	15	–	–
No. of appeals by rate-payers		23	–	5	2	2	–	–	–	2	–	–
No. of appeals by rate-payers finalised		23	–	1	2	2	–	–	–	2	–	–
No. of successful objections	5	38	5	5	53	6	3	–	–	6	–	–
No. of successful objections > 10%	5	22	2	–	20	4	–	–	–	4	–	–
Estimated no. of properties not valued												
Years since last valuation (select)		1	1	1	1		1		1			
Frequency of valuation (select)		4	4	4	4		4		4			
Method of valuation used (select)		Market	Market	Market	Market		Market		Market			
Base of valuation (select)		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			
Valuation reductions:												
Valuation reductions-public infrastructure (Rm)												
Valuation reductions-nature reserves/park (Rm)												
Valuation reductions-mineral rights (Rm)												
Valuation reductions-R15,000 threshold (Rm)		–	–	–	724	–	–	–	–	21	–	–
Valuation reductions-public worship (Rm)												
Valuation reductions-other (Rm)												
Total valuation reductions:												
Total value used for rating (Rm)	6	7 480	783	103	22 777	2 629	2 707	2 499	157	460	–	–
Total land value (Rm)	6											
Total value of improvements (Rm)	6											
Total market value (Rm)	6	7 480	783	103	23 500	2 629	2 707	2 499	157	481	–	–
Rating:												
Average rate	3	–	–	–	–	–	–	–	–	–	–	–
Rate revenue budget (R '000)		252 889	27 213	6 887	261 487	3 904	–	118 754	–	10 764	–	–
Rate revenue expected to collect (R'000)		227 600	24 492	6 199	235 338	3 513	–	106 878	–	9 688	–	–
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)		–	–	–	2 011	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	3 654	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		7 229	30	300	9 268	61	–	–	–	338	–	–
Phase-in reductions/discounts (R'000)												
Total rebates,exemptns,eductns,discs (R'000)												

References

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

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

Description	Ref	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)
Budget Year 2024/25												
Valuation:												
No. of properties		2 273	181	20	49 236	427	7 013	136	473	1 598	–	–
No. of sectional title property values		84	2	–	1 209	–	2	–	–	–	–	–
No. of unreasonably difficult properties s7(2)												
No. of supplementary valuations		54	2	3	183	10	22	1	1	86	–	–
Supplementary valuation (Rm)		246 727 800	18 462 000	23 664 000	225 098 700	62 893 200	77 866 596	32 028 000	1 020	94 174 560	–	–
No. of valuation roll amendments		54	2	3	183	10	19	1	1	86	–	–
No. of objections by rate-payers		1	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	1	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	1	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued												
Years since last valuation (select)		2	2	2	2		2		2			
Frequency of valuation (select)		4	4	4	4		4		4			
Method of valuation used (select)		Market	Market	Market	Market		Market		Market			
Base of valuation (select)		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			
Valuation reductions:												
Valuation reductions-public infrastructure (Rm)												
Valuation reductions-nature reserves/park (Rm)												
Valuation reductions-mineral rights (Rm)												
Valuation reductions-R15,000 threshold (Rm)		–	–	–	731	–	–	–	–	22	–	–
Valuation reductions-public worship (Rm)												
Valuation reductions-other (Rm)												
Total valuation reductions:												
Total value used for rating (Rm)	6	7 630	799	105	23 232	2 681	2 762	2 549	161	469	–	–
Total land value (Rm)	6											
Total value of improvements (Rm)	6											
Total market value (Rm)	6	7 630	799	105	23 970	2 681	2 762	2 549	161	491	–	–
Rating:												
Average rate	3	–	–	–	–	–	–	–	–	–	–	–
Rate revenue budget (R '000)		257 947	27 757	7 025	266 716	3 982	–	121 129	–	10 980	–	–
Rate revenue expected to collect (R'000)		232 152	24 981	6 322	240 045	3 583	–	109 016	–	9 882	–	–
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)		–	–	–	2 051	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	3 727	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		7 374	30	306	9 454	62	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)												
Total rebates,exemptns,eductns,discs (R'000)												

References

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

6. *Provide relevant information for historical comparisons.*

NC091 Sol Plaatje - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
							Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Property rates (rate in the Rand)	1								
Residential properties		Residential	0,0104	0,0116	0,0116	0,0116	0,0121	0,0131	0,0140
Residential properties - vacant land			-	-	-	0,0168	0,0197	-	-
Formal/informal settlements									
Small holdings									
Farm properties - used		Agricultural farms	0,0026	0,0029	0,0029	0,0029	0,0030	0,0033	0,0035
Farm properties - not used		Agricultural business	0,0026	0,0029	0,0029	0,0029	0,0030	0,0033	0,0035
Industrial properties		Industrial	0,0332	0,0372	0,0372	0,0348	0,0364	0,0392	0,0418
Business and commercial properties		Business/Residential	0,0311	0,0349	0,0349	0,0348	0,0364	0,0392	0,0418
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	-	-	-	-	-	-	-
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Property rates by usage									
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)									
Exemptions, reductions and rebates (Rands)									
Residential properties									
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									
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fixd fee (Rands/month)									
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/k)									
Water usage - life line tariff		Residential (7-20kl)	28	31	31	32	34	36	39
Water usage - Block 1 (c/kl)		Residential (21-40kl)	32	34	34	36	39	41	43
Water usage - Block 2 (c/kl)		Residential (41-60kl)	34	36	36	38	41	43	46

Water usage - Block 3 (c/kl)		Residential (more than 60kl)	36	39	39	41	44	46	49
Water usage - Block 4 (c/kl)		Residential (0-6kl)	7	7	7	8	8	9	9
Water usage - Block 5 (c/kl)		(fill in thresholds)							
Water usage - Block 6 (c/kl)		(fill in thresholds)							
Other	2								
Waste water tariffs									
Domestic									
Basic charge/ fixed fee (Rands/month)		Basic charge	174	189	189	198	213	225	238
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)								
Other	2	(fill in structure)						
Electricity tariffs								
Domestic								
Basic charge/ fixed fee (Rands/month)		-	-	-	77	85	93	101
Service point - vacant land (Rands/month)								
FBE		-	-	-	-	3	-	-
Life-line tariff - meter								
Life-line tariff - prepaid								
Flat rate tariff - meter (c/klwh)		-	-	-	-	-	-	-
Flat rate tariff - prepaid(c/klwh)		-	-	-	-	-	-	-
Meter - IBT Block 1 (c/klwh)		2	2	2	2	3	3	3
Meter - IBT Block 2 (c/klwh)		2	3	3	3	3	4	4
Meter - IBT Block 3 (c/klwh)		-	-	-	-	-	-	-
Meter - IBT Block 4 (c/klwh)		-	-	-	-	-	-	-
Meter - IBT Block 5 (c/klwh)								
Prepaid - IBT Block 1 (c/klwh)		2	-	-	2	3	-	-
Prepaid - IBT Block 2 (c/klwh)		2	-	-	3	3	-	-
Prepaid - IBT Block 3 (c/klwh)		-	-	-	-	-	-	-
Prepaid - IBT Block 4 (c/klwh)		-	-	-	-	-	-	-
Prepaid - IBT Block 5 (c/klwh)								
Other	2	(fill in thresholds)						
Waste management tariffs								
Domestic								
Street cleaning charge		124	135	135	142	149	157	167
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	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
							Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Exemptions, reductions and rebates (Rands)									
<i>Residential Properties</i>		standard rebate	15 000	-	-	15 000	15 000	-	-
Water tariffs									
<i>Water Usage - Life Line Tariff</i>		Residential (0-6kl)	7	-	-	7	8	-	-
<i>Water Usage - Block 1 (C/Kl)</i>		Residential (7-20kl)	28	-	-	29	35	-	-
<i>Water Usage - Block 2 (C/Kl)</i>		Residential (21-40kl)	32	-	-	33	40	-	-
<i>Water Usage - Block 3 (C/Kl)</i>		Residential (41-60kl)	34	-	-	35	42	-	-
<i>Water Usage - Block 4 (C/Kl)</i>		Residential (more than 60kl)	36	-	-	37	45	-	-
Waste water tariffs									
<i>Basic Charge</i>		Basic charge	174	-	-	181	210	-	-
Electricity tariffs									
<i>Domestic Basic Charge</i>			-	-	-	-	-	-	-
<i>Meter - 1bt Block 1 (C/Kwh)</i>		Block 1 (0-350 Kwh)	2	-	-	2	-	-	-
<i>Meter - 1bt Block 2 (C/Kwh)</i>		Block 2 (>350Kwh)	2	-	-	3	-	-	-
<i>Meter - 1bt Block 3 (C/Kwh)</i>			-	-	-	-	-	-	-
<i>Meter - 1bt Block 4 (C/Kwh)</i>			-	-	-	-	-	-	-

NC091 Sol Plaatje - Supporting Table SA14 Household bills

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25 % incr.	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		533,07	574,32	597,29	595,48	595,48	595,48	4,6%	623,13	666,75	703,42
Electricity: Basic levy		–	–	–	76,82	76,82	76,82	10,6%	84,96	94,14	102,61
Electricity: Consumption		1 934,95	2 217,25	2 317,04	2 488,62	2 488,62	2 488,62	10,6%	2 752,41	3 049,67	3 324,14
Water: Basic levy											
Water: Consumption		589,42	612,99	637,51	671,30	671,30	671,30	6,5%	714,94	758,33	803,98
Sanitation		136,43	141,89	147,56	154,79	154,79	154,79	7,5%	166,40	176,62	186,69
Refuse removal		97,39	101,29	105,34	110,92	110,92	110,92	5,0%	116,47	125,45	134,37
Other		–	–	–	–	–	–	–	–	–	–
sub-total		3 291,26	3 647,74	3 804,74	4 097,93	4 097,93	4 097,93	8,8%	4 458,31	4 870,96	5 255,21
VAT on Services		413,73	461,01	481,12	525,37	525,37	525,37	9,5%	575,28	630,63	682,77
Total large household bill:		3 704,99	4 108,75	4 285,86	4 623,30	4 623,30	4 623,30	8,9%	5 033,59	5 501,59	5 937,98
% increase/-decrease		–	10,9%	4,3%	7,9%	–	–	12,7%	8,9%	9,3%	7,9%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		233,97	406,64	422,90	421,62	421,62	421,62	4,6%	441,19	472,08	498,04
Electricity: Basic levy		–	–	–	76,82	76,82	76,82	10,6%	84,96	94,14	102,61
Electricity: Consumption		860,97	986,58	1 031,00	1 146,12	1 146,12	1 146,12	10,6%	1 267,60	1 404,50	1 530,91
Water: Basic levy											
Water: Consumption		465,03	483,63	502,98	529,64	529,64	529,64	6,5%	564,06	598,30	634,32
Sanitation		136,43	141,89	147,56	154,79	154,79	154,79	7,5%	166,40	176,62	186,69
Refuse removal		97,39	101,29	105,34	110,92	110,92	110,92	5,0%	116,47	125,45	134,37
Other											
sub-total		1 793,79	2 120,03	2 209,78	2 439,91	2 439,91	2 439,91	8,2%	2 640,68	2 871,09	3 086,94
VAT on Services		234,00	257,01	268,03	302,74	302,74	302,74	9,0%	329,93	359,85	388,33
Total small household bill:		2 027,79	2 377,04	2 477,81	2 742,65	2 742,65	2 742,65	8,3%	2 970,61	3 230,94	3 475,27
% increase/-decrease			17,2%	4,2%	10,7%	–	–	(22,2%)	8,3%	8,8%	7,6%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		104,14	238,95	255,38	247,76	247,76	247,76	4,6%	259,26	271,91	284,50
Electricity: Basic levy											
Electricity: Consumption		384,84	440,99	460,85	530,98	530,98	530,98	10,6%	587,26	622,90	660,40
Water: Basic levy											
Water: Consumption		309,44	321,82	334,69	352,43	352,43	352,43	6,5%	375,33	404,27	433,02
Sanitation											
Refuse removal											
Other		–	–	–	–	–	–	–	–	–	–
sub-total		798,42	1 001,76	1 050,92	1 131,17	1 131,17	1 131,17	8,0%	1 221,85	1 299,08	1 377,92
VAT on Services		104,15	114,42	119,33	132,51	132,51	132,51	9,0%	144,39	154,08	164,01
Total small household bill:		902,57	1 116,18	1 170,25	1 263,68	1 263,68	1 263,68	8,1%	1 366,24	1 453,16	1 541,93
% increase/-decrease			23,7%	4,8%	8,0%	–	–	1,7%	8,1%	6,4%	6,1%

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 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 *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
Absa Bank 9286041059		6 months	Call a/c	No	Variable	0	0			-	-	-	-	-
Standard Bank 048466271-073		6 months	Notice	Yes	Fixed	8,50%	0		07 May 2019	21 852	-	-	-	21 852
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
Standard Bank 048466271-085		12 months	Notice	No	Fixed	585,00%	0		10 November 2022	20 970	-	-	-	20 970
Municipality sub-total										204 176		-	-	204 176
Entities														
N/A														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									204 176		-	-	204 176

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

NC091 Sol Plaatje - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Parent municipality										
Annuity and Bullet Loans		182 267	171 517	159 430	158 166	158 166	158 166	152 895	138 107	121 419
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										
Municipality sub-total	1	182 267	171 517	159 430	158 166	158 166	158 166	152 895	138 107	121 419
Entities										
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										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	182 267	171 517	159 430	158 166	158 166	158 166	152 895	138 107	121 419

Unspent Borrowing - Categorised by type										
Parent municipality										
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										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
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										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

References

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

NC091 Sol Plaatje - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		245 173	223 255	248 673	273 621	272 937	272 937	290 671	309 169	330 931
Local Government Equitable Share		234 642	212 328	239 158	263 135	263 135	263 135	282 104	302 569	324 431
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant		4 170	3 362	3 959	3 286	3 102	3 102	2 267	–	–
Infrastructure Skills Development Grant		4 661	4 901	3 856	5 500	5 000	5 000	4 500	4 800	4 500
Local Government Financial Management Grant		1 700	1 650	1 700	1 700	1 700	1 700	1 800	1 800	2 000
Municipal Disaster Relief Grant		–	1 015	–	–	–	–	–	–	–
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		15 253	12 731	15 984	8 300	14 666	14 666	8 600	9 116	9 663
Capacity Building and Other Grants		8 207	8 561	9 684	8 300	9 066	9 066	8 600	9 116	9 663
Infrastructure Grant		7 046	4 170	6 300	–	5 600	5 600	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
Higher Education SA (HESA)		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	260 426	235 986	264 657	281 921	287 603	287 603	299 271	318 285	340 594
<u>Capital Transfers and Grants</u>										
National Government:		109 706	105 767	108 149	214 233	191 044	191 044	572 229	657 904	114 513
Energy Efficiency and Demand Side Management Grant		–	–	4 000	4 000	4 000	4 000	5 000	5 000	5 000
Integrated National Electrification Programme Grant		17 206	35 458	24 400	48 026	35 837	35 837	–	16 500	14 000
Integrated Urban Development Grant		50 328	54 266	70 390	74 207	74 207	74 207	75 229	60 404	65 513
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		22 881	–	–	2 000	2 000	2 000	–	2 000	30 000
Regional Bulk Infrastructure Grant		–	–	–	86 000	75 000	75 000	492 000	574 000	–
Water Services Infrastructure Grant		19 291	16 043	9 359	–	–	–	–	–	–
Provincial Government:		–	76 850	3 387	–	–	–	–	–	–
Infrastructure Grant		–	76 850	3 387	–	–	–	–	–	–
District Municipality:		–	3 500	–	–	6 000	6 000	–	–	–
Specify (Add grant description)		–	3 500	–	–	6 000	6 000	–	–	–
Other grant providers:		2 856	14 400	–	–	18 850	18 850	–	–	–
European Union		2 856	14 400	–	–	18 850	18 850	–	–	–
Total Capital Transfers and Grants	5	112 562	200 517	111 536	214 233	215 894	215 894	572 229	657 904	114 513
TOTAL RECEIPTS OF TRANSFERS & GRANTS		372 988	436 504	376 193	496 154	503 497	503 497	871 500	976 189	455 107

References

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

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

3. Replacement of RSC levies

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

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

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

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		111 662	109 818	123 170	141 242	233 630	233 630	229 671	244 220	261 753
Local Government Equitable Share		101 154	99 625	112 671	130 756	223 891	223 891	221 104	237 620	255 253
Expanded Public Works Programme Integrated Grant		4 170	3 362	4 943	3 286	3 103	3 103	2 267	–	–
Infrastructure Skills Development Grant		4 672	4 920	3 856	5 500	4 936	4 936	4 500	4 800	4 500
Local Government Financial Management Grant		1 666	1 650	1 700	1 700	1 700	1 700	1 800	1 800	2 000
Municipal Disaster Relief Grant		–	261	–	–	–	–	–	–	–
Provincial Government:		8 881	8 275	11 438	8 300	14 620	14 620	8 600	9 032	9 502
Capacity Building and Other Grants		5 019	6 795	8 500	8 300	9 070	9 070	8 600	9 032	9 502
Infrastructure Grant		3 862	1 480	2 938	–	5 550	5 550	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		120 543	118 093	134 609	149 542	248 250	248 250	238 271	253 252	271 255
Capital expenditure of Transfers and Grants										
National Government:		101 832	95 428	96 392	214 233	191 044	191 044	572 229	657 904	114 513
Energy Efficiency and Demand Side Management Grant		–	–	4 000	4 000	4 000	4 000	5 000	5 000	5 000
Integrated National Electrification Programme Grant		16 469	30 833	22 829	48 026	35 837	35 837	–	16 500	14 000
Integrated Urban Development Grant		46 175	48 552	61 424	74 207	74 207	74 207	75 229	60 404	65 513
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		19 896	–	–	2 000	2 000	2 000	–	2 000	30 000
Regional Bulk Infrastructure Grant		–	–	–	86 000	75 000	75 000	492 000	574 000	–
Water Services Infrastructure Grant		19 291	16 043	8 138	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	3 500	–	–	6 000	6 000	–	–	–
Specify (Add grant description)		–	3 500	–	–	6 000	6 000	–	–	–
Other grant providers:		2 483	13 891	–	–	18 850	18 850	–	–	–
European Union		2 483	13 891	–	–	18 850	18 850	–	–	–
Total capital expenditure of Transfers and Grants		104 315	112 818	96 392	214 233	215 894	215 894	572 229	657 904	114 513
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		224 858	230 912	231 000	363 775	464 144	464 144	810 500	911 156	385 768

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	(280)	(599)	–	–	–	–	–	–
Current year receipts		(10 811)	(10 512)	(11 159)	(10 486)	(9 802)	(9 802)	(8 567)	(6 600)	(6 500)
Repayment of grants		–	280	–	–	–	–	–	–	–
Conditions met - transferred to revenue		(21 342)	(20 984)	(21 273)	(20 972)	(19 604)	(19 604)	(17 134)	(13 200)	(13 000)
Conditions still to be met - transferred to liabilities		10 531	9 913	9 515	10 486	9 802	9 802	8 567	6 600	6 500
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		–	(962)	(84)	–	–	–	–	–	–
Current year receipts		(19 071)	(22 197)	(15 900)	(8 300)	(31 716)	(31 716)	(8 600)	(9 116)	(9 663)
Conditions met - transferred to revenue		(37 180)	(45 489)	(31 968)	(16 600)	(63 432)	(63 432)	(17 200)	(18 232)	(19 326)
Conditions still to be met - transferred to liabilities		18 109	22 331	15 984	8 300	31 716	31 716	8 600	9 116	9 663
Total operating transfers and grants revenue		(58 522)	(66 473)	(53 241)	(37 572)	(83 036)	(83 036)	(34 334)	(31 432)	(32 326)
Total operating transfers and grants - CTBM	2	28 640	32 243	25 499	18 786	41 518	41 518	17 167	15 716	16 163
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(27 126)	(5 032)	(1 042)	–	–	–	–	–	–
Current year receipts		(99 619)	(106 809)	(113 738)	(214 233)	(116 837)	(116 837)	(497 000)	(597 500)	(49 000)
Conditions met - transferred to revenue		(236 451)	(217 608)	(222 929)	(428 466)	(233 674)	(233 674)	(994 000)	(1 195 000)	(98 000)
Conditions still to be met - transferred to liabilities		109 706	105 767	108 149	214 233	116 837	116 837	497 000	597 500	49 000
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue		(236 451)	(217 608)	(222 929)	(428 466)	(233 674)	(233 674)	(994 000)	(1 195 000)	(98 000)
Total capital transfers and grants - CTBM	2	109 706	105 767	108 149	214 233	116 837	116 837	497 000	597 500	49 000
TOTAL TRANSFERS AND GRANTS REVENUE		(294 973)	(284 082)	(276 170)	(466 038)	(316 710)	(316 710)	(1 028 334)	(1 226 432)	(130 326)
TOTAL TRANSFERS AND GRANTS - CTBM		138 347	138 011	133 648	233 019	158 355	158 355	514 167	613 216	65 163

References

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance

2. CTBM = conditions to be met

3. National Treasury database will require this reconciliation for each transfer/grant

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
Cash Transfers to other municipalities	1										
Insert description											
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
Non-Prof.Oth Inst/Grants&Don Diam & Dor		-	-	-	-	-	-	-	-	-	-
Non-Prof.Oth Inst/Grants&Don Oth Pub Gra		270	200	169	2 000	1 000	1 000	-	1 000	2 000	2 000
Non-Prof.Oth Institut/Gariep		-	-	-	-	-	-	-	-	-	-
Non-Prof.Oth Institut/Sport Council		-	-	-	-	-	-	-	-	-	-
Non-Prof.Other Institutions/Spca		2 100	2 200	2 300	2 400	2 400	2 400	2 400	2 500	2 600	2 700
Total Cash Transfers To Organisations		2 370	2 400	2 469	4 400	3 400	3 400	2 400	3 500	4 600	4 700
Cash Transfers to Groups of Individuals											
Hh Oth Trans: Housing - Individual Supp		1	-	-	-	-	-	-	-	-	-
Hh Ssp Soc Ass: Grant In Aid		158	146	130	160	160	160	22	160	167	175
Total Cash Transfers To Groups Of Individuals:		159	146	130	160	160	160	22	160	167	175
TOTAL CASH TRANSFERS AND GRANTS	6	2 528	2 546	2 599	4 560	3 560	3 560	2 422	3 660	4 767	4 875
Non-Cash Transfers to other municipalities	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	2 528	2 546	2 599	4 560	3 560	3 560	2 422	3 660	4 767	4 875

References

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

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

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

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

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

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

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

Summary of Employee and Councillor remuneration		Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
		1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages											
Pension and UIF Contributions			827	496	882	–	1 098	1 098	–	–	–
Medical Aid Contributions			339	267	425	–	489	489	–	–	–
Motor Vehicle Allowance											
Cellphone Allowance			2 862	2 845	3 040	2 938	2 954	2 954	3 055	3 207	3 381
Housing Allowances			–	–	–	–	–	–	–	–	–
Other benefits and allowances			26 231	27 129	27 876	32 621	31 018	31 018	34 021	35 722	37 687
Sub Total - Councillors			30 260	30 737	32 224	35 559	35 559	35 559	37 077	38 930	41 068
% increase		4		1,6%	4,8%	10,3%	–	–	4,3%	5,0%	5,5%
Senior Managers of the Municipality		2									
Basic Salaries and Wages			9 434	8 265	6 702	8 158	8 158	8 158	8 791	9 196	9 619
Pension and UIF Contributions			999	1 086	969	1 558	1 558	1 558	1 316	1 377	1 440
Medical Aid Contributions			215	222	233	215	215	215	117	123	128
Overtime											
Performance Bonus											
Motor Vehicle Allowance		3	2 042	1 849	1 534	1 985	1 985	1 985	2 005	2 097	2 194
Cellphone Allowance		3	168	157	132	202	202	202	198	207	217
Housing Allowances		3	36	26	28	26	26	26	9	10	10
Other benefits and allowances		3									
Payments in lieu of leave											
Long service awards			56	67	44	46	46	46	15	15	16
Post-retirement benefit obligations		6									
Entertainment											
Scarcity											
Acting and post related allowance											
In kind benefits											
Sub Total - Senior Managers of Municipality			12 951	11 671	9 643	12 190	12 190	12 190	12 452	13 025	13 624
% increase		4		(9,9%)	(17,4%)	26,4%	–	–	2,1%	4,6%	4,6%
Other Municipal Staff											
Basic Salaries and Wages			395 579	417 872	433 826	475 973	464 937	464 937	509 499	535 092	562 535
Pension and UIF Contributions			73 155	74 736	79 050	91 654	91 654	91 654	96 851	101 629	106 810
Medical Aid Contributions			48 766	49 309	50 925	59 955	59 955	59 955	63 693	66 877	70 355
Overtime			41 303	52 688	69 383	47 280	69 467	69 467	53 982	56 681	59 629
Performance Bonus			28 489	28 946	30 249	36 505	36 505	36 505	38 317	40 233	42 325
Motor Vehicle Allowance		3	38 306	42 071	42 089	50 649	50 649	50 649	51 151	53 510	55 987
Cellphone Allowance		3	1 296	1 401	1 456	2 054	2 054	2 054	1 551	1 623	1 697
Housing Allowances		3	2 696	2 636	2 737	2 866	2 866	2 866	2 887	3 031	3 189
Other benefits and allowances		3	18 857	19 998	20 261	19 589	37 168	37 168	26 598	27 930	29 384
Payments in lieu of leave			29 135	10 507	14 403	15 000	15 000	15 000	20 000	20 920	21 882
Long service awards			23 136	24 418	27 890	26 922	26 922	26 922	29 981	31 480	33 117
Post-retirement benefit obligations		6	12 550	36 522	39 393	41 000	41 000	41 000	43 900	45 919	48 032
Entertainment											
Scarcity											
Acting and post related allowance											
In kind benefits											
Sub Total - Other Municipal Staff			713 268	761 106	811 663	869 447	898 176	898 176	938 410	984 925	1 034 941
% increase		4		6,7%	6,6%	7,1%	3,3%	–	4,5%	5,0%	5,1%
Total Parent Municipality			756 479	803 514	853 530	917 196	945 925	945 925	987 939	1 036 880	1 089 633
				6,2%	6,2%	7,5%	3,1%	–	4,4%	5,0%	5,1%
Board Members of Entities											
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance		3									
Cellphone Allowance		3									
Housing Allowances		3									
Other benefits and allowances		3									
Board Fees											
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations		6									
Entertainment											
Scarcity											
Acting and post related allowance											
In kind benefits											
Sub Total - Board Members of Entities			–	–	–	–	–	–	–	–	–
% increase		4		–	–	–	–	–	–	–	–

Senior Managers of Entities										
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										
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
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										
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		756 479	803 514	853 530	917 196	945 925	945 925	987 939	1 036 880	1 089 633
% increase	4		6,2%	6,2%	7,5%	3,1%	-	4,4%	5,0%	5,1%
TOTAL MANAGERS AND STAFF	5,7	726 219	772 777	821 306	881 637	910 366	910 366	950 863	997 950	1 048 566

References

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

Column Definitions:

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

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4				1 049 015			1 049 015
Chief Whip								-
Executive Mayor				-	1 298 192			1 298 192
Deputy Executive Mayor								-
Executive Committee				-	9 867 224			9 867 224
Total for all other councillors				-	24 862 139			24 862 139
Total Councillors	8	-	-	-	37 076 570			37 076 570
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 551 467	245 581	328 037			2 125 085
Chief Finance Officer			1 158 149	194 556	425 353			1 778 058
SM D01			1 585 360	214 012	285 420			2 084 792
SM D02			1 444 930	234 226	454 728			2 133 884
SM D03			1 567 734	296 848	339 180			2 203 762
SM D04			1 483 737	248 654	394 332			2 126 723
								-
List of each official with packages >= senior manager								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	8 791 377	1 433 877	2 227 050	-		12 452 304
A Heading for Each Entity	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	8 791 377	1 433 877	39 303 620	-		49 528 874

1. Pension and medical aid

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

NC091 Sol Plaatje - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2022/23			Current Year 2023/24			Budget Year 2024/25		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		65	65	–	65	65	–	65	65	–
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6	6	–	6	6	–	6	6	–
Other Managers	7	3	2	–	3	3	–	3	3	–
Professionals		198	51	26	198	96	31	198	96	31
Finance		13	10	2	13	10	3	13	10	3
Spatial/town planning		19	6	8	19	11	4	19	11	4
Information Technology		4	4	–	4	4	–	4	4	–
Roads		2	–	–	2	2	–	2	2	–
Electricity		13	2	4	13	5	3	13	5	3
Water		2	1	1	2	2	–	2	2	–
Sanitation		3	3	–	3	2	1	3	2	1
Refuse		–	–	–	–	–	–	–	–	–
Other		142	25	11	142	60	20	142	60	20
Technicians		275	187	17	275	211	28	275	211	28
Finance		10	6	–	10	6	4	10	6	4
Spatial/town planning		29	13	2	29	13	7	29	13	7
Information Technology		8	6	–	8	5	1	8	5	1
Roads		6	4	2	6	5	1	6	5	1
Electricity		150	103	3	150	120	5	150	120	5
Water		10	5	5	10	9	1	10	9	1
Sanitation		25	19	2	25	19	6	25	19	6
Refuse		1	–	–	1	1	–	1	1	–
Other		36	31	3	36	33	3	36	33	3
Clerks (Clerical and administrative)		429	322	44	429	337	42	429	337	42
Service and sales workers		348	192	18	348	233	–	348	233	–
Skilled agricultural and fishery workers		145	72	–	145	73	–	145	73	–
Craft and related trades										
Plant and Machine Operators		215	133	44	215	135	42	215	135	42
Elementary Occupations		1 017	533	146	1 017	581	99	1 017	581	99
TOTAL PERSONNEL NUMBERS	9	2 701	1 563	295	2 701	1 740	242	2 701	1 740	242
% increase					–	11,3%	(18,0%)	–	–	–
Total municipal employees headcount	6, 10	3 021	1 797	328	3 021	1 975	273	3 021	1 975	273
Finance personnel headcount	8, 10	306	221	31	306	221	31	306	221	31
Human Resources personnel headcount	8, 10	14	13	2	14	14	–	14	14	–

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 fo 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 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
Revenue																
Exchange Revenue																
Service charges - Electricity		99 983	99 983	99 983	99 983	99 983	99 983	99 983	99 983	99 983	99 983	99 983	(610)	1 099 199	1 199 792	1 309 930
Service charges - Water		30 356	30 356	30 356	30 356	30 356	30 356	30 356	30 356	30 356	30 356	30 356	9 768	343 685	364 274	387 189
Service charges - Waste Water Management		8 469	8 469	8 469	8 469	8 469	8 469	8 469	8 469	8 469	8 469	8 469	2 728	95 890	101 631	107 153
Service charges - Waste Management		6 372	6 372	6 372	6 372	6 372	6 372	6 372	6 372	6 372	6 372	6 372	2 177	72 271	76 467	80 948
Sale of Goods and Rendering of Services		1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	657	15 955	16 689	17 457
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		10 379	10 379	10 379	10 379	10 379	10 379	10 379	10 379	10 379	10 379	10 379	5 858	120 030	124 551	129 463
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	(2 000)	9 000	12 000	15 000
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		2 427	2 427	2 427	2 427	2 427	2 427	2 427	2 427	2 427	2 427	2 427	1 041	27 740	29 126	30 726
Licence and permits		105	105	105	105	105	105	105	105	105	105	105	49	1 200	1 255	1 313
Operational Revenue		329	329	329	329	329	329	329	329	329	329	329	155	3 773	3 947	4 128
Non-Exchange Revenue																
Property rates		61 719	61 719	61 719	61 719	61 719	61 719	61 719	61 719	61 719	61 719	61 719	8 410	687 320	740 628	790 495
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		2 743	2 743	2 743	2 743	2 743	2 743	2 743	2 743	2 743	2 743	2 743	1 971	32 143	32 915	34 787
Licences or permits		704	704	704	704	704	704	704	704	704	704	704	252	8 000	8 452	8 949
Transfer and subsidies - Operational		26 524	26 524	26 524	26 524	26 524	26 524	26 524	26 524	26 524	26 524	26 524	7 510	299 271	318 285	340 594
Interest		6 892	6 892	6 892	6 892	6 892	6 892	6 892	6 892	6 892	6 892	6 892	16 092	91 900	82 700	74 400
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		4 649	4 649	4 649	4 649	4 649	4 649	4 649	4 649	4 649	4 649	4 649	(238)	50 900	55 787	61 132
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		264 042	264 042	264 042	264 042	264 042	264 042	264 042	264 042	264 042	264 042	264 042	53 821	2 958 278	3 168 499	3 393 664
Expenditure																
Employee related costs		83 163	83 163	83 163	83 163	83 163	83 163	83 163	83 163	83 163	83 163	83 163	36 071	950 863	997 950	1 048 566
Remuneration of councillors		3 244	3 244	3 244	3 244	3 244	3 244	3 244	3 244	3 244	3 244	3 244	1 391	37 077	38 930	41 068
Bulk purchases - electricity		82 408	82 408	82 408	82 408	82 408	82 408	82 408	82 408	82 408	82 408	82 408	(7 492)	899 000	988 900	1 087 790
Inventory consumed		27 243	27 243	27 243	27 243	27 243	27 243	27 243	27 243	27 243	27 243	27 243	19 932	319 605	326 914	345 465
Debt impairment		31 846	31 846	31 846	31 846	31 846	31 846	31 846	31 846	31 846	31 846	31 846	4 937	355 246	382 156	409 005
Depreciation and amortisation		7 876	7 876	7 876	7 876	7 876	7 876	7 876	7 876	7 876	7 876	7 876	3 066	89 700	94 510	99 811
Interest		1 323	1 323	1 323	1 323	1 323	1 323	1 323	1 323	1 323	1 323	1 323	3 223	17 774	15 874	13 730
Contracted services		3 562	3 562	3 562	3 562	3 562	3 562	3 562	3 562	3 562	3 562	3 562	1 549	40 731	42 744	48 700
Transfers and subsidies		397	397	397	397	397	397	397	397	397	397	397	(710)	3 660	4 767	4 875
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		13 324	13 324	13 324	13 324	13 324	13 324	13 324	13 324	13 324	13 324	13 324	3 288	149 849	159 880	170 494
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		5 715	5 715	5 715	5 715	5 715	5 715	5 715	5 715	5 715	5 715	5 715	2 140	65 000	68 575	72 347
Total Expenditure		260 101	260 101	260 101	260 101	260 101	260 101	260 101	260 101	260 101	260 101	260 101	67 394	2 928 505	3 121 201	3 341 849
Surplus/(Deficit)		3 941	3 941	3 941	3 941	3 941	3 941	3 941	3 941	3 941	3 941	3 941	(13 573)	29 774	47 298	51 815
Transfers and subsidies - capital (monetary allocations)		54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	(30 850)	572 229	657 904	114 513
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	(44 423)	602 003	705 202	166 328
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	(44 423)	602 003	705 202	166 328
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	(44 423)	602 003	705 202	166 328
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	(44 423)	602 003	705 202	166 328

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 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue by Vote																
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		89 059	89 059	89 059	89 059	89 059	89 059	89 059	89 059	89 059	89 059	89 059	(7 251)	972 401	1 068 711	540 680
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		545	545	545	545	545	545	545	545	545	545	545	168	6 161	6 538	6 318
Vote 05 - Community Services		10 955	10 955	10 955	10 955	10 955	10 955	10 955	10 955	10 955	10 955	10 955	3 856	124 361	131 460	139 026
Vote 06 - Financial Services		63 626	63 626	63 626	63 626	63 626	63 626	63 626	63 626	63 626	63 626	63 626	10 227	710 111	763 510	814 726
Vote 07 - Strategy Econ Development And Planning		729	729	729	729	729	729	729	729	729	729	729	345	8 368	8 753	9 156
Vote 08 - Infrastructure And Services		153 953	153 953	153 953	153 953	153 953	153 953	153 953	153 953	153 953	153 953	153 953	15 627	1 709 105	1 847 432	1 998 271
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		318 867	318 867	318 867	318 867	318 867	318 867	318 867	318 867	318 867	318 867	318 867	22 972	3 530 507	3 826 403	3 508 177
Expenditure by Vote to be appropriated																
Vote 01 - Executive & Council		5 323	5 323	5 323	5 323	5 323	5 323	5 323	5 323	5 323	5 323	5 323	2 299	60 855	63 879	67 333
Vote 02 - Municipal And General		35 785	35 785	35 785	35 785	35 785	35 785	35 785	35 785	35 785	35 785	35 785	9 971	403 603	429 417	458 629
Vote 03 - Municipal Manager		2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	1 080	27 854	29 208	30 665
Vote 04 - Corporate Services		6 492	6 492	6 492	6 492	6 492	6 492	6 492	6 492	6 492	6 492	6 492	10 726	82 140	77 905	81 328
Vote 05 - Community Services		29 469	29 469	29 469	29 469	29 469	29 469	29 469	29 469	29 469	29 469	29 469	11 417	335 572	353 620	373 172
Vote 06 - Financial Services		14 527	14 527	14 527	14 527	14 527	14 527	14 527	14 527	14 527	14 527	14 527	6 422	166 217	174 321	183 292
Vote 07 - Strategy Econ Development And Planning		5 929	5 929	5 929	5 929	5 929	5 929	5 929	5 929	5 929	5 929	5 929	2 590	67 813	71 151	74 831
Vote 08 - Infrastructure And Services		160 142	160 142	160 142	160 142	160 142	160 142	160 142	160 142	160 142	160 142	160 142	22 891	1 784 450	1 921 698	2 072 598
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		260 101	260 101	260 101	260 101	260 101	260 101	260 101	260 101	260 101	260 101	260 101	67 394	2 928 505	3 121 201	3 341 849
Surplus/(Deficit) before assoc.		58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	(44 423)	602 003	705 202	166 328
Income Tax													-	-	-	-
Share of Surplus/Deficit attributable to Minorities		(5 715)	(5 715)	(5 715)	(5 715)	(5 715)	(5 715)	(5 715)	(5 715)	(5 715)	(5 715)	(5 715)	62 860	-	-	-
Intercompany/Parent subsidiary transactions													-	-	-	-
Surplus/(Deficit)	1	53 051	53 051	53 051	53 051	53 051	53 051	53 051	53 051	53 051	53 051	53 051	18 438	602 003	705 202	166 328

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 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue - Functional																	
Governance and administration			153 300	153 300	153 300	153 300	153 300	153 300	153 300	153 300	153 300	153 300	153 300	3 177	1 689 473	1 839 596	1 362 600
Executive and council			89 059	89 059	89 059	89 059	89 059	89 059	89 059	89 059	89 059	89 059	89 059	(7 251)	972 401	1 068 711	540 680
Finance and administration			64 240	64 240	64 240	64 240	64 240	64 240	64 240	64 240	64 240	64 240	64 240	10 428	717 072	770 885	821 920
Internal audit														–	–	–	–
Community and public safety			3 766	3 766	3 766	3 766	3 766	3 766	3 766	3 766	3 766	3 766	3 766	1 559	42 989	45 197	47 664
Community and social services			1 068	1 068	1 068	1 068	1 068	1 068	1 068	1 068	1 068	1 068	1 068	389	12 138	12 817	13 534
Sport and recreation			237	237	237	237	237	237	237	237	237	237	237	112	2 720	2 845	2 976
Public safety			47	47	47	47	47	47	47	47	47	47	47	22	540	565	591
Housing			2 406	2 406	2 406	2 406	2 406	2 406	2 406	2 406	2 406	2 406	2 406	1 031	27 501	28 876	30 464
Health			8	8	8	8	8	8	8	8	8	8	8	4	90	94	98
Economic and environmental services			1 668	1 668	1 668	1 668	1 668	1 668	1 668	1 668	1 668	1 668	1 668	627	18 976	20 017	21 116
Planning and development			519	519	519	519	519	519	519	519	519	519	519	245	5 956	6 230	6 517
Road transport			1 149	1 149	1 149	1 149	1 149	1 149	1 149	1 149	1 149	1 149	1 149	382	13 020	13 787	14 599
Environmental protection														–	–	–	–
Trading services			159 159	159 159	159 159	159 159	159 159	159 159	159 159	159 159	159 159	159 159	159 159	17 229	1 767 977	1 909 907	2 064 466
Energy sources			105 879	105 879	105 879	105 879	105 879	105 879	105 879	105 879	105 879	105 879	105 879	(365)	1 164 299	1 270 542	1 386 849
Water management			35 141	35 141	35 141	35 141	35 141	35 141	35 141	35 141	35 141	35 141	35 141	11 560	398 115	421 696	447 769
Waste water management			10 448	10 448	10 448	10 448	10 448	10 448	10 448	10 448	10 448	10 448	10 448	3 363	118 290	125 375	132 203
Waste management			7 691	7 691	7 691	7 691	7 691	7 691	7 691	7 691	7 691	7 691	7 691	2 671	87 272	92 293	97 644
Other			974	974	974	974	974	974	974	974	974	974	974	380	11 092	11 686	12 332
Total Revenue - Functional			318 867	318 867	318 867	318 867	318 867	318 867	318 867	318 867	318 867	318 867	318 867	22 972	3 530 507	3 826 403	3 508 177
Expenditure - Functional																	
Governance and administration			65 586	65 586	65 586	65 586	65 586	65 586	65 586	65 586	65 586	65 586	65 586	34 147	755 594	787 029	830 821
Executive and council			42 190	42 190	42 190	42 190	42 190	42 190	42 190	42 190	42 190	42 190	42 190	12 951	477 043	506 281	539 378
Finance and administration			22 805	22 805	22 805	22 805	22 805	22 805	22 805	22 805	22 805	22 805	22 805	20 903	271 754	273 652	284 022
Internal audit			591	591	591	591	591	591	591	591	591	591	591	293	6 797	7 096	7 421
Community and public safety			18 048	18 048	18 048	18 048	18 048	18 048	18 048	18 048	18 048	18 048	18 048	7 084	205 613	216 574	228 521
Community and social services			4 345	4 345	4 345	4 345	4 345	4 345	4 345	4 345	4 345	4 345	4 345	1 233	49 027	52 139	55 637
Sport and recreation			5 372	5 372	5 372	5 372	5 372	5 372	5 372	5 372	5 372	5 372	5 372	2 251	61 343	64 463	67 776
Public safety			4 016	4 016	4 016	4 016	4 016	4 016	4 016	4 016	4 016	4 016	4 016	1 760	45 933	48 189	50 648
Housing			2 455	2 455	2 455	2 455	2 455	2 455	2 455	2 455	2 455	2 455	2 455	1 035	28 042	29 462	30 997
Health			1 860	1 860	1 860	1 860	1 860	1 860	1 860	1 860	1 860	1 860	1 860	806	21 267	22 321	23 464
Economic and environmental services			16 018	16 018	16 018	16 018	16 018	16 018	16 018	16 018	16 018	16 018	16 018	6 891	183 093	192 219	202 276
Planning and development			4 848	4 848	4 848	4 848	4 848	4 848	4 848	4 848	4 848	4 848	4 848	2 317	55 644	58 174	60 928
Road transport			11 092	11 092	11 092	11 092	11 092	11 092	11 092	11 092	11 092	11 092	11 092	4 540	126 551	133 103	140 358
Environmental protection			79	79	79	79	79	79	79	79	79	79	79	34	898	942	990
Trading services			157 925	157 925	157 925	157 925	157 925	157 925	157 925	157 925	157 925	157 925	157 925	18 186	1 755 365	1 895 103	2 048 394
Energy sources			104 837	104 837	104 837	104 837	104 837	104 837	104 837	104 837	104 837	104 837	104 837	144	1 153 351	1 258 044	1 372 440
Water management			34 893	34 893	34 893	34 893	34 893	34 893	34 893	34 893	34 893	34 893	34 893	11 592	395 412	418 711	445 661
Waste water management			10 515	10 515	10 515	10 515	10 515	10 515	10 515	10 515	10 515	10 515	10 515	3 770	119 433	126 177	132 786
Waste management			7 681	7 681	7 681	7 681	7 681	7 681	7 681	7 681	7 681	7 681	7 681	2 680	87 170	92 170	97 507
Other			2 523	2 523	2 523	2 523	2 523	2 523	2 523	2 523	2 523	2 523	2 523	1 087	28 839	30 275	31 837
Total Expenditure - Functional			260 101	260 101	260 101	260 101	260 101	260 101	260 101	260 101	260 101	260 101	260 101	67 394	2 928 505	3 121 201	3 341 849
Surplus/(Deficit) before assoc.			58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	(44 422)	602 003	705 202	166 328
Intercompany/Parent subsidiary transactions														–	–	–	–
Surplus/(Deficit)		1	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	58 766	(44 422)	602 003	705 202	166 328

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 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Multi-year expenditure to be appropriated	1															
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		417	417	417	417	417	417	417	417	417	417	417	(4 583)	-	5 000	5 000
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		667	667	667	667	667	667	667	667	667	667	667	(2 333)	5 000	8 000	35 000
Vote 08 - Infrastructure And Services		53 742	53 742	53 742	53 742	53 742	53 742	53 742	53 742	53 742	53 742	53 742	(47 653)	543 509	644 904	69 513
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	(54 570)	548 509	657 904	109 513
Single-year expenditure to be appropriated																
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		2 292	2 292	2 292	2 292	2 292	2 292	2 292	2 292	2 292	2 292	2 292	(4 708)	20 500	27 500	27 500
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	-	-	-	-	-	-	-	-	-	-	1 000	1 000	-	5 000
Vote 08 - Infrastructure And Services		333	333	333	333	333	333	333	333	333	333	333	40 053	43 720	4 000	4 000
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	36 345	65 220	31 500	36 500
Total Capital Expenditure	2	57 450	57 450	57 450	57 450	57 450	57 450	57 450	57 450	57 450	57 450	57 450	(18 225)	613 729	689 404	146 013

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 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital Expenditure - Functional	1															
Governance and administration		2 292	2 292	2 292	2 292	2 292	2 292	2 292	2 292	2 292	2 292	2 292	(4 708)	20 500	27 500	27 500
Executive and council		2 292	2 292	2 292	2 292	2 292	2 292	2 292	2 292	2 292	2 292	2 292	(4 708)	20 500	27 500	27 500
Finance and administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internal audit													–	–	–	–
Community and public safety		417	417	417	417	417	417	417	417	417	417	417	(4 583)	–	5 000	5 000
Community and social services		417	417	417	417	417	417	417	417	417	417	417	(4 583)	–	5 000	5 000
Sport and recreation													–	–	–	–
Public safety													–	–	–	–
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		4 200	4 200	4 200	4 200	4 200	4 200	4 200	4 200	4 200	4 200	4 200	11 025	57 229	50 404	86 500
Planning and development		667	667	667	667	667	667	667	667	667	667	667	(1 333)	6 000	8 000	40 000
Road transport		3 534	3 534	3 534	3 534	3 534	3 534	3 534	3 534	3 534	3 534	3 534	12 359	51 229	42 404	46 500
Environmental protection													–	–	–	–
Trading services		50 542	50 542	50 542	50 542	50 542	50 542	50 542	50 542	50 542	50 542	50 542	(19 958)	536 000	606 500	27 013
Energy sources		1 958	1 958	1 958	1 958	1 958	1 958	1 958	1 958	1 958	1 958	1 958	(14 542)	7 000	23 500	21 000
Water management		48 417	48 417	48 417	48 417	48 417	48 417	48 417	48 417	48 417	48 417	48 417	(8 583)	524 000	581 000	4 513
Waste water management		167	167	167	167	167	167	167	167	167	167	167	3 167	5 000	2 000	1 500
Waste management													–	–	–	–
Other													–	–	–	–
Total Capital Expenditure - Functional	2	57 450	57 450	57 450	57 450	57 450	57 450	57 450	57 450	57 450	57 450	57 450	(18 225)	613 729	689 404	146 013
Funded by:																
National Government		54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	(30 850)	572 229	657 904	114 513
Provincial Government													–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies (capital expenditure allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	(30 850)	572 229	657 904	114 513
Borrowing													–	–	–	–
Internally generated funds		2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	12 625	41 500	31 500	31 500
Total Capital Funding		57 450	57 450	57 450	57 450	57 450	57 450	57 450	57 450	57 450	57 450	57 450	(18 225)	613 729	689 404	146 013

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 SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash Receipts By Source													1		
Property rates	59 353	59 353	59 353	59 353	59 353	59 353	59 353	59 353	59 353	59 353	59 353	23 240	676 122	712 234	746 320
Service charges - electricity revenue	96 004	96 004	96 004	96 004	96 004	96 004	96 004	96 004	96 004	96 004	96 004	(248)	1 055 799	1 152 052	1 257 416
Service charges - water revenue	27 096	27 096	27 096	27 096	27 096	27 096	27 096	27 096	27 096	27 096	27 096	8 787	306 840	325 149	345 481
Service charges - sanitation revenue	7 563	7 563	7 563	7 563	7 563	7 563	7 563	7 563	7 563	7 563	7 563	2 435	85 626	90 754	95 689
Service charges - refuse revenue	5 746	5 746	5 746	5 746	5 746	5 746	5 746	5 746	5 746	5 746	5 746	1 974	65 181	68 953	72 979
Rental of facilities and equipment	2 692	2 692	2 692	2 692	2 692	2 692	2 692	2 692	2 692	2 692	2 692	1 656	31 265	32 301	33 591
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	(2 000)	9 000	12 000	15 000
Interest earned - outstanding debtors												-			
Dividends received												-			
Fines, penalties and forfeits	2 743	2 743	2 743	2 743	2 743	2 743	2 743	2 743	2 743	2 743	2 743	1 971	32 143	32 915	34 787
Licences and permits	809	809	809	809	809	809	809	809	809	809	809	302	9 200	9 707	10 262
Agency services												-			
Transfers and Subsidies - Operational	26 524	26 524	26 524	26 524	26 524	26 524	26 524	26 524	26 524	26 524	26 524	7 510	299 271	318 285	340 594
Other revenue	1 720	1 720	1 720	1 720	1 720	1 720	1 720	1 720	1 720	1 720	1 720	812	19 729	20 636	21 586
Cash Receipts by Source	231 249	231 249	231 249	231 249	231 249	231 249	231 249	231 249	231 249	231 249	231 249	46 439	2 590 176	2 774 986	2 973 705
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	54 825	(30 850)	572 229	657 904	114 513
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)												-			
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans												-			
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits	208	208	208	208	208	208	208	208	208	208	208	(292)	2 000	2 500	3 000
VAT Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	286 282	286 282	286 282	286 282	286 282	286 282	286 282	286 282	286 282	286 282	286 282	15 297	3 164 405	3 435 390	3 091 218
Cash Payments by Type															
Employee related costs	83 163	83 163	83 163	83 163	83 163	83 163	83 163	83 163	83 163	83 163	83 163	36 071	950 863	997 950	1 048 566
Remuneration of councillors	3 244	3 244	3 244	3 244	3 244	3 244	3 244	3 244	3 244	3 244	3 244	1 391	37 077	38 930	41 068
Interest	1 323	1 323	1 323	1 323	1 323	1 323	1 323	1 323	1 323	1 323	1 323	3 223	17 774	15 874	13 730
Bulk purchases - electricity	89 075	89 075	89 075	89 075	89 075	89 075	89 075	89 075	89 075	89 075	89 075	(825)	979 000	1 068 900	1 167 790
Acquisitions - water & other inventory	32 957	32 957	32 957	32 957	32 957	32 957	32 957	32 957	32 957	32 957	32 957	22 073	384 605	395 489	417 812
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	16 886	16 886	16 886	16 886	16 886	16 886	16 886	16 886	16 886	16 886	16 886	4 837	190 580	202 624	219 194
Cash Payments by Type	226 648	226 648	226 648	226 648	226 648	226 648	226 648	226 648	226 648	226 648	226 648	66 770	2 559 898	2 719 768	2 908 158
Other Cash Flows/Payments by Type															
Capital assets	57 450	57 450	57 450	57 450	57 450	57 450	57 450	57 450	57 450	57 450	57 450	(18 225)	613 729	689 404	146 013
Repayment of borrowing	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	(510)	14 788	16 688	18 832
Other Cash Flows/Payments	397	397	397	397	397	397	397	397	397	397	397	(710)	3 660	4 767	4 875
Total Cash Payments by Type	285 886	285 886	285 886	285 886	285 886	285 886	285 886	285 886	285 886	285 886	285 886	47 326	3 192 075	3 430 627	3 077 879
NET INCREASE/(DECREASE) IN CASH HELD	396	396	396	396	396	396	396	396	396	396	396	(32 028)	(27 670)	4 763	13 339
Cash/cash equivalents at the month/year begin:	73 147	73 543	73 939	74 335	74 732	75 128	75 524	75 920	76 316	76 712	77 109	77 505	73 147	45 476	50 240
Cash/cash equivalents at the month/year end:	73 543	73 939	74 335	74 732	75 128	75 524	75 920	76 316	76 712	77 109	77 505	45 476	45 476	50 240	63 579

References

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

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

[illegible]

NC091 Sol Plaatje - Supporting Table SA32 List of external mechanisms

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

References

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

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

Description	Ref	Preceding Years	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework			Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Total Contract Value
		Total	Original Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3													
Parent Municipality:														
Revenue Obligation By Contract	2													
No Future Contracts Greater Than 5m		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
No Future Contracts Greater Than 5m		-	-	-	-	-	-	-	-	-	-	-	-	-
Banking Services 5-Year Contract (Banking Fees)		-	3 800	3 800	3 975	4 158	4 441	-	-	-	-	-	-	20 173
Total Operating Expenditure Implication		-	3 800	3 800	3 975	4 158	4 441	-	-	-	-	-	-	20 173
Capital Expenditure Obligation By Contract	2													
Upgrade Stormwater Galeshewe		-	-	-	-	-	-	-	-	-	-	-	-	-
Lerato Park Link Water And Sewer		-	-	-	-	-	-	-	-	-	-	-	-	-
Homevale Fire Station		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	3 800	3 800	3 975	4 158	4 441	-	-	-	-	-	-	20 173
Entities:														
Revenue Obligation By Contract	2													
														-
														-
														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
														-
														-
														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
														-
														-
														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

References

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

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

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

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

[illegible]

Community Assets	5 055	2 295	-	-	-	-	-	-	-
Community Facilities	5 055	2 295	-	-	-	-	-	-	-
Halls									
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations	5 055	2 295	-	-	-	-	-	-	-
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									
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
Investment properties	1 437	2 457	3 296	15 000	15 000	15 000	6 000	6 000	5 000
Revenue Generating	1 437	2 457	3 296	15 000	15 000	15 000	6 000	6 000	5 000
Improved Property	1 437	2 457	3 296	15 000	15 000	15 000	6 000	6 000	5 000
Unimproved Property									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Other assets	-	-	-	-	-	-	-	-	-
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									
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
Intangible Assets	2 483	13 891	-	-	18 850	18 850	-	-	-
Servitudes									
Licences and Rights	2 483	13 891	-	-	18 850	18 850	-	-	-
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications									
Unspecified	2 483	13 891	-	-	18 850	18 850	-	-	-
Computer Equipment	1 687	3 857	2 943	4 500	6 200	6 200	4 500	4 500	4 500
Computer Equipment	1 687	3 857	2 943	4 500	6 200	6 200	4 500	4 500	4 500
Furniture and Office Equipment	76	184	984	3 000	3 000	3 000	3 000	3 000	3 000
Furniture and Office Equipment	76	184	984	3 000	3 000	3 000	3 000	3 000	3 000
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
Transport Assets	1 825	2 445	7 364	5 000	7 110	7 110	5 000	20 000	20 000
Transport Assets	1 825	2 445	7 364	5 000	7 110	7 110	5 000	20 000	20 000
Land	-	-	-	-	-	-	-	-	-
Land									
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals									
Living resources	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Policing and Protection									
Zoological plants and animals									
Immature	-	-	-	-	-	-	-	-	-
Policing and Protection									
Zoological plants and animals									
Total Capital Expenditure on new assets	1	51 665	66 118	50 768	48 980	78 540	87 034	50 000	46 500

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 €

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

[illegible]

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	-	-	-	-	-	-	8 000	-	-	
Indoor Facilities										
Outdoor Facilities	-	-	-	-	-	-	8 000	-	-	
Capital Spares										
Heritage assets	-	-	-	-	-	-	-	-	-	
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property										
Unimproved Property										
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property										
Unimproved Property										
Other assets	-	-	-	-	-	-	-	-	-	
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										
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets										
Intangible Assets	-	-	-	-	-	-	-	-	-	
Servitudes										
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
Computer Equipment	-	-	-	-	-	-	-	-	-	
Computer Equipment										
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment										
Machinery and Equipment	-	-	-	-	-	-	-	-	-	
Machinery and Equipment										
Transport Assets	-	-	-	-	-	-	-	-	-	
Transport Assets										
Land	-	-	-	-	-	-	-	-	-	
Land										
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals										
Living resources	-	-	-	-	-	-	-	-	-	
Mature	-	-	-	-	-	-	-	-	-	
Policing and Protection										
Zoological plants and animals										
Immature	-	-	-	-	-	-	-	-	-	
Policing and Protection										
Zoological plants and animals										
Total Capital Expenditure on renewal of existing assets	1	35 223	35 213	43 168	149 947	153 147	153 147	445 171	605 400	61 013
Renewal of Existing Assets as % of total capex		29.5%	27.7%	34.3%	60.1%	56.5%	56.5%	72.5%	87.8%	41.8%
Renewal of Existing Assets as % of deprecn"		55.1%	50.3%	60.1%	173.0%	176.7%	176.7%	496.3%	640.6%	61.1%

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 capital ex

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

RC09 - Soil Plaque - Supporting Table 0A34 - Repairs and Maintenance Expenditure by Asset Class										
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		189 325	218 404	256 231	280 290	293 299	293 299	297 242	313 509	330 982
Roads Infrastructure		47 389	46 030	55 439	71 980	67 826	67 826	72 566	76 452	80 813
Roads		41 329	40 138	45 295	71 472	67 418	67 418	71 810	75 650	79 963
Road Structures										
Road Furniture		6 060	5 892	10 143	508	408	408	756	801	849
Capital Spares										
Storm water Infrastructure		542	1 963	5 457	550	3 550	3 550	3 250	3 442	3 648
Drainage Collection		542	1 963	5 457	550	3 550	3 550	3 250	3 442	3 648
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		57 938	60 972	63 100	85 857	83 728	83 728	89 291	94 232	99 535
Power Plants										
HV Substations		1 002	1 168	1 173	1 300	1 300	1 300	1 320	1 395	1 478
HV Switching Station		4 028	5 994	2 170	4 950	4 885	4 885	4 050	4 293	4 551
HV Transmission Conductors										
MV Substations		1 612	1 804	1 541	1 950	1 350	1 350	2 000	2 116	2 238
MV Switching Stations		4 697	5 041	7 311	5 680	5 675	5 675	5 800	6 121	6 488
MV Networks		2 741	2 027	2 159	2 400	2 405	2 405	2 800	2 968	3 146
LV Networks		15 607	16 993	16 258	33 500	33 500	33 500	34 300	36 384	38 575
Capital Spares		28 250	27 945	32 487	36 077	34 613	34 613	39 021	40 956	43 058
Water Supply Infrastructure		44 102	60 085	70 657	56 220	69 304	69 304	60 347	63 666	67 041
Dams and Weirs										
Boreholes										
Reservoirs		4 172	9 302	2 930	5 200	4 000	4 000	5 200	5 512	5 843
Pump Stations		18	2 546	189	1 000	950	950	1 000	1 060	1 124
Water Treatment Works		1 694	2 230	1 255	2 500	7 000	7 000	2 500	2 650	2 809
Bulk Mains		1 419	3 253	26	3 500	4 850	4 850	3 500	3 710	3 933
Distribution		31 122	39 693	64 443	39 440	47 751	47 751	42 742	44 996	47 271
Distribution Points										
PRV Stations										
Capital Spares		5 678	3 060	1 813	4 580	4 753	4 753	5 405	5 737	6 061
Sanitation Infrastructure		24 371	30 149	41 842	42 718	46 750	46 750	47 577	50 099	52 819
Pump Station		6 509	9 085	9 774	17 350	17 660	17 660	10 800	11 448	12 135
Reticalution		17 534	20 162	29 509	23 068	26 950	26 950	33 977	35 683	37 538
Waste Water Treatment Works		51	75	463	500	500	500	500	530	562
Outfall Sewers										
Toilet Facilities		276	828	2 096	1 800	1 640	1 640	2 300	2 438	2 584
Capital Spares										
Solid Waste Infrastructure		14 983	19 204	19 737	22 965	22 142	22 142	24 212	25 620	27 127
Landfill Sites		14 745	19 112	19 669	22 715	21 892	21 892	24 012	25 408	26 902
Waste Transfer Stations										
Waste Processing Facilities		238	91	68	250	250	250	200	212	225
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		3 188	3 675	951	3 990	9 040	9 040	3 695	4 336	5 012
Community Facilities		2 746	3 206	505	3 280	7 510	7 510	3 115	3 729	4 369
Halls		1 016	104	(1 684)	130	3 373	3 373	125	131	139
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations		178	166	50	200	200	200	150	157	166
Testing Stations										
Museums										
Galleries										

Total Repairs and Maintenance Expenditure	1	243 024	273 430	312 569	341 908	368 204	368 204	362 118	382 273	403 973
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R&M as a % of PPE & Investment Property		11,7%	12,4%	14,0%	14,2%	15,2%	15,2%	13,4%	14,2%	19,7%
R&M as % Operating Expenditure		12,5%	12,5%	12,7%	12,7%	13,2%	13,2%	20,5%	13,1%	12,9%

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

RCOS1 - 301 Page - Supporting Table 3A-3D Depreciation by asset class										
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		41 711	41 792	45 193	55 700	55 700	55 700	58 200	61 325	64 746
Roads Infrastructure		14 064	14 181	14 170	20 000	20 000	20 000	18 000	18 900	19 940
Roads		-	-	-	-	-	-	-	-	-
Road Structures		14 064	14 181	14 170	20 000	20 000	20 000	18 000	18 900	19 940
Road Furniture										
Capital Spares										
Storm water Infrastructure		1 342	1 366	4 737	1 600	1 600	1 600	5 300	5 565	5 871
Drainage Collection		1 342	1 366	4 737	1 600	1 600	1 600	5 300	5 565	5 871
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		7 354	7 151	7 071	8 500	8 500	8 500	9 000	9 540	10 112
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		7 354	7 151	7 071	8 500	8 500	8 500	9 000	9 540	10 112
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		6 771	7 040	6 958	9 200	9 200	9 200	10 000	10 550	11 130
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes										
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		6 771	7 040	6 958	9 200	9 200	9 200	10 000	10 550	11 130
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		12 181	12 055	12 257	15 500	15 500	15 500	15 000	15 825	16 695
Pump Station										
Reticulation		12 181	12 055	12 257	15 500	15 500	15 500	15 000	15 825	16 695
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	900	900	900	900	945	997
Landfill Sites		-	-	-	900	900	900	900	945	997
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										
		8 069	9 870	10 368	11 000	11 000	11 000	11 500	12 075	12 736
Community Assets		8 069	9 870	10 368	11 000	11 000	11 000	11 500	12 075	12 736
Halls		-	-	-	-	-	-	-	-	-
Centres		8 069	9 870	10 368	11 000	11 000	11 000	11 500	12 075	12 736
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									
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
Investment properties	206	206	201	250	250	250	300	318	337
Revenue Generating	206	206	201	250	250	250	300	318	337
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	206	206	201	250	250	250	300	318	337
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Other assets	-	-	-	-	-	-	-	-	-
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									
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
Intangible Assets	4 038	3 773	3 622	4 500	4 500	4 500	4 500	4 770	5 066
Servitudes									
Licences and Rights	4 038	3 773	3 622	4 500	4 500	4 500	4 500	4 770	5 066
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications	4 038	3 773	3 622	4 500	4 500	4 500	4 500	4 770	5 066
Load Settlement Software Applications									
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	2 024	2 152	2 447	2 400	2 400	2 400	2 700	2 862	3 034
Computer Equipment	2 024	2 152	2 447	2 400	2 400	2 400	2 700	2 862	3 034
Furniture and Office Equipment	912	1 936	1 401	2 200	2 200	2 200	2 000	2 120	2 247
Furniture and Office Equipment	912	1 936	1 401	2 200	2 200	2 200	2 000	2 120	2 247
Machinery and Equipment	1 240	1 237	1 338	1 400	1 400	1 400	1 500	1 590	1 685
Machinery and Equipment	1 240	1 237	1 338	1 400	1 400	1 400	1 500	1 590	1 685
Transport Assets	4 898	8 307	6 487	9 200	9 200	9 200	9 000	9 450	9 970
Transport Assets	4 898	8 307	6 487	9 200	9 200	9 200	9 000	9 450	9 970
Land	783	787	773	-	-	-	-	-	-
Land	783	787	773	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals									
Living resources	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Policing and Protection									
Zoological plants and animals									
Immature	-	-	-	-	-	-	-	-	-
Policing and Protection									
Zoological plants and animals									
Total Depreciation	1	63 881	70 060	71 830	86 650	86 650	86 650	89 700	94 510
									99 811

References

1. Depreciation based on write down values. Not including Depreciation resulting from revaluation.

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

[illegible]

Markets										
Stalls	643	4 348	8 996	–	–	–	–	–	–	–
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–	–
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets	–	–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties	–	–	–	–	–	–	–	–	–	5 000
Revenue Generating	–	–	–	–	–	–	–	–	–	5 000
Improved Property	–	–	–	–	–	–	–	–	–	5 000
Unimproved Property										
Non-revenue Generating	–	–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Other assets	–	–	–	–	–	–	–	–	5 000	5 000
Operational Buildings	–	–	–	–	–	–	–	–	5 000	5 000
Municipal Offices	–	–	–	–	–	–	–	–	5 000	5 000
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing	–	–	–	–	–	–	–	–	–	–
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets	–	–	–	–	–	–	–	–	–	–
Servitudes										
Licences and Rights	–	–	–	–	–	–	–	–	–	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
Computer Equipment	–	–	–	–	–	–	–	–	–	–
Computer Equipment										
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment										
Machinery and Equipment	–	–	–	–	–	–	–	–	–	–
Machinery and Equipment										
Transport Assets	–	–	–	–	–	–	–	–	–	–
Transport Assets										
Land	–	–	–	–	–	–	–	–	–	–
Land										
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Living resources	–	–	–	–	–	–	–	–	–	–
Mature	–	–	–	–	–	–	–	–	–	–
Policing and Protection										
Zoological plants and animals										
Immature	–	–	–	–	–	–	–	–	–	–
Policing and Protection										
Zoological plants and animals										
Total Capital Expenditure on upgrading of existing assets	1	32 613	25 750	32 080	50 546	39 597	39 597	81 525	34 004	38 500
Upgrading of Existing Assets as % of total capex		27.3%	20.3%	25.5%	20.3%	14.6%	14.6%	13.3%	4.9%	26.4%
Upgrading of Existing Assets as % of deprecn"		51.1%	36.8%	44.7%	58.3%	45.7%	45.7%	90.9%	36.0%	38.6%
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 capital expenditure

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

Vote Description	Ref	2024/25 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Present value
R thousand								
Capital expenditure	1							
Vote 01 - Executive & Council		-	-	-	-	-	-	-
Vote 02 - Municipal And General		20 500	27 500	27 500	-	-	-	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-
Vote 05 - Community Services		-	5 000	5 000	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		6 000	8 000	40 000	-	-	-	-
Vote 08 - Infrastructure And Services		587 229	648 904	73 513	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>								
Total Capital Expenditure		613 729	689 404	146 013	-	-	-	-
Future operational costs by vote	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>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Exchange Revenue		177 699	187 569	198 087				
Service charges - Electricity		1 099 199	1 199 792	1 309 930				
Service charges - Water		343 685	364 274	387 189				
Service charges - Waste Water Management		95 890	101 631	107 153				
Service charges - Waste Management		72 271	76 467	80 948				
Agency services								
<i>List other revenues sources if applicable</i>		1 741 763	1 896 670	1 424 869				
<i>List entity summary if applicable</i>								
Total future revenue		3 530 507	3 826 403	3 508 177	-	-	-	-
Net Financial Implications		(2 916 778)	(3 136 999)	(3 362 164)	-	-	-	-

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)

[illegible]

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

Distinguish projects approved in terms of MFMA section 19(1)(b) a

† Reported treatment outcomes on intention-to-treat (ITT) population; secondary outcome data (ITT population) are not available for all patients.

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

R thousand													Previous target year to complete	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Original Budget		Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
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.

[illegible]

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 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R	PROPOSED TARIFFS 2026/07/01 R
Residential Property	0.011591	0.012129	0.013070	0.013950
Vacant Residential Property	0.017386	0.018194	0.019605	0.020925
Industrial Property	0.034773	0.036387	0.039211	0.041850
Vacant Industrial	0.040568	0.042452	0.045746	0.048825
Business and Commercial Property	0.034773	0.036387	0.039211	0.041850
Vacant Business and Commercial Property	0.040568	0.042452	0.045746	0.048825
Agricultural Property	0.002898	0.003032	0.003268	0.003487
Mining Property	0.069545	0.072774	0.078422	0.083699
Public Service Property	0.047523	0.049729	0.053588	0.057195
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	0.011591	0.012129	0.013070	0.013950
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	0.016998	0.017707	0.019081	0.020365

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 240 000 in addition to criteria per the Policy. The proposed rebate for Rural Residential is 15%, bona fide Agricultural Property is 40%, 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 The proposed rebate on bona fide Agricultural Property is to be phased out over the next few years. The rebate is reduced from 50% to 40 % for the next year.

1.1.4 The latest General Valuation Roll was implemented 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 were reclassified 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 R	PROPOSED TARIFFS R	PROPOSED TARIFFS R
1.2	<u>MUNICIPAL SWIMMING POOLS & SPORTS FIELDS (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)</u>			
1.2.1	<u>Karen Muir Swimming Pool</u>			
Admission fees - Children	16.00	17.00	18.00	19.00
Admission fees - Adults	21.00	22.00	24.00	26.00
Season tickets - Children	159.00	167.00	180.00	192.00
Season tickets - Adults	274.00	288.00	310.00	331.00
Hire of pool (Strictly for swimming purposes)	2,310.00	2,426.00	2,614.00	2,790.00
Key / Loss / damage / breakage deposit	1,945.00	2,042.00	2,200.00	2,348.00
1.2.2	<u>Florianville Swimming Pool</u>			
Admission fees - Children	16.00	17.00	18.00	19.00
Admission fees - Adults	21.00	22.00	24.00	26.00
Season tickets - Children	134.00	141.00	152.00	162.00
Season tickets - Adults	219.00	230.00	248.00	265.00
Hire of pool (Strictly for swimming purposes)	2,187.00	2,296.00	2,474.00	2,641.00
Key / Loss / damage / breakage deposit	1,945.00	2,042.00	2,200.00	2,348.00
1.2.3	<u>Roodepan Swimming Pool</u>			
Admission fees - Children	12.00	13.00	14.00	15.00
Admission fees - Adults	21.00	22.00	24.00	26.00
Season tickets - Children	122.00	128.00	138.00	147.00
Season tickets - Adults	195.00	205.00	221.00	236.00
Hire of pool (Strictly for swimming purposes)	2,187.00	2,296.00	2,474.00	2,641.00
Key / Loss / damage / breakage deposit	1,945.00	2,042.00	2,200.00	2,348.00
1.2.4	<u>Galeshewe Swimming Pool</u>			
Admission fees - Children	12.00	13.00	14.00	15.00
Admission fees - Adults	21.00	22.00	24.00	26.00
Season tickets - Children	122.00	128.00	138.00	147.00
Season tickets - Adults	195.00	205.00	221.00	236.00
Hire of pool (Strictly for swimming purposes)	2,187.00	2,296.00	2,474.00	2,641.00
Key / Loss / damage / breakage deposit	1,945.00	2,042.00	2,200.00	2,348.00
* Hire of pool for functions / commercial use (tariff applicable to all pools)	4,863.00	5,106.00	5,502.00	5,872.00
* Key / Loss / damage / breakage deposit	3,039.00	3,191.00	3,439.00	3,670.00
1.2.5	<u>De Beers Stadium</u>			
Hire of athletics track	1,629.00	1,710.00	1,843.00	1,967.00
Key / Loss / damage / breakage deposit	1,629.00	1,710.00	1,843.00	1,967.00
Apparatus per day	972.00	1,021.00	1,100.00	1,174.00
Key / Loss / damage / breakage deposit	1,338.00	1,405.00	1,514.00	1,616.00
Training sessions (Schools/Clubs) for athletics during the week, except public holidays from 07:00-18:00	225.00	236.00	254.00	271.00
Hire of sports field/preparation fee	876.00	920.00	991.00	1,058.00
Key / Loss / damage / breakage deposit	1,338.00	1,405.00	1,514.00	1,616.00
Preparation Fee	876.00	920.00	991.00	1,058.00
VIP Lounge	876.00	920.00	991.00	1,058.00
Lights :Fixed (plus hourly rate)	1,871.00	1,965.00	2,117.00	2,259.00
: Hourly rate	59.00	62.00	67.00	72.00
HIRE OF STADIUM				
Sport per day (soccer)	New	1,276.00	1,375.00	1,468.00
Other than sport	3,039.00	3,191.00	3,439.00	3,670.00
Key / Loss / damage / breakage deposit	2,431.00	2,553.00	2,751.00	2,936.00
Training session (max 2 hours) between Tuesday- Thursday, except public holidays from 07:00-18:00	New	236.00	254.00	271.00
Music festivals/events /commercial use	27,954.00	29,352.00	31,630.00	33,759.00
Key / Loss / damage / breakage deposit	38,893.00	40,838.00	44,007.00	46,969.00
HIRE OF HALL NO. 4				
Indoor sport	195.00	205.00	221.00	236.00
Hire of cafeteria/bar	390.00	410.00	442.00	472.00
Key / Loss / damage / breakage deposit	1,338.00	1,405.00	1,514.00	1,616.00
Season ticket for individuals	206.00	216.00	233.00	249.00
Individual per session	53.00	56.00	60.00	64.00
GROUPS:				



	PRESENT TARIFFS	PROPOSED TARIFFS	PROPOSED TARIFFS	PROPOSED TARIFFS
	R	R	R	R
1 - 10 per session	91.00	96.00	103.00	110.00
11 - 20 per session	117.00	123.00	133.00	142.00
21 - 30 per session	148.00	155.00	167.00	178.00
31 - 40 per session	182.00	191.00	206.00	220.00
41 - 60 per session	213.00	224.00	241.00	257.00
61 and more per session	310.00	326.00	351.00	375.00
1.2.6 Galeshewe Stadium				
Sport per day	1,215.00	1,276.00	1,375.00	1,468.00
Hire of multipurpose courts or athletic track	900.00	945.00	1,018.00	1,087.00
Key / Loss / damage / breakage deposit	1,640.00	1,722.00	1,856.00	1,981.00
Training session (max 2 hours) between Tuesday- Thursday, except public holidays from 07:00-18:00	225.00	236.00	254.00	271.00
PRACTICE SESSIONS FOR ATHLETICS during the week, except public holidays from 07:00-18:00				
Season ticket for individuals	206.00	216.00	233.00	249.00
Individual per session	53.00	56.00	60.00	64.00
GROUPS:				
1 - 10 per session	91.00	96.00	103.00	110.00
11 - 20 per session	117.00	123.00	133.00	142.00
21 - 30 per session	148.00	155.00	167.00	178.00
31 - 40 per session	182.00	191.00	206.00	220.00
41 - 60 per session	213.00	224.00	241.00	257.00
61 and more per session	310.00	326.00	351.00	375.00
Training sessions (schools/clubs) for athletics during the week, except public holidays from 07:00-18:00	225.00	236.00	254.00	271.00
Other than sport	5,469.00	5,742.00	6,188.00	6,604.00
Key / Loss / damage / breakage deposit	2,431.00	2,553.00	2,751.00	2,936.00
Music festivals/events /commercial use	21,877.00	22,971.00	24,754.00	26,420.00
Key / Loss / damage / breakage deposit	37,677.00	39,561.00	42,631.00	45,500.00
Lights :Fixed (plus hourly rate)	3,767.00	3,955.00	4,262.00	4,549.00
: Hourly rate	109.00	114.00	123.00	131.00
1.2.7 Galeshewe Arena				
Hire of arena per day	475.00	499.00	538.00	574.00
Hire of hall per day	243.00	255.00	275.00	294.00
Key / Loss / damage / breakage deposit	791.00	831.00	895.00	955.00
Music festivals/events /commercial use	7,170.00	7,529.00	8,113.00	8,659.00
Key / Loss / damage / breakage deposit	14,585.00	15,314.00	16,502.00	17,613.00
Lights :Fixed (plus hourly rate)	61.00	64.00	69.00	74.00
: Hourly rate	18.00	19.00	20.00	21.00
1.2.8 West-End Indoor Facility				
Competitive sport -				
Prior occupation per day	874.00	918.00	989.00	1,056.00
Main Hall (per day)	2,054.00	2,157.00	2,324.00	2,480.00
Key / Loss / damage / breakage deposit	2,043.00	2,145.00	2,311.00	2,467.00
Small Hall (per day)	1,275.00	1,339.00	1,443.00	1,540.00
Key / Loss / damage / breakage deposit	1,275.00	1,339.00	1,443.00	1,540.00
Training sessions -				
Main Hall (per hour)	212.00	223.00	240.00	256.00
Key / Loss / damage / breakage deposit	319.00	335.00	361.00	385.00
Small Hall (per hour)	153.00	161.00	173.00	185.00
Key / Loss / damage / breakage deposit	280.00	294.00	317.00	338.00
Other than sport -				
Prior occupation per day	1,020.00	1,071.00	1,154.00	1,232.00
Main Hall	2,551.00	2,679.00	2,887.00	3,081.00
Key / Loss / damage / breakage deposit	2,551.00	2,679.00	2,887.00	3,081.00
Small Hall	1,429.00	1,500.00	1,616.00	1,725.00
Key / Loss / damage / breakage deposit	1,531.00	1,608.00	1,733.00	1,850.00
Commercial use -				
Prior occupation per day	1,047.00	1,099.00	1,184.00	1,264.00
Main Hall (per day)	5,741.00	6,028.00	6,496.00	6,933.00
Key / Loss / damage / breakage deposit	16,969.00	17,817.00	19,200.00	20,492.00
Small Hall (per day)	2,551.00	2,679.00	2,887.00	3,081.00
Key / Loss / damage / breakage deposit	2,551.00	2,679.00	2,887.00	3,081.00
Kitchen (per day)	728.00	764.00	823.00	878.00
Key / Loss / damage / breakage deposit	1,275.00	1,339.00	1,443.00	1,540.00



1.2.9

West-End Club**Commercial use -**

Prior occupation per day

Main Hall (per day)

Key / Loss / damage / breakage deposit

Competitive sport -

Prior occupation per day

Main Hall (per day)

Key / Loss / damage / breakage deposit

Training sessions -

Main Hall (per hour)

Key / Loss / damage / breakage deposit

Main Hall (other than specified)

Key / Loss / damage / breakage deposit

Kitchen

Key / Loss / damage / breakage deposit

Braai area

Key / Loss / damage / breakage deposit

Trog Bar

Key / Loss / damage / breakage deposit

Soccer Field

Key / Loss / damage / breakage deposit

Cricket field

Key / Loss / damage / breakage deposit

Air Conditioner

Deposit on hiring of facilities

(Within 7 days of the request for the reservation)

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.

PRESENT**TARIFFS**

R

765.00

1,275.00

765.00

893.00

PROPOSED**TARIFFS**2024/07/01

R

803.00

1,339.00

803.00

938.00

PROPOSED**TARIFFS**2025/07/01

R

865.00

1,443.00

865.00

1,011.00

PROPOSED**TARIFFS**2026/07/01

R

923.00

1,540.00

923.00

1,079.00



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	<u>Open Mine Caravan Park</u>				
	Caravans - (per Caravan)	160.00	168.00	181.00	193.00
	- (per person)	83.00	87.00	94.00	100.00
	Caravan Club				
	Minimum of 20 Caravans - (per Caravan)	121.00	127.00	137.00	146.00
	- (per person)	77.00	81.00	87.00	93.00
	Pensioners - (per Caravan)	114.00	120.00	129.00	138.00
	- (per person)	77.00	81.00	87.00	93.00
	Tent (per site)	121.00	127.00	137.00	146.00
	(per person)	96.00	101.00	109.00	116.00
	Day Visitors:				
	Car (per car)	96.00	101.00	109.00	116.00
	(per person)	103.00	108.00	116.00	124.00
	Bus (per bus)	472.00	496.00	534.00	570.00
	(per person)	83.00	87.00	94.00	100.00
	Music Festival/Events?Commercial Use	New	12,225.00	13,174.00	14,061.00
	Key loss/Damage/Breakage deposit	New	14,059.00	15,150.00	16,170.00
1.3	<u>BURIAL PLOT FEES (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)</u>				
1.3.1	<u>West-End and Kenilworth Cemeteries</u>				
	Re-opening (casket)	1,216.00	1,277.00	1,376.00	1,469.00
	Re-opening (adults)	990.00	1,040.00	1,121.00	1,196.00
	Re-opening (babies)	787.00	826.00	890.00	950.00
	Burial of ashes	262.00	275.00	296.00	316.00
	Grave fees (adult)	1,669.00	1,752.00	1,888.00	2,015.00
	Grave fees (children under 7)	1,275.00	1,339.00	1,443.00	1,540.00
	Special graves (casket)	2,349.00	2,466.00	2,657.00	2,836.00
	Wall of Remembrance (per niche)	2,468.00	2,591.00	2,792.00	2,980.00
	Two burials per grave	3,577.00	3,756.00	4,047.00	4,319.00
	Reserved graves	3,577.00	3,756.00	4,047.00	4,319.00
	Monument erection fee - single graves	609.00	639.00	689.00	735.00
	Monument erection fee - double graves	1,049.00	1,101.00	1,186.00	1,266.00
	Sundry payment - Saturday funerals	1,252.00	1,315.00	1,417.00	1,512.00



		PRESENT TARIFFS	PROPOSED TARIFFS 2024/07/01	PROPOSED TARIFFS 2025/07/01	PROPOSED TARIFFS 2026/07/01
		R	R	R	R
1.3.2	<u>Roodepan, Greenpoint and Galeshewe Cemeteries</u>				
	Re-opening (casket)	1,049.00	1,101.00	1,186.00	1,266.00
	Re-opening (adults)	799.00	839.00	904.00	965.00
	Re-opening (babies)	693.00	728.00	784.00	837.00
	Burial of ashes	262.00	275.00	296.00	316.00
	Grave fees (adult)	1,049.00	1,101.00	1,186.00	1,266.00
	Grave fees (children under 7)	465.00	488.00	526.00	561.00
	Special graves (casket)	2,027.00	2,128.00	2,293.00	2,447.00
	Pauper graves	441.00	463.00	499.00	533.00
	Two burials per grave	2,504.00	2,629.00	2,833.00	3,024.00
	Reserved graves	2,551.00	2,679.00	2,887.00	3,081.00
	Monument erection fee - single graves	609.00	639.00	689.00	735.00
	Monument erection fee - double graves	1,049.00	1,101.00	1,186.00	1,266.00
	Sundry payment - Saturday funerals	1,252.00	1,315.00	1,417.00	1,512.00
1.3.3	<u>Ritchie, Motswedimosa and Rietvale Cemeteries</u>				
	Re-opening (casket)	1,049.00	1,101.00	1,186.00	1,266.00
	Re-opening (adults)	799.00	839.00	904.00	965.00
	Re-opening (babies)	693.00	728.00	784.00	837.00
	Burial of ashes	262.00	275.00	296.00	316.00
	Grave fees (adult)	1,049.00	1,101.00	1,186.00	1,266.00
	Grave fees (children under 7)	465.00	488.00	526.00	561.00
	Special graves (casket)	2,027.00	2,128.00	2,293.00	2,447.00
	Pauper graves	441.00	463.00	499.00	533.00
	Two burials per grave	2,504.00	2,629.00	2,833.00	3,024.00
	Reserved graves	2,551.00	2,679.00	2,887.00	3,081.00
	Monument erection fee - single graves	609.00	639.00	689.00	735.00
	Monument erection fee - double graves	1,049.00	1,101.00	1,186.00	1,266.00
	Sundry payment - Saturday funerals	1,252.00	1,315.00	1,417.00	1,512.00
	<u>Phutanang Cemetery</u>				
	Re-opening (dome casket/casket)	1,049.00	1,101.00	1,186.00	1,266.00
	Re-opening (adults)-normal	799.00	839.00	904.00	965.00
	Re-opening (babies)	693.00	728.00	784.00	837.00
	Burial of ashes	262.00	275.00	296.00	316.00
	Grave fees (adult)	1,000.00	1,050.00	1,131.00	1,207.00
	Grave fees (children under 7)	465.00	488.00	526.00	561.00
	Special graves (dome casket/casket)	1,944.00	2,041.00	2,199.00	2,347.00
	Pauper graves	441.00	463.00	499.00	533.00
	Two burials per grave	1,845.00	1,937.00	2,087.00	2,227.00
	Reserved graves	2,389.00	2,508.00	2,703.00	2,885.00
	Monument erection fee - single graves	609.00	639.00	689.00	735.00
	Monument erection fee - double graves	1,049.00	1,101.00	1,186.00	1,266.00
	Sundry payment - Saturday funerals	1,252.00	1,315.00	1,417.00	1,512.00
1.3.4	Grave Fees for Deceased Indigent Accountholders	405.00	425.00	458.00	489.00
1.4	<u>PLEASURE RESORTS AND CARAVAN PARKS (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)</u>				

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

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

Accommodation cancellation

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

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

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



Accommodation deposit

A deposit must be paid within 48 hours of the date of the request for a reservation. Deposit amount is 75% of total amount.

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

***No free entry for Riverton residents

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

as per quotation

as per quotation

as per quotation

as per quotation

1.4.1

Riverton Pleasure Resort

Chalets/Villas

Basic tariff per unit

161.00

169.00

182.00

194.00

Per bed available in the unit

226.00

237.00

255.00

272.00

With the proviso that if a five-bed unit is available and only a four-bed unit is required, the tariff for a four-bed unit is applicable (converted to the nearest multiple of 5).

Rondavels

Basic tariff per unit

93.00

98.00

106.00

113.00

Per bed available in the unit

161.00

169.00

182.00

194.00

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

Upgraded Rondavels : Basic tariff per unit

133.00

140.00

151.00

161.00

Upgraded Rondavels : Per bed available in the unit

177.00

186.00

200.00

213.00

Caravan Park

Caravan (per day)

133.00

140.00

151.00

161.00

Per person (per day)

62.00

65.00

70.00

75.00

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

51.00

54.00

58.00

62.00

Day visitors (1 May - 31 August)

31.00

33.00

36.00

38.00

Cars

36.00

38.00

41.00

44.00

Season ticket (minimum 100 tickets)

50% discount

50% discount

50% discount

50% discount

Boats

96.00

101.00

109.00

116.00

Hall (for period of 24 hours)

676.00

710.00

765.00

816.00

Key / Loss / damage / breakage deposit

Chalets and Villas

631.00

663.00

714.00

762.00

Rondavels

631.00

663.00

714.00

762.00

Hall

631.00

663.00

714.00

762.00

Group reservations

7,078.00

7,432.00

8,009.00

8,548.00

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

Langley Pleasure Resort

Chalets

161.00

169.00

182.00

194.00

Basic tariff per unit

145.00

152.00

164.00

175.00

Per bed available in the unit

Rondavels

Basic tariff per unit

93.00

98.00

106.00

113.00

Per bed available in the unit

48.00

50.00

54.00

58.00

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)

44236.00

46,448.00

50,052.00

53,420.00



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R

Key / Loss / damage / breakage deposit

Resort	22,750.00	23,888.00	25,742.00	27,474.00
Chalets	631.00	663.00	714.00	762.00
Rondavels	631.00	663.00	714.00	762.00

Camping sites

Tent 6 persons(per day)	119.00	125.00	135.00	144.00
Per person (per day)	62.00	65.00	70.00	75.00

Caravans

Per caravan (per day)	139.00	146.00	157.00	168.00
Per person (per day)	77.00	81.00	87.00	93.00

Hall

24-hour period	1,516.00	1,592.00	1,716.00	1,831.00
Per person	45.00	47.00	51.00	54.00
Key / Loss / damage / breakage deposit	631.00	663.00	714.00	762.00

Day visitors

Per person	51.00	54.00	58.00	62.00
Cars	37.00	39.00	42.00	45.00

Group accommodation

Key / Loss / damage / breakage deposit	1,895.00	1,990.00	2,144.00	2,288.00
Per person per night (without bedding)	126.00	132.00	142.00	152.00
Per person per night (with bedding)	152.00	160.00	172.00	184.00

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

1.4.3

Rekaofela and Transka Pleasure Resorts

Chalets : Rekaofela

Basic tariff per unit	196.00	206.00	222.00	237.00
Per bed available in the unit	234.00	246.00	265.00	283.00
(Amount converted to the nearest multiple of 5).				
Key / Loss / damage / breakage deposit	631.00	663.00	714.00	762.00

Chalets : Transka


Basic tariff per unit	161.00	169.00	182.00	194.00
Per bed available in the unit	161.00	169.00	182.00	194.00
Key / Loss / damage / breakage deposit	631.00	663.00	714.00	762.00

Caravan Park :Transka

Caravan (per day)	145.00	152.00	164.00	175.00
Per person (per day)	77.00	81.00	87.00	93.00

Group accommodation

Transka - per person per night (with bedding)	145.00	152.00	164.00	175.00
Key / Loss / damage / breakage deposit	1,895.00	1,990.00	2,144.00	2,288.00
Rekaofela - per person per night	171.00	180.00	194.00	207.00
Key / Loss / damage / breakage deposit	1,895.00	1,990.00	2,144.00	2,288.00

	 <div> <div>PRESENT</div> <div>TARIFFS</div> <div>R</div> </div>	<div>PROPOSED</div> <div>TARIFFS</div> <div>2024/07/01</div> <div>R</div>	<div>PROPOSED</div> <div>TARIFFS</div> <div>2025/07/01</div> <div>R</div>	<div>PROPOSED</div> <div>TARIFFS</div> <div>2026/07/01</div> <div>R</div>
Hall - (24-hour period) Kopano	1,327.00	1,393.00	1,501.00	1,602.00
- (48-hour period)	1,389.00	1,458.00	1,571.00	1,677.00
- (72-hour period)	1,454.00	1,527.00	1,645.00	1,756.00
- (96-hour period)	1,516.00	1,592.00	1,716.00	1,831.00
(More than 96 hours)	2,212.00	2,323.00	2,503.00	2,671.00
Key / Loss / damage / breakage deposit	1,895.00	1,990.00	2,144.00	2,288.00
<u>Training Centre - Mongano Hall</u>				
Per person per night	171.00	180.00	194.00	207.00
Key / Loss / damage / breakage deposit	1,895.00	1,990.00	2,144.00	2,288.00
Hall - (24-hour period)	2,843.00	2,985.00	3,217.00	3,434.00
- (48-hour period)	2,970.00	3,119.00	3,361.00	3,587.00
- (72-hour period)	3,160.00	3,318.00	3,575.00	3,816.00
- (96-hour period)	3,286.00	3,450.00	3,718.00	3,968.00
(More than 96 hours)	5,624.00	5,905.00	6,363.00	6,791.00
Key / Loss / damage / breakage deposit	1,895.00	1,990.00	2,144.00	2,288.00
Prior occupation	1,265.00	1,328.00	1,431.00	1,527.00
<u>Recreation Hall - Riverside Hall</u>				
Hall - (24-hour period)	7,078.00	7,432.00	8,009.00	8,548.00
- (48-hour period)	7,331.00	7,698.00	8,295.00	8,853.00
- (72-hour period)	7,457.00	7,830.00	8,438.00	9,006.00
- (96-hour period)	7,710.00	8,096.00	8,724.00	9,311.00
(More than 96 hours)	8,468.00	8,891.00	9,581.00	10,226.00
Prior occupation (per day)	721.00	757.00	816.00	871.00
Key / Loss / damage / breakage deposit	3,160.00	3,318.00	3,575.00	3,816.00
<u>Meals and refreshments</u>				
That a 10% levy be charged on all catering costs over weekends, long weekends and public holidays.				
<u>Catering at Rekaofela Resort is compulsory</u>				
<u>No outside Caterers are allowed to do catering at this facility</u>				
Daily conference tariff per person per day for a minimum of 20-40 delegates.	860.00	903.00	973.00	1,038.00
Daily conference tariff per person per day for less than 20 delegates,	1,011.00	1,062.00	1,144.00	1,221.00
Breakfast	64.00	67.00	72.00	77.00
	69.00	72.00	78.00	83.00
	83.00	87.00	94.00	100.00
	98.00	103.00	111.00	118.00
	111.00	117.00	126.00	134.00
	128.00	134.00	144.00	154.00
	171.00	180.00	194.00	207.00
Lunch / Dinner	83.00	87.00	94.00	100.00
	98.00	103.00	111.00	118.00
	105.00	110.00	119.00	127.00
	111.00	117.00	126.00	134.00
	105.00	110.00	119.00	127.00
	120.00	126.00	136.00	145.00
	126.00	132.00	142.00	152.00
	133.00	140.00	151.00	161.00
	139.00	146.00	157.00	168.00
	145.00	152.00	164.00	175.00
	153.00	161.00	173.00	185.00
	166.00	174.00	188.00	201.00
	177.00	186.00	200.00	213.00
	190.00	200.00	216.00	231.00
	223.00	234.00	252.00	269.00

	PRESENT TARIFFS R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R	PROPOSED TARIFFS 2026/07/01 R
Poeding	37.00 45.00 57.00	39.00 47.00 60.00	42.00 51.00 65.00	45.00 54.00 69.00
<u>Additional meals</u>				
Finger lunch per person	62.00 83.00 90.00 120.00 139.00	65.00 87.00 95.00 126.00 146.00	70.00 94.00 102.00 136.00 157.00	75.00 100.00 109.00 145.00 168.00
Spitbraai per person	278.00 321.00 366.00	292.00 337.00 384.00	315.00 363.00 414.00	336.00 387.00 442.00
Weddings per person	298.00 321.00 382.00 430.00	313.00 337.00 401.00 452.00	337.00 363.00 432.00 487.00	360.00 387.00 461.00 520.00
<u>Coffee/Tea & Refreshments</u>				
Coffee/Tea (per person)	26.00	27.00	29.00	31.00
Coffee/Tea & refreshments (per person)	63.00	66.00	71.00	76.00
Coffee/Tea & muffens (per person)	55.00	58.00	63.00	67.00
Tableclothes (weddings) each	69.00	72.00	78.00	83.00
Crockery and cutlery (per day)	417.00	438.00	472.00	504.00
Overhead projector (per day)	82.00	86.00	93.00	99.00
Video machine (per day)	77.00	81.00	87.00	93.00
Television (per day)	51.00	54.00	58.00	62.00
Flip chart	51.00	54.00	58.00	62.00
Flip chart paper (per batch)	347.00	364.00	392.00	418.00
Cool room (24-hours)	138.00	145.00	156.00	166.00
Data Projector (per day)	278.00	292.00	315.00	336.00
<u>Printing charges and phone calls</u>				
Paper prints - A4	11.00	12.00	13.00	14.00
Paper prints - A3	18.00	19.00	20.00	21.00
Fax - A4	27.00	28.00	30.00	32.00
<u>Day Visitor Tariff</u>				
Per person (Transka)	27.00	28.00	30.00	32.00
Per person Seasonal (Transka) Easter/ December till 10th of January	76.00	80.00	86.00	92.00
School children out of season (Transka)	12.00	13.00	14.00	15.00
Winter Period (1 May till 31st July	12.00	13.00	14.00	15.00
Buses (15 Seater and more) / Cars	36.00	38.00	41.00	44.00
Putt-Putt	25.00	26.00	28.00	30.00

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.



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2024/07/01
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2025/07/01
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TARIFFS
2026/07/01
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Hire of Lapas

Lapa A	477.00	501.00	540.00	576.00
Lapa B	477.00	501.00	540.00	576.00
Lapa C	537.00	564.00	608.00	649.00
Key / Loss / damage / breakage deposit	596.00	626.00	675.00	720.00

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)	537.00	564.00	608.00	649.00
1-Activity introduction (per person) - instruction, refreshments, equipment	596.00	626.00	675.00	720.00

Instructor's fees

Instructor's fees per day (with OAA Level 2 training)	537.00	564.00	608.00	649.00
Instructor's fees per day (with OAA Level 3 training)	596.00	626.00	675.00	720.00
Instructor's transport costs (per Km)	6.00	6.30	6.79	7.25

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

PRESENT TARIFFS R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R	PROPOSED TARIFFS 2026/07/01 R
505.00	530.00	571.00	609.00

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	1,789.00	1,878.00	2,024.00	2,160.00
2 Bedroom	2,266.00	2,379.00	2,564.00	2,737.00

Hercules Court

1 Bedroom	1,968.00	2,066.00	2,226.00	2,376.00
2 Bedroom	2,385.00	2,504.00	2,698.00	2,880.00

Holland Court

1 Bedroom	2,623.00	2,754.00	2,968.00	3,168.00
2 Bedroom	3,219.00	3,380.00	3,642.00	3,887.00
3 Bedroom	3,458.00	3,631.00	3,913.00	4,176.00
Bachelor	2,325.00	2,441.00	2,630.00	2,807.00

Newton Court

1 Bedroom	2,921.00	3,067.00	3,305.00	3,527.00
2 Bedroom	3,577.00	3,756.00	4,047.00	4,319.00
3 Bedroom	4,113.00	4,319.00	4,654.00	4,967.00

Tiffany Court

2 Bedroom	3,577.00	3,756.00	4,047.00	4,319.00
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Eugenie Court

1 Bedroom	2,862.00	3,005.00	3,238.00	3,456.00
2 Bedroom	3,458.00	3,631.00	3,913.00	4,176.00

Jonker Court

1 Bedroom	2,385.00	2,504.00	2,698.00	2,880.00
2 Bedroom	2,862.00	3,005.00	3,238.00	3,456.00

Eureka Court

1 Bedroom	2,385.00	2,504.00	2,698.00	2,880.00
2 Bedroom	2,921.00	3,067.00	3,305.00	3,527.00

Krisant Court

1 Bedroom	2,266.00	2,379.00	2,564.00	2,737.00
2 Bedroom	2,921.00	3,067.00	3,305.00	3,527.00

Roodepan Flats

1 Bedroom	870.00	914.00	985.00	1,051.00
2 Bedroom	1,431.00	1,503.00	1,620.00	1,729.00
3 Bedroom	1,968.00	2,066.00	2,226.00	2,376.00

	PRESENT TARIFFS R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R	PROPOSED TARIFFS 2026/07/01 R
<u>Flamingo Court</u>				
1 Bedroom	1,490.00	1,565.00	1,686.00	1,799.00
2 Bedroom	1,908.00	2,003.00	2,158.00	2,303.00
Bachelor	1,372.00	1,441.00	1,553.00	1,658.00
<u>Lerato Park Communal Residential Units (CRU)</u>				
Bachelor unit-CRU Units (Type A-30m ²)	1,800.00	1,890.00	2,037.00	2,174.00
1 Bedroom unit -CRU Units (Type B-42m ²)	2,500.00	2,625.00	2,829.00	3,019.00
2 Bedroom unit- Rental units (Type C - 42m ²)	2,500.00	2,625.00	2,829.00	3,019.00
2 Bedroom unit- Rental units (Type D - 43m ²)	2,800.00	2,940.00	3,168.00	3,381.00
2 Bedroom unit- Rental units (Type E - 52m ²)	3,500.00	3,675.00	3,960.00	4,227.00
2 Bedroom unit- Rental units (Type F - 52m ²)	3,500.00	3,675.00	3,960.00	4,227.00
2 Bedroom unit- Rental units (Type G - 52m ²)	3,500.00	3,675.00	3,960.00	4,227.00
NB: Rental charges are inclusive of Sewerage and Refuse removal as per Council approved tariffs.				
<u>Carports</u>				
Carport with locking facility (per month)	132.00	139.00	150.00	160.00
Carport without locking facility (per month)	59.00	62.00	67.00	72.00
Key deposit	179.00	188.00	203.00	217.00
Administration fee	202.00	212.00	228.00	243.00
<u>By-pass houses</u>				
7 Villiers street	2,206.00	2,316.00	2,496.00	2,664.00
9 Villiers street	2,027.00	2,128.00	2,293.00	2,447.00
27a St Augustines road	2,206.00	2,316.00	2,496.00	2,664.00
28 St Augustines road	2,504.00	2,629.00	2,833.00	3,024.00
29 St Augustines road	1,968.00	2,066.00	2,226.00	2,376.00
20 Auction	2,206.00	2,316.00	2,496.00	2,664.00
4 Marriott	2,027.00	2,128.00	2,293.00	2,447.00
21 Diebel	2,682.00	2,816.00	3,035.00	3,239.00
13 Fuller	1,789.00	1,878.00	2,024.00	2,160.00
49 Jacobson	2,981.00	3,130.00	3,373.00	3,600.00
183 Barkly	1,252.00	1,315.00	1,417.00	1,512.00
185 Barkly	2,742.00	2,879.00	3,102.00	3,311.00
30 Meyer	4,054.00	4,257.00	4,587.00	4,896.00
West end Nursery house	2,206.00	2,316.00	2,496.00	2,664.00
Pioneer cemetery house	584.00	613.00	661.00	705.00
104a Waterworks street	2,504.00	2,629.00	2,833.00	3,024.00
Administration fee	179.00	188.00	203.00	217.00
<u>Santa centre</u>				
Rental units	86.00	90.00	97.00	104.00
<u>Dingaan family units</u>				
Bachelor	345.00	362.00	390.00	416.00
1 Bedroom	382.00	401.00	432.00	461.00
<u>Selling Scheme</u>				
Administration charges	119.00	125.00	135.00	144.00
Insurance	54.00	57.00	61.00	65.00
<u>Informal housing</u>				
Occupation fee	142.00	149.00	161.00	172.00
<u>MARK (STRATEGY, ECONOMIC DEVELOPMENT & PLANNING SERVICES)</u>				
<u>Hire</u>				
Office (per m2) per month	36.00	38.00	41.00	44.00
<u>Cold rooms per month</u>				
Outsdie	3578.00	3,757.00	4,049.00	4,321.00
Inside	9114.94	9,571.00	10,314.00	11,008.00
<u>Outside buildings</u> (per m2) per month	45.00	47.00	51.00	54.00
Parking per month	77.00	81.00	87.00	93.00
Transaction fees per transaction	1.18	1.24	1.34	1.43
Ripening fees per pallet per day	24.00	25.00	27.00	29.00
Ripening fees per box per day	6.00	6.30	6.79	7.25
Hiring of the Lapa	1,516.00	1,592.00	1,716.00	1,831.00
<u>Small trolleys per day</u>				
Trolley	7.00	7.35	7.92	8.45
Pallet jack	32.00	34.00	37.00	39.00
Storage (per m2) per month	12.00	13.00	14.00	15.00
Big trolleys (plus refundable deposits of R10.00)	13.00	14.00	15.00	16.00



1.7

SIDEWALK AND ROAD TARIFFS (SERVICES & INFRASTRUCTURE)

	PRESENT TARIFFS R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R	PROPOSED TARIFFS 2026/07/01 R
Lowered curbing per meter	289.00	303.00	327.00	349.00
Per safety pole on sidewalk	260.00	273.00	294.00	314.00
Tar patching work per m2 - area ÷ 30mm thickness installed	435.00	457.00	492.00	525.00
Application fee for upgrading of sidewalk per square meter	2.25	2.36	2.55	2.72
Application and advertisement for closure of road	6,320.00	6,636.00	7,151.00	7,632.00
Lowered kerbs inspections	102.00	107.00	115.00	123.00
Erf peg inspections (per inspection)	171.00	180.00	194.00	207.00
Wayleave applications: Once-off fee				
a) Application of a wayleave (to offset the cost of the documentation and inspection costs),	2,812.00	2,953.00	3,182.00	3,396.00
b) A non-refundable deposit per road crossing shall be apply.	2,250.00	2,363.00	2,546.00	2,717.00
c) Residential access without ingeneering drawings	1,500.00	1,575.00	1,697.00	1,811.00
d) Residential access with ingeneering drawings	1,800.00	1,890.00	2,037.00	2,174.00
e) Encroachment of sidewalk per m² per month	300.00	315.00	339.00	362.00
Recurring fee				
f) An additional cost per linear metre per annum, in lure of a rental fees of use of the municipal infrastructure.	2.25	2.36	2.55	2.72
g) Failure to comply with the stipulated request as per (f) above will result in a fixed cost per annum being applied.	224,973.00	236,222.00	254,553.00	271,684.00

1.8

URBAN PLANNING (STRATEGY, ECONOMIC DEVELOPMENT & PLANNING SERVICES)

1.8.1

Building Control Section**Building Plan Inspection Fees**

The fees for the approval of building plans of all buildings (including covered stoep, veranda's, carports and outbuildings) calculated along the external walls on each floor and excluding the areas of external staircases, chimney breasts, architectural features and eaves, are as follows:

The minimum charge for any approval	849.00	891.00	960.00	1,025.00
Minor building work as defined in the definitions of the NBR	849.00	891.00	960.00	1,025.00
Swimming Pool	849.00	891.00	960.00	1,025.00
Boundary Wall - Plan Submission	849.00	891.00	960.00	1,025.00
Cellphone Mast - Plan Submission	1,180.00	1,239.00	1,335.00	1,425.00
Re-inspection of defective work (every inspection more than two)	801.00	841.00	906.00	967.00
Re-submission of lapsed plans	1,530.00	1,607.00	1,732.00	1,849.00
Alterations to drainage systems	696.00	731.00	788.00	841.00
For all new buildings per m2	22.00	23.00	25.00	27.00
For all as-built buildings, completed or under construction	104.00	109.00	117.00	125.00
For new buildings over 500m2 (per m2)	20.00	21.00	23.00	25.00
For all new buildings per m2 exceeding 1000m2	19.00	20.00	22.00	23.00
Per Government subsidized house	84.00	88.00	95.00	101.00
For additions to any existing building per m2	22.00	23.00	25.00	27.00
For additions over 500m2 (per m2)	20.00	21.00	23.00	25.00
For additions of buildings per m2 exceeding 1000m2	19.00	20.00	22.00	23.00
For business temporary structure/s per square meter	11.00	12.00	13.00	14.00
For any government building/s per square meter	22.00	23.00	25.00	27.00
For residential temporary structure per square meter	6.00	6.30	6.79	7.25
<u>For internal alterations to existing buildings.</u>				
Between 0 & 250m2 any existing building	1,276.00	1,340.00	1,444.00	1,541.00
Between 250 & 500m2 any existing building	1,448.00	1,520.00	1,638.00	1,748.00
Between 500 & 750m2 any existing building	2,465.00	2,588.00	2,789.00	2,977.00
Between 750 & 1000m2 any existing building	4,727.00	4,963.00	5,348.00	5,708.00
Between 1000 & 5000m2 any existing building	8,999.00	9,449.00	10,182.00	10,867.00
Between 5000 & 10000m2 any existing building	14,857.00	15,600.00	16,811.00	17,942.00
Private Contractors - Council supervision				
per house type (over and above inspection fees)	171.00	180.00	194.00	207.00
Postage of Plans less than weigh 1Kg	254.00	267.00	288.00	307.00
Postage of Plans less than weigh 2Kg	510.00	536.00	578.00	617.00
Postage of Plans less than weigh 5Kg	1,019.00	1,070.00	1,153.00	1,231.00
Postage of Plans less than weigh 7Kg	2,037.00	2,139.00	2,305.00	2,460.00
Postage of Plans exceeding weigh 7Kg	3,398.00	3,568.00	3,845.00	4,104.00



1.8.1.2

Building Control Penalty and Fine schedule for Law-Enforcement (New)

	PRESENT TARIFFS R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R	PROPOSED TARIFFS 2026/07/01 R
Demolition Permit	1,250.00	1,313.00	1,415.00	1,510.00
Temporary Occupancy	1,250.00	1,313.00	1,415.00	1,510.00
Section 7 (6) Approval	6,951.00	7,299.00	7,865.00	8,394.00
Accumulative daily fine CIB	171.00	180.00	194.00	207.00
Under construction illegal work per m2	104.00	109.00	117.00	125.00
Submission fee for completed illegal work per m2	104.00	109.00	117.00	125.00
Dumping building rubble exceed 30days per m3	341.00	358.00	386.00	412.00
Dumping building rubble exceed 60days per m3	511.00	537.00	579.00	618.00
Encroachment to council land (per day)	171.00	180.00	194.00	207.00
Failing to display building permit onsite	849.00	891.00	960.00	1,025.00
Aggressive FDBP (per day)	171.00	180.00	194.00	207.00
Structure as nuisance in terms of Section 10	171.00	180.00	194.00	207.00
Aggressive structure as nuisance	1,699.00	1,784.00	1,922.00	2,051.00
Unauthorised erected public tent 500-1000m2	849.00	891.00	960.00	1,025.00
Unauthorised erected public tent 1000-5000m2	1,699.00	1,784.00	1,922.00	2,051.00
Unauthorised erected public tent 2000-10000m2	3,398.00	3,568.00	3,845.00	4,104.00
Unauthorised erected public tent 10000-above	8,494.00	8,919.00	9,611.00	10,258.00
Unauthorised erected artist stage	2,548.00	2,675.00	2,883.00	3,077.00
Unauthorised demolishing of structure/s	8,494.00	8,919.00	9,611.00	10,258.00
Unauthorised occupying building/s	4,246.00	4,458.00	4,804.00	5,127.00
Amendment fee	849.00	891.00	960.00	1,025.00
Additional Occupancy per certificate	179.00	188.00	203.00	217.00
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				
Rezoning	3,567.00	3,745.00	4,036.00	4,308.00
Consent use / Conditional uses	1,308.00	1,373.00	1,480.00	1,580.00
Phasing of Layout Plan	709.00	744.00	802.00	856.00
All departures included in applications submitted for council approval(basic fee included)	1,308.00	1,373.00	1,480.00	1,580.00
Consolidation	709.00	744.00	802.00	856.00
Subdivision:				
Basic subdivision fee	1,308.00	1,373.00	1,480.00	1,580.00
Thereafter:				
3-10 erven an additional payment (per erf)	141.00	148.00	159.00	170.00
11-50 erven an additional payment (per erf)	72.00	76.00	82.00	88.00
51 and above erven an additional payment (per erf)	16.00	17.00	18.00	19.00
Advertising deposit per application (Local Newspapers)	2,548.00	2,675.00	2,883.00	3,077.00
Removal, Suspension or Amendment of Title Deed	1,308.00	1,373.00	1,480.00	1,580.00
Advertising: Government Gazette	6,452.00	6,775.00	7,301.00	7,792.00
Advertising: Local Newspaper (two placements)	4,246.00	4,458.00	4,804.00	5,127.00
Amendment of condition of approval/layout plan of previous Council decision without the basic fee	1,308.00	1,373.00	1,480.00	1,580.00
Extension of Council approval without basic fee	1,308.00	1,373.00	1,480.00	1,580.00
Cancellation Fee	512.00	538.00	580.00	619.00
Delegated Departures as per Zoning Scheme:				
Delegated departures (coverage: Erven less than 600m² not exceeding 60%)	764.00	802.00	864.00	922.00
Delegated departures (second dwelling: max 75m²) (excluding electrical contribution fees)	764.00	802.00	864.00	922.00
Delegated departures (garages/carports: not exceeding 6m on Street Building Lines except title conditions for garages)	764.00	802.00	864.00	922.00
All departures excluding the above for Council approval	2,212.00	2,323.00	2,503.00	2,671.00



PRESENT TARIFFS	R	PROPOSED TARIFFS	PROPOSED TARIFFS	PROPOSED TARIFFS
		2024/07/01	2025/07/01	2026/07/01
		R	R	R
Home Businesses: Per application only				
(No basic fee)				
Home business registration	935.00	982.00	1,058.00	1,129.00
Home business registration (Galeshewe)	935.00	982.00	1,058.00	1,129.00
Other:				
Information (without copy costs)	44.00	46.00	50.00	53.00
Zoning Certificate	135.00	142.00	153.00	163.00
CUP Reports/SDF/LUMS/IDP/GURP	1,530.00	1,607.00	1,732.00	1,849.00
Building Plan research (without copy costs)	44.00	46.00	50.00	53.00
Building statistics - Monthly	254.00	267.00	288.00	307.00
- Annually	1,871.00	1,965.00	2,117.00	2,259.00
Scanning of plans - any size	30.00	32.00	34.00	36.00
<u>RESIDENTIAL BUSINESS BYLAW 2011</u>				
OFFENCE				
SECT				
Any person who contravenes or fails to comply with this: The owner/operator of every residential business shall be the dwelling unit on the premises in which the business operates.	4.1 (i)	2,527.00	2,653.00	2,859.00
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	1,265.00	1,328.00	1,431.00
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	1,265.00	1,328.00	1,431.00
Any person who contravenes or fails to comply with this: Any outdoor lighting fixture newly installed or replaced shall be shielded 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)	631.00	663.00	714.00
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	1,265.00	1,328.00	1,431.00
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	2,527.00	2,653.00	2,859.00
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	2,527.00	2,653.00	2,859.00
Any person who contravenes or fails to comply with this: Retail sales: There shall be no sales of services or products on the premises which are not produced on the premises, except those sales which are incidental to the business.	4.1	2,527.00	2,653.00	2,859.00
Any person who contravenes or fails to comply with this: No more than 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	2,527.00	2,653.00	2,859.00
Any person who contravenes or fails to comply with this: A residential business may not use more than the gross floor area of the buildings for business purposes, as in accordance with the municipality's Land Use Management scheme, from time to time.	5.2	1,265.00	1,328.00	1,431.00
Any person who contravenes or fails to comply with this: Tuck shop shall serve a minimum of at least 60 households and least be at least 200m from formal business opportunity.	6.1	2,527.00	2,653.00	2,859.00
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	2,527.00	2,653.00	2,859.00
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	1,265.00	1,328.00	1,431.00
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	1,265.00	1,328.00	1,431.00
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	1,265.00	1,328.00	1,431.00
Amendment of a land development application prior to approval in terms of Section 42 of SPLUMA		2,028.00	2,129.00	2,294.00
Registration of servitudes in terms of section 15		988.00	1,037.00	1,117.00

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 of rooms, if prescribed by a Town Planning Scheme applicable to the area where the property is located and with municipality's Outdoor Advertising Signs Bylaws with reference to signage.

(c) the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No 54 of 1972) as amended, and the By-laws governing general hygiene requirements for food premises and the transport of food, and the provisions of the National Health Act, 2003, (Act No 61 of 2003) in general.

(d) the Broadcasting Act, 1999 (Act No 4 of 1999), as amended, if the lettable room is supplied with a television set;

(e) the South African Music Rights Organisation (SAMRO) where a licence is required if background music is to be played to the guests;

(f) the Northern Cape Liquor Act 4, 2008 (Act No 4 of 2008) read together with the Liquor Act 59, 2003, (Act 59 of 2003) if liquor, including complimentary drinks, are served to guests;

(g) the Tobacco Products Control Amendment Act, 1999 (Act No 12 of 1999), as amended, where it is a requirement that signs are displayed in areas designated for smoking and no-smoking signs are displayed elsewhere;

2.1 (a)-(g)

Any person who contravenes or fails to comply with this: The premises must provide: access to bedrooms and bathrooms at all the times for registered guests; 2.2 (a) 2,527.00 2,653.00 2,859.00 3,051.00

Any person who contravenes or fails to comply with this: an area where breakfast can be served, adequate for the use of, and easily accessible to any guest on the premises 2.2 (c) 2,527.00 2,653.00 2,859.00 3,051.00

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) 1,895.00 1,990.00 2,144.00 2,288.00

Any person who contravenes or fails to comply with this: No kitchen facility may be provided to guests in the lettable rooms; 2.3 1,895.00 1,990.00 2,144.00 2,288.00

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 1,895.00 1,990.00 2,144.00 2,288.00

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 1,265.00 1,328.00 1,431.00 1,527.00

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 1,265.00 1,328.00 1,431.00 1,527.00

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 1,895.00 1,990.00 2,144.00 2,288.00

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 1,895.00 1,990.00 2,144.00 2,288.00

(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.

5 (a) – (g)

2,000.00 2,100.00 2,263.00 2,415.00



1.8.1.5 **CRÈCHES, 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.

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

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.

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

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.

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.

(a) An office

(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;

(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

(d) A playroom for play activities, serving of meals and sleeping purposes with a minimum free-playing area of 3m² 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.

(e) A kitchen complying with the following requirements

(i) The kitchen including scullery, shall have a minimum floor area of 14m² for a maximum of 30 children accommodated with an additional 0,3 m² per child for 30 to 100 children and a further 0.1 m² per child for every child in excess of

(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

(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;

(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

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

(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.

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

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

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

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2,527.00

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3,051.00

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266.00

287.00

306.00

1,265.00

1,328.00

1,431.00

1,527.00

631.00

663.00

714.00

762.00

1,011.00

1,062.00

1,144.00

1,221.00

1,265.00

1,328.00

1,431.00

1,527.00



	PRESENT TARIFFS	R	PROPOSED	PROPOSED	PROPOSED
			TARIFFS 2024/07/01	TARIFFS 2025/07/01	TARIFFS 2026/07/01
			R	R	R
(x) Ceilings shall be dust proof		631.00	663.00	714.00	762.00
(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;		1,011.00	1,062.00	1,144.00	1,221.00
(xii) All worktables shall be constructed of metal with a stainless steel top;		631.00	663.00	714.00	762.00
(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;		631.00	663.00	714.00	762.00
(xiv) Facilities for the storage of vegetables shall be provided;		631.00	663.00	714.00	762.00
(xv) There shall be provided suitable refrigeration facilities for the storage of perishable foodstuffs		1,265.00	1,328.00	1,431.00	1,527.00
(xvi) There shall be provided a sufficient number of metal bins with covers for the temporary storage of refuse pending disposal		1,265.00	1,328.00	1,431.00	1,527.00
1.8.2 <u>Advertising</u>					
Application fee		430.00	452.00	487.00	520.00
Directional sign board single once off		1,678.00	1,762.00	1,899.00	2,027.00
Directional sign board double once off		3,288.00	3,452.00	3,720.00	3,970.00
LED - Digital Billboard displayed on municipal property per month		2,523.00	2,649.00	2,855.00	3,047.00
Per banner		402.00	422.00	455.00	486.00
Per Illegal Boards		503.00	528.00	569.00	607.00
Per Illegal Boards Additional fee if not removed within 2 (two) weeks		335.00	352.00	379.00	405.00
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		1,678.00	1,762.00	1,899.00	2,027.00
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		8,389.00	8,808.00	9,492.00	10,131.00
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.					
1.8.3 <u>Plan Printing Charges</u>					
<u>Paper prints:</u>					
Size A4		11.00	12.00	13.00	14.00
Size A3		12.00	13.00	14.00	15.00
Size A2		19.00	20.00	22.00	23.00
Size A1		70.00	74.00	80.00	85.00
Size A0		103.00	108.00	116.00	124.00
<u>Opaque Film Prints & Transparent Prints</u>					
Size A4		27.00	28.00	30.00	32.00
Size A3		51.00	54.00	58.00	62.00
Size A2		134.00	141.00	152.00	162.00
Size A1		187.00	196.00	211.00	225.00
Size A0		289.00	303.00	327.00	349.00
<u>Plans plotted by REGIS System</u>					
Size A4		58.00	61.00	66.00	70.00
Size A3		79.00	83.00	89.00	95.00
Size A2		157.00	165.00	178.00	190.00
Size A1		233.00	245.00	264.00	282.00
Size A0		276.00	290.00	313.00	334.00



	PRESENT TARIFFS R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R	PROPOSED TARIFFS 2026/07/01 R
<u>Paper prints: Color</u>				
Size A4	6.00	6.00	6.00	6.00
Size A3	4.00	5.00	5.00	5.00
Size A2	16.00	17.00	18.00	19.00
Size A1	76.00	80.00	86.00	92.00
Size A0	93.00	98.00	106.00	113.00
<u>Opaque Film Prints & Transparent Prints Color</u>				
Size A4	31.00	33.00	36.00	38.00
Size A3	60.00	63.00	68.00	73.00
Size A2	165.00	173.00	186.00	199.00
Size A1	225.00	236.00	254.00	271.00
Size A0	339.00	356.00	384.00	410.00
<u>Plans plotted by REGIS System - Color</u>				
Size A4	63.00	66.00	71.00	76.00
Size A3	116.00	122.00	131.00	140.00
Size A2	196.00	206.00	222.00	237.00
Size A1	315.00	331.00	357.00	381.00
Size A0	334.00	351.00	378.00	403.00
<u>Other</u>				
Information (without copy cart)	33.00	35.00	38.00	41.00
CUP Reports/SDF/LUMS/IDP/GURP	162.00	170.00	183.00	195.00
Building Plan search fee (without copy cart)	1,694.00	1,779.00	1,917.00	2,046.00
Building Statistics - Monthly	162.00	170.00	183.00	195.00
- Annually	1,694.00	1,779.00	1,917.00	2,046.00
Building Occupancy Certificate	985.00	1,034.00	1,114.00	1,189.00
Temporary Occupancy	985.00	1,034.00	1,114.00	1,189.00
Hoarding on Municipal property per square meter	162.00	170.00	183.00	195.00
Compulsory (removal executed by Municipal) of Building rubble per m3 load	847.00	889.00	958.00	1,022.00
Penalty on illegal building structure/s, per day and to be attached to account	254.00	267.00	288.00	307.00
Penalty on illegal encroaching to adjacent erf/erven, per day and to be attached to account	254.00	267.00	288.00	307.00
Penalty on Illegal usage of property other than as zoned, per day and to be attached to account	254.00	267.00	288.00	307.00
Penalty on Illegal closing of adjacent neighbour access, per day and to be attached to account	254.00	267.00	288.00	307.00
Penalty on Illegal closing for storm water flow allowance, per day and to be attached to account	254.00	267.00	288.00	307.00
Penalty on deviation from approved building plan/s, per day and to be attached to account	254.00	267.00	288.00	307.00
Penalty on illegal encroaching to municipality land or property, per day and to be attached to account	254.00	267.00	288.00	307.00
Unauthorised sewer connection	1,699.00	1,784.00	1,922.00	2,051.00
Unauthorised water connection	1,699.00	1,784.00	1,922.00	2,051.00
Unauthorised electrical connection	1,699.00	1,784.00	1,922.00	2,051.00
Commencing building work or statutory stages controlled without council authorisation	848.00	890.00	959.00	1,024.00
Unauthorised erection of structures for event	25,278.00	26,542.00	28,602.00	30,527.00
Any other application that is not mentioned above but linked to Sol Plaatje Land Use By-Law	1,040.00	1,092.00	1,177.00	1,256.00
<u>1.9 PARKS & RECREATION (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)</u>				
<u>1.9.1 TARIFFS FOR RECREATION HALL</u>				
<u>Development Sport</u>				
Training sessions (Monday - Thursday) 07:45 - 16:30 (per hour)	57.00	60.00	65.00	69.00
Key / Loss / damage / breakage deposit	140.00	147.00	158.00	169.00

		PRESENT	PROPOSED	PROPOSED	PROPOSED
		TARIFFS	TARIFFS	TARIFFS	TARIFFS
		2024/07/01	2024/07/01	2025/07/01	2026/07/01
		R	R	R	R
* Monday - Friday					
07:00 - 12:00 (per session)		409.00	429.00	462.00	493.00
12:00 - 17:00 (per session)		409.00	429.00	462.00	493.00
17:00 - 07:00 (per hour)		511.00	537.00	579.00	618.00
* Saturdays					
A basic fee is charged for 4 hours or part thereof		841.00	883.00	952.00	1,016.00
For every additional hour which the facility is used					
an additional tariff is payable		409.00	429.00	462.00	493.00
* Sundays & Public Holidays					
A basic fee is charged for 4 hours or part thereof		893.00	938.00	1,011.00	1,079.00
For every additional hour which the facility is used an additional tariff is payable		421.00	442.00	476.00	508.00
* All Dances (Music festivals Excluded)					
A basic fee is charged for 4 hours or part thereof		3,190.00	3,350.00	3,610.00	3,853.00
For every additional hour which the facility is used an additional tariff is payable		841.00	883.00	952.00	1,016.00
* Funerals - for 4 hours		765.00	803.00	865.00	923.00
For every additional hour		415.00	436.00	470.00	502.00
Preparation fee (per hour)		511.00	537.00	579.00	618.00
* Key / Loss / damage / breakage deposit		1,404.00	1,474.00	1,588.00	1,695.00
1.9.2	<u>TARIFFS FOR SOCIAL CENTRE, R C ELLIOTT HALL AND RITCHIE</u>				
Development Sport					
Training sessions (Monday - Thursday)					
07:45 - 16:30 (per hour)		57.00	60.00	65.00	69.00
Key / Loss / damage / breakage deposit		140.00	147.00	158.00	169.00
* Monday - Friday					
07:00 - 12:00 (per session)		409.00	429.00	462.00	493.00
12:00 - 17:00 (per session)		290.00	305.00	329.00	351.00
17:00 - 07:00 (per hour)		511.00	537.00	579.00	618.00
* Saturdays					
A basic fee charged for 4 hours or part thereof		829.00	870.00	938.00	1,001.00
For every additional hour which the facility is used an additional tariff is payable		421.00	442.00	476.00	508.00
* Sundays & Public Holidays					
A basic fee is charged for 4 hours or part thereof		893.00	938.00	1,011.00	1,079.00
For every additional hour which the facility is used an additional tariff is payable		421.00	442.00	476.00	508.00
* All Dances (Music festivals Excluded)					
A basic fee is charged for 4 hours or part thereof		3,190.00	3,350.00	3,610.00	3,853.00
For every additional hour which the facility is used an additional tariff is payable		841.00	883.00	952.00	1,016.00
* Funerals - for 4 hours		765.00	803.00	865.00	923.00
For every additional hour		415.00	436.00	470.00	502.00
Preparation fee (per hour)		511.00	537.00	579.00	618.00
* Key / Loss / damage / breakage deposit		1,404.00	1,474.00	1,588.00	1,695.00



PRESENT
TARIFFS
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TARIFFS
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TARIFFS
2025/07/01
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PROPOSED
TARIFFS
2026/07/01
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

57.00

60.00

65.00

69.00

140.00

147.00

158.00

169.00

* Monday - Friday

07:00 - 12:00 (per session)

409.00

429.00

462.00

493.00

12:00 - 17:00 (per session)

409.00

429.00

462.00

493.00

17:00 - 07:00 (per hour)

511.00

537.00

579.00

618.00

* Saturdays

A basic fee charged for 4 hours or part thereof

831.00

873.00

941.00

1,004.00

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

421.00

442.00

476.00

508.00

* Sundays & Public Holidays

A basic fee is charged for 4 hours or part thereof

893.00

938.00

1,011.00

1,079.00

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

885.00

929.00

1,001.00

1,068.00

* All Dances (Music festivals Excluded)

A basic fee is charged for 4 hours or part thereof

3,190.00

3,350.00

3,610.00

3,853.00

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

841.00

883.00

952.00

1,016.00

* Funerals - for 4 hours

For every additional hour

765.00

803.00

865.00

923.00

Preparation fee (per hour)

415.00

436.00

470.00

502.00

* Key / Loss / damage / breakage deposit

511.00

537.00

579.00

618.00

1,404.00

1,474.00

1,588.00

1,695.00

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

57.00

60.00

65.00

69.00

140.00

147.00

158.00

169.00

* Monday - Friday

07:00 - 12:00 (per session)

275.00

289.00

311.00

332.00

12:00 - 17:00 (per session)

275.00

289.00

311.00

332.00

17:00 - 07:00 (per hour)

275.00

289.00

311.00

332.00

* Saturdays

A basic fee charged for 4 hours or part thereof

765.00

803.00

865.00

923.00

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

383.00

402.00

433.00

462.00

* Sundays & Public Holidays

A basic fee is charged for 4 hours or part thereof

790.00

830.00

894.00

954.00

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

421.00

442.00

476.00

508.00

* Key / Loss / damage / breakage deposit

511.00

537.00

579.00

618.00

1,404.00

1,474.00

1,588.00

1,695.00

* All Dances (Music festivals Excluded)

A basic fee is charged for 4 hours or part thereof

3,190.00

3,350.00

3,610.00

3,853.00

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

841.00

883.00

952.00

1,016.00



1.9.5

CITY HALL

* Funerals - for 4 hours
For every additional hour
Preparation fee (per hour)
* Key / Loss / damage / breakage deposit

*** Monday - Friday**

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

*** 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

*** 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

*** All Dances (Music festivals Excluded)**

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

***** Supper Room**

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

*** Funerals - for 4 hours
For every additional hour

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

Preparation fee (per hour) applicable to all activities
Aircon \ 8 hour session

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

* Maximum

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

Advertising for alienation or leasing of land

PRESENT

TARIFFS

R

765.00
415.00
511.00
1,404.00

PROPOSED

TARIFFS

2024/07/01

R

803.00
436.00
537.00
1,474.00

PROPOSED

TARIFFS

2025/07/01

R

865.00
470.00
579.00
1,588.00

PROPOSED

TARIFFS

2026/07/01

R

923.00
502.00
618.00
1,695.00

1,226.00
1,226.00
738.00

1,914.00
511.00

2,105.00
738.00
1,531.00

3,190.00
880.00
1,914.00

957.00
957.00
703.00

1,914.00
415.00

1,275.00

562.00
1,275.00

1,287.00
1,287.00
775.00

2,010.00
537.00

2,210.00
775.00
1,608.00

3,350.00
924.00
2,010.00

1,005.00
1,005.00
738.00

2,010.00
436.00

1,339.00

590.00
1,339.00

1,387.00
1,387.00
835.00

2,166.00
579.00

2,381.00
835.00
1,733.00

3,610.00
996.00
2,166.00

1,083.00
1,083.00
795.00

2,166.00
470.00

1,443.00

636.00
1,443.00

1,480.00
1,480.00
891.00

2,312.00
618.00

2,541.00
891.00
1,850.00

3,853.00
1,063.00
2,312.00

1,156.00
1,156.00
849.00

2,312.00
502.00

1,540.00

679.00
1,540.00

714.00
2,159.00
714.00
954.00

750.00
2,267.00
750.00
1,002.00

808.00
2,443.00
808.00
1,080.00

862.00
2,607.00
862.00
1,153.00



1.9.7

TRAFFIC**FUNCTIONS, MARCHES & SPORT****Monday to Saturday**

One or two Officers per event

Three or four Officers per event

More than four Officers per event

Sunday and Public Holidays

Per Officer per hour or part thereof

ESCORT OF ABNORMAL LOADS**Monday to Saturday**

Per Officer per hour or part thereof

Sunday and Public Holidays

Per Officer per hour or part thereof

RENTAL OF ROAD SIGNS

Renting of temporary Road Signs -

Deposit per sign

HIRE OF PARKING BAY

Hiring of a Parking Bay per Parking Bay per Day

SEARCH FEES

Service of Summonses for other Local Authorities (per Summons executed)

Accident Report

WEIGHBRIDGE

0 - 3500 kg

3500 - 9000 kg

9000 - 16000 kg

Above 16000 kg

1.9.8

LIBRARY

Videos, Fiksie en Nie-fiksie / DVD

Damaged barcode

Postal tariffs : reminders

Fines : per week

: per month

Maximum fine per item

Reservation fee

Admin fee : Phone calls

Admin fee : Cell phone calls

Book record covers

Duplicate computer membership card

Photocopy charges - A4

- A3

Colour Printing -A4

-A3

Internet Black and White Printing -A4

-A3

Country members (per annum)

Visitors - deposit

- fee

PRESENT**TARIFFS**

R

PROPOSED**TARIFFS****2024/07/01**

R

PROPOSED**TARIFFS****2025/07/01**

R

PROPOSED**TARIFFS****2026/07/01**

R

1,240.00

2,430.00

3,020.00

1,165.00

730.00

2,360.00

410.00

240.00

270.00

130.00

110.00

160.00

280.00

430.00

710.00

10.00

5.00

10.00

4.00

15.00

50.00

6.00

19.00

23.00

16.00

50.00

1.00

2.00

4.00

8.00

2.00

4.00

190.00

200.00

180.00

1,302.00

2,552.00

3,171.00

1,223.00

767.00

2,478.00

431.00

252.00

284.00

137.00

116.00

168.00

294.00

452.00

746.00

11.00

5.00

11.00

5.00

16.00

53.00

6.00

20.00

24.00

17.00

53.00

1.00

2.00

4.00

8.00

2.00

4.00

200.00

210.00

189.00

1,403.00

2,750.00

3,417.00

1,318.00

827.00

2,670.00

464.00

272.00

306.00

148.00

125.00

181.00

317.00

487.00

804.00

12.00

5.00

12.00

5.00

17.00

57.00

6.00

22.00

26.00

18.00

57.00

1.00

2.00

4.00

9.00

2.00

4.00

216.00

226.00

204.00

1,497.00

2,935.00

3,647.00

1,407.00

883.00

2,850.00

495.00

290.00

327.00

158.00

133.00

193.00

338.00

520.00

858.00

13.00

5.00

13.00

5.00

18.00

61.00

6.00

23.00

28.00

19.00

61.00

1.00

2.00

4.00

10.00

2.00

4.00


231.00

241.00

218.00



	PRESENT TARIFFS R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R	PROPOSED TARIFFS 2026/07/01 R
<u>Laminates:</u>				
A4	10.00	11.00	12.00	13.00
A3	19.00	20.00	22.00	23.00
85mm x 60	5.00	5.00	5.00	5.00
A5	6.00	6.00	6.00	6.00
Inter library loans	109.00	114.00	123.00	131.00
Books rebinding	100.00	105.00	113.00	121.00
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)	36.00	38.00	41.00	44.00
<u>Fax facility:</u>				
Local per page	8.00	8.00	9.00	10.00
National per page	16.00	17.00	18.00	19.00
International per page	42.00	44.00	47.00	50.00
Faxes received per page	5.00	5.00	5.00	5.00
Fax to mail (all 086 numbers) per page	15.00	16.00	17.00	18.00
<u>MAIN- AND GALESHEWE LIBRARIES</u>				
<u>Non-profitable Organisations and Cultural Activities</u>				
Per session	210.00	221.00	238.00	254.00
Kitchen facilities	80.00	84.00	91.00	97.00
Key / Loss / damage / breakage deposit	600.00	630.00	679.00	725.00
<u>Commercial Institutions and Political Parties</u>				
Per session	490.00	515.00	555.00	592.00
Kitchen facilities	80.00	84.00	91.00	97.00
Key / Loss / damage / breakage deposit	580.00	609.00	656.00	700.00
Audio visual material (per item)	100.00	105.00	113.00	121.00
Data Projector (Main Library only) per session	380.00	399.00	430.00	459.00
<u>HALL RENTALS</u>				
<u>SONNY LEON/ BEACONSFIELD/JUDY SCOTT LIBRARY</u>				
<u>Non-profitable organisations and Cultural Activities</u>				
Per session	125.00	131.00	141.00	150.00
Kitchen facilities	80.00	84.00	91.00	97.00
Key / Loss / damage / breakage deposit	580.00	609.00	656.00	700.00
<u>Commercial Institutions and Political Parties</u>				
Per session	320.00	336.00	362.00	386.00
Kitchen facilities	80.00	84.00	91.00	97.00
Key / Loss / damage / breakage deposit	580.00	609.00	656.00	700.00
Audio visual material (per item)	100.00	105.00	113.00	121.00
<u>AFRICANA LIBRARY</u>				
<u>Research fees</u>				
* National	1,060.00	1,113.00	1,199.00	1,280.00
* International	1,350.00	1,418.00	1,528.00	1,631.00
* Pro rata fees will be levied for partially research request				
1.9.9				
<u>EMERGENCY SERVICES</u>				
<u>Km Turnout fees</u>				
(Calculated per vehicle per Km traveled from turnout to the incident to return to the Fire Station)				
* Fire fighting vehicle	52.00	55.00	59.00	63.00
* Assistance vehicle	10.00	11.00	12.00	13.00
<u>Turnout fees for the fire fighting vehicles, portable pumps and assistance vehicles</u>				
(Calculated per fire fighting vehicle, portable pump or assistance vehicle for 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	2,466.00	2,589.00	2,790.00	2,978.00
Portable pump	1,233.00	1,295.00	1,395.00	1,489.00
Assistance vehicle	1,233.00	1,295.00	1,395.00	1,489.00
Hazmat Pumps	2,466.00	2,589.00	2,790.00	2,978.00

	<div><div></div><div>PRESENT TARIFFS R</div></div>	<div>PROPOSED TARIFFS 2024/07/01 R</div>	<div>PROPOSED TARIFFS 2025/07/01 R</div>	<div>PROPOSED TARIFFS 2026/07/01 R</div>
<u>Turnout fees for the fire fighting vehicles, portable pumps and assistance vehicles</u>				
(Calculated per fire fighting vehicle, portable pump or assistance vehicle for every hour or part thereof after the first two (2) hours from the first minute from the first two (2) hours to the time the vehicle return to the Fire Station)				
Fire fighting vehicles / Rescue pumper	1,233.00	1,295.00	1,395.00	1,489.00
Portable pump	617.00	648.00	698.00	745.00
Assistance vehicle	617.00	648.00	698.00	745.00
Hazmat Pumps	193.00	203.00	219.00	234.00
<u>Personnel tariffs</u>				
(Calculated per personnel member on duty at the incident for every hour or part thereof from the turnout to the incident to the time the vehicle return to the Fire Station)				
Chief Emergency service or any member	669.00	702.00	756.00	807.00
<u>Specialized equipment</u>				
(Calculated per unit used)				
Chemical extinguisher	512.00	538.00	580.00	619.00
CO² extinguisher	512.00	538.00	580.00	619.00
Breathing apparatus	355.00	373.00	402.00	429.00
Refill of SCBA/SCUBA cylinder : per cylinder	40.00	42.00	45.00	48.00
* Jaws of Life rescue equipment - per incident / use	1,061.00	1,114.00	1,200.00	1,281.00
* Rollgliss rescue equipment - per incident / use	1,061.00	1,114.00	1,200.00	1,281.00
* Medical equipment (consumables) - per patient	512.00	538.00	580.00	619.00
* Pneumatic Equipment - per incident / use	1,061.00	1,114.00	1,200.00	1,281.00
* 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
<u>Fire extinguishing material</u>				
(Calculated per unit state or part thereof)				
Water - municipal tariff per Kl				
CO² - purchase tariff per Kg	Tariff +20%	Tariff +20%	Tariff +20%	Tariff +20%
Dry chemical powder - purchase tariff per Kg	Tariff +20%	Tariff +20%	Tariff +20%	Tariff +20%
Foam - purchase tariff per liter	Tariff +20%	Tariff +20%	Tariff +20%	Tariff +20%



**PRESENT
TARIFFS**
R

**PROPOSED
TARIFFS**
2024/07/01
R

**PROPOSED
TARIFFS**
2025/07/01
R

**PROPOSED
TARIFFS**
2026/07/01
R

Inspection fees

(Calculated per inspection or plan approved)

Fire prevention inspection per project

Site inspection per project

Building plans per project:

Inspection of flammable liquids, solids and gasses installations:

* 1 liter - 2000 liter

* 2001 liter - 5000 liter

* 5001 liter - 50000 liter

* 50001 litre and more

*Tankers - irrespective the size and inspected at the Emergency Services - per registration certificate

Inspection and service of fire extinguishers for Municipal Sections - per extinguisher serviced.

Monitoring of fire alarms (per month per alarm)

617.00	648.00	698.00	745.00
617.00	648.00	698.00	745.00
714.00	750.00	808.00	862.00
925.00	971.00	1,046.00	1,116.00
1,128.00	1,184.00	1,276.00	1,362.00
1,334.00	1,401.00	1,510.00	1,612.00
681.00	715.00	770.00	822.00
as per tender	as per tender	as per tender	as per tender
275.00	289.00	311.00	332.00

Training

As per Prospectus - calculated in terms of time and material used.

1.9.10

DEVELOPMENT SERVICES

Tram

Single trip (Adults) (Return Trip 2x single)

Single trip (Children - Primary School) (Return Trip 2x single)

10.00	11.00	12.00	13.00
10.00	11.00	12.00	13.00

Regional Tourism Centre

Kiosk:

Minimum tender price/month - 12 month period

1,490.00	1,565.00	1,686.00	1,799.00
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Cubicles:

Minimum tender price/month - 12 month period

1,073.00	1,127.00	1,214.00	1,296.00
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Exhibition space per m² per day

Hawkers shelter per day

21.00	22.00	24.00	26.00
37.00	39.00	42.00	45.00

Informal Trade facilities

Informal trade permits with storage facilities

Informal trade permits without storage facilities

Fruits and Vegetable Structures

Pension Pay Points (Card Carrying Pensioners)

Caravans within CBD

Caravans outside CBD

Informal car wash operations (under 36sq metres)

Trading from shipping containers

420.00	441.00	475.00	507.00
201.00	211.00	227.00	242.00
274.00	288.00	310.00	331.00
80.00	84.00	91.00	97.00
531.00	558.00	601.00	641.00
266.00	279.00	301.00	321.00
400.00	420.00	453.00	483.00
600.00	630.00	679.00	725.00

1.9.11

POUND SERVICES

Impounding:

Horses, donkey's, cattle and pigs (each, once off payment)

Sheep and goat (each, once off payment)

Maintenance

Horses, donkey's, cattle and pigs (each per day)

Sheep and goat (each per day)

G.W.K rent tariff

Large stock unit

Small stock unit

191.00	201.00	217.00	232.00
77.00	81.00	87.00	93.00
77.00	81.00	87.00	93.00
38.00	40.00	43.00	46.00
77.00	81.00	87.00	93.00
47.00	49.00	53.00	57.00

The tariff per kilometre will be applicable for animals brought to the pound by an individual with a (LCV) light commercial vehicle. The tariff paid will be in accordance with the AA Vehicle Rates Calculator.



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

Chemical Analysis

Digester samples	713.00	749.00	807.00	861.00
Waste activated sludge	202.00	212.00	228.00	243.00
Sludge volume index	103.00	108.00	116.00	124.00
Nitrates	162.00	170.00	183.00	195.00
Potassium	194.00	204.00	220.00	235.00
Sulfates	194.00	204.00	220.00	235.00
Phosphate	194.00	204.00	220.00	235.00
Fluoride	194.00	204.00	220.00	235.00
Total solids	194.00	204.00	220.00	235.00
Free Residual Chlorine	103.00	108.00	116.00	124.00
Magnesium	222.00	233.00	251.00	268.00
COD	177.00	186.00	200.00	213.00
TKN = Total Kjeldahl Nitrogen	222.00	233.00	251.00	268.00
NH-3/Ammonia	222.00	233.00	251.00	268.00
Zinc	222.00	233.00	251.00	268.00
Iron	222.00	233.00	251.00	268.00
Manganese	222.00	233.00	251.00	268.00
Plate Count	202.00	212.00	228.00	243.00
Suspended solids	202.00	212.00	228.00	243.00
Hardness	202.00	212.00	228.00	243.00
Alkalinity	202.00	212.00	228.00	243.00
Total Chloride	202.00	212.00	228.00	243.00
Aluminium	202.00	212.00	228.00	243.00
PH	88.00	92.00	99.00	106.00
Conductivity	88.00	92.00	99.00	106.00
Turbidity	88.00	92.00	99.00	106.00
Dissolved Oxygen	88.00	92.00	99.00	106.00

Packets

Water Bacteriological E. coli and coli	409.00	429.00	462.00	493.00
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1.11 **MISCELLANEOUS (FINANCIAL SERVICES)**

1.11.1 Furnishing of information

(a) Search of any account	107.00	112.00	121.00	129.00
(b) For the inspection of any Deed document or diagram or any details relating thereto	107.00	112.00	121.00	129.00
(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)	107.00	112.00	121.00	129.00
(d) For the handling of Clearance figures an admin fee will be applicable	50.00	53.00	57.00	61.00
(e) For the issuing of a Clearance certificate	120.00	126.00	136.00	145.00
(f) For incorrect payment allocations a fee will be applicable	50.00	53.00	57.00	61.00
(g) In respect of any search or provision of information where a fee for such search has not been prescribed by (a), (b) or (c).	238.00	250.00	269.00	287.00


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

1.11.2	Water - Reconnection fees	1,192.00	1,252.00	1,349.00	1,440.00
	Water - Disconnection fees	1,192.00	1,252.00	1,349.00	1,440.00
	Water - Temporary consumption (Funerals, etc.)	238.00	250.00	269.00	287.00
1.11.3	Special meter reading	238.00	250.00	269.00	287.00
1.11.4	Meter test - Electricity	714.00	750.00	808.00	862.00
	Electricity - Temporary consumption (Funerals, etc.)	358.00	376.00	405.00	432.00
1.11.5	Electricity - Non-payment penalty:				
	* For Conventional meters	776.00	815.00	878.00	937.00
	* For Prepaid meters	477.00	501.00	540.00	576.00



		PRESENT TARIFFS	PROPOSED TARIFFS 2024/07/01	PROPOSED TARIFFS 2025/07/01	PROPOSED TARIFFS 2026/07/01
		R	R	R	R
1.11.6	Electricity - Reconnection fees (Controller Wire)	835.00	877.00	945.00	1,009.00
	Tampering administration fee	2,027.00	2,128.00	2,293.00	2,447.00
	Tamper disconnection fee	3,875.00	4,069.00	4,385.00	4,680.00
	Tamper reconnection fee	3,875.00	4,069.00	4,385.00	4,680.00
1.11.7	<u>Informal Housing - Erven with pails</u>				
	Bulk refuse	35.00	37.00	40.00	43.00
	Pails	See sanitation	See sanitation	See sanitation	See sanitation
	High Mast	33.00	35.00	38.00	41.00
	Gravel road	31.00	33.00	36.00	38.00
	Stand pipe	35.00	37.00	40.00	43.00
1.11.8	<u>Informal Housing - Sewered Erven</u>				
	Bulk refuse	35.00	37.00	40.00	43.00
	Sewerage	See sanitation	See sanitation	See sanitation	See sanitation
	High Mast	33.00	35.00	38.00	41.00
	Gravel road	31.00	33.00	36.00	38.00
	Stand pipe	35.00	37.00	40.00	43.00
1.11.9	Electricity availability	298.00	313.00	337.00	360.00
1.11.10	Water availability	298.00	313.00	337.00	360.00
1.11.11	Fixed electricity (limited supply - 2Amps)	298.00	313.00	337.00	360.00
1.11.12	<u>Deposits - Electricity and Water Supply</u>				
	<u>Flats:</u>				
	1-Bedroom	1,578.00	1,657.00	1,786.00	1,906.00
	2-Bedroom	1,893.00	1,988.00	2,142.00	2,286.00
	3-Bedroom	2,399.00	2,519.00	2,714.00	2,897.00
	<u>Townhouses:</u>				
	2-Bedroom	1,893.00	1,988.00	2,142.00	2,286.00
	3-Bedroom	2,399.00	2,519.00	2,714.00	2,897.00
	<u>Domestic Houses:</u>				
	2-Bedroom	1,893.00	1,988.00	2,142.00	2,286.00
	3-Bedroom	2,399.00	2,519.00	2,714.00	2,897.00
	More than 3-bedrooms	3,409.00	3,579.00	3,857.00	4,117.00
	Builders water deposit	3,219.00	3,380.00	3,642.00	3,887.00
	<u>Business/Industries:</u>				
	Small power users	3,409.00	3,579.00	3,857.00	4,117.00
	Large power users	8,205.00	8,615.00	9,284.00	9,909.00
	<u>Rural consumers</u>				
	Informal housing	95.00	100.00	108.00	115.00
	<u>Businesses/Industries:</u>				
	Bulk water supply	8,205.00	8,615.00	9,284.00	9,909.00
	Indigents - Water deposit	88.00	92.00	99.00	106.00



			PRESENT TARIFFS	PROPOSED TARIFFS 2024/07/01	PROPOSED TARIFFS 2025/07/01	PROPOSED TARIFFS 2026/07/01
			R	R	R	R
1.11.13	Valuation Roll (CD or Disk)		5,663.00	5,946.00	6,407.00	6,838.00
1.11.14	Address List (CD or Disk)		5,663.00	5,946.00	6,407.00	6,838.00
1.11.15	<u>Penalty for an unmetered</u> (official)					
	Water connection		14,308.00	15,023.00	16,189.00	17,279.00
	Thereafter a daily penalty until meter is installed (per day)		1,550.00	1,628.00	1,754.00	1,872.00
	Consumption per house		7,751.00	8,139.00	8,771.00	9,361.00
1.11.16	Electricity and water availability for Business/Industries/State.		298.00	313.00	337.00	360.00
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		417.00	438.00	472.00	504.00
1.11.18	A basic tariff for services which are impractical to be metered as per the Tariff Policy		179.00	188.00	203.00	217.00
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	<u>WATER TARIFFS (SERVICES & INFRASTRUCTURE)</u>					
1.12.1	<u>Water Connections</u>					
	Size of Connection (mm)	Size of Meter (mm)				
	20	15	10,565.80	11,252.58	11,938.99	12,691.14
	25	20	10,981.74	11,695.55	12,408.98	13,190.74
	40	32	21,688.64	23,098.40	24,507.41	26,051.37
	50	40	25,525.77	27,184.95	28,843.23	30,660.35
	80	50	41,644.04	44,350.91	47,056.31	50,020.86
			Additional costs	Additional costs	Additional costs	Additional costs
	100	75	48,573.84	51,731.14	54,886.74	58,344.60
			Additional costs	Additional costs	Additional costs	Additional costs
	150	100	57,569.62	61,311.64	65,051.65	69,149.91
			Additional costs	Additional costs	Additional costs	Additional costs
	250	150	57,569.62	61,311.64	65,051.65	69,149.91
			Additional costs	Additional costs	Additional costs	Additional costs
	300	150	57,569.62	61,311.64	65,051.65	69,149.91
			Additional costs	Additional costs	Additional costs	Additional costs
	<u>Builders Water</u>					
	These connections are temporary connections supplied for the purpose of providing construction water during the period when building activities are taking place. The cost of this connection will be 50% of the initial cost of a similar size connection for general use but in the case of larger meters, any additional cost required to install the meter will be payable in full. A deposit (refundable on closure of account) is payable.		1,553.18	1,654.13	1,755.03	1,865.60
1.12.2	<u>Testing of Water Meters</u>					
	Tariff per meter tested		1,578.45	1,681.05	1,783.59	1,895.96
1.12.3	<u>Exposure of Services</u>					
	Tariff per service exposure		783.43	834.36	885.25	941.02
1.12.4	<u>Water</u> (Normal tariff structure)					
	Schools, Sports fields and Parks		23.20	24.71	26.22	27.87
	Charities/Churches		23.20	24.71	26.22	27.87
	Business - Commercial		39.39	41.95	44.51	47.31
	Business - Industrial	*	32.18	34.27	36.36	38.65
	Indigents (0 - 6 Kl)		7.57	8.06	8.55	9.09
	Residential (0 - 6 Kl)		7.57	8.06	8.55	9.09
	Residential (7 - 20 Kl)		32.17	34.26	36.35	38.64
	Residential (21 - 40 Kl)		36.20	38.56	40.91	43.49
	Residential (41 - 60 Kl)		38.29	40.78	43.27	46.00
	Residential (more than 60 Kl)		40.91	43.57	46.23	49.14



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2025/07/01
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**PROPOSED
TARIFFS**
2026/07/01
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Flats (0 - 6 KI)	7.57	8.06	8.55	9.09
Flats (7 - 20 KI)	32.18	34.27	36.36	38.65
Flats (21 - 40 KI)	36.20	38.56	40.91	43.49
Flats (more than 40 KI)	40.91	43.57	46.23	49.14
Prepaid water per KI Households	19.47	20.73	22.00	23.38
Builders Water	45.30	48.24	51.19	54.41
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)	7.57	8.06	8.55	9.09
Residential (7 - 20 KI)	33.79	35.98	38.18	40.58
Residential (21 - 40 KI)	39.83	42.42	45.01	47.84
Residential (41 - 60 KI)	44.04	46.90	49.76	52.90
Residential (more than 60 KI)	49.10	52.29	55.48	58.97
Flats (0 - 6 KI)	7.57	8.06	8.55	9.09
Flats (7 - 20 KI)	33.79	35.98	38.18	40.58
Flats (21 - 40 KI)	39.83	42.42	45.01	47.84
Flats (more than 40 KI)	49.10	52.29	55.48	58.97
Schools,sport, parks	26.67	28.41	30.14	32.04
Churches	26.67	28.41	30.14	32.04
Builders water	52.09	55.47	58.86	62.57
Industries	45.30	48.24	51.19	54.41
Commercial	37.00	39.40	41.80	44.44

level 2 - 40% saving

Residential/Indigents (0 - 6 KI)	7.57	8.06	8.55	9.09
Residential (7 - 20 KI)	35.39	37.69	39.99	42.50
Residential (21 - 40 KI)	43.46	46.29	49.11	52.20
Residential (41 - 60 KI)	47.86	50.97	54.08	57.49
Residential (more than 60 KI)	57.28	61.00	64.72	68.80
Flats (0 - 6 KI)	7.94	8.46	8.97	9.54
Flats (7 - 20 KI)	38.61	41.12	43.62	46.37
Flats (21 - 40 KI)	43.46	46.29	49.11	52.20
Flats (more than 40 KI)	57.28	61.00	64.72	68.80
Schools,sport, parks	27.83	29.64	31.44	33.43
Churches	27.83	29.64	31.44	33.43
Builders water	54.35	57.88	61.41	65.28
Industries	47.26	50.33	53.40	56.76
Commercial	38.61	41.12	43.62	46.37



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TARIFFS
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level 3 - 70% saving

Residential/Indigents (0 - 6 Kl)	8.33	8.87	9.41	10.00
Residential (7 - 20 Kl)	38.61	41.12	43.62	46.37
Residential (21 - 40 Kl)	45.26	48.21	51.15	54.37
Residential (41 - 60 Kl)	49.78	53.02	56.25	59.79
Residential (more than 60 Kl)	61.38	65.37	69.35	73.72
Flats (0 - 6 Kl)	8.33	8.87	9.41	10.00
Flats (7 - 20 Kl)	38.61	41.12	43.62	46.37
Flats (21 - 40 Kl)	47.08	50.14	53.20	56.55
Flats (more than 40 Kl)	61.38	65.37	69.35	73.72
Schools,sport, parks	30.15	32.11	34.07	36.21
Churches	30.15	32.11	34.07	36.21
Builders water	58.88	62.70	66.53	70.72
Industries	51.20	54.53	57.85	61.50
Commercial	41.83	44.55	47.26	50.24

level 4 - survival

Residential/Indigents (0 - 6 Kl)	8.33	8.87	9.41	10.00
Residential (7 - 20 Kl)	48.27	51.40	54.54	57.98
Residential (21 - 40 Kl)	54.32	57.85	61.38	65.25
Residential (41 - 60 Kl)	68.92	73.40	77.88	82.79
Residential (more than 60 Kl)	73.66	78.44	83.23	88.47
Flats (0 - 6 Kl)	8.33	8.87	9.41	10.00
Flats (7 - 20 Kl)	48.27	51.40	54.54	57.98
Flats (21 - 40 Kl)	65.18	69.42	73.66	78.30
Flats (more than 40 Kl)	73.66	78.44	83.23	88.47
Schools,sport, parks	41.75	44.47	47.18	50.15
Churches	41.75	44.47	47.18	50.15
Builders water	81.53	86.83	92.12	97.93
Industries	70.89	75.50	80.11	85.15
Commercial	57.92	61.68	65.44	69.57

level 5 - emergency

Residential/Indigents (0 - 6 Kl)	8.33	8.87	9.41	10.00
Residential (7 - 20 Kl)	64.34	68.53	72.71	77.29
Residential (21 - 40 Kl)	72.43	77.14	81.84	87.00
Residential (41 - 60 Kl)	76.59	81.57	86.54	91.99
Residential (more than 60 Kl)	81.84	87.16	92.47	98.30
Flats (0 - 6 Kl)	8.33	8.87	9.41	10.00
Flats (7 - 20 Kl)	64.34	68.53	72.71	77.29
Flats (21 - 40 Kl)	72.43	77.14	81.84	87.00
Flats (more than 40 Kl)	81.84	87.16	92.47	98.30
Schools,sport, parks	46.39	49.41	52.42	55.72
Churches	46.39	49.41	52.42	55.72
Builders water	90.59	96.47	102.36	108.81
Industries	78.77	83.89	89.01	94.62
Commercial	64.34	68.53	72.71	77.29

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.

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

Business : Industrial

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

Business : Commercial

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

Rural Consumers

Any consumer located outside the municipal boundaries.

Builders Water

Any water supplied through a builders connection.

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

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

1.13.1 Non-Residential dwellings:

(a) Payable by the owner -

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

834.53

876.26

927.08

981.41

b) where the owner or occupier provides containers for the removal of refuse by bulk which can be mechanically emptied in the Council's vehicle and of which the volume does not exceed 1,6m³ per one removal per week per month

834.53

876.26

927.08

981.41

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

(c) Where the owner or occupier provides containers for the removal of refuse in bulk which can be loaded by the Council's mechanical handling vehicles and of which the volume does not exceed 6m³ per one removal per week the tariff for each removal shall be

3,132.55

3,289.18

3,479.95

3,683.87

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

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

508.66

534.10

565.07

598.19

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

733.18

769.84

814.49

862.22

(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.

81.27

85.33

90.28

95.57

(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

834.53

876.26

927.08

981.41

421.80

442.89

468.58

496.04

1.13.2 Residential

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

141.74

148.82

157.46

166.68

1.13.3 Non - Residential

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

834.54

876.26

927.09

981.41

1.13.4 Flats

Tariff only applicable to Municipal flats

70.87

74.41

78.73

83.34

1.13.5 Availability charge

A basic monthly charge - Residential

70.87

74.41

78.73

83.34

- Non - Residential

421.80

442.89

468.57

496.03

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

197.79

212.63

225.38

237.78

Basic monthly charge (two sanitary convenience)

197.79

212.63

225.38

237.78

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

118.69

127.60

135.25

142.69

Flats and semi-detached dwellings:

Basic monthly charge (first living unit)

197.79

212.62

225.38

237.78

Additional monthly charge (each additional unit)

118.69

127.60

135.25

142.69

Hotel, Boarding Houses, Lodging Houses and Hostels

Basic monthly charge (two sanitary conveniences)

197.79

212.62

225.38

237.78



	PRESENT TARIFFS R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R	PROPOSED TARIFFS 2026/07/01 R
Additional monthly charge (each additional connection)	118.69	127.60	135.25	142.69
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	173.72	186.75	197.96	208.85
1.14.2 <u>Conservancy Tank and Night-soil Removals</u> <u>Removal of slops from conservancy tanks by vacuum tanker:</u> A. Within 10km of CBD (Monday - Friday between 08:00 and 16:00) Basic charge (first 5Kl) Additional charge (per 1Kl or part thereof) Vacuum tanker transport charge (per call) B. Within 10km of CBD (After hours, Monday - Friday & Saturdays) Basic charge (first 5Kl) Additional charge (per 1Kl or part thereof) Vacuum tanker transport charge (per call) C. Within 10km of CBD (Sundays and Public Holidays) Basic charge (first 5Kl) Additional charge (per 1Kl or part thereof) Vacuum tanker transport charge (per call) D. Further than 10km from CBD (Per km further) As above (A to C) plus km charge Any tanker/km 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) Additional monthly charge (each additional pail removal, five times per fortnight) Occasional hire of bucket (per day per bucket) Removal of night-soil from building premises and contractor's sites (surcharge not applicable) Basic monthly charge (one pail, three times a week) Basic monthly charge (one pail, six times a week)	328.78 54.26 271.30 514.78 87.41 376.55 677.23 105.13 534.11 61.30 154.48 84.78 42.39 1,065.43 1,580.13	353.44 58.33 291.65 553.39 93.97 404.79 728.02 113.02 574.17 65.90 166.06 91.14 45.57 1,145.33 1,698.64	374.65 61.83 309.15 586.59 99.61 429.08 771.70 119.80 608.62 69.86 176.03 96.61 48.30 1,214.05 1,800.56	395.25 65.23 326.15 618.86 105.09 452.68 814.14 126.39 642.10 73.70 185.71 101.92 50.96 1,280.83 1,899.59
1.14.3 <u>Blockages and Portable Toilets</u> <u>Internal sewer blockages:</u> Basic charge (Monday - Friday between 08:00 - 16:00) Basic charge after hours (Monday - Saturdays) Basic charge (Sundays and Public holidays) 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 Transport charge (per vehicle) <u>Sewer Connections:</u> Sewer connection (100mm) Sewer connection (150mm) Public convenience (Craven Street) Shower plus usage of towel (per person)	652.81 796.93 1,186.92 296.72 635.85 3,687.93 4,281.39 17.08	701.77 856.69 1,275.94 318.97 683.54 3,964.52 4,602.49 18.36	743.88 908.10 1,352.50 338.11 724.55 4,202.39 4,878.64 19.46	784.79 958.04 1,426.89 356.71 764.40 4,433.52 5,146.97 20.53



		PRESENT TARIFFS R	PROPOSED TARIFFS 2024/07/01 R	PROPOSED TARIFFS 2025/07/01 R	PROPOSED TARIFFS 2026/07/01 R
1.14.4	<u>Purified effluent tariffs</u> Basic Charge (Use in Excess of 1 Megalitre - 1000kl per billing cycle of approximately 30 days) Plus per Kl Basic Charge (Use LESS than 1 Megalitre per billing cycle of approximately 30 days) Plus per Kl	77,445.07 0.2190 0.7316	83,253.45 0.2355 0.7864	88,248.66 0.2496 0.8336	93,102.33 0.2633 0.8795
1.15	<u>INCENTIVE/DISCOUNT EARLY PAYMENT</u> An incentive/discount on the early payment of water, rates, sewerage and refuse services charges if the account is paid before or on the monthly deadline date. To be implemented from the first account run in July.	10%	10%	10%	10%
1.16	<u>ELECTRICITY (SERVICES & INFRASTRUCTURE)</u>				
1.16.1	<u>TARIFFS FOR SERVICE CONNECTIONS</u> <u>SCALE 4 - STREET LIGHTS</u> Cost of an additional street light Cost to move a street light Replacement of a damaged street light pole: * 6m single cantilever * 9m single cantilever * 9m double cantilever * 12m single cantilever <u>SINGLE PHASE DIS- & RECONNECTION FEE WHEREBY AN ELECTRICIAN IS INVOLVED</u> Disconnection fee for an O/H supply system Disconnection fee for an U/G supply system Reconnection fee for an P/H supply system Reconnection fee for an U/G supply system <u>3-PHASE DIS- & RECONNECTION FEE WHEREBY AN ELECTRICIAN IS INVOLVED</u> Disconnection fee for an O/H supply system Disconnection fee for an U/G supply system Reconnection fee for an O/H supply system Reconnection fee for an U/G supply system <u>CALL OUT TO CONSUMER</u> Call out to a fault on consumer's installation	As per quote As per quote 34,900.00 55,467.00 56,167.00 59,543.00 3,820.00 9,200.00 3,882.00 508.00 5,445.00 9,481.00 7,512.00 9,481.00 770.00	As per quote As per quote 38,599.00 61,347.00 62,121.00 65,855.00 4,225.00 10,175.00 4,293.00 562.00 6,022.00 10,486.00 8,308.00 10,486.00 852.00	As per quote As per quote 42,150.00 66,991.00 67,836.00 71,914.00 4,614.00 11,111.00 4,688.00 614.00 6,576.00 11,451.00 9,072.00 11,451.00 930.00	As per quote As per quote 46,028.00 73,154.00 74,077.00 78,530.00 5,038.00 12,133.00 5,119.00 670.00 7,181.00 12,504.00 9,907.00 12,504.00 1,016.00
1.16.2	<u>COSTS OF NEW SERVICE CONNECTIONS</u> <u>60-AMP STANDARD SINGLE PHASE</u> Airdac connection from O/H supply system with prepayment meter & ready board Airdac connection from O/H supply system with prepayment meter only Cable connection from U/G supply system with prepayment meter Cable connection from U/G supply system with conventional meter <u>60AMP STANDARD 3-PHASE</u> Airdac connection from O/H supply system with prepayment meter & ready board Airdac connection from P/H supply system with prepayment meter only Cable connection from U/G supply system with prepayment meter Cable connection from U/G supply system with conventional meter <u>ALTERATIONS TO SERVICE CONNECTIONS</u> Alterations on existing single phase connection Alterations on existing 3-phase connection	27,586.00 24,220.00 38,475.00 34,118.00 33,559.00 30,193.00 41,774.00 49,991.00 As per quote As per quote	30,510.00 26,787.00 42,553.00 37,735.00 37,116.00 33,393.00 46,202.00 55,290.00 As per quote As per quote	33,317.00 29,251.00 46,468.00 41,207.00 40,531.00 36,465.00 50,453.00 60,377.00 As per quote As per quote As per quote As per quote	36,382.00 31,942.00 50,743.00 44,998.00 44,260.00 39,820.00 55,095.00 65,932.00 As per quote As per quote As per quote As per quote
1.16.3	<u>UPGRADING OF SERVICES</u> <u>UPGRADING OF AN EXISTING SINGLE PHASE</u> <u>SERVICE CONNECTION ON CONDITION OF</u> A service connection with a 10 x 2mm square service cable upgraded to max. 80-amp with curve 1MCB at consumer mains and curve 2MCB at supply authority mains 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. <u>CONNECTION ON CONDITION OF</u> A service connection with a 10 x 4mm square service cable upgraded to max. 80-amp with curve 1MCB at consumer mains and curve 2MCB at supply authority mains A service connection with a 16 x 4mm square service cable upgraded to max. 100-amp with curve 1MCB at	As per quote and stipulated conditions As per quote and stipulated conditions As per quote and stipulated conditions	As per quote and stipulated conditions As per quote and stipulated conditions As per quote and stipulated conditions	As per quote and stipulated conditions As per quote and stipulated conditions As per quote and stipulated conditions	As per quote and stipulated conditions As per quote and stipulated conditions As per quote and stipulated conditions



PRESENT
TARIFFS

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stipulated conditions
As per quote
Bin price + VAT
13,417.00

PROPOSED
TARIFFS
2024/07/01

R

stipulated conditions
As per quote
Bin price + VAT
14,839.00

PROPOSED
TARIFFS
2025/07/01

R

stipulated conditions
As per quote
Bin price + VAT
16,204.00

PROPOSED
TARIFFS
2026/07/01

R

stipulated conditions
As per quote
Bin price + VAT
17,695.00

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	7,196.00	7,959.00	8,691.00	9,491.00
Meter test	1,455.00	1,609.00	1,757.00	1,919.00
Special meter reading	472.00	522.00	570.00	622.00

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 2023/24		PROPOSED TARIFFS 2024/25		PROPOSED TARIFFS 2025/07/01	PROPOSED TARIFFS 2026/07/01
	excl VAT	incl VAT	excl VAT	incl VAT		
1.16.4.1 Domestic Tariff (Conventional and Prepaid) = 20 Amps						
Block 1 (0 - 350 Kwh)	2.1925	2.5214	2.4249	2.7886	3.0452	3.3254
Block 2 (> 350 Kwh)	2.9111	3.3478	3.2197	3.7026	4.0433	4.4153
Indigents Tariff (Prepaid) = 20 Amps						
Block 1 (0 - 50 Kwh) (subsidised)	2.1291	2.4485	2.3548	2.7080	2.9571	3.2292
Block 2 (51 - 350 Kwh)	2.1291	2.4485	2.3548	2.7080	2.9571	3.2292
Block 3 (> 351 Kwh)	2.9707	3.4163	3.2856	3.7784	4.1260	4.5056
Domestic Tariff (Conventional and Prepaid) > 20 Amps						
Basic charge (Rand per month)	66.80	76.82	73.88	84.96	92.78	101.32
Capacity charge (Rand/Amp/phase/month)	3.08	3.54	3.41	3.92	4.28	4.67
Block 1 (0 - 350 Kwh)	2.1239	2.4425	2.3490	2.7014	2.9499	3.2213
Block 2 (> 350 Kwh)	2.6850	3.0878	2.9696	3.4151	3.7292	4.0723
1.16.4.2 Business Tariff						
Commercial (Conventional and Prepaid)						
Basic Charge per month	339.12	389.99	375.07	431.33	471.01	514.34
Capacity charge per Kwhr	3.08	3.54	3.41	3.92	4.28	4.67
<u>Winter</u>						
Block 1 (0 - 1200 Kwh)	2.8972	3.3318	3.2043	3.6849	4.0240	4.3942
Block 2 (> 1200 Kwh)	2.8972	3.3318	3.2043	3.6849	4.0240	4.3942
<u>Summer</u>						
Block 1 (0 - 1200 Kwh)	2.7504	3.1630	3.0419	3.4982	3.8201	4.1715
Block 2 (> 1200 Kwh)	2.7504	3.1630	3.0419	3.4982	3.8201	4.1715
1.16.4.3 Public Benefit and Schools (Conventional and Prepaid)						
Basic Charge per month	325.66	374.51	360.18	414.21	452.31	493.93
Capacity charge per Kwhr	3.58	4.12	3.96	4.55	4.97	5.43
Winter Energy Charge	2.7855	3.2033	3.0808	3.5429	3.8688	4.2248
Summer Energy Charge	2.6792	3.0811	2.9632	3.4077	3.7212	4.0635
1.16.4.4 TIME OF USE CONSUMERS						
1.16.4.4.1 TOU: NPO, NGO, SCHOOLS: LV< 200 KVA						
Basic charge per month (LV<200)	1,374.70	1,580.91	1,520.42	1,748.48	1,909.34	2,085.00
Network Demand Charge R/kVA	175.32	201.62	193.90	222.99	243.50	265.91
Network Access Charge R/kVA	67.28	77.37	74.41	85.57	93.45	102.04



PRESENT
TARIFFS
R

PROPOSED
TARIFFS
2024/07/01
R

PROPOSED
TARIFFS
2025/07/01
R

PROPOSED
TARIFFS
2026/07/01
R

Energy Charges R/Kwh

High Demand Season: (June - August) Winter

Peak (LV < 200)	5.0147	5.7669	5.5463	6.3782	6.9650	7.6058
Standard (LV < 200)	2.1144	2.4316	2.3385	2.6893	2.9367	3.2069
Off-peak (LV < 200)	1.5014	1.7266	1.6605	1.9096	2.0853	2.2772

Low Demand Season: (September - May) Summer

Peak (LV < 200)	2.2924	2.6363	2.5354	2.9157	3.1839	3.4769
Standard (LV < 200)	1.7320	1.9918	1.9156	2.2029	2.4056	2.6269
Off-peak (LV < 200)	1.3735	1.5795	1.5191	1.7470	1.9077	2.0832

TOU: NPO, NGO, SCHOOLS : LV > 200 < 500 KVA (Exception 800 KVA)

Basic charge per month	2,728.99	3,138.34	3,018.26	3,471.00	3,790.33	4,139.05
Network Demand Charge R/kVA	175.32	201.62	193.90	222.99	243.50	265.91
Network Access Charge R/kVA	67.28	77.37	74.41	85.57	93.45	102.04

Energy Charges R/Kwh

High Demand Season: (June - August) Winter

Peak (LV>200<500)	5.0553	5.8136	5.5912	6.4298	7.0214	7.6673
Standard (LV>200<500)	2.1524	2.4753	2.3806	2.7376	2.9895	3.2645
Off-peak (LV>200<500)	1.5124	1.7393	1.6727	1.9236	2.1006	2.2938

Low Demand Season: (September - May) Summer

Peak (LV>200<500)	2.3777	2.7344	2.6297	3.0242	3.3024	3.6062
Standard (LV>200<500)	1.7762	2.0426	1.9645	2.2591	2.4670	2.6940
Off-peak (LV>200<500)	1.4023	1.6126	1.5509	1.7836	1.9477	2.1269

TOU: NPO, NGO, SCHOOLS: MV (Medium voltage)

Basic charge per month (MV)	3,708.39	4,264.65	4,101.48	4,716.70	5,150.64	5,624.50
Network Demand Charge R/kVA	155.55	178.88	172.04	197.84	216.05	235.92
Network Access Charge R/kVA	58.69	67.49	64.91	74.65	81.52	89.01

Energy Charges R/Kwh

High Demand Season: (June - August) Winter

Peak (MV)	5.0851	5.8479	5.6241	6.4677	7.0628	7.7125
Standard (MV)	2.2333	2.5683	2.4700	2.8405	3.1019	3.3872
Off-peak (MV)	1.6203	1.8633	1.7921	2.0609	2.2505	2.4575

Low Demand Season: (September - May) Summer

Peak (MV)	2.4966	2.8711	2.7612	3.1754	3.4676	3.7866
Standard (MV)	1.8535	2.1315	2.0500	2.3575	2.5744	2.8112
Off-peak (MV)	1.4826	1.7050	1.6398	1.8857	2.0592	2.2487

1.16.4.4.2 INDUSTRIAL AND BUSINESSES TOU: LV< 200 KVA

Basic charge per month (LV<200)	1,766.46	2,031.43	1,953.70	2,246.76	2,453.46	2,679.18
Network Demand Charge R/kVA	196.13	225.55	216.92	249.46	272.41	297.47
Network Access Charge R/kVA	65.73	75.59	72.70	83.60	91.29	99.69

Energy Charges R/Kwh

High Demand Season: (June - August) Winter

Peak (LV < 200)	6.1319	7.0517	6.7819	7.7992	8.5167	9.3002
Standard (LV < 200)	2.2223	2.5556	2.4579	2.8265	3.0866	3.3706
Off-peak (LV < 200)	1.7279	1.9871	1.9111	2.1977	2.3999	2.6207

Low Demand Season: (September - May) Summer

Peak (LV < 200)	2.5243	2.9029	2.7919	3.2107	3.5060	3.8286
Standard (LV < 200)	1.7887	2.0570	1.9783	2.2750	2.4844	2.7129
Off-peak (LV < 200)	1.5793	1.8162	1.7467	2.0087	2.1935	2.3953

Reactive Energy Charge (P&S)

0.1951	0.2244	0.2158	0.2481	0.2710	0.2959
--------	--------	--------	--------	--------	--------

INDUSTRIAL AND BUSINESSES TOU : LV > 200 < 500 KVA (Exception 800 KVA)

Basic charge per month	2,973.84	3,419.92	3,289.07	3,782.43	4,130.41	4,510.41
Network Demand Charge R/kVA	176.36	202.81	195.05	224.31	244.95	267.48
Network Access Charge R/kVA	65.73	75.59	72.70	83.60	91.29	99.69


Energy Charges R/Kwh

High Demand Season: (June - August) Winter

Peak (LV>20<500)	6.1825	7.1099	6.8378	7.8635	8.5870	9.3770
Standard (LV>20<500)	2.2415	2.5777	2.4791	2.8510	3.1133	3.3997
Off-peak (LV>20<500)	1.9034	2.1889	2.1052	2.4209	2.6437	2.8869

Low Demand Season: (September - May) Summer

Peak (LV>20<500)	2.4817	2.8540	2.7448	3.1565	3.4469	3.7640
Standard (LV>20<500)	1.8621	2.1414	2.0595	2.3684	2.5863	2.8242
Off-peak (LV>20<500)	1.6606	1.9097	1.8366	2.1121	2.3064	2.5186

		PRESENT	PROPOSED		PROPOSED	PROPOSED
		TARIFFS	TARIFFS	TARIFFS	TARIFFS	TARIFFS
		R	R	R	R	R
Reactive Energy Charge (P&S)	0.1951	0.2244	0.2158	0.2481	0.2710	0.2959
<u>INDUSTRIAL AND BUSINESSES TOU: MV (Medium Voltage)</u>						
Basic charge per month (MV)	4,399.24	5,059.13	4,865.56	5,595.39	6,110.17	6,672.31
Network Demand Charge R/kVA	173.00	198.95	191.34	220.04	240.28	262.39
Network Access Charge R/kVA	64.24	73.88	71.05	81.71	89.22	97.43
						-
						-
<u>Energy Charges R/Kwh</u>						
<u>High Demand Season: (June - August) Winter</u>						
Peak (MV)	6.2624	7.2018	6.9262	7.9651	8.6979	9.4982
Standard (MV)	2.2459	2.5828	2.4840	2.8566	3.1194	3.4063
Off-peak (MV)	1.9748	2.2710	2.1841	2.5117	2.7428	2.9952
<u>Low Demand Season: (September - May) Summer</u>						
Peak (MV)	2.4675	2.8376	2.7291	3.1384	3.4271	3.7424
Standard (MV)	1.9217	2.2100	2.1254	2.4442	2.6691	2.9146
Off-peak (MV)	1.6598	1.9088	1.8357	2.1111	2.3053	2.5174
Reactive Energy Charge (P&S)	0.1951	0.2244	0.2158	0.2481	0.2710	0.2959
<u>Small Scale Embedded Generation TOU</u>						
Basic charge per month - payable by the generator	202.72	233.13	224.21	257.84	281.56	307.46
Capacity charge R/Amp/phase	9.74	11.20	10.77	12.39	13.53	14.77
Energy Charges R/Kwh - payable to the generator						
<u>High Demand Season: (June - August)</u>						
Peak	7.4742	8.5953	8.2665	9.5064	10.3810	11.3361
Standard	2.2641	2.6037	2.5041	2.8797	3.1446	3.4339
Off-peak	1.2294	1.4138	1.3597	1.5637	1.7075	1.8646
<u>Low Demand Season: (September - May)</u>						
Peak	2.4382	2.8039	2.6966	3.1011	3.3865	3.6980
Standard	1.6780	1.9297	1.8559	2.1342	2.3306	2.5450
Off-peak	1.0642	1.2238	1.1770	1.3536	1.4781	1.6141
1.16.4.5	<u>Electricity Feedback Tariffs - Small Scale Embedded Generation Photovoltaic Policy</u>					
	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	199.25	229.14	220.37	253.43	276.74
	Capacity charge R/kVa					
	Energy Charges R/Kwh - payable to the generator					
	<u>High Demand Season: (June - August)</u>					
	Peak	4.4865	5.1595	4.9621	5.7064	6.2314
	Standard	1.3590	1.5629	1.5031	1.7285	1.8875
	Off-peak	0.7380	0.8487	0.8162	0.9387	1.0250
	<u>Low Demand Season: (September - May)</u>					
	Peak	1.4635	1.6830	1.6186	1.8614	2.0327
	Standard	1.0072	1.1583	1.1140	1.2811	1.3989
	Off-peak	0.6388	0.7346	0.7065	0.8125	0.8872
1.16.4.6	<u>Streetlights</u>					
	Basic Charge light per month	40.68	46.79	45.00	51.74	56.50
	Energy charge/kWh	1.3147	1.5119	1.4541	1.6722	1.8260
1.16.4.7	<u>Vacant Land/Availability</u>					
	Fixed Basic charge (R/month)	416.58	479.07	460.74	529.85	578.60

631.83

SECTION 3:

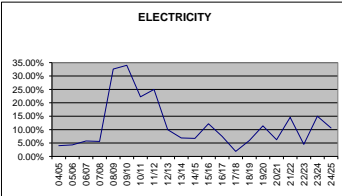
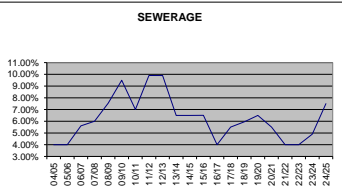
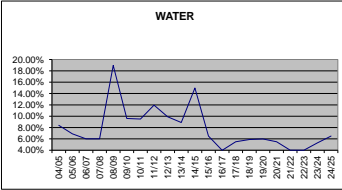
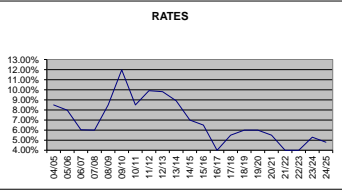
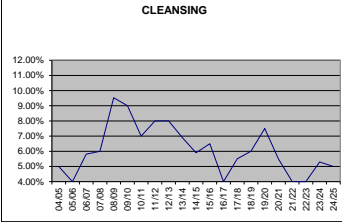
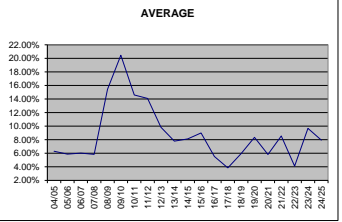
**HISTORY OF
TARIFFS**

SOL PLAATJE MUNICIPALITY

TARIFF HISTORY

	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	26/27
RATES	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%	4.80%	7.76%	6.73%
SEWERAGE	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%	7.50%	5.99%	5.44%
CLEANSING	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%	5.00%	5.81%	5.86%
WATER	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%	6.50%	5.99%	6.29%
ELECTRICITY	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%	10.60%	9.19%	9.21%
AVERAGE	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%	7.93%	6.94%	6.71%

SOL PLAATJE MUNICIPALITY



SECTION 4:

INTEGRATED DEVELOPMENT PLAN OVERVIEW



Sol Plaatje Municipality

Integrated Development Plan

2022-2027

SECOND REVIEW

This document:

Draft Integrated Development Plan,

**a second review (2023/24) Planning for 2024/25 of
the 5th Generation Integrated Development Plan
2022 – 2027**

For Council approval: March 2024

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FOREWORD BY THE MAYOR

FOREWORD BY MAYOR:

MR K SONYONI

The Sol Plaatje Municipality strives towards being a Cleaner Growing City. We, as elected Council, will continue to strengthen this vision statement by (1) reclaiming the city that sparkles, (2) building public confidence and trust, (2) providing economic infrastructure to foster private sector investment and (3) delivering sustainable uninterrupted services to all residents. This can only be achieved when we as Council contribute to the work of municipal officials in an oversight capacity, and by consulting key stakeholders and through interactive engagements with our communities.



Mr Kagisho Sonyoni
*Executive Mayor of
Sol Plaatje Municipality*

During our first period as elected councillors, we embarked on a vigorous journey to identify, address and deliver on community needs. However, we acknowledge that huge service delivery gaps remain. Part of bridging these gaps will be the continued support and trust of the community, enabling us to perform better as councillors. As elected head of the Council, my imperative is to listen to what can and must be addressed, and to guide the Council and officials in performing their respective duties towards the community with unbiased diligence. Many factors impact on the sustainability and effectiveness of service delivery by this Municipality, none more so than the lack of funds due to declining revenue collection rates, smaller transfers from the other tiers of government, and ever-increasing financial obligations. In this regard, we need to improve the effectiveness of our revenue management processes and procedures and have identified several revenue-raising strategies.

We are also confronted by critical staff vacancies, ageing municipal infrastructure and the lack of infrastructure master plans. We have prioritised these issues to be addressed in the following budget cycles and have intensified our search for other sources of funding. The creation of sustainable job opportunities for the youth is one of our concerns, with a youth unemployment rate of over 50%. In this context, we need to be aware of the environment within which the Municipality operates. Here I also refer to other indicators such as an 11% growth in the population since 2015, and declining growth in the secondary and tertiary economic sectors. There has been a tad increase in the building activity of new residential and new non-residential space in Kimberley. Positives also include increased number of households receiving municipal services and those living in formal housing.

The approval of an Integrated Development Plan stands central to the delivery of sustainable municipal services to the entire Sol Plaatje community. In this regard, I emphasise the role of the community in the annual review of the IDP and thank each community member who participated in the review process.

Lastly, I reiterate the invitation to all communities to participate in the ongoing public participation process of the integrated development planning by registering comments on the municipal website and to comment on the successes and failures of the Sol Plaatje Municipality so that we can learn, improve, and act together.

ACKNOWLEDGEMENT FROM THE MUNICIPAL MANAGER

ACKNOWLEDGEMENT FROM THE MUNICIPAL MANAGER:

MR BS MATLALA



Mr BS Matlala

*Municipal Manager
Sol Plaatje Municipality*

The Integrated Development Plan (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. 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 requires exceptional leadership, a competent workforce and a combination of good governance, dedication, and professionalism.

Furthermore, we acknowledge that more still needs to be done to meet the needs of our community effectively and efficiently. During the 2023/24 review the following resolutions were adopted as part of our initiatives to improve as an institution:

Forward planning to support project management and implementation.

Overall understanding and distinction of roles and responsibilities.

Improved coordination and reporting of activities performed by different departments towards the same goal.

Innovative ways to respond to needs with limited funds.

ACKNOWLEDGEMENT FROM THE MUNICIPAL MANAGER

Improved intergovernmental relations to ensure a coordinated approach to developmental planning and implementation.

Improved Public Private Partnerships.

Benchmarking.

Proactive approach to implementation

I am proud to present to Council for approval, the IDP 2024/25 as second 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, 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 contacting your ward councillor or make use of the digital public participation form on the municipal website. 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.

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 *second 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 and public engagements were held as part of the review process.

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.

Lack of addressing the climate vulnerability of the urban areas through adopting and implementing specific adaptation

EXECUTIVE SUMMARY

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, water and electricity provision. Thus, infrastructure spend on these 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.

EXECUTIVE SUMMARY

MUNICIPALITY AT A GLANCE

Total municipal area			3 145 km² (about 5% within urban edge)		Demographics (in 2022)											
					Population		275 614		Households		65 194		Average household size		4.2	
Household income (in 2022 and current rand prices)																
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					
Access to basic services by households in 2022 (as a percentage)																
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%	
Economy: Contribution by sector to Gross Value Added (GVA) in 2021																
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%						
Economy: Largest economic subsectors by contribution to GVA in 2021																
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%			
Building Activity (using statistics for buildings completed)																
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																
Employment in 2022 (2015 numbers in brackets)							Youth Employment in 2021 (2015 numbers in brackets)									
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%)					
Safety and security – actual number of crimes in 2021 (2020 numbers in brackets)																
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 Priority 5: Spatial integration, human settlements and local government
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 Priority 7: A better Africa and world
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 3: Education, skills and health Priority 6: Social cohesion and safe communities
Establishment of healthy financial management	Sound Financial Management	Municipal Financial Viability and Management	
Improved institutional management	Institutional Development and Capacity Building	Institutional Development and Municipal Transformation	

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.

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.

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.

Stakeholder involvement, and community consultation and reporting on the planning and implementation of prioritised needs.

CHAPTER 1

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.

STRUCTURE OF THIS IDP DOCUMENT (IDP 2024/25)

As mentioned, this document represents the *second 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 2024/25 (as second 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 2024/25 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
8	-	Municipal institutional development and transformation
9	Outcomes 88	Municipal performance

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.¹

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.

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

IDP Representative Forum

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 This scorecard will be completed in the next IDP review.

CHAPTER 1

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, Begonia Shacks, Platfontein
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, Tswelelang
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
27	Platfontein, Rietvale
28	De Beers Mine, Kenilworth, Kimdustria, Colville, Floors, Beaconsfield, Greenside
29	Roodepan, Ivory Park, Langley & Riverton
30	Lerato Park, Kamfersdam, Roodepan, Jacksonville

CHAPTER 1

Description of Wards	
Wards	Suburbs
31	Soul City, Kutlwanong, Riviera
32	Platfontein, Phutanang
33	Diamant Park, Thambo Square, West End, Gemdene, China Square

Description of Wards

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	√	
Constitution Schedule 5, Part B functions:			
Beaches and amusement facilities	No		√
Billboards and the display of advertisements in public places	No	√	

CHAPTER 1

Municipal Functions			
Municipal function	Municipal function Yes / No	Staff allocated	
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	√	

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 from the respective provincial departments, but unfortunately, this funding stream is no longer available and own funds are used.

LEGISLATIVE AND POLICY CONTEXT

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

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*).

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%

Medium Term Expenditure Framework: Intermediate 2024 Targets (National)

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.

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.

State of the Nation Address (SONA)²

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 corruption³.

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 whistle-blowers, and partnering with the private sector in responding to emergency calls to the 10111 call centre. In response to the State Capture Commission and in line with the framework for the professionalisation of the public service, integrity

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

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

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.

Licensing 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.

National Government Budget Speech 2020⁴

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:

Spatial integration: To forge new spatial forms in settlement, transport, social and economic areas,

Inclusion and access: To ensure people have access to social and economic services, opportunities and choices,

Growth: To harness urban dynamism for inclusive, sustainable economic growth and development, and

Governance: To enhance the capacity of the state and its citizens to work together to achieve spatial and social integration.

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

NORTHERN CAPE PROVINCE

State of the Province Address 2023 (SOPA)⁵

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.

⁵ State of the Province Address (SOPA) by the Premier of the Northern Cape.

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 Vula Zonke, fixed 23 000m² of potholes by using internal road maintenance teams and outsourcing some of the work. The government will also 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.

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.

Northern Cape Spatial Development Framework, 2018⁶

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.

⁶ Northern Cape, Draft Spatial Development Framework, September 2018.

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.

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

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.

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 is aligned to the district-wide planning process.

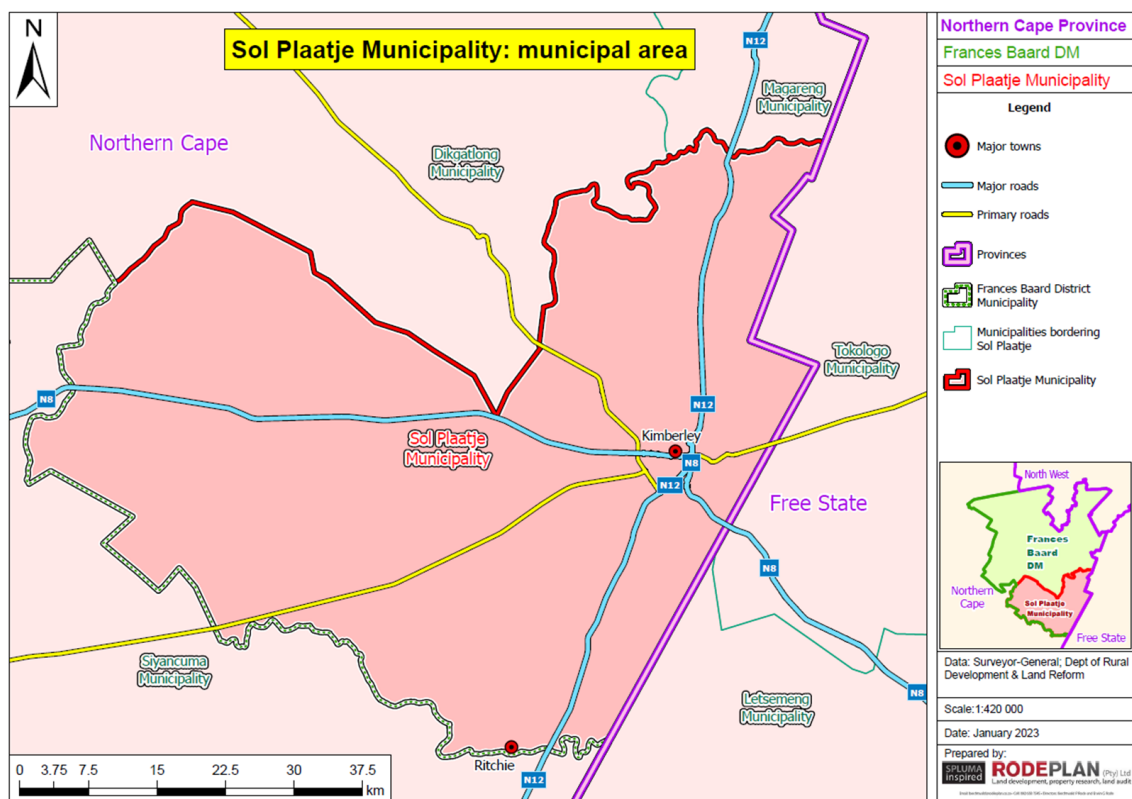
CHAPTER 2: PROFILE OF THE MUNICIPAL AREA

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.

GEOGRAPHIC CONTEXT

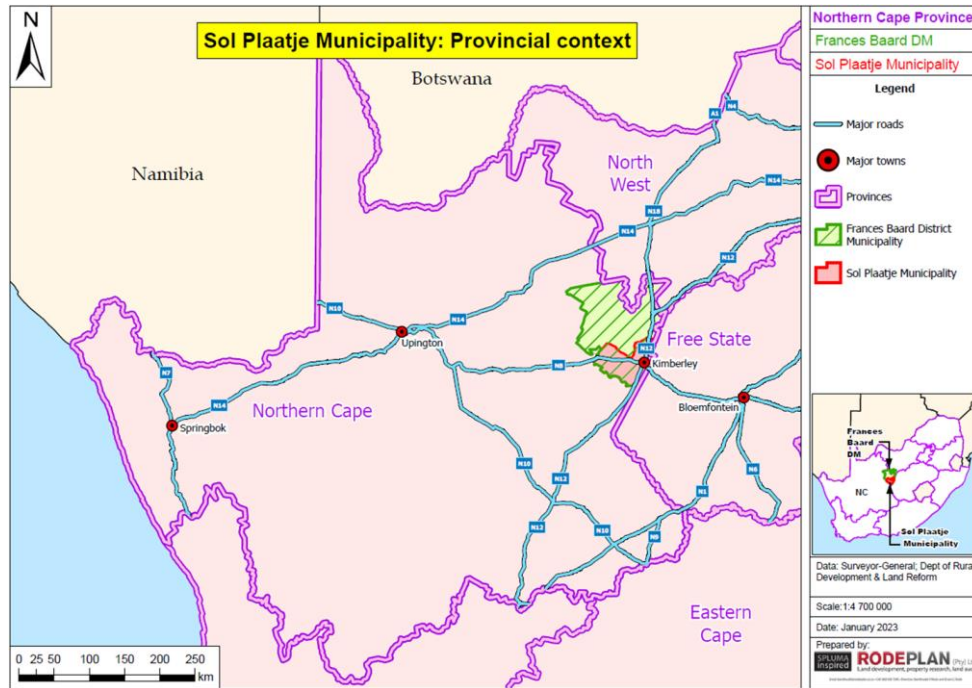
The Sol Plaatje municipal area is one of the 'pearls' of the Northern Cape sub-regions, characterised by a mix of unique and high-quality assets. A key challenge is to conserve and enhance these assets in a changing setting. The land extent of the Sol Plaatje municipal area is about 3145 km² and includes 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).



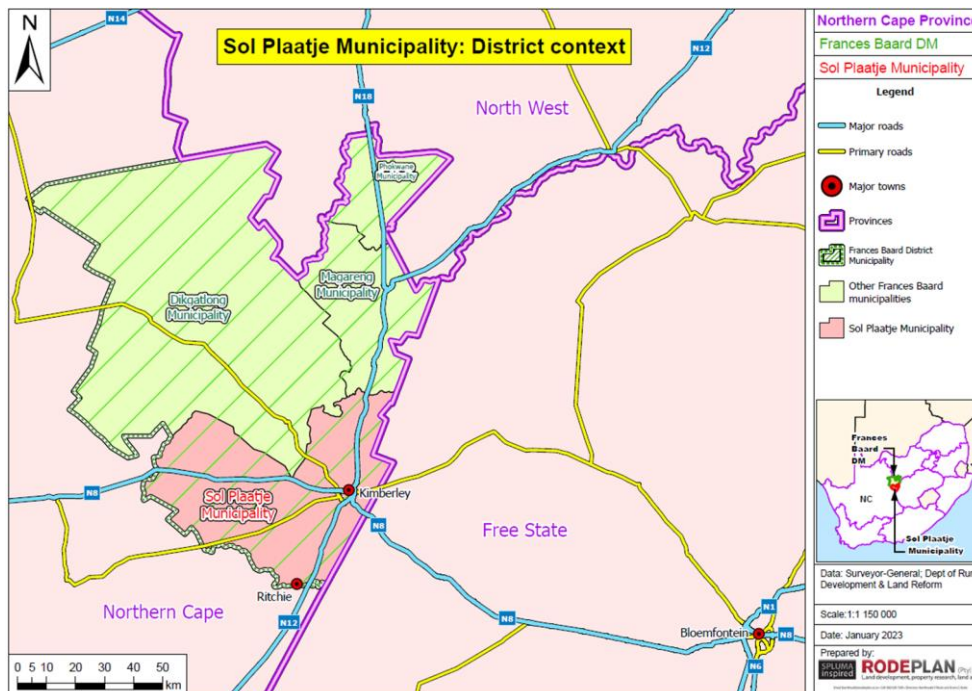
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Municipal Area

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.



Provincial Context

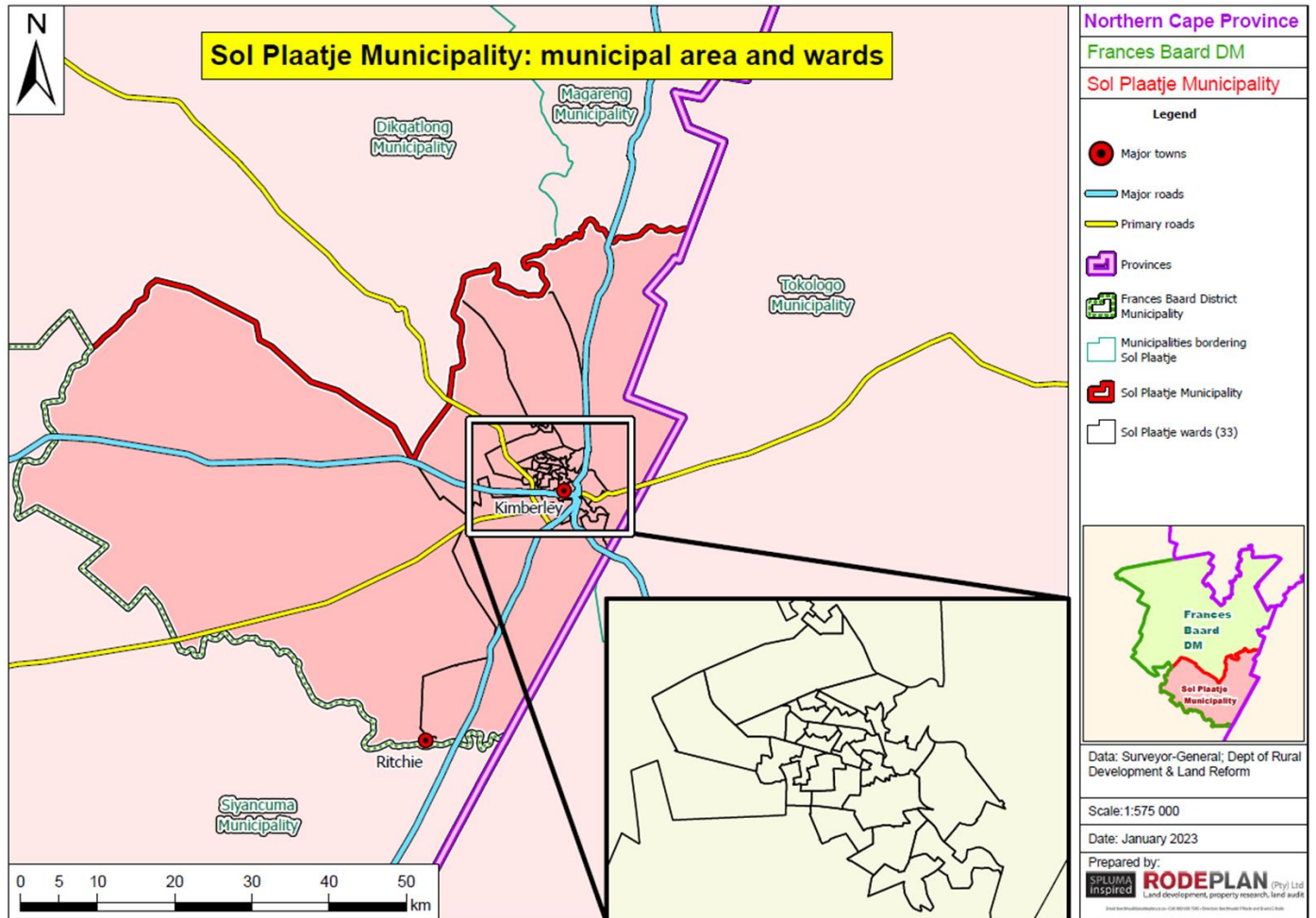


District Context

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Ward Delineation

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



Ward Delineation

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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 ⁷
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%
Number of households	60 543	63 552	65 194
People per household (approximate)	4.1	4.1	4.2

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).⁸ 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%

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

⁷ Population total projected for Sol Plaatje Municipality.

⁸ The 2022 population total for the Northern Cape Province is projected.

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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
Proportional share of total population (rounded)	65%	65%
Dependency ratio	35%	34%

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).

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 000.⁹ 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.

⁹ 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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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.
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

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.¹⁰

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

¹⁰ 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
Provincial Tertiary Hospitals	1
Specialised Psychiatric Hospitals	1
Specialised TB Hospitals	1
Other Hospitals	2
Private Hospital	2
Community Health Centre	1
Clinics	13
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

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.

SAFETY AND SECURITY

The table below provides a summary of the crime statistics in the Sol Plaatje Municipality in 2019 and 2021 respectively.¹¹ 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.

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

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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
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

Safety and Security: Sol Plaatje Municipality

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 ¹²
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

Education

¹² Projected number for the Sol Plaatje Municipality.

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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.

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
Dwelling				
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%
Electricity				
Electricity (including generator)	53 084	88%	59 555	91%
Refuse / Solid Waste				
Refuse removed by local authority at least once a week	48 752	81%	49 256	75%
Sewage				
Flush or chemical toilet	53 354	88%	60 429	93%
Pit latrine/ bucket system	4 028	7%	2 942	5%
Water				
Piped water inside dwelling or yard	53 591	89%	57 995	90%
Public/ communal/ neighbour's tap	6 703	11%	6 964	10%

Access to Services and Housing

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

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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.

ECONOMIC OVERVIEW

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)
Primary sector	628	897	43%	1 563	74%
Agriculture, forestry and fishing	174	250	44%	369	48%
Mining (and quarrying)	454	647	43%	1 194	85%
Secondary sector	1 453	2 170	49%	2 722	25%
Manufacturing	688	874	27%	1 081	24%
Electricity, gas and water	391	793	103%	1 193	50%
Construction	373	503	35%	448	-11%
Tertiary sector	13 697	19 004	39%	24 424	29%
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%

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, 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.

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

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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%
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%

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%

Youth Employment/Unemployment

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 036m² per annum. As illustration of the variance between the two sets of data, the square metreage for building plans passed was 21 871m² 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 777m² per annum. Also, understandably, zero *new non-residential space* has been added since 2018, with the bulk of new space added in 2017 (18 378m²). The 18 378m² was made up of (1) office and banking space (250m²), (2) shopping space (1306m²), (3) industrial and warehouse space (374m²) and (4) schools, nursery schools, crèches and hospitals (16 448m²).

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.

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.

CLIMATE CHANGE

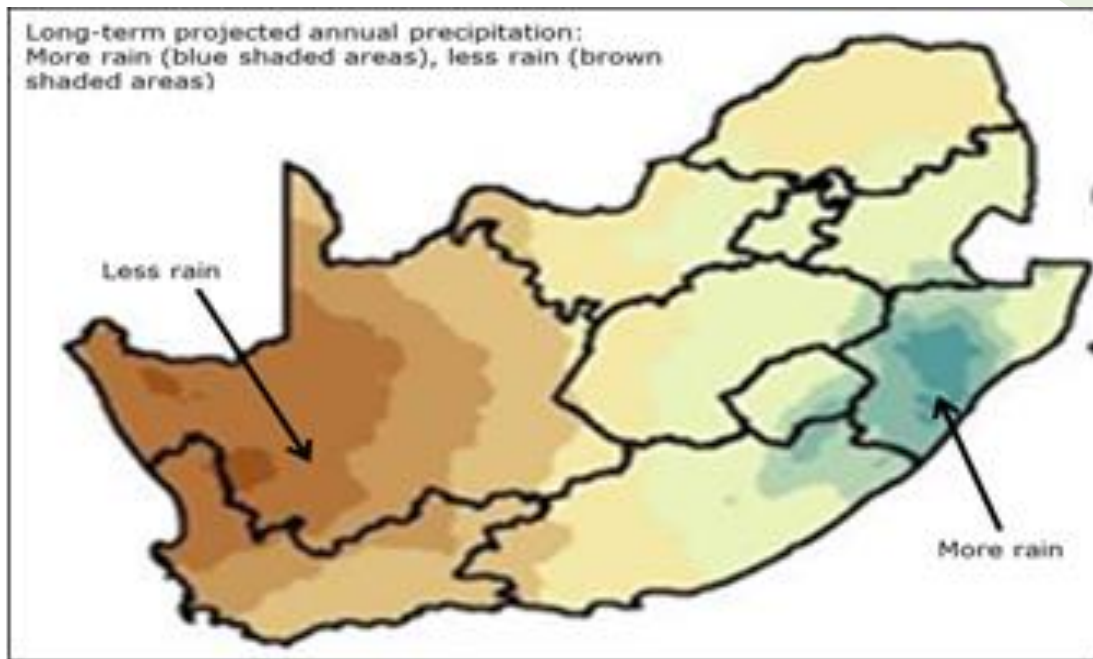
Climate change poses a systemic challenge to the sustainability, growth and development of urban areas and cannot be addressed separately from other socio-economic factors. Urban resilience is most successful when all levels of government have shared goals and mechanisms for vertical and horizontal integration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

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 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.

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

CHAPTER 2

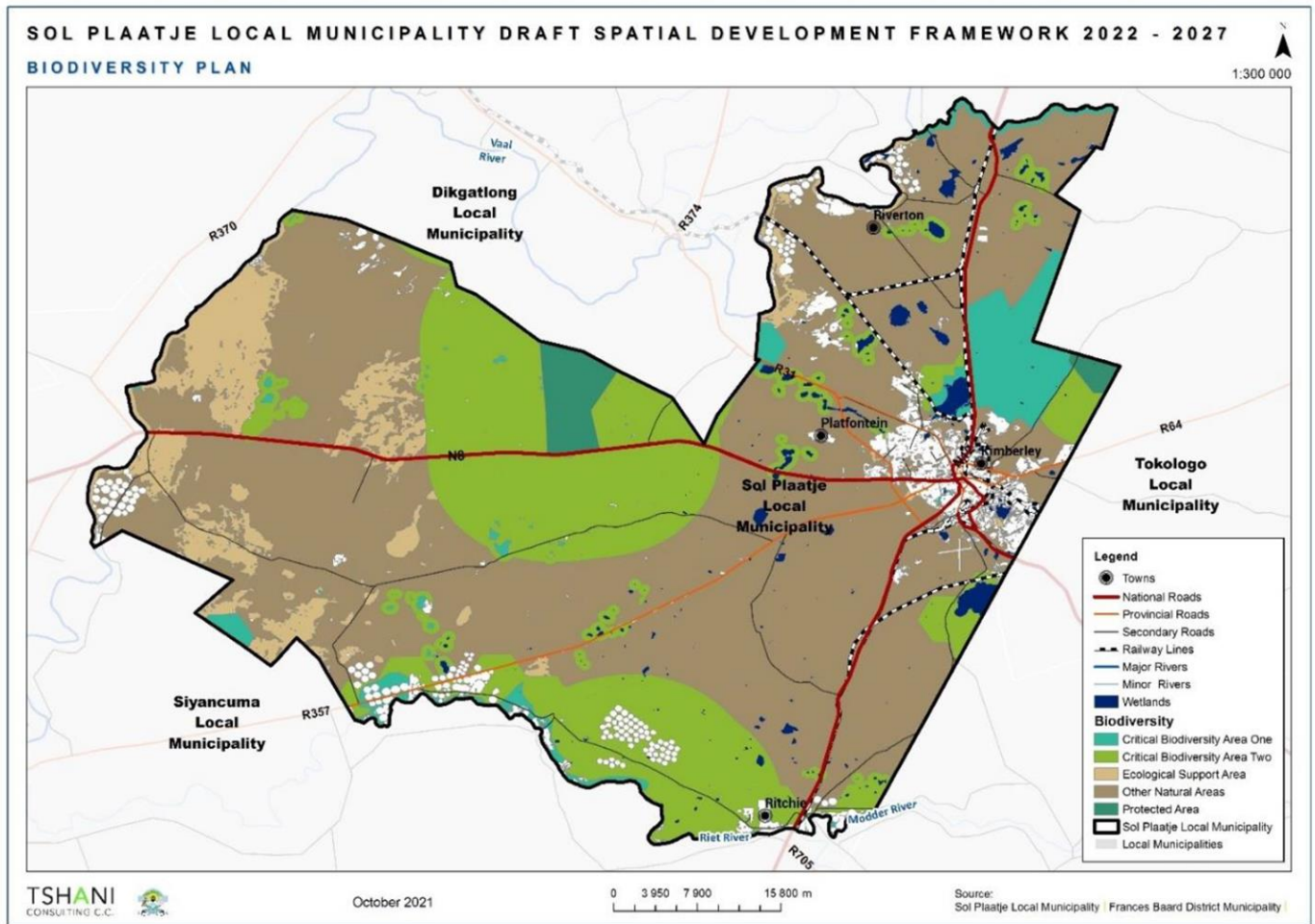


Climate Change

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 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.

CHAPTER 2

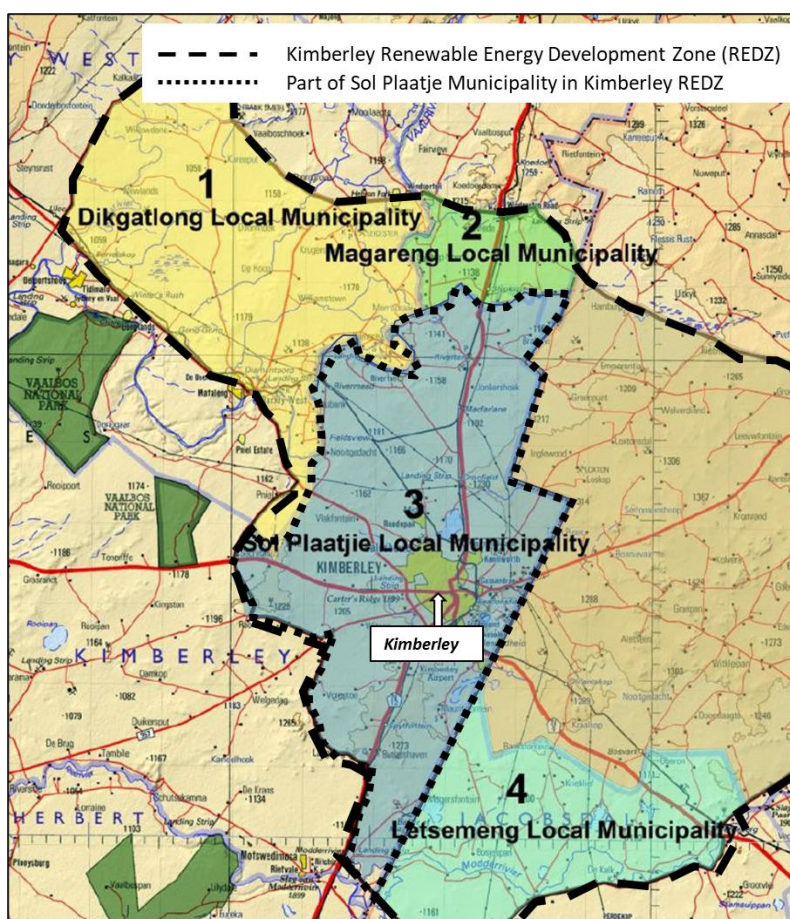


Biodiversity

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.

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.¹⁴ The REDZs were 'demarcated' based 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.



Renewable energy development zone

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

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.¹⁵ Please see IDP 2022-2027 for additional information regarding the current state of municipal infrastructure.

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.

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%
Grand Total	31 018	100%

Customer Calls per Service

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

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%
Infrastructure and Services					
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%
Strategy, Economic Development and Planning (SEDP)					
SEDP	125	179	132	47	26.3%
Community Services					
Clinics	20	98	21	77	78.6%
Emergency Services	81	140	80	60	42.9%
Environmental Health ¹⁶	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%
Corporate Services					
Corporate Services	166	220	166	54	24.5%
Financial Services					
Finance	218	247	217	30	12.1%

¹⁶ Qualified Environmental Health Practitioners are appointed to assist with the workload.

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Number of Employees by Directorate					
Description	2019/20	2020/21			
	Employees	Approved Posts	Employees	Vacancies	Vacancies (%)
ICT	16	20	16	4	20%
Supply Chain Management	33	39	34	5	12.8%
Average number (percentage) of vacancies (rounded)					15
Total	1 918	2 701	1 927	772	28.7%

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%

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.

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
Infrastructure and Services	
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 Table 34). 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 programmes, awareness, counselling and testing is conducted with the assistance of non-governmental organisations. However, obtaining accurate statistics remains a challenge. All targets were met as set.
Traffic Law Enforcement	The COVID-19 pandemic and certain vacancies impacted negatively on the work of this section as well as training of personnel.

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Reporting on Overall Performance by Directorate	
Description	2020/21
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.
Corporate Services	
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.
Financial Services	
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 SMMs 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.

Reporting on Overall Performance by Directorate

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 2023.¹⁷

¹⁷ SWOT: Strengths, Weaknesses, Opportunities and Threats.

CHAPTER 3

Description	Assessment of Impact ¹⁸
STENGHTS	
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	
WEAKNESSES	
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.	
THREATS	
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.	
High levels of incidents related to Occupational Health & Safety non-compliance and poor maintenance of infrastructure	

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

Description	Assessment of Impact ¹⁸
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.	
OPPORTUNITIES	
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.	

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 2015.¹⁹

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

¹⁹ 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
Sewage				
Flush or chemical toilet	53 354	88%	60 429	93%
Pit latrine/ bucket system	4028	7%	2942	5%
Water				
Piped water inside dwelling or yard	53 591	89%	57 995	90%
Public/ communal/ neighbour's tap	6 703	11%	6 964	10%

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
Dwelling				
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%

Access to Housing

The following table includes all informal settlements and the number of erven *that has been or are planned to be formalised*.

Housing				
Place name	Erven formalised	Erven to be formalised / or in process to be formalised	Deficit / Surplus	Type
Lerato Park	462			

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Housing				
Place name	Erven formalised	Erven to be formalised / or in process to be formalised	Deficit / Surplus	Type
Ramorwa	98	55		
Witdam	138			
Donkerhoek	111			
Jacksonville	267	200	40 (extension)	In-situ upgrading
Snake Park	1660			
Ivory Park	1174			
Santa Centre	139	24 (Back of Shoprite)		
Phomolong	269			
Kutlwanong	49			
Promised Land	792			
Lindelani 303 + 128	431			
Diamond Park	867			
Soul City	64	40 (Erf 24436)		
Motswedimosa	650	1100 (erf 454)	1150 (Erf 454)	Greenfield
Colville	130	150 (Erf 21535)		
Rietvale	458	620 (Erven 1&2)	1300 (Erf 2)	Greenfield
Homevale	128		55 (Erf 17177)	In-situ upgrading
Lethabo Park	1760		1100	In-situ upgrading
Duk-Duk (Relocation)	63			
Tsweleng	62		20 (Erf 1046)	In-situ upgrading
Fluffy Park (Mathibe)	38			
Frans Farm	1481		1500	Greenfield
Extension Golf Course/Riemvasmaak		200	820	In-situ upgrading
China Square (Erf 6373)		40		
Riverton		170	126	In-situ upgrading
Gwele & Stranger Nkosi Street Shacks		250		
Waterloo		550	570	
Phutanang		350		
Tshwraganyo		20		
Nkandla (Back of Legislature)		800	400	In-situ upgrading
Meriting Shacks		09		
Greenpoint (various)		163	931	In-situ upgrading
Rhythm City		550		
Scandal		220		

Housing				
Place name	Erven formalised	Erven to be formalised / or in process to be formalised	Deficit / Surplus	Type
West End/Kirstenhof (Silson Road)		320		
Day Hospital (Waterloo)		240		
Solly Legodi		10		
Retswelele (Cricket Pitch)		55		
Blikkies (Erven 132131,13214 &13215)		160		
Retswelele (Lesego Str/Solomon Mekgwe Str)		250		
Tlhageng (Supermarket) – Kokolohute Str		150		
John Mampe 1 – Churchill Wotshela Str		300		
Begonia (Erf 17725)			12	In-situ upgrading
Xu & Khwe			6500	Greenfield
Total	15 491	6996		

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.

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.

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.

Housing: In terms of section 26(1) of the Constitution of the Republic of South Africa, Act 108 of 1996 "Everyone has the right to have access to adequate housing", and section 26(2) requires that "the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right". This mandate requires that the Sol Plaatje Municipality works towards providing and supporting the development of adequate housing and eradication of inadequate housing.

In this context, housing provision is a function of the provincial government and is administered by the Department of Corporative Governance, Human Settlement and Traditional Affairs (CoGHSTA). However, Sol Plaatje Municipality is accredited at Level 02 and administers housing subsidies and implement housing development. This means that the municipality is responsible for ensuring housing development readiness status in accordance with the CoGHSTA housing strategy. This includes identification of projects as prioritized on the IDP which must then be budgeted for under the Division of Revenue Act (DoRA). At this functional level, the municipality performs the following:

Allocation of sites.

Transfer of property/properties to deserving beneficiaries.

Allocation of municipal rental stock.

Housing development.

Subsidy processing and construction of BNG houses.

The key issues for housing delivery are:

To transfer some municipal stock to the incumbent residents of such units.

Relocation of beneficiaries to land suitable and appropriate for human settlement.

Construction of BNG houses for deserving beneficiaries.

To build a substantial number of BNG houses as per allocation from provincial government.

Processing of complaints regarding pre-1994 houses.

Housing remains a major challenge. This is evident in the number of illegal and informal settlements that have mushroomed over the past decade. In 2023, the municipality had approximately 52 informal settlements and this number has increased significantly over the years (see §3.3). Furthermore, there is a greater need for the provision of serviced erven in Galeshewe and Kimberley, and in particular for members of the public who cannot qualify for a bond or neither FLISP (Financial Linked Subsidy Programme). In addition, further challenges have been experienced in the safeguarding of municipal land, as well as eviction of illegal occupants due to limited resources and insufficient municipal security personnel to enforce evictions. Lastly, these challenges are ultimately exacerbated by the shortage of suitable municipal-owned land for low- and middle-income housing.

The Sol Plaatje Municipality is faced with the continuous proliferation of informal settlements and land invasion, particularly on the periphery of the urban areas due to uncontrolled urbanisation. Most of these informal settlements have developed through the invasion of privately- or state-owned land which makes service delivery difficult for the municipality. The municipality acknowledges that many of its citizenry stay in these informal settlements. It also recognizes that many of these informal settlements offer shelter to the poor and destitute, but that it creates undesirable urban environments due to the lack of services and security of tenure.

The municipality has performed well in formalising informal settlements. In 2023, the municipality recorded approximately 28 formalised informal settlements which have been upgraded through internal funding and funding received from COGHSTA and the National Upgrading Support Programme (NUSP) (see §3.3). To date approximately **15 234 erven** have been provided to various informal settlement sites, however the challenge remains to provide basic services in these areas.

During this financial year, CoGHSTA decided to reinforce its project management capacity in housing delivery and established a Project Management unit (PMU) within the provincial department. Hence, some of the housing projects implemented by the Sol Plaatje Municipality was placed within the provincial department.

The municipality has rental stock of about 936 units in Kimberley, Roodepan, Kenilworth and Galeshewe. This consist of municipal-owned flats aimed at providing short-term accommodation to address the shortage of rental accommodation and affordable housing in the city. Furthermore, there is an on-going CRU project being implemented by COGHSTA providing 481

rental units in phases. In the financial year 2023/2024, the municipality will review its Restructuring Zones in order to increase rental stock as well as social housing provision.

The Sol Plaatje Municipality has significant challenges to improve the lives of those living in informal dwellings and to narrow the gap between rich and poor in terms of housing provision. Unfortunately, illegal occupation of land planned for future housing became a norm. This situation also compromised the municipality's housing readiness status.

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

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).

CHAPTER 4: GOVERNANCE AND PUBLIC PARTICIPATION

CHAPTER 4

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 ²⁰	Identified output
August 2022	
Approval of IDP and Budget Process Plan	Approved.
September 2022 - ANALYSIS	
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.
October 2022 - STRATEGIES	
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 st Strategic planning session of council.	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. Review financial and non-financial performance, i.e. identify gaps between planned and actual performance. Determine financial position and assess financial/human resource capacity available for implementation.
November 2022 – STRATEGIES / PROJECTS	
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.
February 2023 – PROJECTS / INTEGRATION	
Planning sessions with municipal structures.	Present draft IDP 2023/24 as first review with priorities linked to budget

²⁰ 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 ²⁰	Identified output
	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.
March 2023	
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 2023/24
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.
April 2023	
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.	
May 2023 - APPROVAL	
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.	
June 2023	
Notify public of approved IDP 2023/24 and budget 2023/24.	

Steps in IDP Review Process

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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

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):

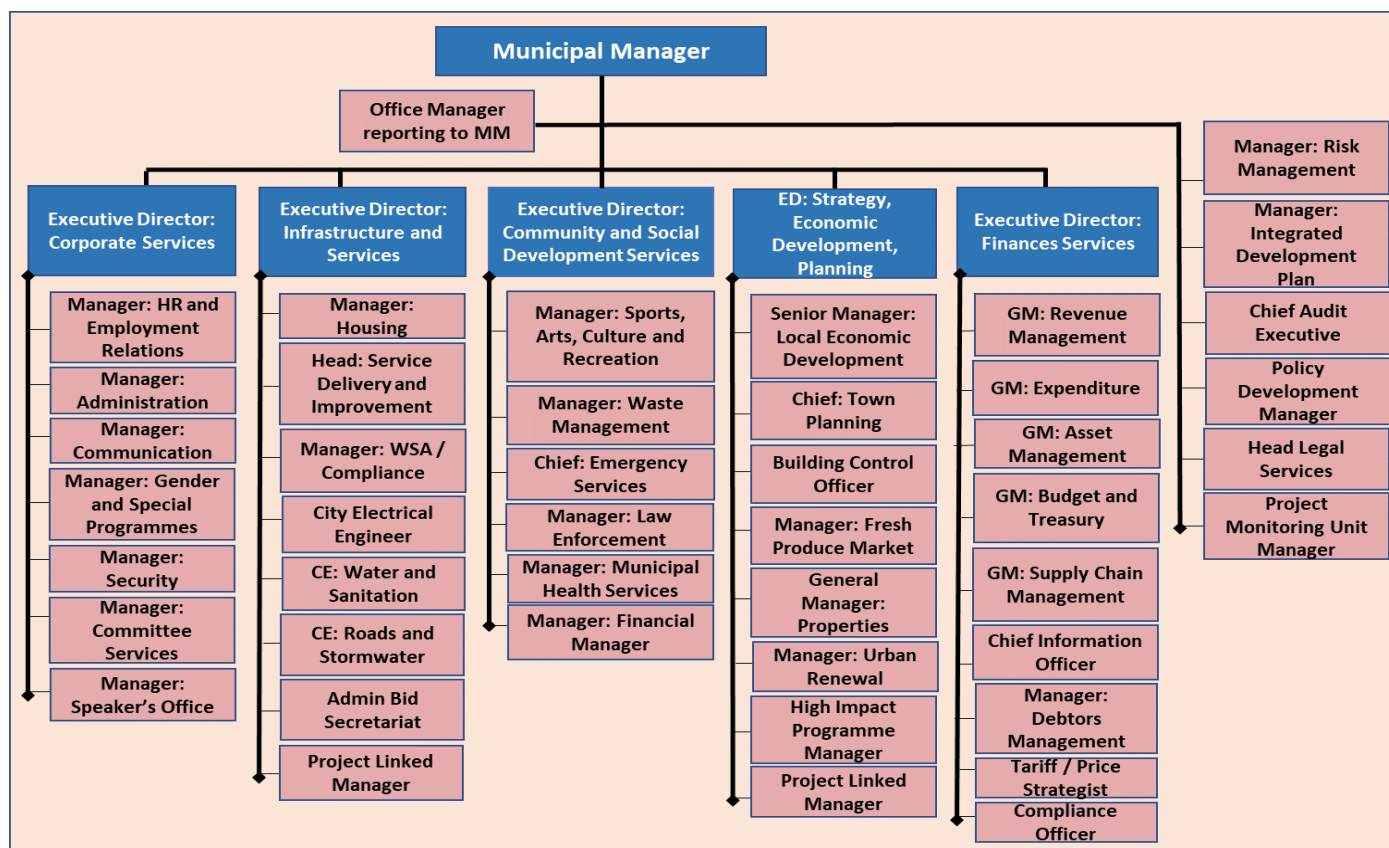
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Executive Structure		
Name of official	Position	Performance agreement signed
		Yes / no
Mr. Bartholomew Matlala	Municipal Manager	Yes
Ms. Nomonde Kesiamang	Executive Director: Strategy, Economic Development and Planning	Yes
Vacant	Executive Director: 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

Executive Structure

4.4 ADMINISTRATIVE STRUCTURE

The following graph shows the organogram of the Sol Plaatje Municipality comprising five (5) directorates.



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.

The organisational reengineering and reconfiguration of the Municipality to ensure alignment with IDP strategic objectives will be a key focus area in the next budget year.

4.5 WARD-BASED NEEDS AND UNFUNDED PRIORITIES

The following table lists the prioritised needs of each of the 33 wards for the 2022/23 review, planning for 2023/24; and 2023/24 review, planning for 24/25. These are the ward-based needs identified and prioritised by the relevant communities during the ward-based public participation process .

Prioritised Needs per Ward 2023/24		Prioritised Needs per Ward 2024/25
Ward	Prioritised need	
1	Additional cemetery for Roodepan Lerato park toilets and water Provision and maintenance of recreational facilities (community hall & sports grounds) Pump station to be upgraded. Provide and upgrade houses in White City Paving of roads required. Maintenance of the flats.	Maintenance of the flats. Lethabo park toilets and water Provision and maintenance of recreational facilities (community hall & sports grounds) Additional cemetery for Roodepan Paving of roads required.
2	Upgrade pump stations in White City and Eagle Street. Provide additional land for cemetery. Pave the following streets: Finch, Weaver, Seeduif, and Parakiet and reseal white city & Erwe streets Upgrade Sonny Leon library and build community hall Upgrade Korhaan sports field and Albatros Park & a new park in White City.	Old age home and ECD centre for the disabled Upgrade korhan sportsfield and albatros park & a new park in white city Upgrade sonny Leon library and build a community hall Provide land for cemetery Paving and resealing of erwe and white city
3	Existing houses to be rebuild and shacks in Home Valley. Provide new houses (replace homevalley shacks). Paving of roads required. Build community clinic. Provide satellite police station. Library to be renovated and restored.	Existing houses to be rebuild and shacks in Home Valley. High masts lights. Adjacent to 13th street. Paving of roads required. Build community clinic. Water and sanitation in Homevalley shacks. Every shack to have their own tap. Sewer challenges 3rd street And to close man holes that is the yard. Letsepe childcare center. To be refurbished, it's on the property of sol Plaatje.

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Prioritised Needs per Ward 2023/24		Prioritised Needs per Ward 2024/25
Ward	Prioritised need	
4	<p>Provision of housing</p> <p>Pave the following streets: Zenzele, Otto, Ramorwa, Peme, Itumeleng, Magashula and Schularo.</p> <p>Provide water and sanitation at informal settlements.</p> <p>Complete renovations at old age home.</p> <p>Provide parks for recreation in Mphela and Thole Streets.</p>	<p>Repairs of the damaged houses (36) & provision of houses in informal settlements</p> <p>Retention dam</p> <p>Provide water and sanitation in informal settlements</p> <p>Formalisation of Otto</p> <p>Provide parks and recreation</p> <p>Provision of stormwater facility</p>
5	<p>Provide high-mast lighting in Hutse Segodi.</p> <p>Build storm water channels in Mathibe and Makapane streets.</p> <p>Pave Jerry Ma Street.</p> <p>Improve and upgrade sanitation network.</p> <p>Upgrade Percival Jas Park.</p>	<p>Pave roads and fix potholes (including a speedhump in Goitsewang street).</p> <p>Provide high-mast lighting.</p> <p>Upgrade and repair sanitation and stormwater drainage network.</p> <p>Build a community hall and other recreational facilities.</p> <p>Maintenance of the clinic (solar lighting and security to avoid theft and break-ins)</p>
6	<p>Pave roads and fix potholes (including a speedhump in Goitsewang street).</p> <p>Provide high-mast lighting.</p> <p>Upgrade and repair sanitation and stormwater drainage network.</p> <p>Build a community hall and other recreational facilities.</p> <p>Maintenance of the clinic (solar lighting and security to avoid theft and break-ins)</p>	<p>Pave roads and fix potholes (including a speedhump in Goitsewang street).</p> <p>Provide high-mast lighting.</p> <p>Upgrade and repair sanitation and stormwater drainage network.</p> <p>Build a community hall and other recreational facilities.</p> <p>Maintenance of the clinic (solar lighting and security to avoid theft and break-ins)</p>
7	<p>Build a sports complex.</p> <p>Provide service centre at Masiza Flak.</p> <p>Provide bulk infrastructure at Riemvasmaak.</p> <p>Provide new houses.</p> <p>Paving of roads required.</p>	<p>Revitalisation and restrengthening of the taxi-rank in ward 7 with intensified security visibility.</p> <p>Provide service centre at Masiza Flak.</p> <p>Provide bulk infrastructure at Riemvasmaak.</p> <p>Provide new houses.</p> <p>Paving of roads required.</p>
8	<p>Jojo tanks for clean drinking water</p> <p>Paving of roads required.</p> <p>Formalise informal settlements, provide houses and toilets.</p> <p>Provide street lights.</p> <p>Provide sports facilities, clinic and library.</p>	<p>Jojo tanks for clean drinking water</p> <p>Paving of roads required.</p> <p>Formalise informal settlements, provide houses and toilets (e.g Aganang and Helen Joseph)</p> <p>Provide street lights (e.g Madiba Square)</p> <p>Provide sports facilities, clinic and library</p>
9	<p>Replace ageing infrastructure (e.g, water pipes).</p> <p>Fix streetlights and provide high-mast lighting.</p> <p>Provide houses for the middle-income grouping and prioritise ward residents.</p> <p>Fix drainage and storm water system.</p> <p>Fix potholes and provide speed bumps.</p> <p>Provide soccer and cricket facilities and Kitsong Centre.</p>	<p>Roads</p> <p>Stormwater</p> <p>sports and recreation</p> <p>Housing provision and maintenance</p> <p>Street lights and high mast lighting</p>
10	<p>Building of a school.</p> <p>Upgrade the library.</p> <p>Paving of roads and upgrading of storm water systems in Phetole, Moretele and Nkgare Streets.</p> <p>Refurbishment of RC Elliot Hall</p>	<p>Building of a school.</p> <p>Upgrade the library.</p> <p>Paving of roads and upgrading of storm water systems in Phetole, Moretele and Nkgare Streets.</p> <p>Refurbishment of RC Elliot Hall</p>

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Prioritised Needs per Ward 2023/24		Prioritised Needs per Ward 2024/25
Ward	Prioritised need	
	Provide sanitation. Formalisation of the informal settlements and relocation of settlers Provide fencing at clinic.	Provide sanitation. Formalisation of the informal settlements and relocation of settlers Provide fencing at clinic. Provision of street and high-mast lights
11	Provision of adequate housing and Renovate houses at Katimamolilo by removing asbestos roofs. Provide sanitation (eradication of bucket and shanti toilets) Provide high-mast streetlights. Fixing of roads required. Provide parks for recreation with security. Build School	Provision of adequate housing and Renovate houses at Katimamolilo by removing asbestos roofs. Provide sanitation (eradication of bucket and shanti toilets) Provide high-mast streetlights. Fixing of roads required. Provide parks for recreation with security. Build School
12	Renovate houses by removing asbestos roofs. Paving of Jabula, Tshabalala and John Daka Fix drainage and storm water system. Build new toilets at Tyala Drive. Install high-mast street lighting. Build a greenhouse.	Renovate houses by removing asbestos roofs. Paving of Jabula, Tshabalala and John Daka Fix drainage and storm water system. Build new toilets at Tyala Drive. Install high-mast street lighting. Build a greenhouse
13	Build toilets in informal settlement. Paving of internal streets. Provide streetlights. Provide electrification of informal settlements. Provide infrastructure.	Build toilets in informal settlement. Paving of internal streets. Provide streetlights. Provide electrification of informal settlements. Provide infrastructure.
14	Fixing of roads and storm water system required. Provide sanitation infrastructure (upgrade of sewage line and informal settlements). Provide water infrastructure. Provide recreation facilities.	Fixing of roads and stormwater system required. (including Hutton, Otto and Jan de Beer Streets) Provide sanitation infrastructure (upgrade of sewage line and fixing burst pipes). Informal settlements (formalisation, relocations and servicing). Provide water infrastructure. Provide recreation facilities
15	Provide toilets. Resolve recurring sewer and storm water blockages. Provide streetlights and high-mast lighting and maintenance of existing. Completion of paving project & fixing of roads and bridges (Peter Mokaba requires handrails) Formalisation of informal settlements	Provide toilets. Resolve recurring sewer and storm water blockages. Provide streetlights and high-mast lighting and maintenance of existing. Completion of paving project & fixing of roads and bridges (Peter Mokaba requires handrails) Formalisation of informal settlements
16	Paving of access roads in Promise Land. Provide high-mast lighting in Snake Park. Do repairs and maintenance at Gogga Pump station. Provide water and outside toilets in Snake Park Phases 1, 2 and 3. Pave all roads in Tswelelang. Provide electricity to 62 shacks. Upgrade retention pond at R31.	Paving of access roads in Promise Land. Provide high-mast lighting in Snake Park. Do repairs and maintenance at Gogga Pump station. Provide water and outside toilets in Snake Park Phases 1, 2 and 3. Pave all roads in Tswelelang. Provide electricity to 62 shacks. Upgrade retention pond at R31.

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Prioritised Needs per Ward 2023/24		Prioritised Needs per Ward 2024/25
Ward	Prioritised need	
	Paving of Transit Camp and relocation of temporary site to permanent settlement.	Paving of Transit Camp and relocation of temporary site to permanent settlement.
17	<p>Fixing of roads required.</p> <p>Provide storm water drainage systems.</p> <p>Provide sports field and facilities.</p> <p>Build toilets at King Senare shacks.</p>	<p>Fixing of roads required.</p> <p>Provide storm water drainage systems.</p> <p>Provide sports field and facilities.</p> <p>Build toilets at King Senare shacks</p> <p>Kwena Street needs lights</p> <p>A youth centre is needed and land must be availed for youth to start SMME's.</p> <p>Fencing for the park, handover of the structure to the community for recreational purposes and a caretaker and light for the park</p>
18	<p>Upgrade storm water and sanitation infrastructure.</p> <p>Relocation of informal settlements from Rhythm City and Kirstenhof to Fransfarm.</p> <p>Renovate dilapidated houses.</p> <p>Provide high-mast streetlights.</p>	<p>Upgrade storm water and sanitation infrastructure.</p> <p>Relocation of informal settlements from Rhythm City and Kirstenhof to Fransfarm.</p> <p>Renovate dilapidated houses.</p> <p>Provide high-mast streetlights.</p>
19	<p>Provide toilets in Saka.</p> <p>Provide high-mast lighting in Royal and Nyambane streets.</p> <p>Provide housing in Kammarkies.</p> <p>Renovate houses by removing asbestos roofs and replacing with corrugated iron sheets in Mokgeledi Street, Malunga Street, Modiakgotla Street and Moshoeshoe Street.</p> <p>Upgrade of the sewer main line in Moshoeshoe Street.</p>	<p>Provide toilets in Saka.</p> <p>Provide high-mast lighting in Royal and Nyambane streets.</p> <p>Provide housing in Kammarkies.</p> <p>Renovate houses by removing asbestos roofs and replacing with corrugated iron sheets in Mokgeledi Street, Malunga Street, Modiakgotla Street and Moshoeshoe Street.</p> <p>Upgrade of the sewer main line in Moshoeshoe Street.</p> <p>Repair roofing reconstruction of houses in Saka and repair toilets.</p>
20	<p>Do maintenance of infrastructure.</p> <p>Fixing of potholes required.</p> <p>Ensure a clean city.</p> <p>Fixing of leaking water pipes required.</p> <p>Resolve problems with sewerage.</p>	<p>Do maintenance of infrastructure</p> <p>Fixing potholes required (Resealing and resurfacing of road near the Tramway).</p> <p>Ensure a clean city</p> <p>Fixing of leaking water pipes required</p> <p>Resolve problems with sewerage</p> <p>Additional speed humps in Barkly Road and Green Street</p>
21	<p>Provide clinic for community.</p> <p>Provide swimming pool for community.</p> <p>Paving of roads required.</p> <p>Provide speed bumps.</p> <p>Build new houses for De Beers.</p>	<p>Provide clinic for community</p> <p>Upgrading of infrastructure</p> <p>Require a school in Hull Street</p> <p>Paving of roads required</p> <p>Provide speed humps in De Beers (Merriman and Hull Street).</p> <p>Establish a library</p> <p>Build new houses for De Beers</p>
22	<p>Ensure proper storm water drainage system in place.</p> <p>Fixing of roads required.</p> <p>Provide taxi rank and parking.</p> <p>Improve power station and electricity grid.</p> <p>Provide recreational facilities.</p>	<p>Ensure proper storm water drainage system in place.</p> <p>Fixing of roads required.</p> <p>Provide taxi rank and parking.</p> <p>Improve power station and electricity grid.</p> <p>Provide recreational facilities.</p>
23	Provide quality water and roads.	Provide quality water and roads

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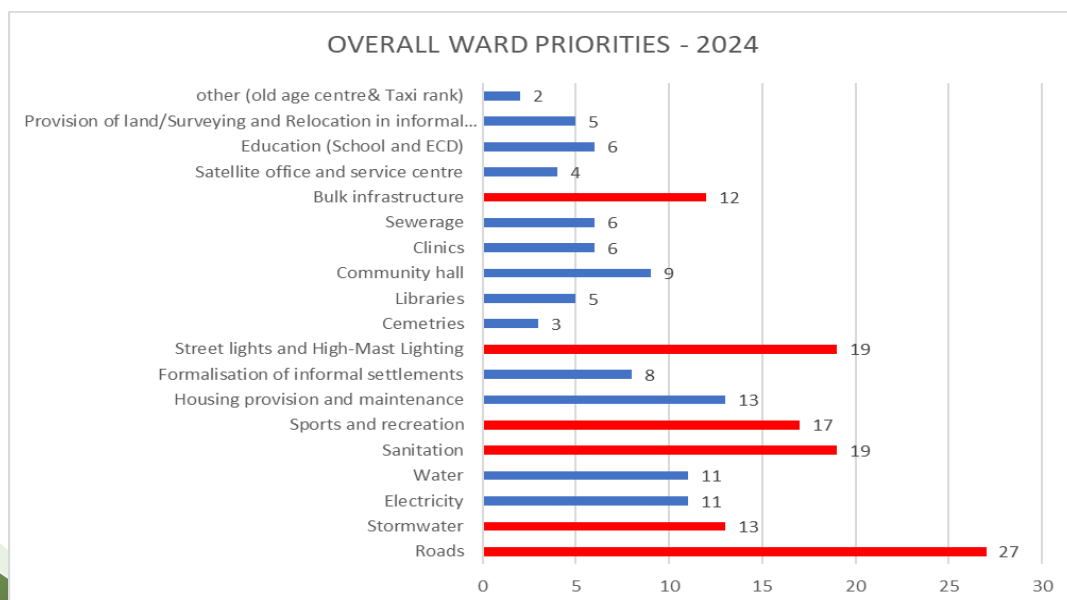
Prioritised Needs per Ward 2023/24		Prioritised Needs per Ward 2024/25
Ward	Prioritised need	
	Complete an infrastructure impact assessment. Upgrade the electricity substation. Provide and maintain public open spaces.	Complete an infrastructure impact assessment Upgrade the electricity substation Provide and maintain public open spaces
24	Ensure maintenance of water network. Fixing of roads required, e.g potholes, road markings. Repair and do maintenance on streetlights. Upgrade capacity of electricity network. Provide public open spaces and maintain existing open spaces.	Ensure maintenance of water network Fixing of roads required. Eg. Potholes, road markings Repair and do maintenance on street lights Upgrade capacity of electricity network Provide public open spaces and maintain existing open spaces
25	Upgrade and refurbish municipal residential flats. Fix roads and storm water networks. Replace water meters and pipes. Upgrading and maintaining parks	Upgrade and refurbish municipal residential flats. Fix roads and storm water networks. Replace water meters and pipes. Upgrading and maintaining parks
26	Formalise informal settlements through surveying erven. Provide high-mast lighting. Maintenance of roads Upgrade sports stadium and parks. Complete electrification of Ronalds Vlei. Provision of housing	Formalise informal settlements through surveying erven. Provide high-mast lighting. Maintenance of roads Upgrade sports stadium and parks. Complete electrification of Ronalds Vlei. Provision of housing
27	Surveying of Riemvasmaak , Rietvale Operation of the satellite municipal office Upgrade of community hall Provision of recreational facilities (Swimming pool) Build community clinic Provide satellite police station.	Roads (for the entire Ritchie area and stormwater for Old Rietvale, Freedom Park, Oppermanstraat. Operation of a central satellite municipal office in Ritchie Upgrade of community hall Provision of a sports facility Build community clinic Provide land for police station. High-mastlights
28	Paving of roads required. Provide electricity, water and sanitation services. Provide sport and recreation facilities.	Electricity provision Water & Sanitation provision Housing (151 erven to be serviced and the Greenside area – De Beers open mines and the old Colville houses). Roads & Stormwater upgrades Small business development (SMME's).
29	Paving of streets in Ivory Park, Gregory Park and Riverton required. Ensure effective water and sanitation services in Lethabo Park Complete registration of houses in Riverton. Provide high-mast lighting in Harmony Park and Riverton. Formalisation of informal settlements in Riverton.	Surveying of land in Harmony Park and building houses in Ivory Park. Ensure effective water and sanitation in Lethabo Park. Paving of streets and high mast lighting in Riverton required. Formalisation of informal settlements – complete registration of houses in Riverton. High mast lights in Lethabo Park. Build a community hall. Paving of Soapberry Street.
30	Formalise informal settlements (Jacksonville) through surveying erven. Paving of roads in Jacksonville required. Upgrade main entrance to Lerato Park	Formalise informal settlements (Jacksonville) through surveying erven. Paving of roads in Jacksonville required. Housing for Lerato Park

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Prioritised Needs per Ward 2023/24		Prioritised Needs per Ward 2024/25
Ward	Prioritised need	
	Provide high-mast lighting in Lerato Park. Provide a one-stop service delivery centre. Build a community hall.	Provide high-mast lighting in Lerato Park. Provide a one-stop service delivery centre. Build a community hall.
31	Build a combined school (ECD – high school). Installation of electricity and sanitation required. Paving and fixing of roads required from Soul City to Kutloanong. Refurbishment of a community hall Build a library.	Build a combined school (ECD – high school). Installation of electricity and sanitation required. Paving and fixing of roads required from Soul City to Kutloanong. Refurbishment of a community hall Build a library.
32	Paving of the following streets required: Gerald Sekoto, Frank Chikawe, Ellen Khuzwayo. Electrify Platfontein houses. Upgrade Platfontein toilets and Phutanang sink toilets to flush toilets. Build recreation hall in Phutanang. Provide satellite municipal office in Platfontein, e.g. to pay municipal accounts.	Paving of the following street required: Gerald Sekoto, Frank Chikawe, Ellen Khuzwayo. Housing in Platfontein. Upgrade Platfontein toilets and Phutanang sink toilets to flush toilets. Build a community hall in Platfontein. Provide satellite municipal office in Platfontein, e.g. to pay municipal accounts.
33	Formalisation of the informal settlements Provide water, electricity and sanitation for informal settlements. Provide streetlights. Rebuild asbestos houses in Chris Hani Park. Provision of roads Refurbishment of the Mayibuye precinct Clean illegal dumping area next to Sinothando.	Formalisation of the informal settlements Provide water, electricity and sanitation for informal settlements. Provide streetlights. Rebuild asbestos houses in Chris Hani Park. Provision of roads Clean illegal dumping area next to Sinothando and other areas. (high priority and must be considered for sports and recreation) Title deeds Upgrade stormwater channels

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.



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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,²¹ (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 ²²
Political	
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	
Economic	
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.	

²¹ Political, economic, sociological, technological, legal and environmental analysis of external and internal factors that impacts on the operations of the Sol Plaatje Municipality.

²² 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 ²²
High levels of poverty, i.e. growth in the number of indigent households.	
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.	

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PESTLE Analysis	
Description	Assessment of Impact ²²
Upskilling of Local SMME's	
Investment opportunities	
Private sector leverage - skills empowerment.	
Demand for student accommodation within the urban edge.	
Sociological	
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	
Technological	
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	
Environmental	
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.	
Spatial	
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 ²²
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.	

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.²³ 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>
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 Priority 5: Spatial integration, human settlements and local government
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 Priority 7: A better Africa and world
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 6: Social cohesion and safe communities Priority 3: Education, skills and health
Establishment of healthy financial management	Sound Financial Management	Municipal Financial Viability and Management	
Improved institutional management	Institutional Development and Capacity Building	Institutional Development and Municipal Transformation	

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 are based on prioritised needs and available resources have been developed in support of this approach to implementation (see **Chapter 6** for action plans).

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

Alignment of Municipal Strategic Objectives	
Strategic Objective 1	Economic growth through promoting Sol Plaatje Municipality as an economic hub
National KPA	Local Economic Development
Provincial Strategic Goal	Create opportunities for economic growth and jobs
Municipal focus area(s)	Knowledge economy, Tourism and Services sectors, Logistics, Inner-city revitalisation, Mining sector, Townplanning
Municipal actions	<p>Draft Economic Development Strategy</p> <p>Economic diversification through drafting of Precinct Development Framework targeting primary and secondary sectors (e.g. reindustrialisation of Kim-industria, Fabriki, agro-processing, manufacturing, warehousing and logistics, renewable energy generation).</p> <p>Development and review of LED strategic documents</p> <p>Strategic Procurement and Sourcing Framework</p> <p>Growth Development Strategy</p> <p>Provision of economic Infrastructure</p> <p>Strategic partnerships and leverage by building social compact through establishment of strategic partnerships with private sector and social actors, mining houses, CBD property association, SPU business chambers.</p> <p>Place marketing through tourism (e.g. optimisation of tourism and heritage assets to develop the economy)</p> <p>Investments promotions by finalising the Investment Strategy and incentives policy</p> <p>Ensure SMME support and development; revitalise SMME's development opportunities</p> <p>Strengthen the knowledge economy</p> <p>Investigate opportunities in SPM becoming a logistics hub</p> <p>Implement an anti-red-tape approach</p> <p>Position SPM as an event hosting centre</p> <p>Provide incentives and do marketing – be investment friendly</p> <p>Investigate opportunities in partnerships regarding renewable energy generation and the township economy</p> <p>Clean-up, revitalise and modernise CBD – make it safe and address illegal occupants of buildings</p>
Outcomes	A local economy that delivers on food security, job creation, education and skills development.
Strategic Objective 2	Improved service delivery
National KPA	Basic service delivery and infrastructure development
Provincial Strategic Goal	Enable a resilient, sustainable, quality and inclusive living environment
Municipal focus area(s)	<p>Infrastructure maintenance and operational plans</p> <p>Quality and standard of municipal service delivery</p> <p>Affordability of municipal service</p> <p>Service delivery being timeous</p> <p>Ensure a clean and green city</p>
Municipal actions	<p>Maintenance of all municipal infrastructure and effective delivery of services related to water, sanitation, electricity and refuse removal</p> <p>Eradication of bucket and chemical sanitation systems</p> <p>Upgrading and maintenance of road infrastructure</p> <p>Upgrade water and electricity infrastructure (replace 8000 pre-paid water meters)</p>

Alignment of Municipal Strategic Objectives	
	<p>Effective delivery of (social) housing & (serviced) land</p> <p>Safeguarding of municipal assets</p> <p>Restrict vandalism of municipal infrastructure</p> <p>Improved response to service delivery complaints</p> <p>Fix water leaks and potholes</p> <p>Create schedule to clean chemical toilets</p> <p>Work towards formalising all informal settlements</p> <p>Land release, upscale social housing through the servicing of strategic parcels of land.</p>
Outcome	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.
Strategic Objective 3	Good, clean and transparent governance and public participation
National KPA	Good governance and public participation
Provincial Strategic Goals	Embed good governance and integrated service delivery through partnerships and spatial alignment
Municipal focus area(s)	<p>Developmental municipality through leading and learning</p> <p>Build public confidence and trust</p> <p>User-friendly institution</p> <p>Quality and timeous communication</p> <p>Ensure cooperative governance</p>
Municipal actions	<p>Do what you have said you will do</p> <p>Implement Batho Pele principles</p> <p>Ensure, compliance, transparency, oversight and accountability</p> <p>Effective performance management</p> <p>Proper public participation with improved communication and information distribution</p> <p>Update and enforce policies and standards</p> <p>Rebranding and image change of SPM</p>
Outcome	Good governance systems are maintained to support proper communication.
Strategic Objective 4	Establishment of healthy financial management
National KPA	Municipal financial viability and management
Provincial Strategic Goal	Embed good governance and integrated service delivery through partnerships and spatial alignment
Municipal focus area(s)	<p>Clean audit report</p> <p>Revenue management and collection</p>
Municipal actions	<p>Strengthening internal financial controls and build capacity</p> <p>Ensure financial sustainability and accountability</p> <p>Adhere to Supply Chain Management processes and credit controls</p> <p>Refine strategies for debt collection and raising of revenue</p> <p>SPM to set fair and transparent tariffs (implement zero based budgeting)</p> <p>Ensure alignment and auditing of meters and billing</p> <p>Work towards 95% collection rate and ensure payment based on correct account</p>
Outcomes	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.

Alignment of Municipal Strategic Objectives	
Strategic Objective 5	Improved institutional management
National KPA	Institutional development and municipal transformation
Provincial Strategic Goal	Embed good governance and integrated service delivery through partnerships and spatial alignment
Municipal focus area(s)	Becoming an Ideal Municipality where every worker is treated with respect and dignity Quality working environment Work ethic and professionalisation programme Inter-departmental communication and workstreams
Municipal actions	Accountability for under performance and ill-discipline Ownership of service delivery outcomes 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
Outcome	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.

Alignment of Municipal Strategic Objectives

MUNICIPAL SECTOR PLANS²⁴

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

²⁴ 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.

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 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 Kimdustria, 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:

Carters Glen Precinct.

The Big Hole Tourism Precinct.

Adventure Precinct.

Riverton Leisure and Conferencing Precinct.

Heritage Precinct.

Kamfersdam Precinct.

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.

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).²⁵ 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	Bold leadership, strengthened accountability across government and society that responds to GBVF strategically with clear messaging and adequate technical and financial resources. 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.
Pillar 2: Prevention	Strengthened delivery capacity in South Africa to roll out evidence-based prevention programmes. Changed behaviour and social norms within key groups as a result of the rollout of evidence-based prevention interventions.

²⁵ Republic of South Africa, National Strategic Plan on Gender-Based Violence and Femicide.

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Pillar	Five-year Outcome
and Rebuilding Social Cohesion	<p>Shifts away from toxic masculinities towards embracing positive alternative approaches for expressing masculinities and other sexual and gender identities, within specific communities/groups.</p> <p>Optimally harnessed VAC programmes that have an impact on GBV eradication.</p> <p>Increased cross fertilisation and integration of prevention interventions on violence against LGBTQIA+ persons with broader GBVF prevention and violence prevention interventions.</p> <p>Strengthened programming that addresses the restoration of human dignity, build caring communities and responds to historic and collective trauma.</p> <p>Public spaces are made safe and violent free for all, particularly women and children.</p>
Pillar 3: Justice, Safety and Protection	<p>All GBV survivors are able to access efficient and sensitive criminal justice that is quick, accessible, responsive and gender inclusive.</p> <p>Strengthened capacity within the criminal justice system to address all impunity, effectively respond to femicide and facilitate justice for GBV survivors.</p> <p>Amended legislation related to GBV areas that build on legislative reforms initiated under the Emergency Response Action Plan.</p>
Pillar 4: Response, Care, Support and Healing	<p>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.</p> <p>Secondary victimisation is eliminated through addressing specific individual and systemic factors that drive it.</p> <p>Victims feel supported by the system to access the necessary psychosocial, material and other support required to assist them with their healing.</p> <p>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.</p>
Pillar 5: Economic Power	<p>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.</p> <p>Safe workplaces that are free of violence against women and LGBTQIA+ persons, including but not limited to sexual harassment.</p> <p>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.</p> <p>Strengthened child maintenance and related support systems to address the economic vulnerability of women.</p>
Pillar 6: Research and Information Management	<p>Improved understanding of the extent and nature of GBVF, broadly and in relation to specific groups and forms in South Africa.</p> <p>Adoption of GBV policies and programming interventions that are informed by existing evidence-based research.</p> <p>GBVF related information across different government management information systems, is readily used to address systemic challenges and facilitate effective solutions and responses.</p>

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.

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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.

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

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.

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"> Review waste collection system and management of waste disposal sites. Compliance with relevant legislation. Encouraging community participation through mobilization, education and awareness programmes. Facilitation of effective waste minimization projects through recycling, avoidance, reduction and proper disposal with the focus on entrepreneurship development. Eradicate illegal dumping and littering on municipal, public and private property.
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"> Housing to be closer to employment opportunities. Provide access to well-located land for the urban poor. Ensure and provide a mix of housing typologies. Prioritise housing for the indigent and affordable housing. Promote integrated planning, e.g. transport and land-use planning. Promote racial, social, economic and physical integration of urban space. Develop a system of inter-connected nodes and dense, mixed-use settlements. Promote establishment of social and economic viable commitments. Facilitate the active involvement of relevant stakeholders.

CHAPTER 5

Discussion of Sector Plans

	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.
Environmental Management Plan (EMP)	The EMP aims to integrate environmental concerns in the development of municipal strategies and projects to ensure environmental sustainability.
Urban Network Strategy	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.

Discussion of Sector Plans

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) 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

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.

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.²⁶ Please note that these actions represent mostly 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**).

²⁶ See National Treasury, Appendix D – Guidance note for outcome indicator planning & reporting for MFMA Circular No. 88.

CHAPTER 6

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	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Office of Municipal Manager	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.1	Create full-time equivalents through EPWP initiatives by 30 June	Number of full-time equivalents created by 30 June	All	-	552	553	553	553	553
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.2	Development of the Draft Local Economic Development Strategy by 30 June	Draft Local Economic Development Strategy completed by 30 June	All	-	-	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.	SO1.2	Development of the Draft Investment Promotion Strategy by 30 June	Draft Investment Promotion Strategy completed by 30 June	All	-	-	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.	SO1.3	To process 80% category 1 land-use applications received until 30 April through Municipal Planning Tribunal by 30 June	% of category 1 land use applications processed	All	80%	80%	80%	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.	SO1.4	Number of processed building plans received before 1 July	Number of building plans processed	All	200	200	200	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.	SO1.5	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	Planning and Development / Economic	A local economy that delivers on food security, job creation, education and	SO1.6	Ensuring a response time of 11 weeks for building plans	Average response time in weeks to process	All	11 weeks	11 weeks	11 weeks	11 weeks	11 weeks	11 weeks

CHAPTER 6

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	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Development, Planning	Development/Planning	skills development.		submissions received in the current financial year for buildings / architectural buildings greater than 500m2 (number of plans received / divided by number of weeks to process	building plans							
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.7	Number of SMMEs supported through the implementation of the business incubation developmental programme	Number of developmental programmes provided to SMMEs	All	10	10	10	13	13	13
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.8	Capital Expenditure Framework (CEF)	Approved CEF	-	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.	SO1.9	Number of erven planned and surveyed	Number of erven planned and surveyed	All	-	1400	5500	1700	1200	1200
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.10	Number of market and promotion of tourist attractions conducted annually	Number of programmes conducted	All	100%	0	0	4	4	4
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.11	% Completion of the feasibility study for various industrial precincts in Sol Plaatje Municipal area	% Completion of the feasibility study	All	0	0	100%	0%	0%	0%
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.12	Percentage completion for the CBD Urban design plan by 30 June 2025	% Completion of the CBD Urban Design Plan	All	0	0	0	100%	0%	0%

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

CHAPTER 6

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	IDP 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	SO2.1	Number of residential properties which are billed for water by 30 June	Number of residential properties which are billed for water by 30 June	All	46 685	46 685	46 685	46 685	46 685	46 685
Finances	Finance and administration/ Finance	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	SO2.2	Number of residential properties which are billed for electricity or have pre-paid meters by 30 June (excluding Eskom areas)	Number of residential properties which are billed for electricity (conventional metres and pre-paid meters) by 30 June (excluding Eskom areas)	All	69 166	69 166	69 166	69 166	69 166	69 166
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	SO2.3	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	Number of residential properties which are billed for sewerage by 30 June	All	50 844	50 844	50 844	50 844	50 844	50 844
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	SO2.4	Number of residential properties which are billed for refuse removal by 30 June	Number of residential properties which are billed for refuse by 30 June	All	50 844	50 844	50 844	50 844	50 844	50 844
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	SO2.5	The percentage of the municipal capital budget actually spent on capital projects by 30 June (Total actual amount spent on capital projects/Total amount budgeted for capital projects)X100	% of Capital budget spent by 30 June {Actual amount spent on capital projects /Total amount budgeted for capital projects}X100}	All	90%	90%	90%	90%	90%	90%
Finances	Finance and	All communities have access to basic	SO2.6	The percentage of the total	% of the total	All	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	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
	Administration / Budget and Treasury Office	services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		municipal operational budget spent by 30 June ((Actual amount spent on total operational budget/Total operational budget)X100)	municipal operational budget spent by 30 June							
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	SO2.7	95% spent of the library operational conditional grant by 30 June {(Actual expenditure divided by the total grant received) x 100}	% of the library operational conditional grant spent by 30 June {(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	SO2.8	Number of reading outreach programmes conducted at all libraries	Number of outreach programmes held	All	60	60	60	60	60	60
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	SO2.9	Limit unaccounted for electricity to less than 15% by 30 June {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased}x 100}	% unaccounted for electricity by 30 June	All	29%	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	SO2.10	Number of households in Lethabo Park to be connected to the electricity network, Phase 2	Number of households to be connected to the electricity network	1,29	-	3 272	634	-	-	-
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	SO2.11	Review of the WSDP	1 Adopted WSDP	All	0	-	1	-	-	-
Infrastructure	Water	All communities have access to basic	SO2.11	Percentage progress on the	% Progress as per the	All	0%	0%	100%	-	-	-

Strategic Objective 2 Improved Service Delivery

National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
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		completion of the technical assessment of the bulk water supply pipeline	annual project plan							
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	SO2.11	Percentage completion on the repairs of Smart ball survey priority leaks	% Progress as per the annual project plan	All	0%	0%	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	SO2.11	Percentage development of a data system for the identification and repairs of leakages	% Progress as per the annual project plan	All	0%	0%	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	SO2.11	Percentage progress on the refurbishment of the filters and backwash system for the new Waste Water Treatment Works (WWTW)	% Progress as per the annual project plan	All	0%	0%	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	SO2.11	Percentage progress on the upgrade of the security at the Riverton water treatment works by	% Progress as per the annual project plan	All	0%	0%	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	SO2.11	Percentage progress on the repair of emergency leakages at the Newton reservoir	% Progress as per the annual project plan	All	0%	0%	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	SO2.11	Percentage progress on the completion of the emergency water meter installation and procurement of a water quality monitoring hardware	% Progress as per annual project plan	All	0%	0%	100%	100%	-	-

Strategic Objective 2 Improved Service Delivery

National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	IDP 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	SO2.11	Percentage completion of the emergency bulk leak repairs and corrosion protection	% Progress as per annual project plan	All	0%	0%	0%	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	SO2.11	Percentage progress on the installation of bulk water meters and pressure regulating valves	% Progress as per annual project plan	All	0%	0%	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	SO2.11	Percentage progress on the upgrade of the power supply and refurbishment of the abstraction pump station (Old and New Plant – Riverton)	% Progress as per annual project plan	All	0%	0%	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	SO2.11	Percentage completion on the Kimberley network leak detection and repair	% Progress as per annual project plan	All	0%	0%	30%	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	SO2.11	Percentage progress on the upgrade of the old Water Treatment Plant (WTP) chlorine and dosing works	% Progress as per the annual project plan	All	0%	0%	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	SO2.11	Percentage completion on the upgrade of the Ritchie Water Treatment Works (WWTW) and bulk pipeline	% Progress as per annual project plan	All	0%	0%	30%	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	SO2.11	Percentage completion on the leak repairs and refurbishment of the west by-pass bulk water pipe line	% Progress as per annual project plan	All	0%	0%	30%	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	IDP 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										
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	SO2.11	Percentage progress on the repair of the bulk pipeline from Riverton to Mid station (Section 2)	% Progress as per annual project plan	All	0%	0%	0%	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	SO2.11	Percentage progress on the repair, coating and refurbishment of eastern by-pass bulk water pipe line (Section 2)	% Progress as per annual project plan	All	0%	0%	0%	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	SO2.11	Percentage progress on the replacement of the corroded 10 km east by-pass bulk water pipe line (Section 2)	% Progress as per annual project plan	All	0%	0%	0%	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	SO2.11	Percentage progress on the replacement of the corroded section of the west by-pass bulk water pipe line (Section 2)	% Progress as per annual project plan	All	0%	0%	0%	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	SO2.11	Percentage progress on the installation of the 1200 mm new steel bulk water pipe line from Mid station to Newton Reservoir (Section 3)	% Progress as per annual project plan	All	0%	0%	0%	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	SO2.11	Percentage progress on the major refurbishment and building works for the Old Water Treatment Plant	% Progress as per annual project plan	All	0%	0%	0%	100%	-	-
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at an acceptable	SO2.11	Percentage progress on the major refurbishment and	% Progress as per annual project plan	All	0%	0%	0%	100%	-	-

Strategic Objective 2 Improved Service Delivery

National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
	Water Distribution	and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		building works for the New Water Treatment Plant								
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	SO2.11	Percentage progress on the assessment of the pipe condition and cathodic protection	% Progress as per annual project plan	All	0%	0%	0%	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	SO2.11	Percentage progress on the repairs of the detected leaks on the bulk water pipeline at Ritchie	% Progress as per annual project plan	All	0%	0%	0%	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	SO2.11	Percentage progress on the SMART meter installation for Ritchie subzone	% Progress as per annual project plan	All	0%	0%	0%	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	SO2.12	Percentage replacement of water pipes	Percentage replacement of water pipes	-	-	-	100%	100%	100%	100%
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	SO2.13	Completion of a substation for Lerato park link services	% completion	30	-	-	50%	50%	-	-
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	SO2.14	Construction of a Ring Main Unit (RMU) in Collville	% completion of construction	14	-	-	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	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
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	SO2.15	Construction of a 11 KV line in Ronald's Vlei	% completion of construction	22	0	-	100%	-	-	-
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	SO2.16	Upgrade of the Hadison park substation	% upgrade	23, 24	-	-	50%	50%	-	-
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	SO2.17	Limit unaccounted for water (Non-Revenue Water) to less than 40% annually {(Number of Kilolitres Water Purified - Number of kilolitres Water Sold) / Number of kilolitre's Water Purified A- 100}	% unaccounted for water (Non-Revenue Water) annually	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	SO2.18	99% water quality level achieved as per SANS 241 annually	% water quality level achieved as per SANS 241 criteria annually	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	SO2.19	80% waste water effluent quality level achieved as per National Effluent Quality Standards annually	% waste water effluent quality level achieved as per National Effluent Quality Standards, annually	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	SO2.20	90% spent of the budget to upgrade roads and stormwater by 30 June {(Actual capital expenditure on the project divided by the total approved capital budget for the project)}	Percentage of budget spent by 30 June	All	100%	90%	90%	90%	90%	90%
Infrastructure	Roads	All communities have access to basic	SO2.21	Number of square metres of	Square metres of road	All	93 000 m ²	100 000	150 000	200 000	250 000	300 000

Strategic Objective 2 Improved Service Delivery

National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
and Services		services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		roads to be resealed	to be resealed			m²	m²	m²	m²	m²
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	SO2.22	Distance of kilometres of residential roads upgraded from gravel to a paved surface	Number of kilometres paved	All	3km	4km	5km	5km	5km	5km
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	SO2.23	90% spent of the budget to provide sanitation by 30 June ((Actual capital expenditure on the project divided by the total approved capital budget for the project)	Percentage of budget spent by 30 June	All	-	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	SO2.24	90% spent of the budget to provide streetlights and high-mast lighting by 30 June ((Actual capital expenditure on the project divided by the total approved capital budget for the project)	Percentage of budget spent by 30 June	All	-	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	SO2.24	Replace 250W HPS luminaires with 100W LED luminaires	Number of luminaires replaced	All	-	-	262	-	-	-
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	SO2.24	Replace 70W MV luminaires with 36W LED luminaires	Number of luminaires replaced	All	-	-	200	-	-	-
Infrastructure and Services	Electricity / Electricity	All communities have access to basic services delivered at an acceptable	SO2.24	Replace 400W MV luminaires with 276W LED luminaires	Number of luminaires replaced	All	-	-	315	-	-	-

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Strategic Objective 2 Improved Service Delivery

National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
		and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner										
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	SO2.24	Replacement of 125W MV luminaires with 36W LED luminaires by 30 June 2025	Number of luminaires replaced	All	-	-	300	-	-	-
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	SO2.25	Percentage progress on the construction phase for the Carters Ridge sewer pump station building with all electrical and mechanical equipment	Percentage progress as per project plan	All	10%	60%	-	40%	-	-
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	SO2.26	Percentage completion for the installation of electrical and mechanical components in Lerato Park sewer pumpstation	Percentage completion as per project plan	All	16%	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	SO2.27	Percentage progress on the construction of the foundations for two elevated water tanks	Percentage progress on the construction as per project plan	All	-	100%	-	-	-	-
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	SO2.28	Percentage completion of the number of old sink toilets to be reconstructed	Percentage completion on number of old sink toilets reconstructed	All	-	-	-	100%	100%	100%
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	SO2.29	100% procurement of identified fleet as per the fleet replacement plan (number of vehicles delivered out of the number of vehicles identified for	Percentage of identified fleet delivered	SPM	100%	100%	100%	100%	100%	100%

Strategic Objective 2 Improved Service Delivery

National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
				purchase x100)								
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	SO2.30	90% spent of the budget to provide sport and recreation facilities by 30 June {(Actual capital expenditure on the project divided by the total approved capital budget for the project)}	Percentage of budget spent by 30 June	All	-	90%	90%	90%	90%	90%
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	SO2.31	Upgrade water infrastructure (replace 8000 water meters)	Number of water meters replaced by 30 June	All	-	-	8 000	2 000	2 000	2 000
Infrastructure and Services	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	SO2.32	Upgrade electricity infrastructure (replace 8000 prepaid electricity meters)	Number of electricity meters replaced by 30 June	All	-	-	8 000	2 000	2 000	2 000
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	SO2.33	Percentage maintenance of cemeteries as per the annual maintenance plan	% Maintenance	All	100%	100%	100%	100%	100%	100%
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	SO2.33	Percentage progress on the building of ablution blocks at Kenilworth and Phutanang cemeteries	Percentage progress as per project plan	All	-	-	-	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	SO2.34	Percentage maintenance of municipal recreational facilities (swimming pools, stadia and caravan park) as per the annual maintenance plan	% Maintenance	All	100%	100%	100%	100%	100%	100%

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National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	IDP 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	SO2.34	Number of swimming pools to be upgraded in various wards	Number of swimming pools upgraded as per the project plan	All	-	-	-	4	-	-
Strategy, economic development and planning	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	SO2.35	Percentage completion on the refurbishment of the community halls (as per the annual plan)	% Completion	All	-	-	100%	100%	100%	-
Strategy, economic development and planning	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	SO2.35	Percentage progress on the refurbishment of the RC Elliot Community Hall (Phase 1)	Percentage progress on the refurbishment	All	-	-	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	SO2.36	% Maintenance of municipal pleasure resorts 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	SO2.37	% 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	SO2.38	Plan and conduct roadblocks	Number of roadblocks conducted	-	6	8	8	8	8	8
Corporate Services	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	SO2.39	Safeguarding of municipal assets to restrict vandalism of municipal infrastructure	Percentage of municipal assets provided with security	All	-	90%	90%	90%	90%	90%

CHAPTER 6

Strategic Objective 2 Improved Service Delivery

National KPA: Basic Service Delivery and Infrastructure Development

Directorate	mSCOA Function – Sub function	Outcome	IDP 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										
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	SO2.40	Plan and conduct stop and check points to improve road safety	Number of stop and checkpoints conducted	All	-	6 000	6 000	6 000	6 000	6 000
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	SO2.41	Conduct quarterly awareness for HIV, STI and TB	Number of awareness campaigns conducted	All	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 such services in a sustainable manner	SO2.42	Conduct monthly inspections of food premises	Number of inspections	All	1 800	1 800	1 800	4 200	4 200	4 200
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	SO2.43	Conduct monthly inspections at non-food premises to ensure compliance to legislation	Number of inspections	All	1 200	1 200	1 200	4 200	4 200	4 200
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	SO2.44	Number of water samples collected and tested	Number of water samples collected and tested	All	960	960	960	800	800	800
Infrastructure and Services	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	SO2.45	Number of households in Colville to be connected to the electricity network	Number of households to be connected to the electricity network	14	0	0	138	0	0	0
Infrastructure and Services	Waste Water Management /	All communities have access to basic services delivered at an acceptable	SO2.46	Percentage progress for the upgrading of storm water	Percentage progress on upgrading of storm	SPM	0	0	0	100%	100%	100%

CHAPTER 6

Strategic Objective 2 Improved Service Delivery												
National KPA: Basic Service Delivery and Infrastructure Development												
Directorate	mSCOA Function – Sub function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
	Stormwater Management	and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		channels in various areas of Sol Plaatje municipal area by 30 June 2025	water channels							
Office of the MM	Administration	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	SO2.47	Number of project management meetings held	Number of meetings held	SPM	0	0	0	10	10	10

Strategic Objective 2: Improved Service Delivery

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	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Office of the MM	Finance and Administration	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	SO3.1	Compile the final Annual Report for submission to council by 31 March	Final Annual Report for submitted to council by 31 March	All	1	1	1	1	1	1
Office of the MM	Finance and Risk management	Good governance systems are maintained in order to support proper communication	SO3.2	Develop a Risk Based Audit Plan and submit to the audit	Risk Based Audit Plan developed and submitted	All	1	1	1	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	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
		and a healthy administration working towards a clean audit		committee for consideration by 30 June	to the audit committee by 30 June							
Office of the MM	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	SO3.3	Report quarterly on the progress of risk mitigation to the MM and EMT	Quarterly reports on strategic risk register	All	4	4	4	4	4	4
Office of the MM	Internal audit	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	SO3.4	Number of audits conducted as per the internal audit plan	Number of internal audits conducted	All	18	20	10	20	20	20
Office of the MM	Internal audit	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	SO3.5	Number of audit committee meetings conducted annually	Number of audit committee meetings conducted	All	4	4	4	4	4	4
Office of the MM	Finance /Risk management/ internal audit	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	SO3.6	Develop and submit an audit action plan to the MM to address matters raised by the auditor general within 60 days after the end of the audit	Developed and submitted audit action plan	All	1	1	1	1	1	1
Office of the MM	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	SO3.7	Compile the final IDP and submit to council by 31 May annually	Final IDP submitted to Council by 31 May	All	1	1	1	1	1	1
Office of the MM	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	SO3.8	Investigate the possibility to update all municipal policies and standards	Investigation report	All	1	-	1	-	-	1
Corporate Services	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	SO3.9	To disseminate on a monthly basis the electronic municipal newsletter through social media platforms	Monthly distribution	All	0	12	12	12	12	12

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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	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Corporate Services	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	SO3.10	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
Corporate Services	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	SO3.11	Number of quarterly reports submitted on gender activities (mainstream values of moral regeneration movement, child centered governance approach, women empowerment and gender equity and quality)	Number of reports submitted	All	-	-	-	4	4	4

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

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	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target	

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	/Sub-function							22/23	23/24	24/25	25/26	26/27
Finance	Finance and Administration / Finance	The municipality is financially viable to deliver services to the community	SO4.1	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	12264	15000	11800	11800	11800	11800
Finance	Finance and Administration / Finance	The municipality is financially viable to deliver services to the community	SO4.2	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	12264	15000	11800	11800	11800	1 800
Finance	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	SO4.3	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	12264	15000	11800	11800	1 800	11800
Finance	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	SO4.4	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	12264	15000	11800	11800	11800	11800
Finance	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	SO4.5	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations by 30 June (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease)	Debt to revenue by 30 June	All	25%	25%	25%	25%	25%	25%
Finance	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	SO4.6	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	2:28	2:1	2:1	2:1	2:1	2:1
Finance	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	SO4.7	Reduce net debtor days to 300 days by 30 June ((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Net debtor days	All	356	300	300	300	300	300
Finance	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	SO4.8	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	All	28,2%	14%	14%	14%	14%	14%

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Strategic Objective 4												
Establishment of healthy financial management												
National KPA: Municipal Financial Viability and Management												
Directorate	mSCOA Function /Sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Finance	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	SO4.9	Financial viability measured in terms of the available cash to 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)	Cost coverage ratio by 30 June	All	0.91	1	1	1	1	1
Finance	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	SO4.10	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	10 weeks	12 weeks	12 weeks	12 weeks	12 weeks	12 weeks
Finance	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	SO4.11	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	All	6 weeks	6 weeks	6 weeks	6 weeks	6 weeks	6 weeks
Finance	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	SO4.12	Number of planned BSC meetings conducted to process bids	Number of meetings conducted	All	-	-	24	24	24	24
Finance	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	SO4.13	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	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
Finance	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	SO4.14	Perform an annual cost analysis for each trading services for the new budget by 31 march	Cost analysis reports	All	4	4	1	1	1	1
Finance	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	SO4.15	75% reduction of irregular expenditure by 30 June	% of UFW expenditure reported against total budget (capex and opex)	All	-	25%	75%	75%	75%	75%
Finance	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	SO4.16	100% elimination of Fruitless & wasteful expenditure by 30 June	% of Fruitless and wasteful expenditure after condonement against total operational expenditure x100	All	-	0%	100%	100%	100%	100%
Finance	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	SO4.17	Elimination of Unauthorised expenditure by 30 June	% of Unauthorised expenditure after condonement against total operational expenditure x100	All	-	0%	100%	100%	100%	100%
Finance	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	SO4.18	% 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%	100%
Finance	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	SO4.19	Reduce Trade Creditors payment period to 300 days by 30 June (Trade Creditors Outstanding / Credit Purchases/(Operating and Capital) x365)	Creditors Payment Period (Trade Creditors)	All	359	-	300	300	300	300

Strategic Objective 4: Establishment of healthy financial management

CHAPTER 6

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	IDP 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.	SO5.1	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	72%	72%	72%	72%	72%	72%
Finance	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.	SO5.2	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	39%	33%	33%	33%	33%	33%
Finance	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.	SO5.3	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%
Finance	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.	SO5.4	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	SO5.5	Review the Workplace Skills Plan and submit plan to the LGSETA by 30 April	Workplace Skills Plan submitted to LGSETA by 30 April	All	1	1	1	1	1	1

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Strategic Objective 5												
Improved Institutional Management												
National KPA: Institutional Development and Municipal Transformation												
Directorate	mSCOA Function / Sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target				
								22/23	23/24	24/25	25/26	26/27
		regularly monitored.										
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.	SO5.6	Review organogram to be aligned with strategy and comply with R890 by 30 June 2024	Organogram reviewed by 30 June 2024	All	1	0	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.	SO5.7	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	-	-	-
Corporate Services	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.	SO5.8	Coordinate Bi-annual performance assessments of the MM and managers reporting directly to the MM	Performance assessments conducted twice per year	-	2	2	2	2	2	2
Corporate Services	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.	SO5.9	Develop, submit and publicise the performance agreements of the MM and managers reporting directly to the MM (the number of performance agreements is dependant on the filled positions)	Number of performance agreements signed, submitted and publicised	-	4	6	6	6	6	6
Office of the MM	Administration	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.	SO5.10	To implement ICT systems and technology to enable the municipality to deliver excellent customer experience	Percentage implementation of the ICT operational plan	-	70%	100%	100%	100%	100%	100%

Strategic Objective 5: Improved Institutional Management

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
Backlog and ageing infrastructure	Growing population and demand for municipal services. Highest population densities are in lower-income neighbourhoods with sub-standard quality of services. Limited upgrading and maintenance of infrastructure due to a lack of funds. High water and electricity losses.	Densification of urban areas. Timeous spending of funds. Seek alternative sources of funding. Implement fleet management policy. Efficient staff and equipment utilisation.
Deteriorating socio-economic conditions	High rate of unemployment, poverty and social grant dependence. Housing backlogs, overcrowding and increase of informal dwellings. Disparate levels of services/opportunities in urban areas. Decline in economic growth and business environment in CBD Immobility of communities and access to information. Limited building activity, i.e. construction of residential and non-residential buildings. Theft and vandalism of infrastructure in the entire municipal area.	Support to SMMEs/private sector. Implementation of supply chain as local economic lever. Provide training programmes for youth and unemployed. Seek alternative sources of funding. Provide well-located serviced erven. Budget allocations must be based on prioritised needs. Utilising national government poverty alleviation programmes. Revitalise CBD through focussed inner-city upgrading programmes.
Sustained municipal financial viability²⁷	Fluctuating grant allocations to Sol Plaatje Municipality. Changing patterns in revenue. Sustainability of revenue generation due to reduced electricity demand. Ability to meet short- and long-term obligations. Increasing levels of compliance for Municipality. Low collection rate that is not improving.	Align priority projects and associated budgets to strategic objectives. Prepare and approve a long-term financial plan. Regular performance monitoring and evaluations (performance management system). Dedicated revenue and debt collection. Capital budget investment must be between 10-20% of the total budget. Capital expenditure must not be less than 85%.

²⁷ 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
	Non-payment culture of municipal services. Under-funded mandates such as resorts, health and libraries. Inability to improve qualified audit outcome since 2017/18. Over expenditure on capex performance. Total borrowing to Operating Revenue is 7.9% Current assets/current liabilities ratio: 1.9 Solvency ratio (total assets/total liabilities) 2.75 Liquidity ratio (cash + investments/current liabilities) 0.16	Effective reporting on municipal finances. Ringfence conditional grants money and refrain from using conditional grants on operations. Improve collection rates on outstanding debt. Personnel budget must be limited to 25 and 40%. Make affordable repayment arrangements with creditors. Develop a budget funding plan where budget is unfunded and closely monitor the plan.
Environmental sustainability	Degradation of environmental and agricultural assets. Decreasing water resources and contamination of groundwater. Extreme climate conditions.	Address climate vulnerability through adopting and implementing adaptation measures. Implement Water Master Plan together with water demand management and conservation.
Municipal transformation	Resignation of skilled officials. Turnover of personnel. Limited number of professionals worsened by recruitment of unqualified officials.	Train and recruit local people. Appropriate HR policies in place.

Risk Management

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

The following three projects are to be implemented in the municipal area and funded through external sources:

Tyre recycling project: Department of Economic Development and Tourism (see **§1.6.7**).

Growth Development Strategy: Development Bank of South Africa (see **Table 28**).

Precinct Plans (seven): Development Bank of South Africa (see **Table 28** and **§5.4.1**).

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.

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.

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.

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.

FINANCIAL MANAGEMENT

Total Revenue

The projected total revenue amounts to about R2,958,278 million (excluding capital transfers and contributions). The major revenue items are as follows:

Major Revenue Item				
Revenue Source	2023/24 (R'000)	2024/25 (R'000)	2025/26 (R'000)	2025/26 (R'000)
Property rates	660,893	687,320	740,628	790,495
Service Charges	1,450,586	1,611,046	1,742,164	1,885,221
Operational grants	287,603	299,271	318,285	340,594
Other own revenue	399,584	360,642	367,422	377,355
Total operational revenue	2,798,666	2,958,278	3,168,499	3,393,664
Capital transfers and subsidies	215,894	572,229	657,904	114,513
Total revenue incl Capital transfers and subsidies	3,014,560	3,530,507	3,826,403	3,508,177

Major Revenue Item

Property rates

Total projected revenue derived from Property rates amounts to R687,320 million with a projected increase in revenue of 4.8% compared to the prior year. The current General Valuation Roll became effective from 1 July 2023 and is valid for four years. The municipality no longer apply an average increase on Rates and each category is assessed taking into consideration the ratio and the cents in the rand which is applied. This may result in some categories increasing more or some even seeing a reduction in Property rates.

Service charges

Services charges relating to electricity, water, sanitation and refuse removal constitutes 55.79% of the total revenue (excluding capital transfers) of the Municipality.

Revenue by source

These are the proposed tariff increases: Water (6.5%), Sanitation (7.5%), Refuse removal (5.0%) and Electricity (10.6%).

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Expenditure by type

Total expenditure excluding capital expenditure amounts to R2,928,505 million.

Major Expenditure Item				
Expenditure Item	2023/24 (R'000)	2024/25 (R'000)	2025/26 (R'000)	2026/27 (R'000)
Employee Related Cost	910,366	950,863	997,950	1,048,566
Councillor remuneration	35,559	37,077	38,930	41,068
Bulk purchases - Electricity	790,100	899,000	988,900	1,087,790
Inventory consumed	341,455	319,605	326,914	345,465
Debt impairment	317,500	355,246	382,156	409,005
Depreciation and amortisation	86,650	89,700	94,510	99,811
Interest	20,055	17,774	15,874	13,730
Contracted services	56,913	40,731	42,744	48,700
Transfers and subsidies	3,560	3,660	4,767	4,875
Operational costs	159,253	149,849	159,880	170,494
Other Losses	66,000	65,000	68,575	72,347
Total operational expenditure	2,787,411	2,928,505	3,121,201	3,341,849

Major Expenditure Item

Employee related costs

Employee related cost increased from R910,366 million from 2023/24 Adjusted budget to a projected expenditure of R950,863 million for the 2024/25 financial year. This represents about 32.47% of the total operating expenditure.

CHAPTER 7

CAPITAL AND OPERATIONAL BUDGET ESTIMATES

Capital Budget (summary)

The table below indicates the capital expenditure budget per Key Performance Area with a summary of the accompanying funding source:

Medium Term Capital Budget				
Capital expenditure by KPA	2023/24 (R'000)	2024/25 (R'000)	2025/26 (R'000)	2026/27 (R'000)
Local Economic Development	0	0	0	0
Basic Service Delivery and Infrastructure Development	241,973	606,229	681,904	138,513
Municipal Institutional Development and Transformation	0	0	0	0
Municipal Financial Viability and Management	0	0	0	0
Good Governance and Public Participation	7,500	7,500	7,500	7,500
Total Capital Expenditure - Funding source				
Capital transfers and subsidies	214,233	572,229	657,904	114,513
Borrowing	0	0	0	0
Internally generated funds	35,240	41,500	31,500	31,500

Medium Term Capital Budget

Operational Budget (summary)

See §7.5.

FUNDED AND UNFUNDED PROJECTS

The following table lists all the funded projects by municipal strategic objective.

FUNDED: Capital expenditure by Municipal Strategic Objective and per funding source	2024/25	2025/26	2026/27
	R'000	R'000	R'000
Municipal Strategic Objective 2: Improved Service Delivery	606,229	681,904	138,513
EEDMS	5,000	5,000	5,000
Streetlights replace 125w Mv With 36w L	5,000	5,000	5,000
INEP	-	16,500	14,000
LV networks ACQ-Electrification of Houses	-	16,500	14,000
INTERNALLY GENERATED FUNDS	34,000	24,000	24,000
Fleet replacement	5,000	20,000	20,000
Electricity Prepaid meters replacement	2,000	2,000	2,000
Distribution-Water meter replacement	2,000	2,000	2,000
Emergency meter installations (phase 1)	20,466		

FUNDED: Capital expenditure by Municipal Strategic Objective and per funding source	2024/25	2025/26	2026/27
	R'000	R'000	R'000
Mr leak and sleek data system	484		
New WTP major refurbish and build works	811		
Pipe condition assess and cathod protect	479		
Ritchie prioritized leak detection & repairs	1,342		
Ritchie subzone smart meter install	1,417		
IUDG	75,229	60,404	65,513
Building of ablution blocks at Kenilworth and Phutanang cemeteries	2,000		
CBD urban design plan	1,000		
Lining of stormwater channel	11,229	9,004	6,500
Market and billing parking within the CBD	-	-	5,000
Resealing of roads	20,000	15,400	20,000
Refurbishment of halls	-	5,000	5,000
Replacement of asbestos pipes in various areas	5,000	5,000	2,513
Sink toilets	5,000	2,000	1,500
Township establishment various wards	5,000	6,000	5,000
Upgrade gravel roads wards various	20,000	18,000	20,000
Upgrading of swimming pools various wards	6,000		
NDPG	-	2,000	30,000
Redevelopment of RC Elliot Hall	-	2,000	30,000
RBIG	492,000	574,000	
East bypass replace of corrode10km line	15,126		
Eastern bypass repair coating and refurb	11,521		
Kby bulk meters & pressure management	17,026		
Kby network leak detection & repair ph 1	20,483		
Kby network leak detection & repair ph 2	29,346		
New WTP chlorine & dosing works upgrade	27,630		
New WTW filter refurbish & backwash system	39,640		
Newtown reservoir emergency leak repairs	7,531		
Old WTP chlorine & dosing works upgrade	83,369		
Old WTP major refurbish and build works	16,173		
Power; abstraction & pumpstation repairs	37,378		
RBIG projects water pipe upgrading	-	574,000	
Ritchie WTW upgrade and bulk pipeline	48,296		
Riverton to Midstation bulk pipeline repair	27,828		
Section 3: 1200 new steel Midstation to Newton reservoir	67,191		
Smartball survey priority leak repairs	18,290		
West bypass leak repairs and refurbish	10,574		
West bypass replace of corroded section	5,368		
WTW OHS & Security management	9,230		
Municipal Strategic Objective 3: Good, clean and transparent Governance and Public Participation	7,500	7,500	7,500

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FUNDED: Capital expenditure by Municipal Strategic Objective and per funding source	2024/25	2025/26	2026/27
	R'000	R'000	R'000
INTERNALLY GENERATED FUNDS	7,500	7,500	7,500
ACQ-Computer Equipment Replacement	4,500	4,500	4,500
ACQ-Furniture and Office Equip Replacement	3,000	3,000	3,000
Total capital expenditure	613,729	689,404	146,013

Capital Expenditure by Strategic Objective

The following table lists unfunded projects.

Unfunded projects	Budget Year 1 (rand)	Budget Year 2 (rand)	Budget Year 3 (rand)
	2023/24	2024/25	2025/26
Structural Integrity assessment of various municipal-owned buildings		✓	
Refurbishment of various municipal halls		✓	
Industrial Revitalization Strategy		✓	
TPBAMS & BPAMS AFLA ESRI		✓	
Township Revitalisation (Expansion of business corridor -Galeshewe)		✓	
Mixed Use Development - Riverton		✓	
Nkandla Informal settlement upgrading		✓	
Greater No		✓	
Flood line studies		✓	
Urban design & architectural Impression – Civic Centre		✓	
Street naming project		✓	
Planning & surveying of various wards		✓	✓
Land Preparation Business Precinct (along R31 & N8)		✓	
Specialist Studies		✓	
Mixed Use Development – Green Point			✓
Market and billing of parking within the CBD			✓
Corridor revitalisation along N12			✓
Kimberley West Wastewater Treatment Works: 30ML/day Gogga WWTW		✓	✓
Ritchie Ground Level Reservoir 4,5ML		✓	✓
Ritchie W&S Motswedimosa Network upgrading		✓	✓
Ritchie W&S Fraser Moleketi Network		✓	✓
Ritchie Elevated Reservoir Motswedimosa 1,6 ML		✓	✓
Beaconsfield WWTW repairs: Mechanical Screen and SST Repairs.		✓	-

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Unfunded projects	Budget Year 1 (rand)	Budget Year 2 (rand)	Budget Year 3 (rand)
	2023/24	2024/25	2025/26
Water and sanitation fleet replacement		✓	✓
Ritchie WWTW Repairs		✓	✓
Roodepan Sewer Network Upgrading: Watershed Breakpoint		✓	-
Riverton WPP, Beaconsfield WWTW and Newton Reservoir complex fencing		✓	✓
Upgrading of security at all key water and sanitation facilities.		✓	✓

Unfunded projects

OPERATIONAL EXPENDITURE BY MUNICIPAL STRATEGIC OBJECTIVE

Operational expenditure by Municipal Strategic Objective[1]	Goal	2024/25 R'000	2025/26 R'000	2026/27 R'000
Municipal Strategic Objective 1: 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	43,601	45,738	48,117
	Marketing the municipality as premier destination for tourism and investment	7,600	7,977	8,384
	To capacitate SMME's and local entrepreneurs	9,726	10,206	10,726
	To position the market as a productive and profitable section of the municipality.	6,886	7,230	7,604
Municipal Strategic Objective 2: Improved Service Delivery	To ensure sustainable delivery of community services (personal including environmental health, emergency and traffic services) to all residents of SPM.	158,559	166,398	174,917
	To address the poor condition of the roads in the Sol Plaatje area	79,570	83,793	88,524
	To ensure the availability of critical service delivery tools at all times (fleet management)	27,086	28,480	29,930
	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	90,936	95,980	101,396
	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	119,023	125,538	132,320
	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	1,513,151	1,636,130	1,771,724
	To ensure management of the quality of the drinking water and wastewater through compliance with the applicable legislation	13,810	14,486	15,214
	Development of suitably located and affordable housing (shelter) and decent human settlements	28,042	29,462	30,997
	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).	89,843	95,052	100,748
Municipal Strategic Objective3:	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal	8,711	9,140	9,605

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Operational expenditure by Municipal Strategic Objective[1]	Goal	2024/25 R'000	2025/26 R'000	2026/27 R'000
Good, clean and transparent Governance and Public Participation	controls			
	To promote community participation and communication	65,487	68,737	72,434
	To facilitate and promote Inter-governmental relations programmes and projects on a continuous basis.	4,861	5,100	5,359
Municipal Strategic Objective 4:	Enhance revenue through leveraging alternate sources of funding and identifying new revenue streams	89,623	94,050	98,848
Establishment of healthy financial management	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	58,525	61,325	64,559
Municipal Strategic Objective 5: Improved Institutional Management	To enable effective training and skills development though various initiatives, and partnering with the private sector	16,104	8,579	8,468
	To improve effective human resource development to staff and Councillors	15,403	16,163	16,985
	To ensure continuous maintenance and replacement of furniture, office and computer equipment	18,069	18,946	19,885
	To provide a basis for sustainable municipal performance improvement	463,887	492,691	525,104
Total Expenditure (Operational)		2,928,505	3,121,201	3,341,849

Operational Expenditure by 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.

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.

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).

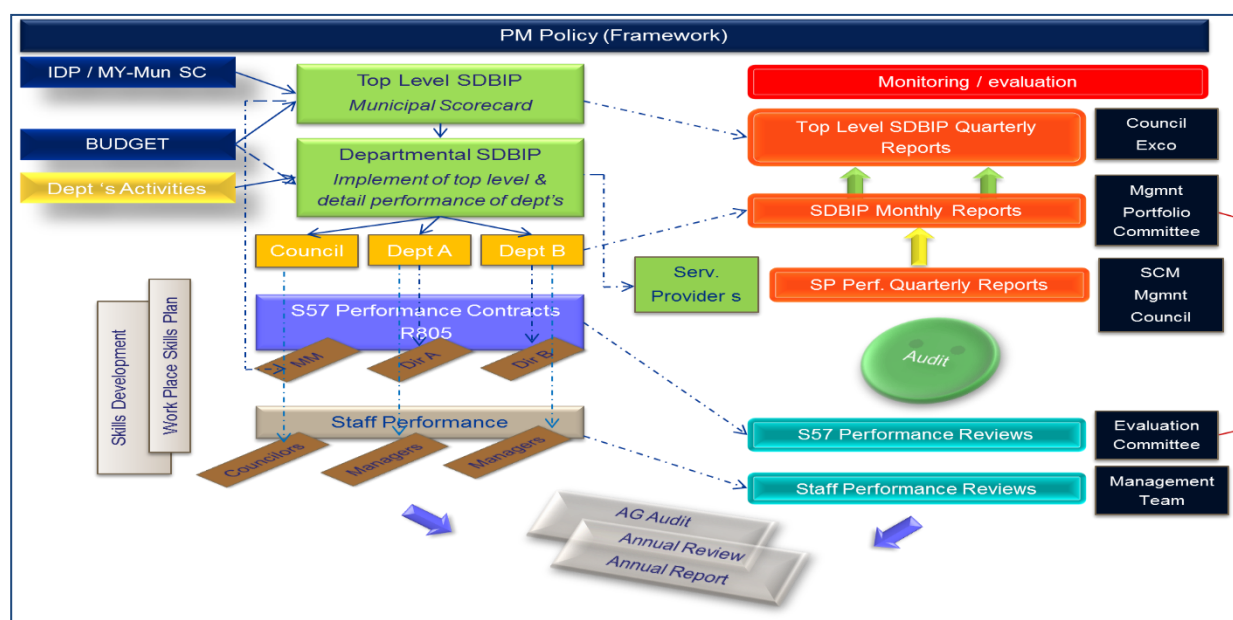
INFORMATION AND COMMUNICATION TECHNOLOGY

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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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:

Performance Management System

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 an 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:

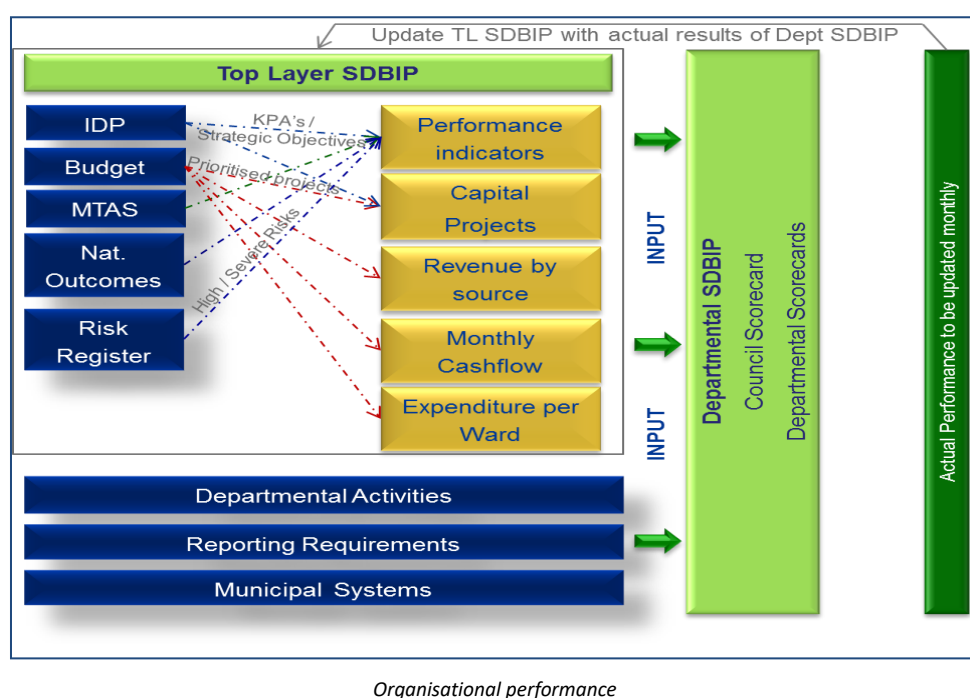
Five-Year Municipal Scorecard which forms part of the IDP and includes expected outcomes over a 5-year period. The outcome indicators are appropriate metrics to annually track and measure the impact of municipal operations with determinations of

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outcome 'performance' linked to medium-term target-setting. The Scorecard uses baseline data for 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.²⁸ 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 of 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.



Individual performance is measured as follows:

²⁸ 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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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, 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.

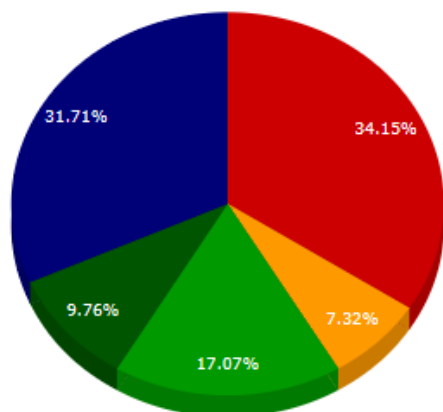
All staff (excluding senior managers)

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.

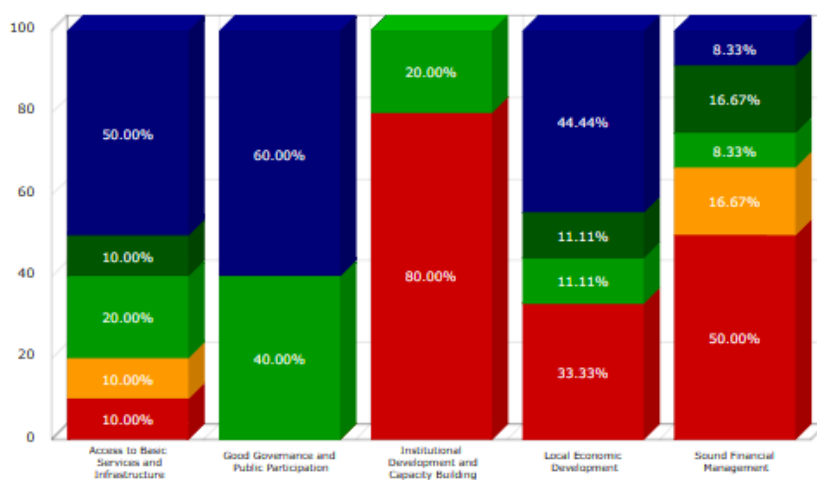
Municipal performance measured

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.

Sol Plaatje Municipality



Municipal KPA



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

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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

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 Scorecard²⁹

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 municipal scorecard will be completed in the next IDP review.

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

²⁹ 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
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
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

Reporting intervals

CHAPTER 8

ADHERENCE TO CIRCULAR 88 (MFMA)

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	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
Office of Municipal Manager	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.1	Create full-time equivalents through EPWP initiatives by 30 June	Number of full-time equivalents created by 30 June	All	-	552	814	553	553	553	553
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.2	Development of the Draft Local Economic Development Strategy by 30 June	Draft Local Economic Development Strategy completed by 30 June	All	-	-	-	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.	SO1.2	Development of the Draft Investment Promotion Strategy by 30 June	Draft Investment Promotion Strategy completed by 30 June	All	-	-	-	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.	SO1.3	To process 80% category 1 land-use applications received until 30 April through Municipal	% of category 1 land use applications processed	All	80%	80%	89,80%	80%	80%	80%	80%

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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	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
				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.	SO1.7	Number of SMMEs supported through the implementation of the business incubation developmental programme	Number of developmental programmes provided to SMMEs	All	10	10	13	10	13	13	13
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.8	Capital Expenditure Framework (CEF)	Approved CEF	-	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.	SO1.9	Number of erven planned and surveyed	Number of erven planned and surveyed	All	-	1400	1 533	5500	1700	1200	1200
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.10	Number of market and promotion of tourist attractions	Number of programmes conducted	All	100%	0	100%	0	4	4	4

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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	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
				conducted annually									
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.11	% Completion of the feasibility study for various industrial precincts in Sol Plaatje Municipal area	% Completion of the feasibility study	All	0	0	-	100%	0%	0%	0%
Strategy, Economic Development, Planning	Planning and Development / Economic Development/Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.12	Percentage completion for the CBD Urban design plan by 30 June 2025	% Completion of the CBD Urban Design Plan	All	0	0	-	0	100%	0%	0%

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Strategic Objective 2 Improved Service Delivery National KPA: Basic Service Delivery and Infrastructure Development													
Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 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	SO2.1	Number of residential properties which are billed for water by 30 June	Number of residential properties which are billed for water by 30 June	All	46 685	46685		46685	46685	46685	46685
Finances	Finance and administration/ Finance	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	SO2.2	Number of residential properties which are billed for electricity or have pre-paid meters by 30 June (excluding Eskom areas)	Number of residential properties which are billed for electricity (conventional metres and pre-paid meters) by 30 June (excluding Eskom areas)	All	69 166	69166		69166	69166	69166	69166
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	SO2.3	Number of residential properties connected to the municipal wastewater sanitation/sewerage network for sewerage service,	Number of residential properties which are billed for sewerage by 30 June	All	50 844	50844		50844	50844	50844	50844

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Strategic Objective 2 Improved Service Delivery National KPA: Basic Service Delivery and Infrastructure Development													
Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
				irrespective of the number of water closets (toilets) which are billed for sewerage by 30 June									
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	SO2.4	Number of residential properties which are billed for refuse removal by 30 June	Number of residential properties which are billed for refuse by 30 June	All	50 844	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	SO2.5	The percentage of the municipal capital budget actually spent on capital projects by 30 June (Total actual amount spent on capital projects/Total amount budgeted for capital projects)X100	% of Capital budget spent by 30 June {Actual amount spent on capital projects/Total amount budgeted for capital projects}X100}	All	90%	90%	68%	90%	90%	90%	90%
Finances	Finance and Administration / Budget and Treasury Office	All communities have access to basic services delivered at an acceptable and	SO2.6	The percentage of the total municipal operational	% of the total municipal operational budget spent	All	90%	90%	95%	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	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
		agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		budget spent by 30 June {(Actual amount spent on total operational budget/Total operational budget)X100}	by 30 June								
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	SO2.7	95% spent of the library operational conditional grant by 30 June {(Actual expenditure divided by the total grant received) x 100}	% of the library operational conditional grant spent by 30 June {(Actual expenditure divided by the total grant received) x 100}	All	95%	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	SO2.8	Number of reading outreach programmes conducted at all libraries	Number of outreach programmes held	All	60	60	112	60	60	60	60
Infrastructure and Services	Electricity / Electricity	All communities have access to basic services delivered at an acceptable and agreed upon standard	SO2.9	Limit unaccounted for electricity to less than 15% by 30 June {(Number	% unaccounted for electricity by 30 June	All	29%	15%	29,38 %	15%	15%	15%	15%

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
		and the infrastructure is maintained to deliver such services in a sustainable manner		of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased)x 100}									
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	SO2.10	Number of households in Lethabo Park to be connected to the electricity network, Phase 2	Number of households to be connected to the electricity network	1,29	-	3 272	0	634	-	-	-
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	SO2.11	Review of the WSDP	1 Adopted WSDP	All	0%	-	-	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	SO2.11	Percentage progress on the completion of the technical assessment of the bulk water supply pipeline	% Progress as per the annual project plan	All	0%	0%	-	100%	-	-	-

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
		deliver such services in a sustainable manner											
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	SO2.1 1	Percentage completion on the repairs of Smart ball survey priority leaks	% Progress as per the annual project plan	All	0%	0%	-	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	SO2.1 1	Percentage development of a data system for the identification and repairs of leakages	% Progress as per the annual project plan	All	0%	0%	-	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	SO2.1 1	Percentage progress on the refurbishment of the filters and backwash system for the new Waste Water Treatment Works (WWTW)	% Progress as per the annual project plan	All	0%	0%	-	100%	100%	-	-
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at	SO2.1 1	Percentage progress on the upgrade of the	% Progress as per the annual project plan	All	0%	0%	-	100%	100%	-	-

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
		an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		security at the Riverton water treatment works									
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	SO2.1 1	Percentage progress on the repair of emergency leakages at the Newton reservoir	% Progress as per the annual project plan	All	0%	0%	-	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	SO2.1 1	Percentage progress on the completion of the emergency water meter installation and procurement of a water quality monitoring hardware	% Progress as per annual project plan	All	0%	0%	-	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	SO2.1 1	Percentage completion of the emergency bulk leak repairs and corrosion protection	% Progress as per annual project plan	All	0%	0%	-	0%	100%	-	-

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 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	SO2.1 1	Percentage progress on the installation of bulk water meters and pressure regulating valves	% Progress as per annual project plan	All	0%	0%	-	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	SO2.1 1	Percentage progress on the upgrade of the power supply and refurbishment of the abstraction pump station (Old and New Plant – Riverton	% Progress as per annual project plan	All	0%	0%	-	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	SO2.1 1	Percentage completion on of the Kimberley network leak detection and repair	% Progress as per annual project plan	All	0%	0%	-	30%	100%	-	-
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at an acceptable and agreed upon standard	SO2.1 1	Percentage progress on the upgrade of the old Water Treatment Plant	% Progress as per the annual project plan	All	0%	0%	-	50%	100%	-	-

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
		and the infrastructure is maintained to deliver such services in a sustainable manner		(WTP) chlorine and dosing works									
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	SO2.1 1	Percentage progress on the upgrade of the new Water Treatment Plant (WTP) chlorine and dosing works	% Progress as per the annual project plan	All	0%	0%	-	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	SO2.1 1	Percentage completion for the upgrade of the Ritchie Water Treatment Works (WWTW) and bulk pipeline	% Progress as per annual project plan	All	0%	0%	-	30%	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	SO2.1 1	Percentage completion on the leak repairs and refurbishment of the west by-pass bulk water pipe line	% Progress as per annual project plan	All	0%	0%	-	30%	100%	-	-
Infrastructure and	Water Management/ Water Distribution	All communities have access to basic	SO2.1 1	Percentage progress on the	% Progress as per annual	All	0%	0%	-	0%	100%	-	-

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
Services		services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		repair of the bulk pipeline from Riverton to Mid station (Section 2)	project plan								
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	SO2.1 1	Percentage progress on the repair, coating and refurbishment of eastern by-pass bulk water pipe line (Section 2)	% Progress as per annual project plan	All	0%	0%	-	0%	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	SO2.1 1	Percentage progress on the replacement of the corroded 10 km east by-pass bulk water pipe line (Section 2)	% Progress as per annual project plan	All	0%	0%	-	0%	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	SO2.1 1	Percentage progress on the replacement of the corroded section of the west by-pass bulk water pipe	% Progress as per annual project plan	All	0%	0%	-	0%	100%	-	-

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
		a sustainable manner		line (Section 2)									
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	SO2.1 1	Percentage progress on the installation of the 1200 mm new steel bulk water pipe line from Mid station to Newton Reservoir (Section 3)	% Progress as per annual project plan	All	0%	0%	-	0%	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	SO2.1 1	Percentage progress on the major refurbishment and building works for the Old Water Treatment Plant	% Progress as per annual project plan	All	0%	0%	-	0%	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	SO2.1 1	Percentage progress on the major refurbishment and building works for the New Water Treatment Plant	% Progress as per annual project plan	All	0%	0%	-	0%	100%	-	-
Infrastructure and Services	Water Management/ Water Distribution	All communities have access to basic services delivered at	SO2.1 1	Percentage progress on the assessment of	% Progress as per annual project plan	All	0%	0%	-	0%	100%	-	-

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
		an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		the pipe condition and cathodic protection									
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	SO2.1 1	Percentage progress on the repairs of the detected leaks on the bulk water pipeline at Ritchie	% Progress as per annual project plan	All	0%	0%	-	0%	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	SO2.1 1	Percentage progress on the SMART meter installation for Ritchie subzone	% Progress as per annual project plan	All	0%	0%	-	0%	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	SO2.1 2	Percentage replacement of water pipes	Percentage replacement of water pipes	-	-	-	-	100%	100%	100%	100%

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
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	SO2.1 3	Completion of a substation for Lerato park link services	% completion	30	-	-	-	50%	50%	-	-
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	SO2.1 4	Construction of a Ring Main Unit (RMU) in Collville	% completion of construction	14	-	-	-	100%	-	-	-
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	SO2.1 5	Construction of a 11 KV line in Ronald's Vlei	% completion of construction	22	0	-	-	100%	-	-	-
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	SO2.1 6	Upgrade of the Hadison park substation	% upgrade	23, 24	-	-	-	50%	50%	-	-

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
		deliver such services in a sustainable manner											
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	SO2.17	Limit unaccounted for water (Non-Revenue Water) to less than 40% annually {(Number of Kilolitres Water Purified - Number of kilolitres Water Sold) / Number of kilolitre's Water Purified Å- 100}	% unaccounted for water (Non-Revenue Water) annually	All	64%	40%	63,99 %	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	SO2.18	99% water quality level achieved as per SANS 241 annually	% water quality level achieved as per SANS 241 criteria annually	All	90%	95%	86,3%	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	SO2.19	80% waste water effluent quality level achieved as per National Effluent Quality Standards annually	% waste water effluent quality level achieved as per National Effluent Quality Standards,	All	56%	65%	72,1%	75%	80%	80%	80%

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
		a sustainable manner			annually								
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	SO2.20	90% spent of the budget to upgrade roads and stormwater by 30 June {(Actual capital expenditure on the project divided by the total approved capital budget for the project)}	Percentage of budget spent by 30 June	All	100%	90%	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	SO2.21	Number of square metres of roads to be resealed	Square metres of road to be resealed	All	93 000 m ²	100 000 m ²	123 000 m ²	150 000 m ²	200 000 m ²	250 000 m ²	300 000 m ²
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	SO2.22	Distance of kilometres of residential roads upgraded from gravel to a paved surface	Number of kilometres paved	All	3km	4km	2.47 km	5km	5km	5km	5km
Infrastructure and	Wastewater Management / Sewerage	All communities have access to basic	SO2.23	90% spent of the budget to	Percentage of budget spent	All	-	90%	90%	90%	90%	90%	90%

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
Services		services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		provide sanitation by 30 June {(Actual capital expenditure on the project divided by the total approved capital budget for the project)}	by 30 June								
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	SO2.24	90% spent of the budget to provide streetlights and high-mast lighting by 30 June {(Actual capital expenditure on the project divided by the total approved capital budget for the project)}	Percentage of budget spent by 30 June	All	-	90%	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	SO2.24	Replace 250W HPS luminaires with 100W LED luminaires	Number of luminaires replaced	All	-	-	-	262	-	-	-
Infrastructure	Electricity / Electricity	All communities have	SO2.2	Replace 70W	Number of	All	-	-	-	200	-	-	-

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
e and Services		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	4	MV luminaires with 36W LED luminaires	luminaires replaced								
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	SO2.2 4	Replace 400W MV luminaires with 276W LED luminaires	Number of luminaires replaced	All	-	-	-	315	-	-	-
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	SO2.2 4	Replacement of 125W MV luminaires with 36W LED luminaires by 30 June 2025	Number of luminaires replaced	All	-	-	-	300	-	-	-
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	SO2.2 5	Percentage progress on the construction phase for the Carters Ridge sewer pump station building with all	Percentage progress as per project plan	All	10%	60%	12%	-	40%	-	-

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
		a sustainable manner		electrical and mechanical equipment									
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	SO2.2 6	Percentage completion for the installation of electrical and mechanical components in Lerato Park sewer pumpstation	Percentage completion as per project plan	All	16%	100%	28,50 %	-	-	-	-
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	SO2.2 7	Percentage progress on the construction of the foundations for two elevated water tanks	Percentage progress on the construction as per project plan	All	-	100%	50%	-	-	-	-
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	SO2.2 8	Percentage completion of the number of old sink toilets to be reconstructed	Percentage completion on number of old sink toilets reconstructed	All	-	-	100%	-	100%	100%	100%
Infrastructure and Services	Fleet	All communities have access to basic services delivered at	SO2.2 9	100% procurement of identified fleet	Percentage of identified fleet delivered	SPM	100%	100%	80%	100%	100%	100%	100%

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
		an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		as per the fleet replacement plan (number of vehicles delivered out of the number of vehicles identified for purchase x100)									
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	SO2.30	90% spent of the budget to provide sport and recreation facilities by 30 June {(Actual capital expenditure on the project divided by the total approved capital budget for the project)	Percentage of budget spent by 30 June	All	-	90%	90%	90%	90%	90%	90%
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	SO2.31	Upgrade water infrastructure (replace 8000 water meters)	Number of water meters replaced by 30 June	All	-	-	-	8 000	2 000	2 000	2 000
Infrastructure and Services	Electricity	All communities have access to basic services delivered at	SO2.32	Upgrade electricity infrastructure	Number of electricity meters	All	-	-	-	8 000	2 000	2 000	2 000

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
		agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		annual maintenance plan									
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	SO2.3 7	% Maintenance of usable community parks as per the annual maintenance plan	% Maintenance	All	100%	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	SO2.3 8	Plan and conduct roadblocks	Number of roadblocks conducted	-	6	8	22	8	8	8	8
Corporate Services	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	SO2.3 9	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	Health and safety	All communities have	SO2.4	Plan and	Number of	All	-	6 000	22	6 000	6 000	6 000	6 000

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Directorate	mSCOA Function / sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
and social development		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	0	conduct stop and check points to improve road safety	stop and checkpoints conducted								
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	SO2.4 1	Conduct quarterly awareness for HIV, STI and TB	Number of awareness campaigns conducted	All	4	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 such services in a sustainable manner	SO2.4 2	Conduct monthly inspections of food premises	Number of inspections	All	1 800	1 800	3 256	1 800	4 200	4 200	4 200
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	SO2.4 3	Conduct monthly inspections at non-food premises to ensure compliance to legislation	Number of inspections	All	1 200	1 200	1 200	1 200	4 200	4 200	4 200

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								22/23	Actual 22/23	23/24	24/25	25/26	26/27
		a sustainable manner											
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	SO2.4 4	Number of water samples collected and tested	Number of water samples collected and tested	All	960	960	0	960	800	800	800
Infrastructure and Services	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	SO2.4 5	Number of households in Colville to be connected to the electricity network	Number of households to be connected to the electricity network	14	0	0	0	138	0	0	0
Infrastructure and Services	Waste Water Management / Stormwater Management	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	SO2.4 6	Percentage progress for the upgrading of storm water channels in various areas of Sol Plaatje municipal area by 30 June 2025	Percentage progress on upgrading of storm water channels	SPM	0	0	0	0	100%	100%	100%
Office of the MM	Administration	All communities have access to basic services delivered at an acceptable and agreed upon standard	SO2.4 7	Number of project management meetings held	Number of meetings held	SPM	0	0		0	10	10	10

CHAPTER 8

Strategic Objective 3 Good, clean and transparent governance and public participation National KPA: Good Governance and Public Participation													
Directorate	mSCOA Function / Sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
Office of the MM	Finance and Administration	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	SO3.1	Compile the final Annual Report for submission to council by 31 March	Final Annual Report for submitted to council by 31 March	All	1	1	0	1	1	1	1
Office of the MM	Finance and Risk management	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	SO3.2	Develop a Risk Based Audit Plan and submit to the audit committee for consideration by 30 June	Risk Based Audit Plan developed and submitted to the audit committee by 30 June	All	1	1	1	1	1	1	1
Office of the MM	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	SO3.3	Report quarterly on the progress of risk mitigation to the MM and EMT	Quarterly reports on strategic risk register	All	4	4	4	4	4	4	4
Office of the MM	Internal audit	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	SO3.4	Number of audits conducted as per the internal audit plan	Number of internal audits conducted	All	22	20	18	10	10	10	10
Office of the MM	Internal audit	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	SO3.5	Number of audit committee meetings conducted annually	Number of audit committee meetings conducted	All	4	4	4	4	4	4	4
Office of the MM	Finance /Risk management / internal audit	Good governance systems are maintained in order to support proper communication and a healthy administration working	SO3.6	Develop and submit an audit action plan to the MM to address matters raised by the auditor general within 60 days	Developed and submitted audit action plan	All	1	1	1	1	1	1	1

CHAPTER 8

Strategic Objective 3 Good, clean and transparent governance and public participation National KPA: Good Governance and Public Participation													
Directorate	mSCOA Function / Sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
		towards a clean audit		after the end of the audit									
Office of the MM	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	SO3.7	Compile the final IDP and submit to council by 31 May annually	Final IDP submitted to Council by 31 May	All	1	1	1	1	1	1	1
Office of the MM	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	SO3.8	Investigate the possibility to update all municipal policies and standards	Investigation report	All	1	-	-	1	-	-	1
Corporate Services	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	SO3.9	To disseminate on a monthly basis the electronic municipal newsletter through social media platforms	Monthly distribution	All	0	12	0	12	12	12	12
Corporate Services	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	SO3.10	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	24 hrs	24hrs	24hrs	24hrs	24hrs
Corporate Services	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	SO3.11	Number of quarterly reports submitted on gender activities (mainstream values of moral regeneration movement, child	Number of reports submitted	All	-	-	-	-	4	4	4

CHAPTER 8

Strategic Objective 4 Establishment of healthy financial management National KPA: Municipal Financial Viability and Management													
Directorate	mSCOA Function /Sub- function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
Finance	Finance and Administration / Finance	The municipality is financially viable to deliver services to the community	SO4.1	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	12264	15 000	12 033	11 800	11 800	11 800	11 800
Finance	Finance and Administration / Finance	The municipality is financially viable to deliver services to the community	SO4.2	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	12264	15 000	12 033	11 800	11 800	11 800	11 800
Finance	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	SO4.3	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	12264	15 000	12 033	11 800	11 800	11 800	11 800
Finance	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	SO4.4	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	12264	15 000	12 033	11 800	11 800	11 800	11 800
Finance	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	SO4.5	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations by 30 June (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term	Debt to revenue by 30 June	All	25%	25%	8%	25%	25%	25%	25%

CHAPTER 8

Strategic Objective 4

Establishment of healthy financial management

National KPA: Municipal Financial Viability and Management

Directorate	mSCOA Function /Sub- function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
				Lease)									
Finance	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	SO4.6	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	2:28	2:1	1:1.53	2:1	2:1	2:1	2:1
Finance	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	SO4.7	Reduce net debtor days to 300 days by 30 June ((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Net debtor days	All	356	300	327	300	300	300	300
Finance	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	SO4.8	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	All	28,2%	14%		14%	14%	14%	14%
Finance	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	SO4.9	Financial viability measured in terms of the available cash to cover fixed operating expenditure (Cost coverage ((Cash and Cash Equivalents -	Cost coverage ratio by 30 June	All	0.91	1	0.56:1	1	1	1	1

CHAPTER 8

Strategic Objective 4

Establishment of healthy financial management

National KPA: Municipal Financial Viability and Management

Directorate	mSCOA Function /Sub- function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
				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)									
Finance	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	SO4.10	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	10 weeks	12 weeks	13,50 weeks	12 weeks	12 weeks	12 weeks	12 weeks
Finance	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	SO4.11	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	9 weeks	6 weeks	6 weeks	6 weeks	6 weeks
Finance	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	SO4.12	Number of planned BSC meetings conducted to process bids	Number of meetings conducted	All	1	-	-	24	24	24	24

CHAPTER 8

Strategic Objective 4 Establishment of healthy financial management National KPA: Municipal Financial Viability and Management													
Directorate	mSCOA Function /Sub- function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
Finance	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	SO4.13	95% collection rate and ensure payment based on correct account (receipts/ billingx100)	95% collection rate achieved	All	85%	95%	78,20%	85%	85%	85%	85%
Finance	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	SO4.14	Perform an annual cost analysis for each trading services for the new budget by 31 march	Cost analysis reports	All	4	1	1	1	1	1	1
Finance	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	SO4.15	75% reduction of irregular expenditure by 30 June	% of UFW expenditure reported against total budget (capex and opex)	All	-	25%	24%	75%	75%	75%	75%
Finance	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	SO4.16	100% elimination of Fruitless & wasteful expenditure by 30 June	% of Fruitless and wasteful expenditure after condonement against total operational expenditure x100	All	-	0%	1%	0%	0%	0%	0%
Finance	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	SO4.17	Elimination of Unauthorised expenditure by 30 June	% of Unauthorised expenditure after condonement against total operational expenditure x100	All	-	0%	0%	0%	0%	0%	0%

CHAPTER 8

Strategic Objective 4

Establishment of healthy financial management

National KPA: Municipal Financial Viability and Management

Directorate	mSCOA Function /Sub- function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
Finance	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	SO4.18	% 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%	95,92%	100%	100%	100%	100%
Finance	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	SO4.19	Reduce Trade Creditors payment period to 300 days by 30 June (Trade Creditors Outstanding / Credit Purchases/(Operating and Capital) x365)	Creditors Payment Period (Trade Creditors)	All	359	-	-	300	300	300	300

CHAPTER 8

Strategic Objective 5 Improved Institutional Management National KPA: Institutional Development and Municipal Transformation													
Directorate	mSCOA Function / Sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 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.	SO5.1	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	72%	72%	58%	72%	72%	72%	72%
Finance	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.	SO5.2	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	39%	33%	31,92%	33%	33%	33%	33%
Finance	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.	SO5.3	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%
Finance	Finance and	The municipality is internally	SO5.4	Limit vacancy rate to 20%	(Number of funded	All	0%	20%	0%	20%	20%	20%	20%

CHAPTER 8

Strategic Objective 5

Improved Institutional Management

National KPA: Institutional Development and Municipal Transformation

Directorate	mSCOA Function / Sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
	Administration / Human Resources	transformed to deliver the services required at an acceptable level with the support administrative systems and skilled staff whose performance is regularly monitored.		of funded post by 30 June 2025 {(Number of funded posts vacant divided by budgeted funded posts)x100}	posts vacant divided by budgeted funded posts)x100								
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.	SO5.5	Review the Workplace Skills Plan and submit plan to the LGSETA by 30 April	Workplace Skills Plan submitted to LGSETA by 30 April	All	1	1	0	1	1	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.	SO5.6	Review organogram to be aligned with strategy and comply with R890 by 30 June 2024	Organogram reviewed by 30 June 2024	All	1	-	0	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.	SO5.7	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	-	-	-
Corporate Services	Administration / Human	The municipality is internally transformed to deliver the	SO5.8	Coordinate Bi-annual performance assessments	Performance assessments	-	2	2	0	2	2	2	2

CHAPTER 8

Strategic Objective 5

Improved Institutional Management

National KPA: Institutional Development and Municipal Transformation

Directorate	mSCOA Function / Sub-function	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Ward	Baseline	Annual Target		Annual Target			
								22/23	Actual 22/23	23/24	24/25	25/26	26/27
	Resources	services required at an acceptable level with the support administrative systems and skilled staff whose performance is regularly monitored.		of the MM and managers reporting directly to the MM	conducted twice per year								
Corporate Services	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.	SO5.9	Develop, submit and publicise the performance agreements of the MM and managers reporting directly to the MM (the number of performance agreements is dependant on the filled positions)	Number of performance agreements signed, submitted and publicised	-	4	6	6	6	6	6	6
Office of the MM	Administration	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.	SO5.10	To implement ICT systems and technology to enable the municipality to deliver excellent customer experience	Percentage implementation of the ICT operational plan	-	70%	100%	75%	100%	100%	100%	100%

LIST OF ACRONYMS

COGTA	Department of Cooperative Governance and Traditional Affairs
DOE	Department of Energy
DSD	Department of Social Development
DMF	Disaster Management Framework
DWS	Department of Water and Sanitation
EMT	Executive Management Team
EPWP	Expanded Public Work Programme
EPIP	Environmental Protection Infrastructure Programme
GBV	Gender Based Violence
GBVF	Gender Based Violence and Femicide
GVA	Gross Value Added
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome
IDP	Integrated Development Plan
IEM	Integrated Environmental Management
IGR	Intergovernmental Relations
INEP	Integrated National Electrification Programme
ICT	Information and Communication Technology
IUDG	Integrated Urban Development Grant
LGBTQIA+	Gay, Lesbian, Bisexual, Transgender, Queer, Intersex, and Asexual people collectively
FBDM	Frances Baard District Municipality
NGO	Non-governmental Organisation
NUSP	National Upgrading Support Programme
MIG	Municipal Infrastructure Grant
MFMA	Municipal Financial Management Act
MTREF	Medium-Term Revenue and Expenditure Framework
PESTLE	Political, Economic, Sociological, Technological, Legal and Environmental
PM	Performance Management
PSDF	Provincial Spatial Development Framework

REFERENCES

RBIG	Regional Bulk Infrastructure Grant
RDP/BNG	Reconstruction and Development Programme/Breaking New Ground
REDZ	Renewable Energy Development Zone
SASSA	South African Social Security Agency
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SMME	Small Medium Micro Enterprise
SPELUM	Spatial Planning and Land Use Management
SPM	Sol Plaatje Municipality
WESSA	Wildlife and Environment Society of South Africa
WSIG	Water Services Infrastructure Grant
WWTW	Wastewater Treatment Works

ANNEXURE 1

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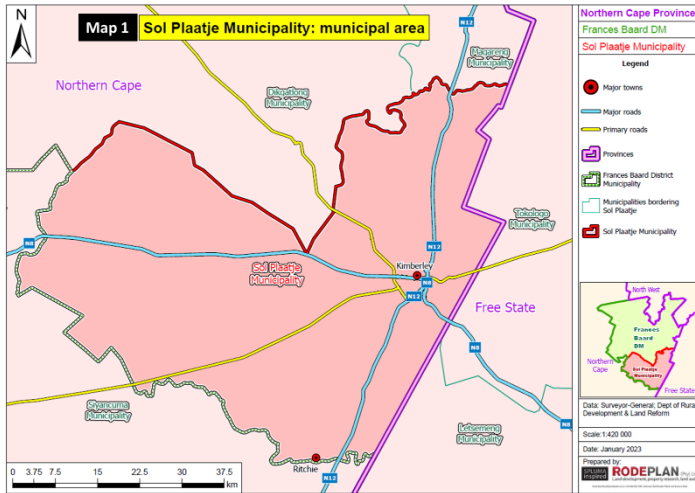
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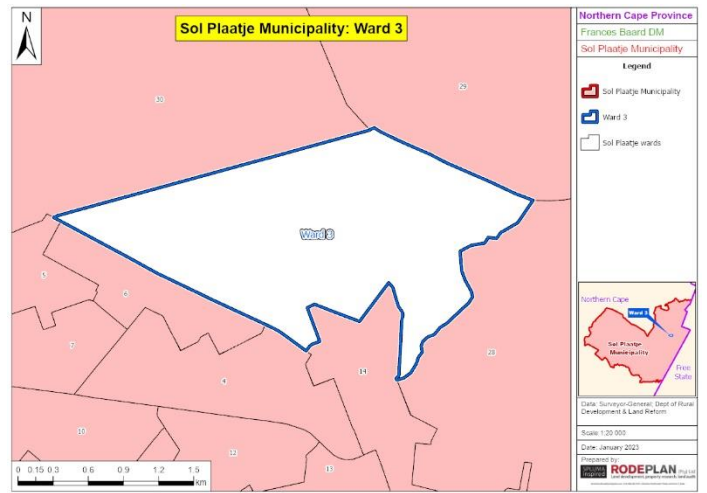
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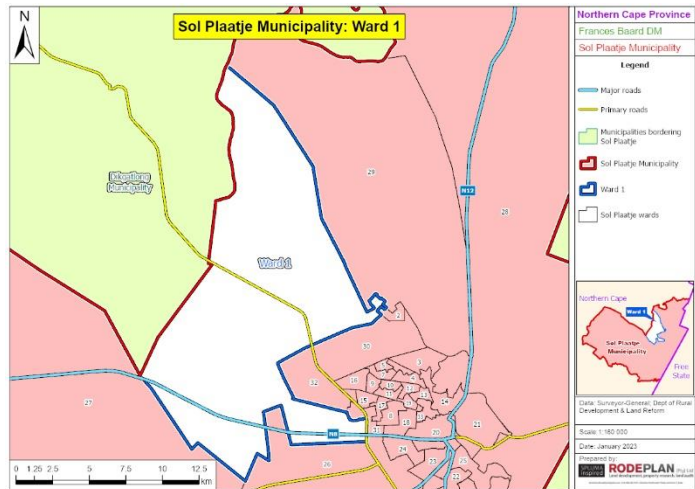
ANNEXURE 1 MAPS



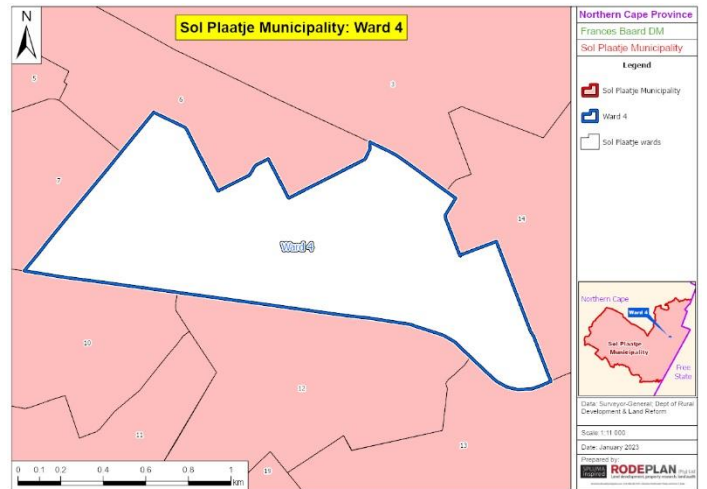
Municipal Area Map



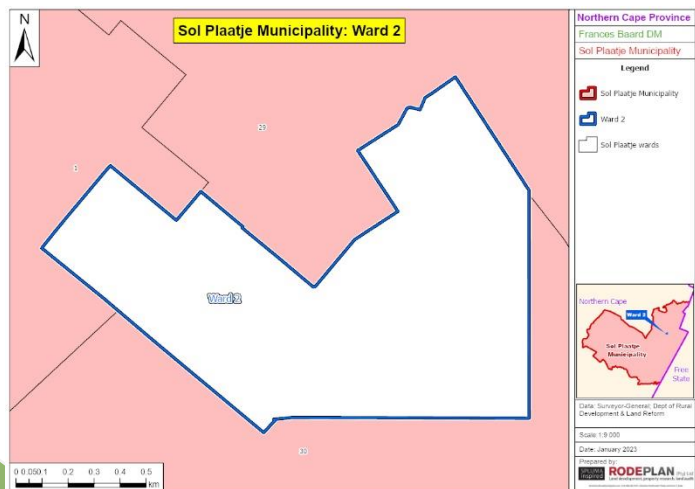
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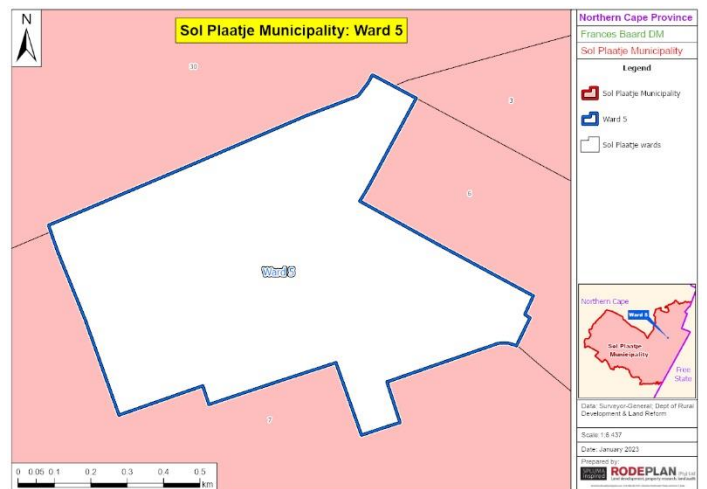
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Ward 4

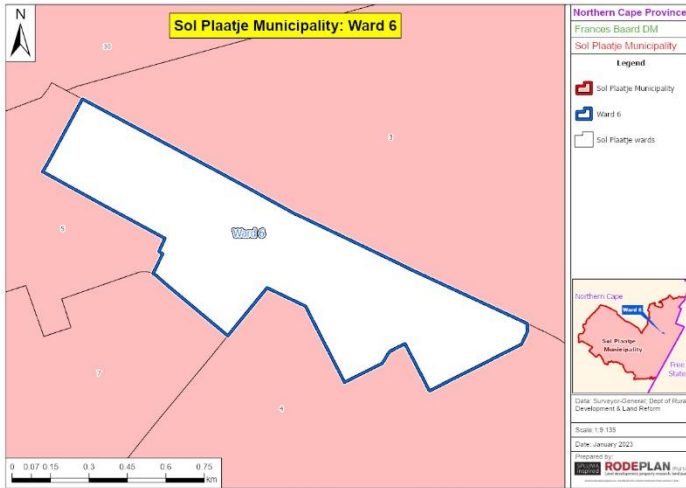


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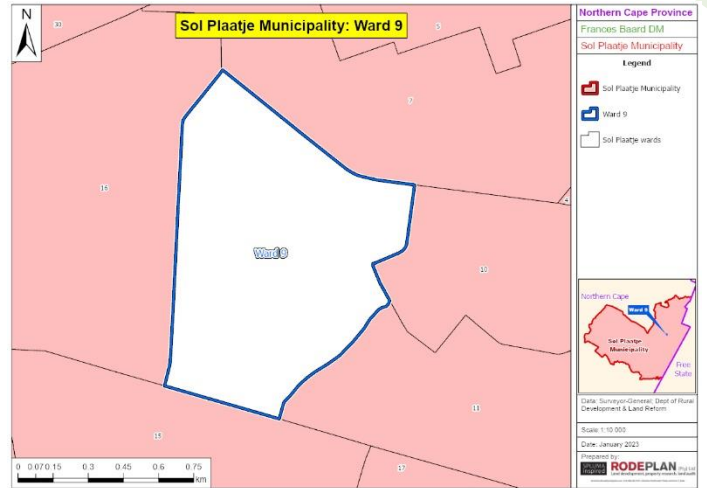


Ward 5

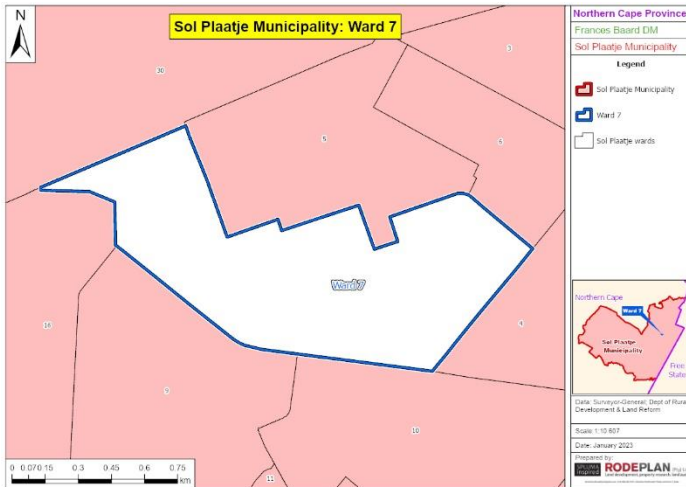
ANNEXURE 1



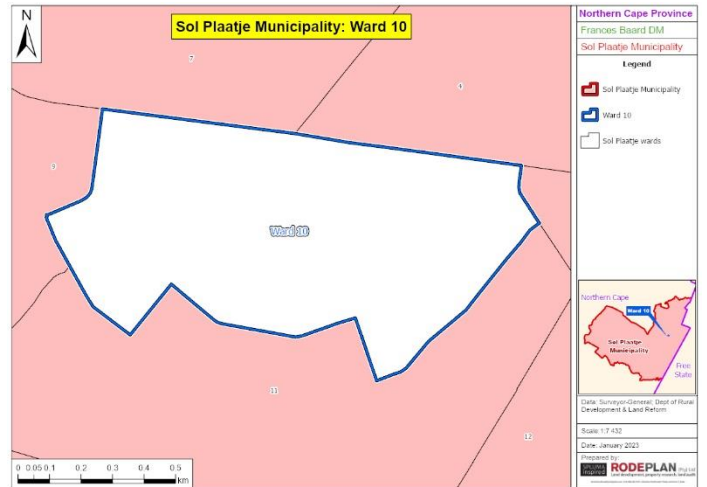
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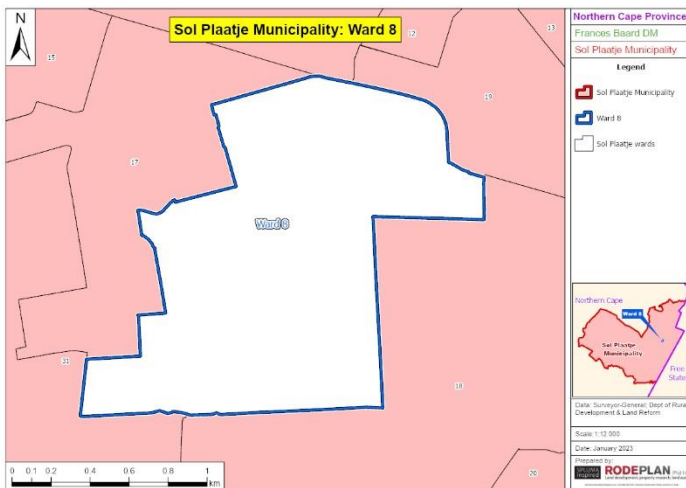
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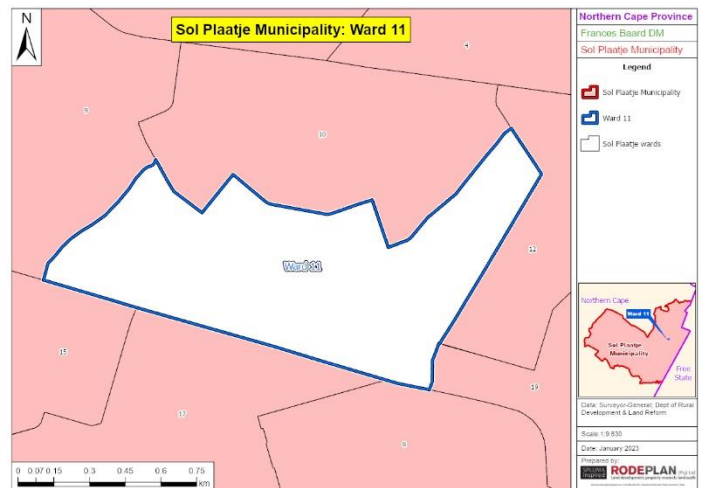
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Ward 10

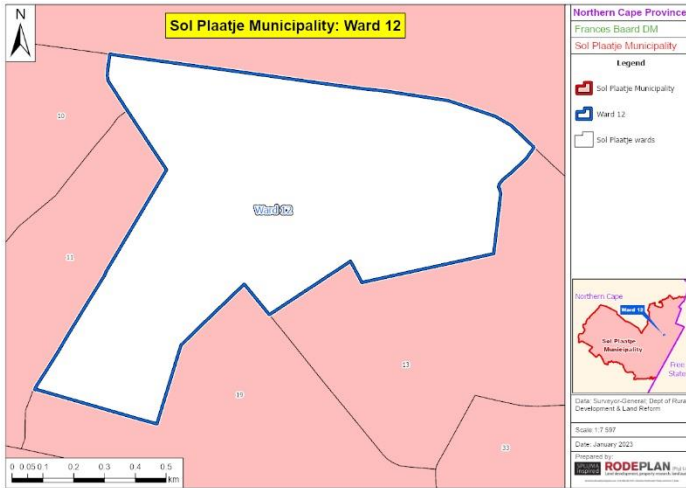


Ward 8

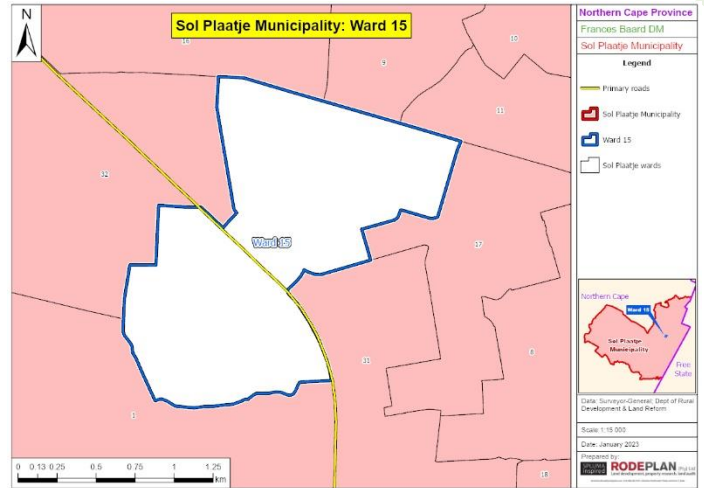


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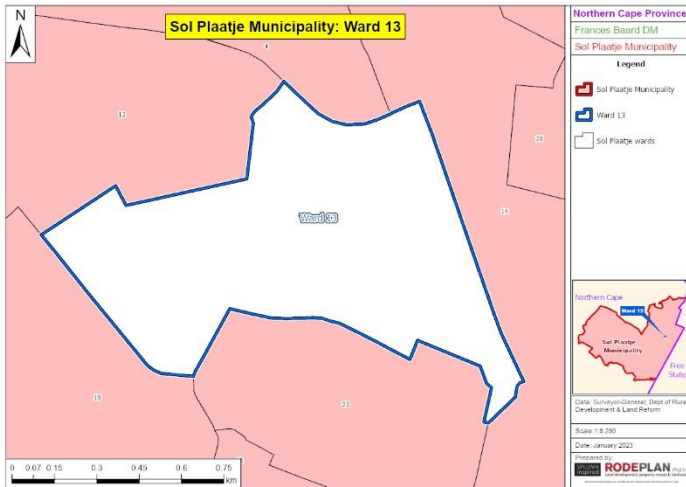
ANNEXURE 1



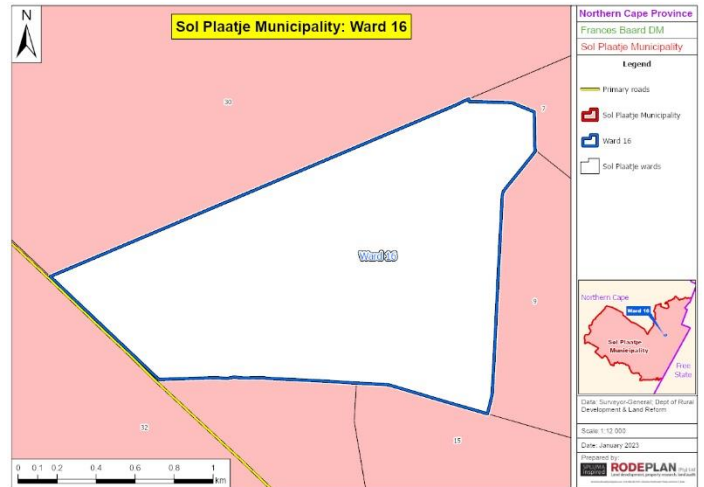
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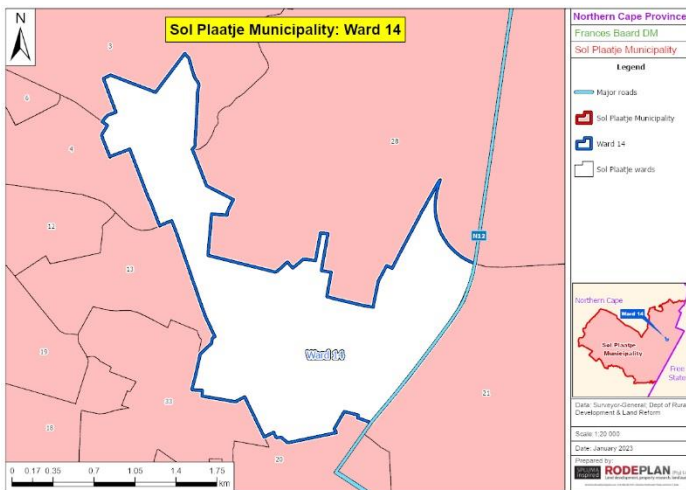
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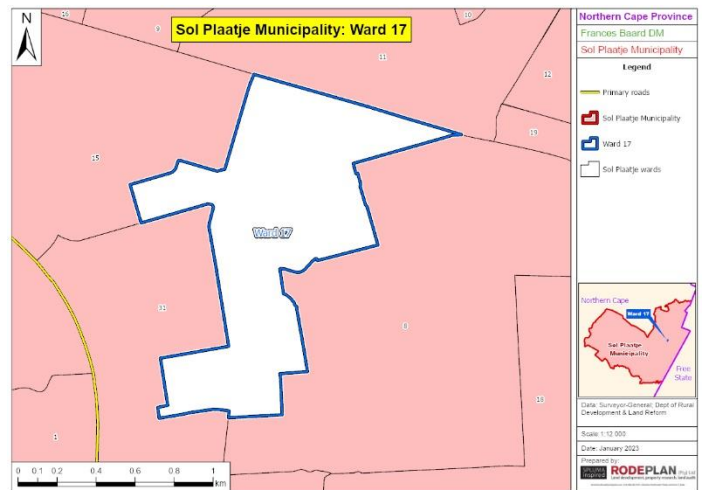
Ward 13



Ward 16

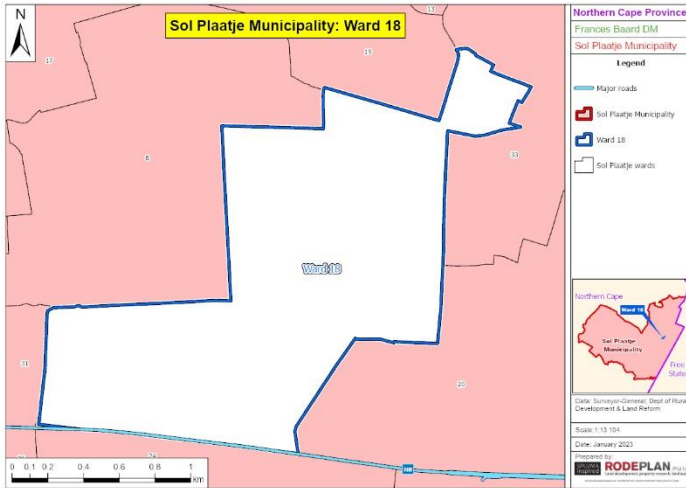


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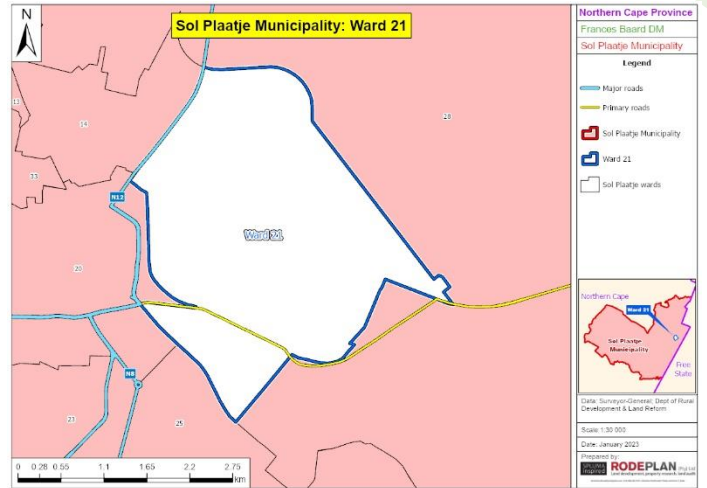


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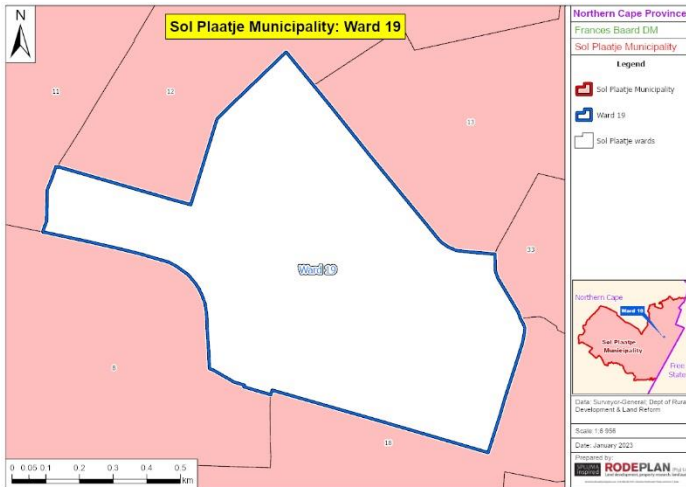
ANNEXURE 1



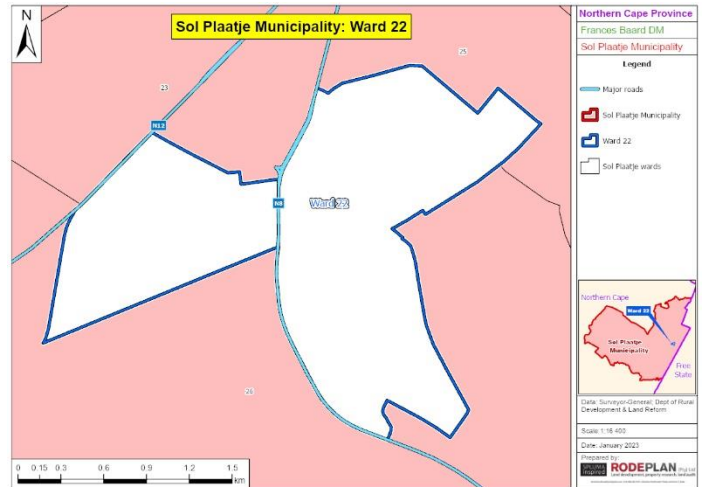
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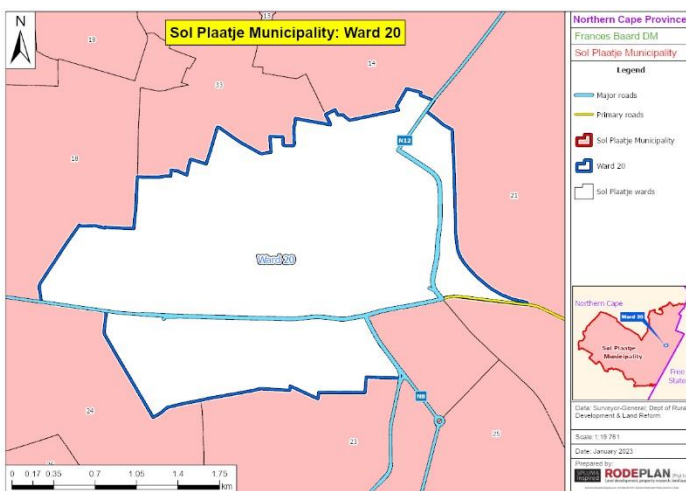
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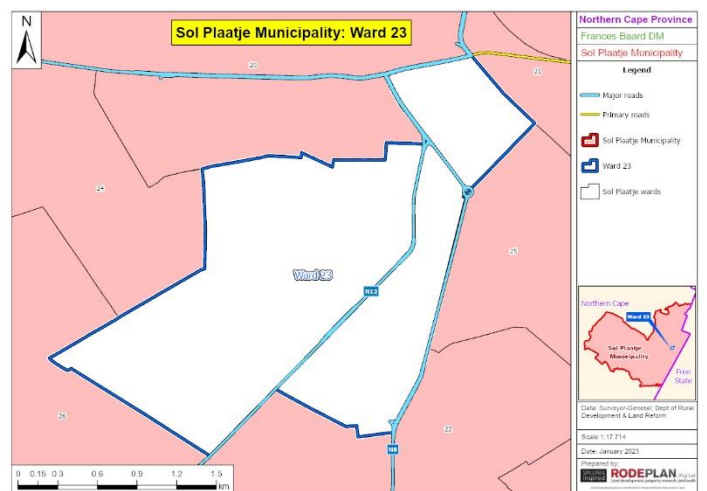
Ward 19



Ward 22

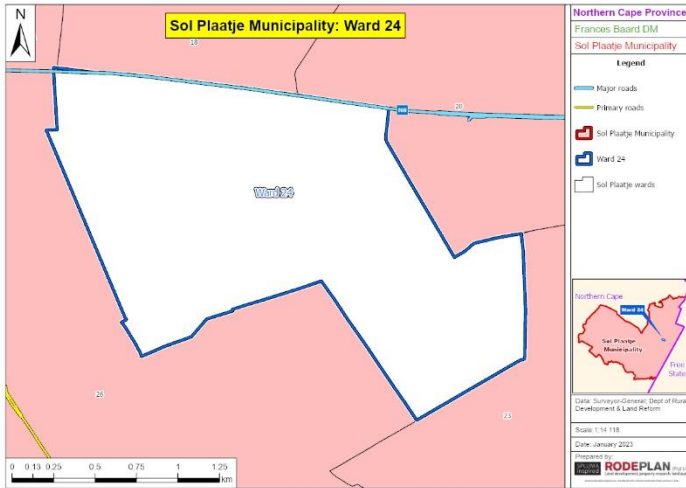


Ward 20

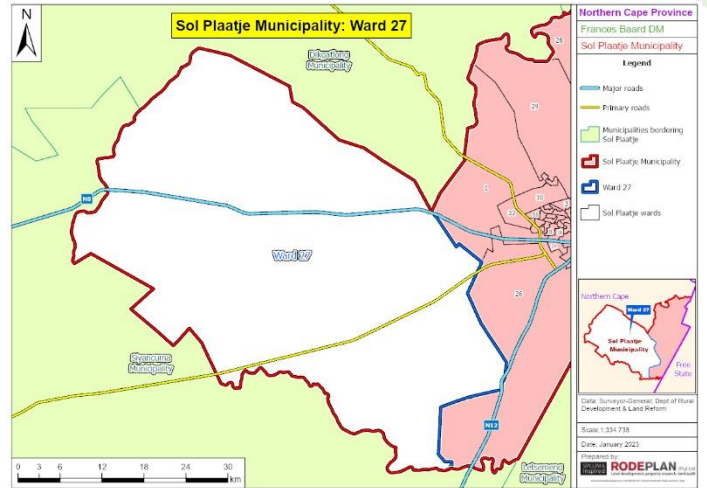


Ward 23

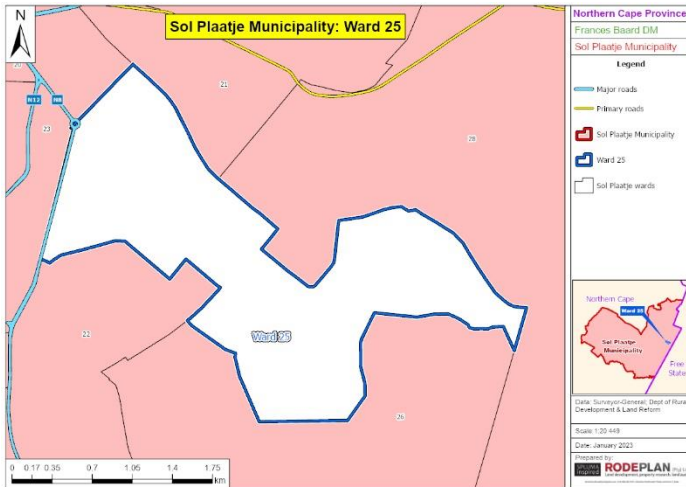
ANNEXURE 1



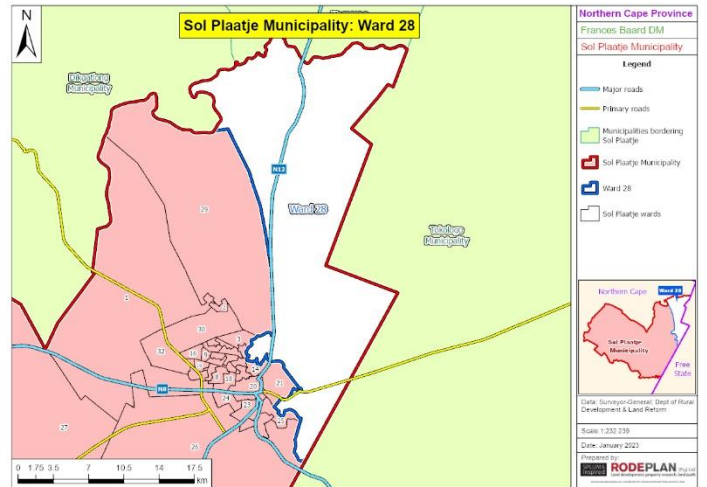
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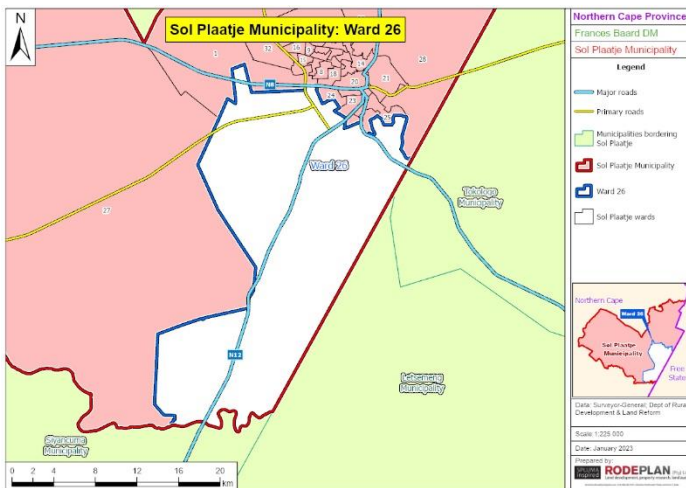
Ward 27



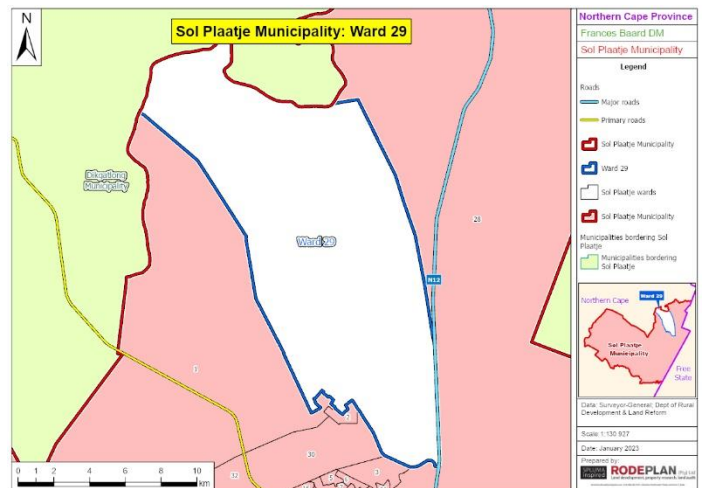
Ward 25



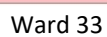
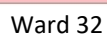
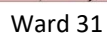
Ward 28



Ward 26



Ward 29



ANNEXURE 2

ANNEXURE 2 MUNICIPAL SCORECARD

The municipal scorecard will be completed in the next IDP review.

SECTION 5:

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

ANNEXURE 5
DRAFT SERVICE DELIVERY TARGETS
AND PERFORMANCE INDICATORS PER
KEY PERFORMANCE AREA
2024/2025

<u>Strategic Objective 1</u> Economic growth through promoting Sol Plaatje Municipality as an economic hub National KPA: Local Economic Development													
SDBIP ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
TBC	Office of Municipal Manager	A local economy that delivers on food security, job creation, education and skills development.	SO1.1	Create full-time equivalents through EPWP initiatives by 30 June 2025	Number of full-time equivalents created by 30 June	Register and reports of FTE's created through EPWP	SPM	814	553	100	160	120	173
TBC	Strategy, Economic Development, Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.3	To process 80% category 1 land-use applications received until 30 April through Municipal Planning Tribunal by 30 June 2025	% of category 1 land use applications processed	Register of processed Category 1 land use applications	SPM	89,80%	80%	0%	0%	0%	80%
TBC	Strategy, Economic Development, Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.4	Number of processed building plans received before 1 July 2024	Number of building plans processed	Register indicating the number of building plans processed which were received before 1 July 2024, number and dates when plans were addressed	SPM	200	200	50	50	50	50
TBC	Strategy, Economic Development, Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.5	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	Register indicating the steps for processing and dates when each step was signed off	SPM	8 weeks	11 weeks	11 weeks	11 weeks	11 weeks	11 weeks

<u>Strategic Objective 1</u> Economic growth through promoting Sol Plaatje Municipality as an economic hub National KPA: Local Economic Development													
SDBIP ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
TBC	Strategy, Economic Development, Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.6	Ensuring a response time of 11 weeks for building plans submissions received in the current financial year for buildings / architectural buildings greater than 500m2 (number of plans received / divided by number of weeks to process	Average response time in weeks to process building plans	Register indicating the steps for processing and dates when each step was signed off	SPM	11 weeks	11 weeks	11 weeks	11 weeks	11 weeks	11 weeks
TBC	Strategy, Economic Development, Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.7	Number of SMMEs supported through the implementation of the business incubation developmental programme	Number of developmental programmes provided to SMMEs	Training and attendance register	SPM	13	10	3	3	2	2
TBC	Strategy, Economic Development, Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.9	Number of erven planned and surveyed by 30 June 2025	Number of erven planned and surveyed	Layout Plan and Draft SG diagram	SPM	1 533	1 700	0	0	0	1 700
TBC	Strategy, Economic Development, Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.10	Number of market and promotion of tourist attractions conducted annually	Number of programmes conducted	Quarterly reports	SPM	0	4	1	1	1	1
TBC	Strategy, Economic Development, Planning	A local economy that delivers on food security, job creation, education and skills development.	SO1.12	Percentage completion for the CBD Urban design plan by 30 June 2025	% Completion of the CBD Urban Design Plan	CBD Urban Design Plan	SPM	0	100%	25%	50%	75%	100%

Strategic Objective 2 Improved Service Delivery National KPA: Basic Service Delivery and Infrastructure Development													
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
TBC	Finances	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	SO2.5	The percentage of the municipal capital budget actually spent on capital projects by 30 June (Total actual amount spent on capital projects/Total amount budgeted for capital projects) X100	% of Capital budget spent by 30 June (Actual amount spent on capital projects /Total amount budgeted for capital projects) X100}	Financial and Audit reports	SPM	68%	90%	15%	45%	60%	90%
TBC	Finances	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	SO2.6	The percentage of the total municipal operational budget spent by 30 June ((Actual amount spent on total operational budget/Total operational budget) X100)	% of the total municipal operational budget spent by 30 June	Financial and Audit reports	SPM	95%	95%	25%	50%	75%	95%
TBC	Community 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	SO2.8	Number of reading outreach programmes conducted at all libraries	Number of outreach programmes held	Outreach programmes conducted	SPM	112	60	15	15	15	15
TBC	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	SO2.9	Limit unaccounted for electricity to less than 15% by 30 June {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units	% unaccounted for electricity by 30 June	Calculation on electricity losses as per the actual records system	SPM	29.38%	15%	25%	20%	18%	15%

Strategic Objective 2 Improved Service Delivery National KPA: Basic Service Delivery and Infrastructure Development													
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
				Purchased) x 100}									
TBC	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	SO2.11	Percentage progress on the refurbishment of the filters and backwash system for the new Waste Water Treatment Works (WWTW), Phase 2	% Progress as per the annual project plan	Project progress report for the refurbishment of the filters and backwash system for the new WWTW	SPM	0%	100%	25%	50%	75%	100%
TBC	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	SO2.11	Percentage progress on the upgrade of the security at the Riverton water treatment works by 30 June 2025	% Progress as per the annual project plan	Project progress report for upgrading of security	SPM	0%	100%	15%	35%	75%	100%
TBC	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	SO2.11	Percentage progress on the repair of emergency leakages at the Newton reservoirs by 30 June 2025	% Progress as per the annual project plan	Project progress report for repair of leakages	SPM	0%	100%	15%	35%	75%	100%
TBC	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	SO2.11	Percentage progress on the completion of the emergency water meter installation and procurement of a water quality monitoring hardware by 30 June 2025	% Progress as per annual project plan	Project progress report for completion on emergency meter installations	SPM	0%	100%	25%	50%	75%	100%

	<u>Strategic Objective 2</u> Improved Service Delivery National KPA: Basic Service Delivery and Infrastructure Development												
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
TBC	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	SO2.11	Percentage progress on the upgrade of the power supply and refurbishment of the abstraction pump station (Old and New Plant – Riverton), Phase 2 by 30 June 2025	% Progress as per annual project plan	Project progress report for upgrading and refurbishment	SPM	0%	100%	25%	50%	75%	100%
TBC	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	SO2.11	Percentage completion on the design work for Phase 1 of the Kimberley network leak detection and repair by 30 June 2025	% Progress as per annual project plan	Project progress report for the completion of the design work for Ph 1	SPM	0%	100%	50%	75%	100%	0%
TBC	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	SO2.11	Percentage completion on the leak repairs and refurbishment of the west by-pass bulk water pipe line by 30 June 2025	% Progress as per annual project plan	Project progress report for the completion of the leak repairs and refurbishment of bulk water pipe line	SPM	0%	100%	25%	50%	75%	100%
TBC	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	SO2.11	Percentage progress on the repair of the bulk pipeline from Riverton to Mid station (Section 2) by 30 June 2025	% Progress as per annual project plan	Project progress report for repair of bulk pipeline	SPM	0%	100%	25%	50%	75%	100%
TBC	Infrastructure	All communities have access	SO2.11	Percentage progress on	% Progress as per	Project progress	SPM	0%	100%	25%	50%	75%	100%

	Strategic Objective 2 Improved Service Delivery National KPA: Basic Service Delivery and Infrastructure Development												
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
	and Services	to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		the repair, coating and refurbishment of eastern by-pass bulk water pipe line (Section 2) by 30 June 2025	annual project plan	report for the repair, coating, and refurbishment of bulk water pipeline							
TBC	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	SO2.11	Percentage progress on the replacement of the corroded 10 km east by-pass bulk water pipe line (Section 2) by 30 June 2025	% Progress as per annual project plan	Project progress report for replacement of the bulk water pipeline	SPM	0%	100%	25%	50%	75%	100%
TBC	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	SO2.11	Percentage progress on the replacement of the corroded section of the west by-pass bulk water pipe line (Section 2) by 30 June 2025	% Progress as per annual project plan	Project progress report for the repair, coating and refurbishment of bulk water pipeline	SPM	0%	100%	25%	50%	75%	100%
TBC	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	SO2.11	Percentage progress on the installation of the 1200 mm new steel bulk water pipe line from Mid station to Newton Reservoir (Section 3) by 30 June 2025	% Progress as per annual project plan	Project progress report for the installation of the bulk water pipe line	SPM	0%	100%	25%	50%	75%	100%
TBC	Infrastructure	All communities have access to basic services delivered at	SO2.11	Percentage progress on the major refurbishment	% Progress as per annual project	Project progress report for the	SPM	0%	100%	25%	50%	75%	100%

Strategic Objective 2 Improved Service Delivery National KPA: Basic Service Delivery and Infrastructure Development													
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
	and Services	an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		and building works for the Old Water Treatment Plant by 30 June 2025	plan	refurbishment and building works							
TBC	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	SO2.11	Percentage progress on the major refurbishment and building works for the New Water Treatment Plant by 30 June 2025	% Progress as per annual project plan	Project progress report for the refurbishment and building works	SPM	0%	100%	25%	50%	75%	100%
TBC	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	SO2.11	Percentage completion on the repairs of Smart ball survey priority leaks by 30 June 2025	% Progress as per the annual project plan	Project progress report for completion on repairs	SPM	0%	100%	75%	100%	0%	0%
TBC	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	SO2.11	Percentage development of a data system for the identification and repairs of leakages by 30 June 2025	% Progress as per the annual project plan	Project progress report for development of a data system	SPM	0%	100%	0%	0%	100%	0%
TBC	Infrastructure and Services	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained	SO2.11	Percentage progress on the installation of bulk water meters and pressure regulating valves (Ph 2) by 30 June 2025	% Progress as per annual project plan	Project progress report for the installation of bulk water meters and	SPM	0%	100%	0%	75%	0%	100%

Strategic Objective 2 Improved Service Delivery National KPA: Basic Service Delivery and Infrastructure Development													
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
		to deliver such services in a sustainable manner				regulating valves							
TBC	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	SO2.11	Percentage progress on the assessment of the pipe condition and cathodic protection by 30 June 2025	% Progress as per annual project plan	Project progress report for the assessment and cathodic protection	SPM	0%	100%	0%	75%	0%	100%
TBC	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	SO2.11	Percentage progress on the repairs of the detected leaks on the bulk water pipeline at Ritchie by 30 June 2025	% Progress as per annual project plan	Project progress report on the repairs of the detected leaks	SPM	0%	100%	25%	50%	75%	100%
TBC	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	SO2.11	Percentage progress on the SMART meter installation for Ritchie subzone by 30 June 2025	% Progress as per annual project plan	Project progress report for the SMART meter installation	SPM	0%	100%	25%	50%	75%	100%
TBC	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	SO2.11	Percentage progress on the upgrade of the old Water Treatment Plant (WTP) chlorine and dosing works (Phase 2) by 30 June 2025	% Progress as per the annual project plan	Progress report for the completion on upgrade	SPM	0%	100%	0%	75%	0%	100%

	<u>Strategic Objective 2</u> Improved Service Delivery National KPA: Basic Service Delivery and Infrastructure Development												
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
TBC	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	SO2.11	Percentage progress on the upgrade of the new Water Treatment Plant (WTP) chlorine and dosing works (Phase 2) by 30 June 2025	% Progress as per the annual project plan	Progress report for the completion on upgrade	SPM	0%	100%	0%	75%	0%	100%
TBC	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	SO2.11	Percentage completion of the Kimberley network leak detection and repair (Phase 2) by 30 June 2025	% Progress as per annual project plan	Project progress report for the completion on repairs	SPM	0%	100%	50%	75%	100%	0%
TBC	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	SO2.11	Percentage completion on for the upgrade of the Ritchie Water Treatment Works (WTW) and Bulk water pipeline (Phase 2) by 30 June 2025	% Progress as per annual project plan	Project progress report for the completion on the upgrading of the Ritchie WWTW and bulk water pipeline	SPM	0%	100%	50%	100%	0%	0%
TBC	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	SO2.12	Percentage replacement of asbestos water pipes in various areas of Sol Plaatje municipal area bu 30 June 2025	% replacement of asbestos water pipes	Project progress report for replacement of asbestos water pipes	SPM	0%	100%	10%	25%	50%	100%
TBC	Infrastructure	All communities have access	SO2.17	Limit unaccounted for	% unaccounted	Financial report	SPM	63,99%	40%	55%	50%	45%	40%

	Strategic Objective 2 Improved Service Delivery National KPA: Basic Service Delivery and Infrastructure Development												
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
	and Services	to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		water (Non-Revenue Water) to less than 40% annually {(Number of Kilolitres Water Purified - Number of kilolitres Water Sold) / Number of kilolitre's Water Purified x 100}	for water (Non-Revenue Water) annually								
TBC	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	SO2.18	99% water quality level achieved as per SANS 241 annually	% water quality level achieved as per SANS 241 criteria annually	IRIS report, Laboratory Analysis Report, Monitoring Report	SPM	86.3%	99%	99%	99%	99%	99%
TBC	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	SO2.19	80% waste water effluent quality level achieved as per National Effluent Quality Standards annually	% waste water effluent quality level achieved as per National Effluent Quality Standards, annually	IRIS report, Laboratory Analysis Report, Monitoring Report	SPM	72.1%	80%	80%	80%	80%	80%
TBC	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	SO2.21	Number of square metres of roads to be resealed by 30 June 2025	Square metres of road to be resealed	Project progress report and practical completion certificate	SPM	123 000 m ²	200 000 m ²	0	100 000 m ²	50 000 m ²	50 000 m ²
TBC	Infrastructure and Services	All communities have access to basic services delivered at	SO2.22	Distance of kilometres of residential roads upgraded	Number of kilometres paved	Project progress report and	SPM	4.1 km	5 km	1 km	1.5 km	1.5 km	1 km

Strategic Objective 2 Improved Service Delivery National KPA: Basic Service Delivery and Infrastructure Development													
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
		an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		from gravel to a paved surface by 30 June 2025		practical completion certificate							
TBC	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	SO2.24	Replace 250W HPS luminaires with 100W LED luminaires	Number of luminaires replaced	Project progress reports and practical completion certificate	SPM	0	262	0	0	0	262
TBC	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	SO2.24	Replace 70W MV luminaires with 36W LED luminaires	Number of luminaires replaced	Project progress reports and practical completion certificate	SPM	0	200	0	0	0	200
TBC	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	SO2.24	Replace 400W MV luminaires with 276W LED luminaires	Number of luminaires replaced	Project progress reports and practical completion certificate	SPM	0	315	0	0	0	315
TBC	Infrastructure and Services	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained	SO2.24	Replacement of 125W MV luminaires with 36W LED luminaires by 30 June 2025	Number of luminaires replaced	Project progress reports and practical completion certificate	SPM	0	300	0	0	0	300

Strategic Objective 2 Improved Service Delivery National KPA: Basic Service Delivery and Infrastructure Development													
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
		to deliver such services in a sustainable manner											
TBC	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	SO2.28	Percentage completion of the number of old sink toilets to be reconstructed by 30 June 2025	Percentage completion on number of old sink toilets reconstructed	Project progress report for number of sink toilets reconstructed	SPM	100%	100%	25%	50%	75%	100%
TBC	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	SO2.29	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) by 30 June 2025	Percentage of identified fleet delivered	Delivery inspect report	SPM	80%	100%	0%	0%	0%	100%
TBC	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	SO2.31	Upgrade water infrastructure (replace 2 000 water meters) by 30 June 2025	Number of water meters replaced	Report for number of water meters replaced	SPM	0	2 000	0	0	0	2 000
TBC	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	SO2.32	Upgrade electricity infrastructure (replace 2 000 prepaid electricity meters) by 30 June 2025	Number of electricity meters replaced	Report for number of electricity meters replaced	SPM	0	2 000	0	0	0	2 000

	<u>Strategic Objective 2</u> Improved Service Delivery National KPA: Basic Service Delivery and Infrastructure Development												
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
TBC	Community and social development	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	SO2.33	Percentage progress on the building of ablution blocks at Kenilworth and Phutanang Cemeteries by 30 June 2025	Percentage progress as per project plan	Progress report as per the project plan	SPM	0%	100%	25%	50%	75%	100%
TBC	Community and social development	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	SO2.34	Number of swimming pools to be upgraded in various wards by 30 June 2025	Number of swimming pools upgraded as per the project plan	Progress report as per the project plan	SPM	0	4	1	1	1	1
TBC	Community and social development	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	SO2.38	Plan and conduct roadblocks	Number of roadblocks conducted	Road blocks conducted	SPM	22	8	2	2	2	2
TBC	Community and social development	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	SO2.40	Plan and conduct stop and check points to improve road safety	Number of stop and checkpoints conducted	Stop and check points conducted	SPM	16 000	6 000	1 500	1 500	1 500	1 500
TBC	Community and social	All communities have access to basic services delivered at	SO2.42	Conduct monthly inspections of food	Number of inspections	Inspections conducted	SPM	3 256	4 200	1 050	1 050	1 050	1 050

	Strategic Objective 2 Improved Service Delivery National KPA: Basic Service Delivery and Infrastructure Development												
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
	development	an acceptable and agreed upon standard and the infrastructure is maintained to deliver such services in a sustainable manner		premises									
TBC	Community and social development	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	SO2.43	Conduct monthly inspections at non-food premises to ensure compliance to legislation	Number of inspections	Inspections conducted	SPM	1 200	4 200	1 050	1 050	1 050	1 050
TBC	Community and social development	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	SO2.44	Number of water samples collected and tested	Number of water samples collected and tested	Water samples collected and tested	SPM	0	800	200	200	200	200
TBC	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	SO2.46	Percentage progress for the upgrading of storm water channels in various areas of Sol Plaatje municipal area by 30 June 2025	Percentage progress on upgrading of storm water channels	Project progress report and practical completion certificate	SPM	0	100%	25%	50%	75%	100%
TBC	Office of the MM	All communities have access to basic services delivered at an acceptable and agreed upon standard and the infrastructure is maintained	SO2.47	Number of project management reports submitted to EMT	Number of meetings held	Minutes of meetings held	SPM	0	12	3	3	3	3

	<p><u>Strategic Objective 2</u></p> <p>Improved Service Delivery</p> <p>National KPA: Basic Service Delivery and Infrastructure Development</p>												
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
		to deliver such services in a sustainable manner											

	<u>Strategic Objective 3</u> Good, clean and transparent governance and public participation National KPA: Good Governance and Public Participation												
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
TBC	Office of the MM	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	SO3.1	Compile the final Annual Report for submission to council by 31 March 2025	Final Annual Report for submitted to council by 31 March	Final annual report submitted	SPM	0	1	0	0	1	0
TBC	Office of the MM	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	SO3.2	Develop a Risk Based Audit Plan and submit to the audit committee for consideration by 30 June 2025	Risk Based Audit Plan developed and submitted to the audit committee by 30 June	Developed Risk Based Audit Plan	SPM	1	1	0	0	0	1
TBC	Office of the MM	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	SO3.3	Report quarterly on the progress of risk mitigation to the MM and EMT	Quarterly reports on strategic risk register	Quarterly reports on risk management	SPM	4	4	1	1	1	1
TBC	Office of the MM	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	SO3.4	Number of audits conducted as per the internal audit plan	Number of internal audits conducted	Proof of internal audits conducted	SPM	18	20	5	5	5	5

	Strategic Objective 3 Good, clean and transparent governance and public participation National KPA: Good Governance and Public Participation												
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
TBC	Office of the MM	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	SO3.5	Number of audit committee meetings conducted annually	Number of audit committee meetings conducted	Proof of audit committee meetings conducted	SPM	4	4	1	1	1	1
TBC	Finance	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	SO3.6	Develop and submit an audit action plan to the MM to address matters raised by the auditor general within 60 days after the end of the audit	Developed and submitted audit action plan	Audit Action Plan	SPM	1	1	0	0	1	0
TBC	Office of the MM	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	SO3.7	Compile the final IDP and submit to council by 31 May annually	Final IDP submitted to Council by 31 May	Council resolution	SPM	1	1	0	0	0	1
TBC	Corporate Services	Good governance systems are maintained in order to support proper communication and a healthy administration working towards a clean audit	SO3.9	To disseminate on a monthly basis the electronic municipal newsletter through social media platforms	Monthly distribution	Monthly newsletters distributed	SPM	0	12	3	3	3	3
TBC	Corporate Services	Good governance systems are maintained in order to support proper	SO3.11	Number of quarterly reports submitted on gender activities (mainstream	Number of reports submitted	Quarterly reports	SPM	0	4	1	1	1	1

	<u>Strategic Objective 3</u> Good, clean and transparent governance and public participation National KPA: Good Governance and Public Participation												
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
		communication and a healthy administration working towards a clean audit		values of moral regeneration movement, child centered governance approach, women empowerment and gender equity and quality)									

<p style="text-align: center;">Strategic Objective 4</p> <p style="text-align: center;">Establishment of healthy financial management</p> <p style="text-align: center;">National KPA: Municipal Financial Viability and Management</p>													
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
TBC	Finance	The municipality is financially viable to deliver services to the community	SO4.1-SO4.4	Number of indigent households earning less than R4 500 provided with free basic services (water, electricity, refuse and sanitation)	Number of indigent households provided with free basic services (water, electricity, refuse and sanitation)	Indigents Register	SPM	12 033	11 800	0	0	0	11 800
TBC	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	SO4.5	Financial viability measured in terms of the municipality's ability to meet it's debt obligations by 30 June (Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Debt to revenue by 30 June	Financial and Audit reports	SPM	8%	10%	0%	0%	0%	10%
TBC	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	SO4.6	Maintain the current ratio of 2:1 against current assets of the municipality by 30 June (Current Assets / Current Liabilities)	Current ratio	Financial and Audit reports	SPM	1:1.53	2:1	02:01	02:01	02:01	02:01
TBC	Finance	The municipality has a system in place to track spending in terms of budget allocations and is	SO4.7	Reduce net debtor days to 300 days by 30 June ((Gross Debtors - Bad	Net debtor days	Financial and Audit reports	SPM	327	300	0	0	0	300

<p style="text-align: center;"><u>Strategic Objective 4</u></p> <p style="text-align: center;">Establishment of healthy financial management</p> <p style="text-align: center;">National KPA: Municipal Financial Viability and Management</p>													
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
		financially viable to deliver services to the community		debt Provision)/ Actual Billed Revenue)) × 365									
TBC	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	SO4.8	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	Financial and Audit reports	SPM	28,2%	14%	14%	14%	14%	14%
TBC	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	SO4.9	Financial viability measured in terms of the available cash to 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)	Cost coverage ratio by 30 June	Financial and Audit reports	SPM	0.56:1	01:01	01:01	01:01	01:01	01:01

<p style="text-align: center;"><u>Strategic Objective 4</u></p> <p style="text-align: center;">Establishment of healthy financial management</p> <p style="text-align: center;">National KPA: Municipal Financial Viability and Management</p>													
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
TBC	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	SO4.12	Number of planned BSC meetings conducted to process bids	Number of meetings conducted	Financial and Audit Report	SPM	0	24	6	6	6	6
TBC	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	SO4.13	95% collection rate and ensure payment based on correct account (receipts/ billingx100)	95% collection rate achieved	Financial and Audit reports	SPM	78,20%	95%	95%	95%	95%	95%
TBC	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	SO4.14	Perform an annual cost analysis for each trading services for the new budget by 31 March (Water, Electricity, Sanitation and Refuse)	Cost analysis report	Report submitted to CFO and EMT	SPM	4	1	0	0	1	0
TBC	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	SO4.15	75% reduction of irregular expenditure by 30 June	% reduction of Irregular expenditure after condonement (Current year - Prior year) / Prior year)	UIFW Register and Statement of Financial Performance	SPM	24%	75%	0%	0%	0%	75%
TBC	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	SO4.16	100% elimination of Fruitless & wasteful expenditure by 30 June	% Elimination of Fruitless and Wasteful expenditure after condonement (Current year – Prior year) /Prior Year)	UIFW Register and Statement of Financial Performance	SPM	1%	100%	0%	0%	0%	100%

<p style="text-align: center;"><u>Strategic Objective 4</u></p> <p style="text-align: center;">Establishment of healthy financial management</p> <p style="text-align: center;">National KPA: Municipal Financial Viability and Management</p>													
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
TBC	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	SO4.17	Elimination of Unauthorised expenditure by 30 June	% of Unauthorise expenditure after condonement against operational expenditure x100	UIFW Register and Statement of Financial Performance	SPM	0%	100%	0%	0%	0%	100%
TBC	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	SO4.18	% Submission of financial, non-financial mSCOA datastrings and documents on the GoMuni web-based 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	Go-muni uploaded status report	SPM	95,92%	100%	100%	100%	100%	100%
TBC	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	SO4.19	Reduce Trade Creditors payment period to 300 days by 30 June (Trade Creditors Outstanding / Credit Purchases/(Operating and Capital) x365)	Creditors Payment Period (Trade Creditors)	Financial and Audit reports	SPM	359	300	300	300	300	300

Strategic Objective 5 Improved Institutional Management National KPA: Institutional Development and Municipal Transformation													
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
TBC	Finance	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.	SO5.2	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	Financial and Audit Reports	SPM	31.92%	33%	33%	33%	33%	33%
TBC	Corporate Service	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.	SO5.4	Limit vacancy rate to 20% of funded post by 30 June 2025 {(Number of funded posts vacant divided by budgeted funded posts) x 100}	(Number of funded posts vacant divided by budgeted funded posts) x100	Reviewed municipal organizational structure	SPM	0%	20%	0%	0%	0%	20%
TBC	Corporate Services	The municipality is internally transformed to deliver the services required at an acceptable level with the support	SO5.5	Review the Workplace Skills Plan and submit plan to the LGSETA by 30 April 2025	Workplace Skills Plan submitted to LGSETA by 30 April	Reviewed Workplace Skills Plan	SPM	0	1	0	0	0	1

Strategic Objective 5 Improved Institutional Management National KPA: Institutional Development and Municipal Transformation													
SDBIP Ref.	Directorate	Outcome	IDP ref.	Key performance indicator	Unit of Measurement	Source of Evidence	Ward	Baseline	Annual Target	Quarterly Targets			
									24/25	Q1	Q2	Q3	Q4
		administrative systems and skilled staff whose performance is regularly monitored.											
TBC	Corporate Services	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.	SO5.8	Coordinate Bi-annual performance assessments of the MM and managers reporting directly to the MM	Performance assessments conducted twice per year	Number of assessments conducted	SPM	0	2	0	0	2	0
TBC	Corporate Services	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.	SO5.9	Develop, submit and publicise the performance agreements of the MM and managers reporting directly to the MM (the number of performance agreements is dependant on the filled positions)	Number of performance agreements signed, submitted and publicised	Performance agreements signed, submitted, and publicized	SPM	6	6	6	0	0	0
TBC	Finance	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.	SO5.10	To implement ICT systems and technology to enable the municipality to deliver excellent customer experience	Percentage implementation of the ICT operational plan	ICT Operational Plan	SPM	70%	100%	0%	0%	0%	100%

SECTION 6:

**BUDGET
RELATED
POLICIES
OVERVIEW
AND
AMENDMENTS**

SOL PLAATJE MUNICIPALITY

ANNEXURE : BUDGET RELATED POLICIES

<u>List of Budget related policies</u>	<u>Explanation numbers</u>	<u>Approved</u>	<u>Resolution Number</u>	<u>Reviewed</u>
Policy Asset Management	1	28-May-14	C125/05/14	March 2024
Policy Cash Management & Investment	1 & 2	07-Apr-05	CR22	March 2024
Policy Customer Services Credit Control Debt Collection	1	31-May-18	C38/05/18	March 2024
Policy Indigent	1	28-May-14	C121/05/14	March 2024
Policy Internal Audit	1	17-Nov-05		March 2024
Policy Property Rates	1	27-May-15	C100/05/15	March 2024
Policy Risk Management	1	17-Nov-05	CR500	March 2024
Policy Supply Chain Management	1 & 2	04-Nov-14	C265/11/14	March 2024
Preferential Procurement Policy	1 & 2			March 2024
Deviation Procedures	1			March 2024
Procedures for Variation Orders	1			March 2024
Tariff Policy on Property Rates	1	31-May-18	C38/05/18	March 2024
Tariff Policy on Electricity	1	31-May-18	C38/05/18	March 2024
Tariff Policy on Water	1	31-May-18	C38/05/18	March 2024
Tariff Policy on Sanitation	1	31-May-18	C38/05/18	March 2024
Tariff Policy on Refuse Removal/Solid Waste	1	31-May-18	C38/05/18	March 2024
Policy Debt Write-off	1	28-May-14	C125/05/14	March 2024
Policy Regarding Audit Committees	1	17-Nov-05	CR500	March 2024
Disposal of Moveable Assets Policy	1	27-May-15	C100/05/15	March 2024
Policy Borrowing	1	28-May-14	C125/05/14	March 2024
Policy Irregular, fruitless and wasteful expenditure	1	28-May-14	C125/05/14	March 2024
Budget Implementation and Management Policy (Budget policy)	1	27-May-15	C100/05/15	March 2024
Funding and Reserves policy	1	25-May-16	C148/05/16	March 2024
Policy Short and Long term borrowing	1	19-Apr-11	C150/11	March 2024
Financial Management and Revenue Enhancement Strategy policy	1	27-May-15	C100/05/15	March 2024
Policy related to long-term financial planning	1	27-May-15	C100/05/15	March 2024
Consumer Deposit Policy	1	31-May-17	C60/05/17	March 2024
Free Basic Services Policy	1	31-May-17	C60/05/17	March 2024
Sol Plaatje Materiality and Significance Framework	1	31-May-18	C38/05/18	March 2024
Contracts Policy	1 & 2	31-May-17	C60/05/17	March 2024
EFT Policy	1			March 2024
SSEG PV Policy	1	31-May-17	C60/05/17	March 2024
Bulk Infrastructure Contribution Policy	1	31-May-17	C60/05/17	March 2024
Water Restrictions Policy	1	31-May-17	C60/05/17	March 2024
Policy: Installation and management of smart metering solutions	1 & 2	NEW		March 2024
Infrastructure investment and capital projects policy (included in Budget policy)	1	28-May-14	C125/05/14	March 2024

Explanation numbers

1. These policies are accessible on the Sol Plaatje website: www.solplaatje.org.za.
2. Policy to be approved with budget process 2024/25.

SOL PLAATJE LOCAL MUNICIPALITY



CASH MANAGEMENT AND INVESTMENT POLICY

For adoption with the tabled Budget: 2024/25 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 municipality's primary banking institution.

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



SUPPLY CHAIN MANAGEMENT POLICY

Final Reviewed Version of January 2024

Reviewed by Council February 2024
in terms of Council....

MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY
LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

SUPPLY CHAIN MANAGEMENT POLICY REVIEW AND ADOPTION PROCESS

SUPPLY CHAIN MANAGEMENT POLICY 2023/2024- 2024/2025				
Item No.	Original Author(s)	Policy status	Council Resolution No	Date of Approval
1	Mrs. Betty Nkoe	15 th Review		
2	Name of Speaker Ms. Nomazizi Maputle	15 th Review		
3	Name of Accounting Officer (MM)	Signature	Date	
4	Mr. SB Matlala			

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the Supply Chain Management Policy of the **Sol Plaatje Municipality**

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A. Abbreviations:

ABBREVIATION	MEANING
AC	Accounting Officer
AG	Auditor General
B-BBEE	Board Based Black Economic Empowerment
B-BBEE Act	Board Based Black Economic Empowerment, Act No, 53 of 2003
BEE	Black Economic Empowerment
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board 2000 (Act No.38 of 2000)
DTI	Department of Trade and Industry
EMT	Executive Management Team
GCC	General Conditions of contract
IDP	Integrated Development Plan
IT	Information Technology
ITC	Information to Consultants
LCC	Life Cycle costing
MFMA	Municipal Finance Management Act, act No. 56 of 2003
MM	Municipal Manager
MSA	Municipal Systems Act
MSCM Regulations	Municipal Supply Chain Management Regulations
MTREF	Medium Term Revenue and Expenditure Framework
NIPP	National Industrial Participation Programme
NT	National Treasury
PCCA	Prevention and Combating of Corrupt Activities Act, Act No.12 of 2004
PPP	Public -Private Partnership
PPP	Preferential Procurement Policy
PPPFA	Preferential Procurement Policy Framework Act, Act No. 5 of 2000
PT	Provincial Treasury
QBS	Quality Based Selection
QCBS	Quality and Cost Based Selection
RDP	Reconstruction and Development Programme
RFI	Request for Information
RFP	Request for Proposal
RFQ	Request for Quotation
SAPS	South African Police Services
SARS	South African Revenue Services
SCM	Supply Chain Management
SCM Unit	Supply Chain Management Unit
SITA	State Information Technology Agency
SLA	Service Level Agreement
SPM	Sol Plaatje Municipality
TCO	Total Cost of Ownership
TOR	Terms of Reference
WIP	Work in Progress

B. Definitions

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Municipal Finance Management Act and relevant regulations has the same meaning as in the Act and relevant Regulations.

TERM	DEFINITION
Acceptable tender	Means any tender which, in all respects, complies with the specifications and conditions of tender as set out in the tender document.
Accountability	The personal responsibility of a person to his senior or higher authority for any act or omission in the execution of his assigned duties (accountability cannot be delegated).
Accounting	Means the recording of all receipts and issues and continued recording thereof.
Accounting Officer	Means the Municipal Manager and also means the municipal officer referred to in section 60 of the MFMA.
Accredited agent	Service provider who is authorized to deliver certain goods/services and can be trading in a specific area, however an accredited agent is not a sole provider.
Accredited	Goods/services that are officially recognized, are generally accepted or having a guaranteed quality.
Acquisition Management	<p>The process of procurement of goods, work and services and includes the:</p> <ul style="list-style-type: none">▪ Identification of preferential policy objectives;▪ Determination of market strategy;▪ Application of depreciation rates;▪ Application of total cost of ownership principle;▪ Compilation of quotation/bid documentation, including conditions;▪ Determination of evaluation criteria;▪ Publishing of quotes/bids;▪ Receiving and opening of quotes/bids;▪ Evaluation of quotes/bids and tabling of recommendations;▪ Award of quotes/bids;▪ Negotiations;▪ Compilation and signing of contract documents;▪ Access to information;▪ Contract administration
Asset	<p>It is a resource controlled by the municipality as a result of past events and from which future economic benefits or service potential is expected to flow to the municipality. It has the following characteristics:</p> <ul style="list-style-type: none">▪ It possesses service potential or future economic benefit that is expected to flow to the municipality;▪ It is controlled by the municipality;▪ It originates as a result of a past transaction or event.
Asset Controller	A person delegated to be in charge of a division/section and to whom non-consumable items are issued. The asset controller will be held responsible for these items, until such times as they are returned to store or are disposed of. The asset controller may appoint sub asset holders.

TERM	DEFINITION
Authority	Authority is the right or power attached to a rank or appointment permitting the holder thereof to make decisions, to take command or to demand action by others.
Black people	A generic term which means Africans, Coloureds and Indians as defined in the Broad-Based Black Empowerment Act (No. 53 of 2003).
Black Designated Group	Assigned to it in the codes of good practice issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act. In the context of this policy it shall therefore mean black people; women, people with disabilities; or small enterprises, as defined in section 1 of the National Small Enterprise Act, 1996 2.11. (Act No. 102 of 1996).
Broad Based Black Economic Empowerment	Means the economic empowerment of all black people including women, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to: <ul style="list-style-type: none"> ▪ Increasing the number of black people that manage, own and control enterprises and productive assets; ▪ Facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises; ▪ Achieving equitable representation in all occupational categories and levels in the workforce; ▪ Preferential procurement; ▪ Investment in enterprises that are owned or managed by black people.
Chief Financial Officer	Means a person designated in terms of MFMA section 80(2)(a).
Community or broad-bases enterprise	Has an empowerment shareholder who represents a broad base of members such as local community or where the benefits support a target group for example black women, people living with disabilities, youth and workers.
Close Family Member	Means the spouse, child and parent of a person in the service of the state or who has been in the service of the state in the previous twelve months.
Combative Practices	Practices that includes but are not limited to: <ul style="list-style-type: none"> ▪ Suggestions to fictitious lower quotations; ▪ Reference to non-existent competition; ▪ Exploiting errors in bids; ▪ Soliciting bids from bidders whose names appear on the list or restricted bidders/suppliers/persons.
Competitive Bid	Bid in terms of a competitive bidding process.
Constitution	Republic of South Africa Act, No. 108 of 1996
Contract	Agreement that results from the acceptance of a bid by an organ of state.
Contract	means the agreement that results from the acceptance of a bid by an organ of state
Designated sector	means a sector, sub-sector or industry or product designated in terms of section 8(1)(a) of Preferential Procurement Regulations of 2017;
EME	means an. exempted micro enterprise in terms of a code of

TERM	DEFINITION
	good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
Emergency procurement	emergency cases are cases where immediate action is necessary in order to avoid dangerous or risky situation (life threatening) or misery such as floods or fires,
Conditions/Circumstances that necessitate Deviation.	<ul style="list-style-type: none"> ○ Disastrous situation leading to loss or damage to public or private property. ○ Life-threatening ○ Environmental pollution ○ Loss of revenue by the municipality
Exceptional / Urgent Cases	exceptional cases are cases where early delivery is of critical importance and the invitation of competitive bids is either impossible or impractical it must be shown where and how the market was tested. However, a lack of proper planning should not be constituted as an urgent case subject to the approval of the Accounting Officer. The nature of the urgency and the details of the justifiable procurement must be recorded.
Final award	in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;
Formal written price quotation	means quotations referred to in paragraph 12 (1) (c) of this Policy;
Highest acceptable tender	means a tender that complies with all specifications and conditions of tender and that has the highest price compared to other tenders;
“in the service of the state” means to be –	<p>(a) a member of –</p> <ul style="list-style-type: none"> (i) any municipal council; (ii) any provincial legislature; or (iii) the National Assembly or the National Council of Provinces <p>(b) a member of the board of directors of any municipal entity;</p> <p>(c) an official of any municipality or municipal entity;</p> <p>(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);</p> <p>(e) a member of the accounting authority of any national or provincial public entity; or</p> <p>(f) an employee of Parliament or a provincial legislature;</p>
Irregular expenditure	means expenditure, other than unauthorized expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation
Locality	Means the jurisdiction of the Sol Plaatje Municipality
Long term contract	means a contract with a duration period exceeding one year;
Lowest acceptance tender	means a tender that complies with all specifications and conditions of tender and that has lowest price compared to other tenders;

TERM	DEFINITION
List of accredited prospective providers	means the list of accredited prospective providers which the municipality must keep in terms of paragraph 14 of this policy;
Other applicable legislation"	means any other legislation applicable to municipal supply chain management, including (a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000); (b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); and (c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);
Military Veteran	has the meaning assigned to it in section 1 of the Military Veterans Act, 2011 (Act No. 18 of 2011)
Non-Executive Director	A Non-Executive Director is an independent member of the company's board or committee or tribunal, but he or she does not possess management responsibilities and gets paid a service fee, not a salary. They are not involved in the day-to-day operation, and they have no voting rights over any decision made.
Price	Means an amount of money tendered for goods and services and includes all applicable taxes less all unconditional discounts.
QSE	means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
Rand Value	Means the total estimated value of a contract in Rand, calculated at a time of the tender invitation.
Rural area	means- a sparsely populated area in which people farm or depend on natural resources, including villages and small towns that are dispersed through the area; area including a large settlement which depends on migratory labour and remittances and government social grants for survival, and may have a traditional land tenure system;
Specific goals	means specific goals may include categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender , military veterans, people with disability, locality and including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994. Specific goals include
Sub-contracting	means the primary contractor assigning or leasing or making out work to, or employing another person or contractor with lower CIDB grading with the intention to develop and capacitate such contractor in the execution of part of the project in terms of the contract.
Tender	means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;

TERM	DEFINITION
Tender for Income generating contracts	means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions.
“the Act”	Means the Local Government: Municipal Finance Management Act (Act No. 56 of 2003)
Treasury guidelines	means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;
The Regulations	means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;
Township	means an urban living area that any time from the late 19th century until 27 April 1994, was reserved for black people, including areas developed for historically disadvantaged individuals post 27 April 1994;
Municipality	means the Sol Plaatje Local Municipality.
Municipal Entity	has the meaning assigned to it by section 1 of the Municipal Systems Act, 2000.
SPLM	means the Sol Plaatje Local Municipality
Sole Provider	means a provider of specialized or exclusive goods/services who has a sole distribution/patent/manufacturing rights and copyrights.
Youth	has the meaning assigned to it in section 1 of the National Youth Development Agency Act, 2008 (Act No. 54 of 2008).

CHAPTER 1. INTRODUCTION

1.1 Adoption of SCM policy

1.1.1 The Municipal Supply Chain Management (MSCM) Regulations provide that:

- i. Regulations 3 (1) states that the Accounting Officer (AO) who is the Municipal Manager (MM) of the municipality shall:
- ii. promptly prepare and submit a draft Supply Chain Management (SCM) policy, complying with the MSCM regulation 2 to the Council for adoption:
- iii. at least annually review the implementation of the policy and
- iv. When the MM considers it necessary, submit the proposal for the amendment of the policy to the Council.

1.1.2 Regulations 3 (2) states that:

- i. The MM may use any Treasury guidelines determining standards for municipal SCM policies and submit to Council that standard or a modified version thereof, as a draft policy.
- ii. If the MM submit a draft policy to the Council that differs from the National Treasury guideline standard, the MM shall ensure that such draft policy complies with Regulations 2.
- iii. The MM shall report any deviation from the guideline standard to the National Treasury and relevant Provincial treasury.
- iv. Regulations 3 (3) states that when preparing or amending its SCM policy, the municipality shall take account of the need for uniformity in SCM practices, particularly to promote accessibility of SCM systems for small businesses.
- v. Regulations 3 (4) states that the MM shall in terms of section 62 (1) (f) (iv) of the MFMA take all reasonable steps to ensure that the municipality has implemented a SCM Policy as set out in regulation 2.

1.2 Review of SCM policy

1.2.1 The approved supply chain management (SCM) policy shall be reviewed at least annually to ensure that it is aligned with applicable legislation and regulations.

1.2.2 Following each review, if the SCM requires updating, the MM shall submit an updated draft policy to the Council for adoption.

1.3 Amended history

The amendments and reviews are done on an annual basis but in the case of NT instructions, amendments can be done as and when required.

1.4 Distribution of SCM policy

- 1.4.1 All changes shall be distributed to relevant SCM role players.
- 1.4.2 The reviewed policy was sent to the following:
 - The Policy Manager
 - The EMT
 - The Finance Committee
 - The Bid Committee Members
 - The Supply Chain Officials
 - Other Officials
- 1.4.3. This policy is applicable to all SPM Officials and all procurement activities shall be executed in line with this policy.

1.5 Transgression of SCM policy

- 1.5.1. Any SPM official who acts contrary to any provision of this policy, shall be subjected to disciplinary action in line with SPM 's Disciplinary Policy.

1.6 Specific Goals

- 1.6.1. The specific goals emanate from the Preferential Procurement Policy Act 5 of 2000, which its main purpose is to advance the participation of Small Medium and Micro Enterprises (SMME's) as well as historically disadvantaged Individuals (HDIs) in mainstream public procurement. In addition, the RDP makes provision for SMMEs and HDIs to participate effectively in the economy.

This thus gives rise to specific goals as contemplated in section 2(1)(d) of the Act which includes contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender, and disability. The basket of specific goals that the municipality seeks to achieve is outlined in the Municipality Preferential Procurement Policy 2023.

CHAPTER 2: IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. Supply Chain Management policy

1. All relevant role players in the supply chain management system of the Sol Plaatje Municipality must implement this Policy in a way that –
 - (a) gives effect to
 - (i) section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
 - (b) is fair, equitable, transparent, competitive, and cost-effective;
 - (c) complies with –
 - (i) Chapter 2 of the Regulations Framework; and
 - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
 - (d) is consistent with other applicable legislation;
 - (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
 - (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
2. The Policy applies when the municipality:
 - (a) procures goods, services or infrastructure deliveries;
 - (b) disposes of goods no longer needed;
 - (c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
 - (d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.
3. The Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including
 - (a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - (b) electricity from Eskom or another public entity, another municipality or a municipal entity.

3. Amendment of the Supply Chain Management policy

1. The Accounting Officer must:
 - (a) at least annually review the implementation of this Policy; and
 - (b) when the Accounting Officer considers it necessary, submit proposals for the amendment of this Policy to the council.
2. If the Accounting Officer submits proposed amendments to the council that differs from the model policy issued by the National Treasury, the Accounting Officer must –
 - (a) ensure that such proposed amendments comply with the Regulations, chapter 2; and
 - (b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
3. When amending this supply chain management policy, the municipality must take account of the needs for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

4. Delegation of Supply Chain Management powers and duties

1. The council hereby delegates all powers and duties to the Accounting Officer which are necessary to enable the Accounting Officer:
 - (a) to discharge the supply chain management responsibilities conferred on Accounting Officers in terms of:
 - (i) Chapter 8 or 10 of the Act; and
 - (ii) this Policy;
 - (b) to maximize administrative and operational efficiency in the implementation of this Policy;
 - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
 - (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
2. Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an Accounting Officer in terms of sub-section (1).
3. The Accounting Officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee that is not exclusively composed of officials of the municipality;

4. This section may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in section 26 of this Policy.

5. Sub-delegations

1. The Accounting Officer may in terms of section 79 or 106 of the Municipal Finance Management Act and sections 4 and 5 of the Supply Chain Management Regulations as well as the Delegation Register of the municipality sub-delegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of this Policy, but any such sub-delegation must be consistent with sub-section (2) of this section and section 4 of this Policy.
2. The power to make a final award:
- (a) above R10 000 000 (VAT included) may not be sub-delegated by the Accounting Officer.
 - (b) above R300 000 (VAT included) but not exceeding R10 000 000 (VAT included) must be sub-delegated to the bid adjudication committee.
 - (c) above R30 000 (VAT included) but not exceeding R300 000 (VAT included) must be procured by inviting formal written quotations and advertised for minimum of 7 calendar days, to attract as many possible service providers that are registered on the CSD. This must be done in accordance with Preferential Procurement Regulations of 2022 and final evaluations and must be approved by General Manager of supply chain management, or his/her delegate. The Chief Financial Officer must be provided monthly with a list of all procurements.
 - (d) Petty cash procurement above R100 but not exceeding R2000, may be sourced from one supplier, however specific goals shall be applied regardless.
 - (e) Formal Written Price Quotation (FWPQ) for procurement above R2000.00 (VAT included) but not exceeding R30,000 (VAT included) may be procured by inviting formal written quotations from at least 3 (three) prospective service providers. All quotations invited must be recorded and approved by the Manager Acquisition, or his/her delegate and the specific goals shall be applied. All quotations will be subjected to 80/20 points calculations. The 80 points will be for price, 20 points will be for specific goals.

The following specific goals and points are applicable:

Locality	Women	Youth	Total
10	5	5	20

3. The bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with subsection (2) must within **seven working days** after each award submit to the Accounting Officer, a written report containing particulars of each final award made by such official or committee during that month, including:
- (a) the amount of the award;
 - (b) the name of the person or company to whom the award was made; and
 - (c) the reason why the award was made to that person or company.

4. A written report referred to in sub-section 3 must be submitted:
 - (a) to the Accounting Officer, in the case of an award by:
 - (i) the Chief Financial Officer; or his/her delegate.
 - (ii) a Bid Adjudication Committee of which the Chief Financial Officer or his/her delegate; or
5. Sub-sections (3) and (4) of this policy do not apply to procurements out of petty cash. This section may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in section 26 of this Policy.
6. No supply chain management decision-making powers may be delegated to an advisor or consultant.

6. Oversight role of council

1. The council reserves its right to maintain oversight over the implementation of this Policy.
2. For the purposes of such oversight the Accounting Officer must:
 - (a) Within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
 - (b) Whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to council.
3. The Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Executive Mayor.
4. The reports must be made public in accordance with section 21A of the Municipal Systems Act as well as section 75 of MFMA.
5. For the purposes of oversight in accordance with MFMA Circular 77 the Accounting Officer must:
 - (a) within **30 days of the end of each financial year**, submit a report on the implementation of this Policy and the equivalent policy to the council;
 - (b) whenever there are serious and material problems in the implementation of the Policy immediately submit a report to the council;
 - (c) within **10 days of the end of each quarter**, submit a report on the implementation of the Policy to the Executive Mayor; and
 - (d) make the reports public in accordance with section 21A of the Municipal Systems Act Of 2000.

7. Supply Chain Management unit

1. A supply chain management unit is hereby established to implement this Policy.
2. The supply chain management unit operates under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

8. Training of Supply Chain Management officials and Bid Committees.

The Accounting Officer and all other officials of the municipality involved in the implementation of the SCM Policy must meet the prescribed competency levels in terms of the National Treasury Competency Regulations:

- (i) The municipality must provide opportunities and resources for training of officials preferred to meet the relevant prescribed supply chain management competency levels.
- (ii) That National and Provincial Treasury or any other accredited body may assist the municipality in the training of officials in meeting the relevant prescribed supply chain management competency levels.
- (iii) The members of the bid committees must be provided with relevant training in order to effectively and efficiently execute their delegated duties in connection with bids.
- (iv) Refresher training must be provided annually to SCM officials and bid committee members.

CHAPTER 3: SUPPLY CHAIN MANAGEMENT SYSTEM

9. Format of Supply Chain Management system

This Policy provides systems for:

- (i) Demand and Specification Management;
- (ii) Acquisition Management;
- (iii) Logistics and Disposal Management;
- (iv) Risk and Performance Management;

10. System of Demand and Specification Management

1. The Accounting Officer must establish and implement an effective system of demand management in order to ensure that the resources required by the municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.
2. The Demand Management system must:
 - (a) be co-ordinated by SCM in consultation with end users.

- (b) Include timely planning and management processes through the proper implementation of the consolidated procurement plan as well as the Quotation Procurement Request Plan.
- (c) Each end user department shall perform an annual needs analysis of strategic objectives and programmes involving SCM and Finance to determine strategic sourcing that will ultimately provide best value for money.
- (d) Consider any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature.
- (e) Provide for the compilation of the required specifications to ensure that its needs are met.
- (f) undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.
- (g) Annually inform Line Managers to submit all Procurement Plans for the new financial year before the 31st March annually.

10. (a) Framework for Infrastructure Procurement (Gate 1- 4)

The framework for infrastructure procurement outlines the minimum infrastructure procurement policy requirements for municipal planning and implementation.

The strategic direction set in the Integrated Development Plan (IDP) informs the framework for infrastructure procurement. For example, procurement strategies must be aligned to the municipality's developmental and internal transformation needs, as specified in the IDP.

1. Minimum Requirement for Infrastructure Procurement

- (a) Infrastructure procurement must be undertaken in accordance with all applicable Infrastructure Procurement related legislation and this Framework.
- (b) Infrastructure procurement must be implemented in accordance with the institutional Supply Chain Management System, which promotes differentiated procurement for infrastructure.
- (c) Infrastructure procurement must be implemented in accordance with the procurement gates prescribed in paragraph 11.
- (d) The Accounting Officer must ensure that a budget is available for the duration of the project, in line with MFMA provisions for capital and operating budgets.
- (e) The Accounting Officer must ensure that cash flow management processes are in place to meet payment obligations within the time periods specified in the contract.
- (f) Procurement gates provided in paragraph 11 of this policy must be used, as appropriate, to:
 - (i) Authorise commencement of activities that lead to the next control gate;
 - (ii) Confirm conformity with requirements; and/or
 - (iii) Provide information
- (g) The authorisation to proceed to the next procurement gate must be given by a delegated person or body. The delegated person or body must be able to apply relevant built environment knowledge and skill to achieve the intended results required at the relevant procurement gate. The level of detail contained in the

- documentation on which a decision to proceed to the next procurement gate is made, must be sufficient to enable an informed decision.
- (h) The Accounting Officer must develop and implement effective and efficient emergency procurement procedures, including relevant approval delegation, in compliance with relevant legislation.
 - (i) The Accounting Officer must develop and implement an effective and efficient infrastructure disposal policy in line with the Municipal Asset Transfer Regulations. The institution may consider disposal strategies aligned to their internal disposal policy, prior to proceeding with the procurement strategy.
 - (j) The Accounting Officer must keep records of Procurement Gate Approvals, in a manual or electronic format, with the following minimum requirements:
 - (i) Procurement gate;
 - (ii) Delegated person/s or body;
 - (iii) Date on which the approval request was received;
 - (iv) Date on which the approval was actioned; and
 - (v) Signature of the delegated person or body.
 - (k) All assets must be recorded in the municipal asset register as required by the GRAP standards.

1.1. Infrastructure Procurement Gates (PG1)

- (a) Initiate a procurement process;
(See Annexure C: In order for the initiation to be completed, and the decision to proceed with procurement is effected; the Project Stage Deliverables for Stages 1 and 2 must be completed. In the case of Mega Projects (Projects in excess of R50 million) the Gateway Review requirements must be adhered to as stipulated within Annexure C)

1.2. Minimum Requirement for PG 1

- (i) Establish and clarify the procurement need, aligned to the municipality's development and transformation priorities specified in the IDP.
 - (ii) Determine a suitable title for the procurement, to be applied as the project description.
 - (iii) Prepare the broad scope of work for the procurement.
 - (iv) Perform market analysis.
 - (v) Estimate the financial value of proposed procurement and contract for budgetary purposes, based on the broad scope of work.
 - (vi) Confirm the budget.
 - (vii) Compliance with section 33 of the MFMA with respect to community and stakeholder consultation.
- (b) PG 1 is complete when a designated person or body makes the decision to proceed/not to proceed, with the procurement of the infrastructure.

1.3 Procurement Gate 2 for PG 2:

- (a) Approve procurement strategy to be adopted.
(See Annexure C: In order for the procurement strategy to be adopted, and the decision to proceed with an approved procurement strategy; the Project Stage Deliverables for Stages 3 and 4 must be completed)

1.3.1 Minimum Requirement for PG 2:

- (a) Develop a procurement strategy aligned to the institutional procurement strategy:
 - (i) Establish contracting and pricing strategy comprising of an appropriate allocation of responsibilities and risks; and the methodology for contractor payments.
 - (ii) Identify service required for works.
 - (iii) Decide on contracting strategy.
 - (iv) Decide on pricing strategy.
 - (v) Decide on form of contract.
 - (vi) Establish opportunities for promoting preferential procurement in compliance with legislative provisions and the Construction Sector Code.
- (b) PG 2 is complete when a delegated person or body approves the procurement strategy that is to be adopted.

1.4 Procurement Gate 3 (PG 3)

- (a) Approve procurement documents.

1.4.1 Minimum requirements for PG 3:

- (b) Prepare procurement documents that are compatible with:
 - (i) Approved procurement strategies.
 - (ii) Project management design documentation.
- (c) PG 3 is complete when the Bid Specification Committee approves the procurement document.

1.5 Procurement Gate 4 (PG 4)

- (a) Confirm that cash flow processes are in place to meet projected contractual obligations.

1.5.1 Minimum requirement for PG 4

- (a) Confirm that cash flow processes are in place to meet contractual obligations.
- (b) Establish control measures for settlement of payments within the time period specified in the contract.
- (c) PG 4 is complete when a delegated person or body confirms in writing that cash flow processes are in place; and control measures are established for the procurement to take place.

1.6 Verification of bids in excess of R10 million

Prior to advertisement: Verification by the CFO, the senior manager responsible for a vote must submit to the CFO:

- proof that budgetary provision exists for the procurement of the goods/services and / or infrastructure projects;
- any ancillary budgetary implications related to the bid;
- any multi-year budgetary implications;

11. System of Acquisition management

1. The Accounting Officer must implement the system of acquisition management set out in this Part in order to ensure:

- (a) that goods and services are procured by the municipality in accordance with authorized processes only;
- (b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
- (c) procurement of goods and services, either through quotations of a bidding processes, shall be within the threshold values as determined by National Treasury; and
- (d) the approval of the thresholds of supply chain officials are set and reviewed annually.

2. When procuring goods or services contemplated in section 110(2) of the Act, the Accounting Officer must inform council and must be made public that such goods or services are procured otherwise than through the municipality supply chain management system, including:

- (a) the kind of goods or services; and
- (b) the name of the supplier.

11. (a) Framework for Infrastructure Procurement (Gate 5 - 7)

The framework for infrastructure procurement outlines the minimum infrastructure procurement policy requirements for municipal planning and implementation. The strategic direction set in the Integrated Development Plan (IDP) informs the framework for infrastructure procurement. For example, procurement strategies must be aligned to the municipality's developmental and internal transformation needs, as specified in the IDP.

1. Procurement Gate 5 (PG 5)

(a) Solicit tender offers.

Minimum requirements for PG 5

- (i) Invite contractors to submit tender offers.
- (ii) Receive tender offers.

- (iii) Record tender offers.
- (iv) Safeguard tender offers.
- (b) PG 5 is complete when tender offers received are recorded and safeguarded by a delegated person from the SCM unit.

2. Procurement Gate 6 (PG 6)

- (a) Evaluate tender offers premised on undertakings and parameters established in procurement documents.

Minimum Requirement for PG 6:

- (i) Determine whether tender offers are complete.
- (ii) Determine whether tender offers are responsive.
- (iii) Evaluate tender submissions.
- (iv) Review minimum compliance requirements for each tender.
- (v) Perform a risk analysis.
- (vi) Prepare a report on tender offers received, and on their achievement of minimum compliance.
- (b) PG 6 is complete when the chairperson of the Bid Evaluation Committee approves the BEC report.

3. Procurement Gate 7 (PG 7)

- (a) Award the contract.

Minimum Requirement for PG 7:

- (i) Bid adjudication committee review of the BEC evaluation report.
- (ii) Bid Adjudication Committee makes an award.
- (iii) Accounting Officer Approval of the tender process.
- (iv) Notify successful tenderer and unsuccessful tenderers of the outcome.
- (v) Sign contract document.
- (vi) Formally accept tender offer.
- (b) PG 7 is complete when the Accounting Officer or the Bid Adjudication Committee where delegated, confirms that the tenderer has provided evidence of complying with all requirements stated in the tender data and formally accepts the tender offer in writing, and issues the contractor with a signed copy of the contract.

12. Range of procurement processes

- 1. Goods and services may be procured by way of:

Table: 3

Description	Value (VAT inclusive)	Advertisement
Petty cash purchases	Transaction up to value of R 2000 (SCM no longer have physical cash but generate an official order.)	Request the quotation through an email.
Written quotation	R 2000 to R 30 000 (Minimum three quotations)	Request the quotation through email.
Formal written price quotation	R 30 001 to R 300 000 (7 days advertisement quote)	Advertised on the municipal website, may be advertised on E-tender as attract on re-advertisement basis.
Competitive bidding process	Above R300 000 (Tender)	Advertised on the municipal website, CSD e-tender, local newspaper and CIDB

2. Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

13. General preconditions for consideration of written quotations or bids

1. A written quotation or bid may not be considered unless the provider who submitted the quotation or bid:
 - (a) has furnished the municipality with the following details:
 - (i) full name of sole proprietor or company;
 - (ii) identification number, company registration number or other;
 - (iii) Tax Compliance Status (TCS) pin from the SARS;
 - (iv) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears for 90 days or Submit a current Municipal Account or Lease Agreement.
 - (v) Declaration of interest is compulsory (MBD4) to be completed and signed.
 - (vi) Compulsory disclosure of related parties in terms of MBD4 - 3.13.
 - (vii) Full disclosure of business interests on MBD4 - 3.14 must be in line with the CSD report/ CIPC document.
 - (viii) No bid will be accepted from persons in the service of the state.
 - (ix) The Current compliant Central Supplier database report (CSD).
 - (x) CSD report, a valid BBBEE certificate accredited by South African National Accreditation System (SANAS) or an original Sworn Affidavit for EMEs and QSEs or BBBEE certificate for EME's and start up enterprises; to claim points for specific goals.
 - (xi) Medical Certificate where a specific goal for disability is applicable.

- (b) Requirements for construction and engineering-related bids should be awarded according to CIDB Regulations and have indicated or disclosed:
 - (i) If a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (ii) any person or service provider who fails to disclose his or her employment status with organs of state, his or her contract will be terminated immediately, the service provider shall be deregistered and shall not be allowed to bid for a period not less than three years and shall be reported to National Treasury for blacklisting.
- (c) Any persons or directors in the service of the state, or has been in the service of the state in the previous twelve months are not allowed to do business with the municipality and this excludes non-executive directors as per definition in (d) below.
- (d) A Non-Executive Director is an independent member of the company's board or committee or tribunal, but he or she does not possess the management responsibilities and get paid a service fee not a salary. They are not involved on day to day operations and they have no voting rights over any decision made.

14. Lists of service providers

1. The Accounting Officer must:
 - (a) keep a list of service providers of goods and services that must be used for the procurement requirements through Petty cash written quotations and formal written price quotations;
 - (b) at least once a year through various mode of communication invite service providers to register and update business information as well as commodities or type of business on the municipal database.
 - (c) Failure to update the account will be deactivated (inactive) until renewal has been made.
 - (d) Service providers are allowed to submit applications for listing at any time.
 - (e) specify the minimum listing criteria for service providers:
 - (i) Business or Owner's address;
 - (ii) Bank confirmation letter of the business;
 - (iii) CSD report;
 - (iv) SARS Tax Compliance Status (TCS) pin for tax status;
 - (v) An annual compulsory declaration of interest (MBD4)
 - (vi) Listing criteria stating services provided by bidders;
 - (vii) Municipal rates and taxes not in arrears for more than 90 days, or valid lease agreement stating who is responsible for the municipal account;
 - (viii) No award will be made in terms of this policy to a person whose municipal rates, taxes and service fees are not paid-up or no arrangements have been made with the relevant Municipality to paid-up arrears.

- (ix) BBBEE certificate accredited by SANAS or a Sworn Affidavit for EME'S and QSE'S for ownership and supplier classes.
 - (f) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector, in accordance with the MFMA Circular 46 (as amended from time to time).
- 2. The commodity must be aligned with the goods and services provided by suppliers as per listing criteria.
- 3. In the case where the supplier database is maintained by a government department, in this case, National Treasury, through the Central Supplier Database, the municipality shall keep records of service providers at the level of detail that will ensure minimum compliance requirements in as far as status of the municipal account, declaration of interest, relatedness to people in service of state.

15. Petty Cash purchases

- 1. The conditions for the procurement of goods by means of petty cash purchases referred to in section 12 (1) (a) of this Policy, are as follows:
 - (a) Council determines the terms on which a manager may delegate responsibility for petty cash to an official reporting to the manager; petty cash threshold to be delegated per month is R2000 per case;
 - (b) The Council determines the maximum number of petty cash purchases or the maximum amounts per month for each manager; the threshold per month is R2000 in total per case;
 - (c) a monthly reconciliation report from the acquisition manager must be provided to the chief financial officer, including:
 - (i) the total amount of petty cash purchases for that month; and
 - (ii) receipts and appropriate documents for each purchase.
 - (d) insert any other conditions determined by the council.

16. Sole provider and Accredited agency

- (a) For the sole provider or accredited agency, the procurement of any class of goods (parts) or services will be procured within the threshold of less than R200 000 for each sole provider or accredited agency as it will be determined by the Supply Chain. This will be selected from the database of accredited agencies and the sole provider. This procurement strategy cannot be viewed as splitting but to improve service delivery. This clause is in line with section 62 of the policy under the sole provider.

17. Formal Written Price Quotations (FWPQ)

1. The conditions for the procurement of goods or services through formal written price quotations are as follows:
 - (a) At least three (3) written price quotations must be obtained from three (3) different suppliers registered on the CSD.
 - (b) if it is not possible to obtain at least three (3) written price quotations from three (3) different suppliers registered on the CSD, except where suppliers are exempted from registration on the CSD, the reason should be recorded and approved by the Head of supply chain management and maintained for audit purposes.
 - (c) The Head of supply chain management must ensure that the prices received are market-related by testing the market through requests for quotation and where they are not, negotiations may be entered into or re-advertisement.
 - (d) The Supply Chain Management must record the names of the potential providers and their written quotations.
 - (e) The specific goals are applicable for all quotations and will be subjected to 80/20 points.
 - (f) The 80 points for price, 20 points for specific goals and will be allocated as follows:
 - (g) 10 points for Locality, 5 points for women, and 5 points for youth.

The following specific goals and points are applicable:

Locality	Women	Youth	Total
10	5	5	20

2. A designated official referred to in sub-section (1) (d) must at the end of each month report to the Chief Financial Officer.

18. The procedure for the procurement of goods or services through formal written price quotations, is as follows:

- (a) When using the list of service providers, the Accounting Officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis.
- (b) All requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of section 17, be advertised for at least seven (7) **calendar** days on the website and/or CSD e tender and an official notice board of the municipality; evaluation will be on 80:20-point system where 80 points is for price and 20 points for specific goal as per the Preferential Procurement Regulation of 2022 and SPM Preferential Procurement Policy 2023.
- (c) Offers received must be evaluated on a comparative basis taking into account only unconditional discounts;

- (d) the Chief Financial Officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;
- (e) On the second time of re-advertising a bid/quotation, suppliers on the municipal database may be consulted to apply for the bid, this must be construed as supplier relationship.
- (f) The prescripts of the PPP 2023 and its Regulations shall be applied to all procurement below R 50 million (all applicable taxes included) for 80/20;
- (g) The prescripts of the PPP 2023 and its Regulations shall be applied to all procurement above R 50 million (all applicable taxes included) for 90/10 tenders;
- (h) Acceptable offers, which are subject to specific goals in line with PPP 2023 and associated regulations, must be awarded to the bidder whose offer is according to specifications, has got the ability to deliver the required service, has scored the highest points and is compliant with all the SCM requirements and is registered on CSD;
- (i) The delegated officials must ensure that quotations received from bidders, letters of award and any other related relevant documentation are maintained in a standard filing system for proper record keeping purposes.

19. Competitive Bidding process

1. Goods or services above a transaction value of R300 000 (VAT included) and long-term contracts may only be procured through a competitive bidding process, subject to section 11(2) of this Policy.
2. No requirement for goods or services above an estimated transaction value of R300 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.
3. Point systems to be used:
 - 3.1 80:20-points

80 points for price
20 points for specific goals
(equal to or below R50 million)
 - 3.2 90:10-point system

90 points for price
10 points for specific goals
(Above R50 million)
 - 3.3 The specification committee will indicate on a bid document if functionality criteria points need to be used, and the evaluations committee will evaluate based on the functionality criteria for a specific bid.
 - 3.4 For construction projects CIDB Act and Regulations to be used for quotations/bids from the value of R30 000 .

20. Procedures for Competitive Bidding

1. The procedures for the following stages of a competitive bidding process are as follows:
 - (a) Compilation of bidding documentation as required;
 - (b) Public invitation of bids in line with the policy;
 - (c) Site meetings or briefing sessions as and when required.
 - (d) Handling of bids submitted in response to public invitation in line with the policy;
 - (e) Evaluation of bids in line with the policy
 - (f) Award of contracts in line with the policy;
 - (g) Administration of contracts; and
 - (h) Proper record keeping;
 - (i) Original legal copies of written contract agreements should be kept in a secure place for reference purposes.

21. Compilation of bid documentation for Competitive bids

1. In addition to regulation 13 the criteria to which bid documentation for a competitive bidding process must:
 - (a) take into account:
 - (i) the general conditions of contract and any special conditions of contract, if specified;
 - (ii) any Treasury guidelines on bid documentation; and
 - (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
 - (b) include the specific goals to be used, as contemplated in the Preferential Procurement Regulations of 2022, & Preferential Procurement Policy 2023 and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
 - (c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
 - (d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish:
 - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements:
 - (aa) for the past three years; or
 - (bb) since their establishment if established during the past three year;
 - (ii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
 - (iii) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and

- (e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation) or when unsuccessful, in a South African court of law. The Accounting Officer reserves the right to stipulate that such a dispute to be settled utilizing a court of law within the jurisdiction of Sol Plaatje municipality.

22. Public invitation for Competitive Bids

1. Supply chain management policy must determine the procedure for the invitation of competitive bids and must stipulate:
 - (a) That any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality **or** any other appropriate ways which may include the Government Tender Bulletin, e-Tender Publication, CIDB i-Tender system for construction-related tenders, and in any other appropriate media.
 - (b) The information contained in a public advertisement, must include:
 - (i) The bid must be advertised a minimum of 30 calendar days, from the date on which the advertisement is placed in a newspaper/municipal website and e-tender.
 - (ii) In exceptional cases the tender will be advertised for 14 calendar days subject to approval by the Accounting Officer, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.
 - (iii) If the tender is for a period of more than 12 months or value exceeding R10 million VAT inclusive, the tender cannot be advertised for 14 days.
 - (iv) All bids may only be submitted on the bid documentation provided by the municipality; and
 - (v) date, time and venue of any proposed site meetings or briefing sessions must be stipulated on the tender invitation.
2. Bids submitted must be sealed; the envelope must contain the bid number, description of bid and closing date.

23. Procedure for Handling, opening and recording of bids.

1. The time for the bid opening should be the same as the closing of bids, or promptly thereafter and should be announced, together with the place for bid opening, in the invitation to bid. The normal closing time for submission of bids is 10:00 and immediately opening will take place.
2. For RFQ, RFP, emergency, closed tenders closing time as and when will be determined by SCM.
3. All bids must be opened in public at the stipulated place and time, if practical. Notwithstanding the number and volume of the bids received, bidders or their representatives should be allowed to be present at the bid opening meeting immediately after closing.

4. The names of the bidders and if practical, the total price of each bid and of any alternative bids, should be read aloud. Immediately after opening, a current CSD report should be printed to establish compliance to SARS.
5. The procedures for the handling, opening and recording of bids, are as follows:
 - (a) Bids:
 - (i) must be opened in public;
 - (ii) must be opened at the same place and time of the closing of bids; and
 - (iii) bids received after the closing time should be recorded and but will not be considered and will be returned unopened immediately.
 - (b) An opening register must be compiled for all bids received and must be made available for public inspection;
 - (c) No information must be disclosed to bidders before awards.
 - (d) The bidding results will be made available to public on the Municipal website and it is the responsibility of the bidders to regularly visit the municipal website in order to obtain details of successful/unsuccessful information.

24. Negotiations with preferred bidders

1. For tenders advertised through a competitive bidding process, the necessary approval or mandate to negotiate with any service provider must be obtained in writing from relevant BAC or Accounting Officer or any delegated official, as the case may be.
2. The approval or mandate to negotiate must at least include the following:
 - (a) Reasons for negotiations (price negotiations)
 - (b) Negotiation parameters
 - (c) Objectives of the negotiations
 - (d) Names of identified service providers to negotiate with and
 - (e) Names of the persons authorized to conduct the negotiations - the Adhoc committee appointed by the Accounting Officer.
 - (f) Minutes and attendance register of the negotiating team must be recorded in writing or virtual recording.
3. For RFQ (web quote, deviations, closed tenders below R300 000), and RFP, the General Manager of SCM and SCM team are mandated to negotiate with any service providers in a fairly, equitable transparent, competitive, cost-effective and must be done within the parameters set above and the principles of best practice.
4. The Accounting Officer may, in terms of this Supply Chain Management Policy negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provide that such negotiation:
 - (a) does not allow any preferred bidder a second or unfair opportunity.
 - (b) is not to the detriment of any other bidder; and
 - (c) does not lead to a higher price than the bid as submitted.
5. Minutes of such negotiations must be kept for record purposes.
6. All negotiations must be exercised in a fair, equitable, transparent and competitive manner that will not unduly disadvantage other bidders and comprise integrity of the process.

25. Two-stage bidding process

1. A two-stage bidding process is allowed for:
 - (a) large complex projects;
 - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) long term projects with a duration period exceeding three years.
2. In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
3. In the second stage final technical proposals and priced bids should be invited.

26. Committee system for Competitive Bids

1. A committee system for competitive bids shall consist of the following committees:
 - (a) a bid specification committee;
 - (b) a bid evaluation committee; and
 - (c) a bid adjudication committee;
2. The Accounting Officer appoints the members of each committee, taking into account section 117 of the Act; and cannot be sub-delegated except for the CFO in the adjudication committee who can appoint a sub-delegate:
 - (a) All members of the three committees are appointed for 12 months and may be re-appointed for another 12 months (1st July to 30th June) and must declare their financial interest in line Municipal policies, sign the SCM code of conduct, and also declare business interest(s) as per Regulation 46(2)(e) and (f).
3. Members of all the bid committees are jointly and severally responsible for the decisions made by the committees in which they serve.
4. A neutral or independent observer, appointed by the Accounting Officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency. Such an observer must ensure there is no conflict of interest and should not participate in any government procurement processes.
5. The committee system must be consistent with:
 - (a) sections 27, 28 and 29 of this Policy; and
 - (b) any other applicable legislation.
6. The Accounting Officer may appoint the committee system to formal written price quotations.
7. Quorum: The Bid Committees cannot undertake business without a quorum present, consisting of 50% plus 1 of its total members with voting powers (rounded to the nearest whole number).

27. Bid Specification Committee

The Accounting Officer / Authority is responsible for the appointment of bid committees and such appointment must be in writing:

1. A bid specification committee must compile the specifications for the procurement of goods or services for infrastructure delivery in accordance with MFMA Circular 77 by the municipality.
2. Determining Specifications/Terms of reference:
 - (a) The Bid Specification Committee shall draw up clear specifications and terms of reference.
 - (b) Include clear evaluation criteria prior to the invitation of the quotation/bid as offers may only be evaluated according to the criteria stipulated in the quotation/bid document.
 - (c) It is the responsibility of the end user through the facilitation of the Cross-Functional Team and the Bid Specification Committee to compile detailed and clear specification with which to source proposals.
 - (d) Specifications should be based on relevant characteristics and/or performance requirements. Reference to brand name, catalogue numbers, or similar classifications to be avoided. If it is necessary to quote a brand name the words "or equivalent" should be added after the reference.
 - (e) The specification should commit the acceptance of office for goods which have similar characteristics, and which provide performance at least equivalent to those specified. The quality required should not be over-specified to the extent that it will be impossible for others to offer such a product.
 - (f) Must indicate the specific goal for each tender before advertisement takes place in line with Preferential Procurement Regulation 2022 and as set out in the Preferential Procurement Policy 2023.
 - (g) The Bid Specification Committee must determine the Bid advert days in line with Supply Chain Policy.
 - (h) The BSC is responsible for approval of Bid specification prior to publication of the invitation for bids in terms of this Policy.
 - (i) The specification committee will indicate on a bid document if functionality criteria points need to be used.
 - (j) The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of their own to preside at the meeting provided they form a quorum.
3. A bid specification committee must be composed of 50% + 1 (one) of the appointed members, for a period as determined by the Accounting Officer; the Chairperson; Engineer (depending on the type of specification); SCM practitioner; official from Finance / Budget Office (BTO) and a Secretariat of the BSC and other officials from any cross functional section depending on the number of members.
4. All committee members must declare their interests during the introduction of the meeting either in writing or virtual.

5. The Line Managers will be invited as and when their items are presented at the Bid Specification Committee for their presentation.
6. Internal or external advisor with no voting rights can form part of the Bid Specification Committee and the number of specialists is not restricted.
7. A legal expert may be required to provide advisory support to the committee.
8. the Risk Manager attending the meeting shall ensure that evaluations are compliant to policy, procedure and process.
9. The specification committee will approve the functionality points that must be used.
10. No person, advisor or corporate entity involved with the bid specification and procurement documentation committee, or director of such a corporate entity, may bid for any resulting contracts.
11. Secretariat of the BSC shall fulfill the professional Secretariat function.
12. For general goods and services that are frequently procured, a specifications library may be compiled, and such specifications revised annually.

28. Bid Evaluation Committee

The accounting Officer / Authority is responsible for appointment of bid committees and such appointment must be in writing:

1. Bid Evaluation Committee for infrastructure (construction), **goods and services** must:
 - (a) Evaluate bids in accordance with:
 - (i) The specifications for a specific procurement; and
 - (ii) The point system must be set out in the supply chain management policy of municipality in terms of regulation 27(2) (f) and as prescribed in terms of the Preferential Procurement Policy 2023.
 - (iii) The committee will evaluate each bidder in line with the specific goal setup in the tender document as set out.
 - (b) Evaluate each bidder's technical and financial ability to execute the contract;
 - (c) Check that the bid under the evaluation are compliant as per bid document;
 - (d) Check in respect of the recommended bidder whether municipal rates and taxes are not in arrears for more than 90 days;
 - (e) Check in respect of the recommended bidder if there is a valid lease agreement stating who is responsible for the municipal account;
 - (f) Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter to the adjudication committee for consideration and/or approval.
 - (g) The BEC may, if necessary, authorise communication where clarification is required with bidders prior to the recommending of the tender to BAC for decision.
 - (h) Such communication must go to all bidders if all bidders are affected but in case where one bidder is required to clarify certain information, only that bidder must be communicated with and such communication must be recorded in the minutes.
 - (i) Any communication authorised by the BEC shall be in the form of a written request for clarification, on any matter affecting the evaluation of the bid offer or that could give rise to ambiguity in the subsequent contract that does not change or affect their competitive position or the substance of their offer, issued to the

applicable bidders by the Head: Supply Chain Management in writing using any means as appropriate.

- (j) A copy of the notice together with a transmission verification report / proof of posting shall be submitted to the BEC and be kept for record purposes.
- (k) The BEC members are the custodians of the minutes, although SCM are safe keeping the minutes, and the BEC is accountable to the Municipal Manager and the Chairperson must attach his or her signature thereto.
- (l) The Risk Manager attending the meeting shall ensure that evaluations are compliant to policy, procedure and process.
- (m) Must present their reports to the bid adjudication committee to clarify uncertainty and shall not have any voting rights on the bid adjudication committee.
- (n) All committee members must declare their interests during the introduction of the meeting either in writing or virtual.
- (o) The tenderer is not listed in the National Treasury's Register for tender Defaulters or list of restricted suppliers; and
- (p) Declaration of interest (MBD 4) to be completed and signed and no bid will be accepted from persons in the service of the state.
- (q) All bidders must complete the declaration of interest accurately and honestly, failure to do so, your bid will not be acceptable.
- (r) the Current compliant Central Supplier database report (CSD).
- (s) CSD report, BBBEE certificate accredited by South African National Accreditation System (SANAS) or Sworn Affidavit for EMEs and QSEs or BBBEE certificate for EME's and start up enterprises; to claim points for specific goals.
- (t) Medical Certificate where a specific goal for disability is applicable

(2) A bid evaluation committee composition:

- (a) 50% + 1 (one) as appointed by the Accounting Officer, for period stated and the quorum is constituted by **Chairperson; SCM practitioner, official from Finance division and three (3) other officials** from any cross functional section depending on the number of members.
- (b) Officials including an internal specialist from the department who require the goods and/or services.
- (c) The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting provided they form a quorum.
- (d) Members of the committee will be appointed for a period determined by the Accounting Officer.
- (e) Secretariat of the BEC shall fulfill the professional Secretariat function.
- (f) A legal expert may be required to provide advisory support to the committee.
- (g) An official may not be a member of the Bid Evaluation Committee and the Adjudication Committee for the same bid.
- (h) The Bid Evaluation Committee may, if necessary, authorise communication with bidders prior to the award of the tender.
- (i) Any communication authorised by the Bid Evaluation Committee shall be in the form of a written request for clarification, on any matter affecting the evaluation of the bid offer or that could give rise to ambiguity in the subsequent contract that

- does not change or affect their competitive position or the substance of their offer, issued to the applicable bidders by the Head: Supply Chain Management in writing using any means as appropriate
- (j) A copy of the notice together with a transmission verification report/proof of posting shall be kept for record purposes.

29. Bid Adjudication Committee

The accounting Officer / Authority is responsible for appointment of bid committees and such appointment must be in writing:

1. A bid adjudication committee for infrastructure (construction), **goods and services** must:
 - (a) Consider the report and recommendations of the bid evaluation committee; and either:
 - (i) verify that the procurement process which was followed complies with the provisions of this document;
 - (i) confirm that the report is complete and addresses all considerations necessary to make a recommendation;
 - (ii) depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or
 - (iii) make another recommendation to the Accounting Officer for the award and on how to proceed with the relevant procurement.
 - (b) A BAC shall ensure that:
 - (i) All bids have been evaluated in a compliant manner.
 - (ii) Disqualifications are justified and that valid and accountable reasons/motivation were furnished for passing over of bids.
 - (iii) Scoring have been fair, consistent and correctly calculated and applied, and
 - (iv) Declarations of interest have been taken into account.
 - (d) A BAC shall ensure, before recommending or awarding a bid, that the bid represents the best value available to the Municipality in terms of price, functionality, local content and specific goals.
 - (e) consider commercial risks and identify any risks that have been overlooked or fall outside of the scope of the report which warrant investigation prior to taking a final decision.
2. A bid adjudication committee composition:
50% + 1 (one) as appointed by the Accounting Officer and must consist of at least four senior managers of the municipality which must include-
 - (i) The Chief Financial Officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
 - (ii) At least one senior supply chain management practitioner who is an official of the municipality; and any other 3 senior managers.
 - (iii) A technical expert in the relevant field who is an official of the Municipality, if the Municipality has such an expert.

3. Outside technical experts may form part of the adjudication process in case; they must leave the meeting after advice has been given. Only the standing committee members can be involved in final deliberations and recommendations for final approval.
4. A legal expert may be required to provide advisory support to the committee.
5. The risk and compliance officer attending the meeting shall ensure that evaluations are compliant to policy, procedure and process.
6. All committee members must declare their interests during the introduction of the meeting either in writing or virtual.
7. BAC members shall be cleared to the level of “confidential” by the Accounting Officer on an annual basis.
8. The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
9. An official may not be a member of the Bid Evaluation Committee and the Adjudication Committee for the same bid.
10. (a) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid:
 - (i) check in respect of the preferred bidder whether that bidder’s municipal rates and taxes and municipal service charges are not in arrears, and;
 - (ii) notify the Accounting Officer.(b) The Accounting Officer may:
 - (i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in section (1a); and
 - (ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration and
 - (iii) refer the report back to the evaluation committee for their reconsideration or make an award of a tender with or without conditions if the value is below R10 million. If above R10 million, make recommendation to the Accounting Officer.
11. The Accounting Officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
12. The Accounting Officer must comply with section 114 of the MFMA within 10 working days.
13. The Accounting Officer shall appoint an alternative per bid committee member for continuity.
14. The BAC committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded.
15. The BAC committee shall consider the merits of an unsolicited offer and make a recommendation Accounting Officer.
16. The BAC committee shall report to the Accounting Officer any recommendation made to award a contract to a bidder other than the bidder recommended by the evaluation committee giving reasons for making such a recommendation.

17. The BAC recommendations must be submitted to the AC after the BAC meeting and the AC on a need's basis may refer the recommendation to the internal audit for quality assurance/ Audit risks to audit the bidding process before the awards in line with circular 62.
18. The BAC committee shall not make a recommendation for an award of a contract or order if the recommended bidder or framework contractor has:
 - (i) made a misrepresentation or submitted false documents in competing for the contract or order; or
 - (ii) been convicted of a corrupt or fraudulent act in competing for any contract during the past five years.
19. The BAC committee may on justifiable grounds and after following due process, disregard the submission of any bidder if that bidder or any of its directors, members or trustees or partners has abused the delivery management system or has committed fraud, corruption or any other improper conduct in relation to such system. The National Treasury and the provincial treasury shall be informed where such tenderers are disregarded.
20. BAC must check the CIDB status of the bidder before an award.
21. BAC can only make an award if the bidder's CIDB status is active.

29. (a) High-level responsibilities of Bid Secretariat

1. Secretariats of the Bid committees shall fulfil the professional Secretariat function.
2. Prepare submission packs, agendas, signed minutes of bid committees' meeting.
3. Ensure timeous distribution of packs to committees.
4. Coordinate meeting to take place in an orderly fashion.
5. Communicate submissions and decisions.
6. Ensure that documentation is aligned with recommendations from the committees.
7. Keep record of all minutes and recordings and follow up on actions items.
8. Manage proper record keeping of the committees.
9. Ensure that minutes are properly filed for audit purposes.

30. Procurement of Banking Services

1. A contract for the provision of banking services:
 - (a) must be procured through competitive bids;
 - (b) must be consistent with section 7 or 85 of the Act; and
 - (c) may not be for a period of more than five years at a time.
2. The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
3. The closure date for the submission of bids may not be less than sixty (60) calendar days from the date on which the advertisement is placed in a newspaper in terms of the section.
4. Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

31. Procurement of IT related goods or services

1. The Accounting Officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
2. The parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
3. The Accounting Officer must notify SITA together with a motivation of the IT needs of the municipality if:
 - (a) the transaction value of IT related goods or services required by the municipality in any financial year will exceed R50 million (VAT included); or
 - (b) the transaction value of a contract to be procured by the municipality whether for one or more years exceeds R50 million (VAT included).
4. If SITA comments on the submission and the municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

32. Procurement of goods and services under contracts secured by other organs of state

1. The Accounting Officer may procure goods or services for the municipality under a contract secured by another organ of state, but only if:
 - (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
 - (b) the municipality has no reason to believe that such contract was not validly procured;
 - (c) there are demonstrable discounts or benefits for the municipality to do so; and
 - (d) that other organ of state and the provider have consented to such procurement in writing.
2. Sub-sections (1)(c) and (d) do not apply if:
 - (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
 - (b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

33. Procurement of goods necessitating special safety arrangements

1. The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, must be restricted where ever possible.
2. Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership and cost advantages for the municipality.

34. Proudly South African Campaign / Locality

The Municipality supports the Proudly South African Campaign to the extent that, as far as possible preference is given to procuring local goods and services from:

- (a) Offices within the jurisdiction of SPM.
- (b) Offices within the jurisdiction of Francis Baard District
- (c) Offices within the Northern Cape Province
- (d) Offices within the Republic of South Africa

Table: 4 Locality

No#	Criteria	Minimum Baseline for Points allocation
1.	Offices within the jurisdiction of SPM	10
2.	Offices within the jurisdiction of Francis Baard District	7
3.	Offices within the Northern Cape Province	5
4.	Offices within the Republic of South Africa	3

All tenders must comply with locality point scoring and this scoring will vary according to the nature of the tender as and when required by the BSC.

NB. The bidder must clearly stipulate location of the business. For the above measurement, the business / trading address in the form of municipal account or lease agreement or both will be used as a proof of locality. The inspection will be done by the Municipality where applicable.

35. Appointment of Consultants

- 1. A supply chain management policy may allow the accounting officer to procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.
- 2. A contract for the provision of consultancy services to a municipality must be procured through competitive bids if –
 - (a) The value of the contract exceeds R 300 000 (VAT included); or
 - (b) The duration period of the contract exceeds one year.
- 3. In addition to any requirements prescribed by these Regulations for competitive bids, bidders must furnish the municipality with particulars of:
 - (a) All consultancy services provided to an organ of state in the last five years; and
 - (b) Any similar consultancy services provided to an organ of state in the last five years
- 4. The municipality must ensure that copy right in any document produced, and the patent rights or ownership in any plant, machinery, thing, system process designed or devised by a consultant in the course of consultancy services is vested in the municipality.

- 36. Deviation from, and ratification of minor breaches of, procurement processes (Refer to SPM Directive 01 of 2021/ 2022)**
1. The Accounting Officer may:
 - (a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only
 - (i) in an emergency;
 - (ii) if such goods or services are produced or available from a single provider only;
 - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) acquisition of animals for zoos; or
 - (v) in any other exceptional case where it is impractical or impossible follow the official procurement processes; and
 - (b) ratify any minor breaches of the procurement processes by official or committee acting in terms of delegated powers or duties which are purely of a technical nature.
 2. The Accounting Officer must record the reasons for any deviations in terms of subsection (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.
 3. Subsection (2) does not apply to the procurement of goods and services contemplated in section 110(2) of the Act.
 4. If an accredited agent must be used to perform maintenance services for equipment or vehicles as part of its guarantee or warranty or to obtain genuine parts, a list of such procurements for amounts above R2000.00 must be supplied monthly to the Accounting Officer for information purposes. The type of service, cost, and reason for using one supplier only must be stated.
- 36. (a) Conditions/Circumstances that necessitate deviations**
1. There are mandatory and extreme conditions that compels a Line Manager to urgently want to dispense of Supply Chain Management or procurement and these reasons should at least cover the following:
 - (a) Disastrous situation leading to loss or damage to public or private property
 - (b) Life threatening
 - (c) Environmental pollution
 - (d) Loss of revenue by the municipality
 2. These circumstances may lead to emergency procurement to mitigate the risk anticipated from the eventuality, and in the case of an eventuality, minimize the impact on life, environment and property.
 3. Emergency procurement in its nature is aimed to avert temporarily, whilst permanent strategies must be sought to address the situation and /or an unexpected and sudden event that must be dealt with urgently and where there is an immediate threat to revenue, to property, to life and limb.

4. All reports for deviations submitted by Line Managers and respective ED's are to be checked by all respective the General Managers of Finance Directorate as indicated in the deviation form for any of the following:
 - (a) *Is the motivation valid for the deviation?*
 - (b) *Is the process fair, equitable, transparent and cost effective?*
 - (c) *Is there sufficient reason for not going out to tender?*
 - (d) *Is there no existing tender similar to the request?*
 - (e) *Is there adequate budget?*
5. The administrative process of the deviation must be concluded within 14 working days which relates to the signing off by various parties reflected in the deviation template.
6. Extension of deviation is not allowed since the deviation is regarded as an interim solution while putting a long term solution to the problem.
7. Extension may only be granted under exceptional cases where justifiable grounds are made and it must be recommended by, ED's and approved by the Accounting Officer.
8. The Head of SCM together with other the SCM practitioners (Managers) and the technical experts of user department can negotiate with bidders who responded to RFP for deviation in the best interest of the municipality without any prejudices to bidders.

37. Unsolicited Bids

1. In accordance with section 113 of the Act, the municipality is not obliged to consider unsolicited bids received outside a normal bidding process.
2. If an Accounting Officer decides in terms of section 113(2) of the Act to consider an unsolicited bid, only if:
 - (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
 - (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages for the municipality;
 - (c) the person who made the bid is the sole provider of the product or services for the municipality; and
 - (d) the reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.
3. Where the Accounting Officer decides to consider an unsolicited bid that complies with subsection (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –
 - (a) its reasons as to why the bid should not be open to other competitors;
 - (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
 - (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
4. Once the Accounting Officer has received written comments, it must submit such comments to the National Treasury and the relevant provincial treasury.

5. The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer, depending on its delegations.
6. A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
7. When considering the matter, the adjudication committee must take into account –
 - (a) any comments submitted by the public; and
 - (b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.
8. If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
9. Such submission must be made within seven days (7) after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 30 days of the submission.

37. (a) Unsolicited Bids (National Treasury Practice Note No.11 of 2008/9)

1. Criteria for consideration of an Unsolicited proposal:
 - (a) A comprehensive and relevant project feasibility study has established a clear business case; and
 - (b) The product or service involves an innovative approach to project development and management; or
2. The Accounting Officer must reject the unsolicited proposal if the proposal relates to known institutional requirements that can, within reasonable and practicable limits, be acquired by conventional competitive bidding methods.
3. Use of external consultants. The municipality may seek advice from independent consultants or experts provided that:
 - (a) An appropriate undertaking be obtained from any such person that any confidential material or information provided by the proponent will not be disclosed to anyone other than an employee or agent of such a third party who will, in turn treat the information or material as confidential and give an undertaking to do so; and
 - (b) The cost of obtaining independent advice will be incurred by the institution, unless the proponent withdraws the proposal prior to entering into an unsolicited proposal agreement, in other which event the proponent will be liable to the institution for these costs.

38. Combating of abuse of Supply Chain management system (bid rigging)

1. The Accounting Officer must–
 - (a) Take all reasonable steps to prevent abuse of the supply chain management system;

- (b) Investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) take appropriate steps against such official or other role player; or
 - (ii) report any alleged criminal conduct to the South African Police Service;
 - (c) Check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
 - (d) Reject any bid from a bidder–
 - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or
 - (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
 - (e) Reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
 - (f) Cancel a contract awarded to a person if –
 - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
 - (g) Reject the bid of any bidder if that bidder or any of its directors –
 - (i) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
 - (ii) has been convicted for fraud or corruption during the past five years;
 - (v) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
2. The Accounting Officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of sub-sections (1)(b)(ii), (e) or (f) of this policy.
 3. Section 4(1)(b)(iii) of the competition act No.89 of 1998, as amended, prohibits any agreement between or concerted practice by firms, or a decision by association of firms, if it is between parties in horizontal relationship and if it involves collusive bidding/ tendering (or bid rigging).
 4. In order to deter any form of collusive bidding (bid rigging), bidders shall confirm that they have not entered into any such practices by completing a certificate to that effect.

5. The standard document pertaining to the certification of the independent bid determination shall accompany all price quotation, advertised competitive bids, limited bids and proposals.
6. SPM is required to utilise the information contained in the Certificate of Independent Bid Documentation (MBD 9) to ensure that when bids are considered all reasonable steps are taken to prevent any form of bid rigging.

39. Logistics Management

1. The Accounting Officer must establish and implement an effective system of logistics management, which must include –
 - (a) No issuing of store items or the commencement of the procurement process may take place without a properly completed requisition form.
 - (b) The monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
 - (c) The setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
 - (d) The placing of electronic orders for all acquisitions including those from petty cash;
 - (e) Before payment is approved, certification by the responsible Municipal Officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
 - (f) Appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
 - (g) Regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes;
 - (h) Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services; and
 - (i) The maintenance and administration of term contracts is co-managed with acquisition management for general goods/ services.
 - (j) Only orders created via the official SPM mechanism will be deemed valid by SPM.

40. Disposal Management

1. The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets are subject to sections 14 and 90 of the MFMA.
 - (a) Two separate disposal committees may be appointed by the Accounting Officer for the disposal of movable and immovable capital assets for a period so determined by the Accounting Officer.
 - (b) For movable capital assets, the composition would be consistent with the Asset Management Policy;

- (c) Before disposal of immovable assets refer to section 14 of the MFMA and the Municipal Asset Transfer Regulations (no. R.878);
 - (d) Such a disposal committee are advisory committees to the Municipal Manager on the disposal of capital assets and do not replace any of the bidding committees.
2. (a) Assets may be disposed of by:
- (i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
 - (ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
 - (iii) selling the asset; or
 - (iv) destroying the asset.
- (b) The Accounting Officer must ensure that:
- (i) immovable property may be sold only at market related prices except when the public interest or the plight of the poor demands otherwise in accordance with section 14 of the MFMA;
 - (ii) movable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous to the municipality;
 - (iii) in the case of disposable computer equipment, the provincial department of education must first be approached to indicate within 30 calendar days whether any local schools are interested in the equipment; and
 - (iv) in the case of disposable firearms, National Conventional Arms Control Committee has approved any sale or donation of fire arms to any person or institution within or outside the Republic; provided that:
- (c) Immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise; and
all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed.
- (d) Ensure that where assets are traded in for other assets, the highest possible trade-in price is negotiated.
3. Competitive bids: The sale and letting of assets:
- (a) 80/20 preference points system for tenders for income-generating contracts with Rand value equal to or below R50 million, shall be evaluated with a specific goal.
 - (b) 90/10 preference point system for tenders for income-generating contracts with Rand value above R50 million, shall be evaluated with specific goals.
 - (c) The sale and letting of assets above a transaction value of R300 000 (VAT included) and long-term contracts may only be procured through a competitive bidding process, subject to subsection 11(2) of this Policy.
 - (d) The sale and letting of assets less than a transaction value of R300 000 (VAT included) may only be procured through a formal written price quotation (7 days web quote).
 - (e) The sale and letting of assets above an estimated transaction value of R300 000 (VAT included), may not be deliberately split into parts or items of lesser value

merely for the sake of selling or letting such assets otherwise than through a competitive bidding process.

41. Risk Management

1. A Supply Chain Management policy must provide for an effective system of risk management for the identification, consideration and avoidance of potential risks in the Supply Chain Management system.
2. Risk management must include:
 - (a) the identification of risks on a case-by-case basis;
 - (b) the allocation of risks to the party best suited to manage such risks;
 - (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
 - (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
 - (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.
3. The MFMA requires the accounting officer to effectively to manage risk as well as ensure that an effective fraud prevention plan is in place as part of ensuring good governance and effective management of resources of the municipality.
4. A systemic risk management framework which shall incorporate a regular assessment of the relevant risk shall be developed.
5. Risks shall be identified upfront on a case-by-case bases.

42. Performance Management

1. A Supply Chain Management policy must provide for an effective internal monitoring system in order to determine, on the basis a retrospective analysis, whether the authorised supply chain management processes are being followed.
2. In the monitoring of supply chain management performance, the accounting officer together with the Chief Financial Officer, must set goals and performance criteria for SCM officials against which performance can be measured.
3. Four (4) months (120 days) prior to the expiration of an existing contract, the SCM will notify the end-user department.

43. Prohibition on awards to persons whose tax matters are not in order
(in line with National Treasury circular 90 and NT instruction note no.7 of 2017/18)

1. Municipality may not make any award above R10 000 to a person whose tax matters have not been declared by the South African Revenue Service to be in order until written proof from SARS of their tax compliance status or proof from SARS that they have made an arrangement to meet their outstanding tax obligation.
2. If the recommended bidder is not tax compliant, the bidder should be notified of their non-compliant status and the bidder must be requested to submit to the municipality within 7 working days.
3. The proof of tax compliance status submitted by the bidder to the municipality must be verified via the CSD or E-filing.
4. The accounting officer should reject any bid submitted by the bidder, if such bidder fails to provide proof of tax compliance status within the time frame stated above.
5. Where goods or services have been delivered satisfactorily without dispute, accounting officers should not delay processing of invoices due to outstanding tax matters.

44. Prohibition on awards to persons in the service of the state

1. Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy:
 - (a) who is in the service of the state;
 - (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
 - (c) a person who is an advisor or consultant contracted with the municipality.
 - (d) any persons or directors in the service of the state, or has been in the service of the state in the previous twelve months are not allowed to do business with the municipality and this exclude non-executive directors as per definition in (e) below.
 - (e) a Non-Executive Director is an independent member of the company's board or committee or tribunal, but he or she does not possess the management responsibilities and get paid a service fee not a salary. They are not involved on day to day operations and they have no voting rights over any decision made.
2. Any person or service provider who fails to disclose his or her employment status with organs of state, his or her contract will be terminated immediately, the service provider shall be deregistered and shall not be allowed to bid for a period not less than three years and shall be reported to National Treasury for blacklisting.

45. Awards to close family members of persons in the service of the state

1. The Accounting Officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 (incl. VAT) to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including:
 - (a) the name of that person;
 - (b) the capacity in which that person is in the service of the state; and
 - (c) the amount of the award.
2. The SCM relies on the information submitted by the bidder and thus it becomes impractical for the SCM to verify if the close family member of the bidder is in the service of the state, if the bidder did not disclose on MBD4 - 3.13 since the municipality does not have an appropriate system in place. The provision of the POPI Act prohibit search of personal information without proper authorisation.

46. Ethical standards

1. A code of ethical standards as set out in the "*SPLM's code of conduct for supply chain management practitioners and other role players involved in supply chain management*" is attached as annexure c in order to promote:
 - (a) mutual trust and respect; and
 - (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.
2. Municipal code of ethical standards must stipulate that an official or other role player involved in the implementation of the supply chain management policy of the municipality
 - (a) Must treat all providers and potential providers equitably
 - (b) May not use her or his position for private gain or to improperly benefit another person
 - (c) May not accept any reward, gift, favour, hospitality or other benefits directly or indirectly, including to any close family members, partner or associate of that person
 - (d) Notwithstanding sub-regulation (2)(c), must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefits promised, offered or granted to that person or to any close family member, partner or associate of that person
 - (e) Must declare to the accounting officer details of any private or business interests which that person or any close family member, partner or associates may have in any proposed procurement or disposal process of, or in any award of a contract by, the municipality
 - (f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person or any close family members, partner or associate has any private or business interest.

- (g) Must be scrupulous in his or her use of property belonging to the Municipality
 - (h) Must assist the Accounting Officer in combating fraud, corruption, favouritism and unfair and irregular practices in the SCM system.
 - (i) Must report to the Accounting Officer any alleged irregular conduct in the SCM system which that person may become aware of including:
 - (i) Any alleged fraud, corruption, favouritism or unfair conduct
 - (ii) Any alleged contravention of regulation 47(1)
 - (iii) Any alleged breach of code of ethical standards
3. A supply chain management policy must:
 - (a) Determine that all declarations in terms of sub-regulation (2) (d) and (e) must be recorded in a register which Accounting Officer must keep for this purpose.
 - (b) Determine that all declaration by the Accounting Officer must be made to the Mayor of the Municipality who must ensure that declarations are recorded in the register, and
 - (c) Contains measures to ensure that appropriate action is taken against any official or other role players who commits a breach of code of ethical standards.
 4. A SCM Policy must take into account the National Treasury code of conduct for SCM practitioners and other role players involved in SCM.
 5. A Municipality may adopt the National Treasury code of conduct for SCM practitioners and other role players involved in SCM. When adopted such code of conduct becomes binding on all officials and other role players involved in the implementation of SCM Policy of the Municipality.
 6. Sub-regulation (2) (c) does not apply to gifts less than R350 in value.
 7. A breach of the code of ethics must be dealt with as follows:
 - (a) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
 - (b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
 - (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.
 8. All committee members and SCM practitioners may be vetted by the National Intelligence Agency (N.I.A) as and when required and on the instruction of the Accounting Officer.
 9. A "Confidential" financial declaration of interest form may be completed by all Bid Adjudication members and submitted to the Accounting Officer annually.
 10. A cooling off period for former employees and councillors will apply: they will be prohibited for a period of 12 months after leaving the municipal services to participate in any SCM activities e.g. rendering goods /services or consulting services to the Municipality or its entity if established.

47. Inducements, rewards, gifts and favours to municipalities and other role players

1. No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant:
 - (a) any inducement or reward to the municipality for or in connection with the award of a contract; or
 - (b) any reward, gift, favour or hospitality to:
 - (i) any official; or
 - (ii) any other role player involved in the implementation of this Policy.
2. The Accounting Officer must promptly report any alleged contravention of sub-section (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
3. Sub-section (1) does not apply to gifts less than R350 in value.
4. All supply chain practitioners and bid committee members must disclose annually rewards, gifts and favours to the Accounting Officer or his delegate who will maintain a Gift Register.
5. The Accounting Officer will disclose any such gifts and or favours annually to the Executive Mayor.

48. Sponsorships

1. The Accounting Officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –
 - (a) a provider or prospective provider of goods or services; or
 - (b) a recipient or prospective recipient of goods disposed or to be disposed.
2. All sponsorships by the SPM to external organizations or parties shall be subject to such terms and conditions as the Council may determine from time to time, which terms and conditions shall be deemed to be incorporated into this Policy.

49. Objections and complaints

1. Municipality must allow persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within fourteen (14) calendar days of the decision or action, a written objection or complaint against the decision or action to the Accounting Officer, on the prescribed grievance forms or a letter.
2. Objections and complaint must be in writing addressed to the Accounting Officer of the Municipality.

3. Unsuccessful bidders notice must be published on the website of the Municipality stating reasons for being unsuccessful and it is the responsibilities of bidders to regularly visit the website of the municipality to check such information.
4. Objections received after 14 calendar days will not be considered by the Municipality.

50. Resolution of disputes, objections, complaints and queries

1. The Accounting Officer must appoint an independent and impartial person, not directly involved in the supply chain management processes as and when the need arises:
 - (a) to assist in the resolution of disputes between the municipality and other persons regarding:
 - (i) any decisions or actions taken in the implementation of the supply chain management system; or
 - (ii) any matter arising from a contract awarded in the course of the supply chain management system; or
 - (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
2. The Accounting Officer, or another official designated by the Accounting Officer, is responsible for assisting the appointed person to perform his or her functions effectively. A complaints register must be implemented and maintained per annum.
3. The person appointed must:
 - (a) strive to resolve promptly all disputes, objections, complaints or queries received; and
 - (b) submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.
4. A dispute, objection, complaint or query may be referred to the relevant provincial treasury if:
 - (a) the dispute, objection, complaint or query is not resolved within 60 days; or
 - (b) no response is forthcoming within 60 days.
5. If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.
6. This regulation must not be read as affecting a person's rights to approach a court at any time.

51. Contracts Providing for compensation based on turnover

1. If a service provider acts on behalf of a municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate:
 - (a) a cap on the compensation payable to the service provider; and
 - (b) that such compensation must be performance based.

CHAPTER 4: OTHER MATTERS

52. Promotion of Environmentally Friendly Procurement

1. The Municipality commits itself to environmentally friendly procurement when procuring goods and services, including, but not limited to:
 - (a) the incorporation of energy efficiency measures when procuring electrical supplies such as bulbs, globes etc.
 - (b) the adoption of an integrated waste management strategy such as investigating recycling options and the handling of hazardous substances.
 - (c) compliance with green building guidelines and standards (SANS).
 - (d) sourcing and using resources that are renewable as far as possible.
 - (e) consider the extent of pollution of using the type, quantity and energy of materials procured.
 - (f) source vehicles and equipment that are more energy efficient and produce less pollution.

53. Sub-contracting

1. Subcontracting may be applied to advance designated groups in line with Specific goals as outlined in the PPP.
2. In certain instances:
 - (i) subcontracting may be negotiated after the award of a tender and;
 - (ii) it can also be included in the specifications during the approval of the specifications by BSC and this will differ from project to project.

54. Validity period

1. The validity period for the tender is for **one hundred and twenty (120) days**. This period should be sufficient to enable the bid committees to complete the comparison and evaluation of bids, review the recommendations and award the contract.
2. Line Managers must submit a technical report for tenders within fourteen (14) calendar days from the closing date of the tender.
3. The validity period for all contract is 120 days including the once off (once off) procurement except the CIDB Contract.
4. All tenders may not be extended beyond 150 days.
 - (a) An extension must be requested by the line manager in writing before the expiration date.
 - (b) The granted extension should not exceed sixty (30) days to award.
5. The validity period for the CIDB contract is 90 days.
 - (c) Once off contract are generally not complex in nature and procurement maybe for once off delivery and payment.

- (d) Short term contract which are the contract with less than 12 months and may include multiple delivery and payments.
 - (e) Long term contract which are the contract more than 12 months and may include multiple delivery and payments and could also be complex.
 - (f) In the case of long-term contract, no price adjustment can be made before the first 12 months cycle from the signing of the contract by the successful bidder. The price must hold goods for 12 months before the price adjustments, unless there are prevailing special circumstances, e.g. natural disasters, pandemic, etc.
 - (g) The price increase must not exceed the 15% in terms of the supply and delivery and not exceed 20% in terms of construction project and consultant.
 - (h) The SCM and the Line Manager will agree on the percentage depending on the reason provided, during the request, then recommendations must be approved by the Accounting officer.
 - (i) The minutes of the price adjustment must be recorded.
 - (j) No Cooling off period is applicable for Goods and Services tenders and SCM has to notify all stakeholders through various communication platform, if the tender is withdrawn or cancelled.
 - (k) If the SCM received no bids during the closing date of the tender, the tender will be re-advertised without taking it to other committees.
 - (l) In case one or more bids received and they are non-responsive they must go through all the Bid committees.
 - (m) Cooling off period for CIDB tenders is no longer applicable but when re-advertising for the third time the municipality must obtain approval from National Treasury.
4. The validity period for web quote is for thirty (30) days. It can be extended for 30 days provided that the proof of confirmation from supplier that the price remains the same.
5. Line Managers must submit a technical report for a web quote within five (5) calendar days from the closing date of the web quote.

55. Evaluation of bids based on functionality as a criterion

1. In general, the need to invite bids based on functionality as a criterion depends on the nature of the required commodity or service considering quality, reliability, viability and durability of a service and the bidder's technical capacity and ability to execute a contract.
- (a) In best practice:
 - (i) For infrastructure projects functionality criteria are set at 70 points out of 100 points and this cannot be expressed in percentage. In complex projects can be set as 75 points.
 - (ii) For goods and services, the functionality criteria are set at 65 points out of 100 points.
 - (b) The Sol Plaatje Municipality must state in the tender documents if the tender will be evaluated on functionality.
 - (c) The evaluation criteria for measuring functionality must be objective.
 - (d) The evaluation criterion may include criteria such as the consultant's relevant experience for the assignment, the quality of the methodology; the qualifications of key personnel; transfer of knowledge, etc.

- (e) The weight allocated to each criterion should not be generic but should be determined separately for each bid on a case by case basis.
- (f) The tender documents must specify-
 - (i) the evaluation criteria for measuring functionality;
 - (ii) the points for each criteria and, if any, each sub-criterion; and
 - (iii) the minimum qualifying score for functionality.
- (g) The minimum qualifying score for functionality for a tender to be considered further:
 - (i) must be determined separately for each tender; and
 - (ii) may not be so:
 - (iii) low that it may jeopardise the quality of the required goods or services; or
 - (iv) high that it is unreasonably restrictive.
- (h) Points scored for functionality must be rounded off to the nearest two decimal places.
- (i) A tender that fails to obtain the minimum functionality threshold as indicated in the tender documents is not an acceptable tender, and should be eliminated.
- (j) Each tender that obtained the minimum functionality threshold must be evaluated further in terms of price and the specific goals in line with Preferential Procurement Regulation of 2022 and Preferential Procurement Policy of 2023.

56. Extension of Contract

1. The municipality may not extend the contract for more than three months; however, this may occur under circumstances in which clear and justifiable reasons have been provided to the approval authority to extend such contract. Any such extension may not approved, if the purpose is to circumvent the competitive bidding mechanisms of the procurement policy.
2. Any request for extension must be made by the Line Manager of user department and must be recommended by the Executive Director of the user department and approved by the Municipal Manager
3. The value of the extension may not exceed the original approved value of the contract.
4. Approval for the extension of contract shall be obtained from the delegated structure that approve the original award of the bid.
5. Where prices are amended for the extended period, the reasonableness of prices shall be established and approved by the delegate structure referred above.
6. The extension of the current contract shall be requested in advance 3 months, before the expiring of the contract in writing by the Line Manager of the user department.
7. Where justifiable reasons are provided for extending a contract, the relevant application may be considered favourably and contractors may be approached by the line manager with the request to indicate whether they are prepared to extend the contract period.
8. The system contracts such as financial system and other related software system must be registered with the ICT and there must be an SLA in place.
9. In of case software system, contract may be extended on a month to month basis for a period not exceeding 12 months.

57. Variation of contracts

1. The expansion or variation of orders against the original contract has, however led to a wide scale abuse of the current SCM system.
2. Variation orders for goods and services, construction and consultancy are as follows:
 - (i) For construction and consultancy works it can be expanded or varied by not more than 20% of the value of the contract.
 - (ii) For goods and services, it can be expanded and varied by not more than 15% of the value of the contract.
3. If it is recognised that, in exceptional cases, an accounting officer of a municipality may deem it necessary to expand or vary orders against the original contract.
4. Contracts may be amended/varied/modified according to SPM delegated powers to achieve the original objective of the contract.
5. All contractual parties shall agree to the amendment in writing in exception of the SCM practitioners who can only perform compliance.

58. Contract Termination

1. Municipality may terminate a contract awarded to a supplier of goods and services;
 - (i) If the supplier committed any proven corrupt, and misrepresentation of information or fraudulent act during the bidding process or the execution of the contract.
 - (ii) If any official or other role player committed any corrupt, and misrepresentation of information or fraudulent act during the bidding process or the extension of that contract that benefits the supplier.
 - (iii) Termination of a contract may be considered for a variety of reasons, as stipulated in the general conditions of contract, such as delayed deliveries, failing to perform any other contractual obligation or if the supplier has engaged in corrupt and fraudulent practices and insolvency.
 - (iv) Contract termination may be effected if allowed for in the contractual conditions provided both parties agree to the termination in writing.
 - (v) In case of volunteering termination of the contract, the municipality will determine the merits of the termination of the contract as to whether the service provider can be blacklisted or not.

59. Local Production and Content

1. Local content will be applicable in certain designated group for tenders as determined by the BSC in line with DTI directives when implementing programmes of RDP and this can be used for points allocation for specific goals.
2. Local production and content can no longer be used as a disqualification criterion but for point allocation.
3. It is advisable and important that organs of state support government's initiatives in developing and sustaining the local production.

4. The municipality will identify designated sectors, sub-sectors or industries or products for local production and content as outlined by the DTI.
5. The municipality must advertise the tender and specify the minimum threshold required for local content or production.
6. According MFMA circular 62 all local content bids must include Municipal Bid Document (MBD 6.2) 'Declaration Certificate for Local Production and Content for Designated Sectors' All Annexures (A-E).
7. Bidders must complete Declaration B, D, E and consolidate the information on C. Annexure C must be submitted with the tender by the closing date and time as determined by the Municipality. The municipality reserves the right to request that Declarations D and E also be submitted. If the bidders are successful, the bidder must continuously update Declarations C, D and E with actual values for the duration of the contract.

60. Joint Venture Companies

1. Companies or bidders bidding as Joint venture must include their consolidated:
 - (i) Joint Venture Agreement (must clearly stipulate the name of the lead partner).
 - (ii) Separate Tax compliance status pin for both companies.
 - (iii) Separate CSD report for both companies.
 - (iv) Separate Municipal accounts for both companies or a valid lease agreement.
 - (v) MBD 4,8 & 9 must be completed respectively by both parties and submitted as part of the bid document.

61. Single Source / Sole Provider Selection

1. National Treasury Guidelines provide for single source / sole provider selection in exceptional cases for services. The justification for single source or sole provider selection must be examined in the context of the overall interests of SPM and the project.
2. A database must be developed and manage for single source (sole provider) by SCM.
3. Single source / sole provider may be appropriate if it presents a clear advantage over competition:
 - (a) For services that represent a natural continuation of the previous work carried out by the consultant, and continuity of downstream work is considered essential provided that the initial appointment was done fairly, equitable, competitive, transparent and value for money.
 - (b) Where rapid selection is essential
 - (c) For very small appointments
 - (d) When only one consultant or service provider is qualified or has experience of exceptional worth for the project
4. The reasons for single source / sole provider selection must be fully motivated in a report and approved by the Head of SCM if an award does not exceed R200 000.
5. Where the amount exceed R200 000 approval will be required from the Bid Adjudication Committee prior to conclusion of the contract.

6. For the sole provider or accredited agency, the procurement of any class of goods (parts) or services will be procured with the value of R200 000 per week for each sole provider or accredited agency.
7. The selection will be done from the data base of accredited agency or the sole provider and this procurement strategy cannot be viewed as splitting but to improve on service delivery.
8. Single source or Sole provider appointments in terms of a single source selection process must be formalized in a written contract which describes the terms and conditions of the contract as well as the scope of services required.
9. For any appointment on a single source or sole provider, a letter of accreditation for being sole provider must be provided as proof or authorised single source agency letter must be produced.
10. Sole provider must be the manufacturer or accredited agent to provide such goods or service which are unique in its nature or requirements.
11. Such goods or services must be already in the value chain of the municipality and are only supplied by original equipment Manufacturer (OEM) or by a licensed agent thereof.
12. This goods must offer the requirements for compatibility, continuity and / or alignment

62. Rejection of Bids/Non-Responsive Bids

1. Bidding documents must provide for the rejection of all bids if and when deemed necessary. This is justified when there is lack of effective competition or bids are not substantially responsive, provided that lack of competition should not be determined solely on the basis of the number of bidders.
2. If all bids were rejected, the SPM must review the causes justifying the rejection and consider revising the specific conditions of contract, design and specifications, scope of the contract, or a combination of these, before inviting new bids.
3. If rejection is due to lack of competition, wider advertising should be considered.
4. If the rejection was due to most or all of the bids being non-responsive, new bids may be invited from the initial bidders, or with the agreement of the Municipal Manager, from only those that submitted bids in the first instance.
5. All bids should not be rejected solely for the purpose of obtaining lower prices to the extent to which the provisions of the Preferential Procurement Regulations, 2022 are complied with.
6. If the lowest evaluated responsive bid exceeds the SPM's pre-bid cost estimates by a substantial margin, the SPM must investigate the causes for the excessive cost and consider requesting new bids as described above.
7. The SPM should negotiate with the identified preferred bidder(s) to try to obtain a satisfactory contract as contemplated in the Preferential Procurement Regulations, 2022.
8. The Municipal Manager's approval (as delegated to bid committees) must be obtained before rejecting all bids, soliciting new bids, or entering into negotiations with the identified preferred bidder. This approval should be recorded for auditing purposes.

9. The SPM should notify to the Provincial Treasury when a bid is cancelled for the second time and when re-advertised for the third time.

63. Close Tenders or Bids

1. A closed tender is appointment made on functionality as pool / panel of service providers, consultants, legal services and contractors and the price are sourced as and when services are required.
2. The SCM request the price from the pool / panel of appointed Service Provider through a RFP from the closed tender.
3. The request for each pool / panel are registered and allocated the project number in the register.
4. The request should be published for 7 calendar days or if less than 7 days the user department must submit a memo approved by the accounting officer.
5. RFP for panel or pool which is less than the value of R 300 000 shall be approved by the Head of SCM as delegated.
6. RFP for a value below R300 000, the SCM team will evaluate RFP received and make recommendation to the CFO and Accounting Officer for approval of the appointment.
7. The appointment of a pool or panel for RFP must be on a rotational basis, if there is rate or the rating price is included in the document in order promote fairness of distribution of work or equal participation within the panels or pools.
8. If there is no rate for the project the tender will be awarded to the highest scoring responsive bidder.
9. In case of urgent or emergency matter, the Accounting Officer can appoint the specific company from the pool in line with their expertise and for that appointment, a memo must be submitted to SCM for record purpose.
10. No Cooling off period is applicable for closed tenders.
11. If no bids received by SCM on the closing date of the closed tender, the SCM will immediately re-advertise without taking it through to bid committee meetings.

64. Consequence Management

In order to prevent the abuse of the SCM processes of the SPM by internal or external parties, the SPM will adopt a system of consequence management.

1. In addition to the stipulations of this section, the Municipal Manager must provide further measures for the combatting of abuse of the SCM system. The Municipal Manager is provided with the authority to:
 - (a) take all reasonable steps to prevent such abuse;
 - (b) refer any allegations of abuse against officials or any other role player for investigation;
 - (c) take appropriate action against officials or other role players, including the reporting of any alleged misconduct to the South African Police Service (SAPS; and
 - (d) must report such cases to Municipal Council.

2. Any officials that have adverse findings against them relating to the abuse of the SCM system will be prohibited from taking part in any procurement processes. This section is not applicable to adverse findings related to mistakes made in good-will during the normal execution of duties.
 - (a) participation by such officials in SCM processes will automatically result in that process being put under review, and the process may be invalidated.
 - (b) participation by such officials will result in further appropriate disciplinary steps:
 - (c) against the offending official if the offending official was found to have misled the party making the decision to include them in the process; or
 - (d) against the offending official and the party that made the decision to include the offending official if the decision-making party should have reasonably known that the offending official must have been excluded from the process.
3. Where the bids exceed a total value in excess of R5 million, the SPM must conduct a correctness process to ensure that:
 - (a) the National Treasury's Database of Restricted Suppliers and Register for Tender Defaulters has been cross-checked for bidders or directors that are prohibited from doing business with the public sector;
 - (b) there has been no abuse of the SCM process;
 - (c) no official with adverse findings against them relating to the abuse of the SCM process was part of the specific SCM process;
 - (d) no councillors exercised any influence over the SCM process;
 - (e) the preferred bidder is not on the SPM's database of underperforming and non-performing bidders; and
 - (f) the bidder or any of its directors have not been found guilty of abuse of any abuse of any SCM system, corruption or fraud in the past five years.
4. The SPM reserves the right to cancel a contract awarded to a bidder if it is found that:
 - (a) the bidder committed any abuse of the SCM system during the bidding process or the execution of the contract; or
 - (b) any official or other role player committed any corrupt or fraudulent act during the bidding or in the execution of the contract that benefited the person.
5. The Municipal Manager must inform National Treasury, in a timely manner, of any decisions taken in terms of Clauses 4 and 5.
6. Sureties or performances guarantees for the procurement of goods and services (including consultant services) will not generally be called for, but in exceptional circumstances, where required, will be in accordance with the limits set for construction works below.

The performance guarantees required for construction works are as follows:

Amount (incl. VAT)	Percentage
Up to R1 000 000	0%
R1 000 000 to R10 000 000	2.5%
Above R10 000 000	5%

- 6.1 The above indicative thresholds may be increased depending on the complexity and risk of the project.

65. Payment through official orders and vouchers.

1. Payment of invoices will be made within 30 days of receiving the relevant invoice or statement, unless otherwise prescribed for certain categories of expenditure or specific contractual requirements in accordance with any other applicable policies of the SPM.
2. Payments through vouchers must be submitted with a fully motivated application directly to the General Manager: Expenditure not General Manager: SCM.
3. Expenditure Section must perform all compliance checks such as SARS Tax Compliance, CSD and SOLAR supplier number for all payments through vouchers.
4. In case where the service provider is non-compliant or inactive, the expenditure will refer the documentation to supply chain to perform relevant activities.

66. Specific Goals:

Procurement of Goods and Services and Infrastructure projects

In this SCM policy the specific goals must be referred to the approved Preferential Procurement Policy of SCM as revised below.

1. Specific Goal 1: Ownership as specific goal

A maximum of 20 points (80/20 preference points system) or 10 (90/10) preference points system), may be allocated. Bidder may score specific goal points based on company ownership.

If Municipality applies ownership as specific goal, the Municipality must advertise the tender with such a specific goal in order for a tenderer to claim 20 / 10 points for specific goals.

The maximum of 10 points will be allocated for ownership and another 10 points will be allocated for locality for 80/20.

The maximum of 5 points will be allocated for ownership and another 5 points will be allocated for locality for 90/10.

80/20 equal to or below R50 million 90/10 above R50 million		
Ownership - Black		
% Ownership	80/20	90/10
<51%	4	2
>51% <100%	6	3
100%	10	5
*Locality	10	5
Total Points	20	10

2. Specific Goal 2: Gender as specific goal

The maximum of 10 points will be allocated for black women and another 10 points will be allocated for locality for 80/20.

The maximum of 5 points will be allocated for Black women and another 5 points will be allocated for locality for 90/10.

80/20 equal to or below R50 million 90/10 above R50 million		
Gender – Black women		
% Ownership	80/20	90/10
<51%	4	2
>51% <100%	6	3
100%	10	5
*Locality	10	5
Total Points	20	10

3. Specific Goal 3: Youth as specific goal

The maximum of 10 points will be allocated for youth and another 10 points will be allocated for locality for 80/20.

The maximum of 5 points will be allocated for youth and another 5 points will be allocated for locality for 90/10.

80/20 equal to or below R50 million 90/10 above R50 million		
Youth – Black		
% Ownership	80/20	90/10
<51%	4	2
>51% <100%	6	3
100%	10	5
*Locality	10	5
Total Points	20	10

4. Specific Goal 4: Disability as specific goal

The maximum of 10 points will be allocated for disability and another 10 points will be allocated for locality for 80/20.

The maximum of 5 points will be allocated for disability and another 5 points will be allocated for locality for 90/10.

80/20 equal to or below R50 million 90/10 above R50 million		
Disability		
% Ownership	80/20	90/10
<51%	4	2
>51% <100%	6	3
100%	10	5
*Locality	10	5
Total Points	20	10

5. Specific Goal 5: Combination of any other goals

The Bid Specification Committee (BSC) shall set combination of any specific goals as determine by the Committee during meeting which must form part of the invitation to tender, set as out in the bid document, where appropriate.

Table 1: Indicative calculation

To appropriate total number of points to remain within 80/20 and 90/10 benchmarks

Formulae:

In 80/20 Allocation

$$= \text{Total Number of Points} \times \frac{20}{\text{Total Number of Points}} = 80/20 \text{ allocation}$$

In 90/10 Allocation

$$= \text{Total Number of Points} \times \frac{10}{\text{Total Number of Points}} = 90/10 \text{ allocation}$$

In combination of any specific goals, locality will be considered once.

Specific Goals for Tenders which Generate Income or Dispose or Lease Assets

- (a) Documents required for claiming of specific goal points on income or sale or lease of property/land are the following;

- i) Municipal account or lease agreement or letter from the tribal authority.
 - ii) Official South African Identity will be used to established whether the individual falls below of the age of 35 and can be classified as youth.
 - iii) Official South African Identity will be used to established whether the gender in line with specific goal.
 - iv) Medical certificate will be used to determine the status in line with disability of individual.
 - v) Force number, Identity number and full names (confirm with dept of Military veterans).
- (b) Specific goal for **Youth**: Income generating project

80/20 equal to or below R50 million 90/10 above R50 million		
Youth – Black		
Age of participant	80/20	90/10
Above 35 of age	4	2
35 and below of age	10	5
Locality	10	5
Total Points	20	10

- (c) Specific goal for **Women**: Income generating project

80/20 equal to or below R50 million 90/10 above R50 million		
Women		
Gender of participant	80/20	90/10
Other	4	2
Women	10	5
Locality	10	5
Total Points	20	10

- (d) Specific goal for **Disability**: Income generating project

80/20 equal to or below R50 million 90/10 above R50 million		
Disability		
Disability of participant	80/20	90/10
None	4	2
Disability	10	5
Locality	10	5
Total Points	20	10

- (e) Specific goal for **Military Veteran**: Income generating project.

80/20 equal to or below R50 million 90/10 above R50 million		
Veteran		
Certificate of Veteran status	80/20	90/10
Non-Veteran	4	2
Veteran	10	5
Locality	10	5
Total Points	20	10

67. National Treasury: Transversal Account

- Municipality may procure from the NT: Transversal account after received the approval to participate in the account with the guidance form the NT.
- The Transversal account differs from one account to another. Currently the municipality receives the approval for the following accounts.
 - Fuel contract.
 - Lubricants account
 - Vehicles account
 - Tracker account

The following contract will be procured after the municipality applied and received an approval to participate.

- PPE for fire department
- Prepaid meter – once is awarded by NT.

ANNEXURE A

SUPPLY CHAIN MANAGEMENT POLICY REVIEW AND ADOPTION PROCESS

Version No	Adoption and Review	Council Resolution Date	Council Resolution Number
1	Original adoption	17 November 2005	CR500
2	Reviewed and amended	08 February 2006	C26
3	Reviewed and amended	17 February 2010	C75/10
4	Reviewed and amended	02 March 2011	C85/11
5	Reviewed and amended	29 August 2012	C214/12
6	Reviewed and amended	07 August 2013	C175/08/13
7	Reviewed and amended	04 November 2014	C265/11/14
8	Reviewed and amended	24 February 2016	C68/2/16
9	Reviewed and amended	31 May 2018	C38/05/18
10	Reviewed and amended	12 March 2019	C31/04/19
11	Reviewed and amended	30 June 2020	C129/06/20
12	Reviewed and amended	30 March 2021	C36/03/21
13	Reviewed and amended	07 June 2022	C74/06/22
14	Reviewed and amended	04 March 2023	
15	Reviewed and amended	March 2024	

SOL PLAATJE LOCAL MUNICIPALITY



PREFERENTIAL PROCUREMENT POLICY

Final Version of April 2023

PREFERENTIAL PROCUREMENT POLICY (PPP) REVIEW AND ADOPTION PROCESS

PREFERENTIAL PROCUREMENT POLICY 2022/23				
Item No.	Original Author(s)	Policy status	Council Resolution No	Date of Approval
1	Machelani Shirindza	2 ND Review		
2	Name of Speaker	Signature	Date	
3	Name of Accounting Officer (MM)	Signature	Date	
4	Mr. SB Matlala			

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1. DEFINITIONS AND ACRONYMS

"Act"	means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
"B-BBEE"	means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act
"B-BBEE status level of contributor"	means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act
"black designated groups"	has the meaning assigned to it in the codes of good practice issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act
"black people"	has the meaning assigned to it in section 1 of the Broad Based Black Economic Empowerment Act
"Broad-Based Black Economic Empowerment Act"	means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
"co-operative"	means a co-operative registered in terms of Section 7 of the Cooperatives Act, 2005 (Act No. 14 of 2005)
"Construction works"	Means a combination of goods and services arranged for the development, extension, installation, repair, maintenance, renewal, removal, renovation, alteration, dismantling or demolition of a fixed asset including building and engineering infrastructure;

“Council”	Means the Council of the Sol Plaatje Local Municipality;
“designated group”	<p>(a) black designated groups</p> <p>(b) black people</p> <p>(c) women</p> <p>(d) people with disabilities; or</p> <p>(e) small enterprises, as defined in section 1 of the National Small Enterprise Act, 1996 (Act No. 102 of 1996)</p> <p>(f) emerging enterprises which are enterprises, owned, managed and controlled by previously disadvantaged persons and which is overcoming business impediments arising from the legacy of apartheid</p>
“designated sector”	means a sector, sub-sector or industry or product designated in terms of regulation 8(1)(a)
“EME”	means an exempted micro enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act
“functionality”	means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents
“highest acceptable tender”	means a tender that complies with all specifications and conditions of tender and that has the highest price compared to other tenders;
“lowest acceptable tender”	means a tender that complies with all specifications and conditions of tender and that has lowest price compared to other tenders;

“Military veteran”	Means a military veteran in accordance with section 1 of the Military Veterans Act, 2011 (Act No. 18 of 2011)
“Municipality”	Means the Sol Plaatje Local Municipality
National Treasury	Means National Treasury in accordance section 1 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
“people with disabilities”	has the meaning assigned to it in section 1 of the Employment Equity Act, 1998 (Act No. 55 of 1998)
“price”	means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts.
“Proof of B-BBEE status level of contributor”	<p>(a) the B-BBEE status level certificate issued by an authorised body or person</p> <p>(b) a sworn affidavit as prescribed by the B-BBEE Codes of Good Practice; or</p> <p>(c) any other requirement prescribed in terms of the Broad-Based Black Economic Empowerment Act</p>
“QSE”	means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act
“Rand value”	means the total estimated value of a contract in Rand, calculated at the time of the tender invitation
“rural area”	<p>means-</p> <p>(a) a sparsely populated area in which people farm or</p> <p>a. depend on natural resources, including villages and small towns that are dispersed through the area; or</p>

	(b) an area including a large settlement which depends on migratory labour and remittances and government social grants for survival, and may have a traditional land tenure system
“Specific goals”	means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994;
“stipulated minimum threshold”	means the minimum threshold stipulated in terms of regulation 8(1)(b)
“tender”	means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
“tender for income generating Contracts”	means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions.
“township”	means an urban living area that any time from the late 19th century until 27 April 1994, was reserved for black people, including areas developed for historically disadvantaged individuals post 27 April 1994

“treasury”	has the meaning assigned to it in section 1 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
“youth”	has the meaning assigned to it in section 1 of the National Youth Development Agency Act, 2008 (Act No. 54 of 2008)
“Immovable Capital Assets”	Means any immovable assets such as land, assets or building refer to as capital assets.
“Locality (Doorstep)”	means the local suppliers and/or service providers that reside within the Municipal area
“Proof of locality” means a –	<p>(a) municipal account in the name of the tenderer not older than 90 days;</p> <p>(b) lease agreement where the tenderer is the lessee; or</p> <p>(c) an official letter from the bank confirming the registered business address of the tenderer;</p>
“Municipality”	Means Sol Plaatje Municipality

2. PURPOSE

- (a) The Policy complies with the framework of the PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 and its purpose is to:
 - i) Provide for categories of preference in awarding of bids;
 - ii) Provide for the advancement of persons or categories of persons disadvantaged by unfair discrimination; and
 - iii) Provide and clarify mechanisms on how the paragraphs 2(a)(i) and (ii) will be implemented.

3. SCOPE

- (a) The Constitution of the Republic of South Africa Act, 1996, (section 217) requires an organ of state to contract for goods or services in accordance with a procurement system which is fair, equitable, transparent, competitive, cost effective and to grant preferences within a framework prescribed by National Legislation.
- (b) Section 2 (a) of The Broad-based Black Economic Empowerment Act, No.53 of 2003, states that one of the goals of the Act is to promote economic transformation to enable meaningful participation of black people in the economy. This Policy gives rise to the National Legislation to advance section 217 of the Constitution.
- (c) This policy in its design, development, implementation, and review is guided and underpinned by the Preferential Procurement Policy Framework Act of 2000; and is consistent with the Municipality's strategic objectives, intent, values, code of conduct, and applicable legislation. Should any aspect of this policy be in conflict with the PPPFA Act, any regulations or other applicable legislations, the Constitution of the Republic of South Africa shall take precedence.

4. LEGISLATIVE FRAMEWORK

- The Constitution of the Republic of South Africa, 1996
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003).
- Preferential Procurement Policy Framework Act (Act of 2000).
- The Local Government Municipal Systems (Act No. 32 of 2000) as amended.
- The Local Government: Municipal Structures Act (Act No. 117 of 1996);
- Municipal Finance Management Act, MFMA (Act No. 56 of 2003).
- The Supply Chain Management Regulations (Gazette 25767, 5 December 2003)
- The Supply Chain Management Policy of the Sol Plaatje Municipality.

5. PROCUREMENT

5.1 Procurement Objectives

- (a) Promote Broad-Based Black Economic Empowerment (B-BBEE) - enterprises providing services and goods.
- (b) Promote local labour and /or promotion of enterprises located in the municipal area.
- (c) Promote Small Medium and Micro Enterprises (SMME's), Joint Ventures, Consortiums, and partnerships.
- (d) Implement recognised best procurement practises through effective planning, strategic purchasing, and contract management.

5.2 Application of Preference Point System

- (a) The Municipality shall, in the tender documents stipulate:
 - i) the preference point system applicable; and
 - ii) any specific goal as envisaged in section 2(1)(d) and (e) of the Preferential Procurement Act.

6. APPLICATION OF THE PREFERENTIAL POINT SYSTEM: ACQUISITION OF GOODS AND SERVICES

6.1 80/20 PREFERENCE POINT SYSTEM FOR ACQUISITION OF GOODS OR SERVICES FOR RAND VALUE EQUAL TO OR BELOW R50 MILLION.

- (a) The PPPFA provides for the 80/20 preference point system to apply to contracts equal to or below a prescribed amount. It therefore **does not allow for a minimum threshold** value to be prescribed.
- (b) The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value **equal to or below** R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 - \frac{(P_t - P_{min})}{P_{min}} \right)$$

- i. Where-
 - ii. P_s = Points scored for price of tender under consideration;
 - iii. P_t = Price of tender under consideration; and
 P_{min} = Price of lowest acceptable tender.
- (c) A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.
 - (d) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
 - (e) A tenderer must submit proof of locality in order to claiming point(s) for locality.
 - (f) A tenderer failing to submit proof of locality with his quotation/tender may not be disqualified, but will only score 0 points for locality.

6.2 90/10 PREFERENCE POINT SYSTEM FOR ACQUISITION OF GOODS OR SERVICES WITH RAND VALUE ABOVE R50 MILLION.

- (a) The following formula must be used to calculate the points out of 90 for price in respect of a tender with a Rand value above R50 million, inclusive of all applicable taxes:

$$P_s = 90 \left(1 - \frac{(P_t - P_{min})}{P_{min}} \right)$$

- i) Where-
 - ii) P_s = Points scored for price of tender under consideration;
 - iii) P_t = Price of tender under consideration; and
 P_{min} = Price of lowest acceptable tender.
- (b) A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.
- (c) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

7. APPLICATION OF THE PREFERENTIAL POINT SYSTEM: FOR TENDERS TO GENERATE INCOME OR DISPOSE OR LEASE ASSETS

7.1 80/20 AND 90/10 PREFERENCE POINT SYSTEM FOR TENDERS TO GENERATE INCOME OR TO DISPOSE OF OR TO LEASE ASSETS

- (a) Essentially, this provision allows for the formula for the 80/20 and 90/10 preference point system to be applied in reverse. For example, in the 80/20 preference point system, the formula would be applied as follows:

$$Ps = 80 \left(1 + \frac{Pt - Pmax}{Pmax} \right)$$

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

$$Ps = 90 \left(1 + \frac{Pt - Pmax}{Pmax} \right)$$

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

- (b) A maximum of 20 and 10 points may be awarded to a tenderer for the specific goal specified for the tender.
- (c) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

(d) Documents required for claiming of specific goal points on income or sale or lease of property/land are the following;

- i) Municipal account or lease agreement or letter from the tribal authority.
- ii) Official South African Identity will be used to established whether the individual falls below of the age of 35 and can be classified as youth.
- iii) Official South African Identity will be used to established whether the gender in line with specific goal.
- iv) Medical certificate will be used to determine the status in line with disability of individual.
- v) Force number, Identity number and full names or a letter from Department of Military veterans.

(e) Specific goal for **Youth**: Income generating project

80/20 equal to or below R50 million 90/10 above R50 million		
Youth – Black		
Age of participant	80/20	90/10
Above 35 of age	4	2
35 and below of age	10	5
Locality	10	5
Total Points	20	10

(f) Specific goal for **Women**: Income generating project

80/20 equal to or below R50 million 90/10 above R50 million		
Women		
Gender of participant	80/20	90/10
Other	4	2
Women	10	5
Locality	10	5
Total Points	20	10

(g) Specific goal for **Disability**: Income generating project

80/20 equal to or below R50 million 90/10 above R50 million		
Disability		
Disability of participant	80/20	90/10
None	4	2
Disability	10	5
Locality	10	5
Total Points	20	10

(h) Specific goal for **Military Veteran**: Income generating project

80/20 equal to or below R50 million 90/10 above R50 million		
Veteran		
Certificate of Veteran status	80/20	90/10
Non-Veteran	4	2
Veteran	10	5
Locality	10	5
Total Points	20	10

8. RDP Goals

Over and above the awarding of preference points in favour of HDIs, the following activities may be regarded as a contribution towards achieving the goals of the RDP (published in Government Gazette No. 16085 dated 23 November 1994):

- (a) The promotion of South African owned enterprises;
- (b) The promotion of export orientated production to create jobs;
- (c) The promotion of SMMEs;
- (d) The creation of new jobs or the intensification of labour absorption;

- (e) The promotion of enterprises located in a specific province for work to be done or services to be rendered in that province;
- (f) The promotion of enterprises located in a specific region for work to be done or services to be rendered in that region;
- (g) The promotion of enterprises located in a specific municipal area for work to be done or services to be rendered;
- (h) The promotion of enterprises located in rural areas;
- (i) The empowerment of the work force by standardizing the level of skill and knowledge of workers;
- (j) The upliftment of communities through, but not limited to, housing, transport, schools, infrastructure donations, and charity organizations.
- (k) The Municipality may also use other RDP goals identified in the Government Gazette No. 16085 dated 23 November 1994;

9. THE BASKET OF PREFERENCE GOALS

The basket of preference goals as contained in the relevant legislation are listed hereunder and the Municipality is at liberty to apply specific goals in any combination format depending on their preference targets. The Municipality must include in their policy specific goals as part of their tendering conditions.

- (a) The Bid Specification Committee shall set appropriate local economic development targets in terms of specific goals or targeted procurement objectives which must form part of the invitation to tender, set as criteria within bid, where appropriate, for the following target groups:
- (b) Tender(s) received need to be evaluated firstly on the basis of price point system. Once the highest points scorer has been ascertained only then the targeted specific goal will be applied.
- (c) Targeted specific goal will be applied, where feasible, on a tender-by-tender basis.

9.1 LOCALITY

The table below show how points will be allocated in terms of locality

- (a) Offices within the jurisdiction of the Sol Plaatje Municipality;
- (b) Offices within the jurisdiction of Francis Baard District;
- (c) Offices within the Northern Cape Province
- (d) Offices within the Republic of South Africa

Table: Locality

No#	Criteria	80/20 Points allocation	90/10 Points allocation
1.	Offices within the jurisdiction of SPM	10	5
2.	Offices within the jurisdiction of Francis Baard District	7	3.5
3.	Offices within the Northern Cape Province	5	2.5
4.	Offices within the Republic of South Africa	3	1.5

9.2 Specific Goal 1: Ownership as specific goal

A maximum of 20 points (80/20 preference points system) or 10 (90/10 preference points system), may be allocated. Bidder may score specific goal points based on company ownership.

If Municipality applies ownership as specific goal, the Municipality must advertise the tender with such a specific goal in order for a tenderer to claim 20 / 10 points for specific goals.

- The maximum of 10 points will be allocated for ownership and another 10 points will be allocated for locality for 80/20.
- The maximum of 5 points will be allocated for ownership and another 5 points will be allocated for locality for 90/10.

80/20 equal to or below R50 million 90/10 above R50 million		
Ownership - Black		
%	80/20	90/10
Ownership		
<51%	4	2
>51% <100%	6	3
100%	10	5
Locality	10	5
Total Points	20	10

9.3 Specific Goal 2: Gender as specific goal

- The maximum of 10 points will be allocated for black women and another 10 points will be allocated for locality for 80/20.
- The maximum of 5 points will be allocated for Black women and another 5 points will be allocated for locality for 90/10.

80/20 equal to or below R50 million		
90/10 above R50 million		
Gender – Black women		
% Ownership	80/20	90/10
<51%	4	2
>51% <100%	6	3
100%	10	5
Locality	10	5
Total Points	20	10

9.4 Specific Goal 3: Youth as specific goal

- The maximum of 10 points will be allocated for youth and another 10 points will be allocated for locality for 80/20.
- The maximum of 5 points will be allocated for youth and another 5 points will be allocated for locality for 90/10.

80/20 equal to or below R50 million		
90/10 above R50 million		
Youth – Black		
% Ownership	80/20	90/10
<51%	4	2
>51% <100%	6	3
100%	10	5
Locality	10	5
Total Points	20	10

9.5 Specific Goal 4: Disability as specific goal

- The maximum of 10 points will be allocated for disability and another 10 points will be allocated for locality for 80/20.
- The maximum of 5 points will be allocated for disability and another 5 points will be allocated for locality for 90/10.

80/20 equal to or below R50 million		
90/10 above R50 million		
Disability		
% Ownership	80/20	90/10
<51%	4	2
>51% <100%	6	3
100%	10	5
Locality	10	5
Total Points	20	10

- The bidders are required to submit the following documents in order to claim points for specific goals.
- A tenderer failing to submit proof of with his or her quotation/tender may not be disqualified but will only score 0 points for the specific goal.
 - i) Central Supplier Database (CSD) report and/or Companies and Intellectual Property Commission (CIPC)
 - ii) BBBEE Certificate or sworn affidavit.
 - iii) Municipal Account or Lease agreement for locality.
 - iv) Medical Certificate is required where specific goal for disability is applicable.

9.6 **Specific Goal for Formal Written Price Quotation (FWPQ) below R30 000**

FWPQ for procurement above R2000.00 (VAT included) but not exceeding R30,000 (VAT included) may be procured by inviting FWPQ (through an email) from at least 3 (three) prospective service providers. All quotations invited must be recorded and approved by the Manager Acquisition, or his/her delegate and the specific goals shall be applied. All quotations will be subjected to 80/20 points calculations. The 80 points will be for price, 20 points will be for specific goals.

The following specific goals and points are applicable:

Locality	Women	Youth	Total
10	5	5	20

10. **TENDERS TO BE EVALUATED ON FUNCTIONALITY**

- (a) The Sol Plaatje Municipality must state in the tender documents if the tender will be evaluated on functionality.
- (b) The evaluation criteria for measuring functionality must be objective.
- (c) The tender documents must specify-
 - i) the evaluation criteria for measuring functionality;
 - ii) the points for each criteria and, if any, each sub-criterion; and
 - iii) the minimum qualifying score for functionality.
- (d) The minimum qualifying score for functionality for a tender to be considered further:
 - i) must be determined separately for each tender; and
 - ii) may not be so:
 - iii) low that it may jeopardise the quality of the required goods or services; or
 - iv) high that it is unreasonably restrictive.
- (e) Points scored for functionality must be rounded off to the nearest two decimal places.
- (f) A tender that fails to obtain the minimum qualifying score for functionality as indicated in the tender documents is not an acceptable tender.

Each tender that obtained the minimum qualifying score for functionality must be evaluated further in terms of price and the specific goals and any objective criteria envisaged in the policy.

11. CRITERIA FOR BREAKING DEADLOCK IN SCORING

- (a) If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for Specific goal.
- (b) If functionality is part of the evaluation process and two or more tenderers score equal total points and equal preference points for specific goal, the contract must be awarded to the tenderer that scored the highest points for functionality.
- (c) If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

12. AWARD OF CONTRACTS TO TENDERERS NOT SCORING HIGHEST POINTS

- (a) A contract may be awarded to a tenderer that did not score the highest points only in accordance with section 2(1)(f) of the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000)
- (b) If the Sol Plaatje Municipality intends to apply objective criteria in terms of section 2(1) (f) of the Act, the Sol Plaatje Municipality must stipulate the objective criteria in the tender documents.

13. DECLARATIONS

- (a) A tender must, in the manner stipulated in the document, declare that-
 - i) the information provided is true and correct;
 - ii) the signatory to the tender document is duly authorised; and
 - iii) documentary proof regarding any tendering issue will, when required, be submitted to the satisfaction of the municipality.

14. CANCELLATION OF TENDER

- (a) The Municipality may, before the award of a tender, cancel a tender invitation if:
 - i) due to changed circumstances, there is no longer a need for the goods or services specified in the invitation.

- ii) funds are no longer available to cover the total envisaged expenditure;
 - iii) no acceptable tender is received; or
 - iv) there is a material irregularity in the tender process.
- (b) The decision to cancel a tender invitation must be published in the same manner in which the original tender invitation was advertised.

15. REMEDIES

- 15.1** If the Municipality is of the view that a tenderer submitted false information regarding a specific goal, it must—
- (a) inform the tenderer; accordingly, and
 - (b) give the tenderer an opportunity to make representations within 14 days as to why the tender may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part.
- 15.2** After considering the representations referred to (15.1) (b), the Accounting Officer may, if it concludes that such information is false—
- (a) Disqualify the tenderer or terminate the contract in whole or in part; and
 - (b) If applicable, claim damages from the tenderer.

16. REVIEW OF THE POLICY

- (a) This policy will be reviewed in line with any changes in the legislative environment including legislative changes, regulations and policy directives issued by National Treasury.
- (b) The Municipal Manager must submit any proposed changes to this policy to Council as part of the annual review of budget related policies.

SOL PLAATJE LOCAL MUNICIPALITY



CONTRACTS PERFORMANCE MANAGEMENT POLICY

Final Reviewed version of March 2024

MUNICIPAL CONTRACT PERFORMANCE MANAGEMENT POLICY
LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003
CONTRACT PERFORMANCE MANAGEMENT POLICY REVIEW AND ADOPTION
PROCESS

Adoption and Review	Council Resolution Date	Council Resolution number
Original adoption	01 July 2017	Not applicable
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Reviewed and Amended	27 February 2023	

CONTRACT PERFORMANCE MANAGEMENT POLICY- 2023/24				
Item No.	Original Author(s)	Policy status	Council Resolution No	Date of Approval
1	Machelani Shirindza	4 th Review		
2	Name of Speaker Ms. Nomazizi Maputle	4 th Review		
3	Name of Accounting Officer (MM)	Signature	Date	
4	Mr. SB Matlala			

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A. ACRONYMS AND DEFINITIONS

In this Policy, unless the context indicates otherwise:

Accounting Officer	means the Municipal Manager referred to in section 60 of the MFMA (2003); and include a person acting as the accounting officer.
Act or MFMA	the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).
AMU	Asset Management Unit of the Municipality
BAC	Bid Adjudication Committee
B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
BEE	Black Economic Empowerment
BoQ	Bill of Quantities
BSC	Bid Specification Committee
BTO	Budget and Treasury Office
CFO	Chief Financial Officer of the Municipality
CIDB	Construction Industry Development Board
Circular 62	communication from National Treasury by means of a Circular to enhance compliance and accountability to SCM Regulations and the MFMA of 2003.
Construction Industry Development Board (CIDB):	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.
Contingencies	a percentage of concept budget allowed for unforeseeable programmatic and design changes which occur over the course of the execution.
Contract	the agreement that results from the acceptance of a bid by the Municipality (signed mutual agreement).
Contract Alteration	changing technical writing or input errors to the agreement of the contract without changing the scope of contract.
Contract Amendment	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).
Contract Lifecycle	the period from the beginning of the contract, its inception, management, and termination of such contract
Contract Lifecycle Management	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.
Contract Management	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).
Contract Owner	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.
Contract Variation or Variation Order	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.
Council	Means the Council of the Sol Plaatje Local Municipality.
CSD	Central Supplier Database
Delegation (in relation to a duty)	Includes an instruction or request to perform or to assist in performing the duty.
Executive Director	Means a senior manager of the Municipality appointed in terms of section 56 of the Municipal Systems Act Delegation (in relation to a duty)
Force Majeure (Act of God)	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).
GCC	General Conditions of Contract
IDP	Integrated Development Plan
IUDG	Integrated Urban Development Grant
KPI	Key Performance Indicators
Line/Project Manager	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.

MBD	Means the Municipal Bid Documents
MFMA	Means the Local Government: Municipal Finance Management Act, 2003 (Act no 56 of 2003)
MSA	Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
Municipality	means the Sol Plaatje Local Municipality;
NT	National Treasury established by section 5 of the Public Finance Management Act.
Official (In relation to the Municipality)	means: <ul style="list-style-type: none"> • an employee of the Municipality. • a person seconded to the municipality to work as a member of the staff of the municipality; or • a person contracted by the municipality to work as a member of the staff of the municipality otherwise than as an employee.
PID	Project Initiation Documents
PIP	Project Implementation Plan
PMU	Project Management Unit
Price Escalation	Means the changes in the cost or price of specific goods or services in a given economy over a period.
Project Funding	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.
PSC	Means Project Steering Committee
SCC	means the Special Conditions of Contract
SCM	Supply Chain Management
SCM Contract Performance Manager	the SCM officials responsible for Monitoring, Regulating and Reporting on all contract related activities as set out in Section 116 of the MFMA.
SDA	Service Delivery Agreement
SDBIP	means Service Delivery Budget Implementation Plan
Service Level Agreement (SLA)	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
SLA	Service Level Agreement
Standard Contract	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.
Structures Act	Local Government: Municipal Structures Act, 2000 (Act No. 117 of 1996)
Users	all officials as set out in the organogram of the Sol Plaatje Municipality involved with contracts.
VAT	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, unless it the contract for the rental of printer or others, whereby an Invoice or order will issued on monthly or annual basis for 2 to 3 years with a minimum not exceeding the threshold. Such rental of printer, landfill site assessment, audit revies of the AFS, and Artuarias, etc. 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 R300 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 (80 price /20 specific goals) 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 depending on the contract or procurement, in most case an official order will be generate.
- (d) Procurement of goods and services above R300 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 R300 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 and the deviation must indicate the mitigation plan and the timelines of the bidding process.

- (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 quarterly basis the performance of the contractor under the contract or agreement and the monitoring report for infrastructure projects must be submitted to PMU and SCM on monthly basis.
- (c) The monitoring report for the goods and services project must be submitted to SCM by the Line Manager on quarterly basis before generating the second official order.
- (d) The PMU Manager / Contract Owner (Municipal Manager / 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 **7 business days after the end of each quarter**.
- (e) 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.
- (f) 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.

4.7 Non-Performance of the Supplier/ contractor:

- a) If the supplier after received the official order fails to deliver the goods and services as indicated in an official order within the timelines agreed with the LM and SCM. The municipality must inform the supplier and cancel an official order. The service can be requested from other service provider.
- b) If the lowest bidder (quotations below R30 000) is non-tax compliant before generating an official order for **goods and services**, the bidder will be notified and given 7 days to correct the tax status. In case of emergency or the urgent items to be procured the SCM will generate an official order to the responsive second lowest bidder and tax matter must be verified and to be tax compliant.
- c) If the bidder is non-tax compliant before the payment of the **infrastructure project** the bidder will be notified and give 7 days to correct the tax status.
- d) For the infrastructure projects, if the contractor fails to perform the work as awarded to his/her company, the municipality will inform the contractor through letter about the unsatisfactory and the non-performance as first warning and the second warning. All the non-performance activities must be recorded, and the contract will be terminated considering relevant clauses on SLA or GCC.

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 and the SCM. 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
The PMU and SCM must be informed, and copy must circulate in order to update the register	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:

Where the amount of the project awarded far exceeds the budget – Capital	
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
Where the project is overspending	
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) The SCM must register all the civil contract in the system and inform the Expenditure sections for all the new awards.
- (c) The PMU will link the job for the contract in the civil module for each new financial and the SCM will verify and authorise.

- (d) The PMU will link all the budget jobs in the system.
- (e) SCM will capture all the extension of the contract after received all the relevant documentation for extensions of the tender.
- (f) 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.

- (g) 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.
- (h) 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.
- (i) 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 30th 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



POLICY: INSTALLATION AND MANAGEMENT OF SMART METERING SOLUTIONS

APPROVED BY THE MUNICIPAL COUNCIL
IN TERMS OF COUNCIL RESOLUTION NO.:

COUNCIL MEETING DATE:

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1) Introduction and background

Brief History and Current Energy Scenario:

Sol Plaatje Municipality ("**Municipality**"), named after the renowned South African intellectual and political leader Solomon Tshekisho Plaatje, has a rich historical background. This Municipality, encompassing the city of Kimberley and surrounding areas, has been a centre of significant economic and social developments. Historically known for its diamond mining, the area has evolved into a hub with diverse economic activities.

In recent years, the energy scenario in the Municipality has been characterised by a mix of traditional and modern sources. The Municipality relies, predominantly on the national grid for electricity, supplemented by a growing interest in renewable energy sources. However, challenges such as energy supply instability and increasing demand have highlighted the need for innovative solutions to ensure sustainable energy management.

The Municipality has shown a commitment to sustainable development and innovation, recognizing the importance of transitioning to more efficient and environmentally friendly energy systems. This commitment is in line with South Africa's national strategies for sustainable development, which emphasize on reducing carbon emissions and enhancing energy efficiency.

2) Overview of Current Metering Systems

Limitations of Existing Metering Systems: The current metering systems in the Municipality primarily consist of traditional electromechanical meters for electricity and mechanical meters for water. These systems have several limitations.

Inaccuracies: Traditional meters often suffer from accuracy issues due to aging, wear and tear, and environmental factors. This can lead to incorrect billing and disputes between the Municipality and consumers.

Manual Reading Processes: The meters require manual reading, which is labour-intensive, time-consuming, and prone to human error. This process also limits the frequency of readings, often leading to estimated bills rather than actual usage billing.

Maintenance Issues: The older metering infrastructure is more prone to breakdowns and requires regular maintenance. This not only increases operational costs but also leads to service interruptions and customer dissatisfaction.

Limited Data for Analysis: Traditional meters provide limited data, offering little beyond basic consumption totals. This lack of detailed data hampers effective energy management and planning.

3) Need for Smart Metering Technology

Addressing Current Challenges and Contributing to a Sustainable Energy Ecosystem

Improved Efficiency and Accuracy: Smart meters provide real-time, accurate readings of electricity and water consumption. This precision eliminates the inaccuracies associated with manual readings and aging infrastructure, leading to fair and transparent billing.

Remote Monitoring and Control: With smart meters, the Municipality can remotely monitor and manage the energy and water distribution network. This capability enhances service delivery, allows for quicker response to issues, and reduces the need for physical meter readings.

Enhanced Consumer Engagement: Smart meters empower consumers with detailed information about their consumption patterns. This access to data can drive more conscious usage, promote energy-saving behaviours, and lead to cost savings.

Facilitating Renewable Energy Integration: Smart meters are integral in managing distributed energy resources, such as solar panels. They can help balance the grid by monitoring and managing energy flows, essential for a Municipality investing in renewable sources.

Data-Driven Decision Making: The rich data provided by smart meters enables the Municipality to make informed decisions about energy and water management, infrastructure investment, and demand-side management programs.

4) Objectives of the Policy

Billing Accuracy and Efficiency

One of the primary objectives of implementing smart meters in the Municipality is to enhance billing accuracy and efficiency. Smart meters provide real-time, accurate data on electricity and water consumption, directly addressing issues of inaccuracy inherent in traditional metering systems. These advanced meters digitally record consumption and transmit data automatically, eliminating the need for manual meter readings and the human errors associated with this process. This automation significantly reduces administrative overheads and operational costs associated with meter reading and data entry. Additionally, the precision of smart meters ensures that consumers are billed strictly based on their actual usage, fostering transparency and trust between the Municipality and its residents. This accuracy not only streamlines the billing process but also minimizes disputes over charges, leading to a more efficient and consumer-friendly billing system.

Resource Management and Conservation

The installation of smart meters plays a crucial role in enhancing resource management and conservation. These meters provide detailed data on usage patterns, including peak usage times, which can be invaluable for planning and managing the Municipality's energy and water resources more effectively. This information allows the Municipality to identify areas of high demand, anticipate future resource needs, and optimize the distribution network accordingly. Moreover, the ability to monitor consumption patterns in real-time enables the identification of unusual spikes in usage, which could indicate leaks or inefficiencies in the system. Early detection and resolution of such issues not only conserve resources but also save costs. Furthermore, the data collected by smart meters can inform the development of targeted conservation programs and policies, leading to more sustainable resource management practices.

Consumer Awareness

Smart meters empower consumers with immediate access to their consumption data, fostering greater awareness and responsibility towards energy and water usage. This real-time information enables residents to understand their consumption patterns, identify areas where they can reduce usage, and make informed decisions to lower their bills. For instance, consumers can track how specific appliances or behaviours impact their consumption and make changes accordingly. This heightened awareness often leads to more energy-efficient and environmentally conscious behaviours. Additionally, the Municipality can use this data to provide personalized feedback and tips to consumers, further encouraging conservation efforts. By promoting a culture of energy and water conservation through increased awareness, smart meters contribute to a broader communal effort towards sustainability.

5) Scope and Applicability

Geographical Areas Covered

The scope of the smart meter installation policy encompasses the entirety of the Municipality, a region that includes both urban and rural areas. The policy applies to all sectors within the Municipality's boundaries, covering the city of Kimberley and its surrounding areas. However, the implementation will be strategically phased, with initial focus areas likely to be those with higher population densities and more significant infrastructure challenges. This approach ensures that the benefits of smart metering are first realized in areas where they can make the most impact. Additionally, special consideration will be given to areas experiencing frequent billing disputes or resource management challenges, as smart meters can provide immediate solutions in these contexts. The policy's geographical inclusivity ensures that all parts of the Municipality, irrespective of their urban or rural status, will eventually benefit from the advanced metering infrastructure.

Consumer Types

The smart meter installation policy is inclusive of all consumer types within the Municipality. This includes residential customers, who form the majority of the consumer base, as well as commercial and industrial customers. Residential areas will benefit from more accurate billing and enhanced ability to manage home energy and water use. Commercial consumers, including businesses and service providers, will gain from better data to manage their operational costs more effectively. For industrial consumers, the precise and real-time data provided by smart meters will be crucial for large-scale resource management and can contribute significantly to optimizing production processes and reducing costs. By covering all consumer types, the policy ensures a comprehensive upgrade to the Municipality's metering infrastructure, addressing the diverse needs and challenges of each consumer category.

Implementation Timeframe

The rollout of the smart meter installation policy is planned as a multi-phase project over several years. The initial phase, potentially covering the first year, will focus on pilot areas to test the system and refine the installation process. This phase will provide valuable insights into the challenges and best practices for a broader rollout. Subsequent phases will see a scaled expansion, with the aim of covering significant portions of the Municipality each year. The entire project might span over five years, with the final phase focusing on remote and less populated areas. This phased approach allows for the evaluation and adjustment of strategies based on feedback and results from the early stages. It also ensures that the Municipality and its residents have ample time to adapt to the new technology and its implications. The timeline is subject to review and modification based on various factors, including technological advancements, budgetary considerations, and feedback from the initial phases of implementation.

6) Technology Specifications

Smart Meter Technology: Smart meters represent a significant technological advancement over traditional utility meters. These modern devices use digital technology to measure electricity and water usage.

Key features include:

- **Remote Reading and Control:** Smart meters transmit usage data wirelessly to the utility provider, eliminating the need for manual meter readings. This capability enables remote monitoring and control of utility supply, allowing for efficient management of resources and quick response to issues.

- **Real-Time Data Transmission:** One of the most critical aspects of smart meters is their ability to provide real-time, or near real-time, data on utility consumption. This continuous data stream offers an up-to-date picture of usage patterns, enabling more accurate billing and informed resource management.
- **Advanced Data Analytics Capabilities:** Smart meters are equipped with capabilities to analyse and report data. This feature is crucial for identifying trends, predicting future usage, and managing peak load times more effectively.
- **Consumer Interaction:** These meters often have user interfaces that allow consumers to view their consumption data directly. This feature can be a significant driver for behavioural change in energy and water use.
- **Automatic Outage Detection:** Smart meters can immediately report outages, significantly improving the speed and efficiency of response to such incidents.

Standards and Specifications

To ensure the effectiveness and reliability of the smart metering system, the meters must adhere to certain technical standards and specifications, including:

- **Accuracy:** They must meet stringent accuracy requirements to ensure fair billing and consumer trust.
- **Durability and Reliability:** The meters should be robust, able to withstand local environmental conditions, and have a long operational life with minimal maintenance needs.
- **Interoperability:** It is crucial that the smart meters are compatible with different types of home and building management systems, as well as with other smart meters. This interoperability is essential for a cohesive smart grid system.
- **Security Standards:** Given the sensitive nature of usage data, the meters must comply with high standards of data security to protect against unauthorized access and ensure consumer privacy.
- **Compliance with Regulatory Standards:** The meters should comply with all relevant local and international standards for utility metering and wireless communication.

Integration with Existing Infrastructure

Integrating smart meters with the existing electrical and water supply systems of the Municipality involves several considerations:

- **Compatibility with Current Systems:** The smart meters must be compatible with the existing distribution infrastructure. This compatibility is crucial for a seamless transition from old to new systems.
- **Upgrading Supporting Infrastructure:** In some cases, parts of the existing infrastructure may need upgrades to support the advanced functionalities and wireless connectivity capabilities of smart meters. This might include enhancing communication networks and data management systems.
- **Transition Management:** A clear plan is necessary to manage the transition from traditional to smart meters, ensuring minimal disruption to consumers.

- **Training and Capacity Building:** Adequate training must be provided to municipal staff and service providers for the installation, operation, and maintenance of the new system.
- **Consumer Interface Systems:** Integration also involves setting up interfaces and platforms for consumers to access their consumption data, which is a key feature of smart meter technology.

7) Installation Process

Installation Phases

The installation of smart meters in the Municipality is planned to be carried out in distinct phases, allowing for a systematic and efficient rollout:

- **Pilot Phase:** The initial phase involves a pilot project in select areas. This phase is crucial for testing the technology, refining installation processes, and training personnel. Feedback from this phase will inform adjustments and improvements for subsequent phases.
- **Phase One - High Priority Areas:** Based on the success of the pilot, the first major phase targets areas with high population density and critical infrastructure needs. This includes urban centres and commercial districts where the impact of smart meters can be most immediately felt in terms of energy management and billing accuracy.
- **Phase Two - Expansion to Residential and Industrial Areas:** Following successful implementation in high-priority areas, the next phase expands to broader residential areas and industrial zones. This phase will cover a larger portion of the Municipality, aiming to include diverse consumer types.
- **Final Phase - Comprehensive Coverage:** The final phase targets remaining areas, including remote and rural locations. Special attention will be given to ensuring that these areas, which might face unique challenges such as accessibility or infrastructure limitations, are adequately covered.

Criteria for Prioritizing Areas

The criteria for prioritizing areas for smart meter installation include:

- **Population Density:** Areas with higher population densities are prioritized to maximize the impact on billing accuracy and resource management for a larger number of consumers. **Infrastructure Readiness:** Regions where the existing infrastructure can easily accommodate smart meters without significant upgrades are prioritized to expedite the rollout process.
- **Historical Data Accuracy Issues:** Areas with a history of billing disputes or meter reading inaccuracies are given priority to quickly rectify these longstanding issues.
- **Demand Management Needs:** Areas with high energy demand or water usage are prioritized to better manage peak load times and overall resource allocation.
- **Strategic Importance:** Commercial and industrial areas, being high energy and water users, are also prioritized for their strategic importance in the local economy.

Procedures for Different Premises

The installation process varies slightly depending on the type of premises:

- **Residential Premises:** For homes, the process involves scheduling installation at a convenient time, ensuring minimal disruption to the household. Installers need to educate homeowners about the functionality and benefits of the smart meters.
- **Commercial Premises:** In commercial settings, considerations include minimal disruption to business operations. Installations may be scheduled during off-peak hours or closed days.
- **Industrial Premises:** Industrial installations require careful planning due to the complexity and scale of the operations. Coordination with facility managers is crucial to avoid interference with production processes.
- **Special Considerations:** For premises in remote or difficult-to-access areas, special logistical arrangements are necessary. Similarly, older buildings may require additional preparation work to accommodate the new technology.
- **Communication and Support:** Throughout the installation process, clear communication and support are key. Consumers should be informed in advance about the installation schedule, the process involved, and any necessary preparations on their part. Post-installation, consumer education on how to access and interpret the data from their new smart meters is essential for maximizing the benefits of the technology.

8) Financial consideration

Budget and Funding

The financial planning for the smart meter project in the Municipality involves a detailed budget that encompasses all aspects of the installation, including the purchase of meters, infrastructure upgrades, labour costs, training, and consumer education programs. The budget needs to be meticulously planned, to cover all phases of the project, from the initial pilot phase to the full-scale rollout.

Funding for this project can be sourced from a combination of channels:

- **Government Grants and Subsidies:** As part of national and provincial initiatives to improve energy efficiency and resource management, the Municipality could access grants and subsidies designated for such projects.
- **Municipal Budget:** A portion of the Municipality's budget can be allocated for this project, recognizing the long-term benefits of smart metering in terms of efficiency and cost savings.
- **Loans and Financing:** Loans from financial institutions or development banks could be sought, especially for parts of the project that promise a direct return on investment, such as reducing non-revenue water or enhancing energy efficiency.
- **Public-Private Partnerships (PPPs):** Collaboration with private sector companies specializing in smart metering technology can be a viable option. These partnerships

might involve shared financing models where the private entity contributes to the initial investment in return for a share of the efficiency savings or other benefits.

Cost-Benefit Analysis

A cost-benefit analysis of the smart meter installation project should consider both the immediate and long-term financial impacts:

- **Immediate Costs:** These include the purchase of smart meters, installation costs, infrastructure upgrades, and initial consumer education campaigns.
- **Long-Term Savings:** Over time, the Municipality can expect significant savings from reduced labour costs for meter readings, decreased billing inaccuracies, and improved resource management leading to cost savings.
- **Creditors management:** Improved creditors management and ensure timeous payment of outstanding bulk creditors, avoid the accumulation of debt and incurring interest on overdue accounts resulting in the elimination of Fruitless and Wasteful expenditures.
- **Non-Financial Benefits:** These include enhanced customer satisfaction due to accurate billing, improved resource conservation, and the potential for better load management on the energy grid.
- **Return on Investment (ROI):** The ROI should be calculated considering the initial outlay versus the cumulative savings and efficiencies gained over a defined period.
- **Consumer Billing:** Post-installation of smart meters, the billing process for consumers in the Municipality will undergo significant changes:
- **Accurate and Timely Billing:** Consumers will be billed based on real-time usage data, ensuring accuracy and transparency in billing.
- **Potential for Dynamic Tariff Structures:** With the detailed consumption data available from smart meters, the Municipality could introduce dynamic tariff structures. For example, time-of-use tariffs, where consumers are charged different rates depending on the time of day, encouraging off-peak usage.
- **Consumer Access to Usage Data:** Consumers will have access to their usage data, potentially through written request to the Municipality or online portals and/or mobile apps, allowing them to monitor and manage their consumption more effectively.
- **Billing Adjustments and Notifications:** Smart metering systems enable more sophisticated billing adjustments and notifications, helping consumers to stay informed about their consumption and any changes in tariff structures.

9) Legal and Regulatory Framework

Regulatory Compliance

The installation and operation of smart meters in the Municipality must comply with a range of legal and regulatory requirements. These include:

- **National Energy Regulations:** Compliance with South Africa's national energy policies and regulations is mandatory. This includes adhering to standards set by the National Energy Regulator of South Africa (NERSA) for utility services, ensuring that the smart meters meet specified technical and performance criteria.
- **Electrical Safety Standards:** Smart meters must comply with electrical safety standards to ensure they pose no risk to consumers or the energy grid. This involves adhering to standards for installation, maintenance, and operation.
- **Telecommunications Regulations:** Since smart meters use wireless communication to transmit data, compliance with telecommunications regulations, overseen by the Independent Communications Authority of South Africa (ICASA), is required. This includes ensuring that the frequency bands used for communication do not interfere with other services and are in line with national spectrum allocation policies.
- **Local Bylaws and Ordinances:** The Municipality must ensure that the installation and operation of smart meters are in compliance with local bylaws and ordinances, including those related to building and zoning regulations.

10) Data Privacy and Security

Protecting consumer data and ensuring privacy are critical aspects of the smart meter program. Measures include:

- **Data Encryption and Security Protocols:** Implement robust encryption and security protocols to protect data transmission and storage. This is essential to prevent unauthorized access and data breaches.
- **Compliance with Data Protection Laws:** Adherence to South Africa's Protection of Personal Information Act (POPIA) is crucial. This involves ensuring that consumer data is used and stored in a manner that respects privacy and is in line with legal requirements for personal data protection.
- **Data Access and Use Policies:** As per this policy, the registered owner of the property or a tenant with the written permission of the landlord, can obtain access to metering data that allows the consumer to identify areas where they can reduce consumption, potentially leading to cost savings and environmental benefits. This includes setting strict limits on data sharing with third parties with the implicit written permission obtained from the registered owner and using data solely for intended purposes like billing, consumption patterns and resource management.
- **Regular Security Audits and Updates:** Conduct regular audits of the smart metering system to identify and rectify potential security vulnerabilities. Keeping the system updated with the latest security patches is also crucial.

11) Consumer Rights and Obligations

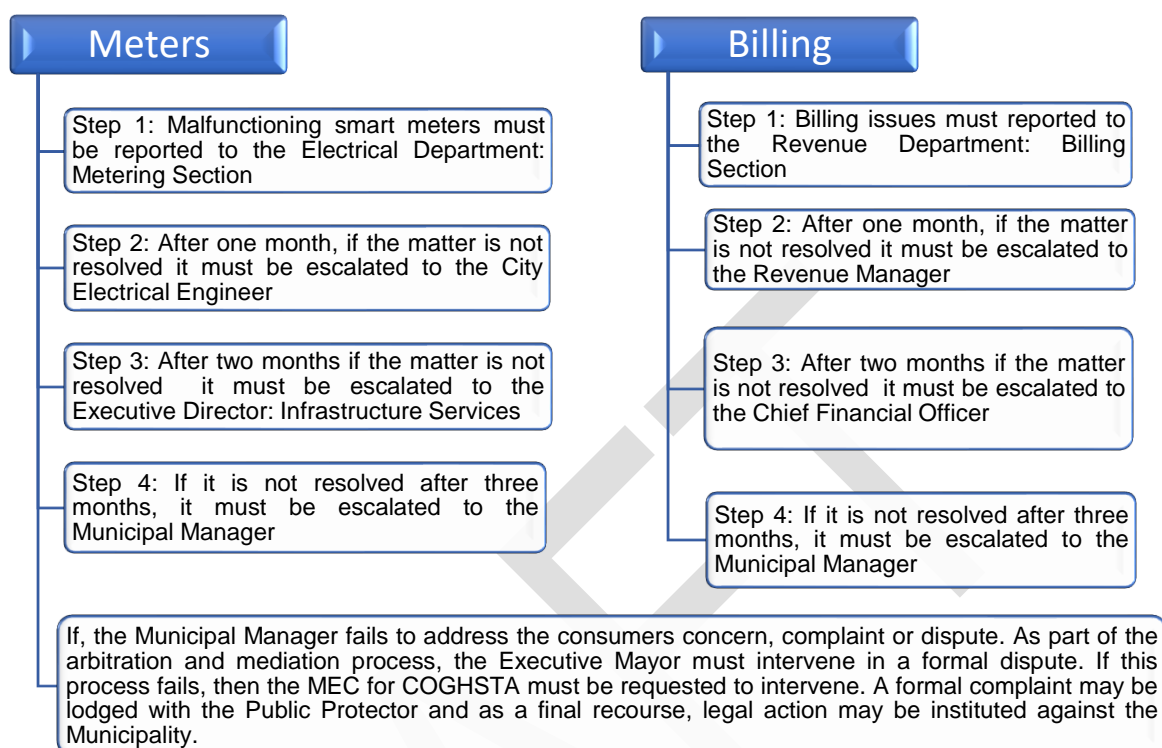
The policy delineates the rights and obligations of consumers in relation to smart meters:

- **Right to Data Access:** Consumers have the right to access their consumption data and to this end, the registered owner of the property or a tenant with the written permission of the landlord may obtain metering data. This empowers them to monitor

their usage and gain insights into their consumption patterns. Providing consumers with access to their consumption data is essential for promoting transparency and empowering them to make informed decisions about their energy usage. Access to this data allows consumers to identify areas where they can reduce consumption, potentially leading to cost savings and environmental benefits.

- **Right to Privacy:** Consumers have the right to privacy concerning their usage data. Consumer data will be protected by implementing robust encryption and security protocols to protect data transmission and storage. This is essential to prevent unauthorized access and data breaches. Data sharing with third parties shall require the implicit written permission of the registered owner and the use of the data shall solely be for the intended purposes like billing, consumption patterns and resource management.
- **Obligations in Meter Maintenance:** While the primary responsibility for maintaining the meters lies with the Municipality or service provider, consumers have certain obligations, such as ensuring safe access to meters for meter readings or maintenance checks, proper functioning of the equipment and refraining from tampering with the equipment to gain free access or manipulate consumption data. Any such tampering will be dealt with in terms of the Municipality's Credit Control Policy, including any other applicable policy of legislation. Tampering shall result in the institution of penalty charges, the disconnection of services and the institution of criminal proceedings.
- **Dispute Resolution Mechanisms:** Concerns, complaints or disputes related to smart meter readings or billing can arise from various factors, including meter malfunctions, inaccuracies, or billing errors. Providing clear and accessible mechanisms for consumers to raise concerns or disputes ensures that any issue can be promptly addressed and resolved, fostering trust and accountability in the smart metering system. Concerns, complaints or disputes that are addressed in the shortest possible turnaround time, also significantly contributes to customer satisfaction and improves the customer's perception of receiving quality service from the Municipality. Concerns and complaints may be submitted in person, in writing, telephonically or via email for remedial action to be taken. Formal disputes must be submitted in writing. Articulated below is the dispute resolution steps and process to be followed.

DISPUTE RESOLUTION STEPS AND PROCESS



12) Stakeholder engagement and Communication Strategy

Key Stakeholders

Successful implementation of the smart meter project in the Municipality hinges on the active involvement and support of various stakeholders, each playing distinct roles:

- **Government Bodies:** National and local government entities, including energy and utility regulators, are key stakeholders. They are responsible for setting policy frameworks, ensuring regulatory compliance, and possibly providing funding or subsidies. Their role also includes overseeing the project to ensure it aligns with broader energy and environmental goals.
- **Utility Companies:** These are the entities directly responsible for the installation, operation, and maintenance of the smart meters. They play a crucial role in the technical aspects of the project, data management, and customer billing. Utility companies will also be key in addressing operational challenges and ensuring service continuity.
- **Consumers:** This group includes residential, commercial, and industrial users of electricity and water. As the end-users of the smart meters, their cooperation is essential. Consumers are also the primary beneficiaries of the improved efficiency and accuracy the smart meters promise, and their feedback is crucial for refining the system.
- **Community Leaders and Organizations:** Local community leaders and organizations can act as intermediaries, facilitating communication between the project

implementers and the community. They can help in sensitizing the community about the benefits of smart meters and in gathering grassroots feedback.

- **Technology Providers:** Companies providing the smart meter technology and related systems are key in ensuring the technical viability of the project. Their role involves not just the supply of technology but also providing technical support and expertise.

Communication Plan

Effective communication is vital for the success of the smart meter initiative. The communication plan should encompass:

- **Initial Awareness Campaign:** Before the rollout, conduct an awareness campaign to introduce the concept of smart meters to the community. This can involve informational brochures, local media advertisements, and digital media campaigns.
- **Public Meetings and Workshops:** Organize meetings and workshops in different areas of the Municipality to explain the benefits of smart meters, the installation process, and how to use and interpret the data provided by the meters.
- **Social Media and Online Platforms:** Utilize social media and the Municipality's official website to post regular updates about the project's progress, answer FAQs, and provide a platform for feedback.
- **Regular Updates:** Throughout the installation process, keep stakeholders informed about progress, any changes in the schedule, and results from the early phases of the project.
- **Targeted Communication for Different Stakeholder Groups:** Tailor the communication approach for different groups - for example, more technical details for businesses and simpler, more practical information for residential consumers.

Engagement Methods

Engaging with stakeholders and gathering their feedback is an ongoing process, the following engagement methods can be utilized:

- **Feedback Channels:** Establish channels like hotlines, email addresses, and social media platforms specifically for stakeholders to ask questions and express concerns.
- **Surveys and Questionnaires:** Conduct regular surveys and questionnaires to gather feedback from consumers on their experience with the smart meters.
- **Stakeholder Meetings:** Hold periodic meetings with key stakeholders such as community leaders, business associations, and consumer groups to discuss challenges, gather suggestions, and update them on progress.
- **Engagement Through Local Events:** Participate in local events and forums to maintain visibility and engagement with the community.
- **Monitoring social media:** Actively monitor social media channels for public sentiment and concerns, responding appropriately where needed.

13) Monitoring and evaluation

Performance Indicators

For the smart meter installation project in the Municipality, clearly defined Key Performance Indicators (KPIs) are crucial to objectively measure the project's success and guide decision-making. These KPIs include:

- **Installation Rate:** Measures the number of smart meters installed against the planned number within a specific timeframe. This KPI helps in tracking the progress of the physical installation process.
- **Operational Efficiency:** Assessed by the reduction in time and costs associated with meter reading and billing processes post-installation. This KPI reflects the operational benefits of smart meters.
- **Data Accuracy:** Monitors the precision of the data captured by smart meters. This can be measured by the decrease in billing disputes and corrections.
- **Consumer Satisfaction:** Gauged through surveys and feedback mechanisms. High satisfaction levels indicate successful adoption and perceived benefits among consumers.
- **System Reliability:** Measured by the frequency and duration of outages or system failures. Reliable performance is crucial for the credibility of the new system.
- **Energy and Water Conservation:** Tracks any reductions in overall consumption or improvements in efficiency, indicating the effectiveness of smart meters in promoting conservation.

14) Review and Reporting

Regular review and reporting are vital components of the project's monitoring and evaluation framework:

- **Regular Progress Reviews:** Scheduled reviews, possibly on a quarterly basis, to assess progress against the KPIs. These reviews should involve all key stakeholders, including installation teams, utility companies, and municipal officials.
- **Reporting Mechanism:** Establish a clear reporting mechanism for all parties involved in the project. This could include monthly or quarterly reports detailing the installation progress, operational issues, consumer feedback, and any deviations from the planned schedule or budget.
- **Public Reporting:** Periodic public reporting on the project's progress and performance against KPIs. This maintains transparency and keeps the community informed and engaged.
- **Data-Driven Adjustments:** Utilize the data collected through monitoring to make informed decisions and adjustments to the project plan as necessary.

Feedback and Improvement

The collection and utilization of feedback are essential for the continuous improvement of the policy and its implementation:

- **Consumer Feedback Channels:** Establish and maintain various channels for consumers to provide feedback, such as online portals, customer service hotlines, and email.
- **Stakeholder Meetings:** Regular meetings with key stakeholders, including community groups and business associations, to discuss experiences, concerns, and suggestions for improvement.
- **Surveys and Questionnaires:** Conduct periodic surveys and questionnaires among consumers and other stakeholders to collect structured feedback on various aspects of the smart meter system. Information Technology (IT) Section to assist with electronic surveys, as and when required.
- **Feedback Integration:** Actively integrate the feedback into the ongoing project management process. This involves analysing the feedback, identifying areas for improvement, and implementing changes where necessary.
- **Continuous Learning and Adaptation:** Encourage a culture of continuous learning and adaptation within the project team and among stakeholders. Share lessons learned and best practices both internally and with other municipalities or organizations undertaking similar projects.

15) Risk Management and Contingency Planning

Potential Risks

Effective risk management is crucial for the smart meter installation project in the Municipality. Key potential risks include the following:

- **Technological Failures:** This includes hardware malfunctions, software glitches, or issues with data transmission. Such failures can disrupt the metering system, leading to inaccurate billing or data loss.
- **Resistance from Consumers:** Consumer resistance can arise due to concerns over privacy, data security, or changes in billing. Misunderstandings or misinformation about smart meters can exacerbate this issue.
- **Funding Shortfalls:** Insufficient funding can delay or halt the project. This risk is particularly pertinent if the project depends heavily on external funding sources like government grants or loans.
- **Regulatory Changes:** Sudden changes in national or local regulations regarding utility metering or data privacy can impact the project's viability.
- **External Security Threats:** Risks such as cyber-attacks or physical tampering with the meters, which can compromise data integrity and system functionality.

Mitigation Strategies

To mitigate these risks, the following strategies should be employed:

- **Robust Testing and Quality Assurance:** Implement thorough testing of the smart meters and supporting infrastructure before and during deployment to minimize the risk of technological failures.
- **Consumer Education and Engagement:** Develop a comprehensive communication strategy to educate consumers about the benefits of smart meters, how they work, and the measures taken to protect their privacy and data.
- **Diversified Funding Strategy:** Secure funding from multiple sources to reduce dependency on a single stream and create a financial buffer. This includes exploring options like public-private partnerships and phased implementation to manage costs.
- **Regular Compliance Reviews:** Stay abreast of regulatory changes and ensure ongoing compliance. This includes maintaining flexibility in the project plan to accommodate potential regulatory shifts.
- **Enhanced Security Measures:** Implement robust cybersecurity measures for the metering system and conduct regular security audits. Physical security features for the meters should also be considered.

Crisis Management

In case of unexpected challenges or emergencies, a well-defined contingency plan is necessary, which includes the following:

- **Rapid Response Team:** Establish a dedicated team to respond quickly to crises, be they technological failures, security breaches, or other emergencies.
- **Emergency Communication Protocols:** Develop clear protocols for internal and external communication during a crisis. This includes timely and transparent communication with consumers and stakeholders.
- **Backup Systems:** Ensure backup systems are in place, particularly for data storage and recovery, to minimize disruptions in case of system failures.
- **Crisis Simulation Exercises:** Regularly conduct crisis simulation exercises to test the effectiveness of response plans and refine them based on learnings.
- **Stakeholder Collaboration:** Collaborate with stakeholders, including technology providers, emergency services, and local authorities, to ensure a coordinated response to emergencies.

16) Conclusion

Summary of Goals and Outcomes

The smart meter installation policy in the Municipality is a forward-thinking initiative designed to revolutionize how the Municipality manages and bills for electricity and water usage. The primary goals of this policy are manifold and include the following:

- **Enhanced Billing Accuracy and Efficiency:** By implementing smart meters, the Municipality aims to significantly reduce billing inaccuracies and administrative costs associated with manual meter readings. This leads to fairer and more transparent billing for consumers.
- **Improved Resource Management and Conservation:** Smart meters provide detailed data on energy and water usage, facilitating better resource management. This data helps in identifying trends, managing demand, and implementing conservation strategies more effectively.
- **Increased Consumer Awareness and Engagement:** The real-time usage data available to consumers through smart meters empowers them to make informed decisions about their consumption, leading to potential cost savings and more sustainable usage behaviours.
- **Technological Advancement and Innovation:** The adoption of smart meters is a step towards modernizing the Municipality's infrastructure, aligning it with global trends in technology and sustainability.
- **Long-Term Sustainability and Environmental Benefits:** By promoting efficient use of resources, the policy contributes to the broader goal of environmental sustainability, aligning with national and global efforts to reduce carbon emissions and conserve natural resources.

The expected outcomes include a more efficient, transparent, and user-friendly metering and billing system, reduced operational costs for the Municipality, and a more engaged and environmentally conscious community.

Stakeholder participation and support

For the successful implementation of this policy, active participation and support from all stakeholders are essential. This call to action is directed at:

- **Government and Regulatory Bodies:** To continue providing the necessary support and oversight, ensuring the project aligns with national energy and environmental policies.
- **Utility Companies and Technology Providers:** To uphold their commitment to delivering high-quality services and technology solutions, ensuring the system's reliability and effectiveness.
- **Consumers and the General Public:** To engage with the initiative positively, understand the benefits of smart meters, and adapt to the new system for a more sustainable future.

- **Community Leaders and Organizations:** To facilitate communication and understanding between the project implementers and the community, ensuring that concerns are addressed, and the benefits are clearly communicated.
- **Financial Partners and Stakeholders:** To continue their support in terms of funding and resources, ensuring the project's financial viability.

In conclusion, the smart meter installation policy presents an opportunity for the Municipality to lead in the adoption of innovative technologies for utility management. It is a significant step towards a more efficient, sustainable, and consumer-friendly future. The successful realization of this policy requires a collaborative effort, embracing change, and working together towards a common goal of sustainable development and improved quality of service and enhanced quality of life for all residents.

17) Review of the Policy

This policy may be reviewed annually in conjunction with the Municipality's budget process.

18) Date of implementation

This policy will take effect on the date of approval by Council.

SECTION 7:

BY - LAWS

SOL PLAATJE MUNICIPALITY

ANNEXURE : BUDGET RELATED BYLAWS

List of Budget related Bylaws	Explanation numbers
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
2. Bylaws to be approved with draft budget process 2024/25

SECTION 8:

M F M A CIRCULARS



Electronic Monitoring and Evaluation System, MFMA Calendar (Muni eMonitor)

Purpose

Section 5(2)(c) of the Municipal Finance Management Act (MFMA) requires National Treasury to monitor and assess the compliance of municipalities and municipal entities. This circular provides an overview of the web-enabled **Muni eMonitor System and MFMA Calendar** designed to strengthen the capacity and capability of municipalities and municipal entities to comply with the provisions of the MFMA and its regulations, to introduce early reminders of impending deadlines, to improve information flows for public accountability, to enhance monitoring, oversight, support measures and effective reporting by various stakeholders in Municipalities, Provinces and National Treasury.

Background

National and Provincial Treasuries have a legislated mandate to monitoring compliance and support implementation of the MFMA by municipalities and municipal entities. The areas of persistent non-compliance have been raised during various engagement and publications with calls for stricter enforcement and consequences to be applied. The above has also been highlighted in many Treasury publications and MFMA audit reports issued by the Office of the Auditor-General.

The current MFMA compliance reporting system has evolved since the MFMA was introduced in 2003. The approach adopted at the time was to phase-in various reforms taking cognisance of existing capacity and capabilities. This approach has contributed towards changes in policies, processes, and procedures, skills, and capacity development programmes, management, and institutional reorganisation. The next phase of modernisation has commenced with the introduction of different electronic tools and promotion of effective utilisation of information technology.

The launch of the Muni eMonitor system is the next step in utilising technology to enhance and modernise existing MFMA compliance monitoring mechanisms, contribute towards the reduction in reporting requirements, promotes uniformity and standardisation, and assists various stakeholders with information to perform their oversight and support responsibilities. It allows for the monitoring and evaluation of performance on a regular, planned, and systematic basis throughout the MFMA financial cycle.

The Muni eMonitor system also complements and interfaces with other systems, has been designed to enhance the overall completeness, accuracy, and timely submissions of MFMA compliance reports. The system will reduce and limit the use of manual processes, which has also been associated with delays in implementing corrective actions. The additional requirement to report separately to different stakeholders is obviated as stakeholders have access to real time information.

Therefore, effective use of the system should result in increased municipal efficiencies and effectiveness and improved financial management.

The Muni eMonitor System

The Muni eMonitor system covers the entire MFMA compliance disciplines and complements other tools and systems. For example, the Financial Management Capability Maturity Model (FMCMM), Financial Ratios, and Audit Action Plan. (Please refer to MFMA Circular 113 and MFMA Circular 114 for more information on these systems – accessible on <http://mfma.treasury.gov.za/Circulars/Pages/default.aspx>).

The systems are centralised and freely accessible to national, provincial, municipal, and municipal entity users, requiring only an internet connection and standard internet browser.

The system provides Accounting Officers, Chief Financial Officers, other officials, as well as the National and Provincial Treasuries with real-time updated information on compliance with the MFMA and its regulations, with tailored reports immediately available for extraction and use. It is expected that reports generated will enable the treasuries and other stakeholders to proactively improve and direct support measures and interventions to areas that need attention within municipalities and municipal entities.

The information extracted from the system and through different reports will assist national and provincial oversight bodies to implement measures to improve financial management and financial governance. The overall configuration of the response types promotes financial and non-financial output that is consistent, relevant, and comparable.

Dashboards allow for easy compliance monitoring of the different financial management compliance disciplines and enable the results to be consolidated reflecting municipality, province or national.

Additional benefits of the Muni e-Monitor system include:

- ❖ Compliance questionnaires and evaluations are completed mainly through selections from drop-down menus, thereby reducing the risk of omissions and errors and reduces need to produce different compliance reports.
- ❖ Each aspect can be assigned to a specific responsible official for completion of the relevant section enhancing accountability and individual performance management.
- ❖ Timely reporting is enabled. The system is programmed to send out reminders as the due date for each action approaches, and an escalation notification is triggered, in addition to the reminder, when an action becomes due and overdue.
- ❖ The system enables simultaneous accessibility to key users in all three spheres of government (national, provincial and local), which enable enhanced co-operative government and oversight as Provincial Treasury and National Treasury reviews of the completed actions or evaluations are built in the system.
- ❖ Manual submissions are reduced as the required information is uploaded onto the system, thereby eliminating delays in sharing information with relevant stakeholders.
- ❖ Regular updates to the system will be made in response to comments and inputs from stakeholders and users.
- ❖ A comprehensive Help function is built into the system, which includes a detailed user guide. National Treasury has also introduced a helpdesk e-mail address, specifically for the Muni e-Monitor system queries, comments, and inputs, (muni.emonitor@treasury.gov.za).

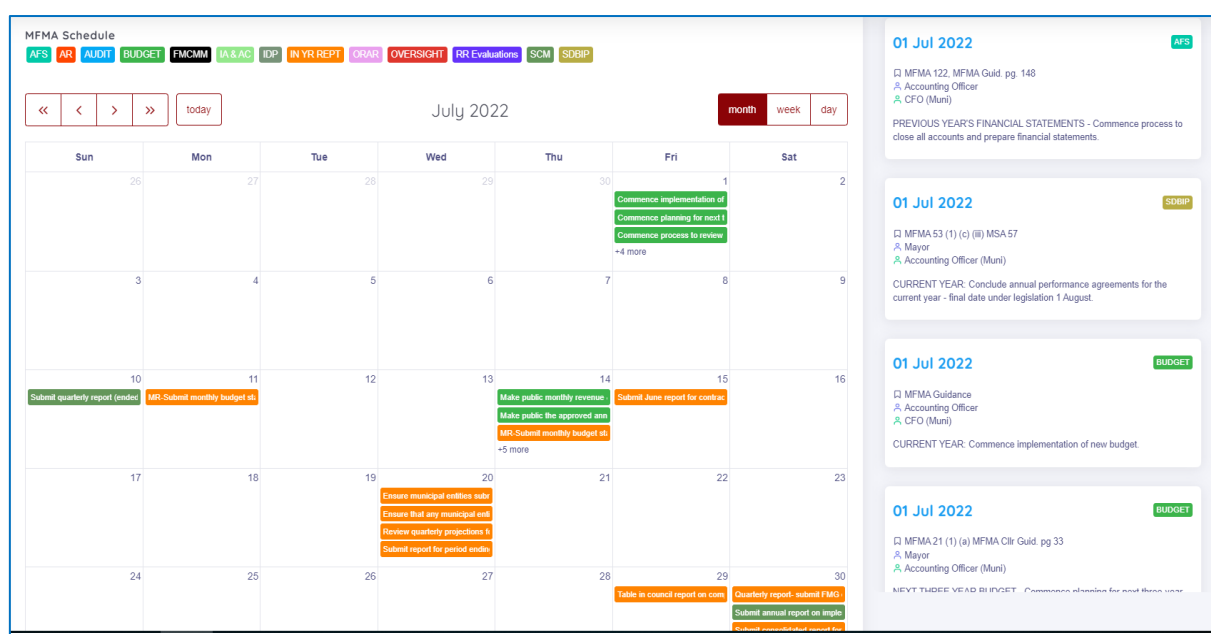
The Monitoring and Evaluation system consists of two main components, namely:

- the MFMA legislated calendar and Actions Management function; and
- the reporting Evaluations function.

The MFMA Legislated Calendar and Actions Management

The **MFMA electronic calendar** is a tool for use by municipal, provincial, and national officials, is easily assessable, and includes features such as reminders, editing or customisation.

The digital version is accessible online using various devices and will allow users to receive reminders of upcoming deadlines contributing to improved planning of tasks, prioritisation of activities, assigning and delegating responsibilities, and serve as an early notification of due dates for MFMA activities. The screenshot below shows the look and feel of the MFMA electronic calendar:



The MFMA electronic calendar is also available as a mobile app. The software application is designed to help municipal and municipal entity officials keep track of important events and tasks on their mobile devices. The MFMA calendar app is synced with the electronic MFMA calendar and provide features such as reminders and filters. The MFMA calendar app is available for download by public, councillors, ward members and other stakeholders. The access to information is crucial for promoting transparency, accountability, and good governance. The MFMA calendar app will allow citizens to obtain information about MFMA and related legislated due dates for required actions by municipalities, as well as to participate in public decision-making processes.

The MFMA electronic calendar app has been published and is ready for download on the Google Play store, which is available for android users with OS Android 6.0. The availability of the MFMA electronic calendar app on other platforms such as Huawei App Gallery and Apple App Store, is currently in progress. Further communication will follow when the apps are available for download on these platforms.

To ensure universal access, the MFMA electronic calendar is available in a Desktop widget. The desktop widget is a small application placed on a computer's desktop to provide quick access to MFMA and related legislated due dates for required actions by municipalities and municipal entities. The desktop widget will display notifications reminders by providing users with easy access to the electronic MFMA calendar. The desktop widget can be downloaded on the Microsoft Store once publication of the application is completed, further communication will follow when the desktop widget is available for download.

The MFMA electronic calendar includes an **Actions Management Function** that supports municipal officials to improve compliance with key deadlines. This feature is available to officials that have registered on the Muni eMonitor system. It provides a built-in review process that improves the quality of compliance information. Use of the system will assist municipalities/municipal entities in strengthening accountability as the system tracks actions taken and review comments made. The actions management function is integrated with the electronic MFMA calendar and email notifications making it convenient and user-friendly.

The system saves the uploaded evidence files confirming the compliance status, making it simple for reviewers to access relevant information. The information also allows users to track actions taken in previous years.

The Monitoring and Evaluations System

It is imperative that municipalities and municipal entities operate effective systems to generate credible and timely internal and external MFMA reports.

The system supports management generate information as part of its Monitoring and Evaluation activities and has the potential to revolutionise reporting processes in local government. It offers opportunities for increased productivity, monitoring capability, and evaluation of MFMA compliance for improved financial management and service delivery. It

streamlines the completion and submission of monthly, quarterly, and other reports, automates data collection and analysis thereby eliminating the possibility of human errors and ensuring consistent and accurate reporting. It is also user-friendly and can be shared, allowing multiple users to access and update the data in real time, enabling faster and more informed decision-making. The system has a built-in data encryption and protection measures to limit unauthorised access or modification.

The screenshot below illustrates the layout of a typical Evaluation:

The screenshot displays the 'View Evaluation' page for 'Financial Misconduct 1 (Static)'. The page includes a sidebar with a 'Questionnaire' link, a main content area with a question '1) Does the municipality have a disciplinary board?', and a right-hand panel with an 'Add Comment' box and a 'Status' dropdown set to 'Outstanding'. Red callouts highlight 'Questionnaire details', 'Answer Types', and 'Status'. A blue arrow points to the 'Submit' button.

Dashboards and reports

The information is consolidated into several dashboards. The dashboards provide high level overviews by covering different financial management disciplines, trends, and progress in improving MFMA compliance within municipalities or municipal entities.

The dashboards of the Monitoring and Evaluation system are data driven as information is extracted from the data submitted by the municipality or municipal entity for **Reporting and Evaluating** purposes.

The Muni eMonitor system supports improved decision making by enabling users to extract real time information and reports for discussion and decision making at management meetings. The filter mechanism allows for selection of relevant reported information to be extracted for inclusion in reports destined for use by the various oversight structures, such as Management, Council, Council Committees, MPAC and Audit Committees.

The combined risks of late submission and incorrect reports being submitted for review, are eliminated. Consolidation errors are eradicated as the system consolidates the information for inclusion in the dashboards and reports.

Active use of the system will help municipalities and municipal entities improve in various areas of compliance and provide treasuries with real-time consolidated information which may then be used to target support identified as areas of weakness and highlight where urgent interventions are required.

Accessing the system and related assistance

The Muni e-Monitor system is available as a web portal, mobile application, and windows application. It is supported by Chrome (the preferred web browser), Firefox, Microsoft edge and Safari and is available for downloading from the following stores:

- Google Play Store
- Huawei App Gallery – to be published soon.
- Apple Apps Store – to be published soon.
- Microsoft Store (Desktop widget) - to be published soon.

The desktop widget and mobile applications contain the electronic MFMA calendar and actions as well as the deadlines for any given day, week, or month. Available selections include filtering by process, regulations, and responsible official. Detailed access to specific actions or evaluations are available on the web application of the system.

The Monitoring and Evaluation system is accessible on the following URL link:

<https://muniemonitor.treasury.gov.za>



User guides will be provided to all delegates at the training sessions. The updated User Guide is also available under the User Guide menu item in the Muni e-Monitor system and for your convenience a PDF version may be downloaded.

Further assistance will be made available at provincial level. Details of the relevant provincial treasury official assigned to assist officials are indicated in the table below:

NO.	PROVINCE	NAME OF OFFICIAL	E-MAIL ADDRESS	CONTACT NO.
1	Eastern Cape	Nkosinathi Ngwenya	nkosinathi.ngwenya@ectreasury.gov.za	0837462216
2	Free State	Pulane Matsaseng	pulanem@treasury.fs.gov.za	0652909549
3	Gauteng	Abigail Maila	abigail.maila@gauteng.gov.za	0719637029
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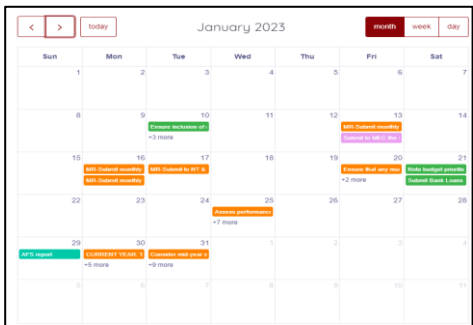
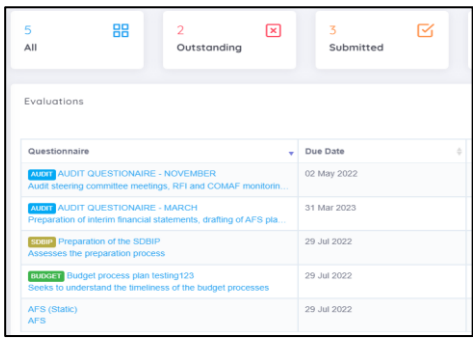
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National Treasury has introduced a helpdesk e-mail address, specifically for the Muni eMonitor system queries (muni.emonitor@treasury.gov.za).

Annual Implementation Plan

Table 1 below reflect the annual implementation plan for the rollout of the MFMA Monitoring and Evaluation system in respect of the Actions and Evaluation questionnaires:

Table 1: Annual Implementation Plan

System components	Timeline
<p>Legislated Calendar Actions</p> 	<p>All Actions appearing under the legislative calendar for each month must be processed within the specific month that they appear in the calendar.</p>
<p>Evaluation Questionnaires</p> 	<p>Quarterly Evaluations will be published by NT quarterly for submission within 30 days after the end of each quarter.</p> <p>Some Evaluations may be based on emerging issues. As a result, these evaluations will be issued as and when required, thereby making the sector more responsive.</p>

Conclusion

The MFMA legislated calendar and the MFMA Monitoring and Evaluation information links to priorities to improve overall financial management, compliance, and outcomes as they encompass all areas that have specific regulatory and reporting responsibilities.

The Muni e-Monitor system will assist provinces and national perform their oversight responsibilities, to prioritise legislated actions, monitor and evaluate progress and provide targeted and customised support to municipalities and municipal entities.

The aim of introducing the system is to migrate municipalities and municipal entities out of a position of significant non-compliance with the MFMA and related regulations and to show real-time improvements. The system will be enhanced with linkages to other NT systems and further development as the reforms unfold.

Please bring this Circular to the attention of municipal officials, municipal councils, Board of Directors of entities and the relevant oversight structures, such as Finance Committees and Municipal Public Accounts Committees.

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21 November 2023



Municipal Budget Circular for the 2024/25 MTREF

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Introduction

This budget circular provides guidance to municipalities with their compilation of the 2024/25 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 GDP growth of 0.8 per cent in 2023, compared with 0.9 per cent projected in the 2023 Budget Review. Growth is projected to average 1.4 per cent from 2024 to 2026. Relative to the 2023 Budget, the weaker projection for 2023 mainly reflects lower household consumption expenditure due to higher inflation and interest rates, and lower net exports. Power cuts are expected to continue for the remainder of this year and to gradually ease in 2024. Faster, determined implementation of energy and logistics reforms remains critical to boosting economic growth.

In the context of weaker global growth and risks to the domestic outlook, government is working to position the economy for sustained growth and resilience to shocks. A combination of a stable macroeconomic framework, the rapid implementation of economic and structural reforms, and improvements in state capability remains central to achieving higher growth, employment, and competitiveness.

Employment growth continues to lag South Africa's post-COVID-19 economic recovery, with 74 000 fewer people in employment in the second quarter of 2023 than in the fourth quarter of 2019. Improving employment growth sustainably over the long term requires faster GDP growth and improved education and skills development.

Headline inflation is expected to decelerate as the energy and food price shocks associated with global supply chain disruptions and the war in Ukraine dissipate. Headline consumer prices are expected to fall from an expected 6 per cent in 2023 to 4.9 per cent in 2024. Fuel prices have fallen since June 2023, largely reflecting base effects. Food price inflation, which peaked at 14.4 per cent in March 2023, slowed to 8.2 per cent by August 2023. However, the pace of deceleration has been slow relative to global food prices. This can be attributed to a weaker rand exchange rate and elevated production costs. Core inflation has remained near 5 per cent for most of 2023 due mainly to higher insurance and vehicle price inflation. Headline inflation is projected to return towards the mid-point of the 3 to 6 per cent target range in 2025.

Household consumption expenditure is expected to slow from 2.5 per cent in 2022 to 0.8 per cent in 2023 due to the cumulative effect of interest rate increases, elevated inflation and falling real disposable income, and generally weak consumer confidence. Growth in credit

extended to households continues to decelerate for both secured and unsecured credit. National Credit Regulator data shows that in the first quarter of 2023, banks rejected 70 per cent of credit applications – the highest rate on record – reflecting concerns over households' ability to repay loans. Household consumption expenditure is expected to average 1.6 per cent from 2024 to 2026.

The following macro-economic forecasts must be considered when preparing the 2024/25 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2022 - 2027

Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Forecast		
CPI Inflation	6.9%	6.0%	4.9%	4.6%	4.5%

Source: Medium Term Budget Policy Statement 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.

The above economic challenges will place pressure on households' ability to pay municipal accounts and Eskom power cuts affect sustainability of small and large businesses. Both these factors have placed pressure on municipal own revenues.

It is therefore 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 2024/25 budget process

2.1 Local government conditional grants allocations

Over the 2024 MTEF, the local government equitable share and conditional grants will be reduced by a total of R12.8 billion, made up of R9.6 billion in the local government equitable share and R3.2 billion in direct conditional grants. The general fuel levy sharing with municipalities will be reduced by R5.1 billion. These reductions form part of the government's efforts to drive fiscal consolidation. The implication of these changes will be outlined in more detail in the 2024 Budget Review.

Notable changes to the conditional grants system

While the review of the conditional grants system is on-going and reforms envisaged to be implemented from 2025/26, changes will be considered for the *urban settlements development grant*, *integrated urban development grant*, and *the municipal infrastructure grant* to make better use of regulatory frameworks and improve the water business of urban municipalities from 2024/25.

We kindly advise municipalities to utilise the indicative numbers that were presented in the 2023 Division of Revenue Act when developing their 2024/25 MTREF calculations. It is crucial to also make considerations to the proposed reductions to baselines that were presented in the 2023 MTBPS, as they may have a significant impact. We recommend this be prioritised in all budgetary planning for the upcoming fiscal year. In terms of the outer year allocations (2026/27 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2023 Division of Revenue Act for 2024/25. 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>

Division Of Revenue Amendment Bill, 2023 (DoRAB)

Declared underspending in the local government equitable share – In January 2023, the National Energy Regulator of South Africa (NERSA) approved a bulk electricity tariff increase of 18.7 per cent for the 2023/24 financial year. The subsidy for free basic electricity in 2023/24 was calculated to include an additional 2 per cent in anticipation of higher municipal tariff increases than that published in January, due to the difference in the financial years of Eskom customers and municipalities. A further R1.4 billion was left unallocated in the local government equitable share to enable additional funding for municipalities should the final municipal tariff increase that was expected to be published between March and June 2023, exceed the 20.7 per cent increase provided for. In June 2023, NERSA approved a municipal tariff increase of 15.1 per cent. The unallocated amount of R1.4 billion in the local government equitable share is therefore surrendered as declared under-expenditure.

Fiscal consolidation reductions – There is a total downward adjustment of R3.4 billion to direct municipal conditional grants. This is made up of reductions of R9 million from the *infrastructure skills development grant*; R58 million from the *programme and project preparation support grant*; R32 million from the *expanded public works programme integrated grant for municipalities*; R1.2 billion from the *municipal infrastructure grant*; R306 million from the *informal settlements upgrading partnership grant for municipalities*; R553 million from the *urban settlements development grant*; R180 million from the *integrated national electrification programme grant for municipalities*; R40 million from the *neighbourhood development partnership grant*; R600 million from the *public transport network grant*; R237 million from the *regional bulk infrastructure grant*; and R244 million from the *water services infrastructure grant*.

Funds for post disaster repair and recovery – An amount of R1.2 billion is added to the *municipal disaster recovery grant* to fund the reconstruction and rehabilitation of municipal infrastructure damaged by the floods that occurred between February and March 2023.

Top-up of the municipal disaster response grant – Due to the floods that occurred between February and March 2023, the *municipal disaster response grant* was depleted by June 2023. R372 million is added to this grant to enable immediate response by municipalities in the event that a disaster occurs in the remaining months of the 2023/24 financial year.

Conversion of municipal infrastructure grant allocations – R10 million from uThukela Local Municipality's allocation is converted to an indirect allocation for implementation of the Ekuvukeni Water Supply Project by the Department of Cooperative Governance on the municipality's behalf. The project entails the replacement of an asbestos rising main from the Oliphanskop water treatment works. Similarly, R20 million from Emfuleni Local Municipality's allocation is converted to an indirect allocation to address the outfall of sewer in Evaton and Sebokeng.

Conversion of neighbourhood development partnership grant allocations – R88 million in the neighbourhood development partnership grant is converted from the direct to the indirect component of the grant. This is to expedite project implementation in municipalities that are experiencing administrative and financial challenges.

Reduction in the integrated national electrification programme (Eskom) grant – As part of the fiscal consolidation reductions, the integrated national electrification programme (Eskom) grant is reduced by R250 million.

Reprioritisation from the integrated national electrification (Eskom) grant – An amount of R53 million is reprioritised from the integrated national electrification (Eskom) grant to the vote

of the national Department of Mineral Resources and Energy to fund the rehabilitation of derelict and ownerless mines.

Shift of funds from the regional bulk infrastructure grant to the water services infrastructure grant – R309 million has been shifted from the indirect component of the regional bulk infrastructure grant to the indirect component of the water services infrastructure grant. This is to enable the Department of Water and Sanitation to manage contractual obligations, budget pressures, accruals and payables for projects in several municipalities.

Changes to the municipal disaster recovery grant framework – The framework of the municipal disaster recovery grant is amended to ring-fence the additional funds for the repair and reconstruction of municipal infrastructure damaged by the floods that occurred between February and March 2023.

Correction of an error in the indirect allocations of the regional bulk infrastructure grant – An amount of R20 million for the Kirkwood Water project that was erroneously allocated to Dr Beyers Naude Local Municipality is corrected to an allocation to Sundays River Valley Local Municipality.

Amendment to the framework of the *municipal disaster recover grant* – Parliament has approved that the National Treasury amend the framework of the *municipal disaster recover grant* to ring-fence and conditionalize the fund added for the repair and recovery of infrastructure damaged by the floods that occurred in February and March 2023.

Correction of an error in the indirect allocations of the regional bulk infrastructure grant – Parliament has approved that the National Treasury correct an oversight in the indirect allocations of the *regional bulk infrastructure grant*. An amount of R20 million for the Kirkwood Water project that was erroneously allocated to Dr Beyers Naude Local Municipality is corrected to an allocation to Sundays River Valley Local Municipality.

2.2 Publication of allocations from the municipal disaster response grant and changes from the stopping and reallocation process

National Treasury has through Government Gazette No. 49584 dated 30 October 2023 published in terms of the Division of Revenue Act, 2023, (Act No. 5 of 2023) (DoRA), and provided information regarding the disaster allocations and the conversion of disaster grants to municipalities in the 2023/24 financial year. The Gazette further provided for the stopping and reallocation of funds to municipalities and reallocated to their districts.

Allocation of disaster response funding

Transfers in terms of section 27 of the 2022 DoRA

Section 27 of the 2022 DoRA provides:

“(1) Despite the Division of Revenue Act for the 2023/24 financial year not having commenced on 1 April 2023, the National Treasury may determine that an amount, not exceeding 45 per cent of the total amount of each —

- (a) equitable share in terms of section 4(1), be transferred to the relevant province;*
- (b) equitable share in terms of section 5(1), be transferred to the relevant municipality;*
- (c) allocation made in terms of section 7(1) or 8(1), as the case may be, be transferred to the relevant province or municipality.*

(2) An amount transferred in terms of subsection (1)(c) is, with the necessary changes, subject to the applicable framework for the 2022/23 financial year and the other requirements of this Act, as if it is an amount of an allocation for the 2022/23 financial year.”

Using this section of the DoRA, immediate relief funds were transferred to municipalities from the 2023/24 Municipal Disaster Response Grant (MDRG) baseline in June 2023 (before the start of the 2023/24 municipal financial year). Section 27(2) requires that these funds be subject to the 2022/23 MDRG framework and the DoRA as if these were allocations for the 2022/23 financial year. The implications of this:

MDRG condition 1: Funds from this grant must be utilised within six calendar months following the date of the transfer of the funds to the municipality

By approving the release of these funds in June 2023, National Treasury implicitly approved the roll-over of these funds to the 2023/24 financial year. Therefore, the immediate relief funds transferred to municipalities on 15 June 2023 must be spent by 15 December 2023.

In terms of section 25(3)(d) of the Division of Revenue Act, 2023 (Act No. 5 of 2023 – herein referred to as “2023 DoRA”), which is now applicable to the immediate relief funds, the National Treasury may approve that, funds allocated in Schedule 7 be used at any time. In terms of section 25(3)(e) of the 2023 DoRA, funds approved in terms of paragraph (d) must be included in either the provincial adjustments appropriation legislation, municipal adjustments budgets or other appropriate legislation.

Expenditure need not wait for the passing of such adjustments budget as this is emergency spending or unforeseen and unavoidable expenditure, which is provided for in section 29 of the Municipal Finance Management Act, 2003 (“MFMA”).

Municipalities must ensure that the disaster funding and expenditure are ring fenced (isolated) and classified correctly in terms of the *mSCOA* when budgeting and transacting, as per the guidance provided in *mSCOA* Circular No. 14 dated 16 May 2022.

3. Revenue Management

The weak economic growth continues to impact municipal finances and as communicated in MFMA Circular No. 89 this has strained consumers’ ability to pay for services. Coupled with this conundrum is the marginal growth in national transfers as compared to the past. These two critical factors necessitate municipalities to function optimally suggesting that municipal operations, processes and procedures must be efficient. Inefficiencies in this space are guaranteed to manifest on municipal finances. Although some municipalities have managed these challenges well, others have fallen into financial distress and face liquidity challenges. Subsequently, municipalities are unable to meet their payment obligations to Eskom, water boards and other creditors. Therefore, municipalities must maximise their revenue generating potential and collect what is due to them and concurrently, eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities adequately provide for their core mandate and to service their debt obligations. Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend on money that they do not have.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the 4 to 6 per cent target band; therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2024/25 in

their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition, municipalities should include details of their revenue growth assumptions for the different service charges in the budget narrative.

3.1 Maximizing the revenue generation of the municipal revenue base

Property Rates

Reference is made to MFMA Circulars No. 93, paragraph 3, 98 paragraph 4.1 and 123 paragraph 5.1. The emphasis in the above mentioned MFMA Circulars is to ensure that municipalities are using their entire revenue base as the basis for the revenue budget projections. The status quo remains. 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.

Requirements of a billing report

The Billing report must at a minimum provide the following per each property:

- Market value;
- Property category;
- Amount billed;
- Unique property identifier (linked to the Valuation Roll);
- Property owner;
- Rebate value;
- Exemption value; and
- Reduction value.

Although the format of the billing reports will vary across municipalities, the billing report will always have the above-mentioned specifics for any municipality regardless of the financial system used as they all use the valuation roll as the basis to update the municipal financial system. Municipalities are advised to engage their service providers in ensuring that there is a standardized billing report that considers the minimum billing report requirements.

Part A and Part B Register

Reference is made to the Municipal Property Rates Act – section 23 of the MPRA reads as follows:

1. A municipality must draw up and maintain a register in respect of properties situated within that municipality, consisting of a Part A and a Part B;
2. Part A of the register consists of the current valuation roll of the municipality, including any supplementary valuation rolls of the municipality prepared in terms of section 78;
3. Part B of the register must specify which properties on the valuation roll or any supplementary valuation rolls are subject to – (a) an exemption from the rate in terms of section 15; (b) a rebate on or a reduction in the rate in terms of section 15; (c) a phasing-in of the rate in terms of section 21; or (d) an exclusion referred to in section 17 (1) (a), (e), (g), (h) and (i); and
4. The register must be open for inspection by the public during office hours. If the municipality has an official website or another website available to it, the register must be displayed on that website. (5) A municipality must at regular intervals, but at least annually, update Part B of the register. Part A of the register must be updated in accordance with the provisions of this Act relating to the updating and supplementing of valuation rolls.

Based on the cited section, municipalities are expected to comply with the provisions of section 23 of the MPRA to ensure that the latest information is used in the reconciliation process. All revenue foregone as supported by municipal policies due to municipal reductions rebates and exemptions must be accounted for in the Part B register and all subsequent supplementary rolls performed are accounted for using a Part A register.

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. 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 10th working day after the end of the quarter. A detailed action plan must accompany the reconciliation where variances are noted.

The 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.

3.2 Setting the Cost reflective tariffs

Municipalities must ensure that the capital repayment of loans are included in the cost when determining the tariff. In addition, they must ensure that the consumption charges for services are only based on consumption and all other variable costs. Therefore, fixed costs such as salary and wages, etc. should be covered by a fixed charge.

During the budgeting process, provision must be made for revenue to be generated by the tariffs levied for services to address the maintenance of infrastructure. New infrastructure developments in a municipal area of jurisdiction should be obliged to consider and incorporate energy efficiency sources of energy available such as solar or wind to respond to the ongoing global energy crisis.

3.3 Consumer Deposits and securities

Credit control policies should be reviewed and amended to include the raising of consumer deposits, the authority to raise deposits should be deleted where it is still in the Electricity and Water by-laws, this should be included in the credit control and debt collection by-laws. Deposits should be equal or more than two months bulk accounts from water services authorities and Eskom.

3.4 Contracts with customers

All municipalities should ensure that their service agreements with customers address the following matters:

- Requirements of POPIA;
- Digital and Physical Domicilium for the delivery of notices;
- Acceptance of liability in the case of proven tampering of services;
- Acceptance of Magistrates Court Jurisdiction if in arrears and legal action has been taken;
- Acceptance to adhere to Municipal policies and by-laws;

- Acceptance and approval to be handed over to third party if in arrears inclusive of credit bureau;
- Acceptance to give access to meter readers to read meters;
- Municipality accept to render promptly bills; and
- Municipality accept to limit the estimation of consumption on meters.

3.5 Indigent Management

It is critical to progressively manage the restriction of free basic services to national policy limits. Therefore, free basic services to indigent households must be restricted. Where any unlimited supply or supply above national policy limits is provided, the budget narrative must explicitly articulate how this is funded also in a context of facilitating adequate asset management and adequate provision for related debt impairment and ability to maintain payment of Eskom, bulk water and other creditors.

Establishing and maintaining credible indigent register – It is important that the municipalities undertake the following actions to conduct quality control and monitor the indigents:

- Check accuracy and identify any overstatement of the indigent debtor which will enable municipalities to confirm the accuracy of the reported number of indigent debtors;
- Proactively identify indigent citizens and accelerate the registration process through data-driven indigency status verification, as a precursor to tabling applications to Council for approval;
- Verify the status of indigents on the current indigent register thereby reducing the risk of citizens benefiting from the indigent subsidy when they do not qualify for it anymore;
- Create a verifiable indigent register which reduces performance audit risk through the provision of monthly controls and credible, third party, data-driven evidence to support the validity of households registered as indigent;
- Utilise the insight provided regarding indigents to possibly make any necessary amendments to current Indigent Policy; and
- Municipalities are advised to work closely with their respective DCoG (also provincially) to simplify its indigent management registration processes – even considering qualifying criteria that can be independently checked without requiring a hefty administration burden on indigent households that are already financially constrained, including facilitating such on-site close to where indigents may reside. It is noted that the municipality needs to report on all indigent households for water and energy within its demarcation also in the Eskom supplied areas since the LGES: Free basis services (FBS) allocation is targeted at the demarcation as a whole. The municipality must therefore focus in its 2024/25 MTREF Schedule A submission to report on ALL indigent households (also in Eskom supplied areas).

3.6 Voluntary restriction of notified maximum demand (NMD)

Municipalities are advised that Eskom agreed with NT that once a municipality in principle agreed to a Notified Maximum Demand (NMD) restriction with NT, Eskom will within 30 days of NT request advise on its ability to restrict the NMD at bulk supply points in that municipality. Eskom will restrict the NMD or not charge any NMD exceedance charges and penalties to the municipality until 30 June 2027 or earlier as may be agreed between NT and the municipality. Should any municipality with the electricity function not be able to maintain its Eskom bulk account, it is strongly urged to make an application to the National Treasury for such a

voluntary restriction of its NMD by Eskom. The application must include a council resolution to the effect that council approves and agrees to such a voluntary restriction and the effective date thereof. National Treasury will then make an application to Eskom for this purpose.

3.7 Pro-actively managing collection of municipal revenue in Eskom supplied areas

NT notes that in the context of the Electricity Regulation Act, 2006 (ERA) existing section 21(5) prohibiting Eskom to cut supply in their areas to assist municipalities to collect on rates, water, wastewater and refuse removal – municipalities have no other tool but the restriction of water to collect in Eskom supply areas. Until ERA is amended it is critical that municipalities update their By-laws and policies to facilitate and legally allow the restriction of water as part of proper credit control for municipal revenue collection in Eskom supplied areas. The process before the supply of water is restricted/ limited, must honour the water supply rights of the indigent as well as the administrative processes and procedures, as contained in the municipal by-laws and policies read with section 4(3)(a) of the Water Services Act.

3.8 Maximising the revenue generation of the municipal revenue base Revenue on Property rates

(This section should be read in addition to the information provided on MFMA Circular No. 123 and previous circulars pertaining to this matter).

It is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2024. Furthermore, it must as a 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 section 23(1) and section 23(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

3.9 Setting the Cost reflective tariffs

Municipalities must ensure that when tariffs are designed, the capital repayment of loans are also included in the cost to determine the tariff.

Municipalities must ensure that when tariffs are designed that consumption charges for services are only based on consumption and all other variable costs. Fixed costs e.g. salary and wages, etc. should be covered by a fixed charge. The municipality must ensure its budgeting process address the requirement to maintain its infrastructure. New developments in/ a municipality should mandatorily make provision for alternative energy such as solar or wind or any other energy option available.

3.10 Critical Notice Affecting STS Meters and the RT29 Transversal Tender for Smart Meters

As highlighted in MFMA Circulars No. 115 and 123 (dated 04 March 2022 and 03 March 2023 respectively) 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 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), have issued 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.

Municipalities are cautioned against issuing their own tender to address the STS TID rollover and a smart solution for electricity and water meters as the RT29 tender should be available for municipalities to participate as early as January 2024 for participation.

3.11 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 2023/24, bulk electricity costs increased significantly at 15.1 per cent, compared to 8.61 per cent in the 2022/23 municipal financial year. There has been no change to the second year of the Multi-Year Price Determination (MYPD 5), as such bulk electricity costs are to be calculated using an increase of 12.7 per cent as per MYPD-5 in the 2024/25 financial year.

Given the absence of an approved tariff increase for the outer year of the MTEF, the increase is projected to be 15.7 per cent in 2025/26. This is the average of the approved increases for the two years of the MYPD-5 period. Municipalities in arrears with Eskom should ensure that their payment arrangements are included in the 2024/25 MTREF budget.

3.12 Consumer Deposits and securities

Credit control policies should be reviewed and amended to include the raising of consumer deposits, the authority to raise deposits should be deleted where it is still in the Electricity and Water by-laws, this should be included in the credit control and debt collection by-laws. Deposits should be equal or more than two months bulk accounts from water services authorities and Eskom.

4. Funding choices and management issues

Given the current economic crisis the country faces, 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. Municipalities are advised to consider all the advice provided in MFMA Circular No 123 and other previous circulars under this topic to ensure the adoption of surplus and funded budgets.

4.1 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to consider their financial sustainability when considering salary increases. It has been observed over the previous years that salary increases were above inflation and has posed challenges to most municipalities' sustainability. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

Therefore, municipalities are urged to consider projecting salary and wage increases that would reflect their affordability given the current economic challenges. Municipalities that are

already not in a position to afford the current wage cost, would have to limit the increase in the 2024/25 MTREF and to exercise the option for exemption for any negotiated increase above the level of their affordability.

4.2 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.

5. FUNDING MUNICIPAL BUDGETS

5.1 Approval of deficit budgets

National/ Provincial Treasuries encourage municipalities to prepare a surplus budget to avoid placing the municipality's resources in financial difficulties. The adoption of a credible budget starts with the preparation of a surplus budget. With effect from 1 July 2024 all municipal Councils are advised not to approve a deficit budget, as such Mayors who table budgets to Council must be aware of the implications of a deficit budget.

Accounting Officers and their Chief Financial Officers are responsible for preparing budgets and accordingly are tasked with ensuring that the Mayor is guarded against submitting a deficit budget to Council for adoption. Failure thereof may result in Councils implementing section 171 of the MFMA to both the Accounting Officer and Chief Financial Officer.

5.2 Funded Budget

Subsequently, the National Treasury would like to re-emphasise that municipalities must not adopt an unfunded budget. 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. Municipalities are encouraged to limit expenditure according to the anticipated revenue projections. Should their collection rate improve during the financial year, municipalities may bring back initial expenditure items omitted. Municipalities should note that the Office of the Auditor General will soon start auditing those municipalities that have tabled and adopted unfunded budgets over an extended period given that this practice is not only illegal but also compromise their financial sustainability.

5.3 Credible Funding Plans

Municipalities must adopt a credible funding plan in cases where the budget is unfunded (an unfunded budget is not encouraged). Where a funding plan 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 budget must be effected in the mid-year adjustments budget to ensure compliance with section 18 of the MFMA. The funding plan must show progressive improvement in the funding of the budget.

5.4 Budgeting for Debt Impairment Loss, Write Off of irrecoverable debt and Reversal of Impairment Loss

Assessment of the funding position of 2023/24 tabled and adopted municipal budgets revealed that a large number of municipalities incorrectly accounted for debt impairment and the write off of irrecoverable debt with the result that their budgets were assessed as unfunded. The two common mistakes made by most municipalities were:

- Provision for impairment losses was budgeted as Irrecoverable Debt Written Off on Table A4; and
- Provision to write off irrecoverable debt was budgeted for on Table A4 without any adjustment to the Accumulated Provision for Debt Impairment by way of a concomitant reversal of the impairment loss.

Any write off of irrecoverable debt previously impaired and accounted for as an impairment loss should be adjusted as a reversal of impairment loss when the write-off takes place. Failure to adjust the previous impairment loss by the reversal will impact negatively on the net receivables and therefore the funding of the budget. The receivables will be reduced by the amount of the debt written off whilst still providing for the impairment of the receivables already written off.

Municipalities should consider the following when budgeting for the annual Debt Impairment Loss, Write Off of Irrecoverable Debt and Reversal of Impairment Loss. The *mSCOA* chart includes data strings for:

- **Impairment loss** – contribution to the provision for annual non-payment based on the realistic collection rate for the municipality. Any increase in impairment is accounted for per debt type. This is treated as a loss in the Statement of Financial Performance;
- **Reversal of Impairment loss** – used to facilitate the reversal of overstated impairment losses. Any decrease in impairment is accounted for per debt type. This is treated as a gain in the Statement of Financial Performance. The reversal of impairment loss enables the reduction of debt impairment provision. Therefore, the data strings for impairment loss and reversal of impairment loss are aggregated to populate debt impairment on table A4; and
- **Irrecoverable Debts Written Off** – this is no longer written off against the Accumulated Provision for Debt Impairment but is expensed in the Statement of Financial Performance. Therefore, municipalities must record the reversal of impairment loss to reduce the Accumulated Provision for Debt Impairment with the irrecoverable Debts Written Off. The previous versions of the *mSCOA* chart provided for a single expenditure account for the recognition of any bad/ irrecoverable debt written off. However, in version 6.8 the *mSCOA* chart was expanded to include the write off of irrecoverable debt by debt type.

5.5 Burial of councillors using public funds

In terms of National Treasury's Budget Circulars No. 122 and 123 municipalities were urged to ensure that public funds are not used for burial of councillors. The issuance of this requirement in both circulars would have required in certain cases amendment of Council approved policies dealing with these matters.

Therefore, municipalities are reminded to ensure that any policies to this effect are rescinded as this matter will be referred to the Auditor General South Africa (AGSA) to verify during the 2023/24 audit if there have been no instances where public funds are utilised for burial of councillors. If such activities occurred in the municipality w.e.f. the 2023/24 financial year,

each Accounting Officer and Chief Financial Officer will be held responsible, and each Council can deal with such instances in terms of section 171 of the MFMA.

5.6 The use of mayoral discretionary accounts and any other council discretionary accounts

In the previous Budget Circulars municipalities were cautioned against the tendency of utilising Mayoral Discretionary accounts. The risk or danger herein is that public funds are availed/ allocated or given out to other bodies or institutions or individuals by the Mayors of a municipality outside the budget process.

These allocations are at times not known by the Council as they were not disclosed in the budget approved by Council, meaning that there was a lack of transparency during the budgeting processes. Municipalities are reminded that this practice of utilising “Mayoral Discretionary Accounts is not supported by the National Treasury. Therefore, if there are policies developed by municipalities allowing or promoting such activities, those policies must be rescinded when the Council approves the 2024/25 MTREF budget.

Any further use of public funds in that manner will be audited by the AGSA with effect from 1 July 2024 with an intention of ensuring that Accounting Officers/ Executive Mayors and Chief Financial Officers, that allow such practices to continue in their municipalities will be held personally responsible.

5.7 Development charges

Development charges are important components of a sustainable municipal infrastructure financing system, especially for cities and large urban municipalities, as they are used to finance land intensification. Despite their potential as an alternative option for financing infrastructure, municipalities have not fully used development charges due to uncertainty surrounding the regulatory frameworks. To address this uncertainty, amendments to the Municipal Fiscal Powers and Functions Act (2007) are proposed. The Municipal Fiscal Powers and Functions Amendment Bill proposes new, uniform regulations for levying development charges, so strengthening municipalities’ revenue-raising framework. This will allow municipalities to mobilise own revenue resources to fund their infrastructure needs and support economic growth.

Once enacted, these amendments will create legal certainty for municipalities to levy development charges, regulate their applicability and create a more standardised, equitable, and sustainable framework for development charges. The Bill was approved by Cabinet for tabling in Parliament on 17 August 2022 and subsequently introduced in Parliament on 08 September 2022. The Bill is currently being processed in line with the Parliamentary processes. Once the Bill has been enacted, the amendments will take effect from the next municipal financial year (commencing 1 July) or on a date prescribed by the President.

The National Treasury will clearly articulate the budgeting and accounting requirements upon the completion of the Parliamentary processes.

6. Municipal Standard Chart of Accounts (*mSCOA*)

6.1 Release of Version 6.8 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 6.8 is released with this circular. Version 6.8 of the chart will be effective from 2024/25 and must be used to compile the 2024/25 MTREF. The linkages to chart version 6.8 can be downloaded from GoMuni on the following link under the *mSCOA*/ List *mSCOA* WIP account linkages menu option:

https://lg.treasury.gov.za/ibi_apps/signin

The reports on the Local Government and Reporting System (LGDRS) are populated from financial and non-financial data strings. Municipalities must use of the linkages on GoMuni referred to above and not the formulas in the regulated Municipal Budget and Reporting (MBRR) Schedules when generating their data strings.

The Municipal Budget and Reporting Regulations (MBRR) Schedules (A to F) and non-financial data string (A1S) was also aligned to chart version 6.8. A protected version of the MBRR Schedules for version 6.8 of the chart and A1S is available on the MFMA Webpage on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

Municipalities must verify that the A1S data string does not contain spaces and special characters prior to submission to the GoMuni Upload portal as this will result in the data not pulling through on table A10 of the A1 system generated schedule.

All municipalities must prepare their 2024/25 MTREF budgets using the budget modules of their ERP systems, generate their financial and non-financial data string and produce the Schedule A1 directly from the ERP system. The manual preparation of these documents outside the ERP system is not allowed in terms of the *mSCOA* Regulations.

For the National Treasury to consider a new chart change in version 6.9 of the chart, the issue must be logged with all relevant detail, supporting documents and screenshots (where applicable) on the *mSCOA* Frequently Asked Question (FAQ) portal by 31 August 2024. The *mSCOA* FAQ portal can be accessed by all registered GoMuni users on the following link:

https://lg.treasury.gov.za/ibi_apps/signin

Importantly, when a FAQ is logged, it is considered by the FAQ committee after it has been investigated. If the FAQ members do not find grounds for a chart change, the FAQ will be closed with an explanation. If there is merit for a chart change in the next version of the chart, the matter is referred to the *mSCOA* Technical and Steering Committees for recommendation and approval. This process only concludes by the end of October annually. The FAQ process will therefore not provide quick responses to queries.

If a query pertains to GoMuni related issues (such as the **A**, **B** and **C** Schedules) and not a chart change, then an email with all relevant detail, supporting documents and screenshots must be send to lgdataqueries@treasury.gov.za.

Please note the following errata in MFMA Circular No.123 on page 5 in relation to property categories that were approved by the Minister of Cooperative Governance for Bitou and Drakenstein municipalities. It was **incorrectly** indicated that the approval was in accordance with section 8(2)(j) of the Municipal Property Rates Act (MPRA) as amended in 2014, and that municipalities may apply for categories other than the categories in 8(2)(a) to (i).

The paragraph is corrected as follows:

Kindly note that, in accordance with section **8(4)** of the Municipal Property Rates Act (MPRA) as amended in 2014, municipalities may apply to the Minister for the authorisation to sub-categorise the property categories in subsection (2). 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.

6.2 Improving *m*SCOA data strings credibility

The credibility of the *m*SCOA data strings that have been submitted by municipalities to the GoMuni Upload portal has improved over the last financial year. However, the following areas of concern remain:

- Municipalities continue to **transact against line items without budgets** and as a result exceed the annual budget already in month 1 to 3 (quarter 1) of the new financial year;
- **Opening balances** for the previous year are **not transferred** in the first month (M01) of the current year, and all adjustments made during the preparation of the annual financial statements in periods 14 and 15 are not transferred through journals to the opening balances of the current year in the month of the current year that the adjustments are done;
- **Cash flow tables** (Tables A7, B7 and C7) are still **not populating correctly** and fully. This can be attributed to the fact that several 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);
- Budget and transacting for **water inventory** is **not done correctly** in terms of the guidance given in MFMA Budget Circular No.115 (dated 04 March 2022) and MFMA Budget Circular No. 122 (dated 12 December 2022); and
- Some municipalities **do not budget and transact correctly** or completely **for irrecoverable debt written off and impairment loss** as well as the reversal of impairment loss of consumer debtors that have a significant impact on the funding of budgets.

National and provincial treasuries analyse the data strings of municipalities monthly to identify errors and communicate these findings to municipalities. Municipalities must use the feedback received to correct recurring errors in subsequent periods. Going forward, the National Treasury will not allow data string errors made in a previous month to be corrected in the next open period as this skew the monthly figures on the National Treasury Local Government Database and Reporting System (LGDRS). Municipalities must therefore **verify** the credibility and accuracy of the information in their financial system **prior** to submitting the *m*SCOA data strings to the LGDRS. The data on the LGDRS is used by various stakeholders such as the South African Reserve Bank (SARB), STATSSA, SARS, Department of Water Affairs (DWA), NERSA, DCoG, SALGA, AGSA, World Bank universities and the public.

6.3 *m*SCOA reporting on Value Added Tax (VAT)

In terms of the VAT Act, 1991 (Act No. 89 of 1991) and its amendments, municipalities must be VAT registered and must declare Output tax on the taxable supply of goods and services and claim Input tax credits on expenses incurred in the course or furtherance of the enterprise (the taxable supplies). The output tax is declared, and the input tax claimed by completing a VAT 201 return.

The guidance provided in *m*SCOA Circular No. 12 must be followed when reporting on VAT. It should be noted that the South African Revenue Services (SARS) will be using the data on the LGDRS submitted by municipalities to verify the VAT 201 return in 2024/25. It is therefore

crucial that municipalities report their VAT transaction correctly on their ERP systems and in their *mSCOA* data strings.

6.4 Use of function segment to achieve GRAP 18 segmental reporting

GRAP 18 is applicable to all entities on the accrual basis of accounting. The standard applies to separate (or individual) financial statements of an entity, as well as to consolidated financial statements of an economic entity. Municipalities control significant public resources and provide a wide variety of goods or services in different geographic areas with different socio-economic conditions. Consolidated financial statements provide an overview of assets, liabilities, revenues and costs etc. of an entity, but a greater level of aggregation is necessary to provide information which is relevant for accountability and decision-making purposes.

The objective of the disclosures is to enable users of the financial statements to evaluate the nature and financial effects of the activities in which it engages and the economic environment in which it operates. To achieve the objective, disclosures are required on two levels, namely:

- Specific segment disclosures
- Geographic disclosures

Detailed guidance on GRAP 18 reporting was provided by the National Treasury in the Accounting Guideline on GRAP 18 Segment Reporting (February 2020) which is available on the following link:

<https://ag.treasury.gov.za/>

The *mSCOA* function and region segments must be used to comply with the GRAP 18 reporting requirements.

The function segment records the major activities that generate the most economic benefits or service potential of the municipality. The implication will be that all income and expenditure transactions related to a specific trading service (function) must be budgeted for and transacted within that function. Therefore, where grants are allocated to trading services, the grant must be budgeted for and transacted in the Trading Services function. Municipalities must review their classification of the function segment as to whether the function is correctly identified as a core or non-core function.

The region segment identifies the lowest relevant geographical regional indicator of the intended contributor or beneficiaries that will contribute/ benefit directly from the given service or capital investment. Municipalities must ensure that they identify the lowest geographical regional indicator in the region segment when they budget, transact and report to provide data on the geographic disclosures required in GRAP 18.

Municipalities are also reminded to include the GPS Longitude for capital projects on supporting table SA36 on the A Schedule.

6.5 Period closure and reconciliation of General Ledger

Section 65 (2)(j) of the MFMA states that the accounting officer must take all reasonable steps to ensure that all financial accounts of the municipality are closed at the end of each month and reconciled with its records.

Annexure B of MFMA Circular No. 80 (08 March 2016) provides guidance on the minimum system requirements in this regard, namely that the ERP system must contain the functionality for:

- Period closures (i.e. budget process, month-end and year-end) and certification within the statutory reporting dates;
- Reconciliations and balancing of the sub-system and the General Ledger of the core ERP System with control accounts as a condition of all period closures;
- System generated transfer of opening balance to month 1 in the following year subsequent to the year-end closures period 12 as at 30 June (of the current year);
- Automated roll-over of the closing balance from month 12 into period 13 of the current financial year and month 01 of the new financial year; and
- Automated roll-over of the closing balance from period 13 to 14 and 15 of the current financial year and the corresponding month in the new financial year.

Guidance on the required period closures will be provided in *mSCOA* Circular No. 15 that will be issued in 2024.

6.6 *mSCOA* governance and implementation

Municipalities that have not yet achieved the required level of *mSCOA* implementation, must develop and implement a road map (action plan) to fast track the implementation of *mSCOA*. The focus areas that should be considered (at a minimum) when developing the road map are articulated in **Annexure A** attached to this circular.

6.7 Regulating the minimum business processes and system specifications for *mSCOA*

The National Treasury will regulate the minimum business processes and system specifications for *mSCOA* towards the end of 2025/26. This project will also include the following outputs:

- Review and update the set of minimum business processes and system specifications for *mSCOA* (currently articulated in MFMA Circular No. 80) to incorporate new legislative requirements that have been issued since the circular was published;
- Update and develop the standard operating procedures (SOPs) for *mSCOA*;
- Align the current ICT due diligence assessment for *mSCOA* to the new Regulations;
- Consultation with key stakeholders on draft regulations; and
- Training on the new Regulations to ensure that there is a fair understanding of the new regulation by stakeholders.

Further communication will be issued on the consultation processes and training in due course.

6.8 Training Initiatives

The National Treasury has introduced several training initiatives to capacitate municipalities, government departments, system vendors and other stakeholders on *mSCOA*. In 2024, these training initiatives will include:

- **Virtual Master classes:** This training is hosted by CIGFARO at no cost via zoom on a monthly basis and deals with technical and accounting aspects of the use of *mSCOA* chart;

- **Provincial training on mSCOA:** This is a new training initiative and will be hosted at a physical venue by CIGFARO at a cost (to cover expenses) and will include the fundamentals (part 1) and technical and accounting aspects (part 2) of mSCOA. Delegates will be required to pass a test on each part of the training to receive a certificate of completion;
- **mSCOA eLearning:** This self-paced web-based course hosted by the National School of Government (NSG) at no cost (until further notice) aims to equip learners with the fundamental of mSCOA. Municipal and government officials can register for the course at on the following link:

<https://www.thensg.gov.za/elearning>

- **Annual CIGFARO/mSCOA workshop:** This annual workshop provides a platform to share lessons learnt, best practices, technical aspects of mSCOA implementation and planned new developments by the National Treasury.

The full training program for 2024 is available on the GoMuni/ Go Training portal) on the following link:

https://lg.treasury.gov.za/ibi_apps/portal

7. The Municipal Budget and Reporting Regulations

7.1 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
Buffalo City	Pitso Zwane	012-315 5171	Pitso.Zwane@Treasury.gov.za
	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Pitso Zwane	012-315 5171	Pitso.Zwane@Treasury.gov.za
	Oreal Tshidino		Oreal.Tshidino@Treasury.gov.za
City of Tshwane and City of Johannesburg	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
	Enock Ndlovu	012-315 5866	Enock.Ndlovu@treasury.gov.za
City of Ekurhuleni	Kgomotso Baloyi		Kgomotso.Baloyi@treasury.gov.za
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
eThekweni	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
Limpopo	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Lesego Leqasa		Lesego.Leqasa@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Sibusisiwe Mchani	012-315 5539	Sibusisiwe.Mchani@treasury.gov.za
North West	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Enock Ndlovu	012-315 5385	Enock.Ndlovu@treasury.gov.za
Cape Town	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues on GoMuni Website	Data management		lqdataqueries@treasury.gov.za

8. Submitting budget documentation and A schedules for the 2024/25 MTREF

8.1 Time frames for submission

The LGDRS will be locked at 00:00 on the 10th working day of every month for the submission of data strings due, as required in terms of section 71 of the MFMA. Closed periods will not be opened to correct errors or to accommodate non-submission of data strings, regardless of whether a Schedule G application was done or not.

Municipalities must therefore verify the credibility and accuracy of the information in their financial system prior to closing the month on the ERP system and submitting the *mSCOA* data strings to the LGDRS.

Annexure A (attached) provides a list of the deadline dates for the submission of *mSCOA* data strings and documents to the GoMuni Upload portal in the 2024/25 MTREF. The GoMuni Upload portal can be accessed by registered users on the following link:

https://lg.treasury.gov.za/ibi_apps/signin

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. PDF versions of documents must be submitted to the GoMuni Upload portal.

8.2 Updating of contact details on GoMuni

Municipalities must ensure that their contact details on GoMuni are updated as soon as changes occur. Often emails containing important information and deadlines do not reach the intended GoMuni users due to outdated users contact information.

To update the contact details, municipalities (registered users) must download the excel report from GoMuni under Database/Contacts/Reporting/Contact information on the following link:

https://lg.treasury.gov.za/ibi_apps/signin

Changes/ additions made must be forwarded to lgdocuments@treasury.gov.za.

8.3 Submission of monthly sign-off

From 2024/25, municipalities will be required to sign off on the mSCOA data strings submitted for section 71 and grant reporting monthly. Currently this is being done manually on a quarterly basis. These monthly sign-off certificates will be system generated from the LGDRS and must be uploaded monthly with the data string submission to the GoMuni Upload portal.

8.4 Training on GoMuni

The training schedule and GoMuni links for 2024 to assist those users that require new or refresher training on how to draw reports on the LGDRS, is available on the GoMuni/ Go Training portal on the following link:

https://lg.treasury.gov.za/ibi_apps/portal

Contact



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001

Phone 012 315 5009

Fax 012 395 6553

Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh

Chief Director: Local Government Budget Analysis

07 December 2023

Annexure A

The following focus areas should be considered (at a minimum) when developing the road map and the road map should detail action steps, assign responsibilities, and specify time frames to address the implementation gap:

- a. **ICT Architecture**, which includes the hardware, servers, software, licences required to run the ERP management systems.
- b. **Governance and Institutional Requirements** - which includes:
 - A functioning *mSCOA* steering committee or equivalent structure to monitor and report on progress against the road map. This committee consist of the heads of all business units and meet regularly (at least quarterly).
 - Regular reporting on *mSCOA* implementation to Management and Executive Committees and Council.
 - Appointment of a *mSCOA* champion to drive the *mSCOA* implementation at the municipality.
 - Appointment of a suitably qualified System Administrator.
 - The development and adoption of the required IT policies and securities.
 - Establishment of data back-up and disaster recovery procedures.
- c. **System Functionality** - which includes:
 - The ERP modules and 3rd party systems used. These must give effect to the minimum business processes and system requirements specified in MFMA Circular No. 80. Municipalities must budget adequately to procure the required functionality and upgrade to the *mSCOA* enabling version of the ERP.
 - Seamless and full integration of data in the ERP system, including 3rd party systems used by the municipality and its entities. The ERP system vendor sets the requirements for the integration.

An ICT due diligence assessment must be conducted 6 months before the Service Level Agreements (SLA) with an existing system vendor comes to an end to determine if an ERP system changes or extension of the existing SLA is required. Municipalities must follow the due diligence processes set out in MFMA Budget Circulars No. 93, 98, 123 and *mSCOA* Circulars No. 5 and 6 prior to procuring a new ERP system. Guidance on procurement processes were also provided in MFMA Circular No. 107 (4 December 2020).

The ERP system represents the General Ledger. Any 3rd-party system with a direct impact on the General Ledger must integrate fully and seamlessly with the ERP system in terms of the mSCOA Regulations. This means that data contained in the 3rd party system must synchronise without any human or manual intervention integrate to the ERP system without human or manual intervention in real time or at least daily and drill down from the ERP system to the General Ledger of the 3rd party system must be possible.

d. **User Proficiency and Training**

- The relevant municipal officials and interns must be sufficiently capacitated on the

mSCOA chart, basic accounting, balance sheet budgeting and movement accounting and all system modules and functionalities to use the ERP systems solution. Consideration should be given to training, the establishment of User Support Groups and the availability of user manuals on the system.

- Change management initiatives to ensure that mSCOA is institutionalised as an organisational reform and not only a financial reform.

Annexure B

SUBMISSION CHECKLIST 2024/25 MTREF BUDGET DOCUMENTS:

Category	Documents Required	mSCOA Data Strings Required	Due Date	Date for Closing LGDRS Submission
BUDGET DOCUMENTS				
Tabled Budget	<ol style="list-style-type: none"> 1. A1 Schedule Draft 2. Budget Document Draft 3. Council Resolution Draft 4. Quality Certificate Draft 5. IDP Draft 6. SDBIP Draft 7. Spatial Development Framework Draft 8. Long Term Financial Strategies Draft 9. Service Standards Draft 10. Rates Billing Draft 11. Tariff List Draft 12. Property Rates and Tariffs List Draft 13. Draft Tariff Policies on: <ol style="list-style-type: none"> a. Property Rates and Service charges b. Borrowing c. Budget Implementation and Management d. Cash Management and Investment e. Credit Control and Debt Collection f. Funding and Reserves g. Indigents h. Long-term Financial Planning i. Management and Disposal of Assets Draft j. Infrastructure Investment & Capital Projects k. Supply Chain Management 14. mSCOA Road Map Draft 15. Fixed Asset Register Draft 	<ol style="list-style-type: none"> 1. TABB – Tabled Budget 2. PRTA – Tabled Project Details 3. A1D – Tabled non-financial data 	Immediately (within 24 hours) after tabling by council	15 April 2024

Category	Documents Required	mSCOA Data Strings Required	Due Date	Date for Closing LGDRS Submission
	16. Funding Plan Draft 17. Indigent Register Draft 18. General Valuation Roll (GVR) Draft			
Adopted Budget	1. A1 Schedule Final 2. Budget Document Final 3. Council Resolution Final 4. Quality Certificate Final 5. Budget locking certificate Final 6. IDP Final 7. SDBIP Final 8. Spatial Development Framework Final 9. Long Term Financial Strategies Final 10. Service standards Final 11. Rates Billing Final 12. Tariff List Final 13. Property Rates and Tariffs List Final 14. Final Tariff Policies on: <ul style="list-style-type: none"> a. Property Rates and Service charges b. Borrowing c. Budget Implementation and Management d. Cash Management and Investment e. Credit Control and Debt Collection f. Funding and Reserves g. Indigents h. Long-term Financial Planning i. Management and Disposal of Assets j. Infrastructure Investment & Capital Projects k. Supply Chain Management 15. mSCOA Road Map Final 16. Fixed Asset Register Final	1. ORGB – Original (adopted) Budget 2. PROR – Project Details Original Budget 3. A1F – Final non-financial data	10 working days after approval by council	12 July 2024

Category	Documents Required	mSCOA Data Strings Required	Due Date	Date for Closing LGDRS Submission
	17. Funding Plan Final 18. Indigent Register Final 19. General Valuation Roll (GVR) Final 20. D Schedule (entities) 21. MTREF Budget Schedule Time Table			
Adjustment Budget	1. Mid-Year Budget Perform Assessment S72 2. Resolution Mid-Year Budget Perf Assess S72 3. Adjusted Budget 4. B Schedule 5. Council Resolution 6. Quality Certificate 7. Budget locking certificate Revised 8. E schedule (entities)	1. ADJB - Adjusted Budget 2. PRAD - Project details Adjusted Budget	10 working days after approval by council	14 March 2024
In-year Reporting	1. S71 monthly report 2. Monthly C Schedule 3. Monthly Quality Certificate 4. Monthly Primary Bank Statements 5. Monthly Primary Bank Recon 6. Monthly Trial Balance 7. Signed S71 Monthly Report to Council 8. Signed Conditional Grant Monthly Report to Council 9. Monthly F Schedule (entities) 10. Quarterly mSCOA Implementation Progress Reports 11. Quarterly S52d Performance Reports	1. M01 – M12 - Monthly Actuals 2. CR01 – CR12 - Monthly Creditors 3. DB01 – DB12 - Monthly Debtors 4. BMQ1 – BMQ4 – Quarterly Borrowing Monitoring 5. IMQ1 – IMQ4 - Quarterly Investment Monitoring	10 working days after the end of month/quarter	15 August 2024 13 September 2024 14 October 2024 14 November 2024 13 December 2024 15 January 2025 14 February 2025 14 March 2025 14 April 2025 15 May 2025 13 June 2025 14 July 2025
YEAR-END DOCUMENTS				
Pre-audit	1. Pre-audited AFS	PAUD - Pre-audited AFS CRPA – Creditors DBPA - Debtors	Immediately (within 24 hours) after submission to AGSA	13 September 2024
Audit	2. Audited AFS	1. AUDA - Audited AFS 2. CRAU – Creditors	Immediately (within 24 hours) after conclusion of audit	14 March 2025

Category	Documents Required	mSCOA Data Strings Required	Due Date	Date for Closing LGDRS Submission
		3.DBAU - Debtors		
Restated	4. Restated AFS	RAUD - Restated AFS	Immediately (within 24 hours) after approved by Council	2022/23: 15 August 2024
Annual Report	5. Annual Report 6. Council Oversight Report	Not applicable	Within nine months after the end of a financial year deal	15 May 2025
REVENUE MANAGEMENT DOCUMENTS				
Revenue	1. Tariff Tool Draft and Final 2. Tariff Tool Final 3. Bulk Suppliers (water and electricity) proof of payment-M01 to M12 4. Proof of payment 3rd party (Staff benefits, SARS)-M01 to M12 5. Bulk Suppliers - repayment plans 6. Repayment plan (with any of its creditors excluding bulk suppliers) 7. Municipality Valuation Roll Reconciliation-Q1 to Q4 8. Revenue Enhancement Strategy 9. Municipality Revenue Assessment Tool 10. Schedule for the new general valuation roll 11. Supplementary Valuation Roll 12. Municipal Debt relief Application	Not applicable	1. Annually 2. Monthly 3. Monthly 4. As applicable* 5. As applicable* 6. As applicable 7. Quarterly 8. Every 3 years* 9. Every 3 years* 10. Annually 11. Annually	
MFRS DOCUMENTS				
MFRS	1. Mandatory FRP Progress Report-M01 to M12	Not applicable	Monthly*	Not applicable



MUNICIPAL AUDIT COMMITTEE TOOL KIT

Introduction

Section 5(2)(d) of the Municipal Finance Management Act (MFMA) requires the National Treasury to investigate any system of financial management and internal control in any municipality and recommend improvements. Furthermore, Sections 62 (c) and 95 (c) of the MFMA requires that a municipality and municipal entity have and maintains an effective, efficient, and transparent system of internal control. Additionally, Sections 165 and 166 of the MFMA legislates the establishment, functions and responsibilities of internal audit units and audit committees.

The circular introduces the Municipal Audit Committee Tool Kit for immediate use by all municipalities and municipal entities, Internal Audit and Audit Committees. The information has been developed to support the effective functioning of Audit Committees. The tool pack comprises of the following:

- Audit Committee Manual/Guide
- Supporting Documentation
- Evaluation Tools

Background

In response to requests from municipalities and municipal entities, other stakeholders, information highlighted from MFMA compliance monitoring reports, and shortcomings raised in the MFMA General Report issued by the Auditor-General, the National Treasury, in collaboration with the Provincial Treasuries embarked on a project to develop user friendly material for use by Internal Audit Units and Audit Committees. This is designed to assist in the effective functionality of Audit Committees in municipalities and municipal entities.

Section 34(1) of the MFMA requires national and provincial governments must assist municipalities in building the capacity of municipalities for efficient, effective and transparent financial management.

The MFMA Circular 65 on Internal Audit Units and Audit Committees provided information to assist municipalities and municipal entities understand the legislative framework and roles and responsibility, amongst others. However, it is clear that the information provided therein required further elaboration to enable effective support and implementation. Therefore, the tool delves deeper into key aspects and disciplines with an aim to encourage regular reviews of the structure, its operations, functionality, monitoring, reporting, and effective follow-up.

Recent amendment to the legal framework also requires Audit Committees to play an additional role in assurance. Due consideration was also given to the International Standards for the Professional Practice of Internal Auditing and other public sector measures to improve the effectiveness of assurance providers.

The tool aims to provide comprehensive guidance for Audit Committee operations and activities across municipalities and municipal entities, serving as both an induction tool for new members a resource for existing members, and a reference point for key stakeholders.

The content encompasses functions, membership, relationships with key stakeholders, conduct, and assessment of the Audit Committee. It also includes recommended templates that municipalities and municipal entities can customise to reflect their specific needs and environments. In addition, further reforms will be addressed in the proposed amendments to the MFMA, and the tool kit will be updated on a regular basis. The tool kit must be used during training sessions for Internal Audit units and Audit Committee induction.

THE MUNICIPAL AUDIT COMMITTEE TOOLKIT

The Audit Committee Guide/Manual

The Audit Committee Guide/Manual discusses a range of functions and responsibilities that are appropriate for an Audit Committee. It is intended as a reference document for Councils/Boards, Municipal Managers, Chief Executive Officers, Internal Audit Units, members of Audit Committees and senior managers with responsibility for Audit Committee engagements, including the membership and expected conduct of the Audit Committee members; relationships with key stakeholders; the roles and responsibilities of the Audit Committee; ways to conduct the Audit Committee performance assessments, amongst others.

Supporting and Guide Documentation

There is a list of supporting documents such as the frameworks, charters, work-plans, induction packs, templates, checklists, and assessments, amongst others that will assist the Audit Committee in its effective functioning and contribute towards the achievement of the Audit Committee's roles, responsibilities, outputs and outcomes.

- Audit Committee Terms and Reference / Charter (PSAUC1)
- Audit Committee Work Plan (PSAUC2)
- Audit Committee Induction Pack (PSAUC3)
- Internal Audit Charter Template (PSAUC4)

Evaluation Tools

The evaluation tools comprise of the following:

- Audit Committee Self-Assessment Tool (PSAUC5)
- Audit Committee Competency Framework Checklist (PSAUC6)
- Internal Audit Effectiveness Assessment Tool (PSAUC7)
- Finance Function Assessment Tool (PSAUC8)

Detailed information can be located within the Tool kit.

The guide/manual to be read and used together with the Municipal Public Accounts Committees (MPAC) Guide and Tool kit, available on the MFMA website. Management is encouraged to make urgent and full use of the Audit Committee Tool kit to identify and attend to current gaps and shortcomings in consultation with the Audit Committee.

Training and Support

Municipalities, Municipal Entities, Internal Audit Units and Audit Committees are encouraged to approach the relevant officials from the Provincial Treasury listed in the table below for further assistance with regards to training and implementation support.

NO.	TREASURY	CONTACT PERSON	E-MAIL	TELEPHONE NUMBER
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9	Western Cape	Melissa Van Niekerk	Melissa.vanNiekerk@westerncape.gov.za	073 360 7929

Alternatively, please contact Ms Pulane Mkhize, email: pulane.mkhize@treasury.gov.za or Ms Busisiwe Dingaan, email: Busisiwe.Dingaan@treasury.gov.za at the National Treasury for any additional guidance and support.

Conclusion

We reiterate that the Accounting Officer has legislated responsibilities to ensure that effective, efficient, and transparent systems of financial management and internal controls are maintained and enforced. The assurance provided by the Audit Committee on internal controls, amongst other activities, in recommending to Management and Council actions, must be taken seriously, and implemented. It is also imperative that management report at every Audit Committee meeting progress in implementing recommendations. Failure to implement the legislated requirements for internal audit and audit committees, constitutes a serious breach of measures in the MFMA.

It is important that the Accounting Officer ensures that this Circular and the supporting Tool kit are brought to the attention of the Municipal Council, Board of Directors of municipal entities, the members of the Audit Committee, Internal Audit Units, and measures are instituted to ensure regular reviews are undertaken and shortcomings are immediately addressed. The Auditor-General will continue to audit processes, procedures, and functionality of Internal Audit Units, and Audit Committees.

All comments on this Circular and the attached Tool kit must be forwarded to the e-mail address below and copied to Ms Pulane Mkhize, email: pulane.mkhize@treasury.gov.za. The tool kit will be updated from time to time as the legislative framework is amended and practices evolve.

Contact



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TV PILLAY
CHIEF DIRECTOR: MFMA IMPLEMENTATION
20 December 2023

Annexures: Municipal Audit Committee Tool kit

ANNEXURE A1 - Audit Committee Terms of Reference/Charter – MFMA - PSAUC1
 ANNEXURE A2 - Audit Committee Work Plan - PSAUC2
 ANNEXURE A3 - Audit Committee Induction Pack - PSAUC3
 ANNEXURE A4 - Internal Audit Charter Template - PSAUC4
 ANNEXURE A5 - Audit Committee Self-Assessment Template - PSAUC5
 ANNEXURE A6 - Audit Committee Competency Framework - PSAUC6
 ANNEXURE A7 - Internal Audit Effectiveness Assessment - PSAUC7
 ANNEXURE A8 - Audit Committee Assessment of the Finance Function - PSAUC8



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.

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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Reason: I approve this document

MS MENDOE NTSWAHLANA
CHIEF PROCUREMENT OFFICER
DATE:

15/08/22



MFMA

December 2023



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Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MUNICIPAL AUDIT COMMITTEE TOOLKIT

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1. FOREWORD
2. AUDIT COMMITTEE MANUAL / GUIDE
3. SUPPORTING AND GUIDING DOCUMENTATION
4. TOOLS

DOCUMENT NAME	DOCUMENT NUMBER
Audit Committee Terms of Reference/Charter - MFMA	PSAUC1
Audit Committee Work Plan	PSAUC2
Audit Committee Induction Pack	PSAUC3
Internal Audit Charter Template	PSAUC4
Audit Committee Self-Assessment Template	PSAUC5
Audit Committee Competency Framework	PSAUC6
Internal Audit Effectiveness Assessment	PSAUC7
Audit Committee Assessment of the Finance Function	PSAUC8

1. FOREWORD

The aim of this Guide and Tool pack is to provide guidance on the operation of the Audit Committees of municipalities and municipal entities operating under *the Municipal Finance Management Act, Act 53 of 2003*.

The Guide discusses a range of functions and responsibilities that are appropriate for an Audit Committee. Within this broad set of responsibilities, it is important that each committee, in consultation with the Municipal Manager/Chief Executive Officer, decide those aspects that the committee will give priority to and particularly focus on.

The Guide is intended as a reference document for Councils/Boards, Municipal Managers, Chief Executive Officers, members of Audit Committees and senior managers with responsibility for Audit Committee activities.

This guide should be read and used together with the Municipal Public Accounts Committees (MPAC) Guide and Toolkit.

These guidelines should be used as a tool for induction of the Audit Committee to streamline their activities in pursuit of good and quality performance in discharging their responsibilities. The guidelines should also be utilized to raise awareness to Council/Board and management of municipalities and municipal entities to fully appreciate the role of the Audit Committee.

2. AUDIT COMMITTEE MANUAL / GUIDE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

STRENGTHENING GOVERNANCE WITHIN AUDIT COMMITTEES

To build capacity of Audit Committees and Municipality officials on the effectiveness of Audit Committees

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FOREWORD

The National Treasury (NT) of South Africa is a national government department under the executive authority of the Ministry of Finance and is responsible for coordinating macroeconomic policy and promoting the national fiscal policy framework. Its role is defined by the Constitution of the Republic of South Africa, 1996 (The Constitution) and the Public Finance Management Act, 1999 (PFMA), which regulates financial management in the public sector at national and provincial government levels. The NT coordinates intergovernmental financial relations, manages the budget preparation process and exercises control over the implementation of the annual national budget, including any adjustments budgets. The NT also performs functions assigned to it in other legislation, such as Municipal Finance Management Act 56 of 2003 (MFMA).

The NT has a constitutional and national legislative mandate to manage public sector financial matters in South Africa, including the capacity development of cash flow managers. The NT fulfils a pivotal role in the implementation and management of the PFMA and the MFMA, among others. The essence of both these Acts is to regulate financial management in the public sector at national, provincial and municipal levels respectively. The PFMA as well as the MFMA are intended to ensure that all revenue, assets, liabilities and expenditures are managed effectively and efficiently and that the responsible officials are equipped with appropriate and necessary knowledge to adhere in a compliant manner to the intentions stipulated in the respective Acts. MFMA section 34(1) states that “national and provincial governments must by agreement assist municipalities in building the capacity of municipalities for efficient and transparent financial management”. Given the complexity and scope of the capacity development challenge, implementation of any capacity development initiative will require collaborative partnerships between public and private sector stakeholders, and the international donor community.

Despite the provisions in the MFMA and the reforms developed over the last 15 years to support the implementation, enforcement still appears to be a challenge across all municipalities and municipal entities. The recently published consolidated general report on local government audit outcomes for the 2020/2021 financial year also highlighted a number of issues that led to non-compliance with the MFMA. Furthermore, it was also noted that compliance with legislation has regressed over the years with the highest percentage of non-compliance persisting.

The common areas of non-compliance relate to the following disciplines, SCM, Asset Management, Revenue Management, Liability Management, Annual Financial Statements and Annual Reports amongst others.

MUNICIPAL AUDIT COMMITTEE MANUAL / GUIDE - 2023

The constitutional mandate states that the council of municipalities must strive to achieve the objectives set out in the Constitution. In executing its functions and fulfilling its obligations, Council is assisted by various functions within the governance structure of the Municipality or Municipal Entity. One such function is the **Audit Committee**. The requirements of the legislation make the composition of Audit Committees an essential consideration. Members need to have sufficient knowledge, skills and experience in a number of fields. The difficulty in attracting a pool of suitable people to serve on the municipal Audit Committees is a challenge. Municipalities do not always have sufficient budgets to compete with private sector companies in remunerating Audit Committee members. Audit Committee members are appointed with skills and experience in their respective professions and very limited experience on Audit Committee operations. This creates a need to induct Audit Committee Members prior to them assuming their responsibilities. The induction should be detailed to enable them to execute their responsibilities effectively.

These guidelines should be used as a tool for induction of the Audit Committee to streamline their activities in pursuit of good and quality performance in discharging their responsibilities. The guidelines should also be utilized to raise awareness to Council/Board and management of municipalities and municipal entities to fully appreciate the role of the Audit Committee. An effective audit committee can assist management in discharging its accountability responsibilities to safeguard assets, operate adequate systems and controls, and prepare annual financial statements, by:

- improving communication and increasing contact, understanding and confidence between management and internal and external auditors (which may result in a more cost-effective external audit, to benefit both the organisation and the auditors);
- undertaking investigations and ensuring objectivity to such reports and recommendations;
- scrutinizing the performance of internal and external auditors, thus increasing accountability;
- facilitating the imposition of discipline and control, thus reducing the opportunity for fraud;
- assisting in strengthening governance arrangement in municipalities and municipal entities;
- strengthening the objectivity and credibility of financial reporting.

The aim of the Guide is to provide guidance on the operation of the Audit Committees of municipalities and municipal entities operating under *the Municipal Finance Management Act, Act 53 of 2003*.

MUNICIPAL AUDIT COMMITTEE MANUAL / GUIDE - 2023

The Guide discusses a range of functions and responsibilities that are appropriate for an Audit Committee. Within this broad set of responsibilities, it is important that each committee, in consultation with the Municipal Manager/Chief Executive Officer, decide those aspects that the committee will give priority to and particularly focus on.

The Guide is intended as a reference document for Councils/Boards, Municipal Managers, Chief Executive Officers, members of Audit Committees and senior managers with responsibility for Audit Committee activities.

Application of the guidance provided in this document will result in the Audit Committee not merely being a ceremonial function but adding value to the Municipality/Municipal Entity and the Council/Board through providing oversight and objective advice in the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations.

The Local Government: Municipal Structures Act, 1998, was amended during May 2021 to accommodate changes and enhancements to the local government environment.

The Municipal Structures Amendment Act, Act 3 of 2021, Section 79A now reads:

- (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*

MUNICIPAL AUDIT COMMITTEE MANUAL / GUIDE - 2023

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."*

This guide should therefore be read and used together with the Municipal Public Accounts Committees (MPAC) Guide and Toolkit, the relevant National Treasury in consultation with the relevant Provincial Treasury will provide further regulations, circulars, guides, supporting measures and respond to all matters relating to Audit Committees and Internal Audit functions, roles and responsibilities to ensure uniform national norms and standards are maintained and adhered to. Internal Audit and Audit Committees to register and utilise the National Treasury's Audit Action Plan web enabled system to monitor progress in-year. In addition audit committees must provide comments to management on MFMA Section 71 and 72 reports to ensure alignment and consistency with performance indicators.

ATTRIBUTES AND PRACTICES OF THE EFFECTIVE AUDIT COMMITTEE

An effective Audit Committee is distinguished by the following attributes:

- Has a clearly documented charter that:
 - has been determined having regard to relevant legislative requirements and the entity's broader corporate governance framework;
 - includes the committee's responsibilities;
 - and is approved by its Council or Board in the case of municipal entities.
- Possesses broad financial management and public sector experience and expertise.
- Has a sound working relationship with its Council/Board.
- Can exercise discretion in determining how best to meet its responsibilities.
- Adopts an independent perspective and appreciates the separation of management and Audit Committee responsibilities.
- Is knowledgeable about the Municipality's/Municipal Entity's operations, particularly its risks and the arrangements in place to management of these risks.
- Is chaired by a person who is able to lead discussions, encourage the participation of other members, and conduct meetings in an effective manner.
- Encourages and maintains an open and constructive dialogue with senior management, internal and external audit, and other committees.
- Effectively plans its activities to meet its responsibilities; focuses on the important issues and risks; is forward-looking; and adopts a continuous improvement approach in its interaction with the Municipality's/Municipal Entity's management.
- Monitors the implementation of recommendations made by internal and external audit and other review activities.
- Ensures internal audit coverage/plan:
 - is aligned with the Municipality's/Municipal Entity's risks;
 - is an appropriate mix of performance and compliance audits;
 - includes a focus on the areas of greatest risk; and
 - Ensure that quality of work of internal audit is upheld at all times.
- Receives an appropriate level of support and facilitates sufficient opportunities to keep committee members abreast of key developments in the Municipality and/or Municipal Entity.

Structure of the guide:

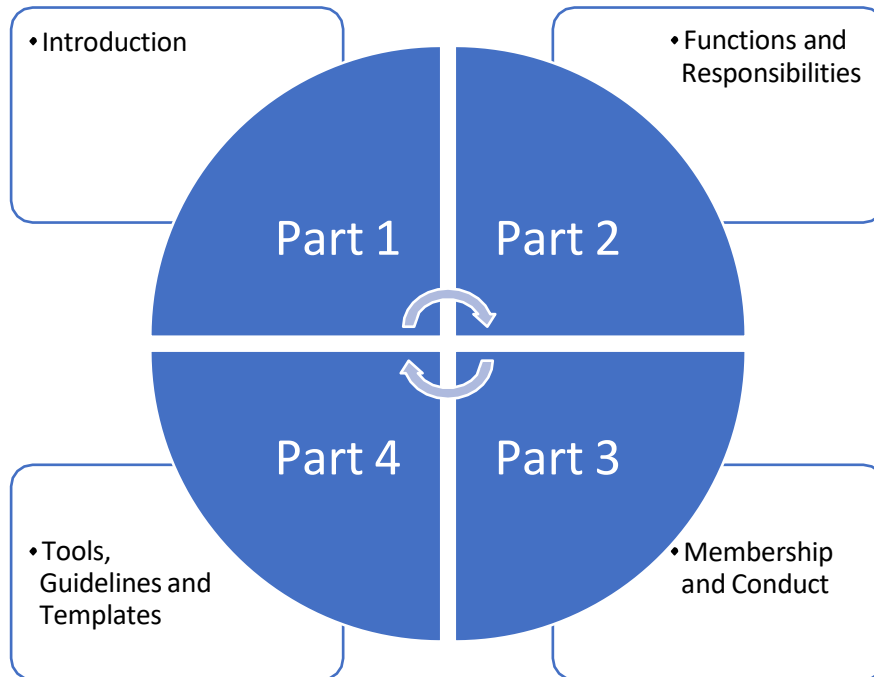


Figure 1: Structure of the guide

IMPORTANT NOTE:

The user of this guide is encouraged to read the entire guide before attempting to implement any or all of the templates, guides or checklists. This will provide for a thorough understanding of the principles and context of the municipal Audit Committee's role and responsibilities and the application of the tools to the specific size and unique complexity of the relevant Municipality/Municipal Entity.

PART 1

1. INTRODUCTION

Public sector, and specifically municipal Audit Committees are responsible for governance oversight at the Municipality/Municipal Entity that they serve within local government. This includes responsibilities enable through the MFMA and its regulations, to oversee all assurance providers in terms of the Combined Assurance Framework and model ensuring that it is optimally implemented. This guide will provide the reader with the necessary understanding, guidance, templates and resources to assist in the establishment and maintenance of an effective municipal Audit Committee and the attraction and retention of skilled and knowledgeable Audit Committee members.

1.1 Application of the Guide

The principles and practices outlined in this Guide are applicable to all Municipalities and Municipal Entities, irrespective of the particular governance model adopted by each Municipality/Municipal Entity.

1.2 Structure of the Guide

Part 1 of the Guide introduces the reader to the guide and the necessity for the effective functioning of Audit Committees at local government level.

Part 2 explains the detailed functions and responsibilities of municipal Audit Committees as indicated in the MFMA as well as good corporate governance principles.

Part 3 elaborates on the composition of the municipal Audit Committee in terms of chairmanship, membership and relationships with all its stakeholders. It also provides guidance on the general conduct of the municipal Audit Committee and its members and provides criteria for the measuring of the performance of the municipal Audit Committee.

Part 4 of this guide consists of a comprehensive set of tools to assist the municipal Audit Committee and its members to fulfill its constitutional, legislative and oversight role. The tools consist of templates, checklists and guiding documents which have reference to the applicable legislation they aim to comply with.

In applying the guidance set out in this document and using the tools provided there is a great expectation that the relevant municipal Audit Committee will be better equipped to fulfill its mandate and add value to the broader objectives of the Municipality or municipal entity it serves.

1.3 Acknowledgements

The National Treasury would like to express its appreciation to the pilot municipalities, municipal entities, their staff and individual Audit Committee members, the reference group consisting of National and Provincial Treasury officials, the European Union Commission for the support in developing the Guide.

PART 2

2. THE AUDIT COMMITTEE'S FUNCTIONS AND RESPONSIBILITIES

The Municipal Finance Management Act No 56 of 2003 (MFMA), Section 166, states as follows:

- 166**(1) *Each Municipality and each municipal entity must have an Audit Committee. subject to subsection (6).*
- (2) *An Audit Committee is an independent advisory body which must—*
- (a) *advise the municipal council, the political office-bearers. the accounting officer and the management staff of the Municipality, or the board of directors. the accounting officer and the management staff of the municipal entity. on matters relating to-*
- (i) internal financial control and internal audits;*
 - (ii) risk management;*
 - (iii) accounting policies;*
 - (iv) the adequacy, reliability and accuracy of financial reporting and information;*
 - (v) performance management;*
 - (vi) effective governance;*
 - (vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;*
 - (viii) performance evaluation; and*
 - (ix) any other issues referred to it by the Municipality or municipal entity;*
- (b) *review the annual financial statements to provide the council of the Municipality or, in the case of a municipal entity. the council of the parent Municipality and the board of directors of the entity, with an authoritative and credible view of the financial position of the Municipality or municipal entity. its efficiency and effectiveness and its overall level of compliance*

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with this Act, the annual Division of Revenue Act and any other applicable legislation:

- (c) respond to the council on any issues raised by the Auditor-General in the audit report;*
- (d) carry out such investigations into the financial affairs of the Municipality or municipal entity as the council of the Municipality, or in the case of a municipal entity, the council of the parent Municipality or the board of directors of the entity, may request: and*
- (e) perform such other functions as may be prescribed.*

In total, these represent a broad set of functions and responsibilities. It is therefore important that each committee, in consultation with its Council or Board, decide those aspects of a Municipality's/Municipal Entity's operations that the committee will give priority to and particularly focus on, whilst complying with the requirements of the MFMA.

This includes reviewing of preventative controls and advise on pro-active measures that the internal audit and audit committees recommend to management to improve outcomes in the quest to attain value for money. In addition, the value added by internal audit and audit committees can improve management's and operational efficiencies, which is an important objective.

This guide will now deal with each of the responsibilities in detail. Specific reference to the area of the MFMA is made in a block such as indicated below:

Legislation	<i>Reference to the MFMA or relevant legislation.</i>
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2.1 Internal Control

Legislation	<p>(2) <i>An Audit Committee is an independent advisory body which must—</i></p> <p>(a) <i>advise the municipal council, the political office-bearers, the accounting officer and the management staff of the Municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to-</i></p> <p>(i) <i>internal financial control and internal audits</i></p>
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The Audit Committee will generally be responsible for reviewing the adequacy of the Municipality's/Municipal Entity's **internal control environment** in general, to provide assurance that the Municipality's/Municipal Entity's key controls are designed appropriately and are operating as intended. In fulfilling this responsibility, the committee could be expected to obtain information from management and also from internal and external audits on the design and operation of key **internal controls, including financial controls**, and assurance processes. To do this effectively, Audit Committees are expected to, and mechanisms in place to periodically assess compliance with the Municipality's/Municipal Entity's financial management responsibilities.

Audit Committee internal control responsibilities

An Audit Committee's responsibilities in relation to a Municipality's/Municipal Entity's internal controls would generally be to:

- oversee whether management's approach to maintaining an effective internal control framework, including over external parties such as contractors, is sound and effective;
- obtain assurance whether management has in place relevant policies and procedures, and that these are periodically reviewed and updated;
- determine whether appropriate processes are in place to periodically assess compliance with legislation and key policies;
- obtain assurance whether appropriate policies and supporting procedures are in place for the management and exercise of compliance, internal policy, and delegations' requirements;
- consider how management identifies any required changes to the design or implementation of key internal controls; and
- assess whether management has taken steps to embed a culture which is committed to ethical and lawful behaviour.

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2.2 Internal Audit

Legislation	<p>(2) <i>An Audit Committee is an independent advisory body which must—</i></p> <p>(a) <i>advise the municipal council, the political office-bearers. the accounting officer and the management staff of the Municipality, or the board of directors.the accounting officer and the management staff of the municipal entity. on matters relating to-</i></p> <p>(i) <i>internal financial control and internal audits;</i></p>
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According to the Institute of Internal Auditors definition of internal auditing: “*Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an entity’s operations. It helps an entity accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.*”

A strong relationship between the Audit Committee and the Municipality’s/Municipal Entity’s internal auditors enables the Audit Committee to meet its responsibilities and carry out its functions. Internal Audit is a major source of information and assurance to the Audit Committee on the performance of the Municipality or Municipal Entity and its control environment. To maximize the value provided by Internal Audit to the Audit Committee, it is important that open lines of communication are established and maintained between Internal Audit and the Audit Committee. This communication line is referred to as the Functional Reporting line of Internal Audit.

Audit Committee Internal Audit responsibilities

The Audit Committee has oversight responsibilities over the effective functioning of Internal Audit within a Municipality and Municipal Entity. This oversight responsibility covers the planning, execution and reporting of Internal Audit against the approved Internal Audit plan and Charter which are approved by the Audit Committee. The Chief Audit Executive (CAE) must ideally report internally within the Municipality/Municipal Entity to the Accounting Officer (Municipal Manager/Chief Executive Officer). This is referred to as the Administrative Reporting line of Internal Audit. Reporting to the most senior officer in the Municipality/Municipal Entity has a positive effect on the independence of the Internal Audit function.

Organizational independence is effectively achieved when the chief audit executive reports functionally to the audit committee. Examples of functional reporting to the Audit Committee, which enhances the independence and objectivity of Internal Audit, involves, but is not limited to, the following:

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- Approval of the Internal Audit Charter, for acceptance by the Accounting Officer/Municipal Manager;
- Approval of the risk-based Internal Audit plan;
- Concurring with and providing input on the Internal Audit budget allocation and resource plan for approval by the Accounting Officer/Municipal Manager;
- Receiving communications from the CAE on the internal audit activity's performance relative to its plan and other matters;
- Concurring with and providing input regarding decisions during the appointment, removal of the CAE, and performance assessments of the Internal Audit function;
- Making appropriate inquiries of management and the CAE to determine whether there is inappropriate scope or resource limitations.

The Audit Committee should understand the environment within which the Internal Audit function operates. Audit Committee members should also understand what the MFMA and its regulations, Institute of Internal Auditors (IIA) requires of the Internal Audit function. Even if an independent quality review (refer to Part 3 section 4.5 for detail) is done on an Internal Audit function and the results of the review are reported to the Audit Committee, the Audit Committee members should have sufficient knowledge to create and support an environment that enhances efficiency and compliance of the Internal Audit function, where functionality is concerned. As a minimum, the Audit Committee should oversee the following with regards to the Internal Audit function:

- 2.2.1 Review and approve the Internal Audit charter annually or amend if there are any changes in legislation or the Municipality's/Municipal Entity's operating environment. As a minimum, the Internal Audit charter should include:
- a. The mission, purpose and authority of the Internal Audit function
 - b. Its status and its place in the Municipality's/Municipal Entity's structure
 - c. Responsibilities of the Internal Audit function
 - d. Relationship with management, other assurance providers and external audit (combined assurance)
 - e. Operational issues such as assurance and consulting activities
 - f. Assessment of the Internal Audit function's performance

An example of a typical Internal Audit Charter is provided under section 3 Guiding Documents with reference PSAUC7.

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- 2.2.2 Oversees that the Internal Audit function adheres to and conforms with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors. The information on conformance with the IPPF will originate from the Quality Assurance and Improvement Program (QAIP) of the Internal Audit function. (Refer to Part 3 section 4.5 for detail on the QAIP).
- 2.2.3 Regularly review the functional and administrative reporting lines of internal audit to ensure that the organizational structure is consistent with the principles of independence and accountability.
- 2.2.4 Review the annual independence declaration of internal audit.
- 2.2.5 Where the Chief Audit Executive is expected to have roles and/or responsibilities that fall outside of internal auditing, ensure that the necessary safeguards are implemented and maintained to limit the potential impairments to independence and objectivity. Examples of roles outside of the normal responsibilities of the CAE could include responsibility for Risk Management, Combined Assurance, Compliance Management, etc. Managing the independence of the Internal Audit function in these cases could involve the consideration of outsourcing of the assurance function for these activities.
- 2.2.6 Ensure the Internal Audit function at least reports annually on its Quality Assurance and Improvement Programme (QAIP).
- 2.2.7 Ensure that the Internal Audit function (whether in-house, co-sourced and/or outsourced) is subjected to an external independent quality review in line with IIA Standards and as when the Audit Committee determines it appropriate, but at least within 5 years of the previous review, as a measure to ensure the function remains effective.
- 2.2.8 The Audit Committee should assess the options for sourcing Internal Audit and consider, amongst others, issues such as size of the Internal Audit Function, complexity of the operations, available budget, and the ability of the Audit Committee to execute its duties suitably. Sourcing options could include:
 - a) In-house function where all Internal Audit staff members are employed by the municipality/municipal entity and the Internal Audit methodology is dictated by the in-house Chief Audit Executive;
 - b) Co-sourced function where the in-house capacity and skills of the Internal Audit activity are enhanced by staff members from an outside consulting firm with whom we contract. The Internal Audit methodology of the in-house Chief Audit Executive is still followed, and the CAE remains responsible for the overall quality of work delivered; or
 - c) Full outsourced Internal Audit activity where the Chief Audit Executive and all Internal Audit staff members are provided by an external consulting firm

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and the municipality/municipal entity typically adopts the Internal Audit methodology of the consulting firm.

- 2.2.9 Assess adequacy of skills and size of Internal Audit staffing versus complexity of the Municipality/Municipal Entity and changes in the operating environment. Reviewing and providing input on the organogram for Internal Audit.
- 2.2.10 Review a 3-year training program for the Internal Audit function to ensure that there is appropriate attention given to quality, report writing skills and keeping abreast of developments and changes in the field of Internal Audit and that staff are maintaining their ongoing professional development.
- 2.2.11 Ensure that there is a transfer of skills by contractors to Internal Audit staff as appropriate.
- 2.2.12 Assist in the recruitment process and performance appraisal of the CAE as well as, retention or dismissal of the CAE which then reinforces the clear reporting line to the Audit Committee as opposed to management.
- 2.2.13 Approve the risk-based Internal Audit plan through reviewing and assessing the coverage and adequacy of the Internal Audit plan when compared with the risks facing the Municipality/Municipal Entity and the effect of the combined level of assurance on the risks and the results of the external audit. As a minimum the risk-based internal audit plan should cover:
 - a. Operational effectiveness and efficiencies across processes
 - b. Financial reporting – prevention and detection of accounting errors, control weaknesses and fraud
 - c. Compliance with laws, regulations and internal policies
 - d. Information technology (IT) – systems and internal functioning of the IT department
 - e. Effectiveness of risk management within the Municipality/Municipal Entity
 - f. Assessment of strategy, business plans and budgets
 - g. Performance setting, monitoring and reporting

The approval of the Internal Audit plan should be scheduled as soon as possible in the new financial year to give the Internal Audit activity enough time to complete the plan during the year.

- 2.2.14 Consider the Internal Audit Strategy to determine appropriate attention to stakeholder expectations and alignment with the strategy of the Municipality/Municipal Entity.

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- 2.2.15 Review and provide input on the allocation of the budget of Internal Audit in line with the annual internal audit plan and the alignment of hours on the Internal Audit plan versus the budget being presented.
- 2.2.16 Encourage cooperation between External and Internal Audit. Review coverage and scope between External and Internal Audit to avoid duplication and possible cost savings from the alignment of the two functions. Timing of internal audits and the months during the financial period that the audit scope will cover must be aligned. In some cases, reports from Internal Audit cannot be used by the external auditors due to focus areas of relevant risks.
- 2.2.17 Review and track quarterly progress of Internal Audit against the approved Internal Audit plan for the year and ensuring that reports are tabled timeously after completion. Targets should be set in the CAE performance contract on the achievement of the plan and the timeous submission of reports to the Audit Committee.
- 2.2.18 Review and approve reports from Internal Audit on a quarterly basis in line with the Internal Audit plan. When the Audit Committee reviews such reports attention should be paid to issues/findings and the impact on the overall risks facing the Municipality/Municipal Entity and any impact on the financial year- end external audit. It can be one of the early warning indicators to management and the Audit Committee.
- 2.2.19 Ensure open lines of communication between the Audit Committee and the Internal Audit function. This can be implemented by having an agenda point added for an in-camera session which can be scheduled at each of the quarterly Audit Committee meetings where Internal Audit meets separately with the Audit Committee and discusses issues.
- 2.2.20 Monitor and evaluate the effectiveness and quality assurance of the Internal Audit function. This can be performed by having an independent review being performed every 5 years with an implementation plan being drafted to address the issues/findings. Performance targets must be set for the CAE in his/her annual performance contract arising from such an evaluation so that there is alignment between the need for having an effective Internal Audit function and the allocation of such accountability and responsibility.

- 2.2.21 Review policies affecting the functioning of Internal Audit such as the Internal Audit charter in the Municipality/Municipal Entity as well as understanding the methodology for sampling techniques, audit tests, the use of computer assisted audit techniques to improve on coverage of populations being tested. Policies should create a flexible and dynamic environment that is able to address emerging business and operational assurance needs.
- 2.2.22 Understand the format of reports being presented by Internal Audit, the rating scales used to assess, rate and finally conclude on the overall functioning of the area being audited as well as the alignment and link in with the impact on the operational and strategic risk register. It is suggested that as part of the orientation for new members of the Audit Committee that Internal Audit should be able to disseminate their reports and workshop them so that members have a clear understanding of how a report is compiled and what information is being presented as this will aid in the members ability to make decisions from their review of reports being presented during their tenure.
- 2.2.23 Recommend the appointment of an external service provider if the Internal Audit function is outsourced. This would typically occur every 3 to 5 years and the sourcing of tenders should be started at least 12 months prior to the planned rotation.
- 2.2.24 Review of any reports from Internal Audit on limitation of scope, extension of audit deadlines beyond 3 months by management, repeated cancellation of scheduled audits unnecessarily and decide on the way forward.
- 2.2.25 Preside over disagreements between management and internal auditors ensuring that open communication lines are promoted at all times. A formal process should be documented and circulated as part of the service level agreement from Internal Audit that covers how disagreements will be dealt with and the escalation processes to be followed.
- 2.2.26 Strive towards setting a tone where an Internal Audit function has the confidence and courage to report any significant issues even if it involves executive management. The Audit Committee must also protect Internal Audit functions who report such information from the possible falling out with the entities' executive management team. Such reports can also be submitted to National and Provincial Treasuries to assist in performing their oversight functions in terms of the MFMA.
- 2.2.27 Review and assess the written assessment prepared by Internal Audit regarding internal financial controls.

2.3. Risk management

Legislation	<i>(2) An Audit Committee is an independent advisory body which must— (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the Municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to— (ii) risk management</i>
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Risk management is the culture, processes and structures that are directed towards realizing potential opportunities while managing adverse effects. Risk management is an essential part of effective corporate governance.

Municipalities and municipal entities are bound by their Constitutional mandates to provide services or products in an efficient, cost effective and economical way. No Municipality/Municipal Entity functions in a risk-free environment and in fulfilling their mandates Municipalities/Municipal Entities are especially vulnerable to risks while being ripe for opportunities at the same time. Many of the functions within the scope of the local government mandate pose substantial risk exposures but which cannot be avoided in the interest of the public good. Local government institutions therefore characterise elevated risk profiles. This places an extra duty of care on decision makers and managers to ensure that risks are properly managed and the Institution is able to fulfil its mandate notwithstanding the inherent riskiness. Risk management is a valuable management tool which increases a Municipality's/Municipal Entity's prospects of success through minimizing negative outcomes and optimizing opportunities.

Local and international trends confirm that risk management is a strategic imperative rather than an option within high performing institutions. A hallmark of high performing institutions is that they set clear and realistic strategies, develop achievable objectives aligned to the strategies, understand the intrinsic risks associated therewith and direct resources towards managing such risks based on cost-benefit principles.

The Audit Committee is the only committee recognized in the MFMA as being responsible for the oversight of risk management.

Although ultimate accountability for the management of risk remains with the Municipal Manager/Chief Executive Officer, the Municipal Manager/Chief Executive Officer will generally, seek assurance from the Audit Committee that management has in place policies and arrangements designed to demonstrate that the operation of a Municipality's/Municipal Entity's risk management arrangements are appropriate and operationally effective. This assurance role can extend to assisting the overall alignment and integration of risk management plans and the integration of risk management into business planning and program implementation activities. Effective Audit Committees will also generally have a key role in providing assurance that management has in place effective risk management practices when implementing high risk projects, programs and/or activities.

Audit Committee Risk Management Responsibilities

The responsibilities of the Audit Committee with respect to risk management should be formally defined in its Charter.

An Audit Committee's responsibilities in relation to risk management would generally be to:

- oversees whether management has in place a current and comprehensive enterprise risk management framework and associated procedures designed to ensure that the identification and management of the Municipality's/Municipal Entity's business and financial risks, including fraud, are effective;
- determine whether a sound and effective approach has been followed in managing the Municipality's/Municipal Entity's major risks including those associated with individual projects, program implementation, and activities;
- assess the impact of the Municipality's/Municipal Entity's enterprise risk management framework on its control environment and insurance arrangements;
- determine whether a sound and effective approach has been followed in establishing the Municipality's/Municipal Entity's business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested;
- review the Municipality's/Municipal Entity's fraud control arrangements and satisfy itself the Municipality/Municipal Entity has appropriate processes or systems in place to capture and effectively investigate fraud-related information; and

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- review reports on fraud from the Municipality's/Municipal Entity's Fraud Manager that outline any identified allegations of fraud, the status of any ongoing investigations and any changes to identified fraud risk in the Municipality/Municipal Entity.

Where there is no separate Risk Committee, the risk oversight responsibilities of the Audit Committee should be identical to those ascribed to the Risk Committee by the National Treasury Framework, namely to:

- (i) review and recommend for the Approval of the Municipal Manager/Chief Executive Officer, the:
 - (ii) risk management policy;
 - (iii) risk management strategy;
 - (iv) risk management implementation plan;
 - (v) Institution's risk appetite, ensuring that limits are:
 - supported by a rigorous analysis and expert judgement;
 - expressed in the same values as the key performance indicators to which they apply;
 - set for all material risks individually, as well as in aggregate for particular categorizations of risk; and
 - consistent with the materiality and significance framework.
 - (vi) Institution's risk tolerance, ensuring that limits are supported by a rigorous analysis and expert judgement of:
 - the Institution's ability to withstand significant shocks; and
 - the Institution's ability to recover financially and operationally from significant shocks.
- (i) Institution's risk identification and assessment methodologies, after satisfying itself of their effectiveness in timeously and accurately identifying and assessing the Institution's risks.
 - b) evaluate the extent and effectiveness of integration of risk management within the Institution;
 - c) assess implementation of the risk management policy and strategy (including plan);
 - d) evaluate the effectiveness of the mitigating strategies implemented to address the material risks of the Institution;

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- e) review the material findings and recommendations by assurance providers on the system of risk management and monitor the implementation of such recommendations;
- f) develop its own key performance indicators for approval by the Municipal Manager/Chief Executive Officer; and
- g) provide timely and useful reports to the Municipal Manager/Chief Executive Officer on the state of risk management, together with accompanying recommendations to address any deficiencies identified by the Committee.

Responsibilities of the Audit Committee, where there is a separate Risk Management Committee, should include:

- reviewing and recommending disclosures on matters of risk in the annual financial statements and annual report;
- reviewing and providing regular feedback to the Municipal Manager/Chief Executive Officer on the adequacy and effectiveness of risk management in the Municipality/Municipal Entity, including recommendations for improvement;
- ensuring that the Internal Audit and Auditor-General plans are aligned to the risk profile of the Municipality/Municipal Entity;
- providing oversight over the combined assurance process;
- reviewing and concurring with the Municipality's/Municipal Entity's risk appetite;
- receiving and considering reports from the Risk Committee;
- satisfying itself that it has appropriately addressed the following areas:
 - financial reporting risks, including the risk of fraud;
 - internal financial controls; and
 - IT risks as they relate to financial reporting.
- evaluate the effectiveness of Internal Audit in its responsibilities for risk management.

Where the Municipal Manager/Chief Executive Officer agrees that the Audit Committee will have an assurance role in relation to individual projects, programs or activities, it is important that the committee's role is formalized and included in the governance arrangements for the project, program or activity.

The determination of whether a separate Risk Committee should be formed is informed, amongst other, by the type or category of municipality as indicated by the Municipal Structures Act of 1998.

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The table below can be used as guidance in this regard, but every municipality must decide on their own structure in accordance with their unique environment, size and demands.

Municipal Category	Explanation and Example	Audit Committee / Risk Committee Consideration
Category A	Metropolitan Municipality <ul style="list-style-type: none">• Six biggest cities in SA• More than 500 000 voters• Metropolitan Municipality co-ordinates delivery of services to the whole area.	Separate Audit Committee and Risk Committee due to size and complexity of risk environment
Category B	Local Municipality <ul style="list-style-type: none">• Broken into Wards represented by Ward Councillors	Combined Audit and Risk Committee depending on size and complexity of risk environment
Category C	District Municipality <ul style="list-style-type: none">• Number of Local Municipalities within a district• Co-ordinate service delivery in the whole district	Separate Audit Committee and Risk Committee due to size and complexity of risk environment

Table 1: Determination of a Separate Risk Committee

Review of a Municipality's/Municipal Entity's management of fraud risks is generally undertaken as an integral part of an Audit Committee's risk management responsibilities. An Audit Committee can play a key role in securing awareness that fraud control interacts and links with other governance frameworks across the Municipality/Municipal Entity. Fraud risk should not be looked at in isolation from the general business of the Municipality/Municipal Entity but should be considered as an aspect of the Municipality's/Municipal Entity's broader risk assessment processes, including the security risk assessment.

In order to exercise appropriate oversight and to provide meaningful counsel under this critical mandate, the Audit Committee must have detailed knowledge and understanding of the Municipality's/Municipal Entity's:

- mandate, objectives and performance targets;
- significant risk factors and opportunities;

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- system of risk management - including the process for identifying, evaluating, prioritizing and managing risks, and monitoring the effects of actions taken to manage risks within predetermined parameters;
- risk governance - including the appropriateness of the risk policy and strategies, institutional (structural) arrangements and capacity to manage risk;
- the current risk profile and actions proposed or being taken to manage risks falling outside predetermined parameters, and to exploit opportunities; and
- emerging risks, the Municipality's preparedness to cope, and plans to build resilience.

The Audit Committee needs to develop this knowledge through its own initiatives as well as through engagements with at least the following stakeholders:

- Council/Board;
- Municipal Manager/Chief Executive Officer;
- Executive management;
- Senior/Line management (heads of the various business units);
- Risk management committee (and its sub committees if necessary);
- Auditor-General of South Africa or External auditors;
- Internal auditors; and
- Other assurance providers (including regulatory authorities, monitoring and oversight authorities, etc.)

2.4 Financial statements

Legislation	<p>(2) <i>An Audit Committee is an independent advisory body which must—</i></p> <p>(a) <i>advise the municipal council, the political office-bearers. the accounting officer and the management staff of the Municipality, or the board of directors. the accounting officer and the management staff of the municipal entity. on matters relating to-</i></p> <p>(iii) <i>accounting policies</i></p> <p>(iv) <i>the adequacy, reliability and accuracy of financial reporting and information;</i></p> <p>(b) <i>review the annual financial statements to provide the council of the Municipality or, in the case of a municipal entity. the council of the parent Municipality and the board of directors of the entity, with an authoritative and credible view of the financial position of the Municipality or municipal entity. its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation:</i></p>
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Section 122 of the MFMA requires that every Municipality and Municipal Entity must for each financial year prepare financial statements which fairly presents:

- the state of affairs of the Municipality or Entity;
- its performance against its budget;
- its management of revenue, expenditure, assets and liabilities;
- its business activities;
- its financial results; and
- its financial position as at the end of the financial year.

The MFMA further requires that the financial statements must be prepared in accordance with generally recognised accounting practice.

Therefore, in order for management to meet the requirements of the MFMA, the financial statements should be prepared and presented in accordance with the effective Standards of GRAP.

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The municipal manager/Chief Executive Officer as the accounting officer of the Municipality/Municipal Entity is responsible for ensuring that the financial statements fairly present the financial position, financial performance, statement of changes in net assets and cash flow information. The MFMA further requires the financial statements to be audited by the Auditor-General to ensure that the financial information is reliable, accurate, complete and a fair presentation of the effect of transactions and events in accordance with the applicable accounting standards have been achieved.

Audit Committee members, especially independent members, are not present on a daily basis, nor does the committee have sufficient time to physically review every detail of the financial statements such as agreeing whether a subsidiary ledger agrees to the financial statements.

Audit Committees should however play the following pivotal roles with regards to the Municipality's/Municipal Entity's financial statements:

- Reviewing systems, policies and processes around financial reporting and quarterly reporting;
- Requesting management to complete financial statements and performance reports for every quarterly meeting rather than receiving summarized information;
- Proactively reviewing the combined assurance processes of organizations, including proactive risk management and assurance;
- Approving internal audit plans with assurance on the internal controls over financial and performance reporting, and if need be, extending to a review against the applicable standards;
- Critically evaluating management action plans to address external audit and internal audit findings, including assessing whether the action plans will practically address the issues raised;
- Monitoring the action plan and obtaining explanations on reasons for not implementing;
- Critically reviewing the Interim and Annual Financial Statements, including disclosures to the financial statements, and performance report against the knowledge of the entities, as well as expectations of the performance based on the observations during the year;
- Proactively engaging with the AGSA and internal audit on critical reporting risks prior to the financial statements and performance reports being prepared;
- Continuously reporting to the oversight bodies including the executive authority of the reporting process and likely risks emanating from the financial and

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performance reporting processes;

- Liaise and collaborate with the Municipal Public Accounts Committee (MPAC) regarding financial statement review aspects and action plans to address past anomalies;
- Observe the planning process for developing and publishing of Interim and Annual Financial Statements.
 - Audit Committees should observe the annual guidance provided by National and Provincial Treasuries, where specific timelines and requirements are indicated.

Audit Committee members should also consider attending Generally Recognized Accounting Practices (GRAP) seminars and workshops to enhance their skills and understanding of the complexities and risks associated with financial statements.

2.5. Performance Management

Legislation	<p>(2) <i>An Audit Committee is an independent advisory body which must—</i></p> <p>(a) <i>advise the municipal council, the political office-bearers, the accounting officer and the management staff of the Municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to—</i></p> <p>(v) <i>performance evaluation;</i></p>
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Part of the responsibilities of the Audit Committee include the review of the performance management. The Municipality/Municipal Entity must review its committees to ensure that in cases where there is an Audit Committee and a performance Audit Committee, that these are combined into one committee for effective management, oversight and reporting, as envisaged by section 166 of the MFMA. During the transition the Chairperson of the performance Audit Committee should report progress on a quarterly basis to the Audit Committee.

The Audit Committee members need to have a good understanding of the performance of the Municipality and its Entities. These include:

- Review and comment on compliance with statutory requirements and performance management best practices and standards;
- Review and comment on the alignment of the Integrated Development Plan, the Budget, Service Delivery and Budget Implementation Plan and performance agreements;
- Review and comment on relevance of indicators to ensure they are measurable and relate to services performed by the Municipality/Municipal Entity and its entities;
- Review compliance with in-year reporting requirements;
- Review the quarterly performance reports submitted by internal audit;
- Review and comment on Municipality's/Municipal Entity's and entities annual financial statements and timely submission to the Auditor-General by 31 August, each year;
- Review and comment on the Municipality's/Municipal Entity's and entities annual reports within the stipulated timeframes;
- Review and comment on the Municipality's/Municipal Entity's performance management system and make recommendations for its improvement; and
- Obtain assurance from the Internal Audit activity on the completeness and accuracy of performance information in support of the Audit Committee's assessment of the

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performance throughout the organization.

- In this regard reliance should be placed on the Combined Assurance process to obtain assurance from other lines of defense as well, as Internal Audit cannot provide complete assurance but only reasonable assurance.

The following table summarizes the roles and responsibilities of the Audit Committee in the performance management process.

General
<ul style="list-style-type: none">• The Audit Committee's roles and responsibilities in the performance management process should be clearly articulated in the approved Audit Committee charter.
<ul style="list-style-type: none">• The Audit Committee should review the auditing concerns in respect of performance management identified by internal and external audit, ensure adequate corrective actions are taken to address the findings identified and follow up on implementation of the said corrective actions.
<ul style="list-style-type: none">• The Audit Committee needs to review and comment on whether an appropriate process is in place to review compliance with legislation, guidelines and best practices relating to performance management.
<ul style="list-style-type: none">• The Audit Committee should include an Audit Committee member/s with appropriate performance management skills.
<ul style="list-style-type: none">• The Audit Committee needs to demonstrate a good understanding of the performance of the Municipality/Municipal Entity.
<ul style="list-style-type: none">• The Audit Committee must review and comment on the Municipality's/Municipal Entity's Performance Management System (PMS) and make recommendations for improvement.
Planning
<ul style="list-style-type: none">• The Audit Committee must review and comment on alignment between planning documents, budget and performance agreements.
<ul style="list-style-type: none">• The Audit Committee must consider any changes to the planning documents and budgets during the year for reasonableness and the impact thereof on the alignment between the various strategic documents.

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Setting key performance indicators and targets
<ul style="list-style-type: none">• The Audit Committee needs to advise the Council/Board with regards to the setting of Key Performance Indicators (KPI's) and targets.
<ul style="list-style-type: none">• In reviewing the PMS, the Audit Committee must focus on economy, efficiency, effectiveness of KPIs and performance targets.
Monitoring Performance
<ul style="list-style-type: none">• The Audit Committee must review compliance with in-year reporting requirements.
<ul style="list-style-type: none">• The Audit Committee must ensure that the Municipality/Municipal Entity has established mechanisms to monitor its performance, PMS and the performance information generated by the system.
<ul style="list-style-type: none">• The Audit Committee needs to ensure that internal audit audits the results of performance measurements, including the functionality of the PMS, compliance of the PMS with the relevant legislation, consistency between planning documents and reports, and reliability of performance information.
<ul style="list-style-type: none">• The Audit Committee must review the quarterly reports on performance management submitted by internal audit.
<ul style="list-style-type: none">• The Audit Committee must review and comment on alignment between planning documents and in-year reports.
Measure and Review Performance
<ul style="list-style-type: none">• The Audit Committee must ensure that the Municipality/Municipal Entity has established mechanisms to measure and review its performance against its objectives as well as the KPIs and targets set in the planning document.
<ul style="list-style-type: none">• The Audit Committee must review the PMS and make recommendations to the Council/Board by way of an Audit Committee report twice a year.
Improve Performance
<ul style="list-style-type: none">• The Audit Committee must advise and make recommendations to the Council's/Board's political office bearers, the Municipal Manager/Chief Executive Officer and the management staff on matters relating to performance management.

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Measure and Review Performance
<ul style="list-style-type: none">• The Audit Committee must ensure that the Municipality/Municipal Entity has established mechanisms to measure and review its performance against its objectives as well as the KPIs and targets set in the planning document.
<ul style="list-style-type: none">• The Audit Committee must review the PMS and make recommendations to the Council/Board by way of an Audit Committee report twice a year.
Improve Performance
<ul style="list-style-type: none">• The Audit Committee must advise and make recommendations to the Council's/Board's political office bearers, the Municipal Manager/Chief Executive Officer and the management staff on matters relating to performance management.
Report
<ul style="list-style-type: none">• The Audit Committee must review and comment on annual financial statements and the annual performance report and ensure timely submission to the Auditor-General.
<ul style="list-style-type: none">• The Audit Committee must review and comment on the annual reports within the stipulated time frames.
<ul style="list-style-type: none">• The Audit Committee must comment on in-year management reports in the annual report.
<ul style="list-style-type: none">• The report of the Audit Committee needs to refer to the following aspects relating to performance management:<ul style="list-style-type: none">○ Compliance with statutory requirements and performance management best practices and frameworks.○ Alignment among planning documents, budget, performance agreements and in-year and annual reports.○ Quarterly reports submitted by internal audit.○ Annual financial statements and timely submission to the Auditor-General.○ Annual reports (including the annual performance report) within the stipulated time frames.○ The PMS, including recommendations for improvement.

2.6 Effective Governance

Legislation	<i>(2) An Audit Committee is an independent advisory body which must— (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the Municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to— (vi) effective governance;</i>
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The general definition of Corporate Governance includes all the structures, systems, processes, procedures and controls within an organization, at both oversight and monitoring level, and within the management structures of the organization, which are designed to ensure that an organization achieves its service delivery objectives. That it does so within sensible risk management parameters, and that it does so effectively, ethically and equitably.

The corporate governance responsibility of the Audit Committee is to provide reasonable assurance in respect of the following:

- Reasonable assurance that employees comply with relevant laws and regulations;
- That all municipal employees are conducting its affairs ethically; and
- That the Municipality/Municipal Entity is maintaining an effective and efficient system of internal control in order to prevent and detect conflicts of interest and prevent the possibility of fraud.

Municipality/Municipal Entity governance arrangements

Governance arrangements vary depending on a Municipality's/Municipal Entity's size, complexity and nature. Municipality/Municipal Entity governance arrangements can change over time due to, for example, legislative changes that may increase or decrease a Municipality's/Municipal Entity's responsibilities. Audit Committees must periodically review the effectiveness of their Municipality's/Municipal Entity's governance arrangements or elements of the arrangements as determined by the Municipal Manager/Chief Executive Officer and suggest improvements, where appropriate, to the Municipal Manager/Chief Executive Officer.

Performance reporting framework

The Audit Committee must review the Municipality's/Municipal Entity's performance reporting framework. Municipalities/Municipal Entities generally measure their performance against a range of indicators, not just the Municipality's/Municipal Entity's 'bottom line.' Performance reporting frameworks or regimes should link directly with organizational objectives and outcomes.

The committee's responsibilities in relation to the Municipality's/Municipal Entity's performance must be undertaken in a similar way to its review of the Municipality's/Municipal Entity's risk management framework.

It is recognized that review of a Municipality's/Municipal Entity's performance reporting regime is a significant task for an Audit Committee, particularly where a Municipality/Municipal Entity has a range of performance measures across a number of programs. As such, the capacity of the committee and the maturity of the Municipality's/Municipal Entity's performance regime are factors that should be taken into account in determining the committee's scope and focus in this area.

Parliamentary committee reports and recommendations

Another important responsibility of Audit Committees can be to monitor management's consideration of relevant parliamentary committee reports and external reviews; and where appropriate, monitor the implementation of associated recommendations. This responsibility is consistent with the committee's responsibilities in relation to internal and external audit reports and recommendations.

2.7 Compliance requirements

Legislation	<p>(3) <i>An Audit Committee is an independent advisory body which must—</i></p> <p>(a) <i>advise the municipal council, the political office-bearers. the accounting officer and the management staff of the Municipality, or the board of directors. the accounting officer and the management staff of the municipal entity. on matters relating to-</i></p> <p>(vii) <i>compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;</i></p>
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The Audit Committee must advise the Municipality/Municipal Entity on its compliance with relevant legislation, regulations and associated government policies.

Municipal compliance can be grouped into four broad categories:

- legislation and policy administered by the Municipality/Municipal Entity that it also needs to comply with;
- framework legislation and policy such as the MFMA and annual Division of Revenue Act and related regulations and policies;
- legislation and policy that has general application to the Municipality/Municipal Entity in areas such as security, occupational health and safety, privacy, and freedom of information; and
- international conventions where the Municipality/Municipal Entity enters into transaction with organizations in other countries.

Municipalities must comply with a considerable volume and complexity of legislation and policy. It would therefore be expected that Audit Committees will focus on those aspects that pose the highest risk to the Municipality/Municipal Entity, and on how the Municipality/Municipal Entity manages its compliance responsibilities.

An important responsibility of Audit Committees is reviewing the processes management has in place designed to ensure the Municipality/Municipal Entity is kept up to date with new legislation or changes to existing legislation relevant to the Municipality/Municipal Entity.

Audit Committee compliance with legislative and policy requirements

An Audit Committee's responsibilities in relation to legislative and policy compliance would generally be to:

- review the effectiveness of the system for monitoring the Municipality's/Municipal Entity's compliance with those laws, regulations and associated government policies/regulations that the Municipality/Municipal Entity administers and must comply with;
- determine whether management has appropriately considered legal and compliance risks as part of the Municipality's/Municipal Entity's enterprise risk management plan;
- provide advice to the Council/Board and Municipal Manager/Chief Executive Officer regarding the issue of the Municipality's/Municipal Entity's annual Compliance Report;
- if and when the Municipality/Municipal Entity enters into transactions with organizations from other countries; review, where relevant, the Municipality's/Municipal Entity's compliance with International Conventions, particularly the Organization for Economic and Co-operation and Development (OECD), the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, etc. and
- provide advice to the Council/Board and the Municipal Manager/Chief Executive Officer regarding the Municipality's/Municipal Entity's reporting responsibilities in relation to fraud and security.

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2.8 Other relevant responsibilities

Other responsibilities that Audit Committees may have are outlined below.

Legislation	<p>(4) <i>An Audit Committee is an independent advisory body which must—</i></p> <p>(a) <i>advise the municipal council, the political office-bearers. the accounting officer and the management staff of the Municipality, or the board of directors.the accounting officer and the management staff of the municipal entity. on matters relating to-</i></p> <p>(xii) <i>any other issues referred to it by the municipality or municipal entity;</i></p>
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This guide deals specifically with two important other responsibilities of audit committees towards External Audit and the Combined Assurance Framework within the Municipality/Municipal Entity. This should include consideration by the audit committee of any matter referred to it by Council/Board of the Municipality or Municipal Entity.

2.9 External audit

Public sector Audit Committees are responsible for governance oversight at the entity that they serve within the national, provincial and local government. This involves a responsibility to oversee all assurance providers in terms of the Combined Assurance Framework and model ensuring that it is optimally implemented.

The Auditor-General South Africa (AGSA) is the supreme audit institution of South Africa and is responsible, in terms of the Constitution, to express an opinion on the financial statements, report on the performance report of public institution against their objectives and report any material non-compliance with laws and regulations according to the mandate provided by Public Audit Act, 2004 (Act N. 25 of 2004 as amended by Public Audit Act No.5 of 2018) (PAA). Most audits conducted in the public sector are performed by the AGSA.

One of the important relationships to be formed by the Audit Committee is with the external auditors. This relationship will enable the Audit Committee to gain insight into the audit process. This is a symbiotic relationship, where on one hand, input is obtained from the Audit Committee and on the other, the Audit Committee is evaluated by the auditors.

On the one hand there is the presentation of the engagement letter which sets out the details of how the audit will be conducted. In the public sector this often includes additional focus areas and responsibilities other than those normally covered in a private sector audit. Another aspect is the audit strategy which is presented to the Audit Committee prior to the commencement of the audit with the objective of obtaining insight on the assessment of significant risks ensuring that they are adequately addressed during the audit.

On the other hand, an important aspect of this relationship is the evaluation by the external auditors, of the assurance provided by the Audit Committee, amongst other assurance providers, in ensuring that internal control processes adequately address risks. This assessment is presented in the published annual audit outcomes report for the MFMA cycles.

This creates an interesting dynamic to the relationship between these two critical role players which must be carefully managed in order that neither role is negatively impacted. This can be achieved in several ways:

2.9.1 Public Sector Audit Committee Forum (PSACF) guidance

- The PSACF has published “*The role of Audit Committees in relation to the external and internal audit*” process paper that provides guidance to Audit Committee members in their role, especially with added audit focus in the public sector, helping to navigate the issues that the Audit Committee faces in the external audit process.

2.9.2 Audit engagement performance and conclusion

- An audit strategy which contains further information on the following, will be developed:
 - Assessment of the significant risks raised by the auditors which should correspond with those observed by the Audit Committee during the period.
 - Understanding of any potential material irregularities that the AGSA has raised in the prior and current audit period. The amount of reliance on work performed by other assurance providers including use of work by the internal audit.
- During the performance of the audit, the Audit Committee’s role should be one of oversight to ensure that there is progress in terms of the agreed timelines. In addition, the Audit Committee’s role includes:
 - Performing a high-level review of the financial statements and performance reports to be submitted for audit, including obtaining assurance from internal audit or other assurance providers that the financial statements and performance report have been prepared in accordance with the applicable frameworks and agree to the underlying schedules as prepared by management.
 - Engaging with management and the auditors to ensure that the documentation and explanations required by the auditors are being submitted in a timely manner.
 - Availing themselves to management and the auditors to resolve any disagreements or disputes, where required.

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- Once the audit is concluded, the audit outcomes are communicated to management through the management and audit reports. At this stage of the audit, the Audit Committee should:
 - Thoroughly review the management and audit report, focusing on areas of disagreement between the auditors and management, limitations placed on the audit, findings that are impacting the auditor's report and risks areas.
 - Discuss the findings with management and the auditors to identify the root causes and the remedies for compilation of the audit action plan.
 - Assist management, where necessary, on management representations, subsequent event matters and going concern issues.
 - Assess the findings from previous years as well as from other assurance providers for consistency and potential remedies.
 - Review the correspondence with respect to any material irregularities that have been raised and advise the Municipal Manager/Chief Executive Officer on the actions to be taken.

Comment on its evaluation of the controls, the financial statements and the performance report in the Audit Committee Report included in the annual report.

The Audit Committee Report plays a critical role in informing the view of users on the financial performance reporting of the public institutions and their general states of internal control in place.

It is of importance that the various stakeholders in the oversight and assurance process play their roles and hold each other accountable. The AGSA and the AC have a critical role to play in the public institutions to ensure that the services are delivered according to their stated mandates.

2.10 Combined Assurance

Combined Assurance can be defined as:

“The planned approach to assess the extent and adequacy of assurance coverage on key organizational risks and reporting thereon to Senior Management, Audit Committee and the Governing Body.”

A combined assurance model effectively co-ordinates the efforts of management and internal and external assurance providers, increases their collaboration and develops a shared and more holistic view of the Municipality's/Municipal Entity's risk profile. Combined assurance is about assurance providers (internal and external) working more closely together to ensure the following:

- Key outcomes of combined assurance;
- Assurance in the right areas is obtained;
- Assurance is obtained from the right resources; and
- Assurance is obtained in the most cost-effective way possible.

The combined assurance model classifies the risk landscape into types of risk with a potentially positive or negative effect on the ability of the Municipality/Municipal Entity to meet its strategy/objectives and protect or create value. It then goes on to formulate the approach to be followed in managing risk and the control and assurance continuum.

The Municipal Manager/Chief Executive Officer will ultimately decide on the most appropriate assurance provider for the identified risks. Where internal audit is identified as the most appropriate assurance provider, the Audit Committee must approve the scope of coverage and audit plan. Similarly, if external audit is to be relied upon for assurance, the Municipal Manager/Chief Executive Officer should inform them of this reliance to determine from the external auditors whether or not such reliance is appropriate from their work performed or will performed.

The Audit Committee is responsible to provide the oversight for combined assurance and will provide the Municipal Manager/Chief Executive Officer with a written assessment on the state of internal controls and risk management. The statement will be supported by the work performed by the Chief Audit Executive and the Internal Audit activity. The Audit Committee will provide approval of the combined assurance scope and coverage, provide oversight of the monitoring and consider the assurance provided. The Audit Committee should therefore determine who has the capacity and skills to drive Combined Assurance effectively.

The foundation for combined assurance and the successful implementation of a combined assurance model rests on the quality of the risk management information and the clear mapping of the different lines of defense to the identified risks and controls. Poor risk definitions, missing critical risk information, no risk taxonomy and poor control mitigation information will negatively affect the implementation of combined assurance.

Implementing and maintaining a combined assurance model and framework for a Municipality/Municipal Entity should follow the following steps:

Step1 – Establishing the case for Combined Assurance

- Gain high level understanding of the current/existing assurance profile.
- Establishing a risk universe
- Mapping the existing different lines of defense to the detailed risks and controls

Step2 – Doing an Assurance Reality Check

- Identify all assurance providers.
- Perform an assessment of the assurance providers focusing on:
 - Independence and objectivity
 - Competency – level of professionalism and membership of a relevant professional body or institute
 - The quality of work provided is evident from an approved methodology, quality assurance process and references from other clients.
 - Assurance ranking
 - Impact and scope of assurance

Step3 – Detailed Risk and Assurance Mapping

- Create a Combined Assurance Universe
- Identify gaps and duplications of assurance.

Step4 – Designing the Combined Assurance Model

- Common risk language
- Update missing fields in the Assurance Map
- Assign assurance providers.
- Determine governance/management structures for reporting.

Step5 – Continued Assurance

- Internal audit assessment of adequacy of combined assurance
- Regular communication and reporting
- Audit Committee support, oversight and approval.

An effective combined assurance model should provide the Municipality/Municipal Entity with the following benefits:

- Co-ordinated and relevant assurance efforts focusing on key risk exposures across the production life cycle;
- Minimized operational and business disruptions;
- Comprehensive and prioritized tracking of remedial action on identified improvement opportunities/weaknesses;
- Improved reporting to the Council/Board and committees, including reducing the repetition of reports for review by the different committees;
- Possible reduction in assurance costs;
- Optimized assurance spends in that auditors are assisted in giving opinions on residual risk status, prevention of assurance fatigue, prioritize overlap between the lines of defense, and the prevention of possible 'blind spots;'
- The use of combined assurance to support the Audit Committee, Council and Board in making their control statements in the annual report and integrated report; and
- A comprehensive and prioritized approach to the tracking and testing of remedial actions on identified improvement opportunities, control weaknesses or significant inherent risk mitigations.

2.11 Managing the Audit Committee responsibilities

There are a number of mechanisms available that can assist Audit Committees to manage their responsibilities. These include:

- having an up-to-date charter;
- having a work plan indicating;
- conducting an assurance mapping exercise;
- establishing sub-committees;
- setting a forward meeting schedule—discussed further in Chapter 5, section 5.3.

Audit Committee charter

Once the Municipal Manager/Chief Executive Officer and the Council/Board has determined the Audit Committee's responsibilities, these should be clearly outlined in the Audit Committee charter (see Part 3 for the model charter for Audit Committees).

The charter is a key document that clearly articulates the committee's terms of reference as endorsed by the Municipal Manager/Chief Executive Officer. Once established, the charter should be reviewed and, where necessary, updated each year. It may be appropriate to seek input from the Municipal Manager/Chief Executive Officer and Council/Board, to ensure the charter continues to meet the expectations of both the Municipal Manager/Chief Executive Officer and the Audit Committee. The committee could also seek feedback from the Chief Operating Officer, the Chief Financial Officer, The Head of Internal Audit, and external audit. Where the committee recommends changes to the charter, the Municipal Manager/Chief Executive Officer would be expected to condone the revised charter.

Audit Committee Work Plan

An Audit Committee Work Plan enables Audit Committees to plan activities and meeting agendas ahead of each financial year. Forward planning by Audit Committees ensures compliance with the, MFMA, its supporting regulations and other guiding documents such as the King IV Report™. An example of an Audit Committee Work Plan for a Municipality/Municipal Entity is included in this Toolkit.

Assurance mapping

To assist the Audit Committee to obtain a full understanding of a Municipality's/Municipal Entity's assurance arrangements, there can be benefit in the Audit Committee commissioning an assurance mapping exercise, also referred to as an Audit Universe. Recognizing that entities have a variety of assurance mechanisms and arrangements in place, such an exercise can be a useful way of obtaining a broad Municipality/Municipal Entity - wide perspective of the 'assurance landscape', assist in identifying any gaps or duplication in a Municipality's/Municipal Entity's arrangements, and can be used to complement the Municipality's/Municipal Entity's Risk Management Framework.

Mapping a Municipality's/Municipal Entity's assurance landscape should not be seen as an exercise that requires detailed analysis; broad judgements could be expected to be made following a review of existing documentation and discussions with relevant Municipality/Municipal Entity managers.

Such an assurance mapping exercise, when completed, can identify any key risks that are not being addressed by either internal audit or other assurance or review activity. An example of an assurance map for use by Audit Committees is contained in the toolkit.

Shared Audit Committees and Sub-committees

Shared Audit Committee Structures between a local municipality and a district municipality (as an example) can be an effective method of addressing the specific challenges faced by smaller, rural municipalities. The composition of such a shared Audit Committee has to be well thought-through not to result in unnecessary large and costly structures that do not add value to the various municipalities they are serving.

The establishment of one or more sub-committees can also be an effective way for Audit Committees to manage their responsibilities. It is important to note that the formation of sub-committees should only be considered if they can be specifically warranted, and the Municipality/Municipal Entity can afford the additional cost associated with such a structure.

Sub-committees can be standing committees or established to assist in addressing particular issues for a defined period of time. Relevant considerations in deciding whether to establish a sub-committee include:

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- the benefit of dealing with substantive or complex matters and issues in more depth than is possible at full committee meetings, including detailed interaction with Municipality/Municipal Entity management. This might include, for example, issues of a more technical nature, such as the Municipality's/Municipal Entity's financial statements and information technology; the implementation of high-risk projects, programs, and/or activities; or where there is a considerable volume of documentation involved, such as large numbers of reports;
- the frequency with which the committee would be required to meet to effectively undertake its responsibilities in respect of particular matters or functions. For certain issues, the committee's involvement may be required to be more frequent than scheduled committee meetings;
- the capacity of the committee as a whole and individual members to understand particular matters—these could include, for example, an agency's financial statements or information technology risks and controls.
- other alternatives such as temporarily coopting a specialist/advisor to assist with the issue at hand, and
- the affordability of the alternative chosen.

PART 3

3. MEMBERSHIP AND CONDUCT OF THE AUDIT COMMITTEE

Having a chairperson and other committee members who have an appropriate mix of skills and experience relevant to the Municipality's/Municipal Entity's responsibilities is the key to an Audit Committee's effectiveness.

3.1 Audit Committee Membership

Legislation	<p>(5) An audit committee must—</p> <p>(a) consist of at least three persons with appropriate experience, of whom the majority may not be in the employ of the municipality or municipal entity, as the case may be and</p> <p>(b) meet as often as is required to perform its functions, but at least four times a year.</p> <p>(6) The members of an audit committee must be appointed by the council of the municipality or, in the case of a municipal entity, by the council of the parent municipality. One of the members who is not in the employ of the municipality or municipal entity, must be appointed as the chairperson of the committee. No councillor may be a member of an audit committee.</p>
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The members of the Audit Committee must be appointed by the Council/Board of the Municipality/Municipal Entity or, in the case of a municipal entity, by the council of the parent Municipality/Municipal Entity. No councilor may be a member of the Audit Committee.

The number of members and the skills and experience of the Chairperson and other committee members will depend on a number of factors including:

- the nature of the Municipality's/Municipal Entity's responsibilities;
- the size, scale, location and diversity of the Municipality/Municipal Entity; and
- the complexity, nature and scale of the Municipality's/Municipal Entity's activities and systems; particularly its information technology systems.

It is better practice for the committee to include one or more members external and independent to the Municipality/Municipal Entity. Independence from Management and Freedom from any undue influence are essential qualities for independent members. Members of the Audit Committee should not have any executive powers, Management functions or delegated financial responsibility. To address this, measures should be put in place to assess the independence of Audit Committee members prior to and during appointment.

3.2 The Audit Committee Chairperson

The Chairperson of the Audit Committee plays a pivotal role in the overall effectiveness of the Audit Committee.

One of the members who is not in the employ of the Municipality/Municipal Entity or municipal entity, must be appointed as the Chairperson of the committee. The Chairperson of an Audit Committee may not be a political office bearer.

When appointing the Chairperson, particular consideration should be given to the personal qualities and abilities of the potential Chairperson to lead discussions, encourage participation of other members, and conduct meetings in a manner that demonstrates a desire to establish effective communications with all stakeholders. Below is a list of the qualities of a better practice Audit Committee Chairperson.

The Chairperson would be expected to:

- have the active support of, and maintain regular dialogue with the Municipal Manager/Chief Executive Officer and the Council/Board;
- ensure the committee undertakes its responsibilities as outlined in the committee charter;
- maintain an open and constructive relationship with senior management, internal and external audit, and other Municipality/Municipal Entity committees;
- have a clear understanding of the responsibilities of the committee, its position within the Municipality's/Municipal Entity's governance structure and the Municipality's/Municipal Entity's work, and maintain a dialogue with senior managers about the committee's work;
- arrange for committee members to maintain an up-to-date knowledge of the Municipality/Municipal Entity and its activities;
- be a good communicator who facilitates discussion and focuses on the important matters;
- effectively plan and manage committee meetings; and devote sufficient time to prepare for committee meetings and to engage with the Municipal Manager/Chief Executive Officer, the Council/Board, senior management and other stakeholders outside committee meetings.

It is also important for the Chairperson to have a good understanding of the Municipality/Municipal Entity and the Municipal Manager/Chief Executive Officer should take steps aimed to ensure the Chairperson is provided with sufficient initial and ongoing briefings and information about business developments.

Term of Office

To enhance independence of the audit committee, the term of office for members must be strictly adhered to. The Chairperson should be appointed for a minimum of three years to ensure that he/she contributes most effectively and provides stability to the audit committee.

Other audit committee members should serve at least a minimum of three years with an option to renew for another three years, based on performance. Recruitment of members should be staggered to prevent a loss of knowledge and skills in the committee. Members should not be contracted continuously for a period exceeding six years. After serving continuously for six years, a cooling period of two years should be allowed before appointing the same member to the same Audit Committee.

A similar cooling off period is advised when an individual has been in the employment of the Municipality/Municipal Entity prior to being appointed as an independent member of the Audit Committee.

It is strongly encouraged that Audit Committee members limit the amount of Audit Committees they are involved in, to an amount that will allow them enough quality time to devote to their governance responsibilities such as understanding the organization they serve, preparing for Audit Committee meetings and adding value during meetings.

The recruitment process of new members should be concluded at least three months in advance of the expiry of existing members' term. The head of internal audit and the Municipal Manager/Chief Executive Officer must maintain records of audit committee member contracts and ensure recruitment is undertaken as mentioned above.

Rotation of members is encouraged as it enhances the independence of the audit committee. Members of the audit committee should not be contracted continuously for a period exceeding six years. After serving consecutively for six years, a cooling-off period of two years should be provided for, before appointing the same member to the same audit committee.

Members should be encouraged not to terminate their contracts until they have shared their knowledge with other new members. A committee member should give two months' notice prior to resignation.

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The committee members should have the opportunity to have an exit meeting with the Council/Board to discuss the reason for leaving and to provide feedback on their experience on the audit committee as well as any other issues. The date of resignation should be minuted by the secretariat of the audit committee. In order to perform its oversight functions in terms of the MFMA, municipalities and municipal entities must report details of all audit committee members, including the names, number of public institutions that they serve on as members, the term of office, date of appointment and termination. If audit committee members are removed from serving before the term the reasons for such termination must also be provided. This can be reported via e-mail to mfma@treasury.gov.za and electronically via the Muni e-Monitoring web enabled system to be developed in this regard.

It is appropriate for a Deputy Chair to be appointed so the nominated member can act as Chair if the Chair is unable to attend meetings.

Preparation for Audit Committee Meetings

The activities of the Audit Committee chairperson can be categorized into the following:

- Pre-Audit Committee meeting consultation.
- Identification of issues.
- Preparation for the Audit Committee meeting.
- Communication (during and after the Audit Committee meeting).

Pre-Audit Committee meeting consultation

The chairperson of the Audit Committee sets the standards and the values by which the Audit Committee will operate.

In order for the chairperson of the Audit Committee to:

- identify the issues for Audit Committee coverage;
- ascertain the contents of reports;
- set the agenda;
- determine the attendees and the topics they are to address – the Audit Committee normally consists of three or four members, the chairperson has the discretion to require others to attend (several invited attendees may not be required to attend throughout the meeting);
- ensure adequate time is allocated to address the key issues;

The Chairperson and audit committee may be required to meet separately with the internal auditors, external auditors, the secretary, Municipal Manager/Chief Executive

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Officer and Chief Financial Officer.

Identification of issues

Prior to the Audit Committee meeting the Chairperson needs to extract and prioritize the issues obtained from the above, so that sufficient input can be obtained from the Audit Committee members during the meeting.

Preparation for the Audit Committee meeting

The documentation for the Audit Committee needs to be distributed well in advance of the meeting e.g., a week to allow members to prepare.

Prior to the meeting, the reports that are being presented need to be studied for completeness, accuracy and relevance. This will assist the Chairperson of the Audit Committee in controlling the time spent on issues during the meeting and to ensure that there will be an outcome.

Communication (during and after the Audit Committee meeting)

During the Audit Committee meeting, the Chairperson has to ensure that there is open and constructive discussion, a balance of contribution made between members and attendees and a conclusion on issues encouraged. An experienced secretary is required to record the meeting and take minutes. It is also important that management representation letters are received on relevant issues.

After the Audit Committee meeting, the Audit Committee Chairperson is required to:

1. Check and approve the draft minutes.
2. Follow-up regularly on the necessary issues prior to the next Audit Committee meeting.

Be clear about the decisions/mandates from the Audit Committee on the various issues.

3. Prepare a progress report for the Council/Board meeting and be prepared to be 'interrogated' by the Council/Board.
4. Identify those matters for which Council/Board accepts responsibility (preparation of interim and annual financial statements, fairness of financial statements, accounting policies, estimates, going concern, internal control, regulations, corporate governance statements, remuneration etc.).
5. Provide Council/Board with feedback on the quality of internal and external audit.

In MFMA Entities it is recognized that Audit Committees will generally include one or more members who are managers of the Municipality/Municipal Entity. As such, the appointment of an external member as Chairperson strengthens the actual and perceived independence of the committee. Sometimes, for example, in large and

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complex entities, it may be appropriate for the external to gain an understanding and experience of the Municipality/Municipal Entity it is recommended that a member to be elected as Chairperson first serve as a member of the Audit Committee, to gain the necessary knowledge and the respect and confidence of the Municipal Manager/Chief Executive Officer and other committee members, before assuming the role of Chairperson.

3.3 Personal qualities of Audit Committee members

In determining the composition of an Audit Committee, consideration of the personal qualities of members is critical. Committee members can be expected to possess all or the majority of the qualities listed below.

It would be expected that Audit Committee members have the ability to:

- act in the best interests of the Municipality/Municipal Entity as a whole;
- be proactive in identifying issues and risks that require further management attention;
- ask relevant questions, evaluate the answers and continue to probe for information until completely satisfied with the answers provided;
- encourage openness and transparency;
- work constructively with management to achieve continuous improvement within the Municipality/Municipal Entity;
- express opinions frankly, ask questions that draw out the key issues and pursue independent lines of enquiry;
- appreciate the Municipality's/Municipal Entity's culture and values, and a determination to uphold these values coupled with a thoughtful approach to the ethical issues that might be faced;
- display a professional approach to duties, including an appropriate commitment of time and effort; and
- convey technical matters to other members of the committee, where Audit Committee members have been chosen for particular technical skills.

Other attributes that will assist Audit Committee members to contribute to the committee's success include:

- good judgement
- objectivity and honesty
- a high level of ethics
- strong communication skills, and
- free from undue influence or intimidation

It is also expected that all committee members would have security clearances at a level commensurate with the security classification of documents accessed by members.

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The following individuals should not be considered for membership and/or independent membership of the Audit Committee:

- Councillors (not a member at all)
- Anybody in the employment of the Municipality/Municipal Entity (not an independent member)

3.4 Knowledge and expertise of Audit Committee members

Given the nature of the responsibilities of the Audit Committee, the Council/Board should appoint members who **collectively** possess broad business, financial management and public sector experience, and general knowledge of most or all of the areas listed below:

- the main activities of the Municipality/Municipal Entity including amounts others:
 - Engineering expertise
 - Event management understanding
 - Legal background
 - Environmental, Social and Governance (ESG) systems and reporting;
- risk identification, evaluation, and management;
- project and program management;
- information management and security;
- the operations of government and the public sector including information technology systems and controls;
- the roles of internal and external audit;
- the application of accounting, auditing and assurance standards;
- relevant legislative and other policy requirements of the Municipality/Municipal Entity;
- public sector and council structures including reporting requirements, financial and performance reporting;
- Corporate governance, internal control, compliance activities and fraud control; and
- Sustainability and business continuity.

It is important to the effective working of an Audit Committee that its members have sufficient Municipality/Municipal Entity knowledge. If the membership of the Audit Committee is relatively new, a higher proportion of members who know the organization can initially be helpful.

However, where a member's involvement with the Municipality/Municipal Entity is only through the Audit Committee, it is important that processes are established to help with the familiarization process and to keep members up-to-date with new developments. This is a responsibility of management that should be clearly articulated by the Municipal Manager/Chief Executive Officer, including the allocation of responsibility for the initial induction of external members and subsequent briefings on business developments.

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Given the specific responsibilities of the Audit Committee to advise the Municipal Manager/Chief Executive Officer and Council/Board on a Municipality's/Municipal Entity's financial statements, at least one member of the committee should have sound accounting or related financial management experience and/or qualifications, with a comprehensive understanding of accounting and auditing standards – specifically GRAP Standards. All members should have sufficient understanding of the Municipality's/Municipal Entity's financial reporting responsibilities to be able to contribute to the committee's consideration of the annual financial statements.

Additionally, there are other areas of Municipal operations that are specialized in nature, where the Audit Committee would benefit from having a member(s) with skills and experience in the specific business operation to assist the committee to meet its responsibilities. For example, where information technology systems have an important role in a Municipality's/Municipal Entity's business, it would be preferable for one member of the committee to have comprehensive information technology management experience and/or qualifications.

There may also be benefits in appointing a member from another Government entity as an external member, particularly where the entities have close working relationships or where a person has particular expertise in relation to a program or activity that is being implemented. Such appointments could be for shorter periods of time or could be in addition to the committee's normal membership.

The table below provides further guidance on the skills and experience of members that would enhance the Audit Committee representation and its performance to offer objective and quality advice.

Skill Required	Metro	District with Services	District without Services	Local with Services	Local without Services
Financial Management	✓	✓	✓	✓	✓
Legal	✓	✓	✓	✓	✓
Admin and Governance (i.e. Internal Audit, Risk Management, IT, Human Resources, Planning, etc.	✓	✓	✓	✓	✓
Performance Management	✓	✓	✓	✓	✓
Medical practitioner, Engineers (i.e. Civil, Electrical, Environment	✓	✓		✓	

3.5 Independence of Audit Committee members

The distinguishing feature of an Audit Committee is its independence. An Audit Committee is independent of the activities of management and this independence assists in ensuring that an Audit Committee acts in an objective, impartial manner free from any conflict of interest or inherent bias or undue external influence.

There are a number of ways to strengthen the committee's actual and/or perceived independence, as listed below.

Measures to strengthen the committee's actual and/or perceived independence include:

- the appointment of an external Chairperson. An external Chairperson can perform his or her role unencumbered by any management responsibilities and provides the opportunity for the Municipal Manager/Chief Executive Officer and Council/Board to receive advice and assurance from an independent perspective;
- the appointment of more than one external member;
- the appointment of committee members who exhibit an independence of mind in their deliberations and do not act as a representative of a particular area within the Municipality/Municipal Entity;
- having a rotation policy for Audit Committee members to enable new knowledge and experience to be introduced periodically to the committee and to allow the opportunity to include members from different parts of the Municipality/Municipal Entity over time;
- ensuring that the Audit Committee itself has no management responsibilities. Members who are staff of the Municipality/Municipal Entity, however, will have individual management responsibilities; and
- having policies in place to facilitate timely identification of changing relationships or circumstances that may affect the independence of Audit Committee members.

In view of the committee's responsibilities, as a general rule the Chief Operating Officer, Head of Corporate Services, the Chief Financial Officer, the Chief Information Officer, or the Head of Internal Audit should not be members of the Audit Committee, but it may be appropriate for them to attend meetings to participate and answer questions relating to their areas of responsibilities and as observers.

3.6 Ongoing support to members

To maximize members' contributions, particularly external members, support mechanisms should be in place to provide briefings and information on emerging business matters and risks. This may involve an increased commitment from management, the secretariat, and the Municipality/Municipal Entity generally.

There are several ways in which Municipalities can support their Audit Committees, including providing:

- an adequate secretariat service, initial induction and ongoing training;
- funding for expert advice, as required;
- reports from other Municipal committee meetings;
- support for senior line managers to attend Audit Committee meetings to discuss the business strategy, operations, and key risks for which they are responsible;
- assistance in arranging visits to Municipal locations and attending planning and other management events (such as strategic planning sessions, presentations by Municipal employees on topics or governance, finance , risks, controls, etc.); and
- appropriate meeting facilities and equipment – physical meetings.
- Facilitation of online meetings. It should be noted that the equipment and access to the internet required to attend online meetings will remain the responsibility of the individual Audit Committee members.

3.7 Induction of new Audit Committee members

The management and existing Audit Committee should have a formal process to induct new committee members that provides them with sufficient briefings and information to understand their responsibilities and the expectations of the Municipal Manager/Chief Executive Officer and the Council/Board about their role and performance.

The extent of each member's induction will vary depending on whether they are an internal or external member, their role (if any) within the Municipality/Municipal Entity and their particular knowledge and experience. As a minimum, all new members should be briefed by the Municipal Manager/Chief Executive Officer and the Chairperson of the Audit Committee and be introduced to the Chief Financial Officer, the Chief Information Officer, Head of Internal Audit and other senior managers and the external auditor.

The information provided to new members should be tailored to meet their individual requirements and can include the information listed below.

Information for new Audit Committee members:

The available information for new committee members should include:

- an outline of the Municipality's/Municipal Entity's governance framework and how the Audit Committee operates within that framework;
- the committee's charter and recent committee papers and minutes (including details of outstanding issues);
- other municipal committee charters;
- copies of the Municipality's/Municipal Entity's enabling legislation (where applicable), selected policies, such as Municipal Manager's/Chief Executive Officer's Instructions or equivalent, and a copy of the Municipality's/Municipal Entity's most recent financial statements;
- the Municipality's/Municipal Entity's annual report, corporate plan, code of conduct, business and risk management plans;
- a briefing (supported by relevant documentation) on the Municipality's/Municipal Entity's risk management framework, control, compliance, audit and external accountability arrangements, as well as details of current issues related to those topics;
- the latest annual report of the Municipality/Municipal Entity;
- the latest report from the Auditor General;

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- the internal audit charter, the strategic and annual internal audit plans, the committee's forward meeting schedule, and recent internal and external audit plans and reports; and
- this guiding manual.

When an external member joins the committee, it may be appropriate for more detailed information or presentations to be provided from various managers within the Municipality/Municipal Entity to assist the new member to gain the necessary understanding of the business. This could include site visits to assist in understanding the operations of the Municipality/Municipal Entity. See reporting requirements in paragraph 3.2.

3.8 Continuing education of Audit Committee members

The Chairperson of the Audit Committee, in consultation with the Municipal Manager/Chief Executive Officer, should monitor the level of further education of the committee and individual members in such areas as risk management, fraud control, program management, legal compliance, information management and security, and financial management and reporting.

Members of Audit Committees should be encouraged to continuously update their knowledge through:

- attendance at relevant seminars or courses;
- considering written material/guidance;
- attending or obtaining copies of presentations by the Chief Financial Officer, Chief Information Officer, Head of Internal Audit, and other senior managers;
- discussions and presentations from internal and external audit; and
- new legislation affecting the Municipality/Municipal Entity.

Information and training provided to Audit Committee members could be considered and should be tailored to the individual knowledge and expertise of the members and include developments in financial reporting as required by legislation, government requirements, and the accounting standards.

Effective Audit Committees will periodically request presentations from management and/ or subject-matter specialists on specific topics or developments to improve members' understanding of the Municipality/Municipal Entity and support ongoing training requirements for committee members. Presentations may cover topics such as:

- Municipal governance arrangements;
- specific policy or program initiatives; and
- business initiatives and risks.

It is ultimately expected of Audit Committee members to maintain continuous professional development requirements, in line with their respective professional obligations.

3.9 Change of Audit Committee members

It is important to balance stability with change in the membership of the committee to ensure there is consistency over time in its considerations, and to maintain a sufficient level of knowledge and experience on the committee.

It is better practice for the Municipal Manager/Chief Executive Officer to adopt a phased approach to the rotation of members to preserve an appropriate level of knowledge and expertise of committee members. To lessen the impact of the loss of an experienced member, the committee may also wish to have new members join the committee before exiting members depart. As this would result in a temporary increase in the number of members, such an option should be provided for in the committee's charter.

3.10 Transitional arrangements

In the public sector environment, with the possibility of changes to administrative arrangements and Municipal status, there is the potential that an Audit Committee may be replaced by a new committee, or that committee responsibilities may be transitioned to the Audit Committee of a new Municipality/Municipal Entity.

Where Audit Committee responsibilities are to be transferred to a new Audit Committee, it is the responsibility of the existing Chairperson to ensure that the status of all Audit Committee activities that may be relevant to the new committee is adequately documented and provided to the incoming committee in a formal report. In particular, any outstanding matters of high risk to the Municipality/Municipal Entity and outstanding audit recommendations should be brought to the attention of the new committee.

It is the responsibility of the committee Chairperson to ensure that an appropriate handover of responsibilities occurs on the appointment of a new Chairperson. An outgoing Chairperson should ensure that the new Chairperson is sufficiently briefed to assume the role of Chairperson. In particular, the outgoing Chairperson should brief the new Chairperson on any significant outstanding matters arising from internal and external reports and any major emerging risks facing the Municipality/Municipal Entity. The outgoing Chairperson would also facilitate a discussion between the Municipal Manager/Chief Executive Officer and the new Chairperson.

4. Relationships with Key Stakeholders

An Audit Committee plays an important role in the governance structure of a Municipality/Municipal Entity. Municipal Managers/Chief Executive Officers and Councils/Boards are placing greater reliance on Audit Committees to provide them with independent assurance and advice in the areas of risk, control, and compliance in particular.

It is recognized that all Municipalities are different and each may have its own particular governance, risk management and control structures, and supporting policies and processes. As such, the provision of assurance and advice is to be determined within the context of each Municipality's/Municipal Entity's governance structure.

Audit Committees are required to provide a forum for communication between the Municipal Manager/Chief Executive Officer, the senior managers of the Municipality/Municipal Entity and the internal and external auditors of the Municipality/Municipal Entity.

Within a Municipality's/Municipal Entity's governance structure the Audit Committee should establish and maintain effective relationships with key stakeholders who influence and inform the responsibilities and operations of the committee. To achieve this, Audit Committees develop and maintain relationships through the Audit Committee meetings, and through working with key stakeholders outside of committee meetings.

Key Audit Committee stakeholders are:

- Council/Board;
- the Municipal Manager/Chief Executive Officer
- senior management including the Chief Financial Officer, Chief Information Officer, and Head of Internal Audit;
- management committees;
- internal and external audit;
- National Treasury;
- Provincial Treasury;
- The Department of Cooperative Governance and Traditional Affairs (COGTA);

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4.1 The Audit Committee and the Council/Board

The Audit Committee has been legislated in to provide independent advice and oversight in terms of financial and non-financial matters in order to improve the effective functioning of organs of state. In addition, many audit findings can be prevented or mitigated through proper oversight by the Audit Committee.

The Audit Committee is a key contributor to good governance. It plays a crucial role in assisting the relevant Council/Board in discharging its responsibilities in overseeing financial and performance management, compliance with legal and other regulatory requirements and internal controls.

Key concerns identified by the Audit Committee that affect the effective functioning of the Municipality/Municipal Entity should be escalated to the Council/Board.

The following is a list of issues that should be escalated by the Audit Committee to the Council/Board and is not an exhaustive list:

Area	Issue
Risk and Control	<ul style="list-style-type: none">• Summary of key risks facing the Municipality/Municipal Entity and how these are being addressed.• Effectiveness of internal controls and any additional measures that should be implemented to address identified risks.
Assurance	<ul style="list-style-type: none">• Significant external audit findings, recommendations and updated status thereof• Significant internal audit findings, recommendations and updated status thereof
Finance	<ul style="list-style-type: none">• Recommendation of draft financial statements for approval• The Audit Committee's view on the financial position of the Municipality/Municipal Entity• The appropriateness of the capacity of finance/treasury office. (Refer to the assessment tool provided in Part 4 of this Guide)
Compliance	<ul style="list-style-type: none">• Any areas of non-compliance with relevant legislation and the status of the non-compliance.
Performance Management	<ul style="list-style-type: none">• Audit Committee's findings and recommendations in line with service delivery and budget implementation plan

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General	<ul style="list-style-type: none">• Results of any Audit Committee evaluations that have been conducted.• Details of meetings and the number of meetings attended by each member of the Audit Committee• Progress with any specific investigations delegated to the Audit Committee and their outcomes
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4.2 The Audit Committee and the Municipal Manager/Chief Executive Officer

The Municipal Manager/Chief Executive Officer has a key role in supporting the effectiveness of the Audit Committee, and establishing active support amongst senior management is vital to the success of effective Audit Committees. As an Audit Committee is established to assist the Municipal Manager/Chief Executive Officer to discharge their responsibilities, it is important that the committee through its chairperson has an effective relationship with the Municipal Manager/Chief Executive Officer and key stakeholders. The committee Chairperson should develop a sound working relationship with the Municipal Manager/Chief Executive Officer that builds the respect and confidence that allow for effective communication.

Formal and informal reporting mechanisms should be in place with the Municipal Manager/Chief Executive Officer to facilitate the Audit Committee reporting on the committee's activities, key risk areas, and internal and external audit coverage. Reporting requirements should be summarized in the Audit Committee charter.

The Audit Committee should also prepare formal advice to the Municipal Manager/Chief Executive Officer on:

- the Municipality's/Municipal Entity's internal audit plans;
- the professional standards to be used by internal audit;
- any matter of concern, significant opportunities for improvement or good practices identified in internal and external audit reports;
- the preparation and review of the Municipality's/Municipal Entity's financial statements; and
- any advice the committee has about the Municipal Manager's/Chief Executive Officer's obligations under the MFMA.

For formal accountability purposes it is also expected that the committee would, at least once a year, report to the Municipal Manager/Chief Executive Officer on its operation and activities during the year. The report could include those matters listed below.

The committee's report could be expected to include:

- a summary of the work the committee performed to discharge its responsibilities during the preceding year. For example, its responsibilities for reviewing the financial statements for sign-off by the Municipal Manager/Chief Executive Officer;
- a summary of the committee's assessment of the Municipality's/Municipal Entity's risk and control framework, including the Municipality's/Municipal Entity's business continuity preparedness, disaster recovery, fraud control, information security, and

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details of emerging risks facing the Municipality/Municipal Entity;

- a summary of key issues the committee dealt with during the year, such as significant internal and external audit findings and recommendations, including a summary of the status of audit recommendations, any significant risk incidents and any breaches of legislation by the Municipality/Municipal Entity; and
- details of meetings, including the number of meetings held during the relevant period, and the number of meetings attended by each member.

For many committees the most effective communication with the Municipal Manager/Chief Executive Officer is for the Audit Committee Chairperson to brief the Municipal Manager/Chief Executive Officer following each committee meeting, which may be orally or in writing, however, written brief is recommended to ensure that appropriate evidence and tracking of resolutions is maintained.

In recognition of the legislative requirement to establish an Audit Committee, consideration should be given to reporting the Audit Committee's activities in the Municipality's/Municipal Entity's annual report. This could include membership details, and a summary of the main issues the committee addressed during the year.

The committee should be able to report to the Municipal Manager/Chief Executive Officer on any other matter it considers of sufficient importance to do so. In addition, at any time an individual committee member may request a meeting with the Municipal Manager/Chief Executive Officer.

4.3 The Audit Committee and senior management

To be effective, the Audit Committee must be independent from management and free from any undue influence. Independent Members of the Audit Committee should not have any executive powers, management functions or delegated financial responsibility.

As Audit Committees are generally advisory in nature, the members' understanding of the difference between the responsibilities of the committee and the decision-making functions of management must be clear.

The approach the Audit Committee adopts in its interaction with senior management will have a direct bearing on the effectiveness of the committee. If the committee demonstrates a positive culture of continuous improvement, rather than a punitive culture, the committee is more likely to effectively fulfil its role.

The Municipality/Municipal Entity can contribute to a strong relationship with the Audit Committee by arranging for the external Audit Committee Chairperson to attend selected management meetings as an observer. This would assist the Audit Committee to maintain an up-to-date understanding of the Municipality/Municipal Entity. It can also assist the Chairperson to maintain constructive relationships with senior management. Attendance at such meetings is also an opportunity for the Chairperson to brief senior management on Audit Committee activities.

The Audit Committee can contribute to strong relationships with management by providing executive managers with a brief summary of the issues dealt with at each meeting, including details of actions to be undertaken by management. This simple process can heighten the visibility of the committee and be a practical way to demonstrate that the Municipal Manager/Chief Executive Officer takes the responsibilities of the committee seriously.

It is important that senior managers have a good understanding of the Audit Committee's responsibilities. Municipality/Municipal Entity managers should adopt an open and constructive attitude in their dealings with the committee as a whole and with individual members. They are to be forthcoming in identifying any areas of potential weakness or risk that could be considered in developing the internal audit plan and be constructive when interacting with or addressing issues the Audit Committee or internal and external audit raise.

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The Audit Committee should be alert to opportunities for senior management representatives to attend meetings, to facilitate further discussion on action to implement audit recommendations, or to explain why any recommendation has not been addressed appropriately or in a timely way. Presentations or attendance by senior managers at an Audit Committee can be useful in building trust and effective communication links between the committee and management, particularly where the Municipality/Municipal Entity is managing significant risks and where internal and/or external audit have made significant recommendations. Presentations from senior management should align with the Audit Committee's responsibilities.

Follow-up of audit recommendations

An important responsibility of the Audit Committee is to review actions taken by management to implement internal and external audit recommendations. The action management takes should accord with the responses and timeframes documented in the audit reports that have been agreed by the Municipality/Municipal Entity and reviewed by the Audit Committee. One way the committee can effectively monitor management's implementation of audit recommendations is to have a standing agenda item requiring a listing of outstanding recommendations to be tabled at scheduled meetings. To assist the committee to assess management's performance in implementing audit recommendations, internal audit should maintain an appropriate process for monitoring and reporting on the status of agreed internal or external audit recommendations or agreed recommendations from parliamentary committees or other review bodies. Outstanding recommendations should be prioritized for action by the Audit Committee.

Effective committees will arrange for officers responsible for implementing significant audit recommendations to attend committee meetings to enable the committee to obtain direct feedback on progress in implementing the recommendations.

Where necessary, the Audit Committee should advise the Municipal Manager/Chief Executive Officer on action it considers necessary to address significant issues in internal and external audit reports. This can be done through a written report or summary provided to the Municipal Manager/Chief Executive Officer or through discussions between the Municipal Manager/Chief Executive Officer and the committee Chairperson.

Chief Operating Officer

Chief Operating Officers (COOs) are generally responsible for a broad range of administrative functions that will include matters such as risk management and legislative compliance, that are within the purview of the Municipality's/Municipal Entity's Audit Committee.

In these circumstances, there may be an inherent conflict of interest in the COO being a member of the Audit Committee. It is therefore better practice for the COO not to be a member of the Audit Committee but could be invited as an observer, to provide briefings to the committee on business developments.

Chief Financial Officer

The relationship between the Chief Financial Officer (CFO) and the Audit Committee is an important one in the context of the committee's financial statement and internal control responsibilities. The Audit Committee should put arrangements in place that provide for the CFO to advise the committee in a timely manner of all significant accounting and financial reporting issues that may affect the financial statements and the underlying systems of internal control, and for the committee to seek assurance that any such issues are being addressed in a timely manner. In addition, the Audit Committee can provide the CFO with advice and assistance on matters relating to the preparation of the Municipality's/Municipal Entity's financial statements.

To avoid potential conflicts of interest it is better practice for the CFO to be invited to attend Audit Committee meetings as an observer, rather than as a committee member.

Chief Information Officer

Effective lines of communication are required between the Chief Information Officer (CIO) and the Audit Committee, as information and communications technology are an important part of the Municipality's/Municipal Entity's business operations and will often be an area of risk requiring careful review. Ideally, the CIO will be able to clearly explain specialized information technology system matters to the committee, or a members will possess sufficient expertise to enable the committee to fully understand the CIO's advice and any potential implications.

To avoid a potential conflict of interest, it is better practice for the CIO to be invited to attend Audit Committee meetings as an observer, rather than as a committee member.

Head of Internal Audit

Establishing a sound working relationship with the Head of Internal Audit will assist the Audit Committee to meet its responsibilities, particularly those relating to internal audit that include reviewing internal audit plans and reports, and resourcing of the internal audit function.

It would be expected that the Audit Committee is consulted on the appointment, dismissal and performance review of the Head of Internal Audit.

To avoid a potential conflict of interest it is better practice for the Head of Internal Audit to be invited to attend Audit Committee meetings as a standard invitee, rather than as a committee member.

4.4 The Audit Committee and other committees

The relationship between the Audit Committee and other committees in a Municipality's/Municipal Entity's governance framework is important to enable the committee to effectively meet its responsibilities. For example, if a Municipality/Municipal Entity has a Risk Committee and/or an IT Steering Committee, the Audit Committee should be aware of the responsibilities and meeting outcomes of these committees. Relationships with other committees such as the Disciplinary Board, Risks Management Committee and Municipal Public Accounts Committee (MPAC) should also be considered. This would minimize the chance of the Audit Committee duplicating work done by the risk committee and/or identifying gaps that require attention.

To facilitate the relationship between the Audit Committee and the work of the various management committees within a Municipality/Municipal Entity, it is important that there is a timely and free flow of information between the committees.

Effective Audit Committees will have formal mechanisms to facilitate such an exchange of information. These mechanisms could include:

- periodically obtaining briefings from representatives of other committees; and/or
- having the minutes of each management committee distributed to the other committees as a standing item on each committee's agenda.

4.5 The Audit Committee and internal audit

The relationship between the Audit Committee and internal auditors is central to enabling the committee to meet its responsibilities. As such, the relationship between the Head of Internal Audit and the Committee is an important one. Internal audit is functionally responsible to the Audit Committee and works for the committee through its Head.

Reports by internal audit provide the Audit Committee with a key source of information on the Municipality's/Municipal Entity's performance. Maximizing the value of internal audit requires that open lines of communication be established and maintained between internal audit and the committee.

Strategic and Annual Internal Audit Work Plans

The Audit Committee should review and provide advice to the Municipal Manager/Chief Executive Officer on the adequacy of Strategic and Annual Internal Audit Work Plans.

The nature of the Internal Audit Strategic Audit Plan will be commensurate with the size and complexity of each Municipality/Municipal Entity, as well as the Municipality's/Municipal Entity's risk profile, and the extent of the Municipality's/Municipal Entity's investment in the internal audit function. In developing this plan consideration should be given to the Municipality's/Municipal Entity's goals and objectives, internal and external risks, the work of other review activities or functions, stakeholder expectations and internal audit business objectives and management strategies. There should be sufficient flexibility in the Internal Audit Strategic Audit Plan to accommodate additional audits that the Municipal Manager/Chief Executive Officer may commission from time to time. The Annual Internal Audit Work Plan should be reviewed periodically by the Audit Committee to re-confirm the relevance and priority of audit topics.

Where the internal audit function is outsourced, particular attention should be given to potential conflicts of interest when considering the appointment of a service provider or the proposed Internal Audit Strategic Audit Plan. It is important to fully consider any restrictions placed on the scope of audit coverage, and to help the committee gauge the level of coverage of particular areas over time the committee would consider previous audit activity in the areas identified for audit.

Once approved, the Audit Committee should consider the mechanisms for communicating the approved plan to relevant stakeholders, including the Municipal Manager/Chief Executive Officer and senior management. Municipalities might consider placing the approved Internal Audit Strategic Audit Plan on their intranet to make it available to all stakeholders and staff.

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On an ongoing basis during the year, the Audit Committee would review the internal audit's progress in carrying out the approved work program. This review would take into consideration:

- reasons for any adjustments to the scope of the review, particularly when requested by Municipal Manager/Chief Executive Officer; and
- changes to the timing of assignments and reasons for any delays against the approved timetable.

Internal audit resourcing

An important responsibility of the Audit Committee is to be satisfied that there are sufficiently skilled internal audit resources available to undertake the approved internal audit work program, including providing support for, and input to, the committee. Consideration of internal audit resources would include a periodic review of the model of internal audit the Municipality/Municipal Entity uses, that is, in-house, outsourced or co-sourced, and the range of resources required, to assess whether they are appropriate for the Municipality/Municipal Entity. Considerations would include the Internal Audit Strategic Audit Plan and the audits required to be conducted. If the committee decides that internal audit resources are not adequate, the Chairperson of the Audit Committee should formally raise the committee's concerns with the Municipal Manager/Chief Executive Officer.

Where the internal audit function is outsourced, it would be expected that the committee would provide input to the statement of requirements developed as part of a tender process and provide advice on the appointment of the service provider. In particular, the committee should be alert to any potential conflicts of interest involving possible service providers. Where internal audit is provided in-house, the committee would be expected to contribute to the selection process of the Head of Internal Audit, particularly in determining the qualities expected of the appointee.

Internal audit reports

In addition to regular, informal communication between internal audit and the Audit Committee, the committee should receive regular reports, in an agreed format, from the internal audit on the results of their work. This should include management's response to internal audit recommendations and other suggestions for improvement. Responses from management should be clear and concise and should include:

- whether management agrees or disagrees with the finding and recommendation. If there is disagreement, identify the reasons; and

- identifying the specific position or work area responsible for implementing the recommendation; a brief outline of the action to be taken; and the timeframe for implementation.

Audit Committee members-only session with internal audit

It is better practice to have a private session with internal audit, at a scheduled meeting(s) during the year that provides an opportunity for the committee to raise issues, ask questions and seek feedback from the internal auditor without management present. This supports the recognition of the independent role of internal audit.

Review the performance of Internal Audit

Each year the Audit Committee should review the performance of internal audit. The Audit Committee should also commission a periodic external review of internal audit.

Standard 1312 of the International Standards for the Professional Practice of Internal Auditing requires independent external assessments to be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization.

In evaluating the effectiveness of internal audit, the Audit Committee needs to assess the effectiveness of internal audit against agreed performance criteria, including:

- compliance by internal audit – be it in-house, outsourced, or co-sourced – with its agreed charter or plan/scope and level of performance;
- the overall comprehensiveness of the internal audit plan and its relationship with the strategic objectives of the business;
- delivery of timely internal audit services in accordance with the plan; and
- the competency of internal audit staff and adequacy of resources to achieve the scope as outlined in the plan. This may require outsourcing certain specialists' skills not available in the internal audit function.

The Audit Committee should, on an annual basis, request a review of internal audit performance from various sources including management and the external auditor.

The internal audit activity of the Municipality/Municipal Entity should also report on their level of conformance with the International Standards for the Professional Practice of Internal Auditing, on an annual basis. The report should be a result of the Quality Assurance and Improvement Program developed and maintained by the internal audit activity. In terms of the Institute of Internal Auditors' quality assurance review process the following criteria should be used to indicate the level of conformance with the International Standard for the Professional Practice of Internal Auditing:

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Conformance Rating	Description/Criteria
General Conformance	For individual standards, that the internal audit activity conforms to the requirements of the standard (e.g., 1000, 1010, 2000, 2010, etc.) or elements of the Code of Ethics (both Principles and Rules of Conduct) in all material respects.
Partial Conformance	For individual standards, the internal audit activity is making good faith efforts to conform to the requirements of the standard (e.g., 1000, 1010, 2000, 2010, etc.) or elements of the Code of Ethics (both Principles and Rules of Conduct) but falls short of achieving some major objectives.
Does not Conform	For individual standards, the internal audit activity is not aware of, is not making good faith efforts to conform to, or is failing to achieve many/all of the objectives of the standard (e.g., 1000, 1010, 2000, 2010, etc.) and/or elements of the Code of Ethics (both Principles and Rules of Conduct).

Refer to “Evaluation of the Internal Audit Function” in Part 4 of this manual for further guidance.

4.6 The Audit Committee and external audit

External auditor independence in the public sector does not present the same challenges for an Audit Committee as in the private sector, given the legislative requirements supporting the independence of external audit and the Auditor General.

The external auditors should have a standing invitation to all Audit Committee meetings. To further enhance an effective relationship between the Audit Committee and external audit, there should be a mechanism in place to facilitate an open and frank exchange of information between committee members and external audit throughout the year. Audit Committee members should be in a position to be able to openly discuss matters of interest in a sensitive manner with the external auditors in any areas covered by the Committee's functions.

External audit coverage

The Audit Committee should be briefed on the proposed external audit coverage and fully consider:

- the financial statement areas of audit focus, the assessment of Municipality/Municipal Entity risks, and associated fees (where applicable);
- proposed performance audit coverage;
- any potential overlap with internal audit coverage;
- the impact on internal Municipality/Municipal Entity resources and management effort; and
- the engagement letter as discussed with management.

It is expected that the Audit Committee would review all substantive correspondence from external audit about planned audits, audits in progress, and completed audits, and extend a standing invitation for the external auditor to be present at each committee meeting for all agenda items (with the exception of members-only sessions that the Committee may hold periodically). Being present at each meeting as an observer allows the external auditor to obtain a better understanding of a Municipality's/Municipal Entity's operations and risks and, among other things, enables external audit to provide a status report on audit activity and to provide input for the committee's deliberations.

The Audit Committee should obtain a briefing from external audit on the results of their audit of the financial statements. The committee should also be briefed periodically on the results of any performance audits or assurance reviews undertaken.

Where external audit utilizes the services of a third party service provider, an Audit Committee may wish to consider the steps necessary to gain assurance that there is no conflict of interest with respect to the work undertaken by a third party service provider. In some cases, this could include the Chairperson, or other nominated member, attending presentations by tenderers during the tender process. Audit Committees should also obtain periodic assurance that any new contractual arrangements between the Municipality/Municipal Entity and the third party service provider do not result in conflicts of interest.

Each year, the Audit Committee should review its relationship with external audit and any third party service provider engaged by external audit. The review should include providing feedback on the service provided, and on the effectiveness of communication and reporting between external audit, the committee, internal audit and management.

Audit Committee members-only session with external audit

It should be standard practice for the external auditor to meet alone with the committee members at least once a year.

Having a private session with external audit representatives provides an important opportunity for the committee to raise issues, ask questions and seek feedback from external audit without internal audit or management observers present.

Response to issues raised by the Auditor General

Section 131 of the MFMA requires that a Municipality/Municipal Entity must address any issues raised by the Auditor-General in an audit report in the format of an Audit Action Plan.

The effectiveness of an Audit Action Plan is measured through the successful implementation of timely and appropriate actions, must prevent a recurrence of the audit findings in subsequent audits and translate into an improvement in the audit opinion.

A web-enabled audit action plan system, known as the Financial Management Capability Maturity Model (FMCMM) has been developed to ensure more rigorous engagement between Provincial and National departments and municipalities contributing towards ongoing improvements in audit outcomes. Using this tool will benefit municipalities in the following ways:

- The standardized format ensures that all necessary information is included in the audit action plan.
- An approval process is embedded in the system that incorporates management, the CFO, Internal Audit, Audit Committee, and the Municipal

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Manager/Chief Executive Officer.

- It allows for multiple users to access and work on the audit action plan at the same time.
- It provides for e-mail alerts once sections are completed and supports efforts of National and Provincial Treasuries to provide support, advice, comments and recommendations.
- In-year and ongoing progress in implementation of the audit action plan can therefore be monitored in real time by all users through all stages. The progress tracking is done through the audit action plan Dashboards which track the resolution of the number of audit findings and users are able to extract reports on progress to address identified internal control deficiencies.
- Quality assurance is also ensured as internal audit units are required to confirm that the resolution of the findings was adequate before an action plan status can change to "Complete."
- The need to report separately to different stakeholders is obviated as treasury officials have access to real time information.

The online system gives users the ability to develop an action plan to resolve audit outcomes and track progress towards improvements. The Auditor-General's audit and management reports are the main drivers for the population of the audit action plan, which will follow an approval process involving key stakeholders from the CFO, Internal Auditor, Audit Committee, and Council/Board.

In addition, repeat findings and prior year proposed solutions are identifiable for special attention by stakeholders to expedite interventions when and where needed, both at the planned action phase, as well as at the implementation phase.

The system also stores past audit action plans, and this accumulation of knowledge would enable users to trace actions taken in previous years, and follow-up on corrective actions relating to prior year findings which have failed to adequately address and resolve the finding. In so doing, the system will assist in the identification of root causes of repeat findings so that appropriate actions may be introduced that will effectively resolve these findings.

The reporting functionality of the system supports improved decision making by working collaboratively with managers so that they actively report real time information and evidence where recommendations have been addressed and this will help reduce the amount of time and effort needed to follow-up. The filter mechanism allows a selection of reported information to be extracted such that only relevant information is included in reports destined for use by the various oversight structures, such as Council/Board, MPAC and Audit Committees.

Dashboards provide high level overviews of trends and progress in implementing the audit action plan.

The web-enabled audit action plan links to priorities to improve audit outcomes, encompasses all areas of the Municipality/Municipal Entity and municipal entity that have specific responsibilities in resolving audit findings, will inform training and capacitation plans, and strengthen the role of the Internal Audit and Audit Committee when performing assurance checks.

5. Conduct of the Audit Committee

The operation of an Audit Committee will be enhanced by having an effective Chairperson; the committee being supported with appropriate secretariat arrangements; meetings being well planned and conducted efficiently; committee members having appropriate access to Municipality/Municipal Entity staff and information; and actual and potential conflicts of interest being effectively managed.

Efficiencies can also be achieved in some circumstances if small Municipalities are able to meet their legal obligations by utilizing the members and support services of larger Audit Committees.

In managing Audit Committee activities, it is important for Municipalities to meet all relevant legislative and policy requirements, particularly in relation to the appointment of external members.

5.1 The role of the Chairperson in the conduct of the Audit Committee

The Chairperson plays a pivotal role in the effective functioning of any committee, with particular responsibilities to set the tone and direction of the committee's deliberations.

The Chairperson is the most important appointee. The Chairperson needs to have expertise and experience in governance and to bring personal qualities and independence to the role that will openly and effectively involve all those the Audit Committee needs to work with.

Audit Committee Chairperson responsibilities:

The Audit Committee Chairperson's responsibilities will generally be to:

- recommend to the Municipal Manager/Chief Executive Officer, the appointment of Audit Committee members, without undue influencing;
- assist committee members to maintain a good understanding of the Municipality's/Municipal Entity's objectives, business needs, risks and priorities;
- settle the agenda for each meeting with the committee secretariat;
- lead discussion and encourage the participation of other members, and focus the committee's deliberations on the most important issues;
- seek the input of observers or other experts to maximize their contribution to the deliberations of the committee;
- summarize discussion outcomes and actions, including assigning responsibility and timeframes for actions;
- report formally and informally to the Municipal Manager/Chief Executive Officer and the Council/Board;
- attend formal and informal meetings with senior management, the Chief Financial Officer, the Chief Information Officer, the Head of Internal Audit and external audit as required; and
- arrange for a periodic review of the effectiveness of the Audit Committee against its charter.

To be effective, it is important that the Audit Committee operates in an environment of co-operation and trust. This is generally achieved when the Audit Committee Chairperson promotes an open and cooperative relationship with senior management, other Municipality/Municipal Entity committees, and the internal and external auditor.

5.2 Committee secretariat

It is important that the Audit Committee is appropriately supported by effective secretariat arrangements. It is expected that the secretariat works closely with the Chairperson to assist in ensuring that:

- all committee papers are of an appropriate standard and are available to committee members sufficiently in advance of meetings to allow members appropriate timeframes for review and consideration;
- minutes are maintained of committee meetings; and
- members are kept abreast of key developments in the Municipality/Municipal Entity.

Secretariat responsibilities would generally include:

- liaising with the committee Chairperson to prepare meeting agendas;
- coordinating the preparation and circulation of committee papers within agreed timeframes;
- preparing minutes of committee meetings, including action points arising from meetings and details of actions to be undertaken by management;
- facilitating the approval of minutes of previous meetings;
- supporting the Chairperson in the preparation of Audit Committee reports to the Municipal Manager/Chief Executive Officer;
- maintaining a record of when members' terms of appointment are due for renewal or termination;
- ensuring that new members receive appropriate induction training, and that all members are supported in identifying and participating in ongoing training;
- recording of the attendance of members of the Audit Committee;
- highlighting matter arising from previous meetings; and
- managing expenditures relating to the Audit Committee's operations.

The secretariat also has an important role in assisting the Audit Committee to maintain communication channels between the internal and external auditors and to assist the committee in keeping the Municipal Manager/Chief Executive Officer informed of the Audit Committee's activities.

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The secretariat can also assist the Audit Committee by providing members with progress reports from internal and external audit, as outlined below:

- A progress report from the Head of Internal Audit summarizing:
 - work performed (and a comparison with work planned);
 - key issues emerging from internal audit work;
 - significant changes to the organization's Risk Register;
 - management responses to audit recommendations; and
 - any resourcing issues affecting the delivery of internal audit.
- A report from external audit summarizing work done—financial statements, performance audits, cross-agency audits, better practice guides—and emerging findings.

5.3 Audit Committee planning

The preparation of a forward meeting schedule that includes the dates, location, and agenda items for each meeting, and covers all the committee's responsibilities as outlined in the committee's charter can assist the meeting in undertaking these responsibilities in a structured and timely manner. This can also be referred to as the Audit Committee Work Plan.

Some committees see benefit in arranging a separate planning meeting at which the work of the committee for the next 12 months can be discussed, priorities identified through discussions with relevant Municipality/Municipal Entity managers, and any changes to the committee's functions and responsibilities identified.

5.4 Audit Committee meetings

Number and timing of meetings

Audit Committee meetings are generally spread across the year with one meeting timed to match the Municipality's/Municipal Entity's financial statements timetable. While the number of meetings and their duration will vary depending on the range and complexity of the committee's responsibilities, it would be expected the committee would meet at least four times a year, together with a special meeting to consider the Municipality's/Municipal Entity's financial statements. Committees are increasingly seeing this meeting schedule as a minimum requirement in an environment where Municipal Managers/Chief Executive Officers are seeking a greater level of assurance and advice from Audit Committees, combined with the increasing complexity of Municipality/Municipal Entity responsibilities. Committees should carefully consider whether they have scheduled sufficient meetings to ensure they are able to fully discharge their responsibilities. For example, where significant issues arise during the year in relation to high-risk programs or activities for which the committee has review responsibilities, committees should consider the benefits of scheduling additional meetings.

The Audit Committee charter should require the Chairperson of the committee to hold a meeting if asked to do so by the Municipal Manager/Chief Executive Officer, and for the Chairperson to decide if a meeting is required if requested by another member. It may at times be appropriate to deal with issues out-of-session to keep committee meetings focused.

Attendance at meetings

It is expected that internal and external auditor representatives will be invited to participate in all agenda items at each committee meeting as observers. The committee may also ask management representatives to attend committee meetings for particular agenda items.

As the Municipal Manager/Chief Executive Officer would not be expected to be on the committee, they may be invited to attend committee meetings to participate in specific discussions or provide strategic briefings. Some committees provide the Municipal Manager/Chief Executive Officer with a standing invitation to attend committee meetings.

As committee members should be appointed for their particular skills and experience, it is generally accepted that members are not permitted to send proxies if they are unable to attend meetings. However, arrangements may be required to address circumstances where management representatives on the committee are absent for lengthy periods or act in positions that would generally exclude them from membership.

Quorum

A quorum should consist of a majority of committee members. In committees which have more than one external member, particularly in MFMA entities, it is better practice for a quorum to include at least one external member. If a quorum is not present at a meeting, the meeting may proceed with the understanding that it is subject to ratification by the ensuing Audit Committee meeting, which would require a proper quorum.

Meeting agenda

Audit Committee meetings should be well structured and managed. The efficient running of each meeting can be assisted by:

- the Audit Committee Chairperson approving the agenda;
- the agenda ensuring important and/or contentious matters being discussed ahead of more routine business;
- the meeting starting and finishing on time;
- members agreeing the priority to be devoted to each agenda item at the commencement of each meeting;
- each member being able to be briefed before each meeting by the secretariat on the major issues to be discussed; and
- meeting papers being prepared and presented in an agreed form.

Some committees find it beneficial to set time aside before each meeting for the Audit Committee members to discuss the agenda and any issues they wish to discuss in more depth with management. This 'committee-only' time also allows Audit Committee members to discuss issues with other members before management representatives and other observers join the meeting.

As discussed previously, it is important that the Chairperson and other committee members interact with senior managers outside committee meetings so that a Municipality/Municipal Entity can benefit from advice and insights that committee members can provide, and to assist committee members in keeping abreast of business developments.

Minutes of Audit Committee meetings

Minutes of Audit Committee meetings should be clear and concise, providing a summary of the outcomes and actions with clear responsibilities and timeframes attached. Draft minutes should be distributed to the Chairperson within one week of the meeting for clearance, and to committee members within two weeks of the meeting. In addition to the minutes, it is good practice for the Audit Committee to provide the Municipal Manager/Chief Executive Officer with a brief summary of the issues dealt with at each meeting including details of actions to be undertaken by management.

5.5 Managing conflicts of interest

To strengthen the Audit Committee's actual and perceived independence, the committee should develop protocols for dealing with actual or perceived conflicts of interest.

These protocols could include the following arrangements:

- Each year, members of the Audit Committee declare potential, perceived or real conflicts of interest they may have in relation to their role, and be required to update them regularly during the financial year. External members should consider past employment, consultancy arrangements and related party issues; and
- At the beginning of each Audit Committee meeting, members should raise any conflict of interest issues and, where required, the member should be excused from the meeting for the relevant agenda item(s).

Where members or observers at Audit Committee meetings are deemed to have a real or perceived conflict of interest it may be appropriate that they are excused from committee deliberations on the issue where a conflict of interest exists. Details of potential or actual conflicts of interest declared by members and action taken should be appropriately minuted. During online meetings it is preferable that the affected member leave the online meeting and not simply be muted.

These protocols should help reinforce the importance of committees identifying and managing, where necessary, actual and potential conflicts of interest.

5.6 Access to staff and information

The Audit Committee charter should provide the committee and individual members, where agreed by the Chairperson, with the authority to access Municipality/Municipal Entity staff and information held by the Municipality/Municipal Entity that is relevant to the committee's responsibilities. In exercising this authority, the committee and individual members should at all times be alert to the risk of interfering in the executive authority of management. In practice, the requirement to separately access staff and information would be expected to be on an exceptional basis.

To enhance the committee's independence and its capacity to obtain a full appreciation of relevant issues, the Audit Committee charter would also be expected to authorize the committee to seek independent professional advice, as and when required.

5.7 Audit Committee arrangements in small Municipalities

A number of Municipalities required to establish an Audit Committee are very small in terms of population density. There can be practical difficulties associated with such entities establishing a viable and effective Audit Committee. There may be merit in these entities exploring ways of entering into contractual or other cooperative arrangements with other Municipalities within their portfolio to meet, in a cost-effective way, their legislative obligation to establish an Audit Committee. This could be done, for example, by sharing members and support services with another committee.

In circumstances where a committee acts as an Audit Committee for more than one Municipality/Municipal Entity, it is important that each committee has its own charter and membership and separate minutes be kept for each committee and provided to the Municipal Manager of each Municipality/Municipal Entity. The committee should also consider if any issues regarding potential conflicts of interest arise as a result of sharing information among entities.

5.8 Contractual arrangements and remuneration

When accepting an appointment to serve on an Audit Committee, external members should ensure that the contractual arrangements established clearly outline their role and the terms and conditions of their appointment. This should include any requirements relating to hours to be worked, indemnity insurance, signing of conflict of interest declarations, remuneration and any specific requirements, so members fully understand their obligations.

Audit Committee Members' Remuneration

The members of the Audit Committee shall be remunerated for time spent in attendance of Audit Committee meetings. The Municipality/Municipal Entity may utilize the rates provided by the National Treasury, from time to time. Should the Municipal Manager/Chief Executive Officer deem it necessary, he or she can, in consultation with the Council/Board, determine other remuneration, provided that the charter properly defines time and cost.

External committee members should be remunerated at a level that reflects the time it takes to effectively meet their responsibilities. Allowance should be made for the particular skills and expertise the member will bring to the committee, and the time required for meeting preparation and attendance at meetings and interaction with management outside committee meetings. Recognition should also be made for the additional responsibilities of the Chairperson.

Remuneration will only be applicable to officials employed outside the public service. No remuneration for participating in Audit Committees will be payable to officials employed at national, provincial and local government and any organ of state.

The rates for remuneration of external Audit Committee members, as determined by the South African Institute of Chartered Accountants in consultation with the Auditor General are published as follows:

	Per Day	Per Hour
Chairperson	RX	RX
Member	RX	RX

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The reimbursement of all members for travel expenditure must be determined in accordance with the approved Council/Board policy or the rate per kilometer as published and updated by the National Department of Transport.

The Municipal Manager/Chief Executive Officer, in consultation with the Chief Financial Officer, is required to approve the reimbursement of all travel expenditure for members of the Audit Committee based on the above mentioned or make alternative arrangements to pay for modes of travel to such meetings, in terms of Council/Board policy.

The Chairperson and members of the Audit Committee, including members who are employed in the public service, will be required to complete all particulars of their respective travel to and from the venue of the Audit Committee meetings.

In the event that an official from one Municipality/Municipal Entity is requested to serve as a member of an Audit Committee of another Municipality/Municipal Entity, such senior official must first obtain written consent from the Municipal Manager before accepting such nominations. The remuneration discussion early will apply.

Insurance arrangements

When considering the issue of external members' professional indemnity insurance cover, Municipalities would be expected to take into account the generally advisory nature of the committee and any risks to the Municipality/Municipal Entity of relying on the advice or actions of an individual member, as distinct from the committee as a whole.

In this regard, it would be important to recognize that the advice provided to a Municipality/Municipal Entity and the exercise of certain functions such as the signing of committee minutes and the provision of a report to the Municipal Manager/Chief Executive Officer is in a person's capacity as a member of the Audit Committee, rather than as an individual.

6. AUDIT COMMITTEE PERFORMANCE

A structured and formal evaluation of an Audit Committee's performance can help ensure the committee delivers on its charter and can help the committee continuously enhance its contribution to the Municipal Manager/Chief Executive Officer. The evaluation may be a self-assessment, with input from key stakeholders, or involve facilitation or review by an external party. Self-assessment is generally considered to be a sufficient method of evaluation for governance committees. The 360-degree performance assessment tool is a popular method to obtain feedback on performance from all directions. It can assist to enhance performance, improve relationships and foster accountability.

6.1 Audit Committee performance assessment

The performance assessment process should involve an assessment of the committee as a whole and may extend to an assessment of the performance of individual members.

An effective committee will complete an assessment annually to evaluate its performance against its charter and involve input from:

- The Municipal Manager/Chief Executive Officer on the quality and timeliness of assurance and advice provided by the committee;
- individual committee members on the effectiveness of the committee in meeting its responsibilities including planning, the decision-making process, and the relationship and quality of communication with stakeholders;
- key stakeholders, for example, senior management, the Chief Financial Officer, the Chief Information Officer, external audit and National / Provincial Treasury, on the effectiveness of the committee's stakeholder management;
- other committees that the Audit Committee interacts with;
- the Auditor General; and
- Provincial Treasury.

The results of the assessment should be provided to the Municipal Manager/Chief Executive Officer, who should consider the findings and any recommendations of the assessment and, if required, ensure appropriate action is taken to enhance the committee's performance.

Assessment of an Audit Committee member's performance

In an MFMA entity, consideration of an executive member's performance on an Audit Committee will, in practice, be undertaken as part of his/or her overall performance assessment.

It would be expected that the Chairperson of the Audit Committee would undertake a performance assessment of external members where an extension of the member's tenure is being considered, taking into consideration whether the member has:

- a good understanding of the Municipality's/Municipal Entity's business;
- a good understanding of, and commitment to, the committee's responsibilities;
- displayed the ability to act objectively and independently and made a constructive contribution to the work of the committee; and

- displayed a willingness to devote the time required to prepare for, and participate in, committee meetings.

Acting on Audit Committee Member Non-performance

The Chairperson of the Audit Committee should evaluate the performance of individual committee members and the Council/Board should evaluate the performance of the Chairperson. Input from management of the Municipality/Municipal Entity, Internal and External Auditors could also form part of the assessment process.

Audit committee members may be dismissed by the Municipal Council/Board under certain circumstances (e.g. where an on-going conflict of interest exists, where a member has not performed to expectations etc.).

The official dismissal processes of the Municipality/Municipal Entity should be adhered to by the Accounting Officer and Municipal Council/Board when an Audit Committee member is being dismissed. The dismissal of a member should be performed by the Municipal Council/Board and the outcome of the dismissal process should be in writing.

The dismissal should be supported by a well-documented non-performance of the committee member against clear and agreed-upon performance criteria. Criteria to be considered would include:

- Expertise and know-how;
- Inquiry attitude, objectivity and independence;
- Judgement;
- Knowledge of local government and its objectives;
- Understanding of and commitment to the committee's duties and responsibilities;
- Devotion of time in order to participate effectively in the committee;
- Timely responses;
- Attendance of meetings.

Reports containing information regarding the performance and / or non-performance of an Audit Committee or Audit Committee members must be submitted to National and Provincial Treasury who may express a view or make further recommendations to assist with the effective functioning of the Audit Committee.

PART 4

7. Tools, Guidelines and Templates

7.1 Audit Committee Legal Status

An Audit Committee (and each of its members) should act only within the scope of the committee's specified functions and responsibilities and in accordance with any instruments of appointment, authorization and delegation.

Audit Committee members are expected to exercise their powers and perform their functions with due care, skill and diligence and act in good faith in the best interests of the Municipality/Municipal Entity and for a proper purpose.

Audit Committee members are personally liable for any breach of their duties in respect of actions taken by them and may be held liable for a breach of their duties or legal obligations, and for contraventions of the general law. However, an Audit Committee member's potential liability, in respect of their committee duties, will generally be no greater than that:

- to which they would be subject in respect of their general duties within that Municipality/Municipal Entity (for a member that already holds another executive or non-executive position within the same Municipality/Municipal Entity); or
- to which they would be subject in the course of providing such services on a normal contractual basis (for an external committee member).

MFMA entity Audit Committee legislative and policy requirements:

(Please take note that changes to the legislation may occur. Audit Committees, Councils and Accounting Officers must regularly identify changes to the MFMA and address the potential impact of these changes on the functioning of the Audit Committee.)

Legislation	Requirements of the MFMA
MFMA Act 56 of 2003 Chapter 14 General Treasury Matters	<p>Section 166</p> <p>(1) Each Municipality and each municipal entity must have an Audit Committee.</p> <p>(2) An Audit Committee is an independent advisory body which must -</p> <ul style="list-style-type: none"> (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the Municipality, or the board of directors, the accounting officer and the management staff of the municipal entity on matters relating to- <ul style="list-style-type: none"> (i) internal financial control and internal audits; (ii) risk management; (iii) accounting policies; (iv) the adequacy, reliability and accuracy of financial reporting and information (v) performance management; (vi) effective governance; (vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; (viii) performance evaluation; and (ix) any other issues referred to it by the Municipality or municipal entity; (b) review the annual financial statements to provide the council of the Municipality or, in the case of a municipal entity, the council of the parent Municipality and the board of directors of the entity, with an authoritative and credible view of the financial position of the Municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;

- (c) respond to the council on any issues raised by the Auditor-General in the audit report;
- (d) carry out such investigations into the financial affairs of the Municipality or municipal entity as the council of the Municipality, or in the case of a municipal entity, the council of the parent Municipality or the board of directors of the entity, may request; and
- (e) perform such other functions as may be prescribed.

(3) In performing its functions, an Audit Committee –

- (a) has access to the financial records and other relevant information of the Municipality or municipal entity; and
- (b) must liaise with -
 - (i) the internal audit unit of the Municipality; and
 - (ii) the person designated by the Auditor-General to audit the financial statements of the Municipality or municipal entity.

(4) An **Audit Committee** audit must -

- (a) consist of at least three persons with appropriate experience. of whom the majority may not be in the employ of the Municipality or municipal entity, as the case may be and
- (b) meet as often as is required to perform its functions, but at least four times a year.

(5) The members of an **Audit Committee** must be appointed by the council of the Municipality or, in the case of a municipal entity, by the council of the parent Municipality. One of the members who is not in the employ of the Municipality or municipal entity, must be appointed as the Chairperson of the committee. No councilor may be a member of an **Audit Committee**.

(6) A single **Audit Committee** may be established for –

- (a) a district Municipality and the local municipalities within that district Municipality; and
- (b) a Municipality and municipal entities under its sole control.

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<p>MFMA Act 56 of 2003 Chapter 12 Financial Reporting and Auditing</p>	<p>Section 121</p> <p>(1) Every Municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The councilor of a Municipality must within nine months after the end of a financial year deal with the annual report of the Municipality and of any municipal entity under the Municipality's sole or shared control in accordance with section 129.</p> <p>(2) The purpose of the annual report is –</p> <ul style="list-style-type: none"> (a) To provide a record of the activities of the Municipality or municipal entity during the financial year to which the report relates; (b) To provide a report on performance against the budget of the Municipality or municipal entity for that financial year; and (c) To promote accountability to the local community for the decisions made throughout the year by the Municipality or municipal entity. <p>(3) The annual report of the Municipality must include –</p> <ul style="list-style-type: none"> (j) any recommendations from the Municipality's Audit Committee <p>(4) The annual report of a municipal entity must include –</p> <ul style="list-style-type: none"> (g) any recommendations of the Audit Committee of the entity of its parent Municipality;
<p>MFMA Act 56 of 2003 Chapter 14 General Treasury Matters</p>	<p>Section 165 – Internal audit unit</p> <p>(1) Each Municipality and each municipal entity must have an internal audit unit, subject to subsection (3).</p> <p>(2) The internal audit unit of a Municipality or municipal entity must –</p> <ul style="list-style-type: none"> (a) Prepare a risk-based audit plan and an internal audit program for each financial year; (b) Advise the accounting officer and report to the Audit Committee on the implementation of the internal audit plan and matters relating to – <ul style="list-style-type: none"> (i) Internal audit; (ii) Internal controls; (iii) Accounting procedures and practices; (iv) Risk and risk management; (v) Performance management; (vi) Loss control; and (vii) Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;

Table 2: MFMA entity Audit Committee legislative and policy requirements

7.2 Example of Assurance Map for Audit Committee

Entity business risks (taken from an entity's risk management plan)	Source and level of assurance provided					Overall assessment of level of assurance	Is level of assurance adequate?
	Work area	Work area	Management committees	Internal audit	Other assurance activities		Yes/No
Failure to recruit, develop and retain sufficient skilled staff to sustain core service delivery at required levels.	low	moderate	(Human Resource Management) moderate	low	-	moderate	Yes
Failure to assess, monitor and appropriately manage key organizational requirements including resource and budget management in a changing business environment.	low	low	(Executive Board) moderate	moderate	(External review) low	moderate	Yes
Failure to adequately manage the entity's complex contractual arrangements	low	moderate	(Executive Board) moderate	Low	-	moderate	No
Ineffective and/or inappropriate management of information.	low	low	(Information Management) moderate	moderate	-	moderate	Yes
Diminished stakeholder confidence, loss of confidence by the minister or government.	moderate	low	(Executive Board) moderate	low	-	moderate	No
Failure to comply with legislative requirements.	moderate	low	(Executive Board) moderate	moderate	(Certificate of Compliance) high	high	Yes
Ineffective financial management	moderate	moderate	(Finance) moderate	moderate	(Audit Committee) High	high	Yes
Failure to work with or manage implementation partners.	moderate	low	(Executive Board) low	low	-	low	No
Unable to sustain efficient business processes and develop desired delivery solutions to meet business needs.	low	moderate	(Executive Board) moderate	low	-	moderate	No
The level of entity assurance and advice provided on the entity business risks —high, moderate, low. The level of assurance provided will depend on the extent to which the controls in place and other arrangements address the business risk.							

Table 3: Example of Assurance Map for Audit Committee

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7.3 Checklists and Templates

Part 4 of the Guide consists of: a number of checklists relating to particular areas of responsibility of Audit Committees; a checklist to assist in guiding discussions with the Municipal Manager/Chief Executive Officer; a template forward meeting schedule and self-assessment questionnaire.

Completed checklists should be retained in the Audit Committee's records to evidence the committee's deliberations.

Templates

The templates provided, as part of this guide, are generic in nature and the Audit Committee, through the Chairperson of the Audit Committee, and the Municipal Manager/Chief Executive Officer, should use these templates as guides for developing their own Audit Committee governing documents.

The following templates, checklists and guidelines are contained as annexures to this guide:

Templates

DOCUMENT NAME	DOCUMENT NUMBER
Audit Committee Terms of Reference/Charter - MFMA	PSAUC1
Audit Committee Work Plan	PSAUC2
Audit Committee Induction Pack	PSAUC3
Internal Audit Charter Template	PSAUC4
Audit Committee Self-Assessment Template	PSAUC5
Audit Committee Competency Framework	PSAUC6
Internal Audit Effectiveness Assessment	PSAUC7
Audit Committee Assessment of the Finance Function	PSAUC8

8. Supporting and Guiding Documentation

The list of documents indicated below will assist the Audit Committee in its effective functioning and will contribute to the achievement of the Audit Committee's roles and responsibilities.

DOCUMENT NAME	DOCUMENT NUMBER
Audit Committee Terms of Reference/Charter - MFMA	PSAUC1
Audit Committee Work Plan	PSAUC2
Audit Committee Induction Pack	PSAUC3
Internal Audit Charter Template	PSAUC4
Audit Committee Self-Assessment Template	PSAUC5
Audit Committee Competency Framework	PSAUC6
Internal Audit Effectiveness Assessment	PSAUC7
Audit Committee Assessment of the Finance Function	PSAUC8

END OF GUIDE

All comments to be provided via email to mfma@treasury.gov.za



Municipal Budget Circular for the 2024/25 MTREF

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Introduction

This budget circular is a follow-up to MFMA Circular No. 126 that was issued on 07 December 2023. It aims to provide further guidance to municipalities with the preparation of their 2024/25 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 2024 Budget Review and the 2024 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 are not covered in this circular.

1. The South African economy and inflation targets

Over the next three years, South Africa's economy is forecast to grow at an average of 1.6 per cent, a moderate improvement on the 1.4 per cent average expected at the time of the 2023 MTBPS. The outlook is supported by an expected recovery in household spending as inflation declines, and an increase in energy-related fixed investments.

Power cuts and operational problems in freight rail and ports continue to disrupt economic activity and limit the country's export potential. Comprehensive reforms are underway in these sectors, although it will take time to see recovery in growth. Household consumption is under pressure from high living costs, and investment remains low due to weak confidence and challenging business conditions linked to structural constraints.

South Africa has experienced over a decade of weak economic growth, GDP has averaged only 0.8 per cent annually since 2012, entrenching high levels of unemployment and poverty. To turn the tide and raise economic growth sustainably, government is prioritising energy and logistics reforms, along with measures to arrest the decline in state capacity. Successful efforts to improve the fiscal position, complete structural reforms and bolster the capacity of the state will, in combination, reduce borrowing costs, raise confidence, increase investment and employment, and accelerate economic growth.

The National Treasury estimates real economic growth of 0.6 per cent in 2023. This is a decrease from growth of 0.8 per cent projected in the 2023 MTBPS due to weaker than expected outcomes in the third quarter of 2023, resulting in downward revisions to household spending growth and spending on gross fixed investment. GDP growth is projected to average 1.6 per cent from 2024 to 2026 as the frequency of power cuts declines, lower inflation supports household consumption, and employment and credit extensions recover gradually. New energy projects will improve fixed investments and business sentiment.

To accelerate GDP growth after an extended period of weak economic performance, South Africa needs large-scale private investment. Government is working to improve the fiscal position, complete structural reforms and bolster the capacity of the state to reduce borrowing costs, raise confidence, increase investment, and put the economy on a higher job creating growth path.

The following macro-economic forecasts must be considered when preparing the 2024/25 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2022 – 2027

Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Forecast		
CPI Inflation	6.9%	6.0%	4.9%	4.6%	4.6%

Source: 2024 budget review.

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.

Headline inflation is projected to moderate from 6 per cent in 2023 to 4.9 per cent in 2024 and 4.6 per cent in 2025 and 2026 as food and fuel inflation continue to decline. In 2023 food inflation slowed less than expected due to power cuts and rand depreciation, keeping imported food costs high. An avian influenza outbreak also increased the costs for poultry and eggs. These factors are expected to dissipate over the medium term.

The current economic challenges in the country place pressure on households' ability to pay municipal accounts, therefore municipal own revenue generation gets affected.

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.

Fiscal strategy to contain debt (fiscal consolidation) through reduction of budgets and reprioritisation

The 2024 budget balances development and sustainable public finances. In the context of persistent low economic growth, government will protect critical services, support economic growth through reforms and public investment and stabilise public debt. Although South Africa continues to confront difficult economic conditions, a moderate recovery is forecast in the economic outlook. Broad reforms are underway in energy, freight, water and telecommunications. Yet it will take time to reverse the consequences of operational, maintenance and government failures at state owned companies responsible for electricity, rail and ports. Rapid growth in debt- service costs choke the economy and the public finances. Government is staying the course to narrow the budget deficit and stabilise debt. This year, for the first time since 2008/09, government will achieve a primary budget surplus. Debt will stabilise in 2025/26.

The balances approach to fiscal consolidation includes expenditure restraint and moderate revenue increases, while continuing to support the social wage and ensuring additional funding for critical services. Government will after extensive consultation propose a binding fiscal anchor for future sustainability. In the interim, the debt stabilisation primary surplus will anchor fiscal policy.

The consolidated budget includes the main budget framework and spending by provinces, social security funds, public entities including municipalities finances from their own revenue sources. Government remains committed to fiscal consolidation that balances the needs of the most vulnerable in society and protects the public finances for future generations.

2. Key focus areas for the 2024/25 budget process

2.1. Local government conditional grants and unconditional grants allocations

Net reductions of R80.6 billion to main budget non-interest expenditure are identified across the three spheres of government over the MTEF in comparison to the 2023 budget estimates. Among these 2024 MTEF fiscal consolidation reductions, local government has the smallest contribution. Over the 2024 MTEF, the local government equitable share and direct conditional grants will be reduced by a total of R15.5 billion, made up of R9.6 billion in the local government equitable share and R5.9 billion in direct conditional grants. Despite reduction, local government equitable share growth remains high with transfers to local government significantly increasing by 5.2 per cent annually, driven mainly by the strong growth of local government equitable share by 6.1 per cent. National revenue share increases by 2.6 per cent annually, while transfers to provinces grow by 3.8 per cent annually, with the equitable share growing faster than conditional grants. There were no proposed reductions on the sharing of the general fuel levy to the metropolitan municipalities.

Notable changes to the conditional grants system

Given the ongoing review of the conditional grants system, very minimal changes were proposed to local government conditional grants. The proposed changes indicate a continued focus on enabling municipalities to improve service delivery to communities.

New conditional grant for smart prepaid meters

A new indirect grant, which will be managed by the National Treasury will be introduced in 2024/25. This grant will present an important opportunity for municipalities in the debt relief programme. While debt relief is a critical component of supporting struggling municipalities, it is important to also provide the municipalities with the tools and the necessary funding to improve their operations and long-term sustainability.

This new indirect conditional grant for smart prepaid meters is a meaningful step towards providing municipalities with the financial support they need to better manage their utilities, by ensuring timely and accurate billing; reducing losses; and enhancing operational sustainability. Municipalities will be able to manage their utility services and provide to water and electricity services effectively and efficiently. The grant will initially focus on providing debt relief for Eskom and will be implemented targeting specific municipalities in its initial years.

Improving regulatory levers and reforms

By enhancing the usage of regulatory frameworks in the conditional grants system, the government is taking steps to ensure that municipalities prioritise critical projects and utilise resources effectively. The use of results from the Department of Water and Sanitation's Watch Reports in the prioritisation of water and sanitation projects funded from general-purpose grants such as the integrated urban development grant (IUDG), and municipal infrastructure grant (MIG), will improve the quality and impact of these projects. Further, requiring municipalities to use the results of green drop, blue drop and no drop assessments in planning and prioritising projects will drive greater accountability and transparency in the use of grant funds, promoting sustainable and effective service delivery.

2.2. Post 2023 MTBPS changes

A number of reductions that were proposed in the 2023 MTBPS have been reversed but revised downwards, and several further cuts and other reprioritisations effected to make funds available for other government priorities. These include:

Reductions reversed: Previous reductions proposed on the sharing of the general fuel levy to the metropolitan municipalities, the rural roads asset management systems and the water services infrastructure grants have been reversed.

Reductions revised downwards: The previous reduction of R218 million to the integrated national electrification programme municipal grant is revised to R204 million; the previous reduction of R49 million to the municipal disaster response grant is revised to R35 million; and the previous reduction of R48 million to the municipal systems improvement grant is revised to R27 million.

Further reductions: To make funds available for other government priorities, reductions have been made to some municipal conditional grants over the 2024 MTEF period. These include an additional reduction of R3.5 billion to the integrated national electrification programme Eskom grant; an additional reduction of R73 million to the integrated urban development grant; an additional reduction of R14 million to the energy efficiency and demand-side management grant; an additional reduction of R4 million to the public transport network grant; an additional reduction of R127 million to the direct component of the regional bulk infrastructure grant; and an additional reduction of R852 million to the indirect component of the regional bulk infrastructure grant.

Reprioritisations: Reprioritisations over the MTEF period include the following: R58.3 million from the direct component of the municipal infrastructure grant is converted to the indirect component of the grant; R587 million from the direct component of the regional bulk infrastructure grant is converted to the indirect component; R91 million from the integrated urban development grant and R1.4 billion from the municipal infrastructure grant are shifted to the municipal disaster recovery grant to fund the repair and reconstruction of municipal infrastructure damaged by the floods that occurred between February and March 2023; R400 million from the first two years of the MTEF period are shifted to the outer year in the public transport network grant; R2 billion is reprioritised from the integrated national electrification programme municipal grant to fund the baseline for the new smart meters grant; and R432 million is reprioritised from the integrated national electrification programme Eskom grant to fund other priorities in the energy sector.

2.3. Review of the local government fiscal framework

Government's five-year programme of action to improve local governance, as endorsed by the Budget Forum, includes efforts to improve the funding model for local government. The National Treasury is reviewing a draft report for regulating municipal surcharges on electricity and identifying alternative sources of revenue to replace these. The next step will be consultation with external stakeholders.

The local government equitable share formula is being updated in various ways, including improving its responsiveness to the different functions assigned to district and local municipalities. In addition, the formula will be refined with reforms such as exploring the feasibility of introducing a cost differential model, community services components for health services and firefighting functions, objective criteria for benchmarking municipalities in relation to their administrative functions. The Department of Cooperative Governance, the National Treasury, the South African Local Government Association, the Financial and Fiscal Commission and statistics South Africa are identifying areas for refinement over the 2024 MTEF period.

2.4. Update on the review of the conditional grants

The South African government initiated a review of the existing grant system amid concerns of its effectiveness, including underspending on infrastructure grants and fragmentation in

the provincial and municipal grant systems. The review involved stakeholder consultations and literature reviews of conditional grant programmes to gain insights and make evidence-based recommendations for reform.

In April and May 2024, multiple consultation platforms will be set up to share the preliminary findings with the multi-stakeholder team. While some changes resulting from the review were reflected in the 2024 Budget, further proposed reforms are likely to be considered in the 2025 budget process and implemented gradually in a phased manner.

2.5. Funding for Local Economic Development (LED) Programmes

National Treasury is mindful of the essential role played by municipalities in driving economic development and job creation to mitigate inequality and attract private investment. In addition to the infrastructure grants, municipalities also receive about 66 per cent of their allocations in unconditional grants, which can be utilised to fund operational parts of the LED initiatives. However, it is important to note that economic development does not rely solely on a single funding pot, but on various forms of government programmes and grants. This includes support and initiatives from the Department of Trade, Industry and competition funded by provinces through their equitable share.

Whilst there is a call for creation of conditional grant, it is worth noting that the creation of a dedicated grant for LED initiatives comes with its challenges. In the past, when such grants were introduced, government institutions reprioritised funds that were initially funding the LED programmes, leading to over-reliance on conditional grants. This dependence undermines the purpose and sustainability of these programmes, as their funding is primarily dependent on the availability of funds from the fiscus and the performance of the economy. Therefore, there is a need to align conditional grants with economic development areas while also ensuring their integration with other government spheres to support the developmental mandate effectively.

In addition, it is also crucial for municipalities to provide essential services such as electricity, water, and sanitation efficiently. The efficient provision of these services is crucial for attracting private investment, fostering economic growth, and promoting a conducive environment for businesses to thrive. Therefore, National Treasury urges municipalities to prioritise the provision of these services to enhance economic development and improve the quality of life for their residents.

2.6. Reforms to improve the efficiency and financial sustainability of metro's trading services

Due to years of neglect and inadequate infrastructure maintenance, South Africa's municipalities face severe utility services issues, including in water, wastewater, and electricity. A loss of essential management and technical skills has also contributed to the decline in service quality and reliability. Metro water services alone suffer from an investment gap of R9 billion per year. These inefficiencies threaten economic growth and job creation and increases poverty. Government transferred substantial monetary allocations to local government in the successive Budgets to support water services, but the outcome and value for money of these transfers is low. To address this, an incentive grant system is being explored for 2025/26 to increase investments, change management and governance structures, promote professional management, and ensure transparency, starting with metros.

These reforms are commencing in the 2024/25 municipal financial year with the conditions being introduced in the Urban Settlement Development Grant (USDG). Thereafter, the reform will be extended to other revenue-generating trading services.

2024/25 USDG Financing Component for Trading Services

Municipalities must submit the following to the transferring officer and the National Treasury to qualify for making an application for the financing component:

- A council approved turnaround strategy to the Department of Human Settlement (DHS) and the National Treasury by 31 July 2024;
- A roadmap on the institutional reforms for improved management and governance to be submitted to DHS and National Treasury by 30 September 2024; and
- A business and investment plan that is consistent with the services development plan by 30 September 2024.

In support of these conditions, National Treasury will issue a guidance note by 1 April 2024, on requirements for turnaround strategies, institutional reforms and business plans for the financing component on trading services.

2025/26 onwards Improving the efficiency of urban utility services

Beyond 2024/25, the intention is to extend the reform agenda beyond water services to other revenue-generating trading services, including electricity and solid waste management. The Explanatory Memorandum, **Annexure W1**, to the 2024 Division of Revenue Bill provides the following direction on future work on municipal fiscal frameworks linked to trading/ utility services.

The grant reforms will aim to:

- Increase the level of investments in utility services (water, wastewater, electricity and solid waste) by leveraging grant finance with loan finance, linked to improved operational and financial performance of services providers;
- Catalyse changes in the structure, management, and governance of utility services businesses to support improvements in operational, technical and financial performance;
- Promote professional management with a single point of management accountability for utility services in cities, suitable managerial autonomy and the technical skills necessary to manage an effective service; and
- Promote and ensure full financial transparency, including by making the financial relationship between municipalities and the utility services explicit.

2.7. Criteria for the release of the Equitable Share:

- The criteria for the release of the equitable share were covered in Circulars No. 122 remains relevant and are still applicable for the release of equitable share instalments in the 2024/25 financial year.
- Failure to comply with the 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.

3. Revenue Management

3.1. Update on Municipal Debt Relief (MFMA Circular No. 124)

Accounting Guidance

Municipalities whose Municipal Debt Relief applications were approved must fully account for and correctly report on the write-off of their Eskom arrear debt and related benefits. Municipalities should note the guidance in this regard provided in *MFMA Circular No. 124: Supplementary Guide on the accounting- and mSCOA reporting requirements* that can be accessed on the MFMA website at the following link: <http://mfma.treasury.gov.za/Circulars/Pages/default.aspx>.

It is recommended that all municipalities familiarise themselves with the guidance as far as it relates to correctly budgeting- and accounting for free basic services as well as raising and paying their bulk accounts.

Debt relief reporting requirements

Municipalities approved for debt Relief (in terms of their National Treasury approvals), must ensure that their MFMA s.71 statements, over-and-above the normal MFMA s.71 requirements, include the following as a minimum:

- The municipality's self-assessment in the format of the compliance certificate issued in MFMA Circular No. 124: Annexure A2 (signed by the Municipal Manager) – municipalities should use the latest format of the compliance certificate issued during February 2024 available under MFMA Circular No. 124 and included as **Annexure B** to this circular;
- The municipality's progress towards restricting free basic services to the national policy limits (condition 6.6) and in the format included as **Annexure C** to this circular;
- The municipality's progress towards achieving a minimum average quarterly collection of 80 per cent (condition 6.7) and in the format included as **Annexure D** to this circular;
- If the municipality's 2023/24 and/ or 2024/25 MTREF is not funded, the MFMA Section 71 statement must monthly include the municipality's progress against its approved Budget Funding Plan – if the municipality has an approved the Financial Recovery Plan (FRP), the monthly FRP progress report must include the municipality's progress against the components of the FRP aimed to achieve a funded budget and revenue enhancement initiatives;
- The high-level summary of its monthly property rates reconciliation (in the National Treasury template format already shared with the municipality during the application process); and
- The municipality's progress in addressing any variances evident from its monthly property rates reconciliation; etc.

3.2. Smart Meter Grant

With regard to the smart meter grant referred under 2.1 above, the National Treasury has targeted MFMA Circular No. 124 debt relief applicants for the initial implementation of this grant.

The potential beneficiaries of the smart meter grant will be invited by National Treasury and a compulsory template will be circulated for completion by municipalities. This invitation will be sent out before 15 March 2024. Furthermore, the grant conditions require a council resolution endorsing the application.

A completed template with supporting documentation and council resolution must be submitted to revenuemanagement@treasury.gov.za and sadesh.ramjathan@treasury.gov.za before 30 April 2024.

The applications will be evaluated before 31 May 2024 and allocations will be completed determined the commencement of the municipal budget year.

3.3. Transversal tender RT-29

The National Treasury is finalising the RT-29 transversal tender for a smart metering solution, and the appointed panel is available to all municipalities from March 2024. The transversal tender is targeting smart meter solutions for the water and electricity functions, STS meters compliance and load reduction systems. It will also enable municipalities to implement bi-directional smart metering systems. Municipalities are once again cautioned not to contract any smart metering systems or solutions without considering the RT-29 transversal tender which provides a competitive pricing comparison and cost saving on procurement. Municipalities wishing to participate in the RT-29 transversal must make their interest known to the Office of the Chief Procurement Officer (OCPO) on the email TCcontract1@treasury.gov.za. These municipalities must show evidence of a budget allocation in the current budget as well as future budgets for participation.

4. Conditional Grant Transfers to Municipalities

4.1. Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2023 (Act No.5 of 2023) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2023 (Act No. 24 of 2023), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2023/24 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 2023 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 2023 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 the service provider was appointed for delivery of the project before 29 March 2024; or
 - b) Proof of project tender and tender submissions published and closed before 31 March 2024 or with the appointment of contractor or service provider for delivery of service before 30 June 2024 in cases where additional funding was allocated during the course of the financial year of the project;
 - c) Incorporation of the Appropriation Statement; and
 - 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 reflecting 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 2024, 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 2023 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 2024;
3. Accurate disclosure of grant performance in the 2023/24 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 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 2023/24 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 2024 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 2023/24 allocation to the municipality. In cases where 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 2023/24 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 carefully considered;
3. Funding for projects procured through Regulation 32 and 37 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 March 2024. All invoices issued to the municipality before 31 March 2024 should be paid within the same year against the allocated conditional grants. i.e invoices must be paid within 30 days.

4.2. Unspent conditional grant funds for 2023/24

The process to ensure the return of unspent conditional grants for the 2023/24 financial year will be managed in accordance with Section 21 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their June 2024 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 2024. 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 21(2) of the 2023 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 2024.

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 22 October 2024;
- Step 5: National Treasury will communicate the unspent conditional grants amount by 12 November 2024. 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 18 November 2024; and
- Step 6: Any unspent conditional grant funds that should have but has not been repaid to the National Revenue Fund by 18 November 2024, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 04 December 2024 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.

5. Funding choices and management issues

Given the current economic crisis the country faces, 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. Municipalities are advised to consider all the advice

provided in MFMA Circular No 126, 123 and other previous circulars under this topic to ensure the adoption of surplus and funded budgets.

5.1. Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to consider their financial sustainability when considering salary increases. It has been observed over the previous years that salary increases were above inflation and this has posed challenges to most municipalities' sustainability. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

Therefore, municipalities are urged to consider projecting salary and wage increases that would reflect their affordability given the current economic challenges. The 2022 State of Local Government Finance Report revealed that 157 municipalities 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.

5.2. 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 consider the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councilor(s) concerned.

5.3 Governance, performance, and investment matters

South Africa has reached a stage where all of government including municipalities need to play a pivotal role in igniting the economy of the country. There is a need for a concerted effort to put initiatives that will attract the investments which will stimulate the economy. The investments take place in the local government and municipalities in particular as the custodian of the spatial planning and enabling infrastructure.

Critical infrastructure such as water, sanitation and electricity to stimulate the economy is owned, maintained and developed by the municipalities. In the last 30 years, there has been investment in ensuring that access to basic services – water, electricity and refuse - is improved markedly.

However, there has been little to no investment on bulk infrastructure such as water treatment works, wastewater treatment works and electrical substations which are the backdrop for enabling investment in municipalities.

Of concern is that budget for operation and maintenance have been negligible. If the trends continue without arresting the decline, the municipalities will in all likelihood not experience

growth. This will reduce the prospect for economic growth leading to high unemployment and less economic activities in general.

As such, the municipalities need to take the responsibility to create initiatives which will attract more investment. Key initiatives to improve this are investing in bulk and connector infrastructure as well as strengthening good governance.

The budget allocation to address infrastructure requirements are not sufficient. As such, the municipalities should improve governance and the overall financial health which will allow for the financier to be attracted to borrow municipalities to finance enabling infrastructure.

Urban management and in particular cleaning of the environment is critical for ensuring that municipal area is attractive. Thus, ability to attract investment should also include clearly defined initiatives that ensure the city is continuously clean. This will retain existing investors and also enable the municipalities to attract new investors who wishes to locate in the municipal area.

A firm's decision to invest is influenced by factors such as infrastructure and land availability, the institutional and regulatory environment, skills availability and innovation levels and the availability of enterprise support and finance. Municipalities have key roles that influence a decision to invest and expand in a particular space. Poorly performing spaces – such as industrial parks, CBDs, logistics hubs, townships – discourage investment and encourage disinvestment. Poorly performing economic assets, such as roads, ports, rail, communications, do the same. Many of the reasons for poor performing spaces and assets lie within the ambit of the public sector, but not all within the local sphere. In some instances, municipalities are directly responsible for what needs to be done, in other areas the municipality needs to mediate inter-governmental solutions.

To turnaround these spaces and unlock their economic potential the immediate focus must be on getting the basics right first –

- Ensure reliable and sustainable service delivery – water, sanitation, stormwater, roads, lighting and waste management;
- Ensure effective land governance – urgently resolve inter-governmental issues that inhibit performance;
- Undertake bulk infrastructure repair and maintenance;
- Address business and community safety issues;
- Operationalise and manage public open spaces and assets; and
- Manage the spaces – at minimum put in place municipal transversal teams responsible for ensuring the basics are in place.

The quality and transparency of municipal governance has a direct impact on economic performance. Dysfunctional municipalities discourage new investment and result in job loss. Ensuring the effective management of municipal businesses through evidenced-based decision making and sound financial management is essential to attract and retain firms. Improving the efficiency and transparency of municipal business processes that impact on the private sector – such as registering property, getting electricity connections, construction permits, obtaining wayleaves, getting a water connection, and issuing an informal trader permit – goes a long way to building business confidence and municipal credibility.

5.4 Environmental Pollution

The deteriorating quality of water resources in urban and rural areas due to pollution, failing infrastructure such as wastewater treatment and the lack of enforcement of by-laws, legislation and urban management, exacerbates water scarcity, and increases costs of providing potable water.

Municipalities are urged to anticipate the imminent approval of the water pricing strategy, which introduces a waste discharge charge. This penalty underscores the need for municipalities to ensure that they comply with and enforce all legislation and by-laws governing urban and environmental management. This requires municipalities to prioritise effective and efficient service delivery, including sufficient investment in asset maintenance, expansion and renewal for solid waste management, wastewater treatment, as well as by-law enforcement to mitigate the continuous pollution of streams and rivers.

Collaboration among municipalities, sector departments, NGOs, citizens, and the private sector are essential for mobilising resources to prevent further deterioration and restoration of water resources. Such efforts need to only prevent pollution at source but also safeguard water quality for future generations, making the strategic investment in water resources a cornerstone of sustainability, economic growth and healthy environments.

6. Municipal Standard Chart of Accounts (*mSCOA*)

6.1. Go Live on Version 6.8 of the Chart

mSCOA version 6.8 will go live on 20 March 2024, whereafter municipalities will be able to upload their tabled budget (TABB) and tabled project files (PRTA) data strings for the 2024/25 MTREF on the GoMuni portal.

After going live on version 6.8 of the chart, all the reports available on the LGDRS will be aligned to *mSCOA* chart version 6.8. This includes the format of the Section 71 report for Q3 and Q4 of 2023/24.

The Municipal Budget and Reporting Regulations (MBRR) Schedules (A to F) and non-financial data string (A1S) was also aligned to version 6.8 of the chart. A **protected** version of the MBRR Schedules for version 6.8 of the chart and A1S is available on the on the MFMA Webpage on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

The reports on the Local Government and Reporting System (LGDRS) are populated from financial and non-financial data strings. Municipalities must use the linkages on GoMuni referred to above and not the formulas in the regulated Municipal Budget and Reporting (MBRR) Schedules when generating their A schedule from the financial system.

In terms of the *mSCOA* Regulations, municipalities must generate the regulated MBRR schedules that is tabled and adopted by Council directly from their financial ERP systems and not import or captured it on the system at a later stage. This is necessary to ensure that there is 'one version of the truth', namely the data in the financial ERP system is the same as the report tabled and adopted by Council and the information submitted to the National Treasury and other stakeholders.

6.2. *mSCOA* data strings credibility

Municipalities must verify the credibility and accuracy of the tabled budget (TABB) and project file (PRTA) data strings **prior and post** to uploading it to the National Treasury Local Government Database and Reporting System (LGDRS). These data strings will be the sole source used by National and Provincial Treasuries to analyse and determine if the municipality's budget is funded and the credibility is therefore of utmost importance.

Registered users from municipalities, provincial treasuries and National Treasury have full access to their data on the LGDRS and can draw the information to verify the accuracy of the figures for their respective municipalities or province (in the case of provincial treasuries). The LGDRS reports can be accessed by registered users on the following link:

https://lg.treasury.gov.za/ibi_apps/signin

From 2025/26, the National Treasury will open the access to all reports available on the LGDRS to the public. Municipalities should make a concerted effort to resolve their *mSCOA* data strings credibility issues as soon as possible to avoid facing the consequences of financial misconduct in terms of Section 171(1)(d) of the MFMA.

The LGDRS also provides information on municipal budgets and performance to the public through the Municipal Money portal. The information on the Municipal Money portal is sourced from the Consolidated Section 71 Reports published quarterly by the National Treasury. The Municipal Money portal is part of South Africa's Open Government Partnership (OGP) 5th National Action Plan to improve transparency and public participation in government processes and a link to the Municipal Money portal is available on the OGP website (76 countries and 104 municipalities are members).

6.3. Regulating the minimum business processes and system specifications for *mSCOA*

The National Treasury commenced with the work to regulate the minimum business processes and system specifications for *mSCOA* towards the end of 2025/26. The following working groups will be established to ensure that relevant stakeholders are consulted during the review processes:

- a. **Corporate governance** including internal and external audit, oversight committees, performance management, IT system requirements and management, municipal websites, document management, reporting mechanisms;
- b. **Municipal budgeting, planning and financial modelling** including IDP, Budgets Management, Revenue, Human Resources (HR) /Payroll, Assets;
- c. **Financial accounting** including general ledger, accounts receivables and payables, financial reporting, AFS reporting, insurance management, consolidation reporting;
- d. **Costing and reporting** including cost planning and cost management and reporting;
- e. **Project accounting** including project creation and planning, project management and reporting, contract management;
- f. **Treasury and cash management** including cash management and reporting, grant management and reporting, investment management and reserves, borrowings management, provisions and contingent liabilities;
- g. **Supply chain management** including supply chain management and inventory;
- h. **Full asset life cycle management** including maintenance management and asset management;
- i. **Real estate management** including property register and rental management and general processes;
- j. **Human resource and payroll management** including human resources, time management, payroll management and reporting;
- k. **Revenue management**, customer care, credit control and debt collection including revenue management and billing, credit control, customer management, debt collection, indigent management;
- l. **Valuation roll management**; and
- m. **Land use building control** including land use and building control.

Municipalities are urged to ensure that the officials that participate in the working groups have the technical knowledge and experience to participate meaningfully in these forums. Integrated Consultative Forums will also be held quarterly to keep **all** stakeholders informed and provide them with an opportunity to provide inputs on the business processes and system specification that will be regulated. A dedicated email address will be created for comment and inputs relating to the review processes underpinning these Regulations.

7. Submitting documents to the GoMuni Upload Portal

7.1. Submissions to the National Treasury

Municipalities are reminded to submit documents and queries to the correct portals/ mailboxes. These portals/ mailboxes are:

- https://lg.treasury.gov.za/ibi_apps/welcome (GoMuni Upload Portal) – All documents required in terms of legislation by approved registered users, including: • mSCOA Data Strings; • Budget-related, in-year and year-end documents and schedules (A, B and C); and • Revenue and MFRS Documents (as per MFMA Circular No. 126);
- lgdataqueries@treasury.gov.za – Database related and submission queries; and
- lgdocuments@treasury.gov.za – Only Provincial Treasuries may send contact details to lgdocuments@treasury.gov.za.

Any document/ queries that are submitted to the incorrect portal/ mailbox will not be processed and the submission status report will continue to reflect the documents as outstanding.

7.2. Updating of contact details on GoMuni

From 1 April 2024, municipalities (registered users) will be able to make changes/ additions to their own contact details directly on the LGDRS. To municipalities and their respective provincial treasury must select and update the relevant details on GoMuni under Database/Contacts/Reporting/Contact information on the following link:

https://lg.treasury.gov.za/ibi_apps/signin

Municipalities must ensure that their contact details on GoMuni are updated as soon as changes occur.

7.3. Submission of additional reports

From 14 March 2024, municipalities whose debt relief applications were approved will be required to submit reports to the GoMuni Upload portal as indicated in MFMA Circular No 124 dated 31 March 2024. The list of the required debt relief reports is attached as **Annexure A**.

7.4. Procurement spend reporting

In order for government to fulfil its social responsibility to channel procurement spending towards certain designated groups and to unlock economies of scale in government procurement expenditure, a single standardised view needs to be created into the

procurement spend information across all spheres of government on a transactional level for spend and trend analysis purposes.

The OCPO designed and built a Data Warehouse that serves as common repository for procurement related data with the necessary capabilities to produce standardised information in a dashboard format via various Business Intelligence tools. Currently procurement spend data of all National and Provincial departments from 2017 to date is hosted and analysed in the Data Warehouse.

From 1 March 2024, municipalities must on monthly basis report all goods and services related payments at a transactional level monthly. Towards this end, municipalities must complete and submit the template attached as **Annexure E** and submit it to the GoMuni Upload portal under the folder Documents/ Other. These reports are due by the 15th of the month that follows the reporting month. The first report is therefore due on 15 April 2024. This information is only required for municipalities and not for municipal entities.

A Data Upload Tool is also available that allows municipalities to capture their spending data manually or extract the relevant information from the municipality's payment system automatically. Information captured on the Data Upload Tool will be submitted directly into the OCPOs Data Warehouse once the various online input validations to ensure the accuracy and completeness of the data has been passed. To access the tool, an email request must be sent to ocpodatarequest@treasury.gov.za to obtain a User ID and Password that is institution specific. Training on the use of the OCPO Data Upload Tool as well as technical integration information will be provided after the institution has received a User ID and Password.

The submission status of the OCPO Spend Report will be included on the status report of document submissions available on the LGDRS. Municipalities that opt to use the Data Upload Tool instead of submitting the excel template to GoMuni must submit a 'not applicable form' to the GoMuni Upload portal for their non-submission is not classified as outstanding.

8. The Municipal Budget and Reporting Regulations

8.1 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or **Schedule A**, 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 Buffalo City	Matjatji Mashoeshoe Pitso Zwane Mandla Gilimani	012-315 5553 012-315 5171 012-315 5807	Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za Mandla.Gilimani@treasury.gov.za
Free State	Sifiso Mabaso Cethekile Moshane	012-315 5952 012-315 5079	Sifiso.mabaso@treasury.gov.za Cethekile.moshane@treasury.gov.za
Gauteng City of Tshwane and City of Johannesburg City of Ekurhuleni	Matjatji Mashoeshoe Pitso Zwane Oreal Tshidino Willem Voigt Makgabo Mabotja Enock Ndlovu Kgomotso Baloyi Lunathi Dumani	012-315 5553 012-315 5171 012-315 5830 012-315 5156 012-315 5385 012-315 5866	Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za Oreal.Tshidino@Treasury.gov.za WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za Enock.Ndlovu@treasury.gov.za Kgomotso.Baloyi@treasury.gov.za Lunathi.dumani@treasury.gov.za
KwaZulu-Natal Msunduzi eThekweni uMhlathuze	Kgomotso Baloyi Lunathi Dumani Sifiso Mabaso Kevin Bell	012-315 5866 012-315 5866 012-315 5952 012-315 5725	Kgomotso.Baloyi@treasury.gov.za Lunathi.dumani@treasury.gov.za Sifiso.mabaso@treasury.gov.za Kevin.bell@treasury.gov.za
Limpopo	Sifiso Mabaso Jabulile Ngwenya	012-315 5952	Sifiso.Mabaso@treasury.gov.za Jabulile.ngwenya@treasury.gov.za
Mpumalanga	Mandla Gilimani Sibusisiwe Mchani	012-315 5807 012-315 5539	Mandla.Gilimani@treasury.gov.za Sibusisiwe.Mchani@treasury.gov.za
Northern Cape	Mandla Gilimani Sibusisiwe Mchani	012-315 5807 012-315 5539	Mandla.Gilimani@treasury.gov.za Sibusisiwe.Mchani@treasury.gov.za
North West	Willem Voigt Makgabo Mabotja	012-315 5830 012-315 5156	WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za
Western Cape Cape Town George	Willem Voigt Enock Ndlovu Kgomotso Baloyi Mandla Gilimani	012-315 5830 012-315 5385 012-315 5866 012-315 5807	WillemCordes.Voigt@treasury.gov.za Enock.Ndlovu@treasury.gov.za Kgomotso.Baloyi@treasury.gov.za Mandla.Gilimani@treasury.gov.za
Technical issues on GoMuni Website	Data management		lgdataqueries@treasury.gov.za
Local government Conditional Grants	Conditional Grants team	012-315 5183	Sello.mashaba@treasury.gov.za Unathi.lekonyana@treasury.gov.za Pretty.mavhungu@treasury.gov.za Marvin.ngobeni@treasury.gov.za Akanyang.modise@treasury.gov.za

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JH Hattingh

Chief Director: Local Government Budget Analysis

08 March 2024

ANNEXURE A – LIST OF REQUIRED REPORTS TO BE SUBMITTED TO NATIONAL TREASURY FOR DEBT RELIEF PROGRAMME (TEMPLATE)

ANNEXURE B – MUNICIPAL CERTIFICATE OF COMPLIANCE FOR DEBT RELIEF PROGRAMME (TEMPLATE)

ANNEXURE C – MUNICIPAL DEBT RELIEF – MONTHLY REPORTING – INDIGENT HOUSEHOLDS INFORMATION (TEMPLATE)

ANNEXURE D – MUNICIPAL DEBT RELIEF – MONTHLY REVENUE COLLECTION REPORTING (TEMPLATE)

ANNEXURE D – PROCUREMENT SPENT REPORTING (TEMPLATE)